



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
 COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary

**LIHEAP Information Memorandum
 IM 2021-02**

To: LIHEAP Program Directors
 FROM: Edward Kiely, Community Services Unit Manager
 SUBJECT: FY2021 Supplemental Benefit
 DATE: August 17, 2021

The purpose of this Information Memorandum (IM) is to inform the local administrating agencies (LAAs) of the Low Income Home Energy Assistance Program (LIHEAP) supplemental benefit. This IM goes into effect immediately or until otherwise updated by further notice and acts as a supplement to the Administrative Guide for Program Operators and the Program Directors’ Guide (Guide).

Background

In May 2021, the Commonwealth of Massachusetts was notified that it will receive \$187,074,431 in American Rescue Plan Act of 2021 (Public Law 117-2) funds for the LIHEAP. These funds must be spent by September 30, 2022.

FY21 Use

The funds will used to apply a one-time supplemental payment to all FY21 LIHEAP eligible households’ utility bill(s). A supplemental benefit is an additional award made on behalf of a LIHEAP eligible household to their utility(ies) to further reduce the household’s energy burden. It is hoped that this additional benefit will avert a shutoff crisis for the households and avoid the need to present as an emergency at the LAAs in the fall. In cases where there is more than one utility account on file, the supplemental benefit shall be split 50/50. If there is only one utility account on file for the household, then 100% of the supplemental benefit shall be applied to that utility account. For the one-time supplemental benefit to be applied to a utility account, the eligible household must have utility account information on file with the LAA. For those households where the heat is included in the cost of rent that also have their utilities included, the LAA is to make a direct payment to the household. The same shall apply to those households that pay for their primary heating separately from their rent, but utilities are included in their rent. Those households without a utility account on record and their utilities are not included in the rent shall receive a direct payment.

Heating Type	Electric account on file	No electric account on file, payment to	Electric included in rent
Delivered fuel	100% paid to electric	Direct payment	Direct payment
Electric	100% paid to electric	N/A	N/A
Gas	50% to gas 50% to electric	100% Gas	N/A
Heat included in rent	100% to electric	Direct payment	Direct Payment

Income Levels and Benefit Tiers

The DHCD released a separate supplemental benefit chart for LAAs to award benefits and apply payments. The income levels and related household sizes are the same as used for FY21 LIHEAP benefits. There is no difference in the benefit amount awarded when considering a heat source. Subsidized households' supplemental benefit is lower than non-subsidized households. Those households with the cost of utilities included in their rent and receiving a direct payment will receive a lower benefit than those that are directly responsible for paying for their utilities.

Payments

This supplemental benefit will pay down any arrearages that the eligible LIHEAP households might have and potentially create credits on their utility accounts. With the application of the supplemental LIHEAP benefit, the program will allow a creation of a credit on the utility accounts. Those households that have their utilities costs included in their rent will receive a direct payment from the LAA. For those households that received a pro-rated FY21 LIHEAP benefit, the supplemental benefit must also be pro-rated.

Appeal Process

As with LIHEAP, applicants shall have the right to an appeal. The timeframe to appeal for the household will be 20 working days from the date of the supplemental award letter. The supplemental benefit eligibility letter notes the applicant's appeal rights and the 20 working days timeframe. There will not be a calendar date deadline to appeal (e.g., an eligible household issued their award letter on 9/17/21 may appeal through 10/15/21). Since all eligible households will receive a benefit, households may request an appeal for any of the customary reasons listed on the Notice of Appeal Rights. Possible reasons a household may appeal include but are not limited to a household requesting a higher benefit, requesting the percentage allocation to utilities be applied differently than prescribed, etc.

Tracking

Subgrantees must track, account for, and report on this funding separately from the FY 2021 LIHEAP block grant funding (45 C.F.R. § 96.30(a)). Community Software Group (CSG) has updated the LIHEAP software so that ARP funds can be separately tracked and reported.

Contracting

Because of the source of the funds, a new contract package will be issued to LAAs. Administration funds will be allocated upfront to the LAAs to be used to complete the supplemental payments to eligible households. Spending authorities will be attached to the contract with only administrative and client benefit categories included. Because the funding language waived the 90% obligation for the first federal fiscal year, the LAA supplemental benefit contracts will run to September 30, 2022.

Remaining Funds

Any remaining funds not expended in FY21 will be expended in FY22. LAAs shall continue administering these benefits to LIHEAP eligible households through the end of the contract. Analysis consisting of application numbers, energy market prices, weather impact on households/supply, etc. and input from the LAA network will be used to determine the future use of any remaining ARP funds in FY22.

Conclusion

This IM is not intended to be exhaustive. From time to time, DHCD will continue to offer additional guidance and clarification to LAAs on the supplemental benefit when the need arises.

Any policy related questions may be directed to Edward.Kiely@mass.gov. Any technical questions on software developed by CSG, may be directed to support@communitysoftwaregroup.com, with a copy also sent to Edward.Kiely@mass.gov. This communication should be forwarded to all relevant staff who interact with the LIHEAP contracting and financial process.