

Low Income Home Energy Assistance Program (LIHEAP) Quarterly Performance and Management Reports

**OMB Information Collection Request
0970 - NEW**

Supporting Statement Part A - Justification

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

Summary

The Office of Community Services (OCS) is seeking emergency clearance for the Low Income Home Energy Assistance Program (LIHEAP) Quarterly Performance and Management Reports in accordance with [44 U.S.C. 3507](#)(subsection j). Below please find the justification as it pertains to each criterion in subsection j:

(i) public harm is reasonably likely to result if normal clearance procedures are followed

- As noted in the following supporting statement, OCS believes quarterly reports are necessary to ensure that American Rescue Plan funds are not returned to the U.S. Treasury and reach households before the obligation deadline of September 30, 2022. Given the significant increases in energy prices, it is critical that all available LIHEAP funds reach households and that grant recipients do not return unobligated funds as they did with Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136) funding. In the summer of 2021, OCS noticed that grant recipients were both slowly obligating and drawing down CARES Act funds. The initial unobligated balances among States, Tribes, and Territories were \$241,685,025, \$5,424,862, and \$4,020,237, respectively. OCS responded with an intensive technical assistance and training (T/TA) strategy to help grant recipients reduce the amount of unobligated LIHEAP CARES Act funds at risk of being returned to the Treasury. In order to support all of LIHEAP’s grant recipients, OCS had to institute an “all hands on deck” T/TA strategy and pull in additional contract resources to support the efforts. As a result of these efforts, the total unobligated balance was reduced to \$8,832,566 based on grantee reporting (this represents less than 1.00% of the CARES ACT funds). While the intensive T/TA strategy was able to significantly reduce the amount of unobligated CARES Act funds returned to the Treasury, some funding remained unobligated and therefore did not reach low-income households that could have benefited from additional assistance. Given that the American Rescue Plan Act (ARP) of 2021 (Public Law 117-2) appropriation is significantly larger than the CARES appropriation, consistent and proactive spenddown monitoring is critical to ensuring unobligated funds are minimized to the greatest extent possible. However, grant recipients are not required to report on their obligations until the summer. In a normal year, this would be fine, but with the additional funding provided by ARP and the fact that OCS’s staffing resources to support this effort are a fraction of what they were last year (some staff have transitioned, and others are working on other pandemic-related efforts), not having the obligation data until later in the summer will severely impede OCS’ ability to support grant recipients in getting all of their funds obligated and/or spent. While OCS currently does not have the ability to monitor obligation—which is needed to identify states at risk of returning funds before the obligation deadline—we have access to the Payment Management System (PMS) which shows how much funding each grant recipient has drawn down. Currently, 73.55% of ARP LIHEAP funds have not been drawn down, and 88 grant recipients, including 9 states, have currently not drawn down any of their ARP LIHEAP funds. While this does not mean that grant recipients have not obligated a portion of their ARP funds, it is quite alarming to see such a low draw down rate in PMS during the second quarter of the fiscal year. In order to ensure funding is truly reaching those who are in need, OCS needs the ability to be able to track obligations and policy changes (which is another portion of the quarterly reports that will be used to provide T/TA to grant recipients and ensure they are maximizing the flexibilities available to them as they support families in the winter, spring, and summer).
- Historically, LIHEAP has reached ~17% of the eligible population. Given the historic levels of resources, OCS has an opportunity to reach more households than ever before. However, grant recipients need support and T/TA in order to be able to obligate all the resources available to them, and OCS needs more information on what is happening in the field in order to provide targeted, timely, and effective T/TA.
- With the opportunity to reach more eligible households this year, plus the significant increase in home energy costs, returning funds to the Treasury during an ongoing pandemic that could otherwise help households struggling to meet their basic needs including home energy needs constitutes public harm. Instituting quarterly reports now would help us mitigate this harm

