

**Supporting Statement for Request of Information Collection Approval
of the Low Income Home Energy Assistance Program (LIHEAP) Plan
Revised June 23, 2014**

A. Justification

1. Circumstances Making the Collection of Information Necessary

The Low Income Home Energy Assistance Program (LIHEAP) block grant (42 U.S.C. 8621) was established under Title XXVI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35. The Office of Community Services (OCS) within the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF) administers LIHEAP at the federal level.

Section 2605(c)(1) of the Omnibus Budget Reconciliation Act of 1981, as amended, (LIHEAP statute) provides that “as part of the annual application required..., the chief executive officer of each state shall prepare and furnish to the Secretary, *in such format as the Secretary may require*, a plan” which addresses several statutorily required data elements (emphasis added). [see also Section 2604(d)(4) regarding the Plan requirement for tribes]. Section 2605(c)(3) of the LIHEAP statute requires the Secretary to make available each fiscal year a model plan for use in the next fiscal year. The regulations require that states and territories (45 C.F.R. § 96.10(c)(2)) and tribes/tribal organizations (45 C.F.R. § 96.42(e)) that wish to administer a Low Income Home Energy Assistance Program (LIHEAP) must submit an application for funds each year **by September 1**. Indian tribes and tribal organizations must submit their LIHEAP Plans by the required deadline, unless the State(s) in which the tribe or organization is located agrees in writing to a specific later submission date.

In addition to the Plan, each grantee also submits a Program Integrity Assessment Supplement (PIAS), as part of their application. The proposed new model plan will combine the content of these two forms into one form, eliminating duplicative questions and streamlining the submission process. The proposed new format of the Plan is also a departure from the previously approved version. In general:

1. The new model plan will become an electronic form, to be submitted through the On-Line Data Collection System (OLDC), which is already being used by all LIHEAP grantees to submit other required ACF form(s);
2. The new Plan will also provide grantees the option to respond to many questions by selecting one or more check-box responses, rather than providing a free-form text response. Grantees will still have the ability to enter free form text if none of the provided options are applicable;
3. This new re-formatting will reduce the time grantees will spend on completing the form. It will also provide ACF with the ability to collect and analyze consistent data across all grantees in a streamlined manner; and
4. This will improve the information provided by ACF in the annual LIHEAP Report to Congress and other related reports to the HHS and the Office of Management and Budget.

The purpose of this Supporting Statement is to request authorization for the revised LIHEAP Plan as a requirement for all LIHEAP Grantees to submit in order to qualify for federal funds.

2. Purpose and Use of the Information Collection

ACF is seeking authorization to provide LIHEAP grantees with a revised Plan to ensure that data are reported as consistently and accurately as possible by all grantees. OCS will now require that the new version of the Plan be used by all grantees. Grantees will no longer have the option of submitting their annual application by mail or other methods. This is consistent with reporting requirements of other ACF forms, such as the SF-425 Federal Financial Report which is required of all LIHEAP grantees.

Additionally, grantees will no longer have the option to submit an abbreviated model plan. All entries from each grantee's first submission of the Plan in OLDC will be saved and re-populated into the form for the following fiscal year's applications. Thus, after the first year, grantees will only need to make updates to the prior year's entries.

3. Use of Information Technology and Burden Reduction

LIHEAP Plans (applications) will be collected by OCS using the ACF On-Line Data Collection System (OLDC), which is a web-based reporting tool. Grantees are already trained and familiar with this web-based tool as it is the same tool LIHEAP grantees have been using to report the annual SF-425 Federal Financial Report. ACF intends to have OLDC become the central reporting tool for all LIHEAP forms which will create administrative ease for both federal staff and grantee staff in accessing prior data as well as tracking the submission, review, and approval of submitted forms by both parties. This tool significantly reduces the possibility of lost and incomplete documents, as it has validated checks programmed to minimize incomplete submission of data. This tool also significantly increases the transparency of the submission and review process.

