

SESSION 5C

EVALUATION OF LOW-INCOME PROGRAMS

Moderator: Hugh “Gil” Peach, H. Gil Peach & Associates

PAPERS:

If It’s Affordable, Will They Pay? A Review of a Low Income Bill Payment Pilot Program

Laura Schauer, PA Consulting Group
Pam Rathbun, PA Consulting Group
Lark Lee, PA Consulting Group
Jim Cain, Wisconsin Department of Administration
Michael Mueller, We Energies

In Crisis, In Need, or In Want? Impacts of Policy Change on Wisconsin’s Crisis Assistance

Pamela Rathbun, PA Consulting Group, Madison, WI
Lark Lee, PA Consulting Group, Madison, WI
Laura Schauer, PA Consulting Group, Madison, WI
Jim Cain, Wisconsin Department of Administration, Madison, WI

Energy Efficiency-Based Utility Allowance – Increasing the Affordability of Affordable Housing

Julieann Summerford, HESCHONG MAHONE GROUP, INC., Encinitas, CA

Evaluation of Energy Affordability Programs

Dr. Jacqueline Berger, APPRISE, Princeton, NJ
David Carroll, APPRISE, Princeton, NJ

Evaluation of Low-Income Rate Designs

H. Gil Peach, H. Gil Peach & Associates Beaverton, OR
Ayala Cnaan, Rensselaer Polytechnic Institute, Troy, NY

SESSION SUMMARY:

The scope of Low-Income Program Evaluation concerns programs designed to serve households with insufficient income to fully manage a normal level of living. Four of the evaluations discuss *utility* and government programs; one examines a *housing* and government program. All are also *policy evaluations*, in that they go to the resolution of policy questions.

The paper by Schauer, Rathbun, Lee, Cain, and Mueller, “If It’s Affordable, Will They Pay? A Review of a Low Income Bill Payment Pilot Program,” is about an evaluation of a program proposed by We Energies and approved by the Public Service Commission of Wisconsin that is designed to keep low-income customers connected by changing factors closely connected to inability to pay energy bills. The program combines a reduced budget bill, an arrearage management component, limited case management, energy education and financial counseling. The evaluation has a clear discussion of methodology and uses program theory to frame the central research questions of the study. The approach facilitates the study’s review of process and design issues. One of the key findings in this study is that about 50% of households were able to regularly pay their energy bills (compared with 0% the year before). Another is that although case management is important in the theory of the program, it was inconsistently offered in the first year of the pilot.

The paper by Rathbun, Lee, Schauer and Cain, “In Crisis, In Need, or In Want? Impacts of Policy Change on Wisconsin’s Crisis Assistance,” is an empirical/policy study of the Wisconsin Home

Energy Assistance Program (WHEAP) which is supported by the federal Low-Income Home Energy Assistance Program (LIHEAP) and Wisconsin's Public Benefits Energy Assistance Program. The Wisconsin Department of Administration administers this statewide program through a network of local agencies. The program provides various forms of utility bill payment assistance with emergency furnace repairs and replacements. The focus of this study is to characterize the households that received large crisis assistance benefits in the past in order to understand why these households were in need of, or received, such a large benefit. The specific researchable questions are developed from the theory of the program. The methodology follows from the researchable questions and is clearly presented. The study concludes that Crisis Assistance is needed, and that it is reaching households most in need. Further, the program has the effect of reducing energy burdens and improving the household economic situation in several ways.

Summerford's paper, "Energy Efficiency-Based Utility Allowance – Increasing the Affordability of Affordable Housing," is an empirical policy evaluation of the introduction and operation of an intelligent policy option, Energy Efficiency-Based Utility Allowance (EEBUA) schedules in California. The study bridges the domains of housing policy evaluation and energy efficiency policy evaluation. Summerford discusses the evolution and methods of calculation of the Standard Utility Allowance. The standard method was developed in the context of affordability to keep people in homes. The "housing burden" (combination of rent plus utilities) is calculated without taking energy efficiency into account, and costs are averaged over buildings of different vintages and construction. EEBUA provides a way to refine the calculation by using energy efficiency in support of affordable housing. The benefits of EEBUA to the Public Housing Authorities include shared savings, training for implementation, and improved cash flow. This study is extensively concerned to illustrate the standard program theory embodied in existing practice, and the alternative of EEBUA. The study documents progress in working with housing authorities to adopt the EEBUA, the financial and energy savings impact of EEBUA on specific projects and the US Department of Housing and Urban Development's plans to endorse EEBUA nationwide.

Berger and Carroll, in "Evaluation of Energy Affordability Programs," develop a systematic overview of types of energy affordability programs. They also discuss the primary methods of evaluation of affordability programs and contrast empirical findings from four evaluations. The study concludes that low-income energy affordability programs can help households afford their energy bills and reduce their utility arrearages. This paper provides a realistic summary of both programs and methods of evaluation of affordability programs, and would be useful to an evaluator moving from another area of evaluation into the study of low-income programs.

Peach and Cnaan, in "Evaluation of Low-Income Rate Designs," focus on the ecological setting of low-income evaluations, asserting that the utility rate structure and general socioeconomic context are factors that should be studied and taken into account in all low-income evaluations. This is an example of Chen's (1990:125-126)¹ subtype, "Normative Implementation Environment Evaluation, Macro Context Evaluation" which stresses the importance of ecological and socioeconomic factors. The paper then looks at low-income rate design and discusses evaluation tools for the evaluation and design of workable utility rates that low-income households can afford to pay.

¹ Chen, Huey-Tsyh, *Theory Driven Evaluations*. Newbury Park, London, New Delhi: Sage, 1990.