

# DRAFT Application for Federal Assistance SF-424

U.S. Department Of Health And Human Services

Administration For Children And Families

Detailed Model Plan (LIHEAP)

Low Income Home Energy Assistance Program (LIHEAP)

Model Plan, SF - 424 - Mandatory

1a. Type of submission: Plan.

1b. Frequency: Annual.

1c. Consolidated Application/Plan/Funding Request:

1d. Version: initial

2. Date received:

3. Applicant identifier:

4a. Federal Entity Identifier:

4b. Federal Award Identifier:

5. Date received by State:

6. State Application Identifier:

7. Applicant information:

a. Legal Name: State of Minnesota

b. Employer/Taxpayer Identification Number (EIN/TIN): 1-416-7162-B2

c. Organizational DUNS: 8048859290000

d. Address: Minnesota Department of Commerce, 85 Seventh Place East, Suite 500, Saint Paul, Ramsey County, Minnesota, United States 55101-2198

e. Organizational Unit: Minnesota Department of Commerce, Energy Resources

f. Name and contact information of person to be contacted on matters involving this application: Mr. John M. Harvanko, Director. Telephone: 651-539-1805, Fax Number: 651-539-0109, Email: [john.harvanko@state.mn.us](mailto:john.harvanko@state.mn.us)

8a. Type of Applicant: State Government

8b. Additional Description:

9. Name of Federal Agency:

10. Catalog of Federal Domestic Assistance Number and Title: 93568, Low-Income Home Energy Assistance

11. Descriptive Title of Applicant's Project:

12. Areas Affected by Project: statewide.

13a. Congressional Districts of Applicant: 04

13b. Program/Project: statewide

14. Funding Period: Start Date: 10/01/2015; End Date: 09/30/2016

15. Estimated Funding:

16. Is submission subject to review by State under Executive Order 12372 Process?

16a. This submission was made available to the State under the Executive Order 12372 Process for Review on:

16b. Program is subject to E.O. 12372 but has not been selected by State for review.

16c. Program is not covered by E.O. 11372

17. Is the Applicant delinquent on any Federal debt? No.

18. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent

statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001). I agree.

18a. Typed or Printed Name and Title of Authorized Certifying Official: Bill Grant

18b. Signature of Authorized Certifying Official: electronic signature

18c. Telephone: (651) 539-1801

18d. Email address: [bill.grant@state.mn.us](mailto:bill.grant@state.mn.us)

183. Date Report Submitted:

## Section 1

### Program Components, 2605(a), 2605(b)(1) – Assurance 1, 2605(c)(1)(C).

1.1. Check which components you will operate under the LIHEAP program. (Note: You must provide information for each component designated here as requested elsewhere in this plan.)

Program Component	Start Date of Operation	End Date of Operation
Heating assistance	10/01/2015	05/31/2016
Cooling assistance		
Crisis assistance	10/01/2015	06/30/2016
Weatherization assistance	10/01/2015	09/30/2016

### Provide further explanation for the dates of operation, if necessary:

Energy Related Repair (ERR) Crisis assistance start date: 10/01; end date: 06/30

When a date of operation falls on a weekend or holiday the effective date will be the first business day following the listed date with the exception of 09/30. The last date of operation for the Federal Fiscal year is 09/30 or the last business in September if 09/30 is on a weekend.

- Applications must be received or postmarked by 05/31; heating assistance payments must be obligated by July 15.
- Crisis assistance will begin on 10/01 or when funding is available, whichever is later.
- Emergency (Crisis) benefits and Energy Related Repair (ERR) benefits may be approved through 06/30, if funding is available.

Funding for Weatherization Assistance will be available to the Weatherization Assistance Program in the Minnesota Department of commerce (Commerce) after receipt of 100% of the regular LIHEAP federal allocation and the approval of the EAPWX State Annual Plan.

### Estimated Funding Allocation, 2604(c), 2605(k)(1), 2605(b)(9), 2605(b)(16) – Assurances 9 and 16.

1.2. Estimate what amount of available LIHEAP funds will be used for each component that you will operate: The total of all percentages must add up to 100%.

Program Component	Estimated percentage of funding
Heating assistance	58.50%
Cooling assistance	0.00%
Crisis assistance	19.00%
Weatherization assistance	4.50%
carryover to the following Federal fiscal year	3.00%
Administrative and planning costs	10.00%

Program Component	Estimated percentage of funding
Services to reduce home energy needs including needs assessment (Assurance 16)	5.00%
Used to develop and implement leveraging activities	0.00%
TOTAL	100.00%

#### **Alternate Use of Crisis Assistance Funds, 2605(c)(1)(C).**

1.3 The funds reserved for winter crisis assistance that have not been expended by March 15 will be reprogrammed to: Heating assistance; Other (specify): Remain in the Crisis Assistance and Energy Related Repair components.

#### **Categorical Eligibility, 2605(b)(2)(A)–Assurance 2, 2605(c)(1)(A), 2605(b)(8A) -Assurance 8.**

1.4. Do you consider households categorically eligible if one household member receives one of the following categories of benefits – SNAP, TANF, SSI, Means-tested veterans program, other: No.

1.5. Do you automatically enroll households without a direct annual application? No.

1.6. How do you ensure there is no difference in the treatment of categorically eligible households from those not receiving other public assistance when determining eligibility and benefit amounts? Not applicable.

1.7 Do you allocate LIHEAP funds toward a nominal payment for SNAP clients? No.

#### **Determination of Eligibility – Countable Income**

1.8. In determining a household's income eligibility for LIHEAP, do you use gross income or net income? Gross Income

1.9. Select all of the applicable forms of countable income used to determine a household's income eligibility for LIHEAP. Wages, self-employment income, contract income, unemployment insurance, strike pay, Social Security Administration benefits (excluding MediCare deduction), Supplement Security Income, retirement/pension benefits, General Assistance benefits, Temporary Assistance for Needy Families benefits, cash gifts, jury duty compensation, rental income, alimony, interest/dividends/royalties, commissions, insurance payments made directly to the insured, Veterans Administration benefits, funds received by household for the care of a foster child.

Other: Insurance payments are counted for months designated during the 3-month eligibility period; foster care – the household can elect to include foster members and income or exclude the foster member and income.

## **Section 2 - HEATING ASSISTANCE**

### **Eligibility, 2605(b)(2) – Assurance 2**

2.1 Designate the income eligibility threshold used for the heating component: 50% of Fiscal Year 2016 state median income for household sizes 1-13; 110% of HHS Poverty Guidelines for household sizes 14 and larger.

2.2 Do you have additional eligibility requirements for heating assistance? Yes.

2.3 Check the appropriate boxes (yes or no boxes) below and describe the policies for each:

- Do you require an assets test? No.
- Do you have additional/differing eligibility policies for:
  - a. Renters: No.

