

Strategies for Enhancing LIHEAP Performance Management

LIHEAP Webinar hosted by the Office of Community Services (OCS) in the Administration for Families and Children (ACF)
presented by APPRISE under contract to OCS

May 23, 2018

Welcome:

Holly Raveslout (OCS Staff)

Presenters:

Melissa Torgerson (Verve Associates)

Jane Blank (Wisconsin)

Christine Taylor (Iowa) & Greg Dalhoff (Dalhoff Associates, LLC)

Tracy Desmarais (New Hampshire)



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Introduction & Welcome

- Welcome
 - Holly Ravesloot, OCS Staff
 - Melissa Torgerson, Verve Associates
- Presentation Speakers
 - Jane Blank, Wisconsin
 - Christine Taylor, Iowa
 - Greg Dalhoff, Dalhoff Associates, LLC
 - Tracy Desmarais, New Hampshire

LIHEAP and Performance Management

- State grantees are required to collect and report a variety of data on LIHEAP clients as part of their annual LIHEAP Performance Measures Reporting in Module 2 of the *LIHEAP Performance Data Form*.
- The Performance Measures data furnish a comprehensive set of information on LIHEAP clients served by each state.
- The data and measures can help grantees to:
 - Understand characteristics of their clients
 - Evaluate key impacts of their program
 - Compare outcomes by fuel type
 - Compare outcomes for high burden households to all households
 - Evaluate effectiveness over time

LIHEAP and Performance Management

- OCS and the PMIWG have been working to develop resources to assist states in understanding and using their Performance Measures data as an additional tool to inform Performance Management.
- Subject to the LIHEAP statute and regulations, each grantee has the freedom to design and adopt its program to fit its climate, clients, and other unique needs. This includes flexibility in how states approach Performance Management.
- This webinar will highlight examples from three states of how data is used to facilitate Performance Management goals.

Webinar Overview

- **Strategy #1:** Using Client Energy Expenditure Data for Benefit Determination (Wisconsin)
- **Strategy #2:** Prioritizing Clients Using Estimates of Client Bill Savings (Iowa)
- **Strategy #3:** Prioritizing Outreach and Education Using Restoration and Prevention Data (New Hampshire)
- Breaks for Q&A between sections

Strategy #1:
**Using Client Energy Expenditure Data for
Benefit Determination**



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Wisconsin's FY16 Executive Summary

WISCONSIN FY 2016 LIHEAP PERFORMANCE MEASURES EXECUTIVE SUMMARY

In FY 2016, Wisconsin furnished LIHEAP bill payment assistance to 202,010 households. They collected energy burden data for 180,275 households (91%)

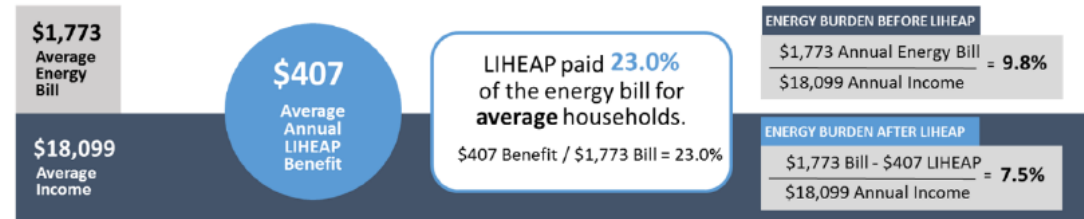
Does LIHEAP furnish higher benefits to higher burden households?

Yes. In Wisconsin, the total LIHEAP benefit received by high burden households in FY 2016 was about **\$183 (45%) more** than the total LIHEAP benefit received by the average recipient household.

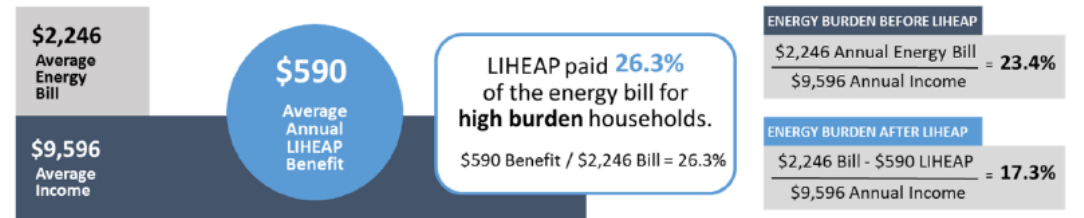
Does LIHEAP pay a larger share of the home energy bill for high burden households?

Yes. In FY 2016, LIHEAP paid **23.0%** of the energy bill for average households in Wisconsin, while LIHEAP paid **26.3%** of the energy bill for high burden households.

All Households



High Burden Households



Client Data Collected at In-Take for Determining Benefit Amounts

- To determine benefits, Wisconsin collects the following information from clients:
 - Household Income
 - Number of Household Members
 - Housing Type
 - Count of Rooms in Home
 - Main Heating Fuel Type
 - **Heating and Electric Costs from the Prior Year**

Wisconsin's Approach to Determining Benefit Amounts

- Wisconsin has implemented multi-step approach to determine benefit amounts.
 1. Wisconsin develops **proxy average heating expenditure** values for each combination of housing type/fuel type. (More on the next slide)
 2. Information is collected for each applicant, including their **annual heating expenditures** from the prior year.
 3. The client's **annual heating expenditures** are compared to the **proxy average heating expenditures** amount and a heating cost amount is selected to use in estimating benefits.
 4. A final benefit amount for each household is determined based on the selected heating cost amount, household percent of poverty, housing type, fuel type, and projected LIHEAP funds.

