

June 7, 2021

# States receive funds to set low-income water assistance program rules

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The Biden administration last week formally launched the Department of Health and Human Services' (HHS) Low-Income Household Water Assistance Program (LIHWAP) by releasing (<https://www.acf.hhs.gov/ocs/policy-guidance/lihwap-dcl-2021-05-lihwap-funding-release>) \$166.6 million in funding to allow states, tribes, and territories to set their official program rules, a key step toward getting the program to a point where funding is available to cover water bills of low-income households.

Congress established (<https://www.amwa.net/article/covid-19-relief-legislation-includes-water-rate-aid-low-income-households>) LIHWAP with a \$638 million appropriation in last December's COVID-19 relief legislation and boosted (<https://www.amwa.net/article/covid-19-package-carries-billions-dollars-aid-communities-low-income-water-ratepayers>) the program with another \$500 million as part of the American Rescue Plan enacted in March. However, HHS has been slow (<https://www.amwa.net/article/information-new-water-ratepayer-assistance-program-trickles-out-hhs-seeks-stakeholder>) in getting the program off the ground as it works to flesh out the relatively minimal direction provided by lawmakers.

Last week's announcement (<https://www.hhs.gov/about/news/2021/06/02/biden-harris-administration-launches-relief-program-to-improve-access-to-affordable-water-services.html>) said that the \$166.6 million will be sent to states, territories, and tribes "to set program rules that are reasonable for their communities and begin launching the program as soon as possible." These grantees will be expected to "engage in outreach to get the word out to people about the availability of this assistance [including] households facing the greatest amount of water bills compared to household income and newly eligible households that typically would not qualify for assistance, including individuals who are unemployed or underemployed due to the pandemic."

Under program terms and conditions issued

([https://www.acf.hhs.gov/sites/default/files/documents/ocs/Attachment%20A\\_LIHWAP%20Terms%20and%20Conditions\\_State%20Signature%20Block.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ocs/Attachment%20A_LIHWAP%20Terms%20and%20Conditions_State%20Signature%20Block.pdf)) by HHS, states, tribes, and territories may reserve up to 15 percent of grant funds received for program administration. That set-aside is roughly equal to the \$166.6 million released last week, meaning that these initial funds will not actually be used to offset the water bills of low-income households. However, sending the administrative funds to states and other grantees represents an important step toward making the program operational later this year.

Once states receive additional program funds, they will be distributed among local water systems to cover bills and arrearages of qualifying customers. Ultimately all program dollars must be spent by the end of 2023.

The LIHWAP is distinct from a separate proposal to establish a permanent low-income water ratepayer assistance program at EPA. Legislation to create such a program at EPA, which is backed by AMWA, was introduced (<https://www.amwa.net/article/bipartisan-house-bill-would-establish-permanent-water-ratepayer-aid-program>) in the House of Representatives last month.

Back to *June 7, 2021* (<https://www.amwa.net/index.php/monday-morning-briefing/june-7-2021>)

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