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

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ABSTRACT

We Energies, Milwaukee-based community action agencies, and other local program partners designed the Low Income Pilot (LIP) around a vision that low-income customers will pay their energy bills if they are made more affordable to them. In March 2005, We Energies approached the Public Service Commission of Wisconsin (PSCW) to approve this three-year pilot program, which provides arrearage forgiveness and reduce payment agreements with low-income Milwaukee residents.

The program, as outlined in We Energies' proposal to the PSCW[1], intended to "*keep [low-income] customers connected and ... aggressively change the factors that are most closely associated with low income customers' inability to pay their energy bills.*" The pilot plans to accomplish this goal through a flexible structure that does not include a "one strike you're out" approach. The LIP offers to participants: reduced budget bill payment amount; arrears forgiveness based on bill payment performance; allowances for limited payment failure; energy education and financial management counseling; and case management, defined by We Energies as follow-up when households do not fulfill program requirements.

The program, when compared against its goals, was moderately successful in the first year. However, the first program year experienced administrative difficulties that may have limited program success. Even with the early administrative limitations, this analysis shows that more households regularly paid their bills while on the program than off. Whether the positive bill payment behavior is purely a function of the reduced bill amount, or due in part to the ancillary services provided by the program, is not yet able to be determined.

Introduction

This introduction describes We Energies' LIP and outlines the methodology for the first year of the three-year longitudinal evaluation.

Program Description

We Energies, along with other program partners[2] developed the concept of the Low Income Pilot. The pilot was, in part, a reaction to an increase in residential arrears and uncollectibles. According

[1] Memorandum from We Energies to the Public Service Commission of Wisconsin, *Wisconsin Electric Power Company and Wisconsin Gas Company Low Income Pilot Program.* Docket No. 05-GF-144, dated November 29, 2004.
[2] Program partners include: We Energies, Milwaukee County, Community Advocates, SDC, State of Wisconsin Department of Administration, Citizens Utility Board, a State Representative, and other low income advocates.

to We Energies' reports, rising heating fuel and electric costs, coupled by a weakened economy and variability in energy assistance funding, contributed to households' inability to pay their energy bills.[3]

The inability to pay utility bills is just one compounding factor limiting low-income households' ability to move beyond poverty over time. Household economics are strained in various ways, such as credit card debt, past-due medical-related expenses, and high concerns over other expenses such as food and housing. These poor household economics oftentimes result in an increase in household mobility. All of these factors decrease a household's chances of being economically viable and self-sufficient.

In response to these issues, We Energies developed the LIP. LIP is designed to relieve participating customers of utility service disconnects, reduce their arrears (past amount owed on utility bills), and establish more consistent payment habits using payment plan options provided by We Energies. While it is the hope of the utility that the program creates more revenue for the company, it is not an explicit goal of the program. The pilot began in April 2005 and will be administered for three years through April 2008.

The pilot's target population consists of households that receive energy services from We Energies, reside in Milwaukee County, are income-eligible (below 150% Federal Poverty Level (FPL) or determined to be income-eligible through the Wisconsin Home Energy Assistance Program (WHEAP) and receive WHEAP funds. These households must have also experienced a disconnection for nonpayment in the year prior to participation and have an arrears balance and a monthly energy budget[4] of $65 or more.

The major program components of LIP are as follows:

Establish a budget bill payment amount. The program establishes a monthly energy payment for participating households based on the households' monthly energy budget less energy assistance and utility co-payment amounts. The percent the utility will contribute toward a co-payment depends on the household's poverty level, with households in greater poverty receiving the highest amount of assistance[5].

Forgive household arrears based on bill payment performance. Every three months, the program will review how consistently and fully a household has made their established energy payment. If the household has made successful payments in all three months (successful is defined as full and timely payments), then 25 percent of the household's arrears will be written off. At the end of 12 months, if a household has made 12 successful payments, 100 percent of household arrears will be written off, leaving a balance of $0.

It is understood that there will be times when households cannot make the set payment. The program builds in flexibility for these circumstances and provides an opportunity for households to catch up and still reap full benefits (rather than eliminating them from the program altogether) as discussed below.

Allowances for limited payment failure. As stated above, the program is designed to be somewhat flexible and allow payment failures. However, the amount a household owes to the utility due to payment failures (including relevant taxes and late fees) cannot exceed twice the amount of the established budget amount, or two late payments. For example, if a household paying $50 a month toward the energy bill misses two straight months of payments ($100), then that household is

[3] Memorandum from We Energies to the Public Service Commission of Wisconsin, *Wisconsin Electric Power Company and Wisconsin Gas Company Low Income Pilot Program.* Docket No. 05-GF-144, dated November 29, 2004.

