

Energy Assistance Program Energy Task Force

FINAL REPORT

December 2001

A Management Analysis Division Report



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MINNESOTA

Department of Administration

MANAGEMENT ANALYSIS DIVISION

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Project team co-leaders and facilitators

Cathy Tilsen
Virginia Pierce

Project team members

Ryan Church
Susan Senko

Word processing team

Tracia Gimbut
Gen Swenson

Editor

Mary Krugerud

Division director

Judy Plante

Assistant division director

William Clausen

Contact information

Voice: 651-297-3904

E-mail: manalysis@state.mn.us

Fax: 651-297-1117

Web site: www.admin.state.mn.us/mad

Address:

203 Administration Building
50 Sherburne Avenue
St. Paul, Minnesota 55155

Other formats

To obtain these materials in an alternative format, call voice 651-297-1148 or
TDD 800-627-3529

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For more information or copies of this report, contact the
Energy Assistance Programs, Energy Division, Minnesota Department of Commerce.

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EXECUTIVE SUMMARY

The Department of Economic Security Energy Assistance Programs convened the Minnesota Energy Assistance Program Energy Task Force at the beginning of 2001. The purpose of the task force was to make policy and operational recommendations on the Energy Assistance Program's (EAP) strategic direction, aimed at improving program effectiveness and addressing issues surrounding potential changes in the energy industry, the unpredictability of external factors such as weather, fuel prices, and variable funding, and the diverse interests of key stakeholder groups.

The task force met in 11 two-day meetings between January and October 2001. Two consultants from the Management Analysis Division facilitated the meetings.

To provide a common starting point for discussion, the task force refined the mission for the Energy Assistance Programs and developed a vision and values statement. These became the guiding principles on which to make decisions. What also emerged was, that despite the breadth of worldviews and divergent personal values among task force members, the task force believed strongly in the necessity of this type of program.

Recommendations that outline policy and operational improvements are described in seventeen recommendations in this report. These would have direct impact on program improvements while addressing some of the key issues facing the environment in which the program operates. Nevertheless, to further strengthen program effectiveness, the task force developed program outcomes and specific strategies, such as identifying customer needs and expectations. In conjunction with the policy and operational recommendations, these help the Energy Assistance Program move to more of a performance-based orientation. All of the recommendations are outlined below:

Policy Recommendations

1. Customer prioritization

The task force recommended that the program continue, along with the addition of two modifying factors, with a "first-come, first-served" policy to determine how to prioritize the program's eligible population.

2. Eligibility criteria and income definition

- A. Income should be defined as total gross earned and unearned income received by the household that is available to meet obligations and expenses including energy.
- B. Eligibility time period would be any sequential three months or 12-month period.
- C. Income eligibility would be 50 percent of the state's median income.
- D. Household should be defined as the number of people who reside in the household permanently or for an extended time as residents on the date of application.
- E. Income verification should move the burden of proof from the applicant to the system.
- F. All assets limits should be eliminated.

3. Benefits table

The task force recommended using the energy burden in the calculation for benefits payments, depending on further analysis.

4. Yearlong program

The task force recommended that energy programs should be conducted on a yearlong basis.

5. Universal statewide application

The task force recommended that there be a universal statewide form, using the current form with some minor changes.

6. Vendor agreement

The task force recommended that vendor agreements – agreements between the Energy Assistance Programs, delivery agencies, and fuel vendors – should be based on the following working premise or guiding principle: Energy assistance clients should be treated in the same fashion as any other utility or energy provider's customers.

7. Direct payments

The task force recommended that:

- A. Payments for heat included in rent should not be sent to landlords.
- B. Direct payments should be sent to households when:
 - Heat is included in the rent for the heat portion of their assistance or
 - Clients heat with wood and do not have a wood vendor for the heat portion of their assistance.
- C. The state should collect information and develop a formula to calculate grants for heat and electric use that is inclusive of rent.
- D. Electronic transfer capability of funds should be developed for vendors.
- E. The policy for wood costs per cord should be changed to allow for actual cost of wood. This would reflect a more accurate cost for heating with wood than using a state maximum figure, which has been the past practice.
- F. The state should develop best practices for check cashing.
- G. No direct payments should be made to reimburse payments already made to the energy vendor.
- H. The application should include a section that informs potential participants about the circumstances under which payment would be made directly to households.
- I. Electronic transfer payments, ATM cards, and electronic benefits transfer should be explored.

8. Crisis assistance and Energy Related Repair (ERR)

The task force recommended that crisis assistance and Energy Related Repair continue as separate components within the Energy Assistance Program with separate funds. The task force also recommended new approaches for effectively providing crisis assistance and ERR.

Program Operation Recommendations

9. Business needs

The task force recommended that business needs be considered in making decisions related to technology and centralized or decentralized functions.

10. Centralization and decentralization

The task force recommended several centralized and decentralized activities in addition to those determined by the Department of Commerce.

11. Technology needs

The task force recommended that technology should be able to meet needs in the areas of security, reporting, communication to consumers, training, policies and online documentation, automatic transfers, connectivity with other systems, user friendliness, weatherization, Web, and ease of system entry.

12. Outreach

The task force recommended outreach strategies that would inform the state and community about the energy programs and reach those who need services.

13. Monitoring

The Energy Task Force recommended focusing on consistency and regularity and taking a problem-solving approach. Specifically, the task force recommended monitoring of:

- Turnaround time in the application process,
- Notification of payments,
- Outreach efforts,
- ERR and carbon monoxide (CO) safety, and
- Service to target groups such as seniors and non-English speakers.

14. Grant management

The task force recommended that the state Energy Assistance Programs consider its suggestions for contracting and grant management as it develops its overall performance management system.

15. Administrative funds

The task force recommended that the state Energy Assistance Programs consider a number of possible uses of administrative funds.

16. Program service funds

The task force recommended consistent use of program services funds by local service agencies for a set of targeted activities with outcomes and measures that can be used for evaluation and accountability.

17. Leveraging funds

The task force recommended that the Energy Assistance Programs' staff and a future work group explore ways to leverage additional resources.

Program Outcomes

Based on its vision of the future for energy programs, the task force recommended outcome measures for each aspect of the vision, along with a timeline. In addition, with a focus toward developing a more performance-based system, the task force recommended that a process to identify customer needs should be implemented as soon as possible.

Conclusion

Prior to the finalization of this report, the Energy Assistance Programs began to implement some of the task force's suggested program improvements. Specifically, the following recommended improvements, either in whole or in part, are in effect as of Oct. 1, 2001:

- Criteria for customer prioritization
- Changes in eligibility time period to any three-month period
- Changes to the benefits table
- A universal statewide application form
- Direct payments changes

Other recommendations contained in this report will be more challenging to implement. The next steps for improvements will require strong leadership and a well-developed strategy for program implementation that understands that the task force recommendations are interrelated and that many build on one another.

For example, the challenge of developing a centralized payment system will require agreement among a range of interested parties: the State of Minnesota, local service agencies, energy providers, eligible households, etc. In addition, the implementation of a centralized payment system directly affects such issues as administrative funds, program services funds, and monitoring. (For a broad understanding of the interconnectivity of the recommendations to the vision and strategies, see Appendix K; for a high-level implementation timeline, see Appendix L.)

Although EAP has operated basically unchanged for over twenty years, there appear to be several indications that the system is ready to embrace change. Interested parties are experiencing stronger and better relationships, energy issues in general are again getting national and state attention, and, with reports such as this one, a roadmap now exists for overall program improvements.

The efforts of the task force over the past ten months suggest common interests and goals among the parties involved in EAP. At the core is the belief among task force members that this type of program is vital and necessary. Moreover, the task force believes the program can achieve significant improvements given these common goals and stronger working relationships among stakeholders. In addition to these two instrumental ingredients for positive change, the program now has fundamental building blocks such as a clear mission, a shared vision, and agreed upon beliefs and values to provide continued focus, direction, and guiding principles. Together these core elements create the framework for sustainable and ongoing change and program improvement. These elements will ultimately help anchor EAP through unpredictable external factors in the environment in which it operates.

INTRODUCTION

The Department of Economic Security Energy Assistance Programs convened the Minnesota Energy Assistance Program Energy Task Force at the beginning of 2001. The purpose of the task force was to make policy and operational recommendations on the Energy Assistance Program's (EAP) strategic direction.

Working in an advisory capacity, the task force made recommendations on the creation of a mission, a vision, values, and strategic goals, and examined the recommendations that arose from the January 2000 program evaluation conducted by the Department of Administration's Management Analysis Division. Task force members included representatives from local service delivery agencies, consumers, advocates, vendors, and state agency staff. (For a complete list of task force members, see Appendix A.)

The task force operated primarily by consensus. Because of the diverse values, experiences, and perspectives of group members, conflicts over key issues arose. Nevertheless, task force members successfully worked through these differences to create recommendations that generally became more inclusive of the various viewpoints while strengthening relationships among members.

The task force met in 11 two-day meetings between January and October 2001. Two consultants from the Management Analysis Division facilitated the meetings.

Background

The Low-Income Home Energy Assistance Program (LIHEAP) was created by Congress in 1981 and is administered by the U.S. Department of Health and Human Services. It provides grants to states for assistance to low-income households (particularly those with the lowest incomes that pay a high proportion of household income for home energy) in meeting their immediate home energy needs. At the state level, LIHEAP is called the Energy Assistance Program (EAP) and helps low-income residents meet their heating needs by distributing federal funds through local service agencies, which grant various amounts to eligible households that apply for assistance. The amount of federal funds varies greatly from year to year and affects the number and size of grants that are given to low-income households.

Currently, in Minnesota the Energy Assistance Programs in the Department of Commerce administers the program. (At the time the task force was formed and completed most of its work, the Energy Assistance Programs was part of the Department of Economic Security.) The office also administers the U.S. Department of Energy Weatherization program, funding activities that are designed to make lasting conservation improvements to homes to reduce energy bills for low-income households. In addition, the office administers a small state fuel fund called Reach Out for Warmth. Created in 1992, this program raises private donations – largely at the community level – to supplement federal energy assistance funds.

The Energy Assistance Programs experienced several recent upheavals. In the summer of 1997, the Energy Programs office, by executive order, moved from the Department of

Economic Security to the newly created Department of Children, Families and Learning. In July 2000 the Energy Programs office was moved from the Department of Children, Families and Learning back to the Department of Economic Security by Governor Ventura under Reorganization Order 183.

Most recently, the 2001 legislature abolished the Department of Economic Security. Through this legislation, the Energy Programs office transferred to the Department of Commerce on Oct.1, 2001, and is now part of its Energy Division.

