



Office of Management and Budget



ADMINISTRATION FOR
CHILDREN & FAMILIES

2016 President's Budget: LIHEAP

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2016 President's Budget

- The 2016 Budget proposes ambitious goals to achieve **fiscal sustainability** while reversing sequestration
- Reflects the President's commitment to creating a government that positively affects the American people, while **building evidence** to improve government's effectiveness

Budget Formulation Process

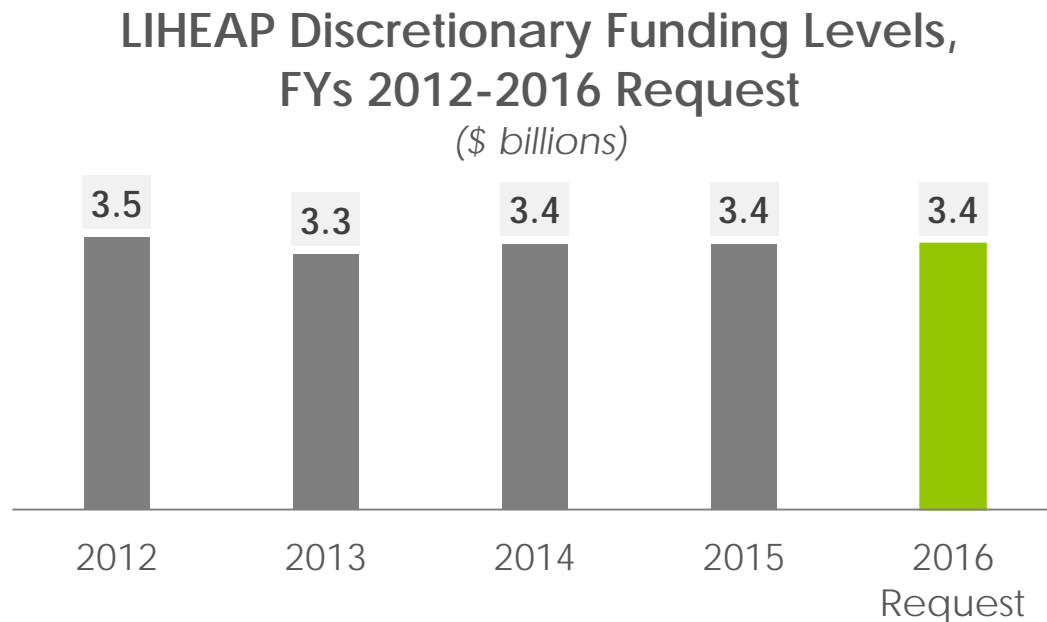
- Executive Branch Formulation:
 - *Spring 2014* – OMB issues **guidance** to agencies
 - *Summer 2014* – Agencies develop **requests** and articulate priorities
 - *Fall 2014* – Submit to **OMB** for White House process to develop cohesive Budget proposals
 - *Winter 2014-2015* – White House, OMB, and agencies work together to refine final proposals
 - *February 2015* – Formal **Transmittal**
- Congressional Branch Formulation:
 - *March 2015* – Budget **resolutions** set top-line
 - *Spring/Summer* – **Appropriations** process

2016 LIHEAP Budget Request

- Reflects **changing conditions** and demand
- Strategically addresses **long-term needs**
- Encourages **innovation**
- Strengthens **accountability** and performance
- Increases capacity for **evaluation** and research

2016 LIHEAP Budget Request

- **\$3.4 billion** in discretionary funding, equal to the 2015 appropriation



Better Reflect Changing Conditions and Demand

- **Mandatory Contingency Fund** – would provide automatic increase in LIHEAP funding based on six “triggers” based on changes in
 - Energy prices (electricity, oil, natural gas)
 - Households in poverty
 - Extreme cold early in winter
- Funds would not be subject to annual appropriations process.

Fostering innovation

- **Utility Innovation Fund** – \$200 million for competitive grants to LIHEAP grantees to encourage partnerships between states, utilities, and community-based organizations to test strategies to reduce the home energy burden of the highest burden low income households
- **REACH** – Increase cap for REACH to 100% of the Leveraging set aside (usually \$27 million) to test strategies and build evidence-based practices that can be adopted by other grantees. This would permit HHS to not set aside any funding for Leveraging.

Strengthening Accountability and Performance

- **Training and Technical Assistance** – re-proposes \$3 million to support federal monitoring and T/TA to grantees
- **Performance Measures Requirement** – proposes an annual reporting requirement, such as data on home energy burden, prevention of loss of home energy service, and restoration of home energy service

Increasing Research and Evaluation Capacity

- President's 2016 Budget proposes a **historic investment in research and evaluation** across ACF programs
- First-time there would be dedicated funding for LIHEAP R&E.

Legislative Proposals

- Establish a mandatory LIHEAP contingency fund
- Require states and subrecipients to report annually on performance measures
- Increase the authorization for federal monitoring and T&TA to \$3 million and eliminate limits on eligible entities that may be subrecipients
- Require states to collect SSNs or their equivalent for applicants
- Require a standard state LIHEAP plan addressing program integrity issues
- Revise Assurance 16 to better emphasize the connection between energy use and household health and safety
- Extend the deadline for the annual Report to Congress by six months

Next Steps

- Appropriations mark-ups in coming months for the discretionary funding
- Income Security Budget function is reduced in budget resolutions, will see pressure on Labor-H appropriations bill
- CBO scored cost of the mandatory fund at one-quarter of the OMB estimate, which may help the proposal gain traction among authorizers



Questions?