Ideas for consideration: Framework for LEAP financial assistance program

Low Income Energy Network

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Ideas

This presentation is not a formal submission, but rather some ideas for the consideration.

Eligibility and Screening

Criteria:

- INCOME
  - 125% of pre-tax LICO for a community size of 500 000+
  - Considered over a 3-month period

- NEED
  - Extraordinary circumstances such as unexpected disruption in income, illness and family crisis should be considered
  - Social service agencies should be provided with the flexibility to use discretion in the distribution of assistance on an as-needed emergency basis.

Eligibility and Screening con't

Rationale:

- **INCOME**
  - LICO is easily available and widely used.
  - Eligibility will be increased by using a pre-tax LICO, rather than a post-tax LICO, as the pre-tax LICO is higher than the post-tax LICO and the Low Income Measure.
  - The LICO is outdated for two reasons. Firstly, it is based on 1992 expenditures and consumption patterns. Secondly, the figures are always released with a one year lag. Using 120% of pre-tax LICO for a city of 500 000 + is recommended as a way to address the fact that the LICO is outdated.
  - Examining the recent income history will allow consideration of loss of income and/or extraordinary expenses.
- **NEED**
  - Low and moderate income families often do not have resources to cope with unexpected expenses and/or unexpected loss of income. Further, given the precarious and unstable nature of much of low-wage work and the lack of benefits or paid leave time to cope with occurrences as simple as a sick child to as significant as a catastrophic illness or accident, it is crucial that emergency financial assistance not be solely available on the basis of income, but also on an as-needed basis.

Eligibility and Screening con’t

Roles and responsibilities:

- **Oversight bodies:**
  - Eligibility criteria should be reviewed by the oversight bodies on an annual basis. (Oversight bodies: coordinating and administrative body, advisory body, OEB)
  - Advisory body should make recommendations to OEB regarding eligibility criteria.
- **Social service agencies:**
  - The eligibility criteria should be administered fairly and discretion exercised wisely by the social service agencies.

Intake and application

General goals:

- The intake and application process should be simple and accessible.
- Multiple entry points should exist, while containing administration costs
- Intake and application for conservation program should be available at the same time and place as application for financial assistance program.
- A fair, clear, standardized and well-publicized appeal process should be available.

Intake and application con't

Roles and responsibilities:

Utilities:

- Utilities should select social service agencies to deliver and administer program using an RFP process.
- Selection criteria should include: history distributing funds to low-income people, ability to make referrals to other relevant programs and services, ability and commitment to using data base for tracking and reporting requirements, good governance structures and processes.

Intake and application con’t

Coordinating and administrative body should:

- be responsible for the creation and maintenance of a standardized database.
- establish a clear and simple standardized appeal process that the lead social service agencies should be required to publicize and follow.
- be responsible for creating and updating a standard training manual and training program that lead social service agencies should be required to use in their delivery of training to staff.
  - In addition to the logistics of intake and application procedures and requirements, training topics should include: working with clients in a respectful manner, confidentiality, energy conservation, other services available for referral, data collection and management.

Intake and application con’t

Social service agencies:

- Social service agencies should be responsible for administering the intake and application process in a fair, transparent and professional manner and publicizing the availability of an appeal process.
- Social service agencies should be responsible for making a telephone application process available for clients with transportation difficulties.
- With client permission, social service agencies conducting intake should be responsible for contacting the utility to suspend any credit action on the applicant’s account.
- Lead social service agencies should be responsible for identifying any additional delivery agents required to address geographic expanse and/or the needs of particular communities.
- Lead social service agencies should be responsible for conducting the appeal process, using the standardized process established by the coordinating and administrative body.
- Lead social service agencies are responsible for conducting training of all service delivery agents, relying on the standardized training manual and program provided by the oversight body.
- Lead social service agencies are responsible for ensuring intake and application process, including data input on central database, is done to a high standard.

Promotion and Outreach

- Promotional materials should include: flyers, posters, ad copy for advertising in community-based media, PSAs, website, mail outs, bill inserts and on-bill messages.
- Promotional materials should be available in languages other than English and French.
- Promotion and outreach for financial assistance program should be combined with promotion and outreach for energy conservation program.
- Promotion and outreach efforts should be evaluated on an annual basis and adapted as required.

Promotion and outreach con't

Roles and responsibilities:

Coordinating and administrative body:

- Coordinating and administrative body should create a distinct website for LEAP. There should be a prominent link to the LEAP website on the OEB website. Information about the program including eligibility criteria, the type of assistance available and local contacts should be included.
- Coordinating and administrative body is responsible for creation and distribution of promotional materials to utilities that can be adapted for local use.
- Coordinating and administrative body is responsible for annual evaluation of promotion and outreach.

