



STATE OF ARIZONA

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

State Plan for Federal Fiscal Year (FFY) 2012

**Arizona Department of Economic Security
Division of Aging and Adult Services
P.O. Box 6123, Site Code 950A
Phoenix, AZ 85005**

**Department of Health and Human Services
Administration for Children and Families
Office of Community Services
Washington, D.C. 20447**

**August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01
OMB Approval No. 0970-0075, Expiration Date: 04/30/2014**

GRANTEE **STATE OF ARIZONA**

Assurances

The State of Arizona agrees to:

- (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.

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- (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;

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- (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));

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- (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.

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Certification to the Assurances: As Chief Executive Officer, I agree to comply with the sixteen assurances contained in Title XXVI of the Omnibus Budget Reconciliation Act of 1981, as amended.* By signing these assurances, I also agree to abide by the standard assurances on lobbying, debarment and suspension, and a drug-free workplace.

Signature of the Tribal or Board Chairperson or Chief Executive Officer of the State or Territory.**

Signature: _____

Clarence H. Carter

Title: Director

Date: _____

EIN***: 1-866014791-A9

* Indian tribes/tribal organizations, and territories with annual regular LIHEAP allotments of \$200,000 or less, are not subject to assurance 15, and thus must only certify to 15 assurances.

** If a person other than the Chief Executive Officer of the State or territory, or Tribal Chairperson or Board Chairperson of a tribal organization, is signing the certification to the assurances, a letter must be submitted delegating such authority. (PLEASE ATTACH DELEGATION of AUTHORITY.) The delegation must include authority to sign the assurances, not just to administer the program.

*** HHS needs the EIN (Entity Identification Number) of the State, territory or Tribal agency that is to receive the grant funds before it can issue the grant.

In the above assurances which are quoted from the law, "State" means the 50 States, the District of Columbia, an Indian Tribe or Tribal Organization, or a Territory; "title" of the Act refers to Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (OBRA), as amended, the "Low Income Home Energy Assistance Act"; "section" means Section 2605 of OBRA; and, "subsection" refers to Section 2605(b) of OBRA.

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statutory
references

2605(a)
2605(b)(1)

Please 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.)

Dates of Operation

(Use of funds) X *heating assistance * All components are provided year round.
 X *cooling assistance _____
 X *crisis assistance _____
 X weatherization assistance _____

2605(c)(1)(C)

Please 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 Components:

69.6% *heating assistance
 _____ *cooling assistance
 _____ *crisis assistance
 15% weatherization
 -0-% carryover to the following fiscal year
 10% administrative and planning costs
 5% services to reduce home energy needs including needs assessment (assurance 16)
 .4% used to develop and implement leveraging activities (limited to the greater of 0.08% or \$35,000 for States, the greater of 2% or \$100 for territories, tribes and tribal organizations).
 100% TOTAL

*These three components are provided year round and conducted as one program.

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statutory references

2605(c)(1)(C) The funds reserved for winter crisis assistance, which have not been expended by March 15 will be reprogrammed to:

(alternate use of crisis assistance funds)

- heating assistance
- cooling assistance
- weatherization assistance
- other (specify):

Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served? (This is required by the Statute.)

Yes No

2605(b)(2)
2605(c)(1)(A)
(eligibility)

What are the grantee's maximum eligibility limits?
(Please check the components to which they apply)
Current year guidelines must be used

- 150% of the FY 2011 poverty guidelines: For households of nine or more, eligibility will be based on 150% of the Federal Poverty guidelines.
Heating Cooling Crisis Wx
- 125% of the FY 2004 poverty guidelines:
Heating Cooling Crisis Wx
- 111% of the FY 2004 poverty guidelines:
Heating Cooling Crisis Wx
- 60% of the state's median income: For households of less than nine.
Heating Cooling Crisis Wx
- Other:
Heating Cooling Crisis Wx
- Households automatically eligible if one person is receiving
- TANF, SSI, Food Stamps, Certain means-tested veterans programs (heating cooling crisis wx)

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statutory references

2605(c)(1)(A) Do you have additional eligibility requirements for: Heating Assistance
(check yes or no)

2605(b)(2) (eligibility)

Do you use:	<u>Yes</u>	<u>No</u>
Assets Test	<u> </u>	<u> X </u>
Do you give priority in eligibility to:		
*Elderly?	<u> X </u>	<u> </u>
*Disabled?	<u> X </u>	<u> </u>
*Young Children?	<u> X </u>	<u> </u>
*Other	<u> X </u>	<u> </u>

If yes, please describe: *Elderly, disabled, working poor and households with children age 5 and under are given additional points for eligibility, which could increase the benefit level.