Developing Proxy Heating Expenditure Values

- **Proxy average heating expenditures** are developed for each combination of housing type/fuel type.

These values are developed as follows:

1. Actual consumption data for LIHEAP clients from the prior year is used to compute the average consumption for each combination of fuel type, housing type, and number of rooms.
2. The average consumption values are adjusted by heating degree days (HDD) to account for year-to-year weather differences.
 - o Example = If the prior year had 10% more heating degree days than normal, the values are adjusted down by 10%.
3. The consumption values are multiplied by projected fuel costs for the winter from the Energy Information Administration (EIA).

Determining Benefits

The client's *annual heating expenditures* are compared to the *proxy average heating expenditures* amount and a heating cost amount is selected to use in estimating benefits.

- The annual heating expenditure amount is selected to use in estimating benefits if the amount is within 75% to 200% of the proxy value.
- If annual heating expenditures are below 75% of the proxy value, 75% of the proxy value is selected.
- If annual heating expenditures exceed 200% of the proxy value, 200% of the proxy value is selected.
- If annual heating expenditures are not available for a household, 75% of the proxy value is selected.

Example

- 4 Clients apply with the same basic characteristics:
 - Each lives in a Single Family Home with 4 rooms
 - Each household has 2 members
 - The main heating fuel is natural gas.
 - Each household has an income of \$12,000.
- **But, what happens when their energy expenditures differ?**

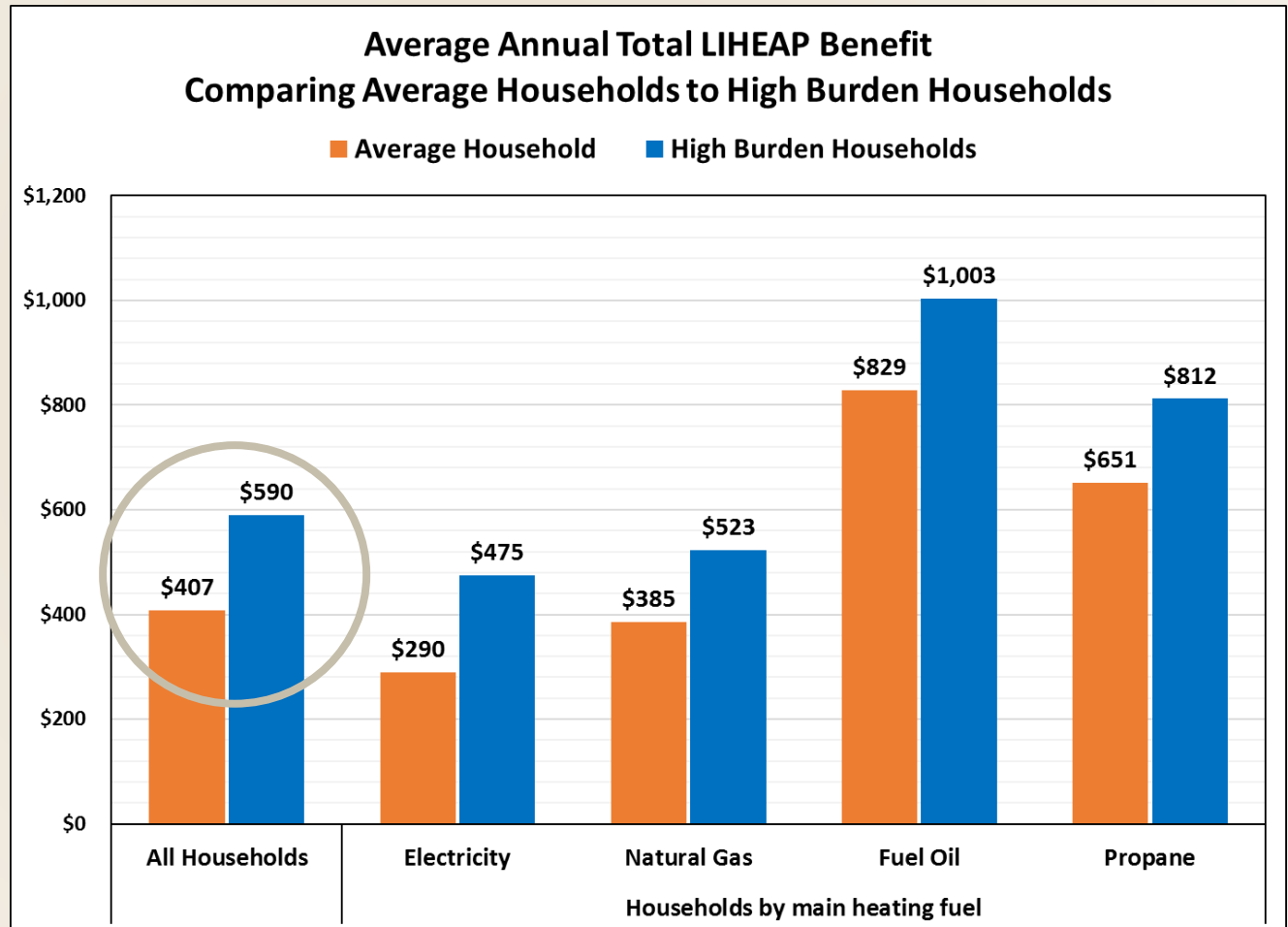
Example

	#1	#2	#3	#4
Prior Year Heating Expenses	\$700	\$450	\$1,000	Not Available
Est. Energy Burden (Heating)	6%	4%	8%	-
Proxy Heating Cost for Group	\$581	\$581	\$581	\$581
Acceptable Range (75%-200% of proxy)	\$436-\$1,162	\$436-\$1,162	\$436-\$1,162	\$436-\$1,162
Use Actual or Proxy?	Actual	Actual	Actual	75% of Proxy
Final Benefit Amount	\$412	\$264	\$588	\$256

↓ ↓ ↓
All clients have the same percentage of energy bill paid by LIHEAP

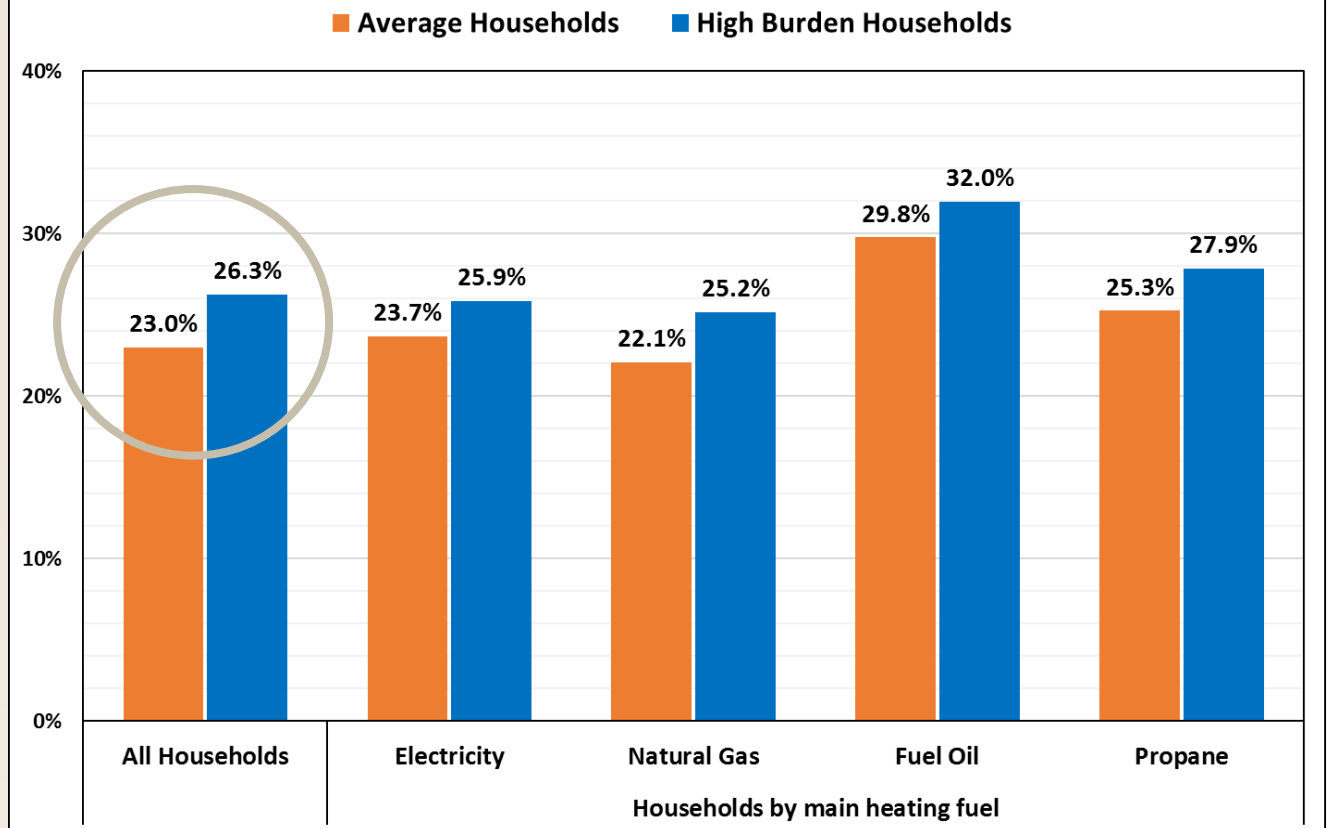
FY 2016 Results

High burden households receive higher LIHEAP benefits overall and across all fuel types.



FY 2016 Results

Percentage of Energy Bill Paid by LIHEAP
Comparing Average Households to High Burden Households



High burden households have a larger share of energy bills paid by LIHEAP than average households.

