



Illinois
Department of Commerce
& Economic Opportunity

JB Pritzker, Governor

Policy Memorandum

From: David Wortman, Deputy Director of Community Assistance

Date: October 4, 2024

Re: LIHEAP Production Corrective Action Plan Procedure

Purpose: To establish a statewide energy assistance policy with defined milestones and deliverables for the Illinois Low Income Home Energy Assistance Program (LIHEAP) while also promoting collaboration, alignment, and transparency between DCEO and the local agencies in tracking LIHEAP production throughout the program year to ensure consistent implementation by DCEO of technical assistance, corrective action, and, in extreme cases, grant termination.

Background: DCEO manages and distributes federal and state LIHEAP grant funds to local agencies throughout Illinois to administer LIHEAP in their service territories. LIHEAP is a performance-based program where program support and administration dollars are earned based on the local agency's benefit amounts distributed to customers. A local agency that is underperforming is underserving the residents in their area and not earning the support dollars that are needed to operate LIHEAP effectively and successfully.

Policy: LIHEAP benefits will be assessed through the milestones set forth below:

LIHEAP applications:

1. At least 30% of LIHEAP applications taken must be completed (with benefits) within 30 days of application date per the LH011-Application Counted Weekly report by the second Friday in November.
2. At least 70% of LIHEAP applications taken must be completed (with benefits) within 30 days of application date per the LH011-Application Counted Weekly report by the second Friday in January.
3. At least 90% of LIHEAP applications taken must receive benefits by the end of the Program Year or until the agency's funding is exhausted.

(Note: Due to CEDA processing all grant pre-applications electronically they are exempt from the above three milestones.)

Expenditure of Funds:

1. At least 75% of an agency's prior year HHS LIHEAP Client Benefit funds must be expended by December 31.
2. At least 95% of an agency's prior year HHS LIHEAP Client Benefit funds must be expended by March 31.
3. At least 50% of an agency's current year furnace funds must be expended (LAA Paid status) by April 1. This calculation will be based on the agency's current availability of furnace funds, which will include any additions or reductions to the agency's initial funding amount.
4. 100% of an agency's prior year HHS LIHEAP Client Benefit funds must be obligated by June 30.

Procedure: (1) Monthly Calls: If an agency misses any of these pre-determined milestones, it will prompt an email to the local agency's Executive Director and its LIHEAP Coordinator providing notification of the missed deadline and a proposed schedule for monthly calls with their assigned OCA Grant Manager. During each monthly call, the OCA Grant Manager will meet with the agency's LIHEAP Coordinator and other relevant staff to review the agency's current LIHEAP application processing, spending and benefits' status rates to determine whether technical assistance is needed. If technical assistance is deemed appropriate, the OCA Grant Manager and agency's LIHEAP Coordinator, in consultation with other key OCA LIHEAP and agency LIHEAP staff, will work collaboratively to create an individualized plan to facilitate the agency's improvement. The OCA Grant Manager will document each call and circulate the call minutes to the agency's LIHEAP Coordinator, agency's Executive Director, and OCA's LIHEAP management. Upon the agency's demonstration of sufficient improvement based on progress under the individualized plan, the frequency of monthly calls may be adjusted down or deemed no longer necessary.

(2) Corrective Action Plan - Step 1:

- If an agency is unable to demonstrate sufficient improvement after the 3rd consecutive monthly call, the agency will be placed on a Corrective Action Plan (CAP) based on deficiencies identified by DCEO's LIHEAP Management.
- The CAP will be a comprehensive document providing relevant background and historical information, citing deficiencies in application processing, spending and benefits provided, and restating LIHEAP milestones and deliverables set for the program year.
- The agency's response must include a detailed proposal of action items with staff assignments and an updated timeline to correct the deficiencies and to ensure timely completion of milestones and deliverables identified in the CAP.

- Upon OCA's approval of the agency's CAP response, the agency will have an additional 30 days (or an otherwise agreed-upon due date approved by OCA) to resolve such deficiencies. At the discretion of DCEO's LIHEAP Management, the agency will be removed from the CAP if sufficient progress and timely completion of milestones and deliverables is demonstrated.

(3) Corrective Action Plan - Step 2: If the agency does not show sufficient improvement after Step 1 of the CAP (as listed above), the CAP will be circulated to the agency's Board Chair, Executive Director, Fiscal Officer and LIHEAP Coordinator serving as formal notice of the agency's current LIHEAP status. An additional 30-day iterative process will be granted.

(4) Adjustment to Allocation of Funds: Upon the date of the first agency exhausting funding for the current program year or May 31, whichever is sooner, OCA Fiscal will allocate the remaining HHS award funding for the next program year based on the Client Benefit expenditure distribution of the current program year.

(5) De-obligation of Funds: By January 31, the determination will be made regarding if funds need to be de-obligated and the amount to be de-obligated. De-obligation will occur if a LAA has demonstrated an inability to fully utilize the allocated funding within the terms set by the grant agreement.

(6) Grant Termination: Any LAAs found to demonstrate material failure in the implementation of the Energy Assistance Programs are subject to grant conditions, corrective action plans, grant suspension, and/or dedesignation.

Effective Date: October 4, 2024