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statutory
references

2605(c)(1)(A) Do you have additional eligibility requirements for: Cooling Assistance
 2605(b)(2) (check yes or no)
 (eligibility)

Do you use:	<u>Yes</u>	<u>No</u>
Assets Test	<u> </u>	<u> X </u>
Do you give priority in eligibility to:		
*Elderly?	<u> X </u>	<u> </u>
*Disabled?	<u> X </u>	<u> </u>
*Young Children?	<u> X </u>	<u> </u>
*Other	<u> X </u>	<u> </u>

If yes, please describe: *Elderly, disabled, working poor and households with children age 5 and under are given additional points for eligibility, which could increase the benefit level.

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statutory
references

2604(c)
2605(c)(1)(A)
(eligibility)

Do you have additional eligibility requirements for: Crisis Assistance

(check yes or no)

Do you use:	<u>Yes</u>	<u>No</u>
Assets Test?	<u> </u>	<u> X </u>
Must the household have received a shut-off notice or have an empty tank?	<u> X </u>	<u> </u>
Must the household have exhausted regular benefit?	<u> X </u>	<u> </u>
Must the household have received a rent eviction notice? This item s/b yes?	<u> X </u>	<u> </u>
Must heating/cooling be medically necessary?	<u> </u>	<u> X </u>
Other? (If yes, please explain)	<u> X </u>	<u> </u>

A shut off or delinquent notice is required. If utilities are included in the rent, an eviction notice is required.

What constitutes a crisis?

A crisis is defined as a delinquent or shut off notice, or if utilities are included in the rent, an eviction notice is required..

Added to the definition of a Crisis to include: the determination of a Human Service Emergency made by the Department of Economic Security. A Human Services Emergency includes but is not limited to fire or flood which results in the evacuation of homes and shelters. Upon determination of a Human Service Emergency, households affected may be assisted with costs to temporarily shelter or house individuals in hotels, apartments or other living situations in which homes have been destroyed or damaged, i.e., placing people in settings to preserve health and safety and to move them away from the crisis situation.

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statutory
references

2605(c)(1)(A)
(eligibility)

Do you have additional eligibility requirements for:	<u>Weatherization</u>	
Do you use:	<u>Yes</u>	<u>No</u>
Assets Test	<u> </u>	<u>X</u>
Priority groups? (Please list)	<u>X</u>	<u> </u>

In the interest of DOE and LIWAP Weatherization program compatibility, priority will be given to high energy consuming households headed by elderly or handicapped households.

Are you using Department of Energy (DOE), Low Income Weatherization Assistance (LIWAP) rules to establish eligibility or to establish priority eligibility for households with certain characteristics? X

If yes, are there exceptions? Please list below. X

Replacement of domestic hot water heater tanks (gas or electric) shall be an allowable LIWAP expense.

Existing gas kitchen ranges with standing pilot lights which because of advanced age and deteriorated condition and which evidence excessive carbon monoxide levels shall be eligible for replacement as a LIWAP expense. The replacement range shall have electronic intermittent ignition features and shall comply with all applicable codes for gas kitchen ranges.

Conversion of electric water heating tanks to natural gas water heating tanks where the natural gas service is available to the property line. Existing electric hot water tanks may be replaced with gas hot water tanks where the household size is 2 or more occupants. Gas line connections to the location of the tank site, however, must be funded by another source.

Conversion of electric resistance heating to natural gas or propane shall be allowable but only with the "prior approval" of the Governor's Office of Energy Policy, Weatherization Program. Conversion of electric resistance heating to natural gas (where the gas service is available to the property line) shall be allowable if energy auditing demonstrates that the "break-even" payback on the conversion from electric to natural gas is equal to or less than prevailing market rates for home owner scales "home improvement" capital. Cost of running gas line shall be funded by another fund source.

