

LIHEAP 2015 Special Study: Assurance 16



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LIHEAP 2015 Special Study: Assurance 16

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Table of Contents

I. Introduction	1
II. Background	2
III. Methodology	3
IV. Central Arkansas Development Council’s Strengthening Families Project	5
A. Arkansas A16 Program	5
B. CADC Program Design.....	5
C. CADC Program Details.....	6
D. Documenting Program Outcomes	7
E. CADC Findings and Recommendations	8
V. Minnesota Valley Action Council’s A16 Programs	9
A. Minnesota A16 Program	9
B. MVAC Program Designs	9
C. MVAC Program Details.....	10
D. Documenting Program Outcomes	11
E. MVAC Findings and Recommendations.....	12
VI. Lutheran Social Service of Minnesota’s A16 Program	13
A. Minnesota A16 Program	13
B. Lutheran Social Service Program Design	13
C. Lutheran Social Service Program Details	14
D. Documenting Program Outcomes	16
E. Lutheran Social Service Findings and Recommendations	16
VII. TrueNorth Community Services Self-Sufficiency Program	18
A. Michigan LIHEAP Program	18
B. TrueNorth Program Design	18
C. TrueNorth Program Details	19
D. Documenting Program Outcomes	19
E. TrueNorth Findings and Recommendations.....	20
VIII. Summary of Findings.....	21
IX. Recommendations.....	23

List of Acronyms and Abbreviations

ACF	HHS’ Administration for Children and Families
ACS	American Community Survey
ASEC	CPS Annual Social and Economic Supplement
A16	Assurance 16
Btu	British thermal unit
CDD	Cooling Degree Day
CPI	Consumer Price Index
CPS	Current Population Survey
DEA	OCS’s Division of Energy Assistance
DOE	U.S. Department of Energy
EIA	DOE’s Energy Information Administration
EMEU	EIA’s Office of Energy Markets and End Use
FY	Fiscal Year
GPRA	Government Performances and Results Act of 1993 (Public Law 103-62)
HDD	Heating Degree Day
HH	Household
HHS	U.S. Department of Health and Human Services
LIEAP	Low Income Energy Assistance Program
LIHEAP	Low Income Home Energy Assistance Program
MMBtus	Million British thermal units
NC	No cases in sample
NEADA	National Energy Assistance Directors’ Association
NEUAC	National Energy and Utility Affordability Coalition
NOAA	National Oceanographic and Atmospheric Administration
OCS	ACF’s Office of Community Services
RECS	Residential Energy Consumption Survey

I. Introduction

The purpose of this study is to develop in-depth information on the design and implementation of Assurance 16 (A16) programs that provide comprehensive financial counseling services to clients. Important information about the study includes:

- **Programs** - The A16 programs targeted by this study work with clients over an extended period to help them gain more control of their individual finances, develop skills to work effectively with utilities on affordable payment arrangements, and better understand how to manage their energy usage and energy bills.
- **Methodology** - The project team worked with four service delivery agencies that provide the targeted services. The team reviewed available program materials, conducted in-depth interviews, examined program statistics, and prepared a summary report on the program for review and verification by the agency staff.
- **Analysis** – A16 programs are funded by state grantees, and designed and implemented by local service delivery agencies. For each agency program, this report documents the state program requirements, the agency program strategy(ies), and the agency program outcomes. The report then compares the programs and their outcomes, and makes recommendations for grantees and agencies that are considering whether to implement A16 programs or to change their existing A16 programs.

This study helps OCS to develop a better understanding of the ways that LIHEAP grantees are working with clients to move toward energy independence. It furnishes other LIHEAP grantees and subgrantees with program models that they might implement to serve their clients. Finally, it shows grantees how they might move toward better measurement of program outcomes to assess the effectiveness of their A16 program compared to other uses of LIHEAP funding.

II. Background

Under Assurance 16 (A16) of the LIHEAP Statute, a LIHEAP grantee is allowed to use up to five percent of funds received from the federal government “...to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance to energy vendors, and to report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.”

In 2015, APPRISE conducted a comprehensive study of Assurance 16 (A16) programs implemented by LIHEAP state, territorial, and tribal grantees. That study developed an inventory of the types of A16 programs implemented, including information on the types of households targeted by program services, the average amount invested in serving each household, and the way that service providers delivered those services. The study found that 25 state and territorial grantees reported funding A16 activities in FY 2014 and planned to continue to deliver those services in FY 2015. Those grantees reported spending over \$40 million and serving about 1.7 million households with A16 program services, an average of about \$24 per household.

While grantees delivered a diverse array of services, the study found that most of those services were delivered at the time of program intake and did not involve more extensive engagement with clients. As such, the A16 program services delivered by most grantees are more focused on resolution of short-term energy bill payment problems and on helping the client to connect with other assistance programs that can address longer-term problems. They are not designed to work with clients to develop financial management skills or help them to better manage energy use.

However, the study did identify programs that furnish longer-term services to clients. The study conducted in-depth interviews with those service providers to get a better understanding of how they delivered services. Those agencies included:

- Arizona – CAA of Coconino County
- Arizona – Mesa Community Action Network
- Arkansas – Central Arkansas Development Council
- Arkansas – Ozark Opportunities Incorporated
- Minnesota – Minnesota Valley Action Council
- Montana – CAP Northwest Montana
- New Hampshire – Southwestern Community Services

Each of these organizations was found to deliver a more comprehensive set of services to clients that extended beyond the initial service delivery interaction and has the potential to increase the client’s energy independence.

III. Methodology

The purpose of this follow-up study is to develop more in-depth information on the design and implementation of programs that deliver comprehensive financial counseling services to clients, and to develop a better understanding of how to measure program outcomes. The study work plan included the following steps.

- Program Recruitment – Using the information from FY 2015 study, the project team reached out to the grantees and subgrantees in Arizona, Arkansas, Minnesota, Montana, and New Hampshire to assess which programs would be able to participate in the study during December 2016 and January 2017.
- In-Depth Interview – The project team scheduled and conducted in-depth interviews with program managers. The program manager was sent an in-depth interview guide in advance of the contact. As part of the in-depth interview, the project team requested that the program manager send program materials and reports on program outcomes.
- Review of Materials – The project team reviewed the materials supplied by the program manager and any program outcome statistics that were supplied.
- Follow-Up Interview/Communications – The project team identified supplemental questions and conducted follow-up via email and/or by teleconference.