(ii) an unanticipated event has occurred

- While winter is an anticipated event, the significant price increases across all fuel types this winter is an unanticipated event. [Analysis](#) from the U.S. Energy Information Administration (EIA) indicates that energy costs are projected to increase significantly this winter. Specifically, EIA estimates that nearly half of all U.S. households that primarily rely on natural gas to heat their homes, will spend approximately 30% more for heating this winter than they spent last year, on average. Price increases will be most significant for those who heat with heating oil and propane, those households are estimated to experience a 37% and 39% increase in fuel

bills relative to last winter, respectively. Therefore, it is imperative that available LIHEAP funds are fully utilized to meet households' growing energy needs. Quarterly data reports will help OCS track the reach of LIHEAP to ensure that available resources are being used most effectively in response to projected increased energy burdens during the ongoing public health emergency. Additionally, grant recipients submit their Model Plans on September 1st of each fiscal year. Given that the winter heating increase projections became available after the Model Plan submission, OCS needs the Quarterly Reports to understand all the programmatic changes grant recipients made in light of the significant price increases (e.g., increasing benefit amounts).

- In response to the unanticipated increase in energy prices, OCS has worked diligently with the Executive Office of the President and the U.S. Treasury on a strategy to ensure all available ARP utility assistance funds are leveraged and coordinated this winter to maximize support to households with unmet energy needs. In addition to issuing [joint guidance](#), hosting a series of T/TA office hours and webinars, OCS released a new interactive [Geographic Information System \(GIS\) tool](#) that was created to show how projected fuel price increases this winter are estimated to affect LIHEAP households in different regions. This tool was designed as one part of our strategy to help OCS tailor ongoing T/TA efforts to best support grant recipients and vulnerable households this winter. OCS also created one-pagers that were sent to state grant recipients detailing the amount states would have to increase their LIHEAP benefit amount by in order to reduce a household's energy burden by the same amount that it did last year given price increases. These tools are part of our T/TA strategy this winter, and the quarterly report data collection is the next key element as it will allow OCS to monitor grant recipients, track what changes have been made in response to energy increases, and tailor training and technical assistance to those areas where vulnerable households may have unmet energy needs this winter and summer. All of these T/TA resources became available after grant recipients submitted their Model Plans, therefore the Quarterly Reports will help OCS understand how grant recipients are responding to and implementing the new guidance.
- The recent surge in COVID-19 cases across the country due to the Omicron variant was also an unanticipated event. Surges in COVID-19 cases impact our grant recipients' ability to administer these programs and conduct application intake due to reductions in staffing capacity. These challenges are particularly acute for tribal grantees. Tribes experienced significant challenges obligating CARES Act funding due to the slow reopening of their governments and limited staff. Tribal grant recipients often lack many of the resources needed to transition to a virtual intake process during times of significant transmission/quarantine, including lack of laptops for intake staff, lack of high-speed Internet, and lack of the customers' access to such resources to submit an application virtually. Given this, and the continued impact of the Omicron variant, it is vital that OCS has a way to consistently and proactively collect critical information from grant recipients. This information is key for best supporting the utility assistance needs of low-income families.

(iii) the use of normal clearance procedures is reasonably likely to prevent or disrupt the collection of information or is reasonably likely to cause a statutory or court ordered deadline to be missed.

- The normal clearance process would not allow OCS to collect Q1 & Q2 data and give the grantees enough time to submit by April 29, 2022.

1. Circumstances Making the Collection of Information Necessary

As part of the response to the COVID-19 public health emergency, Congress authorized two separate supplemental appropriations for LIHEAP. The Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136) appropriated \$900 million and the American Rescue Plan (ARP) Act (Public Law 117-2) appropriated an additional \$4.5 billion.

On May 8, 2020, the Office of Community Services (OCS) awarded 100% of the [LIHEAP CARES Act funding](#), or \$900 million, to grant recipients. All 50 states, the District of Columbia, five U.S territories, and more than 140 Native American tribes and tribal organizations received a supplemental award. States and the District of Columbia received \$884,987,516, Territories received \$4,526,642, and Tribes received 10,485,842. Per the CARES Act legislation, funds needed to be obligated by September 30, 2021. LIHEAP issued guidance that grant recipients have at least 90 days following the end of FY21 to draw down previously obligated LIHEAP CARES Act funds from the federal Payment Management System (PMS).