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statutory
references

2605(b)(3)
2605(c)(3)(A)

Please check the outreach activities that you conduct that are designed to assure that eligible households are made aware of all LIHEAP assistance available:

(Outreach)

- provide intake service through home visits or by telephone for the physically infirm (i.e. elderly or disabled).
- 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.
- make mass mailing to past recipients of LIHEAP.
- 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 (Please specify):

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statutory
references
2605(b)(4)

Please describe how you will assure that LIHEAP is coordinated with similar and related programs. The description provided applies to all components unless specifically noted.

(coordination)

The Arizona Department of Economic Security will continue its policy of cooperation, coordination, and information exchange with Department of Energy contractors, Community Services Block Grant providers, the Social Security Administration, and any other Energy Program in order to minimize duplication of services and maximize services available to eligible clients. This cooperation is in the form of both formal and informal meetings, coordination of contracting procedures and contractors, exchange of significant correspondence, and joint planning.

Currently, the same Assistant Director administers the Community Services, Social Services, and the Low Income Home Energy Assistance Program Block Grants. Coordination between the three Block Grants occurs on a daily basis to ensure that the needs of the low-income households are addressed.

The LIHEAP Weatherization Program is administered by the Governor's Office of Energy Policy, Weatherization Program, which also operates the Department of Energy (DOE) Weatherization Program.

2605(b)(5)
2605(b)(2)
2605(b)(8A)

The statute requires that there be no difference in the treatment of households eligible because of their income and those eligible because they receive benefits under TANF, Food Stamps, SSI, or certain means-tested veterans programs ("categorically eligible"). How do you ensure there is no difference when determining eligibility and benefit amounts? This applies to all components unless specifically noted below.

(benefit levels)

There is no difference in benefit levels based on receipt or non-receipt of public assistance benefits. This applies to all components with the exception of weatherization components, which prioritizes the households on SSI or TANF when determining eligibility.

GRANTEE STATE OF ARIZONA

statutory references

2605(b)(5) HEATING COMPONENT

Please check the variables you use to determine your benefit levels (check all that apply):

(determination benefits)

- Income
- family (household) size
- home energy cost
- fuel type
- climate/region
- individual bill
- dwelling type
- energy burden (% of income spent on home energy)
- energy need
- other (describe)

2605(b)(5)
2605(c)(1)(B)

Describe how you will assure that the highest benefits go to households with the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size. Please describe benefit levels or attach a copy of your payment matrix.

(benefit levels)

Payment guidelines are based upon income, energy burden and energy need. Priority points are given to households with the lowest income, highest energy burden and energy need. Households, which meet these criteria, are eligible for higher benefits.

Higher points are awarded to those households with the lowest incomes. Energy burden is determined by dividing the utility costs by the household's income. Higher points are awarded for higher energy burdens. The following criteria is used in determining LIHEAP benefits.

1. Percent of Poverty will be based on 60 percent of State Medium Income for household sizes of one through eight. For households of nine or more, percentages will be based on 150% of Federal Poverty guidelines.

0%	-	74%	5	points
75%	-	100%	4	points
101%	-	125%	3	points
126%	-	150%	2	point
151%	-	200%	1	point

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(benefit levels
con't)

2. Energy Burden
- | | | |
|--------------|---|--------|
| 5% - or less | 0 | points |
| 6% - 10% | 3 | points |
| 11% - 15% | 4 | points |
| 16% - 20% | 5 | points |
| 21% - Higher | 6 | points |
3. Energy Need
- | | | |
|------------------------------------|---|-------|
| Elderly | 1 | point |
| Disabled | 1 | point |
| Child age 6 and under in Household | 1 | point |
| Working Poor | 1 | point |

<u>Total Points</u>	<u>Payment levels</u>
1-2	\$160 maximum
3-6	\$320 maximum
7-11	\$480 maximum
12-15	\$640 maximum

Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits?

 Yes X No If yes, please describe.

GRANTEE STATE OF ARIZONA

statutory references

2605(b)(5)
2605(c)(1)(B)

COOLING COMPONENT

Please check the variables you use to determine your benefit levels (check all that apply):

(determination of benefits)

- income
- family (household) size
- home energy cost or need
- fuel type
- climate/region
- individual bill
- dwelling type
- energy burden (% of income spent on home energy)
- energy need
- other (describe)

2605(b)(5)
2605(c)(1)(B)

Describe how you will assure that the highest benefits will go to households with the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size.

