



# **Eligibility**

## **California Alternate Rates for Energy (CARE) & Energy Savings Assistance (ESA) Program**

**Presentation to the Low Income Oversight Board**  
February 27, 2013

# CARE Eligibility and Processes

Customers indicate eligibility at each of stage of enrollment, re-certification, and verification by meeting one of two standards:

- ▶ Income level  $\leq$ 200% Federal Poverty Guidelines; or
- ▶ Enrollment in another means-tested public benefits program that is on an approved list of programs, such as Food Stamps, LIHEAP, Medi-Cal, etc. (referred to as "**Categorical Eligibility**").

## **CURRENT CARE STAGES:**

**Enrollment:** The process by which a customer signs-up for CARE for the first time or after an absence of two years from the program. CARE enrollment is self-certification, as a customer attests under penalty of perjury that they are eligible according to the rules stated on the application form.

**Re-certification:** The process by which a customer already enrolled in CARE attests to her/his continuing eligibility. Re-certification is self-re-certification. Customers must re-certify every two years (for the majority of customers).

**Verification:** The process used by the utilities to confirm a CARE customer's eligibility after the customer has enrolled in CARE in the first instance or re-certified. Currently, the utilities target 3 – 9% of customers for verification each year, according to their research and analysis on probability of likelihood of CARE eligibility.

# ESA Eligibility and Processes

**Households document eligibility during a contractor visit in the home, and prior to enrolling in the program, by meeting one of two standards:**

- ▶ Income level  $\leq 200\%$  Federal Poverty Guidelines; or
- ▶ Enrollment in another means-tested public benefits program that is on an approved list of programs, such as Food Stamps, LIHEAP, Medi-Cal, etc. (referred to as "**Categorical Eligibility**").

**Exceptions to requirement to document eligibility:**

- ▶ The household is in a zip code where 80% or more households have incomes  $\leq 200\%$  Federal Poverty Guideline (FPG),<sup>1</sup> or
- ▶ The household lives in a multi-family building where 80% or more units have documented their income  $\leq 200\%$  FPG.<sup>2</sup>

<sup>1</sup> California Statewide Low-Income Energy Efficiency Policy and Procedures Manual, August 2010, section 2.2.3.3.

<sup>2</sup> California Statewide Low-Income Energy Efficiency Policy and Procedures Manual, August 2010, section 2.2.6.

# Household Eligibility by County

Estimate of Utility Customers  $\leq 200\%$  Federal Poverty Guidelines as of Dec 31, 2012

	TOTAL HOUSEHOLDS	% HOUSEHOLDS ELIGIBLE	NUMBER HOUSEHOLDS ELIGIBLE (no overlap)	NUMBER HOUSEHOLDS ELIGIBLE (overlap)
<b>STATEWIDE- 4 Utilities</b>	<b>12,718,105</b>	<b>31.7%</b>	<b>4,040,003</b>	<b>5,136,332</b>
<b><u>By County, Highest % Eligible</u></b>				
SISKIYOU	39	53.8%	21	
MERCED	78,071	50.6%	39,530	
TULARE	154,101	49.9%	76,945	155,591
IMPERIAL	34,650	48.7%	16,865	16,968
TEHAMA	26,234	45.7%	11,985	
FRESNO	322,804	44.4%	143,265	143,311
GLENN	10,519	43.3%	4,554	
STANISLAUS	151,952	42.8%	64,991	
TRINITY	1,091	42.1%	449	
KERN	346,968	41.9%	145,399	163,221



# CPUC Historical CARE & ESA Eligibility Directives

- 2001:** CPUC increased CARE income limit to 175% of the Federal Poverty Guideline (FPG) and generally aligned eligibility between CARE and ESA. [D.01-05-033 and D.01-06-010]
- 2002:** CPUC expanded CARE eligibility standard to include a variety of Categorical Eligibility, reasoning that the benefits of enrolling customers who had proven their low-income status with other agencies would be worth an anticipated slight expansion of the eligible pool. [D.02-07-033]
- 2005:** CPUC increased the income threshold option for CARE eligibility to 200% of the FPG. [D.05-10-044]
- 2005:** The LifeLine program expanded its eligibility standards to include income eligibility OR Categorical Eligibility. [D.05-04-026, OPs 3 and 4]
- 2008:** CPUC expanded the list of CARE & ESA Categorical Eligibility programs to match the LifeLine program, resulting in eleven eligible programs. [D.08-11-031]
- 2009:** The Legislature passed SB 695, codifying the CPUC's existing policy to require CARE eligibility at 200% of the FPG. [739.1(b)]
- 2011:** Utilities filed 2012-2014 Low-Income program applications. Some informed the CPUC that "there are no state, federal, or county low-income assistance programs that are consistent with the income guidelines of the CARE and ESA Programs. [A.11-05-017]
- 2012:** CPUC ordered utilities to propose a list of Categorical Eligibility programs - - that should be used to qualify customers for CARE and ESA programs [D.12-08-044]:
- ▶ "The list must propose to retain and add categorically eligible programs for enrollment in low income programs, as appropriate, and must include only programs with income thresholds consistent with the California Alternate Rates for Energy and Energy Savings Assistance Programs." [OP 88b]
  - ▶ The income threshold for CARE is statutorily required to be "annual household incomes that are no greater than 200% of the federal poverty guideline levels..." [PU Code 739.1b, as modified by SB 695 in 2009 (CPUC policy since 2005).