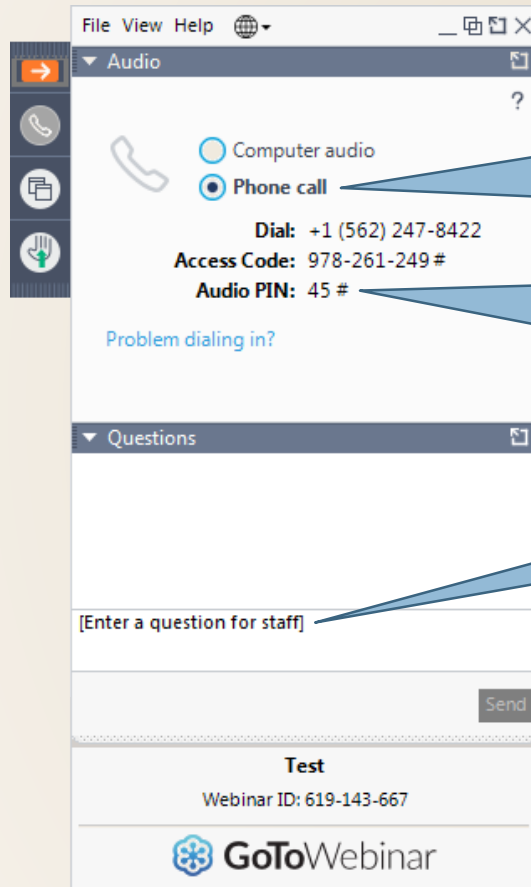
Summary

- Wisconsin's LIHEAP program uses actual client expenditure data to help determine benefit amounts.
- Wisconsin's program is providing higher benefits to high burden households and is paying a larger share of energy bills for high burden households than average households.
- System required investment of resources, but utility partners have been very supportive.
- While other states may not be able to use each client's expenditure information immediately, client data could be used to update their existing benefits matrix.

Grantee Questions

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Strategy #2: Prioritizing Clients Using Estimates of Client Bill Savings



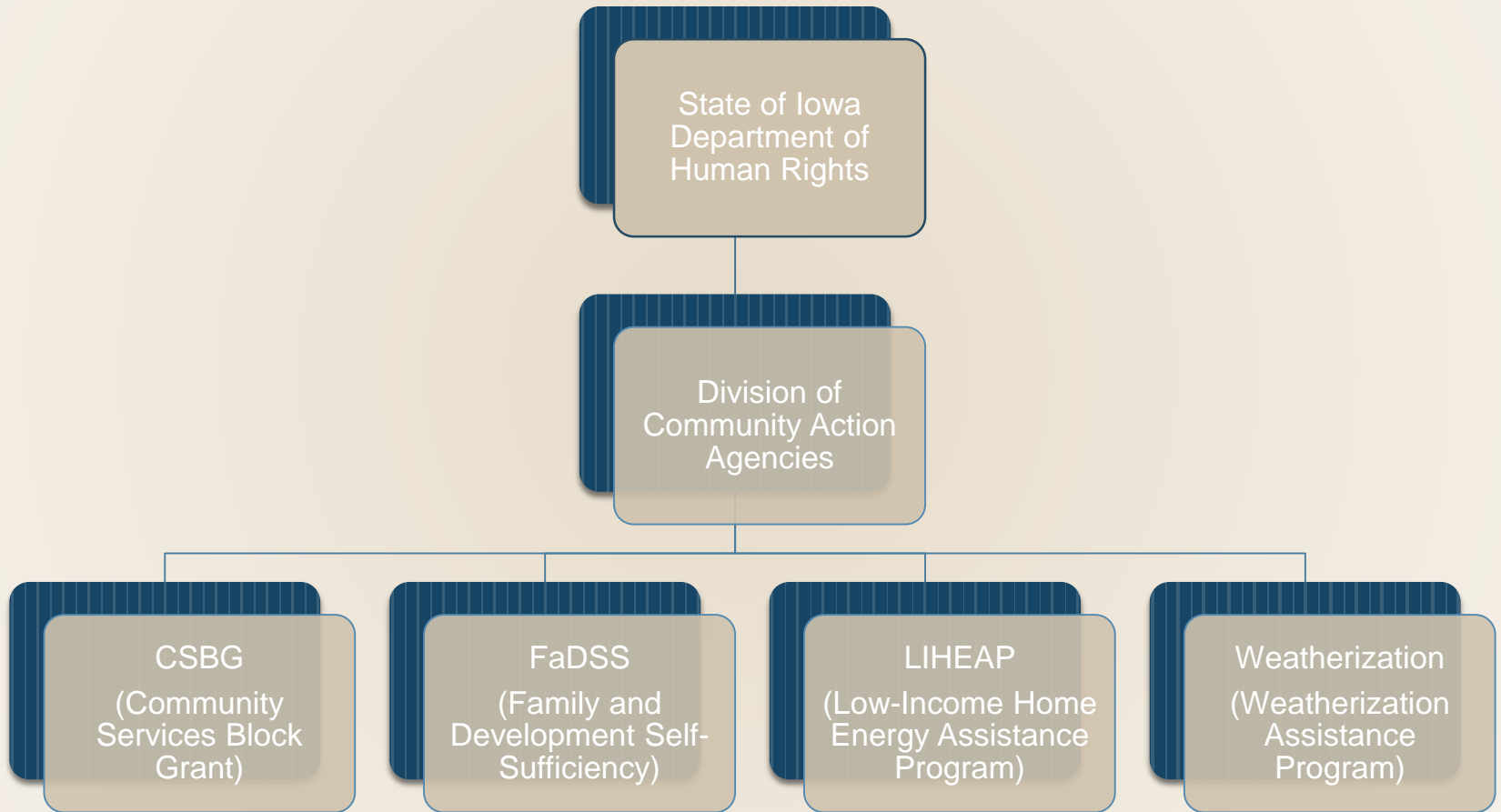
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Background

- Several states target clients for weatherization assistance based on expected energy bill savings.
 - Examples include Minnesota, Wisconsin, Iowa.
- Iowa has been doing this for more than 20 years.
- The data all states are required to collect and report for the LIHEAP Performance Measures can be used to implement a similar approach to target clients for weatherization.