Payment guidelines are based upon income, energy burden and energy need. Priority points are given to households with the lowest income, highest energy burden and energy need. Households, which meet these criteria, are eligible for higher benefits.

(benefit levels)

Please describe benefit levels or attach a copy of your payment matrix.

Higher points are awarded to those households with the lowest incomes. Energy burden is determined by dividing the utility costs by the household's income. Higher points are awarded for higher energy burdens. The following criteria is used in determining LIHEAP benefits.

2. Percent of Poverty will be based on 60 percent of State Medium Income for household sizes of one through eight. For households of nine or more, percentages will be based on 150% of Federal Poverty guidelines.

0%	-	74%	5	points
75%	-	100%	4	points
101%	-	125%	3	points
126%	-	150%	2	point
151%	-	200%	1	point

2. Energy Burden

5%	-	or less	0	points
6%	-	10%	3	points
11%	-	15%	4	points
16%	-	20%	5	points
21%	-	Higher	6	points

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statutory
references

2605(b)(5)
2605(c)(1)(B)

CRISIS COMPONENT

How do you handle crisis situations?

 separate component * X other (please explain)

*Client must be in a crisis. Crisis is defined as a delinquent or shut off notice, or if utilities are included in the rent, an eviction notice.

Added to the definition of a Crisis to include; a declaration of disaster made by the Department of Economic Security. Upon declaration of a disaster, households affected by a disaster may be assisted with costs to temporarily shelter or house individuals in hotels, apartments or other living situations in which homes have been destroyed or damaged, i.e., placing people in settings to preserve health and safety and to move them away from the crisis situation.

(determination
of benefits)

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

 X amount to resolve crisis, up to maximum

 other (please describe)

(benefit
levels)

Please indicate the maximum benefit for each type of crisis assistance offered.

heating \$ maximum benefit

cooling \$ maximum benefit

year-round \$ 500 maximum benefit

Do you provide in-kind (e.g. blankets, space heaters, fans) and/or other forms of benefits?

 Yes X No If Yes, please describe.

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STATE OF ARIZONAstatutory
references2605(b)(5)
2605(c)(1)(B) & (D)Weatherization/Energy Related Home Repair and Improvements

2605(k)

What LIHEAP weatherization services / materials do you provide? (Check all categories that apply.)

- Weatherization needs assessments/audits
- Caulking, insulation, storm windows, etc.
- Furnace / heating systems modifications/repairs
- Furnace replacement
- Cooling efficiency mods/repairs/replacement
- Other

Do you have a maximum LIHEAP weatherization benefit or expenditure per household? yes no

If yes, what is the maximum amount? The average cost per dwelling unit for materials and program support expenditures shall not exceed \$4,500.00 using LIHEAP program funds.

Under what rules do you administer LIHEAP weatherization?

 Entirely under LIHEAP (not DOE) rules Entirely under DOE LIWAP rules Mostly under LIHEAP rules with the following DOE LIWAP rule (s) where LIHEAP and LIWAP rules differ. Weatherize buildings if at least 66% of units (50% in 2- & 4-unit buildings) are eligible units or will become eligible within 180 days. Weatherize shelters, temporary housing of primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities). Weatherization not subject to DOE LIWAP maximum statewide average cost per dwelling unit. Other

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2605(b)(6) The state or tribe administers LIHEAP through the following local agencies:

(Agency Designation)

- county welfare offices
 community action agencies (weatherization component only)
 community action agencies (heating, cooling or crisis)
 charitable organizations
 not applicable (i.e. state energy office)
 tribal office
 other, describe:

Have you changed local administering agencies from last year?

Yes No

If Yes, please describe how you selected them.

What components are affected by the change?

Not applicable

2605(c)(1)(E) Please describe any additional steps (other than those described elsewhere in this plan that will be taken to target assistance to households with high home energy burdens. This applies to all components. If all steps to target households with high home energy burdens are described elsewhere in the plan, no further information is required here.)

(targeting of Assistance)

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statutory references

2605(b)(7)
(energy suppliers)

Do you make payments directly to home energy suppliers?

Heating Yes No

Cooling Yes No

Crisis Yes No

Are there exceptions? If yes, please describe.

Yes No

For those households whose utility costs are included in the rent, payments will be forwarded to the landlord.