The data collection protocol gathered information on the following topics.

- Needs Assessment – What were the client needs and/or experiences that caused the organization to design the program implemented with A16 funds?
- Program Objectives – At the start of the program design process, what did the organization identify as the primary objectives of the program?
- Design and Implementation – How did the organization design and implement a program to meet those objectives? What prior experiences contributed to the program design process? To what extent was the organization able to engage the utility partner in the program design and implementation?
- Program Protocol and Materials – What is the protocol for delivering services to the client? What kinds of materials were used to support the education and/or counseling process? What kinds of follow-up or feedback were used to reinforce the education and/or counseling?
- Program Feedback – What kinds of qualitative information does the organization have that demonstrates whether the program implementation was consistent with the program design and meaningful to the clients?
- Program Outcomes – How does the organization collect, track, and analyze information about the client outcomes? What evidence does the organization have available to assess the performance of the program?
- Lessons Learned – What are the key lessons learned by the organization that can help other grantees to implement similar programs.

The study included four comprehensive financial counseling programs that were implemented by LIHEAP subgrantees. The four programs and sponsoring organizations were:

- Central Arkansas Development Council – Strengthening Families Project
- Minnesota Valley Action Council – Financial Education for Energy Assistance Households and Access to Resources for Conservation and Sustainability (ARCS)
- Lutheran Social Service of Minnesota – Self-sufficiency and Crisis Prevention for Higher Risk Clients
- TrueNorth Community Services of Michigan – Self-Sufficiency Program

These four programs each delivered comprehensive financial counseling services. In addition, each had special program elements that supplemented the financial counseling. The TrueNorth program did not leverage LIHEAP Assurance 16 funds, but it was implemented by a LIHEAP service delivery agency and had the same objectives as an A16 program.

IV. Central Arkansas Development Council's Strengthening Families Project

A. Arkansas A16 Program

The 2015 *Special Study of LIHEAP Assurance 16* showed that Arkansas has the highest average A16 spending per client among all grantees. Based on data from the Arkansas state plan, the study estimated that, in FY 2014, the Arkansas program spent \$1,445 per client on A16 program services compared to a national average of \$24 per client. Most grantees make A16 program services available to most or all clients. For example, Minnesota reported that 135,647 clients received A16 program services. Arkansas, however, targeted their A16 program to 728 clients in FY 2014.

According to the CADC program manager, the Arkansas A16 program was first implemented in the 1980s. The program was started prior to passage of the 1994 LIHEAP re-authorization that added language to the statute regarding the use of funds for these purposes. Arkansas was one of a number of states that delivered A16-type services to clients prior to the 1994 re-authorization.

The state gives all community action agencies the opportunity to participate in the LIHEAP A16 program and a similar program that uses CSBG funds. Agencies that participate in the program must deliver services that target at least one of three specific activities – budget counseling, energy education, and vendor assistance/advocacy. Agencies are required to furnish detailed reports to the state program office on client activities and outcomes.

B. CADC Program Design

CADC decided to focus on household budgeting and energy education in their Strengthening Families Project. They perceive that household budgeting is an important skill for their clients, especially for those clients who can achieve a more stable, self-reliant outcome through household budgeting. Their experience has been that clients are often unaware of the resources that they can access to increase income, make their available income go farther by developing some basic financial management skills, and reduce their energy bills by adopting better energy practices. The CADC program is designed to help clients develop those skills and gain more control over their ability to pay bills and maintain energy service.

The CADC service delivery protocol includes four important components that are designed to maximize client engagement and program effectiveness.

- Workshops – The client's first engagement with the program are two workshops in a group setting – one on household budgeting, the other on energy conservation.
- One-on-One – After the workshops, the clients meet one-on-one with the case worker to transform the general guidance offered at the workshop into a personalized plan for the client and his or her household.
- Independent Activity – The client also is expected to take responsibility for completing certain activities independent of the workshops and one-on-one sessions.

LIHEAP 2015 Special Study: Assurance 16
Central Arkansas Development Council's Strengthening Families Project

- Financial Incentive – One way that CADC keeps clients engaged in the program is to offer them financial incentives for completing specific milestones.

This combined strategy appears to be successful in encouraging clients to complete the program despite the substantial time commitment required.

C. CADC Program Details

CADC alerts clients about the program by posting information at their LIHEAP intake centers and by adding a check box to the LIHEAP application. They do not target a specific group of households, in part because the program is so demanding that they often have to work to recruit an adequate number of clients to participate. They try to identify and recruit clients that they perceive are motivated to make a change and could benefit from the program.

The service delivery protocol includes the following steps:

- Intake/Case Plan – During intake the case worker reviews the protocol with clients to make sure they understand the level of commitment required. The client signs an agreement to participate and the case worker develops a case plan for him or her. The program usually takes about three to four months to complete.
 - Energy Education Workshop – Clients participate in an energy education workshop. The focus of the workshop is on getting a better understanding of where energy is used in the home, learning how to read utility bills, and making a commitment to change energy-using behaviors. Depending on which utility clients have for electric and/or gas service, the workshop also alerts them about utility energy assistance programs that can help to pay their bills and energy efficiency programs that can replace inefficient appliances and equipment. [Note: Utilities report that these programs are underutilized.]
 - Budgeting Workshop – Clients participate in a budgeting workshop in a group setting. The workshop uses the FDIC Money Smart program because it has both group and individual activities and it is available online. During the workshop, clients develop a preliminary budget and start to set personal goals.¹
 - Incentive Payment #1 – Once clients have completed both workshops and demonstrate that they have a budget plan (Budget #1), they have the first incentive of \$200 paid to one of their energy vendors.
 - Budgeting and Energy Education Follow-Up – Clients work independently to complete a spending diary. They have follow-up meetings with the case worker to review the spending diary, complete a revised personal budget based on the diary and their personal objectives. In addition, they discuss their energy behavior objectives with the case worker and complete questionnaires related to energy behaviors to help the case worker assess their knowledge and progress.