Presenter(s):
Melissa Torgerson

Structure



Presenter(s):
Christine Taylor
Greg Dalhoff

Background Information

- **Iowa Subgrantees**
 - 17 – LIHEAP (Community Action Agencies)
 - 18 – Weatherization (17 Community Action Agencies + 1 Local Government)
- **Applications**
 - Applicants apply for LIHEAP and Weatherization in tandem
 - 80,000+ applicants every year
 - The LIHEAP client list becomes Weatherization's waiting list
 - All LIHEAP clients are considered possibilities for Weatherization, regardless of their fuel usage

Priority List Process

- **Weatherization Priority List**

- The LIHEAP client list is sent to Greg Dalhoff who obtains energy usage from the investor-owned utilities
- Fuel usage is sent to the state Weatherization office and is imported into the reporting system
- The state Weatherization office sends fuel usage data to each Weatherization subgrantee
- Weatherization subgrantees import the data into their reporting database (stand-alone Access database; not web-based)
- After importing the data, the subgrantee creates a priority list from the reporting database
 - For clients without fuel data (deliverables, municipalities, REC's), the subgrantee contacts the utility for fuel usage, enters the information into the database, and updates the priority list

Presenter(s):
Christine Taylor
Greg Dalhoff

Prioritizing Clients in the Iowa Weatherization Assistance Program

- **The Iowa Weatherization Assistance Program targets homes with the highest energy savings potential using a priority list.**
 - Variations on this approach have been used since the late 1990s.
- **The priority list is developed using rough estimates of total heating fuel and electricity bill savings**
 - Bill savings are estimated using relationships between energy usage and savings from annual WAP impact evaluations and state average fuel costs
- **The base priority calculation accounts for differences in:**
 - Energy consumption (higher energy users have higher percentage savings)
 - Housing type
 - Differences in fuel prices for various heating fuels

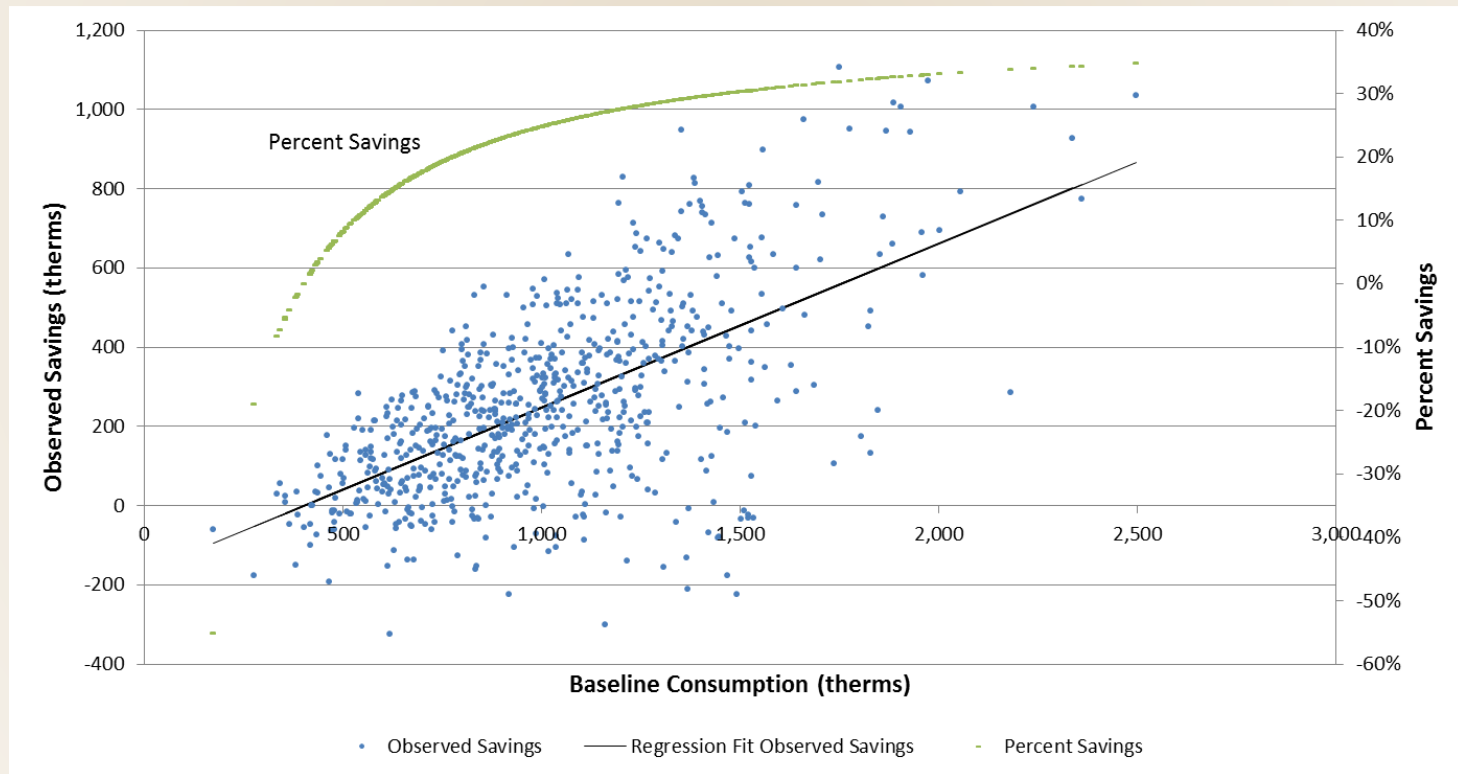
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Implementation Details