# Categorical Eligibility Program Recommendations

PROGRAMS	Income Limit	DRA	TURN/Greenlining/ Center for Accessible Technology/National Consumer Law Center	IOUs
Bureau of Indian Affairs General Assistance	<100% FPG	√	√	
CalFresh / Food Stamps	130% FPG	√	√	√
CalWORKs / Temporary Assistance for Needy Families (TANF)	<100% FPG	√	√	
Head Start Income Eligible (Tribal Only)	100% FPG <sup>1</sup>	√	√	
Healthy Families A&B	200% FPG	√	√	
Medicaid / Medi-Cal	200% FPG <sup>2</sup>	√	√	
National School Lunch Program (NSLP)	185% FPG	√	√	√
Supplemental Security Income (SSI)	<185% FPG	√	√	
Women, Infants, and Children Program (WIC)	185% FPG	√	√	√
HUD*	50% CA Median for Area	√	√	
Head Start*	100% FPG <sup>3</sup>		√	
Low-Income Home Energy Assistance Program (LIHEAP) <sup>4</sup>	>200%FPL, 60% CA median		√	
Tribal TANF	Varies with Tribe		√	

## \*Addition to Current Categorical Eligibility List

<sup>1</sup> Tribal Head Start serves 789 children on tribal lands, 24% of whom exceed the 100% FPL today, the program allows up to 49% over the income level if there are vacancies.

<sup>2</sup> One of the Medi-Cal programs (working disabled) allows for incomes up to 250% FPL, but only a small number of Medi-Cal enrollees are working disabled (7500 participants, or <0.1% of Medi-Cal).

<sup>3</sup> No income test if enrolled in TANF, SSI, and for children in foster care. Slightly higher family income allowed on a space-available basis.

<sup>4</sup> LIHEAP staff told DRA that only 2.6% of California's FY 2010-11 cases had incomes of 200% or greater (2/20/13).

# Verification Requirements of Categorical Eligibility Programs

PROGRAMS	VERIFICATION REQUIREMENTS
<b>Bureau of Indian Affairs General Assistance</b>	Social Services Worker verifies income, living circumstances, household composition, and that the recipients do not have access to a comparable assistance program, at least every 6 months.
<b>CalFresh/Food Stamps</b>	Interview, proof of income and expenses, proof of identity, residence, SSNs for all household members, evidence of disability, immigrant status, utility and medical expenses, child support, fingerprinting.
<b>CalWORKs/Temporary Assistance for Needy Families (TANF)</b>	Must provide date of birth, citizenship or immigration status, income, resources and property, paternity of children, proof of expenses including health, rent & utilities, Identity, relationship proof, residence, fingerprinting, interview.
<b>Head Start Income Eligible (Tribal Only)</b>	Any of following verified by Head Start employee: Tax Forms, W-2 forms, pay stubs, pay envelopes, written statements from employers, or documentation showing current status as recipients of public assistance.
<b>Healthy Families A&amp;B</b>	Statement from employer, pay stubs, tax returns, benefit documentation for each person, childcare receipts, citizenship or legal immigration status, residency proof.
<b>Medicaid / Medi-Cal</b>	Original documents of identity and citizen status, proof of residency (non-citizens ok), SSN, immigration documentation, Med bills, Income & resources, vehicle registration.
<b>National School Lunch Program (NSLP)</b>	Salary, benefit documents, other income (each school is to verify).
<b>Supplemental Security Income (SSI)</b>	SSN, birth cert or proof/age, mortgage/ lease/or landlord name, proof of income and resources, med info and contact, proof of citizenship or immigration status.
<b>Women, Infants, and Children Program (WIC)</b>	ID, proof of income, proof of residence, child vaccination record, referral from doc or clinic, face to face interview for certification.
<b>Head Start</b>	TBD
<b>HUD</b>	Public Housing Agency (PHA) requires access to SSNs, wage and unearned income, family composition. HUD and PHA use EIV, an income and public benefit tracking system to find undisclosed resources.



# Cost Impacts of Categorical Eligibility

- Of the 4.8 million households enrolled in CARE, 1.7 million are enrolled via Categorical Eligibility.
- An estimated 1% (70,000) of current CARE customers exceed the 200% FPG income standard when applying current Categorical Eligibility programs.

## Administrative Costs

- To perform verification of its categorically enrolled CARE customers would cost the utilities \$22 million/year, which would double its administrative budget.
- In 2012, the CPUC reduced Categorical Eligibility and increased verification with the corresponding administrative cost impact:

**CARE Authorized Administrative Budget (4 utilities)**

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
\$19,057,382	\$18,310,035	\$18,136,792	\$18,109,767	\$19,222,693	\$19,397,693	\$23,869,296	\$24,151,929	\$24,738,505	\$50,120,229

## Bill Impacts

- Removing this 1% of customers (approximately 70,000 households) from CARE does not significantly reduce non-CARE customer bills.

**Estimated Bill Impact by Customer Class**

Customer Class	Annual Electricity Bill Difference	Total Annual Gas Bill Impact	Average Annual Bill
<b>Residential</b>	\$0.13 to \$0.70	\$0.05 to \$0.45	\$1,600 - \$1,800
<b>Commercial</b>	\$1.19 to 3.96	\$0.42 to \$5.25	\$4,000 - \$12,000
<b>Agricultural</b>	\$1.08 to \$6.16	\$0.75 to \$220.00	\$14,000 - \$112,000
<b>Large/Industrial</b>	\$216.34 to \$474.00	\$50.00 to \$564.00	\$650 - \$1,2 million

ESA program costs would add approximately an additional 15%.