¹ CADC has made additional revisions (2016, 2017) to their program to strengthen the household budgeting component by using the Consumer Federal Protection Bureau's "Your Money Your Goals" toolkit. CADC is now able to track their matrix in CAP 60.

LIHEAP 2015 Special Study: Assurance 16
Central Arkansas Development Council's Strengthening Families Project

- Utility Portals – Some of the major utilities in Arkansas have access portals that CADC can use to discuss the status of energy usage and bill payments with clients. The clients' usage information helps the case worker to understand whether clients have high usage and whether there are any signs that clients are reducing their usage. Clients' bill payment information helps the case worker to verify clients' understanding of what they owe to the utility and whether they have been able to avoid late payment fees and other charges. CADC recommends that agencies who implement a program like theirs negotiate with their utilities to get access to this level of client information.
- Incentive #2 – Once the client has completed sufficient follow-up activities with the case worker, they have the second incentive of \$125 paid to one of their energy vendors.
- Follow-Up – The case worker conducts at least one additional follow-up with clients to see whether the revised budget (Budget #2) is helping them to keep up with their energy bills and to assess whether they are continuing to make progress on managing energy usage. If needed, the clients are asked to prepare a final budget (Budget #3). [Note: For households on fixed income, case workers generally find that Budget #2 is sufficient and Budget #3 is not required.]
- Exit Interview – Once the client has completed the steps in the process—has attended both workshops, developed a final budget plan, applied for energy assistance and energy efficiency services, and demonstrated an understanding of and willingness to improve energy behaviors—the case worker conducts an exit interview.
- Incentive #3 – Once clients complete the exit interview, they have the third incentive of \$350 paid to one of their energy vendors.

This service delivery protocol requires a significant commitment by the client and a lot of work by the case worker. The client has a significant incentive for completion since they can receive incentive payments totaling \$675 if they complete all steps in the process. The case workers are supported by CADC in that they have good quality materials (e.g., FDIC Money Smart program) and templates for reporting their interactions with clients.

D. Documenting Program Outcomes

CADC uses CAP60 as their primary client tracking system. They have an Assurance 16 module in CAP60 that tracks information on client demographics, client goals and achievements, incentive payments, and program outcomes. CADC stressed the importance of having this data tracking tool for case management, program management, and documentation of outcomes.

The primary outcome assessment tool is a ROMA scale (Results-Oriented Management and Accountability) that the case worker uses to assess the client's status with respect to three factors: Household Budgeting, Energy Conservation, and Utility Consumption. The caseworker completes the assessment during the intake interview and at the exit interview. The performance of the program is measured in terms of progression on the ROMA scale.

CADC reports information on program accomplishments to the state LIHEAP office. Their report includes both a narrative report on program outcomes and individual client-level chronological registers of service delivery and incentive payment dates. The state ensures that local agencies

LIHEAP 2015 Special Study: Assurance 16
Central Arkansas Development Council's Strengthening Families Project

submit timely reports by paying the agency in installments after certain program reporting requirements are met.

E. CADC Findings and Recommendations

CADC has developed a comprehensive budget counseling and energy education program that serves about 200 clients per year. Both the case worker and the client make a significant commitment of time. CADC furnishes \$675 in energy assistance as an incentive to encourage clients to complete all the required program activities.

The CADC program is based on a statewide A16 program model that is implemented by a number of Community Action Agencies. The data tracking system appears to be effective for program management, tracking program inputs and outputs, and documenting program outcomes. This rich data source has the potential to furnish valuable information to CADC, the Arkansas LIHEAP office, and OCS about the performance of this program model.

The data have been used mainly for program improvement at the agency level. Each year CADC reviews their program statistics and meets with the program case workers to review their program experiences. CADC makes incremental changes in the program to overcome identified barriers and to take advantage of new opportunities.

The design of the program does not, at this time, facilitate the measurement of program impacts. To measure program impacts, CADC or the Arkansas LIHEAP office would need to develop a system for measuring the difference between program participants and eligible nonparticipants. Options for doing this include:

- Randomized Control Trial – In an RCT, the agency would assign some clients to the treatment group and some to the control group. For example, if CADC were interested in measuring the impact of the education and counseling services, they could assign one group to receive the program and a second group to receive the incentive payments without attending the program.
- Later Year Comparison Group – Another alternative would be to compare the FY15 and FY16 experiences of FY 2016 program participants to the FY15 and FY 16 experiences for FY 2017 program participants.
- Matched Comparison Group – A third option is to attempt to identify nonparticipating clients who are similar to participating clients in terms of demographic characteristics and payment status.

In all three cases, the program impact would be measured by first documenting the change in status for the treatment group and then comparing that to the change in status over the same time period for the control or comparison group.

V. Minnesota Valley Action Council's A16 Programs

A. Minnesota A16 Program

The 2015 *Special Study of LIHEAP Assurance 16* showed that Minnesota is close to the average in A16 spending per client. Based on data from the Minnesota state plan, the study estimated that the Minnesota program spent \$33 per client in FY 2014 compared to a national average of \$24 per client. However, the \$33 per client is not a particularly useful statistic for describing the Minnesota program.

Minnesota gives all service delivery agencies A16 funding for “Responsive Energy Self-Sufficiency Activities” and reserves 25% of each agency’s A16 funding for “Proactive Energy Self-Sufficiency Activities.” The agency only receives the “proactive” funding if they submit a plan for delivering services that “will reduce household home energy need.” In their “responsive” A16 programs, the service delivery agencies serve a very large number of clients with relatively inexpensive services. But, in their “proactive” A16 programs, many agencies invest a significant amount of resources for each household that they serve.

For “proactive” A16 programs, the state requires the service delivery agency to submit a detailed plan for program services and a detailed report on program outputs and outcomes. This appears to be an effective model for ensuring that service delivery agencies clearly document their A16 program services.

B. MVAC Program Designs

In FY 2016, MVAC implemented two Proactive Energy Self-Sufficiency Plans – Financial Education for Energy Assistance Households (Financial Education) and Access to Resources for Conservation and Sustainability (ARCS). These were pilot programs. MVAC submitted plans to continue both programs in FY 2017. [Note: Clients were allowed to participate in both programs, but most participated in only one.]