[4] The monthly energy budget is defined as the total cost of a household's energy bills over the past 12 months, divided by 12.

[5] Customer payments are broken out by poverty level, where households below 75% FPL pay 30% of the co-payment, households 75–100% FPL pay 40% of the co-payment amount, and households above 100% FPL pay 50% of the co-payment amount.

disqualified from the program if any part of a third payment is missed or if these payments are not made up before the end of the pilot year.

Education and case management. Not only is this program intended to decrease arrears and establish a more manageable payment plan, it also requires customers to receive case management services and conservation education and financial counseling. We Energies defines case management as follow-up with participants who are behind in payments or not fulfilling other program requirements. Agencies approach case management as one-on-one counseling with households.

Other program requirements. Participants are required to make their bill payments in full, on a monthly basis, with limited allowances (discussed above). In addition to fulfilling the energy payment requirements, participants are also required to:

(1) Pay a down payment of two monthly budget payments toward arrears

(2) Participate in conservation and financial education developed by the state, county, and community groups. In the first year of the program, households that did not attend energy education and financial literacy workshops by the end of their first year were allowed to complete the first year but were not allowed to remain in the program for a second year.

(3) Participate in WHEAP while enrolled in LIP. Participants who had not yet received WHEAP benefits by June 2006 were removed from the program, regardless of their length of participation in the program.

(4) Accept weatherization services if offered by the state program or some other provider.

Community Advocates and the Social Development Commission of Milwaukee (SDC), which are local community action agencies, administer the program. They are responsible for outreach (together with We Energies), verifying household eligibility, enrolling customers, and educating customers. These agencies were also responsible for developing the energy education and financial literacy curriculums.

The LIP enrolled over 3,000 customers in the first year. The program is designed to maintain a customer base of 3,000. At the beginning of program years 2 and 3, the participant pool will be supplemented to account for attrition, bringing the participant base back to 3,000. Reasons that a household could fall out of a participant pool vary, but include not fulfilling program requirements, moving out of the Milwaukee County area, or becoming income-ineligible.

Evaluation Methodology

The LIP is a three-year pilot program, beginning in April 2005. Therefore, this process and impact evaluation is following a similar three-year evaluation period (July 1, 2005–June 30, 2008). This multi-year evaluation period allows the team to review program progress from start to finish, documenting issues encountered along the way and program staff's processes for responding to these issues. The three-year evaluation also allows the team to track program participants across the three years and denote progress resulting from the program.

Wisconsin's Department of Administration (DOA) and PA identified seven researchable issues during the planning process that shaped the evaluation. Evaluation activities were developed to address these researchable issues by the end of the three-year evaluation period. The key researchable issues are as follows:

1. **Does the We Energies' LIP work?** Is We Energies' LIP doing what it intends to do—reduce arrears and improve customers' bill payment behaviors? Is We Energies leveraging the services effectively to provide the additional holistic benefits to customers?

2. **What should define a household's success and failure in the program?** Currently, We Energies defines success as remaining in the program, although they recognize a household may drop

out of the program and yet exhibit successful behaviors. Is this an appropriate way to review program success? If not, what gradients of success are there and how are they defined?

3. **Is the program cost-effective?** Taking into account all costs of program implementation, including internal and agency time and efforts, what is the cost/benefit ratio of this pilot program? Do the services offered by the pilot extend beyond the immediate value and affect future energy use and bill payment patterns?

4. **How does LIP work with, and fit into, other efforts?** How well does LIP integrate with other low-income programs and efforts administered throughout the area (including WHEAP)? Are portions of the LIP duplicating efforts of other programs?

5. **What program elements can be attributed to household success or failure?** LIP is multi-faceted in its service offerings. Which program components, or combination of program components, are most effective? What elements of program design hindered program success?

6. **What household characteristics can be attributed to program success or failure?** What subgroups of the low-income population gain the most and least from this program (e.g., different federal poverty level groups, renters, households with children, elderly, and/or disabled)?

7. **Moving past the pilot, what elements of LIP can be used in other programs?** In the end, what worked and what did not? What components of the pilot should be, or could be, duplicated in other low-income programs? Should LIP be continued?