For those households who procure their energy source either themselves or from an irregular supplier such as woodcutter, the benefit payment for Energy Assistance shall be in the name of the client. The payment will be forwarded to the client for appropriate distribution, and will serve as Notification of Payment made in the client's behalf. No award letter will be necessary.

2605(b)(7)(A)

If you make payments directly to home energy suppliers, how do you notify the client of the amount of assistance paid? (Please describe)

Clients will be notified by an approval letter of the amount paid on their behalf.

2605(b)(7)
(B) – (C)

How do you make sure the home energy supplier performs what is required in this assurance? If vendor agreements are used, they may be attached. Indicate each component for which this description applies.

(Energy supplier)

Energy suppliers will, through their normal billing process, apply the Energy Assistance payments to the approved households account, just as any other payment would be applied. Vendor agreements will be in place with each home energy supplier and will contain provisions to ensure that no household receiving assistance under this title will be treated adversely for receiving LIHEAP assistance. In addition, the agreement will require the home energy supplier to agree to not discriminate, either in the cost of the goods supplied or the services provided, to the eligible household on whose behalf payments are made.

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statutory
references

2605(b)(8)(B)
(owners and
renters)

Is there any difference in the way owners and renters are treated? If yes, please describe.

Heating Assistance:

 Yes X No

Cooling Assistance:

 Yes X No

Crisis Assistance:

 Yes X No

Weatherization:

 Yes X No

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statutory
references

2605(b)(b)(11)

How do you ensure good fiscal accounting and tracking of LIHEAP funds? (Please describe. Include a description of how you monitor fiscal activities.)

(program fiscal
monitoring, and
audit)

The State of Arizona assures that fiscal control and fund accounting procedures are established to assure the proper accounting of their disbursement of federal funds paid to the state under this program, including procedures for monitoring the assistance provided under this title, and that at least every year the state shall prepare an audit of its expenditures of amounts received under this program, in accordance with the Single Audit Act of 1984.

How do you monitor program activities? (Please be sure to include a description of how you monitor eligibility and benefit determination.)

Monitoring of contract agencies will occur at least Bi-annually. Any contract agency that has a particular problem will be monitored again and given technical assistance until the problem is resolved. Monitoring focuses on the following areas: program, fiscal, policy and general contract requirements. This monitoring may occur through a desk review of materials or on-site monitoring. Weatherization monitoring encompasses the aforementioned areas plus on-site quality control inspection of weatherized homes. Monitoring visits are also used for contractor training and technical assistance as required.

How is your LIHEAP program audited?

Under the Single Audit Act? YES

If not, please describe:

For States and Territories:

Is there an annual audit of local administering agencies?

X Yes No

GRANTEE STATE OF ARIZONA

statutory
references

2605(b)(12) How do you get timely and meaningful public participation in the development of the plan? (Please describe)

(timely and meaningful public participation) Public hearings are conducted for any major program changes.

2605(a)(2) Did you conduct public hearings on the proposed use and distribution of your LIHEAP funds? When and where? (Not required for tribes and tribal organizations)

X Yes _____ No

A public hearing was held to obtain public participation on:

(public
hearings)

Date
July 22, 2011

Location
Arizona State Capitol
1700 West Washington 2nd Floor
10:00 a.m. to noon

statutory
references

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- 2605(b)(13) Describe your fair hearing procedures for households whose applications are denied or not acted on in a timely manner. When are applicants informed of these rights?
- (Fair Hearings) Denials and Applications Not Acted on In a Timely Manner
- A Fair Hearing procedure is in place within the Department of Economic Security (DES), Division of Aging and Adult Services (DAAS) Community Action Programs Unit and the Community Action Program (CAP) Agencies. Clients will be notified at time of application of their right to appeal.
- Step One An opportunity to file a request for a fair hearing regarding any adverse action shall be granted by the CAP agency to any applicant/recipient who requests a hearing because his or her benefit assistance is denied, delayed, discontinued, suspended or terminated. The applicant/recipient must within 10 days provide in writing a statement of the grounds for the hearing. The request must be submitted to the CAP agency within ten calendar days after the mailing date on the decision letter. The CAP agency receiving the grievance will make all efforts to resolve the issues within 10 days of the request.
- Step Two In the event the applicant/recipient wishes to appeal the decision of the CAP agency, the applicant/recipient may within 10 days of receiving the CAP agency decision letter appeal in writing to the DES/DAAS LIHEAP Program Manager. The LIHEAP Program Manager at the DES/DAAS level will be responsible for conducting the hearing and providing a decision within 10 days of the appeal letter.
- Step Three In the event the applicant/recipient wishes to appeal the decision of the DES/DAAS LIHEAP Program Manager, the applicant/recipient may within 10 days of receiving the DES/DAAS LIHEAP Program Manager decision letter may request in writing a fair hearing from the Arizona Court of Appeals. The Arizona Court of Appeals will be responsible for conducting the hearing and providing a decision within 60 days of the request.
- Step Four In the event the applicant/recipient wishes to appeal the decision of the Arizona Court of Appeals, the applicant/recipient may within 10 days of receiving the Arizona Court of Appeals decision letter request in writing a fair hearing from the Department of Health and Human Services, Office of Community Services in Washington D.C. The Department of Health and Human Services, Office of Community Services in Washington D.C. will be responsible for providing a decision within 60 days of the request.