The Energy Assistance Programs returned to the Department of Economic Security in July 2000. Later that fall and winter, energy issues were taking on a high profile due to rising energy costs and uncertainty about deregulation. The rising costs of all energy fuels were not expected to abate in the near future, and the Department of Commerce warned Minnesota that there might be delivery and reliability issues in the coming years, thus potentially affecting the number of people seeking energy assistance.

Low-income energy programs continue to be a significant safety net for Minnesotans living on limited resources. Inadequate heat, energy disconnections, and unaffordable energy costs can seriously affect the health and safety of a household as well as disrupt a household's ability to maintain or achieve self-sufficiency and contribute to the community. When the Energy Task Force began its work in January 2001, Minnesota was experiencing an "average" winter (after several mild winters) that increased heating demands, while at the same time the cost of energy rose sharply (at times, increases were close to 300 percent for natural gas). Many more people found themselves in need. By January 2001, Minnesota had already received approximately \$89 million in emergency low-income energy assistance from the Federal government for heating costs, up from \$42 million the year before.

As the 2001-02 heating season looms, some federal energy funds have been released. Further funding will most likely compete with the country's current efforts to address terrorism and national safety concerns. Currently, additional energy funds are part of the economic stimulus packages that Congress is still debating. At the same time, it is anticipated that a strong need for assistance to low-income people will continue and even increase in an environment of volatile energy prices and economic uncertainty. Thus, the Energy Task Force worked toward positioning the Energy Assistance Program to be effective even in an uncertain future – an uncertain future that contains uncontrollable factors such as weather, fuel prices, and variable funding.

Prior to the Energy Assistance Programs' move back to the Department of Economic Security in July 2000, the 1999 legislature asked the Minnesota Department of Administration's Management Analysis Division to evaluate and recommend changes for the program's future effectiveness. Electric and gas utility deregulation were expected to take place in the next few years through state or federal action. It was thought that energy industry deregulation would give the Energy Assistance Program the opportunity to take advantage of increased funding, perhaps through the creation of a universal service fund, and thus greatly increase the program's funding level. Subsequently, questions about the impact of deregulation, and funding, as well as questions regarding program effectiveness, prompted the evaluation. (See Appendix B for the list of the recommendations from the January 2000 program evaluation.)

The Energy Task Force was thus formed – in large part – to address and respond to the recommendations from the January 2000 program evaluation, as well as issues surrounding program effectiveness, potential changes in the energy industry, and the diverse interests of the stakeholders. To provide a common starting point for discussion, the task force reviewed the mission statement for the Energy Assistance Programs and developed a vision and values statement. These became the guiding principles on which to make decisions. What also emerged was, that despite the breadth of worldviews and divergent personal values among task force members, the task force believed strongly in the necessity of this type of program.

After reviewing, discussing, and debating the specific recommendations from the January 2000 evaluation, the task force produced its own recommendations for short- and long-term policy and operational improvements, as well as program outcomes. Seventeen recommendations that outline policy and operational improvements are described in this report. These would have direct impact on program improvements. Nevertheless, to further strengthen program effectiveness, the task force developed program outcomes and specific strategies, such as identifying customer needs and expectations. In conjunction with the policy and operational recommendations, these help the Energy Assistance Program move to more of a performance-based orientation. All recommendations are described in the following report.

RECOMMENDATIONS

Before focusing on the January 2000 program evaluation and recommendations for policy and operational program improvements, the task force refined the mission statement. It also created a vision, belief, and values statement, and strategies for state energy programs. These elements framed the strategic focus for the program and became the touchstones for all taskforce decisions.

Minnesota Energy Programs

Mission Statement

Assist participating households to maintain affordable, continuous, and safe home energy while lowering their energy burdens.

Vision

Empowered customers
Meeting energy needs through collaboration
Quality service
Reach those who qualify
Safe and comfortable
Simple access
Universally recognized and accepted

Strategies

Collaborate among all stakeholders
Create multiple outreach approaches
Establish effective automated systems
Identify customer needs
Strengthen funding streams

Core Belief (<i>what we hold true</i>)	Values Statements
Dignity and privacy: We believe all human beings are to be treated with respect, cultural sensitivity, and courtesy. We believe in treating others as we wish to be treated.	First and foremost, the stakeholders in the energy programs respect the right to dignity and privacy .
<p>Ease of entry: We believe in increased participation for the program. We believe program policies and design should be based on the principle of including the largest possible pool of applicants. We believe the application process should be simple and efficient.</p> <p>Equitable access: We believe that populations that are under-represented in the program should be targeted for outreach. We believe that people's needs should be met in a fair and equitable manner.</p> <p>Affordable: We believe that energy and heat in Minnesota are necessities. We believe that energy costs should be a reasonable percent of income. We believe that access to energy services should not solely depend on ability to pay for it.</p>	We acknowledge that households have the right to ease of entry and equitable access to all components of the program, to the benefits that make energy costs affordable , and to homes that use energy safely and efficiently.
<p>Creativity: We believe that thinking "outside the box" makes more effective solutions possible.</p> <p>Flexibility: We believe in openness and willingness to be adaptable to those we serve – "There are many ways to come to the right solution."</p> <p>Advocacy: We believe that some people need help to access resources.</p> <p>Equity: We believe everyone has basic rights in America and we support policies that further the ideals of fairness</p>	We acknowledge the dynamic conditions that influence energy programs and value the creativity, flexibility, and advocacy necessary to maintain and further policies that promote equity and empower people to take control of their own lives.
Collaboration: We believe that people and organizations working together can produce extraordinary results.	We value collaboration [and teamwork] among stakeholders and respect the unique perspectives we each bring to the table.
Responsible: We believe that all stakeholders are accountable to assume a personal commitment to accomplish agreed upon values.	We are each responsible for contributing to the conditions that accomplish these values.

The following recommendations are divided into three categories: policy, operational, and program outcomes. All recommendation discussions were informed by the decisions the task force made on the fundamentals of vision, values, strategies, and program outcomes. Furthermore, all recommendations are interrelated, and several build on one another.

Policy recommendations

1. Customer prioritization

The task force recommended that the program continue, along with the addition of two modifying factors, with a “first-come, first-served” policy to determine how to prioritize the program’s eligible population.

This policy assumes that those in crisis would always be served first. In addition, a “first-come, first-served” policy should be modified by two key factors. First would be the use of energy burden in the calculation of energy need. This means those with low income AND who pay a high proportion of household income for home energy would be targeted. Second would be the implementation of sound outreach strategies that would focus on those with the lowest income and highest energy burden, as well as such specific populations as seniors, people with disabilities, and single parents with children to ensure that they apply early.

The task force debated the rationale for continuing with “first-come, first-served.” As part of this debate, the task force reviewed approaches from other states (Appendix C). In the end, task force members believed that this policy would:

- Support outreach strategies;
- Require good planning to meet client needs on the part of delivery agencies;
- Reduce crisis situations upfront;
- Better meet the mission of the Energy Assistance Program;
- Treat applicants the same (if someone is eligible, they are served); and
- Be easily adapted to a yearlong program.

Some concerns that were raised over the continued use of this policy included:

- The likelihood of running out of funds quicker and thus not serving a large number of low-income households;
- The need for a more sophisticated system of prioritization; and
- The need to clarify and focus outreach activities to ensure that those targeted populations stated in the law know about the program and have access to it.

In Minnesota, the Energy Assistance Program has always been administered on a “first-come, first-served” basis. In the 2001 program year, the Energy Office made a number of efforts to reach the eligible households with the lowest incomes and the highest energy costs.

2. Eligibility criteria and income definition

After reviewing the eligibility criteria and income definition as written in the 2001 Energy Assistance Program manual, the task force made several recommendations within each criterion. (For a complete list of eligibility recommendations, see Appendix D.)

The task force recommended that:

A. Income should be defined as total gross earned and unearned income received by the household that is available to meet obligations and expenses including energy.

- Gross household income should include earned income, unearned income, and self-employment less allowable deductions.
- Gross self-employment income should be gross receipts minus the IRS allowable costs of doing business. The state should develop a tax form guide to determine gross income from self-employment.

Because deductions will vary from household to household, the task force determined that using gross income would be more equitable as the definition of income.

B. Eligibility time period would be any sequential three months or 12-month period.

The task force reasoned that a sequential three-month period would enable seasonal workers, especially those working in the summer, to be eligible and would stimulate more households to break the poverty cycle by allowing them to catch up on energy bills if any job held was in the first quarter of the calendar year.

Seasonal workers should be defined as those who do not have a year-round contract or those who have received a layoff notice.

In the event of a natural disaster – for example, fire, flood, tornado – the time period should be one month.

C. Income eligibility would be 50 percent of the state's median income.

Although federal law allows energy programs to serve households with incomes up to 60 percent of state median income, the task force's supporting rationale for its decision was twofold:

- The Cold Weather Rule and Conservation Improvement Program (CIP) statutes have recently changed to use 50 percent of state median income for eligibility.
- If 60 percent of median income were used, a significant increase of people would become eligible. This would most likely result in the dispersal of very small grants to individual households, and thus not meet the energy needs of those with the lowest incomes.

D. Household should be defined as the number of people who reside in the household permanently or for an extended time as residents on the date of application.

The number of residents in any given household may change, so this is an administrative mechanism for determining eligibility at the time application is made.

E. Income verification should move the burden of proof from the applicant to the system.

However, the current income verification practices should be maintained until technology and interagency and application-sharing processes would be in place.

In addition, applicants should be allowed to choose the method of income verification, with the understanding that this would require consent for release of information from other program applications, traditional verification, or a tax form. Specifics would include:

- The technology should be developed and used that would allow for income verification using applications or information from the food stamp program, WIC, reduced or free-school lunch, TANF, SSI, Social Security, child support, Veterans' assistance, Department of Revenue, etc.
- Relationships should be developed and evaluated with other income-based programs for common use of applications or information.
- For households reporting zero income, a simple standardized form for self-declaration should be developed.
- Applications for emergencies and crisis should be expedited and agencies should be allowed to authorize non-federal Reach Out for Warmth funds without income documentation or the signed application. Weather conditions or timing of the crisis may prohibit the ability to obtain all of the information to establish eligibility in time to take care of the crisis.

F. All assets limits should be eliminated.

After much debate, task force members agreed that asset limits involve a self-disclosure process and is very difficult to verify. More importantly, the task force believed asset limits penalizes seniors. For example, there are seniors who've sold their homes, and it is not believed that those assets should be considered when determining eligibility to receive energy assistance.