- b. Renters living in subsidized housing: Yes
  - c. Renters with utilities included in the rent: No.
- Do you give priority in eligibility to:
  - a. Elderly: No.
  - b. Disabled: No.
  - c. Young children: No.
  - d. Households with high energy burdens: No.
  - e. Other: Not applicable.

**Explanation of policies for each 'yes' checked above:**

The primary household member must have a verifiable Social Security Number or an Authorized Alternative Document.

Households must be vulnerable to rising energy costs. For heat included in rent households, rising energy costs can result in higher rent if rent is not subsidized.

For subsidized housing, if heat and electric is included in rent, the household is not eligible for energy assistance as they are not vulnerable to rising energy costs.

Applications are processed on a first-come first-served basis. Priority is given to households with an energy emergency (disconnect, disconnect notice, etc.)

**Propane Prepurchase**

The Minnesota Department of Commerce (Commerce) proposes to use of as much as \$5,000,000 of the State of Minnesota's allocation for the FFY2016 Low Income Home Energy Assistance Program (LIHEAP) as described below.

Commerce will enter into prepurchase agreements with propane vendors during summer 2015 for propane fuel that will be delivered to LIHEAP-eligible Minnesota households after October 1, 2015. The recently enacted law (Laws of Minnesota 2015, 1st Special Session. chapter 1, article 1, section 8, subdivision 9) further requires the state appropriation to be paid back with LIHEAP funds allotted to the state in Federal Fiscal Year (FFY) 2016. The purpose of this appropriation is to take advantage of potentially lower summer propane prices.

In short, the state would expend state funds during FFY2015 to be repaid with federal funds allotted to the state during FFY2016. This same state law makes the state appropriation contingent upon receipt of approval from the US Department of Health and Human Services for the reservation of federal funds as described above. If approved, the same amount for the same purpose would be appropriated during the summer 2016 (i.e., FFY2016) for repayment with funds allocated during FFY2017 as well.

**Determination of Benefits, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)**

2.4 Describe how you prioritize the provision of heating assistance to vulnerable households, e.g., benefit amounts, application period, etc: All households are served on a first come/first served basis unless they have an energy emergency that must be addressed to restore or retain energy in the home.

2.5 Check the variables you use to determine your benefit levels. (Check all that apply): income, family (household) size, home energy cost or need including fuel type, dwelling type and other (Annual heating cost. If annual heating cost is not available, the benefit level is

determined from a back-up matrix and averages. Note: The Cost-Based Matrix and Back-Up Matrix for determining benefit levels is not available until late September.

**Benefit Levels, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)**

2.6 Describe estimated benefit levels for FY 2016: \$100 minimum benefit, \$1,400 maximum benefit.

2.7 Do you provide in-kind (e.g. blankets, space heaters) and/or other forms of benefits? No.

**Section 3 - COOLING ASSISTANCE**

**Eligibility, 2605(c)(1)(A), 2605(b)(2) – Assurance 2**

This section is not applicable. Cooling assistance is not part of our program.

**Section 4 - CRISIS ASSISTANCE**

**Eligibility - 2604(c), 2605(c)(1)(A)**

4.1 Designate the income eligibility threshold used for the crisis component: 50% of Fiscal Year 2015 state median income for household sizes 1-13; 110% of HHS Poverty Guidelines for household sizes 14 and larger.

4.2 Provide your LIHEAP program's definition for determining a crisis.

To receive a Crisis benefit, a household must:

- Request assistance with an energy emergency by either submitting a bill, disconnect notice or disconnection document verifying the energy emergency OR notifying the Service Provider of an energy emergency.
- Be EAP eligible.
- Have received a Primary Heat benefit that did not resolve the emergency.
- Have the emergency situation verified and documented by the Service Provider with the energy vendor at the time the Crisis benefit is determined.
- Be occupying the dwelling at the time Crisis is requested and the benefit is determined.
- Not have a redundant heating system that has fuel. An exception is that households with a redundant heating system are eligible for Crisis if the heating system that is out of fuel is needed to allow continuous heat to the dwelling (e.g. if the electric portion of the redundant heating system is on an off-peak discount program that interrupts electric heat to the dwelling.)
- Not have a Crisis payment that results in a credit on an account.
- Have one of the following Crisis reasons:
  - Heat Related Shut Off.
  - Heat Related Disconnection Notice.
  - Less than 20% in Fuel Tank and Refusal to Deliver (RTD).
  - Less than One Week Biofuel.
  - Non-Heat Electric Shut Off.
  - Non-Heat Electric Disconnection Notice.
  - Senior Past Due or Current Energy Bill.

4.3 What constitutes a life-threatening crisis? Life threatening situations include: no heat in the house or no heat distribution and weather conditions or inside air temperature are not at a safe level and the household does not have an alternative or temporary heat source.

**Crisis Requirements, 2604(c)**

4.4 Within how many hours do you provide crisis assistance that will resolve the energy crisis for eligible households? 48 hours

4.5 Within how many hours do you provide crisis assistance that will resolve the energy crisis for eligible households in life-threatening situations? 18 hours

**Crisis Eligibility, 2605(c)(1)(A)**

4.6 Do you have additional eligibility requirements for crisis assistance? Yes.

4.7 Check the appropriate boxes below and describe the policies for each.

- Do you require an assets test? No.
- Do you give priority in eligibility to:
  - a. Elderly: No.
  - b. Disabled: No.
  - c. Young children: No.
  - d. Households with high energy burdens: No.
  - e. Other: Not applicable.
- In order to receive crisis assistance:
  - a. Must the household have received a shut-off notice or have a near empty tank: Yes.
  - b. Must the household have been shut off or have an empty tank? Yes.
  - c. Must the household have exhausted their regular heating benefit? Yes.
  - d. Must renters with heating costs included in their rent have received an eviction notice? No.
  - e. Must heating/cooling be medically necessary? No.
  - f. Must the household have non-working heating or cooling equipment? Yes.
  - g. Other. Malfunctioning heating unit that still operates
- Do you have additional/differing eligibility policies for:
  - a. Renters: No
  - b. Renters living in subsidized housing: No.
  - c. Renters with utilities included in the rent: No.

**Explanation of policies for each 'yes' checked above:**

Have one of the following Crisis reasons:

- Heat Related Shut Off.
- Heat Related Disconnection Notice.
- Less than 20% in Fuel Tank and Refusal to Deliver (RTD).
- Less than One Week Biofuel.
- Non-Heat Electric Shut Off.
- Non-Heat Electric Disconnection Notice.

