

July 22, 2025

Dear Members of the Low-Income Oversight Board,

This is a follow-up letter to the one we submitted to LIOB on 14<sup>th</sup> July 2025, in advance of the joint subcommittee meeting on July 15<sup>th</sup>, 2025. That letter highlighted that the CHANGES program urgently needs a funding increase. At that LIOB meeting, several board members requested that we quantify the size of the funding increase with supporting justification. This letter responds to that request from LIOB members.

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### **Funding Increase Request & Impact**

We are requesting a **total increase of \$855,400** to the CHANGES program budget as part of the bridge funding application. This amount addresses three urgent areas:

- **Unmet program demand for Deliverables**
- **Inflation-related cost increases, and**
- **Strategic Database Enhancements, Materials & CBO Expansion**

This request is not only justified by spending and inflation trends, but also by the **measurable, direct impact** it would have on the communities we serve.

#### **A) Unmet Demand for Deliverables – \$295,000**

##### **Case Assistance**

As noted in the LIOB meeting on 7/15, it is challenging to quantify the exact demand levels with the current systems and processes, given the limitation on funding to enhance them; however, we have evidence that the program could significantly serve more consumers. According to data from the CPUC's External Affairs Division, current funding levels do not reflect the growing service demands or allow the program to meet consumer needs on scale. Over the past 2.5 years, average monthly spending has been \$149,000, which exceeds the allocated monthly budget by \$9,000. In 2024–25 alone, the program spent **\$828,000 in just five months**, demonstrating that **current service delivery outpaces funding**. We are requesting **\$220,000** in funds:

- \$110,000 to enable us to **sustain current service levels** without reducing or reallocating funds from other critical program areas, such as **Outreach and Education**
- \$110,000 to assist more clients; that would mean approximately 30 more people per CBO would be getting assistance.

It is important to note that these projections are based solely on services provided in previous years, which are already less than needed to address the utility issues in our communities. The number of cases completed last program year were fewer than might have been completed because CBOs were told to stop providing case assistance in March, leaving nearly an entire quarter without services in areas with greatest need. Additionally, the utilization of Education and Outreach funds for case assistance also provides a skewed view of the available budget for case assistance. We project that case assistance funds will be greatly diminished by the end of the first quarter of this program year. Basing any request for increased funds on prior years expenditures is inadequate because those projections are based on actual spending that does not reflect the suspension of services for several months, the use of program funds from other program components (Outreach and Education), changes in energy costs, and reductions in the availability of other program assistance programs such as LIHEAP, AMP, and individual utility company payment programs.

### **Outreach**

We are requesting **\$25,000** for Outreach, a \$1,000 increase for each CBO.

### **Education**

We are requesting **\$50,000** for Consumer Education, \$2,000 increase for each CBO. Consumer Education is often the more reliable avenue for alerting consumers that may need case assistance or that various resources are available.

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## **B) Inflation Adjustment – \$317,000**

The current program budget was established in a CPUC Decision (D.15-12-047) in December 2015, and there has been **no increase in almost a decade**. Since 2015, inflation and the cost of services have increased significantly. We have again used a conservative approach to estimate inflationary pressures. If we were to look solely at the period following the pandemic, June 2021 to June 2025, according to the US Bureau of Statistics consumer price index calculator, inflation is estimated at 19% over that four-year period. To apply this to the existing CHANGES budget of \$1.68 million would mean that to have kept up with inflation over just the last four years, the program would need to increase its budget by \$317,000. We therefore request **\$317,000** as an inflation escalator.

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## **C) Strategic Database Enhancements, Materials & CBO Expansion**

Providing estimates of the additional services is an inexact science, but we estimate that the requested funding level increase could go towards:

- Increase education provision. