

Low Income Household Water Assistance Program (LIHWAP) Reports

**OMB Information Collection Request
0970 - NEW**

Supporting Statement Part A - Justification

October 2021

Submitted By:
Office of Community Services
Administration for Children and Families
U.S. Department of Health and Human Services

Summary

The Administration for Children and Families Office of Community Services (OCS) is requesting emergency review and approval of this information collection by the Office of Management and Budget (OMB), as authorized under [44 U.S.C. 3507](#)(subsection j). The proposed forms are necessary to provide data to the Administration and Congress in its oversight of recipients' performance in administering the Low Income Household Water Assistance Program (LIHWAP) program. The information collection is essential to the mission of the agency and the use of normal clearance procedures is reasonably likely to disrupt and prevent the collection of information.

The LIHWAP effort was authorized under two separate appropriations as part of an emergency effort to prevent and respond to COVID-19: the Consolidated Appropriations Act, 2021 (Public Law No.: 116-260) and the American Rescue Plan Act of 2021 (Public Law No.: 117-2). As a result of the emergency nature, the timeline to implement the program was very short and the time to develop and submit related performance measures is similarly short. The proposed LIHWAP Quarterly Performance and Management Report and the LIHWAP Annual Report are conducted in accordance with the LIHWAP statute (Public Law 116-260) and will provide the Administration and Congress information necessary for oversight of recipients' performance in administering the LIHWAP program. The completeness, accuracy, consistency, and timeliness of responses to data collections are needed for the agency to do the following:

- Ensure that LIHWAP, an emergency and temporary program, is implemented effectively and efficiently;
- Provide reliable and complete fiscal and household data for OCS analysis and reporting to Congress and the public; and
- Respond to questions from the Congress, Department of Health and Human Services, OMB, White House, and other interested parties in a timely and accurate manner.

1. Circumstances Making the Collection of Information Necessary

The Low Income Household Water Assistance Program (LIHWAP) effort was authorized under two separate appropriations as part of an emergency effort to prevent and respond to COVID-19.

- The Consolidated Appropriations Act, 2021 (Public Law No.: 116-260) signed on December 27, 2020, included \$638 million in funding with instructions for the Administration for Children and Families (ACF) within the U.S. Department of Health and Human Services (HHS) to carry out grants to states, territories and tribes to assist low-income households with water and wastewater bills.
- On March 11, 2021, the American Rescue Plan Act of 2021 (Public Law No.: 117-2) appropriated an additional \$500 million to the new LIHWAP effort.

The full appropriations language from both the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act are available on the Office of Community Services (OCS) website through the following weblink:

<https://www.acf.hhs.gov/ocs/law-regulation/lihwap-laws-and-regulations>

LIHWAP does not have a permanent or ongoing statutory authorization or appropriation beyond the current funding.

Congress has neither enacted any other law or issued any official report concerning LIHWAP. The LIHWAP effort was authorized as part of an overall emergency effort to prevent, prepare for, and respond to the coronavirus. The appropriations language contained in the Consolidated Appropriations Act of 2021 instructs that HHS and recipients to “the extent practicable, use existing processes, procedures, policies, and systems in place to provide assistance to low-income households.” Based on this instruction, OCS, which is administering the LIHWAP effort, has closely modeled many of the terms and conditions for LIHWAP legislative assurances and requirements on the Low Income Home Energy Assistance Program (LIHEAP) as authorized by the Low Income Household Energy Assistance Act, 42 U.S.C. 8621 et seq. While the terms and conditions are modeled on the LIHEAP statute, to ensure consistency in processes, procedures, policies, and systems, LIHWAP funds are not otherwise subject to LIHEAP statutory requirements.

OCS published a [Dear Colleague Letter \(DCL\) 2021-05 LIHWAP Funding Release](#) that notified LIHWAP recipients that they must track, account for, and report on, the LIHWAP Consolidated Appropriations Act funding separate from the American Rescue Plan Act of 2021 funding. Additional reporting requirements specific to LIHWAP funding are included in the [Terms and Conditions](#). This request includes the performance measures LIHWAP grantees will be asked to submit to fulfill reporting requirements.

