

Developmental Assessment & Resolution Program

A Pilot Project

Developed in Collaboration by

The Iowa Division of Community Action Agencies

And

The Iowa Community Action Association

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I. Overview: The Developmental Assessment and Resolution Program (DARP) was developed because even as energy costs escalate to record highs, most low income households work hard to pay their energy bills on time. DARP will help targeted families facing an energy crisis develop additional strategies to maintain their energy service. The major components of the DARP are a thorough analysis of the customer's energy situation, a money management discussion to promote financial literacy and awareness, a resource review to ensure the household is accessing all relevant community resources, energy conservation training to promote conservation methods, and development of a written family plan taking each of these factors into consideration as the family plans to sustain their energy service. During this pilot project, DARP services are in addition to the assessment and resolution services currently operated by each agency, but may over time become the primary assessment and resolution service.

II. Anticipated Outcomes: The following outcomes will be monitored and evaluated at regular intervals to determine program effectiveness:

- A. Number of participating households who were not involuntarily disconnected following receipt of DARP.
- B. Number of participating households who are current on their utility bill following receipt of DARP.
- C. Number of participating households who are current on their deferred payment agreement following receipt of DARP.
- D. Number of participating households who are current on their second deferred payment agreement following receipt of DARP.

III. Pilot Project: The DARP will be piloted during the 2006-2007 Low Income Home Energy Assistance Program (LIHEAP) season at all eighteen community action agencies in Iowa, using the methodologies and strategies identified herein. A total of 2,500 households will receive services, distributed in the following manner:

Community Opp. (103)	New View (130)
HACAP (197)	Threshold (160)
Eastern Iowa (230)	Red Rock (134)
MATURA (66)	SCICAP (72)
MICA (115)	Southeast Iowa (130)
Mid-Sioux (69)	SIEDA (148)
City of DSM (197)	Upper DSM (186)
North Iowa (142)	WCDC (198)
Northeast Iowa (127)	Woodbury (96)

These are projected numbers. The Division of Community Action Agencies shall reserve the right to reallocate resources and change the number of households assisted per agency depending upon availability of funds.

- IV. Targeted Households: Because this is a pilot project serving a limited number of households, services in the first year will be targeted only to households whose heating source is fueled by one of the three major utility vendors in Iowa. In subsequent years strategies will be developed to address households who are customers of other vendors or who use delivered fuels. The following households will be eligible to receive DARP services:
- A. Household must be determined eligible for LIHEAP. The household may or may not have actually received LIHEAP assistance depending upon the time of year the household applied.
 - B. Household must have Aquila Inc., Alliant Energy, or MidAmerican Energy as their primary energy vendor (heating source utility vendor).
 - C. Household must have or need a deferred payment agreement.
 - D. Household must be able to maintain or regain service in their own name (if possible) at the time they begin receiving DARP services.
- V. Software Development: All community action agencies in the State of Iowa use either Open Source Information System's (OSIS) NIFCAP software or THO's Client Information System (CIS) software application to record household information and process LIHEAP applications and services. Both OSIS and CIS will be modified so the steps of the DARP process may be completed using one of the two software applications.
- VI. The DARP Process: All activities of the DARP process are designed to lead to a plan which details steps households and agencies will take to promote energy affordability. While the steps are generally designed to be delivered in the order indicated below, this is not absolutely essential if circumstances otherwise dictate.
- A. Step 1: Analysis of Current Household Situation: The first step in the process is to determine the current energy situation of the household and the household's eligibility for DARP services. This will be accomplished in the following manner:
 - i. Complete or Review the BIF: Staff must complete or review the Basic Intake form (BIF) for the household to ensure the household is eligible for LIHEAP, and a primary customer of Aquila Inc., Alliant Energy, or MidAmerican Energy.
 - ii. Complete Part I of the Utility Analysis Form (attachment 1): This document will complete a review of the household's payment

history and utility usage, determine the status of any existing payment agreement and current status of the account. In the note section of the form, staff will include the factors that have necessitated the family to need assistance (such as a sudden illness, job loss, etc.). The software version of this tool will also calculate the household energy burden as a percentage of household income for statistical purposes. The Utility Analysis form will be available for completion in either OSIS or CIS.

- iii. Selection of Households for DARP: Upon completion of step 1, staff will identify households who meet the criteria to participate in DARP and they will be given the opportunity to enroll. Households will be asked if they would be willing to participate in the development of a plan which could lead to additional household resources and benefits to help them better afford their energy costs on an ongoing basis. DARP is a voluntary process. Households choosing to not participate will not be sanctioned or penalized in any way.

B. Step 2: Resource and Money Management Review: This step is mandatory for all households who participate in DARP, and must be done face-to-face. The Resource and Money Management review is intended to promote a conversation between the customer and the staff person regarding household money management and household resources. It is not intended and should not be used for staff to pass judgment on spending habits of customers or invoke blame for poor spending choices. As a developmental process it is intended to promote conversation and problem solving. Staff will be provided with training regarding the proper approach to discussing household expenses and resources with families.