- **The priority value is increased for households with vulnerable members, including elderly, disabled, and young children**
 - A 5% adder is used for households with members in each of these groups, allowing for a maximum 15% adder for any given household
- **Subgrantees have tools to calculate the priority where fuel usage has not been collected. These include walk-ins or clients that are served by utilities or fuel vendors that are not part of the annual data collection process.**
- **Each subgrantee has its own priority list, ordered from highest to lowest. Subgrantees start at the top and work down.**

Rationale for Prioritizing on Usage (or Expenditures)

Impact evaluations show that higher energy usage leads to higher energy savings. The figure below shows this relationship for natural gas (similar relationships hold for other heating fuels and electricity). WAP program savings are higher in homes with higher usage (baseline consumption).



Source: Report On The Impacts And Costs Of The Iowa Low-Income Weatherization Program -- Calendar Year 2016. Dalhoff Associates, LLC

Is Client Prioritization Effective?

- The Iowa WAP conducts an annual impact evaluation, and has attained around 25% savings for gas in recent years (including all housing types) increasing from around 21% in the late 1990s.
 - The increased percentage savings have been attained even though baseline usage has declined by around 30% since the late 1990s.
- Iowa WAP savings are higher than national averages in cold climates: the National Weatherization Evaluation reported gas savings of between 13% and 18%, varying by housing type.
- Note that the Iowa WAP is a comprehensive and well-monitored program with significant utility co-funding. Client prioritization is only one aspect of the program implementation that helps attain high savings.

Presenter(s):
Christine Taylor
Greg Dalhoff

Prioritizing Using Annual Fuel Expenditures Data

- Useful where evaluation results or usage data are not available
- Uses one year of fuel expenditures collected for the LIHEAP Performance Measures reporting
- Uses estimated percentage savings from the National Weatherization Evaluation
 - Accounts for housing type
 - Accounts for climate

Simplified Prioritization Using Annual Fuel Expenditures and Estimated Percentage Savings

- **Gas, Propane, and Fuel Oil Heated Homes**

1. Heating Part: Estimated Percentage Savings x Annual Heating Fuel Expenditure
2. Electricity Part: Estimated Percentage Savings x Annual Electricity Expenditure
3. Total the Heating and Electricity Parts
4. Apply an adjustment for vulnerable households

- **Electrically Heated Homes**

1. Electricity Part: Estimated Percentage Savings x Annual Electricity Expenditure
2. Apply an adjustment for vulnerable households

Estimated Percentage Savings

- **Gas, Propane, and Fuel Oil Heated Homes**

- Heating Part:

- 17% for Single Family and Small Multifamily homes in Cold, Moderate, and Hot Humid Climates
- 13% for Mobile Homes in Cold Climates, 7% for Mobile Homes in Hot and Moderate Climates

- Electricity Part: 7% for electricity savings in all regions and housing types

- **Electrically Heated Homes**

- 7% for all homes in Cold Climates
- 15% for Single Family and Small Multi-Family homes in Moderate and Hot Climates
- 7% for Mobile Homes in Moderate and Hot Climates

Note: These factors are simplified groupings based upon the percentage energy savings reported in the National Weatherization Evaluation reports.

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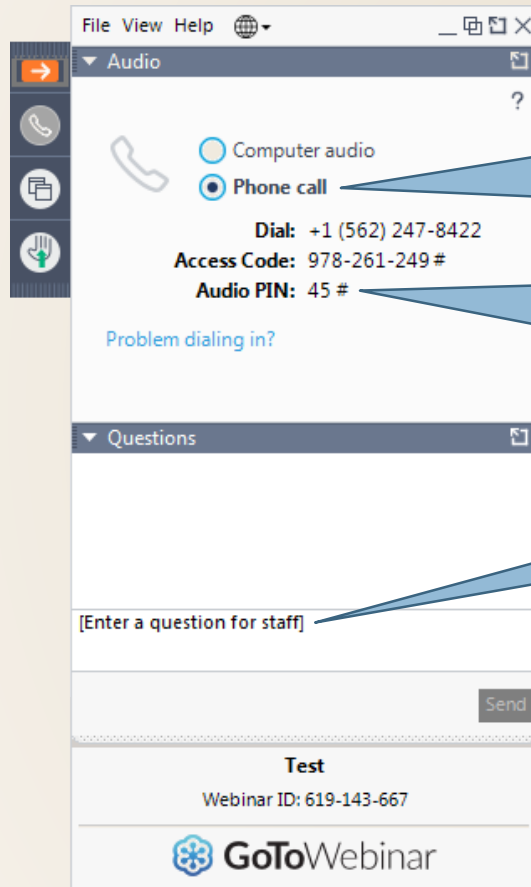
Summary

- The Iowa Weatherization Assistance Program:
 - Prioritizes clients based upon a rough expectation of energy bill savings
 - Adjusts the priority for households with vulnerable populations
 - Has achieved very high percentage savings when compared to other WAP programs in the same climate region
- A simplified client prioritization approach using annual fuel expenditures and estimates of percentage energy savings can be used for prioritizing LIHEAP clients for weatherization.