The table below illustrates the range of activities that are planned for the three-year evaluation, and the evaluation component each activity supports (process, impact, or both). The table is followed by a brief description of each activity completed for the first year of the study.

Activity	Year 1	Year 2	Year 3
Process Interviews	Process	Process	Process
On-site Workshop Review	Process		
Database Analysis	Impact	Impact	Impact
Participant Telephone Surveys	Process and Impact	Process and Impact	Process and Impact
Nonparticipant Telephone Surveys		Impact	Impact
Energy Education Workshop Surveys	Process and Impact	Process and Impact	
Financial Literacy Workshop Surveys	Process and Impact	Process and Impact	
Qualitative Removal Surveys	Process		
Cost/Benefit Analysis	Process	Process	Process
Evaluation Analysis and Reporting			

Process interviews. Formal process interviews were conducted with program managers at SDC and Community Advocates (the two Milwaukee-based agencies administering LIP) and We Energies. Issues explored through the process interviews included: outreach and enrollment practices; program performance against expectations; administrative issues; coordination between the two agencies administering LIP, We Energies and other agencies; and general program processes.

Observation of workshops. SDC and Community Advocates vary in their workshop styles. PA attended energy education and financial literacy workshops provided by each of these agencies.

We Energies LIP database analysis. We Energies manages a progress database, which is updated each week. These data are essential to identifying participant progress. PA worked with We Energies to thoroughly review the database and identify any inconsistencies or areas of confusion. This data source feeds into the program analysis for reporting.

Telephone survey of first-year participants. The telephone survey of first-year participants serves as a baseline participant survey. PA interviewers spoke with a random sample of 709 of the 3,237 enrolled participants in November and December 2005. The interviews asked participants about their participation experience, bill payment practices before and after participating in the program, financial management practices, energy conservation practices, and general household conditions. First-year participants will be re-surveyed each year of the evaluation to note any differences in program participation and determinants for program progress.

Energy use and financial management questionnaires administered prior to energy education workshops. The intent of these questionnaires was to understand what participants knew prior to the workshops to get a true baseline of awareness, knowledge, and behavior. PA received 942 energy education and 644 financial management surveys through May 15, 2006. It was not mandatory for attendees to complete the survey.

Qualitative removal survey. The intent of this survey was to review, qualitatively, why participants did not stay in the program and any program processes that may have affected their performance. A random sample of 18 households were interviewed as part of the qualitative removal survey.

Cost/Benefit data collection tool development. In Year 1, PA developed a data collection tool to assist We Energies and the participating agencies to gather cost and benefit data. Agencies and We Energies continue to gather data for PA that will feed into the cost/benefit analysis. The Year 1 cost/benefit analysis will be not be complete until May 2007.

Results

This section illustrates financial difficulties experienced by the participating population, and provides the findings related to program performance and participant progress on the program. The evaluation report provides greater detail related to process issues identified throughout the evaluation. Only findings potentially related to program performance are reported in this paper. These findings are based on WHEAP database analysis, participant surveys with a representative sample of 709 first year participants, and process interviews conducted throughout the first evaluation year.

Program Participants' Financial Conditions

LIP participants experience a relatively high level of poverty. The average participant is slightly over the 75% Federal Poverty Level (FPL). This high level of poverty is complicated by having either a child or a disabled member living in the household (39 percent of households have at least one child and 31 percent of households have one disabled member).

Therefore, it is not surprising that LIP participants struggle to pay all types of expenses. At the time of the interviews, between 20 percent and 25 percent of respondents were in arrears for their housing payment. Nearly one-fifth of renters owed rent for previous months at the time of interviews, and a full quarter of homeowners reported owing mortgage payments for previous months. Additionally, nearly one-half of respondents (48 percent) said that twelve months prior to the interview they did not have telephone service because they could not pay the bill and 39 percent said they currently owe more than $250 for medical care.

Generally, participants do not have a checking account or a savings account. Only 40 percent of program participants said they have a checking account and 30 percent said they have a savings account. Those that do have a checking and/or savings account typically have less than $100 remaining at the end of a month (81 percent).

Program participants were required to be in arrears prior to program participation. The value of arrears varied by participant, but ranged to an upward value of nearly $23,000. The average arrears value is significantly lower than this (Table 1).