In the summer of 2021, OCS noticed that grant recipients were slowly obligating and making drawdowns of the CARES Act funds in PMS. The initial unobligated balances among States, Tribes, and Territories were \$241,685,025, \$5,424,862, and \$4,020,237, respectively. OCS responded with an intensive technical assistance and training (T/TA) strategy to help grant recipients reduce the amount of unobligated LIHEAP CARES Act funds at risk of being returned to the Treasury. As a result of these efforts, the total unobligated balance was reduced to \$8,832,566 based on grantee reporting (this represents approximately 1.00% unobligated).

While the intensive T/TA strategy was able to significantly reduce the amount of unobligated CARES Act funds returned to the Treasury, some funding remained unobligated and therefore did not reach low-income households that could have benefited from additional assistance. On May 4th, 2021, OCS released 100% of the [LIHEAP ARP funding](#), or \$4.5 billion, to grant recipients. Given that the ARP appropriation is significantly larger than the CARES appropriation, consistent and proactive spenddown monitoring will be critical to ensuring unobligated funds are minimized to the greatest extent possible.

The ARP Act stipulates that supplemental funding must be obligated by September 30, 2022. In addition to the supplemental ARP funds, OCS also released the normal LIHEAP Block Grant funding for FY22, nearly \$3.37 billion, on October 29, 2021. OCS seeks to implement a quarterly report to help monitor grant recipient progress on spending ARP and regular appropriation funds to ensure they are used efficiently and effectively to maximize assistance to low-income households.

Moreover, [recent analysis](#) from the U.S. Energy Information Administration (EIA) indicates that energy costs are projected to increase significantly this winter due to forecasts of a colder winter and higher energy prices. Specifically, EIA estimates that nearly half of all U.S. households that primarily rely on natural gas to heat their homes, will spend approximately 30% more for heating this winter than they spent last year on average. Therefore, it is imperative that available LIHEAP funds are fully utilized to meet household's growing energy needs this winter. Quarterly data reports will help OCS track the reach of LIHEAP to ensure that available resources are being used most effectively in response to projected increased energy burdens during the ongoing public health emergency.

OCS is seeking emergency clearance to implement quarterly reports. We will submit an extension request within six months of emergency approval to continue with quarterly reports, as the information collected is incredibly helpful in our administration and oversight of LIHEAP.

For FY 2022, OCS is proposing to collect quarterly reports covering the following timeframes:

- Quarter 1 & 2: October 2, 2021 – March 31, 2022 (Report due on April 29, 2022)
- Quarter 3: April 1, 2022 – June 30, 2022 (Report due on July 29, 2022)
- Quarter 4: July 1, 2022 – September 30, 2022 (Report due on October 31, 2022)

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 will be used.

The Quarterly Report requires LIHEAP grant recipients to report on data in multiple sections including: 1) total households

assisted (and the total number of households assisted during the same quarter of the previous FY for comparison), II) the number of occurrences that LIHEAP prevented the loss of home energy/the number of occurrences that LIHEAP restored home energy, III) estimated use of LIHEAP funds by LIHEAP funding source, IV) LIHEAP Program Implementation and Support information (e.g., training and technical assistance needs, changes to program policies, collaboration with other federal utility assistance programs, etc.). Section V directs recipients to enter any explanation needed regarding the reliability and/or validity of the responses in prior sections. Grant recipients will be asked to submit this information in an Excel template. The quarterly report is not an abbreviated version of the LIHEAP Annual Report or Performance Data Form, it is a different form that was designed to focus on how states are leveraging LIHEAP to mitigate rising energy costs this winter and to track the spend down of ARP funding. These data will be used by OCS to inform where we should target additional T/TA. 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.