Energy Related Repair (ERR) is a Crisis program for heating systems that do not heat, do not distribute heat, are malfunctioning or have a health and safety issues (such as producing carbon monoxide). Households receiving ERR benefits must be homeowners.

If the regular heating benefit resolves a crisis, no Crisis funds are used. Some crisis situations need to use a combination of remaining regular heating benefits and Crisis funds to resolve the situation.

### **Determination of Benefits**

4.8 How do you handle crisis situations? Separate component.

4.9 If you have a separate component, how do you determine crisis assistance benefits?

Amount to resolve crisis; Other – Describe: If the Crisis cannot be resolved with the EAP funds available to a household, Crisis funds may be applied to the energy vendor account if the funds do not create a credit balance. In other situations where additional funds are needed, Crisis funds are obligated after the arrangements for additional funds are accepted by the energy vendor. Example: HH has \$300 Crisis funds available. However, \$500 is needed to deliver fuel. Arrangements and other resources are needed for the \$200 shortfall before EAP will obligate the \$300 available.

### **Crisis Requirements, 2604(c)**

4.10 Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served? Yes.

Explain: All sites are geographically accessible to all household. As stated in 4.11, households do not need to apply in person for Crisis assistance.

4.11 Do you provide individuals who are physically disabled the means to:

- Submit applications for crisis benefits without leaving their homes? Yes.
- Travel to the sites at which applications for crisis assistance are accepted? No.  
Households are able to apply for Crisis benefits by mail, phone or fax.

### **Benefit Levels, 2605(c)(1)(B)**

Type of crisis assistance	Maximum benefit
Winter crisis	\$500
Summer crisis	\$0
Year-round crisis	\$500

4.13 Do you provide in-kind (e.g. blankets, space heaters, fans) and/or other forms of benefits? No.

4.14 Do you provide for equipment repair or replacement using crisis funds? Yes.

4.15 Check appropriate boxes below to indicate type(s) of assistance provided. For year-round crisis we provide heating system repair, heating system replacement, wood stove purchase and pellet stove purchase. Other: Energy Related Repair is available from 10/01 thru 06/30. The time period is longer than winter crisis and shorter than year-round crisis.

4.16 Do any of the utility vendors you work with enforce a winter moratorium on shut offs? No.

4.18 Describe the terms of the moratorium and any special dispensation received by LIHEAP clients during or after the moratorium period. N/A

## **Section 5 - WEATHERIZATION ASSISTANCE**

### **Eligibility, 2605(c)(1)(A), 2605(b)(2) – Assurance 2**

5.1 Designate the income eligibility threshold used for the weatherization component:  
200% of HHS Poverty Guidelines



5.2 Do you enter into an interagency agreement to have another government agency administer a weatherization component? No.

5.3 If yes, name the agency: N/A

5.4 Is there a separate monitoring protocol for weatherization? Yes.

### **Weatherization – Types of Rules**

5.5 Under what rules do you administer LIHEAP weatherization? (Check only one.) Mostly under DOE WAP rules, with the following LIHEAP rule(s) where LIHEAP and WAP rules differ: (Check all that apply.):

- Weatherization not subject to DOE WAP maximum statewide average cost per dwelling unit.
- Other (describe): LIHEAP weatherization assists homeowners and renters, including mechanical work on heating systems.

### **Eligibility, 2605(b)(5) – Assurance 5**

5.6 Do you require an assets test? No

5.7 Do you have additional/differing eligibility policies for:

- a. Renters: No
- b. Renters living in subsidized housing: No.

5.8 Do you give priority in eligibility to:

- a. Elderly: Yes.
- b. Disabled: Yes.
- c. Young children: Yes.
- d. Households with high energy burdens: Yes.
- e. Other:

**If you selected 'Yes' for any of the options in 5.6, 5.7, or 5.8, you must provide further explanation of these policies in the text field below:**

#### **5.8 PRIORITY FOR PROVIDING WEATHERIZATION SERVICE**

**POLICY:** Service Providers must have in place a priority system that is:

1. Used to determine the order of service for program eligible clients.
2. Applied equally to both owner and renter occupied dwellings.

**PROCEDURE:** Client priority systems will incorporate households where one or more of the following exist:

1. Elderly member (60 years or over).
2. Handicapped member.
3. Child or children under the age of 19.
4. High energy consumption.

Service Providers may choose the order in which priority households are served.

The eHEAT WAP Priority list will be used to select clients for Weatherization energy conservation services. Applicants with a higher priority will be inserted into the waiting list ahead of applicants with lower priority criteria.

**STANDARD:** Service Providers must be able to show how their local priority determination is made, and how it best serves the eligible population in their service areas.

**EXCEPTIONS:** The priority process may be waived when there is an:

1. Emergency referral from the Energy Assistance Program (EAP).



2. Opportunity to complete other rehabilitation work with funds not directly administered through the DOE weatherization program.
3. Official state or federal disaster designation.

### **Benefit Levels**

5.9 Do you have a maximum LIHEAP weatherization benefit/expenditure per household? No.

5.10 If yes, what is the maximum amount?

### **Types of Assistance, 2605(c)(1), (B) & (D)**

5.11 What LIHEAP weatherization measures do you provide? (Check all that apply.)

- Weatherization needs assessments/audits
- Caulking and insulation
- Storm windows
- Furnace/Heating system modification/repairs
- Furnace replacement
- Energy related roof repair
- Windows/sliding glass doors
- Doors
- Water heater
- EAPWX funds can be used to complete measures included on the MN Department of Commerce's "Allowed Activities and Measure Type Chart: including "Baseload" activities/measures.

## **Section 6: Outreach, 2605(b)(3) – Assurance 3, 2605(c)(3)(A)**

6.1 Select all outreach activities that you conduct that are designed to assure that eligible households are made aware of all LIHEAP assistance available:

- Place posters/flyers in local and county social service offices, offices of aging, Social Security offices, VA, etc.
- Publish articles in local newspapers or broadcast media announcements.
- Include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.
- Mass mailing(s) to prior-year LIHEAP recipients.
- Inform low income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.
- Execute interagency agreements with other low-income program offices to perform outreach to target groups.
- Other: The State issues press releases regarding LIHEAP. The State also does a mass mailing to prior-year LIHEAP recipients. The State may work with other entities such as AARP to mail postcards to households. The above outreach activities are allowable outreach activities the local EAP Service Providers may provide in their area.

## **Section 7: Coordination, 2605(b)(4) – Assurance 4**

7.1 Describe how you will ensure that the LIHEAP program is coordinated with other programs available to low-income households (TANF, SSI, WAP, etc.)