The MVAC Financial Education protocol included the following activities:

- Educational Workshops – The client’s first engagement with the program was a financial literacy workshop. The workshop also included information on energy conservation.
- Follow-Up – Case workers conducted follow-up contacts with program participants to promote sustainable use of energy and advocacy with energy vendors.

The MVAC ARCS protocol included the following activities:

- Home Visit – The client’s first engagement with the program was a home visit with a focus on assessment of the factors related to the client’s unsustainable energy consumption.
- Follow-Up – Case workers conducted follow-up contacts with program participants to promote sustainable use of energy and advocacy with energy vendors.

The fundamental difference between the two programs was in terms of the initial work with the client. For both programs, follow-up activities attempted to reinforce what the client learned in the workshop or home visit, but also pursued a common approach of working with the client on energy conservation, timely bill payment, and proactive engagement with energy vendors.

C. MVAC Program Details

MVAC targets clients who have used crisis funds for two consecutive program years or are high-energy consumers for participation in the programs.

The service delivery protocol for Financial Education includes the following steps:

- Recruiting – It was challenging to recruit clients for this program. The program requires that the client make a significant commitment. The client only receives a \$50 incentive for completing the workshops. [Note: The Arkansas CADC program paid a \$675 incentive for participating in two workshops and follow-up activities.]
- Financial Education – The client was asked to attend the *Four Cornerstones of Financial Literacy* training sessions. Those sessions were administered as a series of four two-hour sessions. [Note: MVAC learned that it was difficult for clients to make all sessions and is proposing to use a one-on-one approach for FY 2017.] The financial counseling included the following steps:
 - Create goals at the beginning of the program to shape individual outcomes and measure progress (S.M.A.R.T goal tools were used for this purpose).
 - Furnish information and tools to clients to help create a firewall between the clients and predatory financial services.
 - Give clients information about understanding credit, credit reports, how to develop a list of itemized expenses, procedures for budgeting, and how to better manage bill payment.
 - Brief clients about their financial rights, particularly with respect to debt collectors.
 - Coach clients on how to establish positive vendor relationships by having practice sessions for maintaining contact with the vendor even when they cannot pay their whole bill.
 - Use the client's utility data and payment history to help them to understand their energy usage and the cost of late payments. Establish a monthly minimum payment to assist with vendor relations.
 - Use local networks and resources from financial institutions and programs such as FAIM (Family Assets for Independence Minnesota) to enhance program materials and the value of sessions to clients.
- Energy Education – MVAC added information on energy conservation to the *Four Cornerstones* curriculum. The trainers worked with workshop participants to discuss strategies to decrease their energy consumption.
- Follow-Up – MVAC conducted two follow-up contacts with each participant. They also offered support to those clients who asked for assistance with specific activities or issues. As part of that follow-up, the case workers made referrals for clients to WAP, the utility CIP energy efficiency programs, and other community resources that were available. [Note: Some of the program participants were new Section 8 homeowners from Mankato's Home Ownership program and MVAC's Homeless Prevention programs.]

- Exit Surveys and Incentive Payment – MVAC conducted an exit survey with the client once they completed the program and made an incentive payment of \$50 to one of their energy vendors.
- Program Cost – The program spent an average of \$720 per client served by the program.

The service delivery protocol implemented by ARCS included the following steps:

- Recruiting – It was not as challenging for the program to recruit clients for this program. The energy auditor came to the client's home; the client receives a \$50 incentive after the audit and two follow-up contacts are completed. [Note: The Arkansas CADC program paid a \$675 incentive for participating in two workshops and follow-up activities.]
- Energy Audit and Education – A weatherization auditor went to the client's home and conducted an energy audit and delivered direct install energy efficiency measures. Based on the findings, the auditor conducted energy education with the household and made referrals to the appropriate energy efficiency and energy assistance programs.
- Follow-Up – MVAC conducted two follow-up contacts with each participant. In those follow-up contacts, they worked with clients to identify and implement energy-saving behaviors. They also spoke to clients about whether they had followed up on program referrals. Finally, they talked to clients about ways to maintain positive relationships with their energy vendors.
- Exit Surveys and Incentive Payment – MVAC conducted an exit survey with clients once they completed the program and made an incentive payment of \$50 to one of their energy vendors.
- Program Cost – The program spent an average of \$723 per client served by the program.

The Financial Education program involved a substantially greater commitment by clients but could potentially result in more changes in clients' budget management. The ARCS program was more likely to result in lower energy costs, which could also have a positive impact on maintaining energy services.

D. Documenting Program Outcomes

MVAC kept track of the services delivered to clients for both programs in their existing information management system. They captured information on the basic program outputs and outcomes. Since this was a pilot program, they did not plan for any longer-term tracking of client outcomes.

For the Financial Education program, MVAC collected a self-assessment from clients about whether the program had improved their financial management skills. Most clients reported that their understanding of budgeting, debt reduction, credit scores, and consumer rights had increased. Almost all clients believe that the program helped them to take steps to improve their financial well-being.

For the CACS program, MVAC conducted a follow-up survey with clients to assess their energy conservation activities. Many clients received useful referrals to other programs. Most of the clients report that they have a better understanding of energy conservation strategies and had taken steps to increase their home's energy efficiency. The majority of clients also reported that they had improved their relationships with their energy vendors as a result of the program.

E. MVAC Findings and Recommendations

The Minnesota approach to A16 programs seems to work well for MVAC. They can use the responsive A16 funds to develop resources for all clients and work one-on-one with clients who present special problems during LIHEAP program intake. They can use the proactive A16 program to design more comprehensive programs that are likely to have a greater impact for clients over the long run. Since service delivery agencies see both types of problems—short-term and long-term—having the opportunity to address both through the A16 program helps agencies better address their clients' needs.

The Minnesota A16 program also allows service delivery agencies to pilot test different approaches to serving clients. During the 2016 program year, MVAC used a training model that was originally developed by another Minnesota service delivery agency. Through their program experiences, the information they received from clients during exit interviews and discussions with A16 program staff, MVAC was able to identify ways to improve the program and submit a revised program plan for the 2017 program year.