- i. Money Management Review: Staff will use either OSIS or CIS to complete a family money management review. The income portion of the family's "budget" will import from the information collected to complete the BIF. Staff will be required to further enter cash benefits received by the family but not typically counted as income (such as food stamps). The staff person will then enter into a dialogue to estimate the family's spending in a number of categories, to include areas indicated below. Staff will make note of the areas where the household may wish to consider revising their spending.

1. Shelter

- a. Rent/House Payment/ Lot Rent
- b. Natural Gas/Electricity
- c. Telephone
- d. Water
- e. Insurance (Rental, home owners)
- f. Property Taxes

2. Health

- a. Medications
- b. Doctor, Dentist
- c. Health Insurance
- 3. Additional Living Expenses
 - a. Childcare
 - b. Non-Food Stamp Items
 - c. Food/ Groceries
 - d. Clothing
 - e. Credit Card debt
 - f. Payday loans
 - g. Other loans
 - h. Entertainment
 - i. Cigarettes
 - j. Diapers
 - k. Laundry
 - l. Transportation (Gas, Car Payment, insurance, bus pass)
 - m. Cable
 - n. Internet
 - o. Miscellaneous

Each household will be provided a copy of the completed money management plan, as developed. Please see attachment 2 for a copy of the printout from the CIS system.

- ii. Resource Review: Following the development of the money management review staff will review potential resources with each household. As each resource is reviewed, staff will note whether the resources are currently being received, whether an application will be submitted, or whether the service is not applicable. For the Targeted Resources which could benefit the household, staff should strongly (but gently) encourage households to apply for such resources as a part of their Energy Affordability Plan. The Targeted Resources are those which would have a substantial positive financial impact on the household. The remaining resources will also be reviewed for applicability, but will not receive the priority focus of the Targeted Resources.

- 1. Targeted Resources:
 - a. Food Assistance
 - b. Earned Income Tax Credit (including the advance provision)
 - c. Weatherization
 - d. WIC
 - e. HAWK-I
 - f. Family Development and Self-Sufficiency (and other family development programs)
 - g. Child Support Recovery

- h. SSI
 - i. Head Start/Subsidized Child Care
 - j. Free & Reduced School Lunch, Summer Food Program
 - k. Family Investment Program
 - i. Life-Line/Link Up Telephone Assistance
2. Other Resources:
- a. Shelter:
 - i. Income Based Housing Assistance
 - ii. Rent Rebate
 - iii. Homestead Property Tax Exemption
 - iv. Military Property Tax credit
 - v. Farm Tax credit
 - vi. Various Crisis Funds
 - b. Nutrition:
 - i. Food Pantries
 - ii. SHARE food program
 - iii. CACFP
 - c. Health Care:
 - i. Medicare Part D
 - ii. Medicaid
 - iii. Iowa Cares
 - iv. Free Medical and Dental Clinics
 - v. Smoking Cessation services
 - vi. Maternal and Child Health
 - d. Other
 - i. Public School Fee Waiver
 - ii. Before/After School Care
 - iii. Other (specify)

C. Step 3: Negotiating/Re-negotiating a Payment Plan: Now that the staff person and the customer have a good idea of the household's energy situation (step 1) and the household's money management and resources (step 2), attention will turn toward resolving the household's immediate energy crisis and negotiating a payment plan. This step is mandatory and must be done face-to-face.

- i. Education on Rights and Responsibilities: Prior to calling the power company (or companies) to negotiate a payment plan or otherwise resolve the crisis, staff will review with the household the rules and regulations regarding deferred payment agreements (DPA) and will provide a summary of these rules and regulations to the household (attachment 3). Additionally, each household will receive training on how to read their power bill (attachment 4 includes information from each of the three utility companies on how to read their company's bill). This step is mandatory for all households participating in DARF, even if the household does not require a new or renegotiated DPA.

- ii. Negotiating/Renegotiating a DPA: Based on the information collected through the process to-date, the customer and the staff person will call the utility company to negotiate a first or second DPA, depending upon the situation. Preferably, the customer will be face-to-face in the office with the staff person and the call can be made together via conference call. Every attempt should be made to ensure the DPA is as affordable and realistic as possible. Staff will document the terms of the DPA on the second part of the Utility Analysis Form.
 - iii. Reminder of the Importance of Honoring the Agreement: Staff will discuss the importance of making payments as agreed upon, and will stress that should the household become unable to honor the agreement that the household should contact both the agency and the utility company as soon as possible. It will be further stressed that the household should pay something every month on their utility costs, even when they are unable to pay the full amount due.
- D. Step Four: Writing the Household Energy Affordability Plan: The work done to this point all leads to the development of the Household Energy Affordability Plan. This plan constitutes the agreement between the agency and the customer regarding what each will do to help the household's energy burden become more affordable. Attachment 5 is a blank hard copy of a Household Energy Affordability Plan. Both OSIS and CIS will be capable of generating the Household Energy Affordability Plan for each household. Development of a plan is a mandatory step and must be done face-to-face. Each plan will include the following sections:
- i. Section One: Payment Agreement: The plan will include a statement documenting the details of the payment agreement with the utility company (total amount paid by the household, the agency and any other funds, when the first payment is due, how many months the family will be paying and the date the payment is due each month, and that the household agrees to make regular payments to the utility company).
 - ii. Section Two: Resource Review: From the Resource Review completed earlier, the top few (1-3) potential un-accessed resources will be selected for inclusion in the Household Energy Affordability Plan. For each of these resources, a plan will be detailed indicating that an application will be submitted. It is important to note that for DARP services, a referral is not sufficient. Staff is required to assist the household through the application processes, and to follow-up to document the result of the application processes. If the household receives a cash or cash-equivalent benefit, the plan should have a field noting the amount the household received.