Table 1. Average Budget Amount and Arrears of Program Participants

Utility Data	Year 1 LIP Participants
Average budget bill amount if the participant hadn't been on the program	$179.16 (N=2,697)
Average arrears prior to program	$2,113 (N=3,229)
Median arrears prior to the program	$1,285 (N=3,229)

The program provided a significant discount in monthly utility payment amounts for participants. Had they not been participating in the program, first-year participants would have averaged a monthly budget payment of nearly $180. The program reduced this monthly budget payment to a more affordable $90—a 50 percent reduction.

Participant and Program Performance

Year 1 enrollment topped at 3,237 households. At the end of the first program year, over one-half of participants were removed from the program. On initial glance, this figure seems high. However, it is important to revisit why participants could be removed from the program. The most common reasons were that they: (1) did not make scheduled payments as required; (2) did not attend energy education and/or financial literacy workshops, or; (3) did not apply for WHEAP.

As such, reasons for removal are not necessarily tied to participants' non-payment behaviors. Forty-six percent of participating households were removed because they missed payments. The remaining households removed from the program made the required payments but did not meet other requirements of the program.

As Table 2 shows, nearly 50 percent of households made their payments while on the program, even though some of those households were removed by the end of the year. The reader should recognize that there are viable reasons why households could not meet other requirements. For example, households that were removed because they did not receive WHEAP funds may not have been eligible for the funds. Households that did not complete the workshop requirements may have had difficulty leaving work, or finding daycare, to attend the workshops.

Table 2. We Energies LIP Year 1 Participant Performance

	Number	Percent of Year 1 Enrollment
Total Year 1 Enrollment	**3237**	
Active customers as of September 16, 2006	**1,121**	**34.6%**
Customers removed from program	**1,886**	**58.3%**
Removed for missed payments	1504	46.5%
Removed after Year 1 for non-attendance at workshop	208	6.4%
Removed—did not receive WHEAP funds within FY06 heating season	168	5.2%
Removed for other reasons	6	0.2%
Moved without new plan	**230**	**7.1%**

Bill Payment Behavior

One goal of the LIP is to encourage more regular payments from its customers. As Table 3 shows, ***the regularity of LIP participants' payments while on the program was better than the 12 months prior to program participation***. Regularity of payment behavior was more marked for participants active on the program or removed for reasons other than missed payments.

Note that the program is not designed to increase the total value of funds funneled into the company. A review of performance metrics identified by We Energies[6] clearly indicates the emphasis is on the number of payments made by households rather than total value of money received from participants while in the program. The program attempts to address payment habits with the hope that the habits will persist when customers are no longer on the program.

This distinction in payment habits versus payment totals can be seen in Table 3. This analysis shows that while the average number of payments increased for participants, the total value of payments, on average, decreased. As expected, the longer a participant is in the program the more they would contribute to the utility bill while on the program. Active customers or customers removed from the program due to not attending the required workshops had a higher average value of payments than those removed from the program for missed payments.

Table 3. Year 1 LIP Participant Bill Payment Behavior on LIP and Twelve Months Prior to LIP

	Average Number of Payments	Pre-LIP Average Number of Payments	Average Value of Payments[7]	Pre-LIP Average Value of Payments
Total Year 1 Enrollees (n=3,237)	**8.2**	**4.9**	**$866**	**$1,036**
Active customers (n=1,121)	11.5	5.6	$1,103	$1,168
Customers removed from program				
Removed for missed payments (n=1,504)	5.7	4.3	$700	$916
Removed—did not receive WHEAP funds within FY06 heating season (n=168)	10.3	5.5	$1,086	$1,222
Removed after Year 1 for non-workshop (n=208)	11.5	5.5	$1,149	$1,214
Removed for other reasons (n=6)	10.0	5.0	$1,121	$1,011
Changed and final status without new plan (n=230)	4.2	4.4	$381	$882

[6] Performance goals includes a metric related to bill payment behavior, but no metric related to total amount of money paid toward utility bills.

[7] Average payment excludes the one-time down payment, which averaged $235 per household per the We Energies Low Income Pilot Plan First Year Evaluation Report Draft, prepared by We Energies and provided to PA on November 3, 2006.

Participant Arrears and Forgiveness

Participants' arrears are forgiven on a quarterly schedule, with 25 percent of their arrears forgiven each quarter. Participants are required to pay their reduced bills, in full, by the time the quarter is complete in order to receive the forgiveness.

Nearly three-quarters of Year 1 LIP participants received at least one forgiveness payment, or 25 percent of their arrears forgiven. In total, an average of 57 percent of initial arrears was forgiven through the program. However, while in the program households developed additional arrears from nonpayment. This resulted in a net arrears reduction of 53 percent for Year 1 LIP households.

