



Issue Brief

Promoting Self Sufficiency for Low-Income Clients

LIHEAP's Assurance 16

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Assurance 16 was added to the Low-Income Home Energy Assistance Program [statute](#) in 1994. Section 2605(b)(16) of the statute allows grantees to spend a limited amount of funds for Assurance 16 activities. Grantees have the option to:

“use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.”

According to 2014 LIHEAP state plans, [33 states allocate funds](#) to support Assurance 16 (A16) activities. State allocations range from 0.001 percent to 5 percent of annual LIHEAP funds.

Of the states using funds for A16, the majority provide energy education, financial counseling, vendor negotiations, needs assessments and referrals as part of their A16 activities. These activities may be implemented at the state level or by the local service agencies. Many states allow local agencies to submit plans for using A16 funds. Washington's LIHEAP has a basic outreach plan that includes state policy, and the local agencies are encouraged to think of creative ways to use A16 funds and to submit a plan with their annual application.

Tribes also conduct A16 activities. Although the number providing such activities is unavailable, a [review of tribal plans](#) reveals an array of activities

similar to state activities, including energy efficiency and financial management training, and referrals to other services such as weatherization.

Allowable A16 Activities and Costs

Other federal funds, for example Community Services Block Grant (CSBG) funds, may be used to pay for the costs associated with administering A16 activities. These non-LIHEAP funds don't count against the 10 percent limit on the use of federal funds for LIHEAP planning and administration. However, LIHEAP funds used to administer A16 activities do count against the 10 percent limit.

In Minnesota, A16 funds may be used to conduct referral and advocacy activities that contribute towards reducing household energy need and enabling energy security. The direct preparation, performance, and recording of LIHEAP referral and advocacy activities may be charged to A16.

Assurance 16 Resources

- [Minnesota A16 and Outreach Activities Report](#)
- Minnesota [2014 Energy Assistance Program Manual](#) (A16)
- [Form for Minnesota Report on A16 Activities](#)
- [Presentation](#) about Indiana A16 and Leveraging
- Indiana [REACH Evaluation Summary](#)
- [Delaware Memorandum of Understanding](#)
- [LIHEAP IM 2000-12](#) Cost for Planning and Administration — Updated Information

Examples of allowable A16 expenditures in Minnesota include:

- Needs assessment counseling
- Staff time used for referrals
- Printing costs and postage to mail A16 materials and information
- Assisting households to make a payment arrangement with their utility in order to receive “Cold Weather Rule” protection

Examples of expenditures that are not allowed under A16 in Minnesota include:

- Office space, desks, equipment, supplies
- Non-LIHEAP personnel referring people for energy assistance. For instance, a Head Start employee who spends time assessing client needs and decides the household needs energy assistance is doing Head Start referral activities, not A16.
- Indirect costs, human resources, IT support
- Staff time spent when a caller inquires about programs available to assist their family. It is not an A16 activity to determine that a household should apply for energy assistance. That is considered a shared administrative cost with other programs.
- Postage and time to mail or hand out LIHEAP applications
- Heat or crisis benefits
- Energy conservation supplies or products
- Weatherization or home repair
- Leveraging activities

Examples of State Uses of A16 Funds

In New Hampshire, A16 funds are used to move households experiencing an energy emergency to a new level of energy security. The state developed a program that tracks for three years households that are in crisis

situations. These households are encouraged to apply early for LIHEAP, when the program starts taking applications, so they are able to receive a benefit when the program opens. This avoids putting households in crisis; avoids stress for vendors and local agencies; and avoids having a special delivery charge that decreases the amount of the benefit.

Results show that 25 percent of these crisis households applied early and 25 percent did not reapply for LIHEAP. Another five percent of these households were repeat crisis situations and were moved to the next level of case management. Overall, the state has seen its crisis caseload drop from 10 percent to three percent.

Indiana developed an intensive case management approach to move families toward long-term stability. Its Family Development Program began as a 1997 REACH project and continued in 2000 with A16 funding. Staff at local agencies is trained to conduct assessments, develop action plans, and set up a network of referral services for families.

In 2010, the second generation of the Family Development Program started with [revamped matrices](#) that help identify circumstances such as loss of employment, unaffordable rent, chronic poor health, or disabilities that inhibit clients from paying bills and having access to basic life necessities. Intake workers are better trained to recognize these and other issues, such as poor income management skills, that prevent bill payment and to link families to services such as education, employment, housing, transportation, health, nutrition, child development, family relations, and drug/alcohol abuse.

Delaware's LIHEAP, in partnership with CSBG and AmeriCorps, implemented an innovative pilot program in 2013. The state used A16 funds to train and pay wages for 12 summer youth workers from low-income families to install low-cost energy efficiency measures in low-income homes. The parents of the youths had the opportunity to attend six Saturday classes on energy conservation and financial empowerment, while the

workers were educated on service leadership and performed community service work.

The families received an incentive of \$25, paid towards their energy bill, for each session they attended. APPRISE conducted a post-pilot survey to determine the impact of the program on participant youths and families. The survey found that youths increased their awareness and knowledge of energy conservation, and they implemented energy saving measures in their own homes. In 2014, Delaware plans to expand the program to include 80-90 youths through a partnership with the Department of Labor. Based on the APPRISE study, it will adjust some project features.

Reporting on Use of A16 Funds

The LIHEAP statute requires states to report on the impact of A16 activities—the number of households served, the level of direct benefits they received, and the number of households that remain unserved.

Minnesota's [report](#), at minimum, includes A16 activities conducted (including dates and number of participants, if applicable), expenditures, achievement of proposed goals, the indicators of success/impact, how the indicators were measured, and any changes to proposed activities.

Community action agencies in New Hampshire report expenditures on a monthly basis and submit an annual report to the state LIHEAP office with the following Assurance 16 information:

1. Total number of households assisted
2. Total number of households achieving self-sufficiency
3. Total number of households able to reduce dependency on LIHEAP
4. Total number of households denied benefits

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