The proposed LIHWAP performance measures include a quarterly reporting process (for the first year of operations only), followed by annual reports submitted FY 2022 (Implementation – September 30, 2022) and FY 2023 (October 1, 2022 – September 30, 2023). OCS is working diligently to stand up the new LIHWAP program as quickly as possible, while ensuring that it is an effective and efficient program. While a standing program might be able to rely on annual updates, OCS has determined that quarterly progress updates will be essential during the first year in order to allow OCS to identify areas for necessary technical assistance, assess progress among recipients, and provide a format for consultation with recipients regarding areas of challenges and opportunities. In subsequent years, OCS will use rely on the annual reports as is done in the LIHEAP program.

Quarterly Report Forms

- Quarter 1 Report (October 1, 2021 – December 31, 2021)
- Quarter 2 Report (January 1, 2022 – March 31, 2022)
- Quarter 3 Report (April 1, 2022 – June 30, 2022)
- Quarter 4 Report (July 1, 2022 – September 30, 2022)

Annual Report Forms

Data will be collected in three consolidated distinct Modules:

- **Module 1 (Use of LIHWAP Funds)**
- **Module 2 (LIHWAP Household Report)**
- **Module 3 (LIHWAP Performance Measures)**

In addition to the Quarterly and Annual report, this request includes a burden estimate related to information collected from households. While recipients will collect necessary information from households using a variety of intake systems and local forms, OCS is providing technical assistance in this area and has included a sample application template in supplementary materials (See Attachment A). This is a sample template; there will be no mandated household application format and OCS will not receive or analyze copies of individual household application materials.

2. Purpose and Use of the Information Collection

Below is a summary of the types of information that OCS is seeking authorization to collect, the purpose in collecting these data, and how these data are used. Many components of the LIHWAP Annual Report are modeled after the LIHEAP Annual Report, which has received previous OMB approval (OMB #0970-0449).

Quarterly Report Forms

The Quarterly Report requires recipients to report on data in multiple sections including: I) total households assisted, II) assistance provided by service type (i.e., restoration of services households, prevention of disconnection of services households, and reducing rates charged households), III) LIHWAP implementation information (i.e., number of water vendors recipient has entered into an agreement with, barriers to vendor agreement execution). Section IV solicits performance management information including self-reported notable accomplishments achieved during the reporting period and additional unmet water and wastewater needs in the service areas. This section also provides recipients space to suggest additional training/technical assistance opportunities OCS could provide. Section V directs recipients to enter any explanation needed regarding the reliability and/or validity of the responses in prior sections. The quarterly report is not an abbreviated version of the Annual Report discussed below, it is a different form that was designed to focus on the LIHWAP implementation process.

The purpose of collecting the quarterly data is to obtain benefits data from all recipients as the program is implemented and executed. These data will be used by OCS to analyze how recipients have chosen to implement the LIHWAP program to address the needs of low-income households. The data will also be used to respond to inquiries from the Congress, HHS, OMB, White House, and other interested parties in a timely and accurate manner.

Annual Report Forms

The LIHWAP Annual Report is an annual data collection effort conducted by OCS to collect information from LIHWAP recipients to monitor and meet and program objectives. The LIHWAP Annual Report is modeled after the LIHEAP Annual Report and has been streamlined to reduce recipient burden. Data are collected in three distinct Modules:

Module 1 (Use of Funds)

OCS uses Module 1 to collect and report on the recipients' grant award amounts, annual estimates of their sources and uses of LIHWAP household benefit funding (both obligated and expended), and their annual estimates of their uses of LIHWAP outreach/eligibility determination and administration funds.

The purpose of collecting the data for Module 1 is to obtain fiscal and benefits data from all recipients. These data are used by OCS to analyze how recipients have chosen to implement the LIHWAP program to address the needs of low-income households. The data will also be used to respond to inquiries from the Congress, HHS, OMB, White House, and other interested parties.

Module 2 (Household Report)

OCS uses Module 2 to collect and report data by household types in nine sections. Sections 7 and 8 are optional measures and Section 9 is only applicable for recipients that were approved to use 'Non-Public Water Systems for Emergency Home Water Service' funds. The nine sections are as follows:

1. *Number of households.* This measure quantifies LIHWAP's reach by measuring the total number of household applicants, households assisted, and waitlisted households due to non-availability of funds.
2. *Number of Assisted Households by Assistance Type.* This measure quantifies recipients' alignment with OCS' LIHWAP funding priorities. LIHWAP recipients have the flexibility to choose which types of LIHWAP assistance best meet the needs of their low-income households; within allowable uses for LIHWAP funding

recipients have been encouraged to consider OCS' priorities. These priorities, in ranked order are: 1) Restoration of services to households that have had drinking water and/or wastewater services disconnected due to arrearages, 2) Prevention of disconnection for households at risk of disconnection due to arrearages, 3) Reducing rates charged to low-income households where possible to help ensure affordable household water services.