- Joint application for multiple programs
- Intake referrals to/from other programs
- Other – describe:

Minnesota administers LIHEAP and DOE Weatherization (WAP) in the Department of Commerce, Division of Energy Resources. This helps facilitate coordination between similar and related services. The *Minnesota Energy Assistance Programs Application* serves as the application for LIHEAP and weatherization activities funded by LIHEAP or DOE. LIHEAP Service Provider staff determines income for most recipients of weatherization programs.

The energy programs application instructions provide information for the Cold Weather Rule administered by the Public Utilities Commission (PUC). Coordination on the state level includes negotiations between state departments and with vendors. Eligibility for LIHEAP is one eligibility criterion for the state's telephone assistance program.

The EAP application consent section and accompanying Privacy Notice permits organizations with access to EAP data for EAP administration to use the data to identify eligible participants for low-income affordability and conservation programs. Energy vendors including Xcel Energy and CenterPoint Energy provide affordability programs for EAP-recipient households, and state-mandated low-income utility conservation improvement programs (CIP).

Local administering agencies (Service Providers) develop plans for local coordination with other human services providers and community organizations

Service Providers may also administer similar and related programs including the Community Services Block Grant, Head Start, income assistance programs and housing programs.

State law requires the local Service Providers to have a plan for registering eligible voters.

## Section 8: Agency Designation, 2605(b)(6) – Assurance 6

8.1 How would you categorize the primary responsibility of your State agency? Commerce Agency.

## Alternate Outreach and Intake, 2605(b)(15) – Assurance 15

8.2 How do you provide alternate outreach and intake for **HEATING ASSISTANCE**? The Minnesota Department of Commerce contracts with 31 agencies to deliver LIHEAP: 22 community action agencies, 3 county governments, 5 tribal governments and 1 not-for-profit agency.

8.3 How do you provide alternate outreach and intake for **COOLING ASSISTANCE**?

8.4 How do you provide alternate outreach and intake for **CRISIS ASSISTANCE**? The Minnesota Department of Commerce contracts with 31 agencies to deliver LIHEAP: 22 community action agencies, 3 county governments, 5 tribal governments and 1 not-for-profit agency.

	<u>Heating</u>	<u>Cooling</u>	<u>Crisis</u>	<u>Weatherization</u>
Who determines client eligibility?	Local County Government, Community Action Agencies, Non-profits, Tribal	Non-applicable	Local County Government, Community Action Agencies, Non-profits, Tribal	Local County Government, Community Action Agencies, Non-profits, Tribal

	Government		Government	Government
Who processes benefit payments to gas and electric vendors?	Local County Government, Community Action Agencies, Non-profits, Tribal Government	Non-applicable	Local County Government, Community Action Agencies, Non-profits, Tribal Government	
Who processes benefit payments to bulk fuel vendors?	Local County Government, Community Action Agencies, Non-profits, Tribal Government	Non-applicable	Local County Government, Community Action Agencies, Non-profits, Tribal Government	
Who performs installation of weatherization measures?				Community Action Agencies Non-profits Tribal Government

## 8.5 What is your process for selecting local administering agencies?

### Selecting Successor Service Providers

Upon learning an existing Service Provider will resign or has resigned as an EAP provider, the Commerce will:

1. Solicit a letter of intent with attached documentation of a formal board resolution, both signed and dated by the chair of the governing board or the chair's designee, from Service Providers in the categories described in 1 and 2 in "Identification of a Successor Service Provider," below.
2. Issue a request for proposals to Service Providers in the categories described in category 3 in "Identification of a Successor Service Provider," below.
3. Issue a general request for proposals.

The successor Service Provider will be the one most closely matching these criteria:

- Is in the highest priority category as listed in number one of "Identification of a Successor Service Provider," below.
- Has demonstrated quality administration of programs, as shown by audits, reports to grantor Service Providers, and customer satisfaction.
- Has a strong history of successful program level advocacy.
- Has identified staff capable of operating the program.

### Identification of a Successor Service Provider

The recommendation of the community and the resigning Service Provider will hold considerable weight when choosing a successor Service Provider. Current Service Providers in good standing and other private not-for-profit organizations will be considered for the

successor Service Provider. The priority order for consideration of the successor Service Provider will be:

1. A current Service Provider serving the same service territory as the resigning Service Provider.
2. A current Service Provider serving a territory surrounding the resigning Service Provider's service territory.
3. A current Service Provider serving a territory contiguous to the resigning Service Provider's service territory.
4. A current Service Provider serving a non-contiguous territory for EAP, but providing Service Provider services in the resigning Service Provider's full service territory; and a private not-for-profit organization that provides services similar to EAP services in the resigning Service Provider's full service territory.
5. A current Service Provider serving a non-contiguous territory for EAP but providing Service Provider services in a significant portion of the resigning Service Provider's service territory; and a private not-for-profit organization that provides services similar to EAP services in a significant portion of the resigning Service Provider's service territory. A private not-for-profit organization that provides services similar to EAP services that demonstrates ability to provide EAP services in the resigning Service Provider's service territory.

8.6 How many local administering agencies do you use? 31 local Service Providers

8.7 Have you changed any local administering agencies from last year? No.

8.8 Why?

## **Section 9: Energy Suppliers, 2605(b)(7) – Assurance 7**

9.1 Do you make payments directly to home energy suppliers? Yes for heating and crisis.

Are there exceptions?: Yes

If yes, describe:

### **Direct Payments**

Households may receive direct payments under limited circumstances. Direct payments will be distributed in one payment and not scheduled. Make direct payments to:

- Households with biofuel if a biofuel vendor is not available. Biofuel payments must go to a biofuel vendor whenever possible. Service Providers must maintain knowledge of the biofuel vendors in their service area and should make direct payments for self-supplied biofuel only when no vendor is available. The Service Provider must document there is no biofuel vendor available in the eHEAT 'Crisis' or 'Completion' screen notes.
- Households with all energy utilities, electric and heat included in the rent.
- Households with heat included in rent, and only the amount that exceeds their electric costs for the previous year.
- Households whose energy vendors refused to sign the energy vendor agreement.
- Households unable to secure an energy vendor.

9.2 How do you notify the client of the amount of assistance paid? Households receive a letter stating the amount paid to energy vendor(s) or, in some instances, the amount paid directly to the household.

9.3 How do you assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment? Vendors must sign and comply with a vendor agreement to be eligible to receive payments for heating assistance or crisis assistance on household's energy accounts. Vendor payments are made through a centralized payment system. Local service providers work closely with vendors throughout the program year and perform ongoing formal monitoring of a percentage of the vendors annually to assure that all requirements of this assurance are met. State monitors review the vendor monitoring activity performed by the local service provider.