Characterization of Participants by Participation Status

This section characterizes the program participants by reviewing their program status in terms of their demographic and household situation. The data sources used for this analysis are the We Energies LIP database, WHEAP data from Fiscal Year 2005 (FY05) and Fiscal Year 2006 (FY06), and the Year 1 participant survey.

The information presented in this section is a characterization tool, not a concrete explanation of behavior. The primary reason for this is that participants' living situations are fluid and change quickly, whereas each of these data sources capture data at specific (and different) periods of time. The information from the We Energies LIP database represents participant status as of September 16, 2006. The Year 1 participant data collection took place in November 2005. The WHEAP data represents the household's characteristics at the time of the WHEAP application in FY05 or FY06, which was within the same time frame as their enrollment in the LIP.

Table 4 details the demographic characteristics of households by program status. A review of the table shows that households removed for workshop non-attendance or missed payments were slightly more likely to have a child or elderly member present than the other groups. The analysis also shows that households that moved were significantly more in poverty than active households, followed by households removed for missed payments. Households removed for no WHEAP participation had the highest average federal poverty level. Last, active participants and participants removed because they didn't attend the workshops were more likely to live in single family households than the other groups. Households that moved were more likely to live in multi-family buildings.

Table 4. Demographics of Participating Households[8]

Characteristic	Active (n=999)	Removed: Missed Payments (n=1,333)	Removed: No WHEAP (n=139)	Removed: No Workshops (n=181)	Moved (n=189)
Household Composition					
At least 1 child present in the household	35.0%	42.2%	35.3%	43.1%	38.1%
At least 1 elderly member present in the household	8.6%	5.2%	5.0%	9.4%	6.3%
At least 1 disabled member present in the household	36.6%	28.1%	26.6%	32.0%	27.5%
Poverty Level					
Poverty level less than or equal to 75% FPL	47.1%	51.7%	41.0%	45.9%	62.4%
Poverty level greater than 75% FPL	52.9%	48.3%	59.0%	54.1%	37.6%
Average FPL	78.2%	74.0%	84.2%	80.0%	71.0%
Housing Characteristics					
Live in multi-family unit	15.8%	23.0%	18.7%	19.9%	28.6%
Live in single-family unit	34.9%	26.5%	28.1%	39.2%	18.5%
Live in duplex or two family	49.1%	50.3%	53.2%	40.3%	52.4%

Sources: We Energies LIP participant data (9/16/06), DOA WHEAP database from FY05 and FY06

The Year 1 participant survey gathered data related to participants' financial and household conditions that could not be obtained from the program database. The resulting data is illustrated in Table 5 below. The groups showed little difference in terms of financial and household conditions with the exception of households that had moved. That group was worse off in nearly all categories compared to other groups. This is not surprising, as mobility is an indicator of lack of stability.

[8] n represents number of cases where WHEAP data could be matched with LIP data and does not represent the full population of LIP participants. Demographic data is missing for 12 percent of LIP participants.

Table 5. Financial and Household Conditions of Surveyed LIP Participants

Characteristic	Active (n=329)	Removed: Missed Payments (n=260)	Removed: No WHEAP (n=36)	Removed: No Workshops (n=51)	Moved (n=26)
Financial Conditions					
Established a monthly budget	75.7%	66.9%	72.2%	62.7%	69.2%
Carries a balance on credit card	10.0%	11.4%	8.1%	11.5%	11.5%
Has a checking account	41.3%	36.4%	52.8%	41.2%	34.6%
Owes rent or mortgage for previous months	12.5%	24.4%	25.0%	20.4%	29.6%
Owes more than $250 for medical bills	36.8%	39.1%	37.5%	39.5%	50.0%
Lifestyle					
Limited purchases of necessities to pay We Energies in past year	55.3%	57.6%	52.8%	58.8%	76.0%
Had telephone disconnected in past year	44.3%	52.7%	61.1%	38.5%	52.0%
Someone in household worked	36.8%	37.4%	41.7%	47.1%	26.9%
Condition of home is poor or terrible	11.7%	16.3%	5.9%	13.4%	40.0%

Sources: We Energies LIP Participant Data (9/16/06) and Year 1 Participant Survey

Process and Design Issues That May Have Impacted Year 1 Performance

Process interviews with administering agencies and We Energies identified a handful of issues that may have impacted program performance (driven by participant performance). This section briefly summarizes the complications discovered through the evaluation.