In addition to these task force recommendations, the 2000 program evaluation recommended studies that would estimate the eligible population and understand the demographics. The end result will be an estimate of the eligible population by geographical location and a demographic description of that population. This will quantify the need for energy assistance and provide a tool for targeting outreach.

3. Benefits table

The task force recommended using the energy burden in the calculation for benefits payments, depending on further analysis.

Energy burden is defined in the 1999 amendment to the LIHEAP Act as the expenditures of the household for home energy divided by the income of the household. A task force subgroup would work with Energy Assistance Programs staff to determine the most equitable benefits formula. This would be accomplished by assessing which formula and approaches would have the most significant impact in lowering people's energy burden while addressing energy needs. Any analysis should be conducted with the guidance of an external expert in this field, as was employed during the discussions on this issue. The

external expert would continue to assist in the analysis of scenarios, making recommendations to the subgroup for further consideration.

Local agencies determine the primary assistance benefit with a formula common to all service delivery agencies. This formula calculates benefits based on income, family size, fuel type, and the previous winter's fuel consumption data. If fuel consumption data is unavailable, because a household did not live in the home last winter, for example, the program uses an estimated amount as a proxy.

In addition, the task force developed policy guidelines for the subgroup and state staff to consider in its work:

<i>Policy guidelines</i>	<i>Rationale</i>	<i>Other considerations</i>
<ul style="list-style-type: none"> ▪ Ensure that those who are most in need of assistance receive assistance 	<ul style="list-style-type: none"> ▪ Using energy burden is more fair from the consumer view 	<ul style="list-style-type: none"> ▪ Study the two states, Oregon and Vermont, that use energy burden
<ul style="list-style-type: none"> ▪ Provide ways to ensure inclusion of household size and other such factors 	<ul style="list-style-type: none"> ▪ Equity of fund distribution ▪ Potential for being a national leader 	<ul style="list-style-type: none"> ▪ Develop process that demonstrates statistically who is or is not served using energy burden
<ul style="list-style-type: none"> ▪ Make formulas as simple as possible to avoid complications 	<ul style="list-style-type: none"> ▪ There is a firm statutory basis to do this 	<ul style="list-style-type: none"> ▪ Create ongoing progress report on goals and outcomes
<ul style="list-style-type: none"> ▪ Explore multiple approaches so that participants' percent of energy burden compared to income is as close to the 3 percent median as possible 	<ul style="list-style-type: none"> ▪ It is logical to give more assistance to those with the highest energy costs and prorate others accordingly 	<ul style="list-style-type: none"> ▪ Select some agencies to pilot calculation benefits
<ul style="list-style-type: none"> ▪ Determine whether to use a set point, and if so what that should be, for example 4 percent of energy burden; also consider what factors or influences would result in changing the set point 	<ul style="list-style-type: none"> ▪ Criteria are a strategic choice. Changes in the past resulted in some people being ineligible for the program; all choices result in some people not receiving assistance 	
<ul style="list-style-type: none"> ▪ Explore proxies and ways to consider assistance for people whose total energy costs are not available 	<ul style="list-style-type: none"> ▪ Better supports a year-round program than current practice 	
<ul style="list-style-type: none"> ▪ Establish outcome goals and ways to measure results 	<ul style="list-style-type: none"> ▪ To determine and evaluate success 	
<ul style="list-style-type: none"> ▪ Create a system of evaluating the effectiveness of using energy burden and also of conservation measures to calculate energy burden 	<ul style="list-style-type: none"> ▪ To determine success of using energy burden and approaches to improve its effectiveness 	

4. Yearlong program

The task force recommended that energy programs should be conducted on a yearlong basis.

People have energy needs throughout the year. Households' energy costs and income vary, and a crisis can occur when the program is not open. Also, agencies contract with the state for 12 months. Specifically:

- Applications should be accepted from Oct. 1 through Sept. 30. Those eligible would receive assistance based on the availability of funds for grants, crisis, and ERR.
- Eligibility should be determined each program year. Once eligibility has been established, it should be in place for the full program year in which applicants applied.
- Services that should be available year-round should include: advocacy, vendor negotiations, fuel funds/referrals, and program service activities.

5. Universal statewide application

The task force recommended that there be a universal statewide form, using the current form with some minor changes.

The application should be used as a stand-alone application, not as an intake form for other programs. It should be available in other languages in addition to English. The application form should be titled "energy programs" rather than energy assistance. Along with the application form there should be a separate cover sheet that would provide income guidelines, information on how grant sizes are determined, instructions, and telephone numbers for additional information. Local agencies may collect additional information for other programs on a separate sheet that would provide agency contact information.

The task force agreed to the following underlying principles for a statewide application form:

- That it should result in ease of applying,
- That it should be easy to process,
- That it should ask only for information that will be used, and
- That it should provide information for data collection.

Additional suggestions for the form are listed in Appendix E.

6. Vendor agreement

The task force recommended that vendor agreements – agreements between the Energy Assistance Programs, delivery agencies, and fuel vendors – should be based on the following working premise or guiding principle: Energy assistance clients should be treated in the same fashion as any other utility or energy provider's customers.

After reviewing the current vendor agreement, the task force recommended a number of revisions. Many of the recommendations focus on clarifying language or deleting items that were redundant. However, two clauses on the vendor agreement raised questions about to whom the money belongs – the program or the household? Clause 13 of the current agreement requires the vendor to return any excess funds to the agency within 45 days after the client ceases to be a customer of the vendor. Concerns over both the ownership of assistance money and administrative costs were raised along with what do with the money when households leave their vendors. The state has established an escheatment fund in the event this happens. Escheat is defined as the reversion of property to the state in the absence of legal heirs or claimants. Essentially, money that remains on a customer's account belongs to the customer. The utility must find the customer to return the money. If it cannot find the customer, the money is sent to the Department of Commerce, which tries to find the customer.

Clause 14, as currently written, requires the vendor to retain the money on account during the federal fiscal year in which it was awarded. If the policy is changed so that the money belongs to the household, the question was raised whether the household would be able to request it back from the vendor, in the event of a credit, as soon as it would be entered on their account.

It was recommended that both of these clauses be studied further, including seeking legal counsel from the state Attorney General's office. For a complete list of the recommended changes and revisions for the vendor agreement, see Appendix F.

7. Direct payments

The direct payment issue is about those households that rent and whose heat and or utility bills are included in rent or those households that heat with wood but do not have a wood vendor. Thus, the question becomes, should these households receive direct payment for their heating costs?

The task force recommended that:

A. Payments for heat included in rent should not be sent to landlords.

Sending payments directly to landlords would be an enormous challenge. It would mean having a vendor agreement on file and current with all landlords throughout the state. This is a task that would require a large amount of resources to track all landlords statewide who may have renters who would be eligible for energy assistance.

B. Direct payments should be sent to households when:

- **Heat is included in the rent for the heat portion of their assistance or**
- **Clients heat with wood and do not have a wood vendor for the heat portion of their assistance.**

When electric payments are based on heating costs rather than electricity costs, payments on the electric bill may exceed actual costs, and too much credit is left on electric accounts. With a direct payment, households can put this money toward wood expenses or rental expenses.

C. The state should collect information and develop a formula to calculate grants for heat and electric use that is inclusive of rent.

A study should be conducted that would identify a reasonable portion of rent costs that could be considered for heat and electric use. This would provide a method for determining heat and electric costs when included in rent.

D. Electronic transfer capability of funds should be developed for vendors.

This would reduce the administrative costs of producing two checks per household, heat and electric. Since the move to the Department of Commerce, the state now intends to make all payments directly to the vendor. Electronic transfers should be developed to further reduce administrative costs.

E. The policy for wood costs per cord should be changed to allow for actual cost of wood.

This would reflect a more accurate cost for heating with wood than using a state maximum figure, which has been the past practice.

F. The state should develop best practices for check cashing.

Agencies would identify locations that would allow clients to cash their energy assistance checks, such as a local grocery store or bank.

Some local providers expressed concerns about where checks have been cashed in the past, since many participants in the energy programs do not have bank accounts. Often the only places that cash assistance checks have been local bars or liquor stores. This practice has raised concerns among local providers and city and county officials about the perception of the energy programs. The task force would like to see the development of alternative businesses at which a local provider could suggest their clients cash the check.

G. No direct payments should be made to reimburse payments already made to the energy vendor.

Assuming that energy payments belong to a household as opposed to the vendor, payments made to a household account are to be made available to the household. Based on an ownership of assistance policy, any unused amount on a vendor account belongs to the household and a reimbursement can be requested from the vendor after Sept. 30.

H. The application should include a section that informs potential participants about the circumstances under which payment would be made directly to households.

Households in which heat and electric are included in the rent may be eligible for direct payment. Households that heat with self-cut wood and have no electric vendor may also be eligible for direct payment.

I. Electronic transfer payments, ATM cards, and electronic benefits transfer should be explored.

These methods would address and most likely diminish the concerns about direct checks and where they are cashed.

8. Crisis assistance and Energy Related Repair (ERR)

The task force recommended that crisis assistance and Energy Related Repair continue as separate components within the Energy Assistance Program with separate funds.

Crisis assistance is concerned with households that have no heat or a pending no heat situation. It includes cash assistance and works with households to resolve energy emergencies, including energy disconnection.

The suggested approaches for crisis assistance were:

- Local agencies should have in place an emergency response system to respond and provide assistance that maintains the health and safety of the household in an expedited manner. This emergency response system should meet the regulations in the energy manual.
- Local agencies that administer EAP and weatherization programs should coordinate with other programs in a proactive manner to fully utilize program services. Other programs would include Conservation Improvement Program, fuel funds, and county programs.
- Whatever amount of funds is necessary to take care of a crisis up to a maximum amount for delivered fuels and utilities should be used. Referrals should be made to other agencies or negotiations should be made with the vendor for the balance if more than the maximum payment is needed.
- There should be continued use of flow charts to support staff in navigating through available programs and decisions for crisis referrals and services. The flow chart is a tool to help local agency staff determine eligibility for crisis assistance.
- Households who live in subsidized housing and have their heat included in their rent are not eligible for crisis assistance. If these households have an electric bill in their own name, they can receive a \$100 primary heat payment. They do not receive crisis assistance because their landlord is responsible for the heat bill.

Energy Related Repair (ERR) is a crisis program that helps eligible households meet emergency energy repair needs.

In regard to Energy Related Repairs, it was suggested that:

- Local agencies should have in place an emergency response system to respond and provide assistance that maintains the health and safety of the household in an expedited manner. This emergency response system should meet the regulations in the energy manual.
- Direct application for ERR should continue to be allowed without mandating primary heat. This would provide low-income people the ability to get funding for high-dollar, unplanned-for emergencies without having to apply for a grant they do not want to apply for. Customers that apply only for ERR should be made aware of the Energy Assistance Program.
- Assuming sufficient funding, a clean-and-tune component should be added to eliminate costly furnace repairs, improve conservation, and eliminate safety issues. This would likely include furnace tune-ups completed within a specified time period.