In early June, ACF completed user testing of the new Plan in OLDC with a group of fewer than ten LIHEAP grantees. As a result of the user testing, ACF has made some minor IT adjustments to how the Plan functions in OLDC, and has identified some systems training issues to present to LIHEAP grantees via webinar this July. The Plan is ready to be made fully available in OLDC to LIHEAP grantees (respondents) by July 1, 2014 (pending OMB clearance).

The OLDC System Contingency Plan relies on replicating transactional data in real time to a standby database in an alternate location in addition to a standard backup of the database that is stored through the Iron Mountain service. The Contingency Plan specifies a warm swap and brings the OLDC back on line within one day by using the standby database or a tape recovered from Iron Mountain. The ACF Office of Information Services is responsible for operations, backups and recovery and tests the database recovery on an annual basis. A copy of the OLDC application is maintained on a standby server and once the database is recovered and the application connects to the database, operations can be restored. In the event of a systems failure, another alternative would also be for LIHEAP grantees to email, fax, or mail their

LIHEAP Plan to ACF. The form was originally developed in MS Word and can be sent electronically to grantees. Additionally, ACF is authorized to grant extensions beyond September 1st for grantees to submit their LIHEAP Plan late, if needed, such as due to a systems failure.

ACF developed and is implementing a Training and Technical Assistance (T&TA) Strategy for helping LIHEAP grantees be aware of the Plan changes and understand the new requirements. Between April 8 and June 20, 2014, ACF staff presented on the proposed LIHEAP Plan changes and that its submission will be through OLDC. These presentations were part of four regional grantee training meetings that ACF held on LIHEAP. The two-day meetings were held in New York City, Seattle, Phoenix, and Kansas City, MO. All but two of the state LIHEAP grantees participated, in addition to all of the territories, the District of Columbia, and more than half of the tribal grantees. Additionally, ACF staff provided a webinar in late May about the SF-424 requirement that is part of the Plan. ACF will also hold a webinar on the new Plan and how to complete it in OLDC in July. ACF records its LIHEAP webinars and posts them to an ACF sponsored web site that has a secure area for grantee training materials. ACF staff will also provide one-on-one technical assistance to grantees on the Plan and OLDC as needed or requested.

4. Efforts to Identify Duplication and Use of Similar Information

The proposed new model plan will combine the content of these two forms into one form, eliminating duplicative questions and streamlining the submission process. There is no similar source of information used which can be modified for the purpose of collecting required state plan information for the Low Income Home Energy Assistance Program from one year to the next.

5. Impact on Small Businesses or Other Small Entities

There is no impact on small businesses or other small entities.

6. Consequences of Collecting the Information Less Frequently

The information requirements are an annual activity which is required by law for the receipt of Federal block grant funds. [42 U.S.C. § 8624(c)]. Under the LIHEAP statute, ACF must make a model plan available to grantees. It provides grantees an optional management tool that may alleviate the burden of preparing additional information to complete plans. This model encompasses the content of the information statutorily required for a complete plan. Without this information collection, we would not be able to issue grants to States, Tribes, and Territories which in turn would be unable to provide assistance to low-income households to help with their home utility services. LIHEAP is typically administered as a seasonal program with peak need being in the winter months to provide assistance with home heating bills; therefore, the collection of this data prior to the winter ensures that ACF can timely provide grant funding for the assistance to be available as soon as possible after the appropriation is made available by Congress.

7. Special Circumstances Relating to the Guidelines of 5 CFR 1320.5

No special circumstances apply to this data collection.

8. Comments in Response to the *Federal Register* Notice and Efforts to Consult Outside the Agency

A 60-day notice was published in volume 79 of the *Federal Register* on pages 4346 -4347 (2 pages) on January 27, 2014 (see Attachment 2, 79 FR 4346). OCS received one comment in response to this notice of the proposed new information collection from the New York State Office of Temporary and Disability Assistance (OTDA). They are concerned about the level of detail that states would be required to provide each year and the potential to limit flexibility in designing and implementing their LIHEAP program. In particular, New York raised the following issues:

Comment	ACF Response
The new format does not provide an opportunity for states to provide additional information or to clarify their responses in regards to some questions in the Model Plan, specifically regarding Question 2.1 and 1.1. A possible resolution is adding a “comment/additional information” field after each question set.	For Questions 2.1, 3.1, 4.1, and 5.1, ACF has revised the form to allow grantees to access pull-down menus to select household size in order to list more than one eligibility threshold. Additionally, a general note has been added at the beginning of the questions letting grantees know they can attach a supplemental statement clarifying their responses to any of the questions in the plan.
As states are required to submit their LIHEAP plans well in advance of their final federal allocation season, it is important to include a section in the Model Plan that allows them to explain their intent should additional federal funds becomes available/unavailable prior to or during the heating and/or cooling season.	This concern is addressed by emphasizing that grantees can attach an additional narrative statement, if they wish.
States should be addressing whether LIHEAP funds are used to enhance participation and benefits for Supplemental Nutrition Assistance Program (SNAP) recipients in section 2.6 instead of section 1.7. New York’s benefit matrix includes three levels of low flat payments (\$21, \$30, \$35) for those households whose heat is included in the rent, amounts which NY does not consider “nominal.”	Due to recent changes in the Farm Bill regarding the connection between SNAP and LIHEAP benefits, ACF has added a direct question regarding SNAP households in question 1.7. ACF believes this data is necessary to accurately assess how states are implementing their programs in light of the Farm Bill changes and recent executive agency guidance. Question 2.6 does not distinguish SNAP households from other households. One minor change was made to Question 1.7 to delete the word “minimal” from the line about

<p>It should be enough for states to describe their fair hearing procedures for individuals whose claims for assistance under Assurance 13 are denied or are not acted upon with reasonable promptness. States should not have to report the number of fair hearings held or the number of decisions overturned.</p>	<p>“Amount of Assistance”.</p> <p>In conducting monitoring reviews of grantees, it has come to the attention of ACF, that some states are not properly setting statewide policies, monitoring or providing the fair hearing process at a neutral level. ACF added two questions to address the extent to which states are involved with the fair hearing process. Questions 12.1 and 12.2 have been revised to reflect that they are asking about state level fair hearings and state level decisions overturning local agency determinations.</p>
<p>It is not necessary to meet the requirements of Assurance 12 for states to provide a summary of the comments received at the hearing or to describe the changes made to the state’s LIHEAP plan in response to comments received. It should be sufficient to just explain what opportunities for public comment were offered.</p>	<p>ACF added these questions to Section 11 because it found that the responses in prior years’ plans regarding public participation and public hearings to be minimal and not very useful. The responses have not addressed the intent of the public comment, i.e., the effect such comment did or did not have on the plan prior to submission to ACF. ACF has revised question 11.5 to add an instruction indicating that grantees can attach the hearing minutes/transcript in lieu of writing a summary, if they wish.</p>

9. Explanation of Any Payment or Gift to Respondents.

No payments or gifts of any kind will be provided to respondents.

10. Assurance of Confidentiality Provided to Respondents

There is no assurance of confidentiality that is applicable to this information collection.

11. Justification for Sensitive Questions

No sensitive questions are asked in this data collection.

12. Estimates of Annualized Hours Burden

If all current grantees choose to apply for funds, there will be approximately 210 respondents (one information collection of all directly funded LIHEAP grantees). The burden will be much higher in the first year as it will involve responding to all questions—including the Program Integrity Assessment questions which are now merged into the Plan document as opposed to

being a separate attachment.

The burden in all subsequent years will be far less than the initial burden—and our previously approved burden estimate. The reason for the significant burden reduction is that we have eliminated the distinction between a detailed and an abbreviated plan, as previously approved. Instead, we have built the full plan into our web-based system (OLDC). The system will pre-populate the data from the prior year into the next year's plan. Grantees will merely need to update the pre-populated data from year-to-year if they make changes to their program.

The current OMB inventory for this collection is 336 hours. OMB approval for the current information collection expires on April 30, 2014, approval number 0970-0075.