Staff Resources and Initial Enrollment Requirements

We Energies had an initial goal to enroll 3,000 households into the program the first year. This meant that each agency would be required to serve 1,500 households. At the end of the enrollment period, this number was slightly higher, with each agency serving approximately 1,600 households.

Agencies did not immediately increase their staffing levels to accommodate this increase in workload. As discussed in the next section, funding was an issue for agencies, and they did not feel they could afford to add to their initial staff projections.

Additionally, agencies experienced up-front work that was not sufficiently planned for. For example, agencies were responsible for working with We Energies on program outreach, reviewed households for program eligibility and enrolled participants. Additionally, agencies were responsible for developing their own education materials and system for educating participants.

The agencies were overwhelmed by the number of first-year participants they were responsible for. They found themselves adjusting to processes and procedures not fully tested while trying to manage very high case loads. As a result, some participants may have "fallen through the cracks," which might not have happened had there been more staffing resources or fewer early-enrollment requirements.

Funding

Early in the program administration, agencies (SDC and Community Advocates) said the initial administrative funding level did not support their activities. We Energies responded to this concern by increasing administrative funding. However, the agencies still feel the revised funding levels are too low, although they added that Year 2 administrative costs should be lower given that start-up activities have concluded.

Throughout the process interviews, agencies voiced their frustration at not having enough resources for the amount of work they were doing. They noted they were dedicating significantly more resources than budgeted for program development, workshop materials and topic development, intake, outreach, and case management. In response, We Energies provided additional funding to help them administer the program. This funding was used for different purposes by the agencies. Community Advocates used the additional funds to staff one administrative position to support the program. SDC used the funds to staff one additional case manager.

In interviews in March 2006, agencies felt that program Year 2 should be easier administratively than the first program year. Year 1 of the program included many up-front activities that should be eliminated in Year 2. For example, agencies spent a considerable amount of resources establishing the workshop content, materials, and enrollment system. Year 2 will build upon the system already established, tweaking it to make it more effective.

One area that agencies felt suffered from the limited funding was case management. Agencies reported that case managers have had a difficult time doing intensive case management effectively due to the limited financial resources, staff resources (directly related to financial resources), and high caseload. Each agency has 1,500-1,600 participants for whom they are responsible. This equates to 400–450 participants per case manager, when, according to one agency, the industry norm is 80–120 clients for intensive case management.

We Energies did not intend for agencies to initiate intensive case management, and defined case management as simply following up with households that were not meeting requirements. It is unclear if even the case management, as defined by We Energies, could be met given the level of funding provided to agencies. Agencies are spending significant amounts of time educating and enrolling customers. It is possible that the funds allocated per participant would not sufficiently cover the time to complete all activities required under the program.

The participant survey efforts lend support to agencies' belief that LIP's current implementation of case management is not optimal. For example, evaluators spoke with eighteen households that were removed from the program in the first year for nonpayment. Seven of the eighteen participants said they did not receive a letter or a telephone call to let them know they were behind on their payments. Three of the eighteen respondents said they left messages with their case managers to discuss options to remain in the program but never received a telephone call back from them.

Conclusion

The first year of the program experienced the same growing pains of many new pilot programs. Limited funding, limited staffing resources, and other inefficiencies not discussed in this paper are only natural for a new program. It will be interesting to note how the program reacts to these inefficiencies and any additional improvements in participant performance in the next two years of the pilot.

Even with these limitations, the program saw a significant number of participants regularly pay their bills who did not do so in the previous year (and, in fact, were disconnected at least once the year prior to program participation). Almost 50 percent of program participants paid their bills in full and regularly through the program, compared with 0 percent the previous year. Additionally, the program saw the average number of bills paid through the program nearly double, which takes into account payment behaviors of even the households that failed.

Unfortunately, it is not clear from this first year program evaluation what specific elements drive the success, or failure, of households. The pilot does not incorporate an experimental design that allows evaluators to pinpoint interventions that promote success. One element of particular interest to the PSCW and DOA is the effect of case management on program success. However, case management has not been offered consistently throughout the program; and it not possible to track what level of case management each household received.

The evaluation team recommended to program planners that they consider using future pilot years to test individual programmatic elements, including case management, incorporating an experimental design. Doing this prior to moving the pilot into a full program would allow We Energies to better design the full program, and produce concrete evidence for why specific elements should be included in the program.