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 *LIHEAP Quarterly Performance and Management 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 each quarter.
- Data Processing – OCS has developed guidance documents to assist recipients with data processing. In addition, the excel file provided calculates some of the data fields, rather than requiring the recipient to do so.
- Data Reporting – The *LIHEAP Quarterly Performance and Management Report* will be collected by OCS using Excel files. As this is the first year LIHEAP grant recipients will be asked to submit quarterly reports, 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.

OCS has modeled these quarterly reports after the recently approved Low Income Household Water Assistance Program (LIHWAP) Quarterly Performance and Management Report. Given the substantial overlap in LIHWAP and LIHEAP grant recipients, OCS believes this alignment will further reduce burden for respondents. OCS has also consolidated quarters 1 and 2 to provide grantees more time to get used to reporting on this information.

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 the LIHEAP Quarterly Performance and Management Report.

5. Impact on Small Businesses or Other Small Entities

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

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

While LIHEAP grant recipients are responsible for completing the quarterly report, they may coordinate with LIHEAP sub-recipients to compile this data. LIHEAP sub-recipients often consist of small, community-based organizations. OCS expects LIHEAP sub-recipients, in their normal course of business, to track LIHEAP funds by federal fiscal year, source, and use.

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

(Performance Management) in reference to prevention and restoration of home energy, some grant recipients may have to ask utility companies to provide documentation either through disconnection notice, or phone call. Grant recipients may collect this information at the time of application, but they also may gather it while processing the application directly from the utility company.

6. Consequences of Collecting the Information Less Frequently

Given the significant anticipated increases in energy prices and the historic levels of LIHEAP program funding available discussed in greater detail in Section 1, OCS has determined that quarterly progress updates will be essential this fiscal year to ensure that available federal funds are leveraged to maximize assistance to households with energy needs this winter. Moreover, as we learned from our experience with spending down CARES Act funds, timely access to grant recipient program data significantly improved our ability to provide targeted T/TA to those grant recipients that needed it the most. Having an established data collection process will streamline our office’s efforts to monitor grant recipient progress and provide additional T/TA when necessary. We believe the use of quarterly reports will help reduce the amount of unobligated ARP funds that will be returned to the Treasury and increase the number of households served by LIHEAP this winter.

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 reports below are based on the expertise of OCS staff with professional experience administering LIHEAP at the state level and their knowledge of the reporting capabilities and IT systems of grant recipients. The estimated burden hours associated with 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>				

	Number of Respondents	Number of Responses Per Quarter	Average Hour Burden Per Year*	Total Annual Burden Hours
State Recipients	51	1	36	1,836
Territory Recipients	5	1	36	180
Tribal Recipients	150	1	36	5,400
Total Annual Burden Hours				7,416

*Note: this is an average total hour burden estimate for completing the quarterly reports per year. OCS anticipates that collecting the data for the first two quarters may take longer than subsequent quarters and that on average recipients will spend 36 hours per year on the quarterly reports.

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 utility vendors that are not covered under the allowable 10% administrative portion of the LIHEAP 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	150	\$111.50/hour	\$16,725
Grantee Report Review	200	\$111.50/hour	\$22,300
Analysis and Reporting	200	\$111.50/hour	\$22,300
Subtotal:			\$61,325

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	150	\$63.65	\$9,548
Analysis and Reporting	125	\$63.65	\$7,956
Technical Assistance	160	\$84.87	\$13,579
		Subtotal:	\$31,083

Total annual federal government costs are **\$92,408**

15. Explanation for Program Changes or Adjustments

This is a new information collection request. As explained above, the significant investment from ARP and the projected increase in winter heating costs necessitates that OCS closely monitor grant recipient activity to ensure funds are leveraged in an efficient and timely manner to ensure that the increased needs of households are met this winter.

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. OCS will also use data from the quarterly reports to respond to requests for information from the Congress, HHS, and the 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
Synthesis of data into aggregated results and performance outcomes	6 Weeks
Drafting and completion of reports for public sharing or Congressional committees on an as needed basis	8 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 report will display the OMB expiration date.

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 Report as only total program/service data will be collected from all grantees.