

NEADA

National Energy Assistance Directors' Association

October 18, 2016

The Honorable Sylvia Matthews Burwell
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Burwell :

On behalf of the state directors of the Low Income Home Energy Assistance Program (LIHEAP), I am writing to express concern over the late allocation of released and re-allotted LIHEAP funds in FY 2016 and to request that in the future all LIHEAP funds be allocated no later than June 30, the final day of the third quarter of the fiscal year. In the event that funds are released after June 30, we are requesting that the Administration include a provision in the FY 2018 budget request to Congress exempting any funds allocated after the final day of the third quarter from the statute's section 2607(b) 10 percent carryover limit and also apply that exemption to allocation of FY 2017 funds.

On September 16, 2016 with only 10 business days in the fiscal year, the Administration for Children and Families (ACF) released \$14.4 million in FY 16 LIHEAP funds to grantees. This was the final release of FY 2016 funds. Additionally, on September 30, 2016 ACF re-allotted \$1.175 million from FY 2015.

The LIHEAP statute requires that states commit 90 percent of their funds within the fiscal year they are appropriated and may carry over a maximum of 10 percent into the following fiscal year. Many states use this option, which ensures their programs can begin on time in the case of federal funding delays.

However, extremely late releases of funds and uncertainty about the amount of the funds can make it impossible for LIHEAP grantees to accurately calculate and prepare to meet their carryover limits. Allocating funds at the very end of the fiscal year does not allow enough time for states to plan for the additional resources and fully and deploy them strategically. States in which LIHEAP is only offered in winter were at a particular disadvantage since their programs may not be active in September.

NEADA requests that in future years all LIHEAP funds subject to carryover limits are allocated to states no later than the last day of the third quarter of that fiscal year. There is significant planning and preparation involved in developing and running effective LIHEAP services that ultimately benefit our low income clients, and states cannot set benefit levels, enter into agreements with local administering agencies, or budget for program priorities without knowing their final budget and being able to draw on the funds. Furthermore, some states that incorporate the 10 percent carryover into their planning may not be able to obligate final-hour funds prior to the end of the fiscal year, resulting in states returning the funds to the federal government due to no fault of their own.

I appreciate your consideration of NEADA's request.

Sincerely,



John Harvanko
Chair