The breakdown in burden hours is as follows:

ANNUAL BURDEN ESTIMATES

INSTRUMENT	NUMBER OF RESPONDENTS	NUMBER OF RESPONSES PER RESPONDENT	AVERAGE BURDEN HOURS PER RESPONSE	TOTAL BURDEN HOURS
PLAN (first year- FY 2015)	210	1	4	840
PLAN (future years)	210	1	1	210

Estimated Total Annual Burden Hours: First year of collection: 840
 Remaining years of collection: 210

In the first year of the information collection clearance, we estimate that it will take four hours to complete. As the Model Plan is available electronically, and much of the plan only calls for check marks at appropriate places, we expect that the entire task would be performed by a professional staff member at a cost of \$70, assuming an equivalent hourly rate of a GS-12 employee after factoring in benefits. The total cost for the 210 respondents we estimate would use the Plan each year would be \$58,800 (4x 210 x \$70).

In the second and third years of the information collection clearance, we estimate it will take one hour per response including the time for reviewing previous applications, gathering the data needed and reviewing the completed plan. We estimate the cost, based on an hourly labor cost of \$70, to be \$14,700 (1 x \$70 x 210 respondents).

13. Estimates of Other Total Annual Cost Burden to Respondents and Record Keepers/Capital Costs

There are no additional annual direct costs to respondents as a result of this information collection.

14. Annualized Cost to the Federal Government

An initial start-up cost to the federal government of \$22,000 covers our agency's IT staff time for building the Plan into the OLDC system.

Annual costs to the federal government for this collection are estimated based on an average total of 4 hours for federal staff to review each Plan in the first year of the collection and to make any necessary follow-up contacts with grantees to obtain additional information. We estimate that it will take an average of 1.5 hours to review each Plan in the subsequent years as the system will flag updated information making it readily apparent to staff what needs to be reviewed.

A GS-13 employee generally reviews each report and a GS 13 may also do second review. A GS-14 or GS-15 employee generally makes final decisions when there are questions about the adequacy of information. At an average salary rate of \$85 per hour including benefits, assuming 4 hours each for 210 applications and 1.5 hours each for 210 applications, the federal salary costs each year will be about \$98,175 ([4 hours x 210 applications] + [1.5 hours x 210 applications] x \$85).

15. Explanation of Program Changes or Adjustments

This is a revised information collection which improves the flow of the questions, provides more closed-ended questions to improve consistency in how grantees interpret the questions, and merges the questions from the Program Integrity Assessment (PIA) into the Plan as one seamless document. The PIA questions were largely incorporated in Sections 10, 15 and 17 of the new Plan. The order of the PIA questions was changed to follow the flow of the Plan questions. ACF largely kept the PIA questions as previously worded; however, ACF developed answer choices for all PIA questions. These appear as check box or pull-down options in OLDC. The answer choices were derived from the most common answers reported on previous PIA submissions by LIHEAP grantees. Every answer choice includes an "other" field which, if selected, requires the grantee to provide a brief description of what they do. In addition to incorporating the PIA questions, ACF added new questions to the Plan. Attached is a document with the new questions highlighted. Some of the new questions flesh out broader questions that were in the old plan, such as in Section 9. Other new questions are a result of the most common inquiries we received about the program from our federal and external stakeholders.

These revisions should significantly improve the data quality which will enable ACF to conduct more accurate analysis and provide national level conclusions in its Annual Report to Congress about the variances in how each grantee administers their program.

No demographic changes have occurred.

Burden estimates have been revised to reflect the merging of the two documents and the reduced

burden by the improved format and electronic features (such as pre-population of prior year data).

16. Plans for Tabulation and Publication and Project Time Schedule

The OLDC system will generate a PDF file of the Plan that will be published on the LIHEAP Clearinghouse web site (a federally funded site) during the winter following the Plan due date, typically the following January.

17. Reason(s) Display of OMB Expiration Date is Inappropriate

The OMB approval number and expiration date will be clearly displayed on the front page of the Plan and action transmittals relating to application requirements. The information required in section 1320.8(3) in the regulation also will be displayed on the front page of the document.

18. Exceptions to Certification for Paperwork Reduction Act Submission

None.

B. Collection of Information Employing Statistical Methods

None.