- iii. **Section Three: Money Management Review:** This section will acknowledge that the household has reviewed their spending, and will list the strategies that were discussed. There will be no specific follow-up regarding spending areas. Households will simply be gently reminded that they may want to change their spending habits in the identified areas.
- iv. **Section Four: Energy Conservation Training:** This section will secure the household's willingness to participate in the energy conservation training, and will provide information on the time and location of the training. A field is also included to document that the training has occurred.
- v. **Section Five: Agency Responsibility:** This section will detail the steps the agency will take when the household completes their agreed upon tasks (honoring their first payment due under their DPA, applying for identified resources, and completing energy conservation training). As an incentive to the family to diligently pursue their Household Energy Affordability Plan, each agency is encouraged to identify meaningful resources that will be committed upon completion of the tasks identified in the plan. Among the potential resources are the following:
 - 1. Furnace tune and clean, using ECIP funds or other non-LIHEAP funds.
 - 2. Additional money (\$100 is a suggested minimum) which would be applied to the household's outstanding energy balance.
 - 3. Other resources. Agencies are encouraged to be creative to the extent their resources allow. One agency is using non-federal dollars to present households with a small Wal-Mart gift card.
- vi. **Agreement:** Both the household member and the staff member will sign and date the Household Energy Affordability Plan. Above the signature in prominent lettering, the following statement will be included: "Please remember that it is extremely important to pay on the utility every month. It is also extremely important to contact the agency and the utility company if something prevents you from paying the utility company the agreed upon amount. Doing both of these steps will greatly improve your negotiating power with the utility company." Each household will be provided with a copy of their plan.
- vii. **Follow-Up:** Agency staff are required to conduct short-term follow-up with the family (usually by telephone) to determine the progress the family is making on their plan, and to then either revise the plan or note progress. The length of the follow-up is dependent upon the items included in the Household Energy Affordability Plan, but follow-up will generally be less than ninety days. All contact with the household before, during, and after

development of the Household Energy Affordability Plan, whether by phone or in person, must be documented.

- E. Step Five: Energy Conservation Training: Energy conservation training will be included as a component of all Household Energy Affordability Plans. All agencies will deliver the Energy Wise training curriculum developed by the power companies in consultation with Quantec. Agencies must deliver all components of the Energy Wise training, and may supplement the Energy Wise with other material if they choose to do so. The training may be delivered either in a classroom setting, or one-on-one between staff and the customer (in either an office setting or in the customer's home).

VII. Reporting and Analysis of Results:

- A. Agency Reporting: On a quarterly basis, agencies will be required to report to the DCAA basic household information for families participating in DARP, and will be required as part of that report to indicate the current DARP status of the household (whether the plan was completed, is in progress, etc.). The software modules currently under development will include a table with the required fields for reporting. The data collected during the development of the plan and the follow-up period will be sufficient to generate the required data tables required by DCAA.
- B. DCAA Analysis on Outcome Measures: Using the data tables provided by the agencies, the DCAA, in cooperation with the utility companies, will analyze program effectiveness in accordance with the outcome measures indicated and shall publish a report on the effectiveness of the program after a reasonable interval of time, but no later than one year after implementation of DARP services.

VIII. Staff Training: Staff implementing DARP will be required to participate in a comprehensive two day training to be held in January 2007. This training will be designed to teach staff the skills necessary to successfully operate this program at the local level. Training will include the following at a minimum:

- A. Training on this Manual and the DARP Process
- B. Training on using NIFCAP and CIS Software Applications for DARP
- C. Training on Budget Development/Money Management Analysis
- D. Training on Major Potential Household Resource Areas
 - i. Food Assistance Application
 - ii. Earned Income Tax Credit Application
 - iii. WIC Application

- iv. Hawk-I and other medical assistance programs
- v. Child Support Recovery

E. Training on IUB Rules and Regulations: Staff will be trained on regulations related to the moratorium, disconnection rules, DPA rules, etc.

F. Training on Energy Conservation Instruction: To be provided by Quantec, related to the Energy Wise kit.

IX. Agency Compensation: Agencies will be compensated \$200 per household assisted by the Division of Community Action Agencies (DCAA). To receive the \$200 per household, the agency must have completed a utility analysis, completed the money management review, the resource review, and completed a written Household Energy Affordability plan. The funds for DARP will be located in a separate line item. Furnace tune and clean services as described above are allowable using ECIP funds.