Utilities:

- Utilities are responsible for local distribution of promotional materials to organizations including: social service agencies, welfare offices, schools in low-income neighborhoods and MPPs' offices.
- Utilities should be encouraged to adapt standardized promotional materials rather than produce their own materials in order to build broader public support for and awareness of LEAP.

Social service agencies:

- Lead social service agencies should be required to assist with distribution of promotional materials

Tracking and reporting

- Good data collection and analysis is key to LEAP's success
  - Collection of data is critical to ensure LEAP can be effectively evaluated and adapted. Without good data, the program will not succeed.
- A centralized database is essential: Who, why, what, when, where
- Data that should be collected includes:
  - Reasons people were found ineligible for assistance
  - Amount of assistance provided
  - Number of times assistance has been provided
  - Cause of emergency
  - Amount of arrears owing
  - Payment schedule arranged
  - Whether disconnection has already occurred
  - Exceptional circumstances (i.e. illness, recent job loss)
  - How applicant learned about the program

Tracking and reporting con't

- Who is accessing LEAP?
  - Detailed household information (family size and composition, income source, annual income level, gender, age, housing tenure, race/ethnicity, first language spoken, comfort level speaking and reading English, disability status, years of residency in Ontario, citizenship status, highest level of education completed, primary fuel type used for heating, energy consumption characteristics, annual energy costs)
  - Need to understand who is accessing LEAP and who isn't
  - Help build a picture of energy poverty in Ontario

Tracking and reporting con't

- The LEAP should be evaluated on an annual basis. However, the metrics should study both the short and long-term impacts of the program.
- Monthly metrics to track (can be reported on less than monthly basis so long as they are monthly data).
- For each metric, data should be reported for: (1) total residential accounts (R); and (2) for residential accounts having received LEAP within last twelve months (LI).
- Specific references to “low-income” below are references to customers who had received LEAP in previous two years.
- All references are to residential accounts.

Tracking and reporting con't

- **Question to track: Do people maintain service after receiving LEAP grant?**

- Metrics to track:
  - Number of service disconnections for nonpayment (R and LI).
  - Number of service reconnections after disconnection (R and LI).
  - Number of total shutoff notices issued (by type of notice if different) (R and LI).
  - Number of "final" shutoff notices issued (R and LI).
  - Number of customers entering heating season without service (R and LI).

Tracking and reporting con't

- **Question to track: Do customers have the ability to stay out of payment trouble?**
- Metrics to track:
  - Number of accounts in arrears (R and LI)
  - Number of LEAP recipients who had also received LEAP: (1) in previous year; and (2) in more than one of previous three years (two separate metrics)
  - Number of LEAP recipient accounts that still have $0 arrears after (3, 6, 12 months after receiving LEAP assistance) (three separate metrics).

Tracking and reporting con't

- **Question to track: Do customers successfully retire their arrears?**

- Metrics to track:
  - Number of accounts in arrears on payment plans (R and LI)
  - Dollars of arrears on payment plans (R and LI).
  - Number of "new" payment plans (R and LI).
  - Number of "completed" (or "successful") payment plans (R and LI).
  - Number of defaulted payment plans (R and LI).
  - Number of accounts for whom LEAP payment completely retires arrears.
  - Dollars of account balance remaining after application of LEAP payment.

Tracking and reporting con’t

- **Question to track: Do LEAP customers generate good payment behaviors?**

- Metrics to track:
  - Payment coverage ratio (payments / bills) monthly (R and LI).
  - Payment coverage ratio (payments / bills) year-to-date cumulative (R and LI).

Tracking and reporting

- **Question to track: Do LEAP customers make payments without prompting?**

- Metrics to track:
  - Total number of residential collection actions exerted (R and LI).
  - Total number of residential new security deposits posted (R ad LI).
  - Total number of residential security deposits held (R and LI).
  - Total dollars of residential security deposits held (R and LI).
  - Total number of residential security deposits applied against arrears (R and LI).
  - Total dollars of residential security deposits applied against arrears (R and LI).
  - Total number of accounts with balance remaining after deposit applied (R and LI).

Tracking and reporting con't

- **Question to track: Baseline data**

- Metrics to report:
  - Number of bills rendered this month (R and LI).
  - Number of payments received this month (R and LI).
  - Dollars of bills rendered this month (R and LI).
  - Dollars of payments received this month (R and LI).
  - Number of accounts receiving LEAP payments.
  - Dollars of LEAP payments received.

Tracking and reporting con't

- **Question to track: Is LEAP funding sufficient to meet the demand for LEAP funds?**

- Metrics to track (by LEAP administering agency):
  - Number of accounts for which LEAP insufficient to cover entire arrears.
  - Number of customers on waiting list for LEAP benefits.
  - Number of accounts refused assistance due to lack of funds.