statutory

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references

2605(b)(15)
(alternate outreach
and intake)

For states and Puerto Rico only (not applicable to tribes and tribal organizations, or to territories whose annual regular LIHEAP allotments are \$200,000 or less):

Does the state agency that administers the following LIHEAP component also administer the state's welfare program?

Heating assistance

 Yes X No

If yes, describe alternate process for outreach and intake:

Cooling assistance

 Yes X No

If yes, describe alternate process for outreach and intake:

Crisis assistance

 Yes X No

If yes, describe alternate process for outreach and intake:

The State of Arizona contracts with Community Action Program agencies on a statewide basis. Application intake and eligibility determination is conducted by the Community Action Program (CAP) contracted agencies which provide the three components year-round.

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2605(b)(16)

Do 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? (This assurance refers to activities such as needs assessments, counseling, and assistance with energy vendors.)

X Yes No

If Yes, please describe these activities.

The Community Action Agencies are providing energy awareness, education and training to all LIHEAP recipients to help reduce the energy usage and reduce the need for energy assistance.

If Yes, how do you ensure that you don't use more than 5% (statutory ceiling) of your LIHEAP funds for these activities?

The State of Arizona assures that fiscal control and fund accounting procedures are in place to assure that we do not use more than the 5% allowable for this activity. The fiscal control assigns and tracks expenditures by budget codes on a monthly basis to check and balance the funds for the LIHEAP program.

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statutory references

2607A Please describe leveraging activities planned for the fiscal year. (This entry is optional.*) Complete this entry if you plan to apply for (leveraging) LIHEAP leveraging incentive funds and to include in your leveraging report resources/benefits provided to low income households this fiscal year under criterion (iii) in 45 CFR 96.87(d)(2). Provide the following information for each:

- (1) Identify and described each resource/benefit;
- (2) Identify the source(s) of each resource; and
- (3) Describe the integration/coordination of each resource/benefit with the LIHEAP program, consistent with 1 or more of conditions A-H in 45 CFR 96.87(d)(2)(iii).

The State of Arizona, Department of Economic Security identified the following programs or projects as leveraging efforts for the period of October 1, 2008 through September 30, 2009. The identification of these items does not preclude the identification of additional resources when the final report on leveraging is submitted (2607A).

(1) Identify and described each resource/benefit	(2) Identify the source(s) of each resource; and	(3) Describe the integration/coordination of each resource/benefit with the LIHEAP program, consistent with 1 or more of conditions A-H in 45 CFR 96.87(d)(2)(iii).
Arizona Department of Housing Utility Assistance (Coconino County)	Cash payments for energy assistance.	A, C and E
Arizona Public Service	Provides a discount to households based on electricity usage for each month.	D
Arizona Public Service/Community Action Partnership	Arizona Public Service (APS) Company provides funding for materials, supplies and repairs to low income homeowners for weatherization. Funds are also used to provide utility assistance payments for gas and electric to LIHEAP eligible households.	A
Arizona Public Service (APS) Low Income Weatherization Program	APS has provided funding for weatherization, and refrigerator replacement in western and northern Arizona, Gila County and western Maricopa County.	A
Unisource Energy Services (formerly Citizens Electric Utilities)	Provides a discount to households based on electric usage for each month. Households are at 150% of poverty.	D