3. *Number of Assisted Households by Poverty Interval.* This measure includes the number of assisted households by poverty interval and by assistance type.
4. *Number of Assisted Households by Vulnerable Population.* This measure includes the number of assisted households with a vulnerable member (i.e., elderly, disabled, child age 5 years or under) by assistance type.
5. *Number of Assisted Household Applicants by Race and Ethnicity.* This measure quantifies LIHWAP assisted household applicants by race and ethnicity.
6. *Number of Assisted Household Applicants by Gender.* This measure quantifies LIHWAP assisted household applicants by gender.
7. *Number of Assisted Household Members by Race and Ethnicity.* This optional measure quantifies LIHWAP assisted household members by race and ethnicity.
8. *Number of Assisted Household Members by Gender.* This optional measure quantifies LIHWAP assisted household members by gender.
9. *Use of Funds to Non-Public Water Systems for Emergency Home Water Service.* This question is only applicable to recipients that were approved to use 'Non-Public Water Systems for Emergency Home Water Service' funds and measures the type of emergency home water service provided.

The purpose of collecting the data for Module 2 is to obtain data from all recipients that directly relates to the LIHWAP statutory mandate that LIHWAP assistance be targeted to those low income households with the highest home water needs, i.e., vulnerable households and high-water burden households. The nine sections quantify how each LIHWAP program is targeting benefits to high water burden and vulnerable households to help them maintain healthy, safe, and continuous use of home water services, allowing for comparison over time and providing each recipient with information valuable for effective performance management and program implementation.

OCS uses the Household Report data to monitor the LIHWAP implementation process and analyze demographic characteristics of assisted households. The data will also be used to respond to inquiries from the Congress, HHS, OMB, White House, and other interested parties.

This information collected in this module will also support equity for individuals belonging to groups that have been historically underserved, marginalized, or subject to discrimination or systemic disadvantage, including those referenced in Executive Order (EO) 13985 (*Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*) by collecting data on race/ethnicity/gender/ disability/income/other key demographic variables, as discussed in section 9 of the EO. This information will allow analyses disaggregated by these variables, to identify impacts for individuals belonging to these groups. The collection of data on the race, ethnicity, and gender of all assisted household members may be burdensome for grant recipients as this data is not currently collected in the Low Income Home Energy Assistance Program. However, OCS has reduced this burden by making these data fields optional for **all** household members in the first year of reporting before they become mandatory in subsequent years (note: reporting on the race/ethnicity/gender of the household applicant is required in the first and every year).

Module 3 (Performance Measures)

OCS includes this module to understand the impact of LIHWAP funding on households in reducing water burden, restoring home water service, preventing loss of home water service, and reducing home water service rates.

1. *Water Burden Targeting.* This measure quantifies the proportion (amount) of total household income spent on drinking water and/or wastewater utility bills during a specific timeframe set by the recipient in its written policies (e.g., monthly, quarterly, or annually) for assisted households by type of service: Restoration of water

service (disconnected), prevention of loss of home water service, and rate reduction of current home water service.

2. *Restoration of Home Water Service.* This measure quantifies all households assisted with restoration of water services (disconnected) by service type: water or wastewater, multiple water services, and other services.
3. *Prevention of Loss of Home Water Service.* This measure quantifies all households assisted with the prevention of loss of home water service by service type: water or wastewater, multiple water services, and other services.
4. *Rate Reduction of Current Home Water Service.* This measure quantifies all households assisted with each rate reduction of current home water service by service type: water or wastewater, multiple water services, and other services.

OCS uses the Performance Measures data to monitor the LIHWAP implementation process and analyze how federal funds are being used to assist households. The data will also be used to respond to inquiries from the Congress, HHS, OMB, White House, and other interested parties.

3. Use of Improved Information Technology and Burden Reduction

Every effort will be made to minimize the burden of this data collection by providing recipients with resources for efficient data collection, data processing, and data reporting.