- Local agencies that administer EAP and weatherization programs should coordinate with other programs in a proactive manner to fully utilize program services. Other programs would include the Conservation Improvement Program, fuel funds, and county programs.
- ERR questions should be included on applications in order to provide proactive resolutions to potential problems. For example, "Are you having any problems with your furnace?"
- Energy Related Repair currently does not serve renters since landlords are responsible for their property. Therefore, the state Energy Assistance Programs should continue to investigate this issue for possible approaches that would provide assistance to renters.

Program operation recommendations

9. Business needs

Business needs inform and drive business operations and processes, including decisions related to issues of what functions or activities should be centralized or decentralized and what the technology would be required to produce or engender.

The task force recommended that business needs should be considered in making decisions related to technology and centralized or decentralized functions.

The task force identified the following business needs:

BUSINESS NEEDS	RATIONALE
<p>1. Standards/specs for software and hardware for state office and local agencies</p> <ul style="list-style-type: none"> ▪ Develop routine reports for state office ▪ Provide standardized methods for aggregating data ▪ Establish consistent formats/user friendly interfaces ▪ Local EAP agency systems need to talk to other local databases ▪ Ability to interface with different word processing programs 	<ul style="list-style-type: none"> ▪ Allows for consistent methods of data gathering and sharing that facilitate state and local program administration ▪ Allows local agencies' use of energy programs data for other agency programs
<p>2. Resource allocation</p> <ul style="list-style-type: none"> ▪ Estimate projections for distribution of each program fund ▪ Actual mechanics of distribution (e.g., Notice of Funds Available) ▪ Need to spend at least 90 percent of funds each year 	<ul style="list-style-type: none"> ▪ Ensures that program funds are credited to the appropriate household account at each participating vendor ▪ Ensures timely and efficient payments to vendors and to local agencies for operating costs

BUSINESS NEEDS	RATIONALE
3. Automated processing of applications	<ul style="list-style-type: none"> Promotes speed and consistency Reduces errors and auditing time Creates a database Supports mailing applications to all who applied in previous year Strengthens local agency accountability Allows for better statewide program projections and reports to funders Provides for routine, regular formatted sets of information without doing queries, for example, routine reports
4. Ease of access to individual and aggregate household data at all levels, for example, numbers of applications <ul style="list-style-type: none"> State 	<ul style="list-style-type: none"> Allows for access for program administration: reporting to funding sources, distributing funds, monitoring and evaluation, tracking program activity and results
<ul style="list-style-type: none"> Local agencies Local vendor Individuals Advocates and community 	<ul style="list-style-type: none"> Provides easy access to ensure timely payments to households and for program administration and evaluation, tracking program activity and results Provides easy access to application and eligibility certification dates, and authorization and payment amounts to prevent shut-offs Allows for notification of their status – for example, certification, denial, or pending additional information Communicates project information
5. Consumption/cost data	<ul style="list-style-type: none"> Establishes basis for determining benefits levels and energy burden Promotes equitable payments to households
6. Consistent collection of consumption/cost data	<ul style="list-style-type: none"> Increases the level of equity in payments to households Assists in faster and more efficient administration of benefits Allows for easier fuel cost tracking Supports bulk buying throughout the year

BUSINESS NEEDS	RATIONALE
7. Income verification	<ul style="list-style-type: none"> Meets federal requirement for determining eligibility and benefit amounts because self-declaration is problematic
8. Eligibility information (e.g., Minnesota Family Investment Program, Social Security, unemployment benefits)	<ul style="list-style-type: none"> Meets federal tracking requirements Assists with monitoring and evaluation functions Determines benefits amounts Enables ease of Department of Revenue mailing to all income eligible
9. Fiscal accountability <ul style="list-style-type: none"> Auditable fiscal records Tracking the four types of energy assistance: primary heat, crisis, ERR, and pre-buy Monitoring fiscal records Information on dollars obligated and expended Need to reconcile cash received with expenditures 	<ul style="list-style-type: none"> Supports meeting federal requirements for fiscal management Provides a monitoring tool Allows for reporting to funding and oversight sources Supports program evaluation
10. Timely payments to vendors <ul style="list-style-type: none"> Wire transfer to vendor Notification of guarantees and payments 	<ul style="list-style-type: none"> Reduces households shut offs Increases fuel deliveries made before "no fuel" situations occur
11. Intake	<ul style="list-style-type: none"> Supports collecting information to determine eligibility and energy burden Collects other required data
12. Access to multi-year aggregate household data	<ul style="list-style-type: none"> Enables biweekly reports comparing current year's performance to last year's in same time period Promotes planning for future scenarios Promotes program evaluation More accurately reflects complete year-round data affecting program outcomes
13. Coordinated conservation service delivery	<ul style="list-style-type: none"> Establishes uniform priority system for conservation (high consumption)
14. Training and technical assistance	<ul style="list-style-type: none"> Provides and supports continued program improvement
15. Marketing tools	<ul style="list-style-type: none"> Assists with visibility and outreach to clients and public, measures of program's effectiveness and performance measurement tools

10. Centralization and decentralization

The task force looked at which program operations should be centralized at the state level and which should be decentralized at the local agency level in order to meet the business needs in the most efficient and effective manner. The Department of Commerce initiated the discussion by determining that payments to vendors would be centralized.

The task force recommended centralized and decentralized activities in addition to centralized payments as determined by the Department of Commerce.

Centralized state activities	Decentralized local agency activities	Supporting rationale
<ul style="list-style-type: none"> Household data Program image (logo) Payments for crisis and ERR Consumption data Pre-buy Outreach Standardized application form Notification Reporting Vendor Agreements Training and technical assistance Income verification 	<ul style="list-style-type: none"> Application processing including eligibility verification, follow-up activities Specific outreach activities Direct client interactions Negotiations for ERR and crisis Outreach Advocacy/liaison (between vendor, client, state) 	<p>These recommendations were based on the following general principles:</p> <ul style="list-style-type: none"> <i>Centralized</i>: no negative impact, creates additional efficiencies and consistency, fits with mission <i>Decentralized</i>: safety and comfort of the client, ability to maintain and increase the quality of service <p>Specifically:</p> <ul style="list-style-type: none"> <i>Computer system</i>: Allows for timely, accurate, and complete application processing, provides bulk transfer of consistent information; produces accurate and timely input and output of information; generates utility-supported transmission of consumption data that provides better basis for energy burden information and historical data <i>Pre-buy</i>: Provides economies of scale; better negotiation leverage, and consistency; saves low-income people money; protects local agency relationships with local vendors <i>Outreach</i>: Statewide efforts to encourage income-eligible households to apply will increase demand for and importance of the program; local efforts reinforce and extend state efforts and maintains local program visibility <i>Income verification</i>: Use of centralized databases to verify income (where possible) can lower barriers to applying, lowers administration costs, provides more program and advocacy efforts

Specific outreach activities were proposed as either centralized or decentralized functions to help clarify what the differing roles would be:

State role in outreach	Local role in outreach
<ul style="list-style-type: none"> Encourage income eligible households to apply for the program – for example, Department of Commerce work with other state agencies to inform income eligible households of the availability of the program 	<ul style="list-style-type: none"> Inform eligible households of availability of the program Assist households to apply Reinforce state outreach efforts Maintain local program identity

11. Technology needs

The task force recommended that technology should be able to meet needs in the areas of: security, reporting, communication to consumers, training, policies and online documentation, automatic transfers, connectivity with other systems, user friendliness, weatherization, Web, and ease of system entry.

Technology should be able to provide the following:

Category	Technology needs
Security	<ul style="list-style-type: none"> Protects privacy Provides security at differing levels Provides strong firewalls
Reporting	<ul style="list-style-type: none"> Generates both formal or ad hoc reports Enables detailed information about households by location, size, dwelling, fuel type, and income and household program history Produces letters Produces charts and graphs Maintains auditable records (fiscal, program) Tracks expenditures and fund balances Real time updates Red-flags special information that needs attention
Communication to consumers and others	<ul style="list-style-type: none"> Allows for standard letter writing Produces grant notification letters for all programs from centralized location (primary heat, crisis, ERR) Formats to permit using a mail house and bar codes for mailings
Training	<ul style="list-style-type: none"> Comprehensive and ongoing training
Policies and documentation online	<ul style="list-style-type: none"> Online help Clarification or technical assistance on policies

Category	Technology needs
Automatic transfers	<ul style="list-style-type: none"> Automatic transfer of consumption information from vendors Connectivity with fuel consumption and income information Electronic gathering of consumption data where possible Allows different forms of payment
Connectivity (with other systems)	<ul style="list-style-type: none"> Links to other databases for income verification (UI, SS, Maxis, etc.) Interfaces households, fiscal, administration, and data Connects with other systems to use data exchange (Maxis, utilities, weatherization) Easily communicates information to other agency systems Provides remote connection
User friendly	<ul style="list-style-type: none"> Ease of access and use for all stakeholders Broad access to aggregate (not individual) data Vendor accessible Uses cutting edge technology and easily expandable Easy to update and change Contains several search mechanisms and options Easy to make edits – typos, other errors (notifies things that are out of the ordinary) Provides memo space/notes Easy conversion capabilities from old to new system Provides year-end data capabilities Has back-up systems to help minimize catastrophes Staff can maintain it Calculate grants Calculate energy burden
Weatherization	<ul style="list-style-type: none"> Interfaces and ties in with weatherization Targets consumers with high usage so that consumption information can be directly sent to weatherization providers
Web based	<ul style="list-style-type: none"> Apply on Web Web interface
Ease of entry/ database	<ul style="list-style-type: none"> Process application and payments faster Paperless system that maximizes automation and minimizes data entry (for example, scans or reads applications) One-step input process: Enter household data one time at agencies during appointment or from mail applications (eliminate intake, worksheet, and certification) Uses household identifier number, consistent across state

12. Outreach

The task force recommended outreach strategies that would inform the state and community about energy programs and reach those who need services.

Outreach strategies:

- A consistent message
- Media and public relations
- Vendor involvement
- State and local outreach plans and evaluation
- Best practices
- Statistical demographics
- Target populations
- Standardized application
- Diverse communication methods
- External collaboration with vendors and other service programs

The task force saw multiple outreach strategies as critical to reaching the most needy low-income households and to engendering community support for the program. (For more description of each strategy along with outcomes, state and local roles, and suggested activities, see Appendix G.)