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Strategy #3: Prioritizing Outreach & Education Using Restoration and Prevention Data



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New Hampshire FY 2016 Grantee Profile

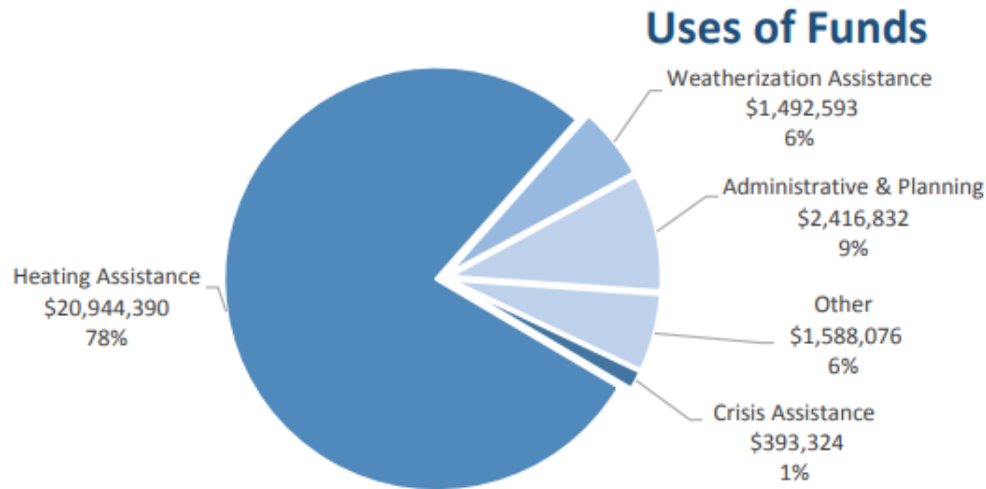
New Hampshire LIHEAP FY2016 State Profile

Total Funding Available
\$26,835,215

Total Households Served
32,082

Income Eligibility
Requirements

\$48,500
for a 4-person household



The Other category consists of:
Carryover to FY 2017 (\$588,077)
Assurance 16 Activities (\$999,999)

Background on New Hampshire's Approach to Crisis Situations

- New Hampshire does not operate a separate crisis assistance component to address emergency situations.
- Instead, households with a crisis situation will have their application expedited and a benefit will be awarded to relieve the emergency.
- About 17% of applicants apply when they are in a crisis situation. Primarily, clients experiencing crisis situations are deliverable fuel clients who are out of fuel or nearly out.
- **Issue: How to prevent clients from entering crisis situations, especially those who apply each year in a crisis situation.**

New Hampshire's Assurance 16 Program

- The NH Fuel Assistance Program uses Assurance 16 funds to provide self-sufficiency education and information to all households with fast-tracked crisis applications within a program year (PY).
- The activities encourage applicants to apply for benefits in a timely manner in order to avoid life-threatening situations and special delivery charges which deplete the household's benefit.
- Households receive...
 - Education on managing resources
 - Information on applying prior to a crisis situation
 - Information on communicating with vendors
 - Referrals to other resources
 - One-on-one budget counseling

New Hampshire's Assurance 16 Program

The expected impacts of the Assurance 16 activities are:

1. To encourage households that experienced a crisis to apply for assistance prior to a crisis situation developing.
2. To change behaviors so that households do not experience crisis situations.
3. To reduce the need for LIHEAP by promoting self-sufficiency.

New Hampshire Assurance 16 Program: How it Works

- At the time they apply, all households experiencing a home energy emergency are fast tracked for expedited assistance and they are documented as an emergency in the software system.
- These clients are given basic information about timelines for applying for assistance each year.
- At the end of the program year, a Emergency Assignments Report is generated that indicates which clients applied in a crisis situation. This report corresponds to the Restoration and Prevention information used for the Performance Measures.
- Pertinent data from the Emergency Assignments Report is exported to a spreadsheet for tracking purposes. The spreadsheet is the working document for tracking households as they apply for assistance in the new program year.

New Hampshire Assurance 16 Program: How it Works

- The households are tracked separately by deliverable fuel, utilities and those with heat included in the rent.
- Sub-grantees use various means of outreach activities to target these households:
 - Pre-season mail-in applications
 - email blasts
 - telephone interviews for those who have transportation issues or are homebound
 - incentives to return their completed application by entering their name into a raffle for a grocery store gift cards are a some of the activities that have been implemented.
- Sub-grantees are required to report on outcomes three times per year and are required to submit their “working” spreadsheet at the beginning and end of the program year. The statewide results are shared with all sub-grantees throughout the year.

Results – PY 2016 Crisis Households During PY 2017

Households that applied while experiencing an energy emergency in PY16 are assigned to the PY17 Assurance 16 Caseload.

