



ADMINISTRATION FOR
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Low Income Home Energy Assistance Program Information Memorandum

IM#: ACF-OCS-LIHEAP-IM-2024-02

DATE: March 29, 2024

TO: Low Income Home Energy Assistance (LIHEAP) Grant Recipients

SUBJECT: Federal Poverty Guidelines (FPG) and State Median Income (SMI) Estimates for LIHEAP Income Eligibility Optional Use in federal Fiscal Year (FY) 2024 LIHEAP and Mandatory Use in FY25 LIHEAP

ATTACHMENT(S): (1) Federal Register Vol. 89, No. 11/Wednesday, January 17, 2024/Notice Department of Health and Human Services Annual Update of the HHS Poverty Guidelines (89 FR 2961). (2) 100 percent, 110 percent, and 150 percent of the Federal Poverty Guidelines for 50 states and the District of Columbia, Published on January 17, 2024, by the U.S. Department of Health and Human Services. (3) 100 percent, 110 percent, and 150 percent of the Federal Poverty Guidelines, adjusted for LIHEAP Use by Puerto Rico. (4) State Median Income (SMI) by Household Size for Mandatory Use in FY25

RELATED REFERENCES:

- (1) The Low Income Home Energy Assistance Act, Title XXVI of the Omnibus Budget Reconciliation Act of 1981, Public Law (Pub. L) 97-35, as amended;
- (2) 45 CFR 96.85(a)(b), Income Eligibility - Final Rule, published in the **Federal Register** on March 3, 1988 (53 FR 6827) and amended October 15, 1999 (64 FR 55858); and
- (3) Annual Update of the HHS Poverty Guidelines, **Federal Register** notice dated Wednesday, January 17, 2024 (89 FR 2961).

PURPOSE

To provide LIHEAP-specific updates to the Federal Poverty Guidelines (FPG), which the U.S. Department of Health and Human Services (HHS), Office of the Assistant Secretary for Planning

and Evaluation (ASPE) issued on January 17, 2024. LIHEAP grant recipients that base their income eligibility criteria on FPG may use these guidelines for their federal Fiscal Year (FY) 2024 programs and **must** use these guidelines for their FY25 programs.

To provide LIHEAP-specific adjustments to the FPG for recommended use by the Commonwealth of Puerto Rico and the other U.S. territories that provide LIHEAP assistance in FY24 and FY25.

To provide LIHEAP grant recipients the State Median Income (SMI) estimates for optional use as of the date of this Information Memorandum in LIHEAP for FY24 and mandatory use in FY25.

BACKGROUND

Section 2605(b)(2)(B) of Pub. L. 97-35, 42 U.S.C. § 8624(b)(2)(B) establishes the following requirements that LIHEAP grant recipients must follow in setting the income eligibility criteria of their programs:

(1) Grant recipients may make eligible solely on the basis of household income **which does not exceed the greater of**. —

(A) an amount equal to 150 percent of FPG for the state; or

(B) an amount equal to 60 percent of the SMI for the state; and

(2) Grant recipients may not exclude from eligibility solely on the basis of household income which falls below 110 percent of FPG for such state — though grant recipients may give priority to those households with the highest home energy costs or needs in relation to household income.

CONTENT

ASPE updated the FPG in a **Federal Register** notice that was published on January 17, 2024. Attachment 1 presents the text of that notice.

LIHEAP grant recipients that use FPG to set their income eligibility criteria are to adopt these guidelines in the manner indicated below.

Household

Household is defined in the Section 2603(5) of the LIHEAP statute [42 U.S.C. § 8622(5)] as “any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make undesignated payments for energy in the form of rent.”

Income

The LIHEAP statute does not define income. Generally, income means gross income, but a number of grant recipients choose to use net income to deduct for medical expenses over a certain level, or for some limited expenses associated with employment such as childcare.

Program Eligibility Criteria

Grant recipients have the option, but are not required, to establish additional requirements for income-eligible households to be eligible for LIHEAP.

Territorial Calculations

HHS does not issue poverty guidelines overall for federal programs in the territories. HHS has indicated that federal programs are generally responsible for deciding whether to use the Continental United States poverty guidelines for the territories or to follow some other procedure (Attachment 2). However, the Office of Community Services (OCS) has developed an approach to annually adjust the poverty guidelines for the Commonwealth of Puerto Rico's use in determining LIHEAP income eligibility. A similar adjustment is not available for the other territories at this time. OCS recommends that the other territories use the adjusted poverty guidelines provided in Attachment 3 in determining LIHEAP income eligibility for FY25.

This memorandum also updates the OCS LIHEAP income eligibility limits based upon the SMI for the 50 states, the District of Columbia, and the Commonwealth of Puerto Rico. These limits outline the maximum threshold that LIHEAP grant recipients may use in setting their programs' income eligibility criteria.

OCS calculated these limits from the SMI estimates for a four-person family developed by the United States Census Bureau (Census Bureau). HHS calculated 60 percent of the Census Bureau's estimates from the American Community Survey to determine the maximum SMI for LIHEAP eligibility.

OCS calculated the limits specified at 45 CFR 96.85. This methodology outlines that OCS shall multiply the limit for a four-person household by one of the following:

- (1) 52 percent for one person;
- (2) 68 percent for two persons;
- (3) 84 percent for three persons;
- (4) 100 percent for four persons;

- (5) 116 percent for five persons;
- (6) 132 percent for six persons;
- (7) 135 percent for seven persons;
- (8) 138 percent for eight persons;
- (9) 141 percent for nine persons;
- (10) 144 percent for 10 persons;
- (11) 147 percent for 11 persons; and
- (12) 150 percent for 12 persons.

OCS did not calculate the limits for households of sizes greater than 12 persons; however, those limits are based on a four-person family times 150 percent plus 3 percentage points for each household member above 12. See Attachment 4 for (1) the 60 percent of SMI figures for households of sizes one through 12; and (2) the instructions for calculating 60 percent of SMI for households of sizes greater than 12.

When making income eligibility determinations on applications for LIHEAP assistance, grant recipients must determine the SMI-based limits on household size, not family size, as defined by the federal LIHEAP statute at 42 U.S.C. § 8622(5). Although the figures presented here show limits by family size, grant recipients should use the applicable limit for a family presented here as the limit for a household in their programs.

Mandatory Use

Grant recipients must adopt these estimates by no later than October 1, 2024 (the beginning of FY25), or the beginning of the grant recipient’s fiscal year, whichever is later.

INQUIRIES TO

Please send all inquiries to:

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Thank you for your attention to these matters. OCS looks forward to continuing to provide high-quality services to OCS partners.

/s/
Megan Meadows
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Office of Community Services