13. Monitoring

Monitoring supports continuous program improvement and compliance. Monitoring tracks program outcomes and helps improve the program system-wide. The state Energy Office monitors contracts with local service agencies through audits and audit reports – reviewing fiscal and program reports, reviewing performance, providing feedback, and taking corrective action.

The Energy Task Force recommended focusing on consistency and regularity and taking a problem-solving approach. Specifically, the task force recommended monitoring of:

- Turnaround time in the application process,
- Notification of payments,
- Outreach efforts,
- ERR and health and safety issues, and
- Service to target groups such as seniors and non-English speakers.

The task force developed the following guiding principles for monitoring in a way that would support program improvement.

- Monitoring should be
 - a. A link to solving problems – two-way communication between state and local agencies addressing issues and providing coaching and counseling;
 - b. Regular and scheduled;
 - c. Consistent from field representative to field representative and agency to agency; and
 - d. Understanding of agency operations – data gathering, size differences, telephone systems, mail operations, computer systems, payment systems, fiscal systems, and staffing. Field representatives need to talk with agencies

about complaints, understand their operations, and help determine how to address the complaints.

- Monitor the quality of the first customer contact with the program – that it is polite and informative; examples are surveys and anonymous calls.
- Monitor how non-English-speaking households are handled. Identify local resources for translation, language materials, and advocacy.
- Monitor services to the targeted populations, such as seniors. This may require simplification of processes such as phone systems. Examples are surveys and dialogue with senior organizations.
- Develop standards for collaborating and coordinating plans with other social services. Monitor multiple program use. Examples are referrals, interviews, and surveys with other organizations.

The task force also suggested incentives to acknowledge good local agency performance:

- Agency of the month
- Traveling trophy
- Lunch or other staff award
- Recognition from the field representative/monitor – for example, attend local agency board meeting
- Letters from the monitor to the local newspaper
- Letter from the state to the local agency board commending agency staff for performance above and beyond expectations
- Enhanced consideration for pilots and special projects

14. Grant management

Grant management deals with all the components of managing performance: Establishing outcomes that indicate expectations of local service agencies; monitoring, tracking and reporting performance; and providing rewards and consequences.

The task force recommended that the state Energy Assistance Programs consider suggestions for contracting and grant management as it develops its overall performance management system.

- Requests for Proposals (RFPs) that include desired results – clear goals and outcomes
- RFPs for specific populations
- Contract for specific services
- Consideration of two-year contracts
- Consistent criteria
- Bidding process – agencies propose what they want to do for the program and for how much money
- Require a line-item budget to be submitted as part of an RFP
- Local agency identify performance goals as related to state outcomes
- Input from all stakeholders in the local agency planning process
- Vendor inclusion in the local agency planning process
- Providers work with other community organizations to deliver goals
- Rewards for achieving goals

- Fee for service
- Use leveraging funds for leveraging, not for primary heat
- Determine administrative costs or allowable expenses
- Regional consolidation
- Explore implications of universal fund, such as funding stream issues, policy decisions, performance criteria, and impact on programs.

15. Administrative funds

The LIHEAP Act allows the state to use funds for planning and administration not to exceed 10 percent of the funds payable to the state for a fiscal year. Of this 10 percent, approximately eight percent is allocated to local service agencies for the administrative costs of delivering the program. With the shift of some administrative activities from the local to the state level, the task force identified some issues raised by this change and explored opportunities for using funds targeted for administrative use (Appendix H).

The task force recommended that the state Energy Assistance Programs consider a number of possible uses of administrative funds.

Possible uses of administrative funds	
Activity	Rationale
Sufficient administration resources	Provide funds to adequately cover operational and staff costs and maintain operations for a year-round program, including training and operating new systems Distribute administrative resources so that administrative functions can occur throughout the state
Planning and evaluation	Thorough state policy development and implementation planning, including an organized and planned transition period Ongoing research and data gathering to improve program quality Standards and accountability for state and local agencies
Technical support	Provide ongoing funds for timely, quality technological support Buy and maintain state and local systems Raw data and reports produced and distributed by the state office
Funding options	Utilize funding options like leveraging, bulk and aggregate fuel purchase, and special projects
Community impact	Bring in all interested, eligible households and integrate services locally to improve energy self-sufficiency Provide or make referrals for households with special energy needs Affect social changes in the community
Education and training	Provide an information and education network to respond to issues, opportunities, and problems Provide adequate training for all stakeholders
Rewards and incentives	Use money saved through process change to reward agencies and vendors or fund pilot projects Find ways to continually recognize and acknowledge the successes of the program and stakeholder involvement
Advisory group	Maintain an ongoing advisory capacity for policy makers

16. Program service funds

LIHEAP regulations state that up to five percent of program funding may be used for "program services," including budget counseling, vendor negotiations, and working with other service providers to address a household's chronic energy issues. These funds are not to be used for administrative activities such as processing applications.

The task force recommended consistent use of program services funds by local service agencies for a set of targeted activities with outcomes and measures that can be used for evaluation and accountability.

Top priority uses identified by the task force include:

1. Continue household advocacy with vendors, such as a trained liaison within each agency to do crisis intervention and referrals;
2. Pilot demonstration projects funded through RFPs and provide information on effective quality programs;
3. Identify specific populations, such as seniors, work to educate them and help assess their needs, give them referrals as needed, maybe using a red-flag process that identifies households who may need extra help; and
4. Create and implement incentives to consumers that will help lower consumption; for example, obtaining a new refrigerator.

Additional suggestions for program service funds uses are listed in Appendix I.

17. Leveraging funds

The term "leveraging funds" is used in Minnesota and nationally to refer to two different fund accounts, one to support activities to raise non-federal contributions for Energy Assistance and one to reward states that contribute non-federal funds.

Leveraging encompasses:

- Raising additional funds for the Energy Assistance Program;
- Documenting and reporting to the federal funding source the amount and contributor of additional state and local, private and public resources used to support program activities; and
- Receiving a leveraging grant to support additional program activities the for the following program year.

The task force recommended that the Energy Assistance Programs staff and a future work group explore ways to leverage additional resources.

The task force developed several ideas and guidelines for consideration by the state office and work group.

These suggestions fall into two groups:

1. Raising additional funds for the Energy Assistance Program:
 - Focus on policy guidelines and directions, rather than specifics and how-to's
 - Demonstrate the benefit from various scenarios
 - Consider using an RFP process to develop plans and hire contractors
 - Pursue "big ticket" appropriations, discounts
 - Build on past victories for continuity of effort and increased potential

- Use the \$35,000 set in statute for leveraging funds to coordinate work plans
 - Work with Minnesota Municipal Utilities Association and Minnesota Rural Electric Association to create affordability programs
 - Explore and support utility sponsored programs that will positively impact low-income households.
 - Explore opportunities with the Public Utilities Commission such as settlements, mergers
2. Documenting and reporting the amount and contributor of leveraged funds:
- Identify and collect current expenditures, discounts, Salvation Army's Heat Share, Department of Human Services activities, etc.
-

PROGRAM OUTCOMES: TOWARD A PERFORMANCE- BASED SYSTEM

THere are two essential elements in developing a performance-based system. The first is making the customer more powerful. To do so requires identifying customer needs and expectations for quality service. To this end, one of the strategies recommended by the task force is to identify customer needs. It was recognized that to identify customer needs, and to better reach the vision of quality service, a process of gathering and evaluating customer or end user feedback is necessary.

With focus toward developing a more performance-based system, the task force recommended that a process to identify customer needs should be implemented as soon as possible

As a starting point, the Energy Task Force facilitators conducted telephone interviews with a random sample from four areas of the state of households that received energy assistance. This was seen as a first step toward gathering essential data that could be used for more widespread customer feedback efforts. The information from these initial interviews will be used to develop surveys and other data gathering efforts. The results of this initial sampling of customers showed feelings of gratefulness for the program and how important and well run the program currently is. Some program improvements were suggested. (For a written summary of this telephone survey, including methodology and outline of results, see Appendix J.)

The second key element in creating a performance-based system is the development of outcome measures, which the task force accomplished.

Based on its vision of the future for energy programs, the task force recommended outcome measures for each aspect of the vision, along with a timeline:

EAP VISION	OUTCOME MEASURES	
Empowered customers	Fewer LIHEAP customers at risk of disconnect as of April month-end	2003
	Higher percent of customers either with arrangements or current on account monthly	2004
Meeting energy needs through collaboration	Increased level of trust	2002
	Achieve X number of meetings between agencies and vendors to increase household services	2003

Quality service	Notification and payment within ten business days of completed application	2002
	Achieve X percent of customer satisfaction	2004
Reach those who qualify	X percent of households reached	2002
	Increased number of new households processed	2003
	Increased number of targeted population reached	2003
	Increased number of households on utility payment plans	2004
Safe and comfortable	100 percent of ERR households with safe carbon monoxide levels	2002
	Fewer disconnected LIHEAP customers	2003
Simple access	X percent of applications that meet 30-day turnaround	2002
	Increased referrals to and from other essential services	2003
	X percent increase in households using new technology options	2004
	30-day turnaround from day application is received	2004
Universally recognized and accepted	Individual contributions to support the program	2002
	Legislative and congressional successes	2003
	Increased visibility of Minnesota at federal level	2004
	Achieve six media hits in one year	2004
	Regular media participation	2004
	EAP a common household word	2007

As the program begins to track and measure these outcomes, it will put data collection processes in place and begin collecting baseline information where appropriate for the 2002 program year. It is important to keep in mind that outcome measures may change depending on how changes in the energy industry affect the program. In that event, new outcome measures need to be set, keeping the vision in mind.

CONCLUSION

This report, together with the January 2000 program evaluation report, provides policy, operational, and overall program improvement recommendations for Minnesota's Energy Assistance Program (EAP). While the program evaluation and the task force meetings were taking place, energy program activities continued. In fact, during the past program year, over 110,000 households received energy assistance, an increase of 30 percent over the previous year.

Prior to the finalization of this report, the Energy Assistance Programs' staff already began to implement some of the task force's suggested program improvements. Specifically, the following recommended improvements, either in whole or in part, are in effect as of Oct. 1, 2001:

- Criteria for customer prioritization
- Changes in eligibility time period to any three-month period
- Changes to the benefits table
- A universal statewide application form
- Direct payments changes

Other recommendations contained in this report will be more challenging to implement. The next steps for improvements will require strong leadership and a well-developed strategy for program implementation that understands that the task force recommendations are interrelated and that many build on one another.