9.4 How do you assure that no household receiving assistance under this title will be treated adversely because of their receipt of LIHEAP assistance? Vendors must sign and comply with a vendor agreement to be eligible to receive payments for heating assistance or crisis assistance on household's energy accounts. Vendor payments are made through a centralized payment system. Local service providers work closely with vendors throughout the program year and perform ongoing formal monitoring of a percentage of the vendors annually to assure that all requirements of this assurance are met. State monitors review the vendor monitoring activity performed by the local service provider.

9.5 Do you make payments contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households? No

## **Section 10: Program, Fiscal Monitoring, and Audit, 2605(b)(10) – Assurance 10**

10.1 How do you ensure good fiscal accounting and tracking of LIHEAP funds? Fiscal accounting and tracking of LIHEAP funds takes place on the state and local levels. Local administering agencies are allowed only three days' cash on hand. Commerce requires local administering agencies to submit monthly financial status reports and track and monitors those reports on an ongoing basis.

After the initial allocation of funds to each LIHEAP service Provider Commerce allocates funds as needed and reviews requests for additional funds for Energy Related Repair on an ongoing basis. Primary Heat Benefits and Crisis Benefits are paid through a centralized state system.

Quality and Performance Control tracking is performed to reduce late payments and process energy vendor refunds in a timely manner.

### **Audit Process**

10.2 Is your LIHEAP program audited annually under the Single Audit Act and OMB Circular A-133? Yes.

10.3 Describe any audit findings rising to the level of material weakness or reportable condition cited in the A-133 audits, Grantee monitoring assessments, inspector general reviews, or other government agency reviews of the LIHEAP agency from the most recently audited federal fiscal year:

<b>Finding</b>	<b>Type</b>	<b>Brief Summary</b>	<b>Resolved?</b>	<b>Action Taken</b>
1	reporting	<b>Finding #1:</b> The Department of Commerce did not comply with certain	Yes	Procedure / policy changes

		<p>federal reporting requirements for the Low-Income Home Energy Assistance Program. This is a repeat finding.</p> <p><b>Recommendations:</b></p> <ul style="list-style-type: none"> <li>▪ <i>The Department of Commerce should comply with federal reporting requirements by:</i> <ul style="list-style-type: none"> <li>○ <i>Transmitting the Federal Financial Report (SF-425) by the required federal due date; and</i></li> <li>○ <i>Obtaining DUNS numbers from all entities that receive pass-through grants and report sub-awards, as required by the Federal Funding Accountability and Transparency Act.</i></li> </ul> </li> </ul> <p><b>Response:</b></p> <p>The Commerce Department has already developed an internal calendar that contains all federal reporting dates and deadlines. This calendar provides lead time and a notification process to ensure that future federal reporting due dates are met.</p> <p>The Department has made strong efforts in the past year to correct this finding by obtaining sub-award information from our service providers, which is done for all service providers that have received DUNS numbers. In the past year, the Department has significantly decreased the number of service providers out of compliance with only three remaining. The sub-award amounts were not reported for the three service providers because they have not provided DUNS numbers. The Department will suspend funding, after sufficient notice, for these providers until a DUNS number is received.</p>		
--	--	--	--	--

#### 10.4 Audits of Local Administering Agencies

What types of annual audit requirements do you have in place for local administering agencies/district offices?

- Local agencies/district offices are required to have an annual audit in compliance with the Single Audit Act and OMB 45 CFR Part 75, Uniform Administrative

Requirements, Cost Principles, and Audit Requirements for U.S. Department of Health and Human Services (HHS) Awards.

- Grantee conducts fiscal and program monitoring of local agencies/district offices

### **Compliance Monitoring**

10.5 Describe the Grantee's strategies for monitoring compliance with the Grantee's and Federal LIHEAP policies and procedures by:

- Grantee employees: Internal program review, departmental oversight, secondary review of invoices and payments
- Local Administering Agencies/District Offices: On-site evaluation, annual program review, monitoring through central database, desk reviews, client file testing/sampling

10.6 Explain, or attach a copy of, your local agency monitoring schedule and protocol: All local agencies are monitored on site at least once a year. Most EAP Service Providers are monitored twice a year.

10.7 Describe how you select local agencies for monitoring reviews?

- Site Visits: All EAP Service Providers are monitored
- Desk Reviews: All EAP Service Providers are monitored

10.8 How often is each local agency monitored?

At least once per federal fiscal year. Most EAP Service Providers are monitored on-site twice a year. A second monitoring visit from one fiscal year may be combined with the first visit from the next fiscal year.

10.9 What is the combined error rate for eligibility determinations? Unknown – this is not tracked in aggregate.

10.10 What is the combined error rate for benefit determinations? Unknown – this is not tracked in aggregate.

10.11 How many local agencies are currently on corrective action plans for eligibility and/or benefit determination issues? One

10.12 How many local agencies are currently on corrective action plans for financial accounting or administrative issues? None

## **Section 11: Timely and Meaningful Public Participation, 2605(b)(12) – Assurance 12, 2605(c)(2)**

11.1 How did you obtain input from the public in the development of your LIHEAP plan?

Check all that apply: public hearings, draft plan posted to website and available for comment, hard copy of plan is available for public view and comment, request for comments on draft plan is advertised, stakeholder consultation meeting(s)

11.2 What changes did you make to your LIHEAP plan as a result of this participation? A significant number of recommendations come from EAP Coordinators who administer the program at local agencies. Meetings are held with representation by EAP Coordinators and Minnesota Department of Commerce EAP staff to recommend changes in policy or procedures.

- Pending

### **Public Hearings, 2605(a)(2)**

11.3 List the date(s) and location(s) that you held public hearing(s) on the proposed use and distribution of your LIHEAP funds? Date: Scheduled for July 30, 2015 from 3:00 p.m. to 5:00 p.m. in Room 300 North in the State Office Building, 100 Rev. Martin Luther King, Jr., Blvd., St. Paul. The public hearing will conclude after those present have had an opportunity to



provide oral comment. Written comment must be received at the address below by 4:30 p.m. on July 30, 2015.. Event description: Public hearing re: FFY2016 LIHEAP in St. Paul, MN

11.4. How many parties commented on your plan at the hearing(s)? Pending

11.5 Summarize the comments you received at the hearing(s). Pending

11.6 What changes did you make to your LIHEAP plan as a result of the public hearing(s)? Pending

## **Section 12: Fair Hearings, 2605(b)(13) – Assurance 13**

12.1 How many fair hearings did the grantee have in the prior Federal fiscal year? None

12.2 How many of those fair hearings resulted in the initial decision being reversed? Not applicable.

12.3 Describe any policy and/or procedural changes made in the last Federal fiscal year as a result of fair hearings? Not applicable.