One significant barrier to measurement of program outcomes is that MVAC perceived that the program funding was restricted to one year. The types of program services offered by the programs would be expected to result in longer-term benefits to clients. While MVAC was able to use the exit interview to verify that clients were more knowledgeable about financial matters and felt more confident in their ability to address those issues, MVAC was not able to conduct follow-up to track whether these new skills resulted in better financial outcomes for these clients.

Since these were pilot programs where MVAC was testing different approaches to financial education and conservation education, it is appropriate to focus more on direct feedback from clients and staff. However, once MVAC develops a program protocol that clients and staff perceive is working effectively, it would be appropriate for them to propose to the state LIHEAP offices ways to track longer-term outcomes.

VI. Lutheran Social Service of Minnesota's A16 Program

A. Minnesota A16 Program

As discussed above, Minnesota gives service delivery agencies A16 funding for “Responsive Energy Self-Sufficiency Activities” and reserves 25% of each agency’s A16 funding for “Proactive Energy Self-Sufficiency Activities.” The agency only receives the “proactive” funding if they submit a plan for delivering services that “will reduce household home energy need.” In addition, each service delivery agency that receives funding for a “proactive” A16 program needs to file a “Proactive Energy Self-Sufficiency Report.”

Lutheran Social Service submitted “proactive” plans and reports for 2015, 2016, and 2017. Review of the series of plans and reports shows that the agency designed and implemented a comprehensive program during 2015 program year and then updated the program plan each year as they identified program successes and barriers.

B. Lutheran Social Service Program Design

In 2015, MVAC proposed to recruit 100 LIHEAP crisis benefit recipients to participant in a program to work with them on “household self-sufficiency, energy reduction, and financial counseling initiatives via one-on-one case management and/or group learning sessions.” The program proposed to conduct an initial assessment with all clients and, as part of that assessment, furnish some basic financial management counseling and deliver informational materials. The plan was to then identify 40 clients for the more intensive follow-up program.

From their implementation of the programs in 2015, the agency learned some important lessons about how to effectively serve their clients.

- Recruitment – The agency learned that they needed to have program staff reach out to clients to recruit them for the program; the initial program mailing generated very little interest in the program even though the targeted clients needed additional assistance.
- Face-to-Face Workshops/Meetings – Clients seemed to be very engaged in workshops. The agency found that the open forum format allowed clients to raise important issues and thereby help EAP staff to understand what the clients did not understand and to resolve many of those issues for clients. In addition, the direct contact with clients gave the EAP staff more complete information on client needs and to make targeted referrals to other support programs.
- Ongoing Case Management – The agency found that case management was very important to some clients, but that others felt the workshop and materials were adequate and that they did not need additional support. A number of clients started with case management but after two or three sessions stated that they did not need any additional assistance.
- Special Circumstances – The agency found that different population segments had different information needs. For example, clients who heat with propane need to understand more about strategies for getting the lowest cost for fuels and how to avoid unnecessary fees, while clients who heat with natural gas need to be aware of additional energy assistance offered by many of the gas utilities.

LIHEAP 2015 Special Study: Assurance 16
TrueNorth Community Services Self-Sufficiency Program

- Program Timing – The program was offered during the summer months when clients tend to work extra hours; the agency operates in an area with a lot of seasonal employment related to the tourist industry. As such, it was difficult to get clients to attend more than one workshop session.

As a result of the lessons learned in 2015 and 2016, the agency developed an updated program plan for 2017 that represents their best assessment of how to best deliver customized services to their clients. The 2017 program includes:

- Delivered Fuel Program Services
- Natural Gas Program Services
- Furnace Warranty and Maintenance Services
- Case Management

The agency believes that these services represent the best opportunity for helping each type of client to increase their energy self-sufficiency.

C. Lutheran Social Service Program Details

The program starts by having EAP staff “select households who are at higher risk for crisis and reliance on EAP, and demonstrate need for additional education and resources to gain self-sufficiency and reduce their energy burden.” The program includes four components, each of which is designed to meet a specific client need.

1. Delivered Fuel Main Heat – Targeted to 40 Clients

These clients have used their available energy and crisis assistance benefits. In the initial meeting with clients, the case worker helps them understand the “status of EAP benefits and proactively assist them to prepare to manage their ongoing energy burden.” The agency helps clients understand their payment plan options and propane safety issues, and identify ways to reduce additional costs. [Note: Minnesota passed legislation that gives households additional payment options but vendors report that few households take advantage of those options.]

While this initial meeting helps to educate clients and identify their options, the agency finds that follow-up contacts are needed. During those follow-up contacts, agency staff ensure that clients understand and are taking advantage of the options available to them, and encourage clients to fulfill any commitments they have made. Sometimes the agency staff can help the client to overcome a specific barrier or problem. At other times agency staff can remind the client about cost-saving options such as a summer pre-buy.

At the end of the client engagement, agency staff contact clients to document final program outcomes and answer any remaining questions that clients have about maintaining service and managing payments and costs.

2. Natural Gas Main Heat – Targeted to 80 Clients

These clients have used their available energy and crisis assistance benefits. In the initial meeting with the client, the case worker will help the client to understand the “status of EAP benefits and to proactively assist them to proactively assist them to prepare to manage their ongoing energy burden.” The agency will

LIHEAP 2015 Special Study: Assurance 16
TrueNorth Community Services Self-Sufficiency Program

alert the client to the affordability plans that are offered by their natural gas utility, help them understand the requirements and benefits of the program, and help them complete the paperwork to enroll in the program. [Note: The natural gas utilities report that these programs are underutilized.]

While this initial meeting helps to educate clients and identify their options, the agency finds that follow-up contacts are needed. During those follow-up contacts, agency staff ensure that clients have successfully enrolled in the program and encourage clients to fulfill any commitments that they have made by helping them to understand the benefits that they can receive if they meet the program requirements.

Once clients have demonstrated that they can be successful on the payment plan, the case worker coaches them on how to stay on the payment plan and alerts them about the upcoming EAP energy assistance enrollment and payment schedule.

3. Furnace Warranty Registration and Maintenance – Targeted to 30 Clients

The Minnesota LIHEAP program invests a significant amount of resources in the Equipment Repair and Replacement program (ERR). Lutheran Social Services found that only about ten percent of clients who receive ERR services register their product warranty and know that the warranty length for equipment is doubled when the household completes the registration. In addition, regular maintenance of the new equipment results in longer equipment life and better equipment performance.

