
RE: *Elements of the framework for the emergency financial assistance program*

Date: August 21, 2009

Project: Emergency Financial Assistance Working Group

Summary

This briefing provides areas of consensus and non-consensus among the emergency Financial Assistance Working Group members regarding three elements of the emergency financial assistance program framework. These elements are: eligibility and screening, promotion and outreach, and tracking and reporting.

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Under each of the framework elements the consensus view is presented first, followed by the non-consensus view or issues. Consensus generally refers to agreement by all members of the working group. This consensus view is based on the discussions at the working group meetings held to date and the written templates submitted by the working group members. For the non-consensus views, the issues are presented as questions to be addressed followed by some suggested responses to those questions provided by the working group members in their written submissions.

Eligibility and screening

Consensus

There was general consensus among the working group that the emergency financial assistance program offers an “immediate solution” to energy bill arrears, whereas the Low-income Energy Assistance Program (LEAP), including the low-income DSM program, offers a “long-term solution” to energy bill arrears.



There was general consensus on the eligibility criteria for the emergency financial assistance program.

Applicants will be screened by the social service agencies based on the criteria listed below. A customer is eligible if:

- The applicant is a customer of the utility, as either the primary or secondary name on the account.
- The applicant resides at the address at which there are energy bill arrears.
- The applicant is the primary or secondary name on the energy bill¹ and is a recipient of social benefits (Ontario Works, Ontario Disability Support Program, Ontario Child Care Supplement for Working Families, National Child Benefit Supplement for Seniors, Guaranteed Income Supplement for Seniors, Allowance for Survivor).
- The applicant has a household income level that is below a certain threshold. What is at issue is the measure used to determine the threshold(s) (see non-consensus section below for a discussion).
- The applicant accesses funding from the program only once per year per fuel, up to the financial cap. What is at issue is the level of the cap (see non-consensus section below for a discussion). In the event of an additional hardship in the same year, applicants may access funding one additional time in the same year, at the discretion of the social service agency.
- The applicant has demonstrated a prior attempt to pay the energy bill arrears. What is at issue is how the applicant demonstrates ability to pay (see non-consensus section below for a discussion).
- The applicant can demonstrate future ability to pay the energy bill, based on an income budget review.
- The applicant is in threat of disconnection or already disconnected. What is at issue is what is meant by threat of disconnection (see non-consensus section below for a discussion).

The aim in choosing these criteria is that the receipt of program funding will allow a household to maintain energy service and the applicant will be capable of paying future energy bills without prompting.

¹ This can be determined by the applicant providing a copy of a recent energy bill to show the name on the bill and so that it can be confirmed that the applicant has a valid account number.



The emergency Financial Assistance Working Group agreed that these criteria are guidelines and that social service agencies may exercise discretion in assessing applicants. These criteria do not automatically include or exclude an applicant.

Non-consensus

The following aspects of the eligibility criteria have not been agreed to by all of the working group members. The questions listed below require further discussion.

Issue: What low-income measure should be used as the basis for the income eligibility screen?

The emergency Financial Assistance Working Group members agreed that applicants to the emergency financial assistance program must meet a certain income threshold in order to be eligible for the program. There was not consensus on what income measure should be used to set this threshold and therefore determine eligibility.

At the August 4th working group meeting, members were presented with three low-income measures, developed by Statistics Canada, which can be used as a basis for the income eligibility screen. These are the Low-Income Cut Off (LICO), Low Income Measure (LIM) and Market Based Measure (MBM).

In the written template submissions, only one of the group members indicated that the LIM measure should be used as a basis for the income eligibility screen.

Of the remaining submissions all indicated that pre-tax LICO should be used as the low-income measure for setting the income threshold. There was no consensus on whether the LICO table, shown in Figure 1 below, should be used as is (with different thresholds for different community and household sizes) or modified in some way to capture a greater number of low-income households. Some group members indicated that the table should be used as it stands, while others suggested modifications including:

- Raising the LICO threshold either by setting the threshold at either 115% or 125% of the LICO threshold (LICO plus 15% or LICO plus 25%)
- Using the threshold for communities of greater than 500,000 for all applicants irrespective of the community size in which they live
- A combination of the two above modifications

The issue of the income measure and threshold used is complicated by the fact that Board Staff have indicated that the income criteria used for determining low-income status for the emergency Financial Assistance Program will also be the criteria used for determining low-income status for the proposed code changes related to LEAP (e.g. security deposits, disconnections etc.). This means that some members (in particular the LDCs) are conflicted between providing emergency assistance to as many low-income customers as



Figure 1 Pre-tax Low-Income Cut-Off (LICO) for 2008

Size of family unit	Community size				
	Rural areas	Urban areas			
		Less than 30 000	30 000 to 99 999	100 000 to 499 999	500 000 and over
Current dollars					
1 person	15 262	17 364	18 976	19 094	22 171
2 persons	19 000	21 615	23 623	23 769	27 601
3 persons	23 358	26 573	29 041	29 222	33 933
4 persons	28 361	32 264	35 261	35 480	41 198
5 persons	32 165	36 594	39 992	40 239	46 727
6 persons	36 278	41 272	45 105	45 385	52 699
7+ persons	40 390	45 950	50 218	50 529	58 673

possible and not having a large proportion of their customers considered low-income from a customer service perspective.

Issue: What does it mean to be in threat of disconnection?

The FAWG members agree that the applicant must be in threat of disconnection or disconnected in order to be eligible for emergency financial assistance. There was not consensus on what it means to be in threat of disconnection. Some members in their written template submissions indicated that simply being in arrears constituted a threat of disconnection and therefore would make the applicant eligible for the program.

Other members indicated that because demand will exceed the funds, priorities need to be established and therefore, only those applicants with a disconnection notice or pending disconnection should be eligible for the program.

Issue: How should prior attempt to pay the utility bill be demonstrated?

Members agreed that the applicant must demonstrate prior attempt to pay the utility bill, for which they are seeking assistance, to be eligible for emergency financial assistance. There was not consensus on how this attempt to pay should be demonstrated and over what time period. Some of the options put forward in the written template submissions include: the applicant has attempted to pay the utility bill in the last 4 months; and that prior attempts to pay the utility bill should be determined at the discretion of social service agency.



Issue: What is the appropriate level of the financial cap?

Members agreed that there should be a cap on the level of financial assistance provided to each applicant. There was not consensus on what the level of this cap should be.

Some of the options provided in the written template submissions include:

- A financial cap of \$500 per utility.
- The financial cap should be higher for electrically heated homes. For example, a financial cap of \$450 for a house with gas heat (and electricity) and a cap of \$600 for an electrically heated home.

Promotion and outreach

Consensus

There was general consensus on the need for a balanced approach to promoting the emergency financial assistance program. Promotion and outreach should be extensive enough so that those in need are aware of the program, but at the same time ensure that the social service agencies are not inundated with applications. Although promotion is critical it is important that money not be wasted.

There should be multiple points of distributing promotional and outreach materials and through a range of media. Social service agencies should continue to strengthen existing partnerships with agencies and seek out new opportunities where appropriate.

In 2010, promotion and outreach should focus on referrals from the utility and social service agencies.

Non-consensus

The following details of marketing and promotion have not been agreed to by all of the working group members.

Issue: What materials should be used to promote the emergency financial assistance program and how should these materials be distributed?

Based on submissions received, members had the following suggestions:

- Board and utility websites
- Standardized print-outs/brochures that can be adapted to local regions and easily reproduced (via black and white photocopying)
- 211 – which provides access to a broad range of community resources, social, health and related government services and programs



- Press releases
- Posters
- Banners with utility logo and program names
- Scripts with referrals developed for retailer call centres
- On-bill messaging on utility bills
- Bill inserts with utility bills
- Bill inserts with disconnection notices
- Targeted calls from the utility call centres
- Inserts in OW/ODSP cheques

Some of the proposed avenues for distributing these materials include:

- Participating social service agencies
- Churches
- Libraries
- Seniors' clubs
- Financial planning organizations
- Government offices e.g. EI offices)
- Utility offices
- Utility collection agencies

Tracking and reporting

Consensus

There was general consensus that the tracking and reporting requirements should be kept to a minimum to alleviate any unnecessary burden on all the parties involved in the program and, in particular, the social service agencies. However, it was agreed that tracking and reporting is critical for ensuring accountability, for program evaluation and for making program improvements.



There was general consensus that the specific reporting requirements need to be developed in consultation with key stakeholders including the Board, the utilities and social service agencies.

There was also agreement that status reports will be prepared by social service agencies for submission to the utilities and that the utilities will prepare status reports for submission to the Board. All program information will be entered into a central online database.

Non-consensus

Issue: What metrics should be tracked as part of the emergency financial assistance program?

There was general agreement among the members that tracking and reporting are critical components of the emergency financial assistance program to allow for accountability, evaluation and program improvement. There was not consensus on which metrics should be tracked.

Based on the written template submissions, the tracking metrics proposed by members are:

- Utility emergency financial assistance budget (net administration fees, plus rollover) and amounts by source (e.g. ratepayers, private donations, shareholder donations)
- Amount spent (by utility, by geography)
- Amount remaining (by utility, by geography)
- Number of applicants accepted, with reasons (divided by utility and retailer customers)
- Number of applicants denied, with reasons, arrears owing, and service status (whether disconnection had already occurred)
- Number of applicants after program funding exhausted
- Whether disconnection had already occurred
- Average grant per applicant
- Other funding sources
- Payment schedule arranged
- Average income and source of income at time of application
- Shelter-to-income ratio (STIR)



- Arrears at time of application
- Number of customers referred to LI DSM program
- Size and composition of household
- Renter/owner, monthly rent/mortgage
- Administration fees as percentage of program cost
- How the applicant learned about the program
- Whether the applicant received LEAP funding in a previous year
- Service status follow-up—is service still connected in one year?