Tracking and reporting con't

Roles and responsibilities

Role of coordinating and administrative body:

- creation and maintenance of data base
- establishing mechanisms and processes to ensure data is being properly collected
- creation of training tools to ensure social service providers are properly trained
- Supporting service delivery agents with data collection
- data analysis
- releasing an annual report documenting the impact of the program, areas of concern and future priorities. The report should be submitted to the OEB and opportunity should be provided for public review and comment

Tracking and reporting con’t

- **Role of social service agencies:**
  - thorough data collection to a high standard
  - staff training and support
  - critically important to have “buy-in” from social service agencies regarding importance of data collection and input

Tracking and reporting con't

Role of utilities:

- Data collection and submission

Tracking and reporting con’t

Role of advisory board:

- Consider analyzed data and make strategic recommendations

Funding

- The allocation and management of funding for the program should be effective, efficient and sufficient.
- Lead agencies should have experience disbursing funds.
- Satellite offices should not be involved in the management of the funding or issuing of cheques.
- Any funds remaining at the end of the fiscal year should be "rolled over" into the following year's budget.

Funding con’t

Roles and responsibilities:

- **OEB:** OEB is responsible for an annual audit of the program.
- **Utilities:** Utilities/retailers are responsible for: dispersing funds to lead social service agency, receiving and reviewing financial reports, collecting and submitting data.
- **Lead social service agencies:** Lead agencies are responsible for: receiving funds, disbursing funds to satellites, issuing cheques to utility, managing program funds, completing and submitting annual financial reports to utility.

Long-term coordination and administration

- Requirements:
  - Representative advisory body
  - A single coordinating and administrative body with dedicated staff resources and relevant expertise

Long-term administration and coordination

- Utilities:
  - Utilities play a relatively small role in the oversight and administration of LEAP, other than collecting revenue, posting benefits, and reporting data.
- OEB:
  - OEB should not be the administrative entity. It lacks the expertise to do so.
  - OEB is the "board of directors", the policy-maker taking advice and direction from the advisory board.
  - OEB role is also financial, ensuring cost recovery by utilities.
  - OEB responsible for program financial auditing.

Long-term coordination and administration con't

- Representative advisory body:
  - representatives of the utilities, including a representative of a small utility
  - social service delivery agents
  - low-income program participants
  - low income advocacy group (without a direct stake in LEAP)
  - environmental/energy conservation advocacy group (without a direct stake in LEAP)
  - delivery agents of conservation programs
- Coordinating and administrative body:
  - Dedicated staff that provides the following resources and expertise: organizational management and coordination, database management and support, database analysis, research & analysis, communications and organizational administration.

Long-term coordination and administration con't

- The role of the coordinating and administrative body is to support the mandate of LEAP by:
  - promoting LEAP
  - supporting service delivery (by providing support to program partners including utilities and social service agencies)
  - ensuring program integrity (including database management and analysis and program evaluation)
  - supporting the advisory board and the OEB with the creation, implementation and evaluation of strategic plans

Long-term coordination and administration con't

- Budget oversight and administration.
  - Allocation of budget between agencies.
  - Utilization of budget (for example, how much has been committed, how much is left in Fiscal Year; how much goes to arrears; does any go to usage reduction).
  - Are costs diverging from budgeted or projected costs (up or down) and why.
- Programs operations:
  - Is the program adhering to all elements of the program "logic" throughout its operation?
  - Is the program developing a problem resolution process that maintains the integrity of the original program design while recognizing the need for responsiveness and flexibility?
  - Is the program appropriately responding to operational problems, in that problems are seen as start-up bugs, program design flaws, program tactic flaws, or program implementation flaws.
  - Responsible for overseeing program-wide staffing. Are staff skills matching program needs? Does the structure of staff resources match program task needs? Does the level of staff resources match program needs by task need or geographic areas? etc.
  - Responsible for staff training. Must ensure that training is timely, effective, comprehensive and understandable staff training?
  - Responsible for problem resolution. Must be able to identify operational problems; address and resolve operational problems; and document problem resolution.
  - Responsible for procedures. Must be able to define and document procedures; communicate procedures to line staff; and ensure that program procedures are adhered to.
  - Responsible for ensuring overall management control. Must be able to ensure that local staff understand and carry out its responsibilities and conform to the program design?
- Spokesperson:
  - Charged with being "spokesperson" for the program before the OEB.
  - Charged with being spokesperson for the program in any official forum (legislative, regulatory, executive).
  - Charged with primary responsibility of developing cross-cutting program operations with related but different public and private programs.