For example, the challenge of developing a centralized payment system will require agreement among a range of interested parties: the State of Minnesota, local service agencies, energy providers, eligible households, etc. In addition, the implementation of a centralized payment system directly affects such issues as administrative funds, program services funds, and monitoring. (For a broad understanding of the interconnectivity of the recommendations to the vision and strategies, see Appendix K; for a high-level implementation timeline, see Appendix L.)

Although EAP has operated basically unchanged for over twenty years, there appears to be several indications that the system is ready to embrace change. Interested parties are experiencing stronger and better relationships, energy issues in general are again getting national and state attention, and, with reports such as this one, a roadmap now exists for overall program improvements.

The efforts of the task force over the past ten months suggest common interest and goals among the parties involved in EAP. At the core is the belief among task force members that this type of program is vital and necessary. Moreover, the task force believes the program can achieve significant improvements given these common goals and stronger working relationships among stakeholders. In addition to these two instrumental ingredients for positive change, the program now has fundamental building blocks such as a clear mission, a shared vision, and agreed upon beliefs and values to provide continued focus, direction, and guiding principles. Together these core elements create the framework for sustainable and ongoing change and program improvement. These elements will ultimately help anchor EAP through unpredictable external factors in the environment in which it operates.

APPENDICES

- A. LIST of PARTICIPANTS
- B. PROGRAM EVALUATION RECOMMENDATIONS
- C. PRIORITIZATION and TARGETING — OTHER STATES
- D. ELIGIBILITY
- E. STATEWIDE APPLICATION
- F. VENDOR AGREEMENT
- G. OUTREACH STRATEGIES
- H. ADMINISTRATIVE FUNDS CRITICAL ISSUES
- I. ADDITIONAL ACTIVITIES for PROGRAM SERVICE DOLLARS
- J. TELEPHONE INTERVIEWS
- K. RELATIONSHIP AMONG RECOMMENDATIONS, VISION and STRATEGIES
- L. IMPLEMENTATION TIMELINE

APPENDIX A

List of participants

Customers and advocates

Bill Biers, Minnesota Senior Federation
Ron Elwood, Legal Services Advocacy Project
Margaret Kearnes, consumer
Pam Marshall, Energy Cents Coalition
Mike McGlone, Salvation Army Heat Share
Lynn Schellenberger, consumer
Roxy Walker, consumer

Delivery agencies

Tarryl Clark, Minnesota Community Action Agency
Ann Crowe, Olmsted County Human Services
Alice Davis, Ramsey Action Programs
Paula Erdmann, Tri-County Action Program
Kim Hustad, Arrowhead Economic Opportunity Agency
Marla Lodemier, Three Rivers Community Action
John McCauley, Community Action of Minneapolis
Peggy Meissner, Ottertail County Human Services
Randy Nordin, Northwest Community Action Program
Mamie Rossbach, Red Lake Band of Chippewa Indians
Eileen Wallace, Heartland Community Action Agency

State departments' staff

Alan Chapman, Economic Security
John Harvanko, Economic Security
Susan Medhaug, Commerce
Alice Murphy, Economic Security
Carol Raabe, Economic Security
Kim Rezek, Economic Security
Keith Sando, Human Services
Darin Teske, Commerce

Vendors

Pat Boland, Xcel Energy
Joe Burton, Minnesota Power
Dale Detjen, Minnesota Electric Cooperatives
Bob Krogman, Minnesota Petroleum Marketers
Sheery Lunt, Minnesota Utilities Association
Mark Miller, Minnesota Propane Association
Brenda Umlauf Sandahl, Otter Tail Power Company
Dorothy Wolke, Minnegasco/Reliant Energy

APPENDIX B

Program evaluation recommendations

From *An Evaluation of Minnesota's Energy Assistance Program*, Minnesota Department of Administration Management Analysis Division, January 2000:

The following recommendations were made in the program evaluation:

1. Data collection and reporting software
2. Studies to estimate the eligible population and understand the demographics
3. Development of consistent strategy by the Energy Assistance state office
4. Need to address internal management and conflict issues
5. State surveys of recipient populations
6. Development of outcome measures
7. Implementation of tighter monitoring policies
8. Establishing an objective grant process

APPENDIX C

Prioritization and targeting – Other states

Seniors and disabled

Twenty-six states, including Minnesota, process applications early for seniors and the disabled. They may use one or several of the following methods:

- a) State or local agency mails applications anywhere from one to three months before program startup to seniors who have applied the previous year. These households receive grants immediately at program startup.
- b) State or local agency preprints application – with names, addresses, and household information – and mails it out for changes and signature.
- c) State has agreements with their revenue departments to send early applications to all households who receive the property tax or rent credit.
- d) Delivery agencies are required, in some states, to call senior and disabled households when the application is not returned. For instance, South Dakota requires three phone calls to those households.
- e) Household data is updated on average, every five years.
- f) Since seniors normally do not receive disconnections and can still need crisis assistance, a number of states give “points” or exemptions which gives seniors and disabled extra money as part of their grant.
- g) Asset limits are a deterrent for senior applications. Only twelve states still have asset limits. (This year, Minnesota eliminated asset limits for seniors.)

Five states contract with senior organizations, or its board of aging, to take and process applications for seniors. Ohio gives its state aging agency \$300,000 in administrative costs to process applications. New York, New Jersey, Pennsylvania, and California operate similarly. Within these states, the senior organization typically conducts outreach and home visits and connects seniors with other services specific to their needs. These organizations seem to be successful in overcoming the senior reluctance to participate in what seniors perceive as “welfare” programs.

Several states have begun to work with state and local programs funded through the federal Developmental Disabilities Assistance and Bill of Rights Act of 1990, to conduct outreach and to process applications. Several states automatically qualify households whose members receive SSI.

In 26 states, the state – not the local agency – makes the primary heat payment to the vendor. Those states are more likely to use multiple special-interest programs for application processing and outreach.

With respect to households with small children and/or households with lowest income, prioritization and targeting in this group are less prevalent.

1. A number of states mail early applications, not notices, to all TANF and Food Stamp households. Some provide a flat grant to all TANF and FS households, when the program got money.

2. A number of states use a point system to prioritize households. For example, a household would receive a point for seniors, a point for fixed income, children under the age of six, etc. Their computer systems then rank households with the highest points for payment first.
3. Twenty states may now use energy burden, rather than just heating costs. Using this criterion increases grant sizes to the lowest income households who are likely to have older less efficient appliances. (Further research would need to be conducted on exactly which states use energy burden .)

APPENDIX D

Eligibility recommendations

ELIGIBILITY	
Criteria	Recommendations from April 12, 2001
Vulnerability	<ol style="list-style-type: none"> 1. Assume everyone is vulnerable. 2. Remove section and more fully clarify subsidized housing in which heat is included. The outcome will be to exclude EAP energy assistance to those in subsidized housing when heat is included in the rent. 3. Add into eligibility section as exclusions.
Income eligibility time period	<p>Change to: Any sequential three months (quarter) or 12-month period. In circumstances of a natural disaster such as fire, flood, tornado, etc., then time period would be one month.</p> <p>A sequential three-month period would:</p> <ul style="list-style-type: none"> ▪ Enable seasonal workers, especially those that work in the summer, to be eligible. Seasonal workers refer to those who do not have a year-round contract or those who have received a layoff notice. ▪ Allow households to catch up and break poverty cycle if the job was in the first quarter of the year. ▪ The 12-month period would include: <ul style="list-style-type: none"> If applying October through December, applicants would use the prior year's 1040. If applying Jan. 1 through April 14, applicants can use either prior or current year 1040. If applying after April 15, applicants would use the current year's 1040.
Income eligibility	<p>Keep income eligibility guideline at 50 percent of the state's median income. Three key reasons are:</p> <ul style="list-style-type: none"> ▪ The changed Cold Weather Rule and CIP statutes. ▪ One quarter of the state's population is at 50 percent. ▪ If 60 percent of median income were used, the energy burden would make grant amounts very small.
Household size definition	<ol style="list-style-type: none"> 1. Change to read: <p>Household size means the number of people who reside in the household permanently or for an extended time as residents on the date of application. Count a person as a household member or more than one household if:</p> <ul style="list-style-type: none"> ▪ The person lived in the household when a household member applied for assistance. ▪ Children of divorced parents are members of both households if there is a joint custody decree. NOTE: Households may self-declare custody arrangements. 2. Revise section on ATTENDANTS FOR ELDERLY AND/OR DISABLED PEOPLE to read: <p>Do not include live-in-care attendants for elderly or disabled people in the household.</p>

Criteria	Recommendations from April 12, 2001
	<p>3. Change section on FOSTER CARE to read: Households may choose foster family members as household members or not, whichever is most beneficial.</p> <p>4. Change section on ALIENS to read: It is no longer necessary to identify aliens who apply for Energy Programs because original exclusion dates under the Act have expired.</p>
Household definition	<p>Revise the first bullet to read: A household includes an individual or group:</p> <ul style="list-style-type: none"> ▪ For whom residential energy is provided in common, and who live as one economic unit. A group living under a landlord/tenant agreement may choose to be one or separated units. ▪ Rewrite and clarify language under third bullet regarding institutions.
Income definition and determination	<p>1. Simplify income definition and determination by researching programs in other agencies and states to help establish the impact of specific income inclusions and exclusions. Once this research and analysis is completed, then inclusions and exclusions would be redefined. This will streamline policy and make it easier for participants to apply and for delivery agencies to process applications.</p>
Income verification	<p>The following recommendations on income verification are based on moving the burden of proof from the applicant to the system:</p> <ol style="list-style-type: none"> 1. Maintain the current income verification practices until technology, interagency, and application-sharing process is in place. 2. Allow applicant the right to choose the method of income verification. (This would require consent for release on other program application or traditional verification, or a tax form). <ol style="list-style-type: none"> (a) Develop and use technology to verify income using such program applications or information from food stamp, WIC, reduced or free school lunch, TANF, SSI, social security, child support, Veterans assistance, Department of Revenue, etc. (b) Evaluate and develop relationships with other income-based programs for common use of applications. (c) For households reporting zero income, develop a simple standardized form for self-declaration of income. (d) Expedite application for emergencies and crisis. Agencies will be allowed to authorize non-federal Reach Out for Warmth without the signed application. The state would look at other legal ways to implement.