12.4 Describe your fair hearing procedures for households whose applications are denied. Households have 30 days from the date they receive their notification letter to appeal decisions made regarding their energy assistance application. Applicants are informed of this right when they receive their application and again on their notification letter. Grounds for appeal are:

- Disagreement about questions of fact (such as income, household size, previous year's heating costs, etc.) used to determine eligibility and amount of assistance.
- Application was denied.
- Application was not acted on in 30 days.
- The Energy Related Repair services at the time of completion or final inspection were not adequate or were inappropriate.

The three levels of appeal are:

- Local, including investigation and a written response.
- State, including investigation and a written response.
- Hearing with an administrative law judge followed by a written recommendation to the Commissioner of the Department of Commerce.

12.5 When and how are applicants informed of these rights? The household received a "Rights and Responsibilities" form with their application. They are also notified in their award or program denial letters.

12.6 Describe your fair hearing procedures for households whose applications are not acted on in a timely manner. The process is the same as item 12.4 above.

12.7 When and how are applicants informed of these rights? The household received a "Rights and Responsibilities" form with their application.

## **Section 13: Reduction of home energy needs, 2605(b)(16) – Assurance 16**

13.1 Describe how you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance? Minnesota uses LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance. The supported activities are referred to as Assurance 16 (A16). Assurance 16 allowable activities may include:

- Budget counseling
- Energy conservation education

- Facilitation of household negotiations for budget payments
- Advocacy with fuel suppliers on behalf of households
- Household energy assessments
- Referrals
- Case management
- Public relations and outreach

13.2 How do you ensure that you don't use more than 5% of your LIHEAP funds for these activities? Funds for Assurance 16 activities are assigned a dedicated project code in the State Accounting System and a dedicated line item on the contract with local administering agencies. The use of Assurance 16 funds is monitored by EAP Program Performance Auditors and activities are recorded in LIHEAP software. This process assures expenditures for these activities do not exceed the allowable 5% of the LIHEAP federal allocation.

13.3 Describe the impact of such activities on the number of households served in the previous Federal fiscal year. The impact of activities is not tracked.

13.4 Describe the level of direct benefits provided to those households in the previous Federal fiscal year. The impact of activities is not tracked.

13.5 How many households applied for these services? The number of households is not tracked statewide.

13.6 How many households received these services? Commerce does not track this information.

## Section 14: Leveraging Incentive Program, 2607A

14.1 Do you plan to submit an application for the leveraging incentive program? Yes.

14.2 Describe instructions to the third parties and/or local agencies for submitting LIHEAP leveraging resource information and retaining records.

Separate instructions/leveraging survey forms are attached for:

- EAP Service Providers/Non-profit agencies
- Delivered fuel vendors
- Connected utility vendors

The Minnesota Department of Commerce and the local administering agencies acquire non-federal leveraged resources for Minnesota EAP. These leveraged resources are administered by the State or the local administering agencies or in collaboration and cooperation with the local administering agency and made available to federally qualified low-income households under 2605(b)(2).14.3 For each type of resource and/or benefit to be leveraged in the upcoming year that will meet the requirements of 45 C.F.R. §

96.87(d)(2)(iii), describe the following:

What is the type of resource or benefit?	What is the source(s) of the resource?	How will the resource be integrated and coordinated with the LIHEAP program?
Contributions to the State or local administering agencies	Sources of the contributions include local governments, foundations, individuals, businesses, and other entities.	The resource will be used to provide assistance to supplement LIHEAP payments, in accordance with federal program requirements.
CIP Funds used assist low-income EAP households.	Contributions and monies received under Minnesota Statutes 216B.241, "Energy	E. The purchase of blankets, space heating devices and space cooling devices and equipment (including stoves and

What is the type of resource or benefit?	What is the source(s) of the resource?	How will the resource be integrated and coordinated with the LIHEAP program?
	Conservation Improvements,"	refrigerators) which meet MN Stat. 216C.19 Energy Conservation. F. The purchase, delivery and installation of electrical conservation materials to households where electricity is required to help meet the household's home heating needs.
Monies expended by local governments, foundations, individuals, businesses or other entities that assist the energy assistance program, including primary heat, crisis, weatherization and energy related repair assistance.	Minnesota social services agencies have informally agreed on a protocol for providing low-income home energy assistance, beginning with federal funds, then state and local government funds. Community resources may be spent after federal funds or after state and local government funds, depending upon the purposes of the resources. The agreement also provides for coordination and collaboration of funding and advocacy efforts to assist households to meet home energy needs.	These monies assist low-income households to meet the costs of home energy in accordance with federal program requirements and funds are integrated into the energy assistance program through coordination activities to assist low-income EAP households.
Local delivery agencies contract with energy vendors to administer vendor sponsored fuel funds. These funds use energy assistance eligibility criteria and supplement Energy assistance funding.	Energy vendors and community groups operate fuel funds that integrate with the energy assistance program through coordination of eligibility determination and grant award determination.	The energy assistance program maintains strong communications ties with these fuel funds, which piggy-back their activities on the energy assistance program.
The State of Minnesota, local administering	the Salvation Army Heat Share Program	Heat Share and the local administering agencies

What is the type of resource or benefit?	What is the source(s) of the resource?	How will the resource be integrated and coordinated with the LIHEAP program?
<p>agencies and will collaborate to ensure integration with the energy assistance program. Heat Share is a private fuel fund that receives voluntary contributions collected from energy vendor customers and stockholders. a. a. negotiated price discount for an agreed-upon number of gallons of heating fuel. The agreed-upon number of gallons of heating fuel will be available to EAP households at the discounted price.</p> <p>E. The purchase of blankets, space heating devices and space cooling devices and equipment (including stoves and refrigerators) which meet MN Stat. 216C.19 Energy Conservation.</p>		<p>coordinate services though eligibility determination, referral networks, and joint training meetings.</p> <p>Heat Share accepts EAP eligibility as proof of income eligibility and accepts EAP certified income as verified household income.</p> <p>The State of Minnesota and the Salvation Army cooperate on many levels including reciprocal membership in advisory boards.</p>
<p>The purchase, delivery and installation of electrical conservation materials to households where electricity is required to help meet the household's home heating needs.</p> <p>The reduction in home energy bills obtained when a household participates in a utility or energy supplier's Special Rate or Practices Plan.</p> <p>These include programs designed to reduce the cost of home energy</p>	Energy Vendors	<p>Discounts or reductions in bulk fuel prices. Contracts at the local level with oil or liquid propane vendors will guarantee</p>

What is the type of resource or benefit?	What is the source(s) of the resource?	How will the resource be integrated and coordinated with the LIHEAP program?
needs of the household and minimize the risk of an energy crisis. Special rate programs may include but are not limited to: discount rate, off-peak, time of day or dual heating plans.		
The purchase, delivery and installation of electrical conservation materials to households where electricity is required to help meet the household's home heating needs.	Energy Vendors	The reduction in home energy bills obtained when a household participates in a utility or energy supplier's Special Rate or Practices Plan. These include programs designed to reduce the cost of home energy needs of the household and minimize the risk of an energy crisis. Special rate programs may include but are not limited to: discount rate, off-peak, time of day or dual heating plans.