In this component of the program, case workers deliver a packet of information to clients who received new equipment. This information helps clients understand the registration requirements, how to maximize equipment efficiency, and equipment maintenance procedures. The case worker then conducts follow-up to ensure that the client completes the warranty registration form and understands the educational materials. Since the agency can verify whether clients complete the registration through an online portal, the case worker then checks that clients have indeed completed the warranty registration process and, if they have not, contacts clients to encourage them to send in the registration materials.

4. Case Management Services – Targeted to 10 to 20 Clients

Based on pilot program experiences, the agency is conducting one-on-one case management services with a small number of the clients who participated in one of the other services but need additional assistance as evidenced by ongoing issues with energy service sustainability. These clients receive the more comprehensive case management services that the agency developed and implemented in the prior program years. One important difference between the services for 2017 and the services in earlier years is that the agency no longer conducts workshops because of poor attendance. In this program, the case worker works with clients to assess their circumstances, set goals, and work on developing strategies to achieve those goals. The case worker then conducts follow-up with clients to encourage them to maintain their commitment and help them overcome barriers to achieving their goals.

5. Summary of A16 Service Delivery

The program implemented by Lutheran Social Service has evolved over the last three years. In the first year, the program tried to make the entire portfolio of services available to all clients. They found that each of the services was valuable to some of the clients but that most did not perceive that they needed all of the services offered. For the current program year, the agency is planning to increase the total number of clients to whom they are delivering services but better target services to the needs of those clients. They

LIHEAP 2015 Special Study: Assurance 16
TrueNorth Community Services Self-Sufficiency Program

are limiting the more comprehensive program services to those clients who demonstrate the greatest need for program service and keenest interest in working toward resolving energy sustainability problems by working collaboratively with the case manager.

The average cost of program services per client has been similar for each of the three years. In 2015, the program served 74 clients at an average cost of \$297 per client. In 2016, the program served 90 clients at an average cost of \$283 per client. For 2017, the agency is proposing to serve 160 clients at an average cost of about \$175 per client, assuming there is no overlap between program components. The lower cost per client for 2017 is achieved by targeting clients for the specific program service that is likely to have the greatest impact for their circumstances.

D. Documenting Program Outcomes

Lutheran Social Service tracks services delivered to clients in their information management system. They capture information on the basic program outputs and outcomes, and report those outcomes in their annual Prospective Energy Self-Sufficiency Report. Their primary focus is documenting the number of households who received services, the share of participants who demonstrated an increased understanding of the content that was communicated, and the share of participants who took action to increase their self-sufficiency.

Lutheran Social Service is engaged with the client for long enough to measure short-term outcomes. For example, they can assess whether the client is able to maintain their utility payment plan. And, they are able to assess whether the client completes the equipment warranty registration. But, while those accomplishments help the client move toward energy self-sufficiency, Lutheran Social Service would need to conduct follow-up research over a longer time period.

E. Lutheran Social Service Findings and Recommendations

The Minnesota approach to A16 programs appears to have helped Lutheran Social Service to work toward the development of an effective model for increasing client self-sufficiency. Over the last three years, the agency has tested different approaches and has had some success in engaging clients in valuable activities. But they have continued to refine and hopefully improve the program so that it is better targeted to the specific needs of their clients and takes advantage of available policies and programs (e.g., the legislation related to propane customers and the programs offered by natural gas utilities).

As discussed for the MVAC program, one significant barrier to measurement of program outcomes is that Lutheran Social Service perceives that the program funding is restricted to one year thereby preventing follow-up with customers. Particularly for the case management services that are being offered in 2017, it might be appropriate to conduct follow-up with the client during the next LIHEAP program year. In addition, client follow-up is needed to measure longer-term program outcomes.

It is also difficult to see how Lutheran Social Service could measure net program impacts. They are targeting programs to clients who express an interest in the program and who are perceived to be good candidates for the program. With longer-term follow-up, Lutheran Social Service may be able to document that clients have increased their level of energy self-sufficiency. However, unless they have a comparison group of similar clients who did not participate in the program, they cannot determine whether it was the program or some other factor that resulted in the clients' improved energy self-sufficiency.

LIHEAP 2015 Special Study: Assurance 16
TrueNorth Community Services Self-Sufficiency Program

One possibility for the state LIHEAP office might be to compare outcomes from Lutheran Social Service to outcomes for clients of another LIHEAP agency that did not deliver an A16 program. If the state office is able to see that Lutheran clients improve their energy self-sufficiency while similar clients in a similar agency do not, it would furnish some evidence that the Lutheran Social Service program is having an impact on clients.

VII. TrueNorth Community Services Self-Sufficiency Program

A. Michigan LIHEAP Program

In FFY 2016, Michigan did not use LIHEAP funds to pay for Assurance 16 services. However, Michigan did furnish ratepayer funds (Low-Income Energy Efficiency Fund) to service delivery agencies to be used to work with low-income households to increase their energy self-sufficiency. Using those funds, TrueNorth Community Services developed the Self-Sufficiency Program.

In FFY 2017, Michigan did use LIHEAP funds to pay for Assurance 16 services. Those funds were part of the Michigan Energy Assistance Program (MEAP) that combines LIHEAP and ratepayer funds. Those funds are distributed to community-based organizations using an RFP process and can pay for both energy crisis benefits and A16 program services.

Michigan's LIHEAP program is quite different from the program implemented in most other states. The primary delivery mechanism for LIHEAP heating assistance is a home heating credit that is administered by the Treasury Department as part of the state income tax systems. The primary delivery mechanism for LIHEAP crisis benefits is through local county social service offices. But, in addition, LIHEAP program funds are combined with ratepayer funds to fund the MEAP program.

B. TrueNorth Program Design

In 2013, Michigan passed legislation that changed the focus of the Low-Income Energy Assistance Fund (LIEAF) to be more focused on encouraging energy self-sufficiency in clients. In response to that new guidance, TrueNorth designed and implemented a MEAP-funded program that segmented clients into three groups and delivered different benefits and services to each of those groups of clients.