- 1,237 PY16 households targeted for Assurance 16 in PY17.
 - 36% did not apply for LIHEAP assistance in PY17.
 - 32% applied and received the same level or an increase in benefit
 - 32% achieved greater self-sufficiency (received a lower benefit or were denied for being over income).
- **Crisis outcomes for those that applied:**
 - 81% had reduced dependency (applied but were not an emergency).
 - 19% of households applied once again during a crisis situation (“repeat” emergency applicants).

Results – PY 2017 Crisis Households During PY 2018

Households that applied while experiencing an energy emergency in PY17 are assigned to the PY18 Assurance 16 Caseload.

- 1,468 PY17 households targeted for Assurance 16 in PY18.
 - 33% did not apply for LIHEAP assistance in PY18.
 - 51% applied and received the same level or an increase in benefit.
 - 16% achieved greater self-sufficiency (received a lower benefit or were denied for being over income).
- **Crisis outcomes for those that applied:**
 - **84% had reduced dependency (applied but were not an emergency).**
 - **16% of households applied once again during a crisis situation (“repeat” emergency applicants).**

Results – Comparing PY17 and PY18

Comparing PY 2018 and PY 2017 Assurance 16 households...

- **Crisis Outcomes for those that applied:**
 - Applied, but not an emergency: Increase of 3 percentage points
 - Applied as a Repeat Emergency: Decrease of 3 percentage points

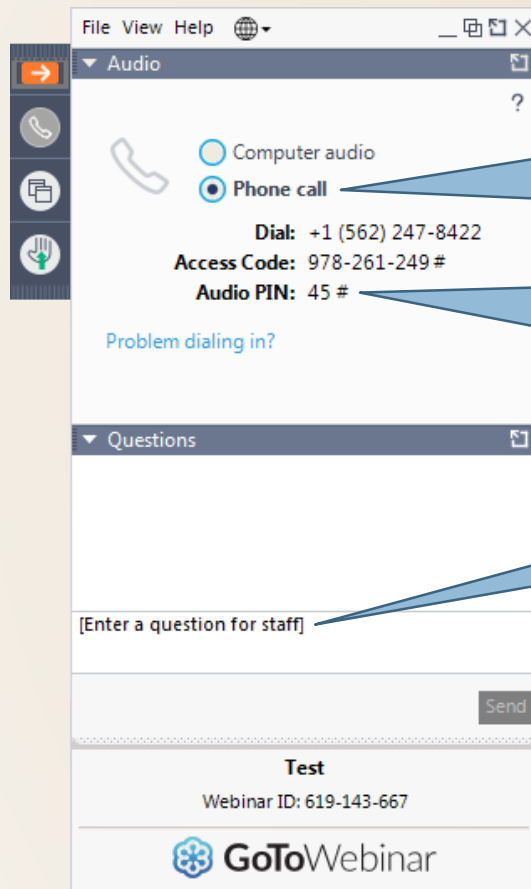
Summary

- Crisis situations are difficult, dangerous, and expensive to address.
- To reduce and prevent crisis situations, New Hampshire utilized Assurance 16 funds to furnish education, counseling, and resources to clients that applied in a crisis situation in the previous year.
- Overall, this strategy has produced success at reducing the number of clients who apply in crisis situations multiple times.
- To assist with targeting, NH is implementing a software enhancement to identify the number of emergency households who are new applicants or returning applicants.

Grantee Questions

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Conclusion & Reminders



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Performance Management Resources

- LIHEAP Virtual Library:
<https://liheappm.acf.hhs.gov/assessment/#nbb>
- LIHEAP Performance Management State Snapshots and Executive Summaries:
<https://liheappm.acf.hhs.gov/pm-integration>
- National Training Presentations and Exercises:
https://liheappm.acf.hhs.gov/national_training_2018

Upcoming

- Webinar
 - June 14 – Accessing and Using LIHEAP Performance Management Data
- New Resources
 - Performance Measures Data Case Studies
 - Performance Measures Data Integrity Studies

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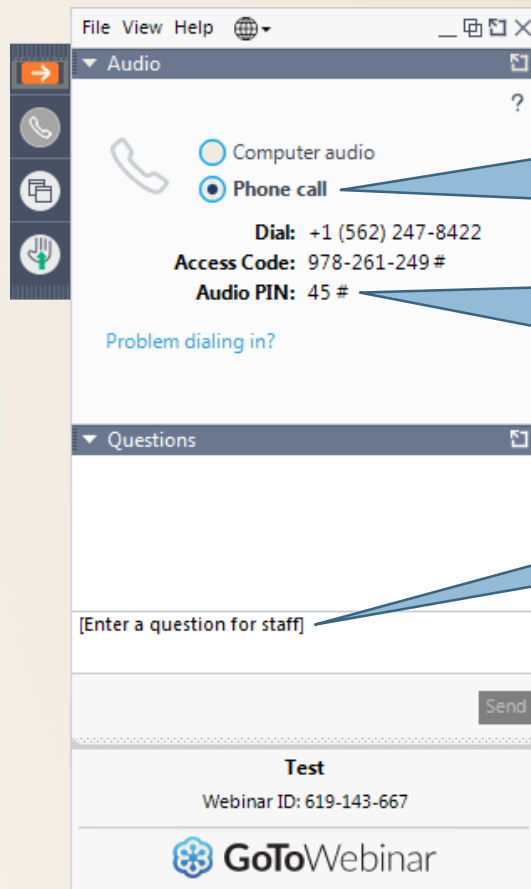
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