Criteria	Recommendations from April 12, 2001
Asset eligibility	Eliminate all asset limits. There was a great deal of discussion and debate on this issue. Most task force members wanted to eliminate any asset limits primarily because it is a self-disclosure process and is very difficult to verify. However, two task force members believed some type of limits should be included. When it came to a consensus vote, all task force members either voted to support or live with the elimination of all asset limits.
Handling incomplete applications	<p>The process for handling incomplete applications reflects the following:</p> <p>Informing the applicant what information is needed to act on the application and that the agency is willing to help them complete it. Applicants should be told that the applications will be left open until 60 days before the end of the program and then denied. Thirty days before the end of the program, a denial letter will be sent out. This process assumes two categories of pending applications:</p> <ul style="list-style-type: none"> ▪ Pending completed application ▪ Pending payment or other agency reason
Categorical eligibility	State staff will examine this issue at a later time.

APPENDIX E

Statewide application

Additional suggestions for consideration for a new uniform Minnesota statewide application form

- Make it Web-based or Web-accessible application
 - languages on Web (state would pay once for translating)
 - Mac and IBM compatible
 - print option of 8 1/2 X 11 or 8 1/2 X 14
- Ask race question same as on the Census 2000 form, make optional
- Do not ask education information on core application — can ask for on a separate form
- To meet Department of Energy requirements, there is a need to determine the eligibility for people with disabilities for both weatherization and targeted outreach
- Include eligibility information with applications sent by Department of Revenue
- Use bigger print, larger boxes
- In reviewing other states' applications, the task force found Pennsylvania's layout easy to read — two pages, short; gray contrast is nice, but could be a problem for seniors
- State and local agency logo on form and information sheets (local logo form for sure), address information
- Self-employment or seasonal
 - self employment — use 1040
 - seasonal employment — use any consecutive three months
 - no need for separate form
- State the disability question as: Do you or a family member receive services or identify as disabled? (Check terminology with a group who represents disabled people); attach disability to the family member; do not verify
- If or when asking types of fuel and fuel vendors, most people won't think electricity (watch the wording)
- The Rights and Responsibilities sheet should include an explanation of the need for Social Security numbers.
- Include all information/necessary elements
- Change application title to "Energy Programs" from "Energy Assistance."

APPENDIX F

Vendor agreement

All numbered references correspond to statements in the current vendor agreement.

Recommendation	Rationale
Vendor agreements should be based on the following working premise or guiding principle: EAP clients should be treated in the same fashion as any other utility or energy providers' customers.	The law says that customers cannot be treated adversely and does not allow for preferential services. This language could be used with EAP funds to leverage additional resources or services for EAP recipients.
Retain vendor agreement vs. using "contract."	Changing the word "agreement" to "contract" may initiate a longer legal review process. It is semantics because courts would view the document as the same.
Eliminate third paragraph on preamble, "if vendor selects and..."	Vendors do not use this option. They are interested only if a customer is eligible, not if they have applied.
Keep as is: numbers 1, 5, 7, 8, 9, 10, 12, and 16.	
Eliminate numbers 2 and 4.	Are redundant or agencies don't care.
Modify #3 to read "customer's account" rather than "account."	
Keep number 6 with modifications.	Allows negotiation with agencies and makes it include delivered fuels, not just electricity.
Eliminate #8.	Energy doesn't exist, conflict with PUC rules and rate tariffs (costs are not in rate base).
Change #15 to include: upon requests.	Not all agencies want this, or it is not done.
Vendor agreement page 2 – eliminate 1 through 9: <ul style="list-style-type: none"> ▪ #1 ▪ #2 is covered under #1 on page 1 ▪ #3 ▪ #4 ▪ #5 ▪ #6 ▪ #7 	<p>Either covered on page 1 or will rewrite as a positive statement:</p> <ul style="list-style-type: none"> ▪ Is covered on page 1, #1; may need an additional statement on all customers being treated the same ▪ Is covered under #1 on page 1; federal statute does not say this, EAP clients should be treated the same ▪ New positive statement on page 1 to cover 1, 2, and 3 on page 2 ▪ Not covered in federal statute (see #3) ▪ Is covered in #1 on page 1 ▪ Is covered in #3 on page 1 ▪ Needs to be rewritten as a positive statement

Recommendation	Rationale
<ul style="list-style-type: none">▪ #8▪ #9	<ul style="list-style-type: none">▪ It is unenforceable, who knows if it happens (cannot be measured)▪ Rewrite as a positive statement to follow Minnesota Data Practices Act
Add new statement: The vendor will comply within PUC rules, rate tariffs, and Minnesota statute provisions related to energy.	

Neither the subgroup nor the full task force could reach consensus on statements #13 and #14. A key issue was whose money is it – the vendor's or the household's? State staff will continue work on this.

APPENDIX G

Outreach strategies

Energy Task Force Outreach Strategies				May 24, 2001
Strategy	Roles	Outcomes	Outreach Activities	
Consistent message	<ul style="list-style-type: none"> State leadership to develop the consistent message in conjunction with local agencies and other low-income-based programs and vendors 	<ul style="list-style-type: none"> Familiarity of agencies and vendors with program logo and message 	<ul style="list-style-type: none"> Use uniform strategy for outreach using same logo and message Use logo, mission statement, and other foundational statements consistently - same message on all communications including radio, newspapers, etc. Add new logo to current efforts (bill stuffers and newsletters) and ensure a unified effort Develop guideline information that is clear and easily accessed for all income-eligible populations Consider program name change Variety of languages 	
Media and public relations	<ul style="list-style-type: none"> Local media efforts Local approach to utility foundations All the rest should be state led 	<ul style="list-style-type: none"> X number of applications X number of and amount of foundational grants Program acceptance by the public Number of public service announcements Number of articles X percent increase in positive articles 	<ul style="list-style-type: none"> Statewide public service announcements to reinforce message and enroll community in support Establish media or communications team to bring message to radio, senior groups, ethnic groups, churches, and other organizations Enroll a celebrity volunteer to promote message Increase media coverage State public relations campaign – public service announcements, through utilities – collaboration before utility and EAP can build trust Approach utility foundations for marketing and outreach Track articles through news service 	

Strategy	Roles	Outcomes	Outreach Activities
Vendor involvement	<ul style="list-style-type: none"> Local and state provide vendors consistent handouts across the state Vendors attend informational meetings (locally) 	<ul style="list-style-type: none"> X number of applications that come from vendor 	<ul style="list-style-type: none"> Use vendors to do outreach and identify potential applicants Have applications at utility companies and other agencies for handout or mailings Source of application tracked with clients
Plans and evaluations	<ul style="list-style-type: none"> Shared responsibility 	<ul style="list-style-type: none"> Plan implementation at state and local levels indicated Increased request information and application 	<ul style="list-style-type: none"> Create state outreach plan – evaluate previous and upcoming efforts to assess effect and set increased goals or estimate a percent goal in target areas Develop specific outreach plans (measure results, evaluate, identify missing populations) Establish cross-functional teams to develop, implement and track outreach efforts Work with current participants to learn where they learned about EAP and what made them decide to come in – use and expand those tools Create a well-thought-out and researched plan including performance measures, goals, and evaluation processes Use this year's survey results towards next year's strategy
Best practices	<ul style="list-style-type: none"> Shared responsibility among all stakeholders State leadership on research, information sharing Agencies and vendors implement new ideas Advocates share and develop best practices 	<ul style="list-style-type: none"> X number of new approaches 	<ul style="list-style-type: none"> Find approaches that work in other states, analyze and adopt when applicable Establish tracking system to identify successful, cost-effective outreach efforts Offer spring reimbursement

Strategy	Roles	Outcomes	Outreach Activities
Statistical demographics	<ul style="list-style-type: none"> State identify community characteristics and causes for 70 percent of eligible households not participating 	<ul style="list-style-type: none"> X percent of increased participation 	<ul style="list-style-type: none"> Identify community characteristics (census data) Identify causes for the unserved 70 percent of the eligible pool (choose not to, don't know about it, don't understand) The state collect and analyze demographic information including those not served
Targeted populations	<ul style="list-style-type: none"> Locally meet with agencies, place local paper ads and articles State ads in target papers, contracting and partnering with senior and cultural agencies Vendor inserts and ads Advocates meet with senior agencies 	<ul style="list-style-type: none"> X percent increase in target population participation 	<ul style="list-style-type: none"> Target senior outreach through senior agencies Run ads in targeted papers (<i>Access Press</i>, <i>Asian Times</i>, <i>Insight</i>) Contract and partner directly with senior and cultural agencies
Standardized application	<ul style="list-style-type: none"> State develop and distribute Others use 	<ul style="list-style-type: none"> X percent increase of applications from other agencies Stakeholder assessment of applications X percent increase in applications by demographic group X percent stakeholder satisfaction with application 	<ul style="list-style-type: none"> Develop statewide application through state agencies with local enhancements Establish convenient application process for clients Use a standardized application throughout the state Standard state application in a variety of languages

Strategy	Roles	Outcomes	Outreach Activities
Diverse communication methods	<ul style="list-style-type: none"> State develop formats and distribute Others implement 	<ul style="list-style-type: none"> 85 percent of eligible population can read our material in their language 	<ul style="list-style-type: none"> Develop material using alternative languages Local agencies maintain access to bilingual staff Create a central pool of translators (ethnic newspapers, forms, applications) Expand Web page to include a standardized application in many languages – links from utility Web pages Standard state application in a variety of languages
External collaboration	<ul style="list-style-type: none"> Locally educate vendors, coordinate with welfare to work counselors, financial assistance divisions of local agencies, incorporate outside agencies 	<ul style="list-style-type: none"> X percent increase in applications 	<ul style="list-style-type: none"> Fully educate vendors regarding the reasons for EAP, full extent of programs and effects – informational meeting held by the state Coordinate with “Welfare to Work,” job counselors to inform households that as income increases, they may still be eligible (also disabled workers) Incorporate outside agencies to do outreach (food stamps, UW, Meals on Wheels)

APPENDIX H

Administrative funds critical issues

The task force identified critical issues related to use of administrative funds and opportunities for use of administrative funds. Tables of each follow.

Critical Issues	
Rural service	Ensure that services and access are geographically disbursed and community based, and that funds are available to run the program effectively in rural areas
Adequate staffing	Local agencies' ability to have adequate and skilled staff
Planning efforts	Resources to plan, propose, and implement program strategies with program providers; ability to research issues and develop best practices
Technological support	Adequate technological equipment and support to run the program and maintain computer systems
Good reports	Ability to generate reports with good data and fair distribution
Customer service	Resources to assess customer concerns, views, and desires about services and to serve all who need or want energy assistance; includes concerns about the ability to take time for households that need it and provide budget counseling
Outreach capacity	Capacity to implement strategies such as outreach to eligible households, increase public awareness of low-income energy burden, reach out to other programs, and coordinate outreach materials
Local efforts	Resources for local outreach and advocacy, energy-related projects or pilots, energy education efforts, and finding additional resources
Program referrals	Time for referrals to other programs
Recognition	Ability to provide recognition for energy savings
Training	Training for deliverers, agencies, and staff

Key

Phrases in small letters indicate the month implementation would begin. Capitalized phrases indicated the month implementation or planning would be completed.