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(1) Identify and described each resource/benefit	(2) Identify the source(s) of each resource; and	(3) Describe the integration/coordination of each resource/benefit with the LIHEAP program, consistent with 1 or more of conditions A-H in 45 CFR 96.87(d)(2)(iii).
City of Phoenix Water Fund (Project Assist)	The funds consist of donations from the community and are used for payment of water bills during the cooling season by CAAs in combination with LIHEAP program.	(i)
Southwest Gas-Corporation Low Income Rate Assistance Program	Provides a 20% gas discount on the first 150 therms. Households are at or below 150% of poverty.	A
City of Tucson / Tucson Water Utility Assistance	Funds are used to provide utility assistance to low income households with their water bills.	A
Arizona Community Action Association (ACAA) - Utility Repair, Replace & Deposit Program (URRD)	URRD funds are used by community action agencies in coordination with LIHEAP for deposits, and repairs, or replacements of energy related appliances; including coolers, heaters, and/or water heaters. These are allowed under weatherization. Appliances are replaced only if it is energy efficient.	E
Unisource Energy Services (formerly Citizens Gas Utility)	Provides a discount to households based on gas usage. Households are at 150% of poverty.	D
Unisource Energy Services (formerly Citizens Utilities) Funds for Weatherization Program in Santa Cruz County	Unisource Energy Services provides funds to be used to purchase materials for weatherization of electric homes for low-income households in Santa Cruz County. Funds are used in conjunction with LIHEAP weatherization funds.	(ii)
Southwest Gas Weatherization	Funds are utilized to help low income households pay for weatherization services.	A
Unisource Energy Services (formerly Citizens Arizona Gas) Appliance, Repair and/or Replacement Program	Unisource Energy Services provides funds to be used to repair and/or replace gas water heaters and furnaces.	D
Arizona Community Action Association (ACAA) - Home Energy Assistance Fund	This resource provides energy assistance to eligible low income households statewide.	A and E
Senior Citizens Evaporative Cooler and Minor Home Repair Program.	Funds are used to pay for evaporative cooler replacement, tune-up and minor home repair to low income seniors and disabled.	A
Salt River Project-Weatherization Program	The resource provides material, supplies and repairs to low income households for weatherization.	A
(1) Identify and described each resource/benefit	(2) Identify the source(s) of each resource; and	(3) Describe the integration/coordination

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STATE OF ARIZONA

		of each resource/benefit with the LIHEAP program, consistent with 1 or more of conditions A-H in 45 CFR 96.87(d)(2)(iii).
HERO – Help with Emergency Relief Operation	Fuel fund providing benefits within the LIHEAP program in the Tucson area. LIHEAP agencies take applications and eligibility criteria are the same.	A
Arizona Housing Trust Fund	State appropriates funds used for the repairs of water heaters and coolers in several areas of the state. Coordinated with the LIHEAP weatherization program.	A
Pima County General Fund - Utility Assistance	Funds are used to provide low-income Pima County residents with financial assistance with utility bills in conjunction with LIHEAP.	(ii)
Neighbors Helping Neighbors	Cash payments for Home Energy Assistance available statewide. Funds are gathered through a voluntarily State Tax check off.	E
Salvation Army-Project Share	Fuel fund providing benefits within the LIHEAP program statewide. Project Share provides benefits to households who have already been assisted by LIHEAP but are still in a crisis situation or applicant has gone to a CAA first and the CAA has no funding available, only benefits to LIHEAP eligible households are counted.	A
Salt River Project-Economy Price Plan	Provides a discount to households based on monthly electricity usage. The LIHEAP Grantee and Arizona Community Action Association met with SRP to discuss the expansion of the utility discount program to all low-income households rather than only seniors. All low-income households at 150% of poverty may apply for the discount. LIHEAP eligibility criteria was incorporated with this resource.	(i)
Unisource Energy Services funds used for Weatherization in Santa Cruz County	Weatherization of homes include: doors, windows, insulation, water heaters, replace or repair of evaporative coolers, air conditioning, heating units and energy efficient refrigerators.	(i)(ii)