## Section 15: Training

15.1 Describe the training you provide for each of the following groups:

a. Grantee Staff:

- Formal training on grantee policies and procedures, as needed
- Employees are provided with policy manual

b. Local Agencies:

- Formal training conference, annually
- On-site training, annually
- Employees are provided with policy manual
- Other: Training is provided bi-monthly at Energy Assistance Coordinator Association (EACA) meetings. Training and technical assistance is provided during initial monitoring visits. Additional training is provided as needed.

c. Vendors

- Policies communicated through vendor agreements
- Policies are outlined in a vendor manual
- Other: Local EAP Service Providers may provide training and technical assistance during vendor monitoring.

15.2 Does your training program address fraud reporting and prevention? Yes.

## Section 16: Performance Goals and Measures, 2605(b)

16.1 Describe your progress toward meeting the data collection and reporting requirements of the four required LIHEAP performance measures. Include timeframes and plans for meeting these requirements and what you believe will be accomplished in the coming

federal fiscal year. Minnesota is currently able to meet data collection and reporting requirements of the four required LIHEAP performance measures.

## **Section 17: Program Integrity, 2605(b)(10)**

### **17.1 Fraud Reporting Mechanisms**

a. Describe all mechanisms available to the public for reporting cases of suspected waste, fraud, and abuse.

- Report directly to local agency/district office or Grantee office
- Report to State Inspector General or Attorney General
- Forms and procedures in place for local agencies/district offices and vendors to report fraud, waste, and abuse.

b. Describe strategies in place for advertising the above-referenced resources.

- Addressed on LIHEAP application materials

### **17.2 Identification Documentation Requirements**

a. Indicate which of the following forms of identification are required or requested to be collected from LIHEAP applicants or their household members.

- Social Security Number (without actual card) is required for applicant
- Social Security Number (without actual card) is requested for all adults in the household
- Social Security Number (without actual card) is requested for all household members seeking assistance

b. Describe any exceptions to the above policies: An Authorized Alternative Document may be used, such as providing a copy of an I-94 form is an allowable alternative. Safe at Home Program participants apply using a Safe at Home number.

### **17.3 Identification Verification**

Describe what methods are used to verify the authenticity of identification documents provided by clients or household members. Other: Identification is not verified.

### **17.4 Citizenship/Legal Residency Verification**

What are your procedures for ensuring that household members are U.S. citizens or aliens who are qualified to receive LIHEAP benefits? Other: Citizenship/Legal Residency is not verified. Household members may self-disclose their non-qualified alien status.

### **17.5 Income Verification**

What methods does your agency utilize to verify household income? Require documentation of income for all adult household members including

- Pay stubs
- Social Security award letters
- Bank statements
- Tax statements
- Zero-income statements
- Unemployment Insurance letters
- Other – describe: Signed statements from employers. Tribal Casino Per Capita Letters

Computer data matches: Other: No data matching takes place to verify income.

### **17.6 Protection of Privacy and Confidentiality**

Describe the financial and operating controls in place to protect client information against improper use or disclosure.

- Policy in place prohibiting release of information without written consent
- Grantee LIHEAP database includes privacy/confidentiality safeguards
- Employee training on confidentiality for: Grantee employees, local agencies/district offices
- Physical files are stored in a secure location

### **17.7 Verifying the Authenticity of Energy Vendors**

What policies are in place for verifying vendor authenticity?

- All vendors must register with the State/Tribe
- All vendors must supply a valid SSN or TIN/W-9 form
- Vendors are verified through energy bills provided by the household
- Grantee and/or local agencies/district offices perform physical monitoring of vendors

### **17.8 Benefits Policy – Gas and Electric Utilities**

What policies are in place to protect against fraud when making benefit payments to gas and electric utilities on behalf of clients?

- Data exchange with utilities that verifies: account ownership, consumption, balances, account is properly credited with benefit
- Centralized computer system/database tracks payments to all utilities
- Centralized computer system automatically generates benefit level
- Separation of duties between intake and payment approval
- Computer databases are periodically reviewed to verify accuracy and timeliness of payments made to utilities
- Direct payment to households are made in limited cases only
- Procedures are in place to require prompt refunds from utilities in cases of account closure
- Vendor agreements specify requirements selected above, and provide enforcement mechanism

### **17.9 Benefits Policy – Bulk Fuel Vendors**

What procedures are in place for averting fraud and improper payments when dealing with bulk fuel suppliers of heating oil, propane, wood, and other bulk fuel vendors?

- Centralized computer system/database is used to track payments to all vendors
- Clients are relied on for reports of non-delivery or partial delivery
- Direct payment to households are made in limited cases only
- Conduct monitoring of bulk fuel vendors
- Bulk fuel vendors are required to submit reports to the Grantee
- Vendor agreements specify requirements selected above, and provide enforcement mechanism

### **17.10 Investigations and Prosecutions**

Describe the Grantee's procedures for investigating and prosecuting reports of fraud, and any sanctions placed on clients/staff/vendors found to have committed fraud.

- Refer to local prosecutor or state Attorney General
- Local agencies/district offices or Grantee conduct investigation of fraud complaints from public



- Grantee attempts collection of improper payments. If so, describe the recoupment process. (\*\*See below).
- Clients found to have committed fraud are banned from LIHEAP assistance. For how long is household banned?: Current program year.
- Vendors found to have committed fraud may no longer participate in LIHEAP.

## **\*\*Overpayments and Recovery of EAP Funds**

Overpayment recovery is required when an EAP benefit is overpaid by \$10 or greater. Until an overpayment process is complete, the household is not eligible to receive Crisis benefits. Service Providers must track and maintain a single log of households with overpayments, to ensure all recovery steps are conducted and Crisis is not provided until the recovery process is complete. Follow the overpayment recovery procedures for an error, waste, abuse, or suspected fraud below:

### **Overpayments Resulting from Error**

If **error** results in overpayment of EAP funds the Service Provider must attempt to recover funds in the following order:

1. If identified immediately, work with the energy vendor to determine if the incorrect payment can be easily refunded.
2. Adjust scheduled payments, if possible.
3. Recover credit on energy vendor account, if possible.
4. Write to the client by certified mail to:
  - Notify them of the situation.
  - Request repayment of overpaid EAP funds not recovered.
  - Clarify the household's rights and responsibilities, hardship option, and appeals process.
  - Offer to meet with them.
  - Set up a repayment schedule including installment payments as needed ensuring that full repayment is made by September 30 of the current program year.