APPENDIX I

Additional activities for program service dollars

1. Increase referrals to weatherization for high-fuel consumption households
Coordinate with housing programs
2. Professional program evaluation from household's standpoint, for example, case management and coordination with existing case management
3. Create a needs assessment client and action plan with education to change household history of recurring crisis
4. Affordable payment
5. Leveraging existing resources — community, energy, education (o votes)
6. Advocacy with landlords
7. Budget counseling
8. Energy conservation training, reduction of energy burden due to conservation measures
9. Better agency/vendor relationships
10. If outreach activities are allowed with these funds: target specific groups and increase public awareness of various programs
11. Conservation education in schools

Key

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APPENDIX J

Telephone interviews

Conducted from Sept. 27 – Oct. 9, 2001

Introduction and description of survey method

The Minnesota Energy Assistance Program's Task Force hired the Department of Administration's Management Analysis Division (MAD) to obtain consumer feedback that could be used to improve the service quality of energy programs.

Recognizing that capturing end-user reactions and ideas would be an ongoing process, the state Energy Assistance Programs asked MAD to conduct an initial survey to identify end-users' needs and expectations. This survey is seen as a beginning step of an ongoing process of consumer feedback and input that will help provide a framework for similar efforts in the future.

A random sample of phone numbers for approximately 50 EAP recipients (from each of the four regions: Heartland, Arrowhead, Ramsey County, and Minneapolis) were provided to MAD. The interviewers dialed the numbers in order listed until a call had been placed to each number on the list. A total of 41 interviews were completed (Heartland – 12; Arrowhead – 10; Ramsey – 12; and Minneapolis – 7). The interviewers attempted to obtain at least 10 interviews from each area. Because of the low numbers in Minneapolis, several second calls were made. Ultimately, the response was judged sufficient, particularly in light of the consistency of the interviewee's responses.

The results of these interviews are summarized below. Questions ranged from broad to specific. The questions in bold are the core questions asked of each interviewee.

Summary results

How did you find out about the Energy Assistance Program?

Most learned about the program from friends, relatives, or neighbors. About an equal number learned about the program through another social service (for example, rental assistance, food shelf, Salvation Army, or other community action programs). Several people mentioned getting notice in their utility bills or with disconnection notices. About an equal number mentioned reading about it in the local newspaper or hearing about it on the radio.

What are the strengths of the program? What is working well for you?

The overwhelming response was one of gratefulness. The respondents repeatedly told the interviewers how much they appreciated the program and how helpful it is to people on low and fixed incomes. Many said that it made the difference between having a home and being homeless – between paying for heat and buying groceries.

Additionally, the recipients consistently reported that the application process was easy (often just sending in forms that were automatically sent to their homes), precluding the

Key

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need for phone calls or face-to-face communications. When direct contact with program staff was necessary, respondents consistently reported that they were not only treated respectfully and in a professional and friendly manner, they reported that staff seemed to really understand what they needed. Adjectives used to describe staff included, "excellent every year," "very pleasant," "friendly," "very courteous and understanding," "considerate and made the process very easy," "fast and efficient," "polite," and "kind." One respondent stressed how important it is to treat recipients respectfully, "because it is hard for many people to ask for help, especially our seniors, and that they don't ask for help unless they really need it."

It is also important to note that a few respondents gave specific examples of how they learned about other important resources through this program. Some described being informed about rental assistance, weatherization, and job services through their contact with the Energy Assistance Program. Again, respondents said that they were very thankful for the "extra" guidance and support.

What opportunities do you see for improving the Energy Assistance Program?

Respondents generally did not believe the program needed improving. When asked this question, most respondents tended to reiterate their feelings of gratefulness and how important and well run the program is currently. Even with prompting – such as asking specific questions about delays in the application or payments process, complications with the service, poor treatment by staff, or other difficulties with the program – the overwhelming majority of respondents simply wanted to express how much they appreciated the program. A few respondents made mention of the delays in the initial program start-up – especially during cold snaps when case loads swell – but all indicated that they were ultimately served. One respondent mentioned that he could not easily understand a person on the phone, due to the person's heavy accent, but another person was put on the phone and "everything was fine."

What specific suggestions do you have for the Energy Assistance Program?

Again, most respondents did not believe the program needed improvement and did not have specific suggestions. A few suggestions were given however. They included:

- Have more Spanish-speaking program staff or brochures written in Spanish
- Help with air conditioning costs
- Help with water bills
- Get more funding, to help with higher costs or to help more people
- Start the application process sooner to avoid delays in getting financial help
- Secure vendors who will cut, split, and deliver wood fuel
- Make sure that funding is going where the energy costs and the needs are the highest
- Put the offices in safer locations

One respondent also speculated that people who are heating with wood are receiving cash and that such a system would be vulnerable to abuse.

What final comments do you have for the Energy Assistance Program?

Most respondents reiterated how important the program is and that they are very thankful for it. One respondent mentioned that she was very confused with a prepayment program that she is involved in and wished she could get help in understanding what she needs to know and do, preferably from a Spanish-speaking person.

APPENDIX K

Relationship among recommendations, vision, and strategies

The table that follows illustrates the relationship between task force recommendations and its vision and strategies. The vision describes the preferred future direction of the program. The strategies indicate how to implement the recommendations in a way that have the most chance of success in reaching the vision.

VISION, STRATEGIES, and RECOMMENDATIONS		
Recommendations	Vision	Strategies
Policy recommendations		
1. Customer prioritization	<ul style="list-style-type: none"> Quality service Reach those who qualify 	<ul style="list-style-type: none"> Collaboration among all stakeholders Identify and meet customer needs
2. Eligibility criteria and income definition	<ul style="list-style-type: none"> Quality service Reach those who qualify Universally recognized and accepted 	<ul style="list-style-type: none"> Collaboration among all stakeholders Identify and meet customer needs Strengthen funding streams
3. Benefits table	<ul style="list-style-type: none"> Reach those who qualify Safe and comfortable 	<ul style="list-style-type: none"> Collaboration among all stakeholders Establish effective automated systems
4. Yearlong program	<ul style="list-style-type: none"> Quality service Reach those who qualify Simple access Universally recognized and accepted 	<ul style="list-style-type: none"> Collaboration among all stakeholders Create multiple outreach opportunities Identify and meet customer needs
5. Universal statewide application	<ul style="list-style-type: none"> Quality service Simple access Universally recognized and accepted 	<ul style="list-style-type: none"> Establish effective automated systems
6. Vendor agreement	<ul style="list-style-type: none"> Meeting energy needs through collaboration Quality service Safe and comfortable 	<ul style="list-style-type: none"> Collaboration among all stakeholders Identify customer needs
7. Direct payments	<ul style="list-style-type: none"> Empowered customers Safe and comfortable 	<ul style="list-style-type: none"> Identify customer needs
8. Crisis assistance and Energy-related repair	<ul style="list-style-type: none"> Meeting energy needs through collaboration Quality service 	<ul style="list-style-type: none"> Collaboration among all stakeholders Identify customer

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Recommendations	Vision	Strategies
	<ul style="list-style-type: none"> Safe and comfortable 	needs
Operational Recommendations		
9. Business needs	<ul style="list-style-type: none"> Quality service Simple access 	<ul style="list-style-type: none"> Collaboration among all stakeholders Establish effective automated systems Identify and meet customer needs
10. Centralization and decentralization	<ul style="list-style-type: none"> Meeting energy needs through collaboration Quality service Reach those who qualify Simple access 	<ul style="list-style-type: none"> Collaboration among all stakeholders Create multiple outreach approaches Establish effective automated systems Identify and meet customer needs Strengthen funding streams
11. Technology needs	<ul style="list-style-type: none"> Empowered customers Quality service Reach those who qualify 	<ul style="list-style-type: none"> Collaboration among all stakeholders Establish effective automated systems
12. Outreach	<ul style="list-style-type: none"> Meeting energy needs through collaboration Quality service Safe and comfortable Reach those who qualify Universally recognized and accepted 	<ul style="list-style-type: none"> Collaboration among all stakeholders Create multiple outreach approaches Identify and meet customer needs
13. Monitoring	<ul style="list-style-type: none"> Quality service Safe and comfortable Universally recognized and accepted 	<ul style="list-style-type: none"> Collaboration among all stakeholders Identify and meet customer needs
14. Grant management	<ul style="list-style-type: none"> Quality service Universally recognized and accepted 	<ul style="list-style-type: none"> Identify and meet customer needs Strengthen funding streams
15. Administrative funds	<ul style="list-style-type: none"> Quality service 	<ul style="list-style-type: none"> Collaboration among all stakeholders Strengthen funding streams
16. Program service funds	<ul style="list-style-type: none"> Empowered customers Reach those who qualify 	<ul style="list-style-type: none"> Strengthen funding streams
17. Leveraging funds	<ul style="list-style-type: none"> Meeting energy needs through collaboration Quality service Universally recognized and accepted 	<ul style="list-style-type: none"> Strengthen funding streams

APPENDIX L Implementation Timeline

Timeline of activities and implementation of recommendations						
Already implemented	November 2001	December 2001	January 2002	February 2002	March 2002	April 2002
UNIVERSAL STATEWIDE APPLICATION	Technology needs action plan	Vendor agreement action plan	Leverage funds action plan	IDENTIFY CUSTOMER NEEDS	Define X for gathering baseline data	PROGRAM SERVICE FUNDS
CUSTOMER PRIORITIZATION		Centralization and decentralization action plan	Program outcomes action plan	Grant management action plan	PROGRAM OUTCOMES	
ELIGIBILITY and INCOME DEFINITION		Identify customer needs action plan	Benefits table action plan (test data, contact BT)		Yearlong program action plan	
CRISIS ASSISTANCE and ERR		Outreach action plan	Program service funds		Administration funds action plan	
DIRECT PAYMENTS					OUTREACH	
BUSINESS NEEDS						
May 2002	June 2002	July 2002	August 2002	September 2002	October 2002	November 2002
LEVERAGING FUNDS	VENDOR AGREEMENT	State plan	Pre-buy	MONITORING	Program start-up	
BENEFITS TABLE	Centralized payment systems or pilot action plan	Monitoring action plan			YEARLONG PROGRAM	
CENTRALIZATION and DECENTRALIZATION	TECHNOLOGY NEEDS					
	ADMINISTRATIVE FUNDS					
	GRANT MANAGEMENT					

Key

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