- **Crisis Support** – Detailed examination of client records demonstrated that some MEAP clients have a one-time crisis for which they need just short-term assistance to resolve an energy bill payment problem. For those clients, TrueNorth's program focuses on getting them the energy assistance that they need to resolve that crisis.
- **Extended Support** – For a second group of clients, the case record analysis demonstrates that the household's "self-sufficiency potential is compromised." Such households may be elderly or disabled, or may have other resource constraints that make it difficult to increase the client's independence from the social service system. For those clients, TrueNorth's program makes sure that the client receives energy assistance and helps the client to identify other sources of assistance for which they are eligible.
- **Self-Sufficiency Services** – The clients who are targeted for self-sufficiency services are those who have multiple problems with paying their energy bills but have the capacity to work toward improving their status with the assistance of a case manager who delivers a customized set of program services.

The TrueNorth MEAP program customizes the services delivered to each client so that the program is investing the right amount of resources per client to maximize program outcomes.

C. TrueNorth Program Details

TrueNorth uses the MEAP intake process to collect information on clients to develop a better understanding of their needs and motivations. Clients with the following characteristics are targeted for the Self-Sufficiency Services.²

- Risk factors of long-term vulnerability but with good prognosis for self-sufficiency
- Motivation to achieve self-sufficiency
- Earning potential to afford and maintain an appropriate standard of living
- Willing and able to communicate honestly and effectively with TrueNorth staff
- Willingness to learn and understand the impact of energy conservation
- In-home client case work assessment progress

The program does not use a standard approach for every client. Rather, the client completes an assessment form called the “Self-Sufficiency Matrix.” Based on those self-reported data, the case worker develops a customized program for the individual client that targets the services that are expected to best address the client’s needs. Those services can include:

- First-hand assessment and delivery of services in the client’s home or community.
- Work directly with clients, their energy providers, and other agencies to assist clients with their financial crisis.
- Advocate on behalf of the client with energy companies.
- Educated clients on energy-savings strategies.
- Facilitate nonenergy-related processes such as education, employment, and financial management to improve client self-sufficiency.

TrueNorth helps case workers to be successful in their work in the following ways.

- Small caseloads allow high intensity of contacts and service delivery.
- Services are guided through assessments; interventions are data driven.
- Staff use a mentoring approach and clients are encouraged to access help when needed seven days a week.
- Outcome evaluation is conducted quarterly and the results drive future intervention decisions.

The case worker is involved with the self-sufficiency clients for six months.

D. Documenting Program Outcomes

TrueNorth uses their cloud-based Customer Relation Management (CRM) tool to store data on eligibility and Self-Sufficiency Matrix (SSM) outcomes at each stage of service delivery. Those data furnish real-

² These details are identified in the draft research paper *Self-Sufficiency Improvements in a Rural Low-Income Sample of Michigan Residents* by David Wingard, Ph.D., Kieran Fogarty, Ph.D., and Diane Fleser, MS.

time information to case workers and program managers. The case workers can use those data to identify issues and barriers that need attention. The program managers can use those data to assess ongoing program performance and make sure that each case worker and client has the resources that they need to be successful.

E. TrueNorth Findings and Recommendations

It appears that TrueNorth has developed procedures that are effective in segmenting their caseload into groups that each need different types of services. In that way, they are able to devote the right amount of resources to each client to maximize the impact of the available funding. In particular their preliminary findings on the SSM outcomes for the clients who receive self-sufficiency services appear to demonstrate that the program is effective in increasing the self-sufficiency of those clients. Moreover, because TrueNorth conducts follow-up measurement with the clients they serve, they demonstrate that these services have longer-term impacts on client self-sufficiency.

In their program reports, TrueNorth appears to focus on the combined self-sufficiency matrix scores. While that is the best way to summarize program accomplishments, it is not necessarily the best way to document program outcomes. Rather, to give other organizations a better understanding of the accomplishments of the program, it would be valuable to document how clients are performing on each component of the index. For example, it would be important to know if 90 percent of clients were able to increase income and 75 percent were able to improve bill payment, but only 10 percent were able to reduce energy usage.

It also would be valuable if TrueNorth could document that their segmentation model is correctly categorizing households in terms of the type of services that they need. For example, do they find that most of the Crisis Support client are, in fact, one-time recipients of MEAP crisis grants? And, are they able to show that most of the Extended Support clients continue to make use of MEAP program services each program year? Getting those statistics would increase the state office's confidence that the program is correctly segmenting clients to needed services.

The TrueNorth program also faces the same challenge as the other A16 programs reviewed in this study. As stated in the draft report on the program, this is an observational study that serves a targeted group of clients with self-sufficiency services. Since there is no control or comparison group, one cannot document causality i.e., one cannot say that the clients would not have achieved the measured improvements without the program.

VIII. Summary of Findings

This study examined the design, implementation, and outcomes for four A16 programs that were attempting to increase energy self-sufficiency for low-income households by furnishing financial counseling and energy education. All of the programs used the following approach to delivering program services.

- Targeting - Each of the four agencies targeted households that they determined would be best able to take advantage of the energy self-sufficiency services.
- Crisis Recipients – All four agencies targeted their services to LIHEAP crisis assistance recipients.
- Case Management - All four used a case management approach in which the case worker conducted an in-depth assessment of each client’s energy assistance status.
- Client Goals – The case worker helped the client to identify goals that would be meaningful to him or her.
- Customized Services – The case worker delivered training and mentoring services that were tailored to the individual client’s needs.
- Follow-Up – The case worker conducted follow-up to ensure that the client was able to make use of any training that was delivered and access any resources to which they were referred.
- Performance Measurement – The programs collect and report information on client activities and outcomes. In most cases, the programs examined in this study measured client outcomes in the context of the extent to which a client achieved program objectives (e.g., making four utility payments on time) because the program funding was for a single program year. However, all agencies understood the value of longer-term measurement of outcomes and some were working toward developing that capacity.

It seemed clear from the experiences of these four agencies that this level of engagement with clients would be needed to help clients increase their energy self-sufficiency. A16 programs in many states are focused on enhancing the services delivered at LIHEAP intake. Those programs can be effective in helping to connect clients with other energy assistance programs, energy efficiency services, other financial assistance, and financial counseling programs run by other organizations. However, while that level of engagement can furnish the client with new information, it cannot furnish him or her with new skills.