- Data Collection – OCS will provide recipients with multiple resources to assist with collecting the necessary data to complete the *LIHWAP Quarterly Performance and Management Report* and the *LIHWAP Annual Report*, including instructions and training webinars reviewing data collection procedures. OCS will also furnish one-on-one training and technical assistance to recipients and make such assistance available annually.
- Data Processing – OCS has developed guidance documents to assist recipients with data processing. In addition, the excel files provided calculate some of the data fields, rather than requiring the recipient to do so.
- Data Reporting – The *LIHWAP Performance Data Form* will be collected by OCS using Excel files. As LIHWAP is a temporary supplemental program, this was determined to be the most appropriate technology for immediate use. This is a technology that is familiar and easily accessible to grantees and will allow us to expedite the process by not requiring new system development. Additionally, Excel data can be easily aggregated by OCS for additional analysis.

4. Efforts to Identify Duplication and Use of Similar Information

OCS investigation has revealed no duplicate sources of the grantee-level data elements required for both the LIHWAP Quarterly Performance and Management Report and the LIHWAP Annual Report.

OCS will continue to collaborate with the Environmental Protection Agency, other federal agencies that provide assistance to public water systems and national water associations to identify available data related to public water systems that may be pertinent to OCS' ongoing analysis of LIHWAP impact.

5. Impact on Small Businesses or Other Small Entities

There are three sources of the data sought through this information collection – LIHWAP recipients, LIHWAP sub-recipients (i.e., local agencies), and water vendors. LIHWAP sub-recipients are often small community-based organizations. Plus, some water vendors are small businesses.

LIHWAP recipients consist of states, including the District of Columbia; territories; and Indian tribes and tribal organizations. None of those entities is a small business.

LIHWAP sub-recipients often consist of small, community-based organizations. OCS expects LIHWAP sub-recipients, in their normal course of business, to track LIHWAP funds by federal fiscal year, source, and use. OCS also expects LIHWAP primary recipients to flow down the requirement to track funds appropriated by the Consolidated Appropriations Act of 2021 Act and the American Rescue Plan Act of 2021 and other supplementals to their sub-recipients.

Certain water vendors consist of small businesses. OCS has minimized burden for these grantees by not requiring them to report directly. LIHWAP primary recipients and LIHWAP sub-recipients may collaborate with them to track LIHWAP funds by federal fiscal year, source, and use based on vendor agreements.

6. Consequences of Collecting the Information Less Frequently

OCS is working diligently to stand up the new LIHWAP program as quickly as possible, while ensuring that it is an effective and efficient program. While a standing program might be able to rely on annual updates, OCS has determined that quarterly progress updates will be essential during the first year in order to allow OCS to identify areas for necessary technical assistance, assess progress among recipients, and provide a format for consultation with recipients regarding areas of challenges and opportunities. In subsequent years, OCS will use rely on the annual reports as is done in the LIHEAP program.

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

In accordance with the Paperwork Reduction Act of 1995 (Pub. L. 104-13) and Office of Management and Budget (OMB) regulations at 5 CFR Part 1320 (60 FR 44978, August 29, 1995), ACF published a notice in the Federal Register announcing the agency’s intention to request an expedited OMB review of this information collection activity. This notice alerted the public to a request for emergency approval for six months of data collection and provided a sixty-day comment period related to the full request that will be submitted to continue data collection beyond six months. A full request will document any comments received and how ACF has considered the comments.

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

OCS will not be collecting Personal Identifiable Information (PII). Grantees and subgrantees may collect PII and the confidentiality of this data would be subject to their own state/tribal/territory privacy laws.

11. Justification for Sensitive Questions

No sensitive questions are asked in this data collection.

12. Estimates of Annualized Burden Hours and Costs

Estimates for the Quarterly and Annual reports below are based on the expertise of OCS staff with professional experience administering water and energy assistance programs at the state and local level. Estimates for the LIHWAP household application burden are based on a review of expected benefit levels from a randomly selected sample of grantees. The estimated burden hours associated with all elements of the data collection are shown in the table below:

QUARTERLY PERFORMANCE AND MANAGEMENT REPORT

	Number of Respondents	Number of Responses Per Quarter	Average Hour Burden Per Year*	Total Annual Burden Hours
<i>Quarterly</i>				
State Recipients	50	1	52	2,600

	Number of Respondents	Number of Responses Per Quarter	Average Hour Burden Per Year*	Total Annual Burden Hours
Territory Recipients	5	1	52	260
Tribal Recipients	102	1	52	5,304
Total Annual Burden Hours				8,164

*Note: this is an average total hour burden estimate for completing all four quarterly reports per year. OCS anticipates that the first quarter may take longer than subsequent quarters and that on average recipients will spend 52 hours per year on the quarterly reports.