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(1) Identify and described each resource/benefit	(2) Identify the source(s) of each resource; and	(3) Describe the integration/coordination of each resource/benefit with the LIHEAP program, consistent with 1 or more of conditions A-H in 45 CFR 96.87(d)(2)(iii).
Southwest Gas-Donated Water Heaters	Southwest Gas donates hot water heaters to be installed in low-income households. Households are assessed on energy consumption and condition of unit, LIHEAP/WAP criteria is used to determine eligibility.	A
Southwest Gas-Corporation Low-Income Energy Conservation	Southwest Gas provides funding to Community Action Agencies (CAA) to meet the energy affordability needs of low-income customers through a coordinated partnership. CAAs serving SWG territory will coordinate and deliver the program elements in conjunction with their existing activities for the Weatherization and LIHEAP programs.	A
City of Scottsdale Utility Assistance Program	Funds are used to provide emergency utility assistance to low income families.	A
Tucson Electric Power (TEP) Company LIFELINE Discount Program	Provides a discount to low-income households at 150% based on electricity usage for each month. The CAAs take applications and assist clients through the application process.	D
Tucson Electric Power (TEP) Weatherization	TEP funds to provide weatherization services, specifically designed to lower energy burden for qualified homeowners.	D
Coconino County Local Funds	Cash payments made for home energy assistance, appliance repair and replacement.	A, C and E
Southwest Gas/Community Action Partnership	This source provides utility assistance for low-income households within the Southwest Gas service territory.	A
Tucson Electric Power (TEP) Company Low Income Fund for Emergencies (LIFE)	The LIFE funds are used when/if LIHEAP funds are used first or are not available, or to supplement large payments that LIHEAP might not cover by itself. Actual utility bills are paid for LIHEAP eligible clients, LIHEAP eligibility criteria is used.	A
Salt River Project (SRP) M-Power Price Plan Equipment Waiver	Customers receiving service under the Economy Price Plan Discount Rider and on the M-Power Price Plan for pre-pay residential service are eligible for a partial equipment waiver. The partial waiver is equal to \$14.00 per month.	(i)
City of Scottsdale Utility Assistance Program	Funds are used to provide emergency utility assistance to low income families.	A

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(1) Identify and described each resource/benefit	(2) Identify the source(s) of each resource; and	(3) Describe the integration/coordination of each resource/benefit with the LIHEAP program, consistent with 1 or more of conditions A-H in 45 CFR 96.87(d)(2)(iii).
Warm Spirit	Unisource Energy Services-Gas Division collects donations from customers and businesses to provide utility assistance to low income households.	D
Catholic Charity Development Appeal	Cash payments for home energy assistance.	E
Governor's Office of Energy Policy - Demand Side Management/utility funds	Funds are used to weatherize home, following Department of Energy guidelines.	(ii)
SemStream Arizona Propane	This source provides utility bill assistance for low-income households with SemStream Arizona propane service territory.	A
Unisource Gas Appliance, repair and Replace Program	Cash payments made for home energy assistance, appliance repair and replacement.	(ii)
Arizona Utility Companies: Arizona Public Service (APS) Salt River Project (SRP) Unisource Energy Services Tucson Electric Power Southwest Gas Company City of Mesa Electric, Gas and Water Company	Utility companies listed provide a wide variety of resources that may include discounts, donated utility related appliances and funds to assist low-income households with utility assistance payments and/or weatherization benefits.	

* Leveraged resources/benefits that are counted under criterion (iii) in 45 CFR 96.87(d)(2) must be identified and described in the grantee's LIHEAP plan and distributed as indicated in the plan. In addition, leveraging resources/benefits that are counted under criterion (ii) must be carried out under one or more components of the grantee's regular LIHEAP program.

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statutory
references
2605(b)

Please describe performance goals and measures planned for the fiscal year. (This entry is optional.)

(Performance)
goals and
measures)

The following are proposed performance goals and measures planned for the fiscal year.

Goal A: To target energy assistance to low-income households with the highest home energy needs, taking into account both energy burden and vulnerable household members.

Outcome
Measures

Increase the number of customers served with the lowest income and highest energy burden.

Percent of households served which are “high need”, shown on a graduated scale.

Average LIHEAP benefit by target group (children, elderly, disabled, and high-energy burden), as shown on a graduated scale.

Number of vulnerable households served by program element (heating, cooling, crisis and weatherization).

Goal B: To increase energy affordability for LIHEAP recipient households.

Outcome
Measures

Increase the number of households participating in utility vendor discount programs.

Change in number of households participating in vendor sponsored low-income discount programs.

Value of energy assistance resources leveraged.