To have a significant impact on a client’s energy self-sufficiency—their ability to prevent an energy crisis or to find their own solutions to an energy crisis—more-intensive services are needed. They start by helping clients better understand their own finances and energy use. They then work with clients to develop skills needed to manage their finances and control their energy use. It is clear that each of the programs made some progress with clients in the development of those skills.

There were some important differences in the programs.

- Responsive and Proactive A16 Programs – The Minnesota LIHEAP office used a unique approach with their subgrantees. That program office split the funding into two parts, one for responsive programs and another for proactive programs. The focus of the responsive programs was to furnish resources to agencies for activities such as developing information needed to develop effective

referral services for clients. The proactive programs worked more intensively with clients over a longer time period to deliver more comprehensive services to clients.

- **Program Investment** – Each of the four agencies made quite different investments in the delivery of their programs. **Arkansas Client Incentive** – The CADC program offered the client up to \$675 in payments to the client’s energy vendor for completion of the program. In comparison, the Minnesota agencies offered a \$50 incentive. The CADC program had a high participation rate for the workshops while both of the Minnesota programs decided to change from a workshop format to a one-on-one format because of poor attendance at the workshops.
- **Customization of Program Services** – The TrueNorth program is the most focused on developing a customized set of services for each client. In comparison, the starting point for the CADC program is workshops that train all clients on the same set of skills, with customized follow-up once the client has completed the workshop training.
- **Special Purpose Programs** – Lutheran Social Service has found that most of their clients can best be served by giving them a clear understanding of the program that will give them the greatest benefit. For example, the natural gas utilities in their service territories have special affordable payment programs. Lutheran works with their clients to help them understand the program and conducts follow-up that is aimed at helping the client to keep program commitments. MVAC segmented their clients into those who needed energy services and those needing financial management services. Because Minnesota has an excellent system for tracking client energy expenditures, MVAC is able to identify which households have problems with their energy usage and are better able to focus more on energy services for those clients.

All of the program-delivered services that appeared to be effective in helping clients to increase their energy self-sufficiency. And, all of the programs collected and reported information that furnished some evidence that clients perceived that the program helped them to increase their energy self-sufficiency. Some of the programs were able to document either short-term or long-term program outcomes.

- **Short-Term Outcomes** - About 75 percent of participants in the Lutheran Social Service program were able to meet their commitments under the utility payment program. Eighty percent of the participants successfully completed their equipment warranty registration.
- **Longer-Term Outcomes** – TrueNorth conducted follow-up contacts with the clients who received their Self-Sufficiency Services and were able to document reported improvements in the Self-Sufficiency Matrix Score.

None of the agencies are currently conducting a program impact evaluation. They are effective in tracking the cost of services (i.e., program inputs), the services delivered to clients (i.e., program outputs), client self-reports on their energy self-sufficiency, and even some quantitative measures of client outcomes (e.g., successful completion of an affordable payment agreement). However, none of the agencies are currently reporting on longer-term impacts on energy consumption, energy bill payment, and/or the use of crisis assistance. And, none of the agencies are able to compare the results for clients served by the program with the results for similar clients who were not served by the program.

IX. Recommendations

The LIHEAP statute allows and encourages grantees to invest LIHEAP funds in programs that are targeted to increase the level of energy self-sufficiency among low-income households. The state grantees and local service delivery agencies interviewed for this study all report that some of their clients need these comprehensive services to increase their energy self-sufficiency and reduce their need for ongoing energy assistance, particularly crisis assistance. However, the previous study of LIHEAP Assurance 16 showed that only about one-half of states allocate funds to Assurance 16 and most of those states do not deliver comprehensive case management services to clients.

There are several important barriers to implementation of additional A16 programs that deliver comprehensive services.

- **Program Benefits** – There is only limited documentation of the impacts of these programs. It would be easier for a grantee to invest the time and effort in designing and implementing such a program if they had clear evidence of the program’s impacts.
- **Program Design and Implementation** – It is difficult to design and implement programs that are customized to meet the needs of clients in each state and in each local agency’s service territory. While clients’ needs for financial management tools are similar, the specific circumstances related to employment, available energy assistance programs, and available energy efficiency programs vary significantly even within states. The upfront investment costs for developing program designs can be substantial.
- **Information Systems** – Local agencies need information systems that can help them to manage the ongoing contacts with clients and to report on client outcomes.

The following strategies might be effective in helping state grantees and local agencies to overcome these barriers.

- **Information Dissemination** – OCS has funded a number of studies that have furnished information on A16 programs. However, to encourage more discussion about A16 programs OCS might want to have the LIHEAP Clearinghouse develop an A16 discussion forum in which grantees and subgrantees can share their experiences and discuss common program implementation issues.
- **Responsive and Proactive Programs** – The Minnesota example should be highlighted by OCS. Some grantees might be hesitant to invest A16 funds in more comprehensive case management programs because they understand how important those funds are to local agencies as they work to identify referral resources for the large number of clients that they serve. However, in the Minnesota model, agencies are allowed to use part of their funding for those responsive services and another part for the development of more proactive programs.
- **Information Systems** – OCS should consider working with one or more grantees to develop the business requirements for an information system that can effectively track A16 program operations and outcomes. OCS also might consider funding the development of such systems for one or more grantees as models for other grantees to adopt as they implement comprehensive A16 programs.
- **Pilot Studies** – OCS should encourage grantees to support their local agencies in the development of pilot programs. The experience of the two Minnesota agencies interviewed for this study demonstrated that those agencies benefited from being able to implement a pilot program and then

adapt the program as they learn what worked and did not work for the clients in their service territory.

- Impact Studies – Grantees and their local service delivery agencies generally do not have the resources or skills to develop robust studies of program impacts. OCS should consider furnishing funding and technical assistance for A16 studies to help identify those program models that have the greatest impact on the energy self-sufficiency of clients.

LIHEAP grantees can make use of Assurance 16 to develop programs that help their clients to increase their energy self-sufficiency. However, the program appears to be underutilized at this time. The recommended steps may encourage more grantees to allocate funds to A16 programs and help to furnish evidence on which program approaches are most effective in fulfilling the statutory objective.