ANNUAL RESPONDENT BURDEN AND COST ESTIMATES FOR LIHWAP ANNUAL DATA FORM

	Number of Respondents	Annual Number of Responses Per Respondent	Average Hour Burden Per Response	Total Annual Burden Hours
<i>Module 1 (Use of Funds)</i>				
State Recipients	50	1	21	1,050
Territory Recipients	5	1	21	105
Tribal Recipients	102	1	21	2,142
<i>Module 2 (Household Report)</i>				
State Recipients	50	1	100	5,000
Territory Recipients	5	1	100	500
Tribal Recipients	102	1	100	10,200
<i>Module 3 (Performance Measures)</i>				
State Recipients	50	1	90	4,500
Territory Recipients	5	1	90	450
Tribal Recipients	102	1	90	9,180
Total Annual Burden Hours				33,127

ANNUAL RESPONDENT BURDEN AND COST ESTIMATES FOR LIHWAP HOUSEHOLD APPLICATIONS*

	Number of Respondents	Number of Responses Per Respondent	Average Hour Burden Per Response	Total Burden Hours	Annual Burden Hours
<i>Household Applications (Based on Sample Application Tool)</i>					
Household Applicants	1,200,000	1	.5	600,000	200,000

*As noted above in Section 1, grantees will use a variety of household application forms and procedures. There is no mandated form for application materials and grantee household application materials will not be submitted to OCS. However, we have included a sample application and burden estimate. The burden estimates provided in this submission are based on the sample application form. The actual burden will vary based on grantee procedures. For example, because OCS is encouraging grantees to consider categorical eligibility, which may include intake with LIHEAP and other programs, the actual burden on households applying for LIHWAP may be shared with other programs for which categorical eligibility is allowed.

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

The data collection procedures should not require any capital expenditures by recipients, sub-recipients, or water vendors that are not covered under the allowable 15% administrative portion of the LIHWAP grant and the intake/eligibility assessment costs allowed under the grant.

14. Annualized Cost to the Federal Government

Federal Government Staff tasks associated with the collection of these data include:

1. Recipient Communications – Notifying recipients of the reporting requirement and conducting follow-up with recipients.
2. Report Review – Reviewing submitted reports and working with recipients to furnish reliable data.
3. Analysis and Reporting – Conducting analysis of the reported data and reporting as needed.

The table below furnishes information on the estimated Federal Staff hours and costs associated with each task.

Annual Federal Staff Hours and Costs

Task	Number of Hours	Rate	Total Cost
Grantee Communications & Training	316	\$111.50/hour	\$35,234
Grantee Report Review	395	\$111.50/hour	\$44,043
Analysis and Reporting	400	\$111.50/hour	\$44,600
Subtotal:			\$123,877

The table below furnishes information on the estimated Federal Contractor Staff hours and costs associated with each task:

Annual Federal Contractor Staff Hours and Costs

Task	Number of Hours	Average Rate	Total Cost
Grantee Report Review	300	\$63.65	\$19,095
Analysis and Reporting	250	\$63.65	\$15,913
Technical Assistance	320	\$84.87	\$27,158
		Subtotal:	\$62,166

Total federal government costs are **\$186,043**

15. Explanation for Program Changes or Adjustments

This is a new program effort with no previous information collection.

16. Plans for Tabulation and Publication and Project Time Schedule

The Quarterly report will be used primarily for internal analysis and internal administration progress updates. On a limited basis, quarterly data will be used to provide updates to Congressional appropriators. Because LIHWAP is not a permanent appropriation, there is no statutory report the data to Congress; however, OCS will use data from both reports

to respond to requests for information from the Congress, HHS, and White House. OCS will also be developing additional plans to make the data available to the general public.

Activity	Weeks Following Report Submission Deadline
Analysis of Quarterly Report and preparation of any necessary follow-up with grantees	4 Weeks
Completion of quality assurance testing on performance measures data for Annual Report (requires review of data inconsistencies and outliers with recipients)	8 Weeks
Synthesis of data into aggregated results and performance outcomes	12 Weeks
Drafting and completion of reports for public sharing or Congressional committees on an as needed basis	16 Weeks

* Publication is dependent upon the Department’s clearance process of the data

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

The Quarterly and Annual reports will display the OMB expiration date. There are no specific forms associated with the burden for the household applications.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

None.

B. Collection of Information Employing Statistical Methods

Statistical methods are not employed for collecting, analyzing, reporting data for the Quarterly and Annual Report as only total program/service data will be collected from all grantees.