If repayment poses a hardship for the household:

- Obtain a signed and dated declaration from the household describing the hardship.
- Retain the declaration in the household's file.
- Terminate recovery of EAP funds.

If the household does not respond to Service Provider's certified letter within 30 days of the letter's date:

- Call the household regarding overpayment recovery information in #4 above.
- If unable to reach the household by phone, mail a certified "overpayment second notice" letter, including all information from #4 above.
- If the household does not respond within 30 days of the "overpayment second notice" letter's date:
  - Document attempts made by the Service Provider to recover overpaid funds
  - Terminate the recovery effort.

If the household does not maintain planned repayment schedule:

- Call the household regarding missed payment and other information in #4 above.
- If unable to reach the household by phone, mail a certified "payment plan reminder" letter, including all information from #4 above.

- If the household does not respond within 30 days of the "payment plan reminder" letter's date:
- Document attempts made by the Service Provider to recover overpaid funds
- Terminate the recovery effort.

Commerce reserves the right to deny a household suspected of fraud for the current program year and require all EAP benefits be repaid. The household will be denied by Commerce with the "Application Denied by Commerce" reason.

Commerce reserves the right to take additional steps.

**Service Providers suspected of fraud are reviewed by the Commerce.**

- Commerce determines actions including repayment with non-federal funds.
- Commerce reserves the right to take additional steps

**Energy vendors or contractors suspected of fraud are reviewed by the Commerce.**

- Commerce determines actions that could include repayment and the energy vendor being determined uncooperative.
- Commerce reserves the right to take additional steps.

**Overpayment Documentation**

Service Providers must document overpayments when recovering EAP funds paid to a household, energy vendor or contractor. The documentation must include:

- List of households for which an overpayment was made.
- Date the household, Service Provider, energy vendor or contractor was notified of the overpayment.
- Description of the incident and when it occurred.
- How and when the incident was discovered.
- The disposition made, e.g., amount to recover.
- Date and/or amount of any recovery or the amount of un-collectible funds.
- Corrective action to prevent similar occurrences.

All overpayments must be refunded to the Commerce and should be made payable to Commerce. An attached note should include:

- Household number.
- Reason for the overpayment.
- Indicate primary heat, crisis or ERR benefit.
- Service Provider ID.
- Service Provider Name.

If the recipient chooses to pay in monthly installments, the Service Provider must send the payments to the Commerce as they are received. If the repayment requires a repayment plan in excess of one year, full payment is expected to be made as soon as possible.

**Costs and Responsibility**

Except in the case of Service Provider fraud, Service Provider recovery costs (legal action, fees, investigations, etc.) are allowable administrative expenses.

## **Section 18: Certification Regarding Debarment, Suspension, and Other Responsibility Matters**

### **Certification Regarding Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transactions**

#### **Instructions for Certification**

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or agency

entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings. 10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

#### **Certification Regarding Debarment, Suspension, and Other Responsibility Matters–Primary Covered Transactions**

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

## **Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions**

### **Instructions for Certification**

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, [[Page 33043]] should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled ``Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from

### **Federal Procurement and Nonprocurement Programs.**

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause.

The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

#### **Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions**

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

[checked] **By checking this box, the prospective primary participant is providing the certification set out above.**

#### **Section 19: Certification Regarding Drug-Free Workplace Requirements**

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645(a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATE-WIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For the Department of Health and Human Services, the central point is: Division of Grants Management and Oversight, Office of Management and Acquisition, Department of Health and Human Services, Room 517-D, 200 Independence Avenue, SW Washington, DC 20201.

#### **Certification Regarding Drug-Free Workplace Requirements (Instructions for Certification)**

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.

2. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

3. For grantees other than individuals, Alternate I applies.

4. For grantees who are individuals, Alternate II applies.

5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).

7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

8. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

*Controlled substance* means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

*Conviction* means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

*Criminal drug statute* means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

*Employee* means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

### **Certification Regarding Drug-Free Workplace Requirements**

#### **Alternate I. (Grantees Other Than Individuals)**

The grantee certifies that it will or will continue to provide a drug-free workplace by:



(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing an ongoing drug-free awareness program to inform employees about –

(1) The dangers of drug abuse in the workplace;

(2) The grantee's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations

occurring in the workplace;

c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will –

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

(e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted – (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

(B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

**Place of Performance** (Street address, city, county, state, zip code)

85 7<sup>th</sup> Place E, Suite 500, St. Paul, Ramsey County, Minnesota 55101

**Check if there are workplaces on file that are not identified here.**

**Alternate II. (Grantees Who Are Individuals)**

(a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;

(b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

[55 FR 21690, 21702, May 25, 1990]

**[checked] By checking this box, the prospective primary participant is providing the certification set out above.**

## Section 20: Certification Regarding Lobbying

The submitter of this application certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, ``Disclosure Form to Report Lobbying," in accordance with its instructions

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

### Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, ``Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**[checked] By checking this box, the prospective primary participant is providing the certification set out above.**

(1) use the funds available under this title to--

(A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);

(B) intervene in energy crisis situations;

(C) provide low-cost residential weatherization and other cost-effective energy-related home repair;and

(D) plan, develop, and administer the State's program under this title including leveraging programs, and the State agrees not to use such funds for any purposes other than those specified in this title;

(2) make payments under this title only with respect to--

(A) households in which one or more individuals are receiving--

(i) assistance under the State program funded under part A of title IV of the Social Security Act;

(ii) supplemental security income payments under title XVI of the Social Security Act;

(iii) food stamps under the Food Stamp Act of 1977; or

(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978;

or

(B) households with incomes which do not exceed the greater of -

(i) an amount equal to 150 percent of the poverty level for such State; or

(ii) an amount equal to 60 percent of the State median income;

(except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-

income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that -

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and (B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to -

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

(8) provide assurances that,

(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and

(B) the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that--

(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.

(15) \* beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.

\* This assurance is applicable only to States, and to territories whose annual regular LIHEAP allotments exceed \$200,000. Neither territories with annual allotments of \$200,000 or less nor Indian tribes/tribal organizations are subject to Assurance 15.

(16) 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.

## PLAN ATTACHMENTS

The following documents must be attached to this application:

- Delegation Letter is required if someone other than the Governor or Chairman Certified this Report. (To be attached with submission to HHS.)
- Heating component benefit matrix, if applicable: see webpage **FFY 2016 Benefit Tables** - (Appendix 6A & 6B) (Note: Not available until late September)
- Cooling component benefit matrix, if applicable: not applicable
- Minutes, notes, or transcripts of public hearing(s). Pending public hearing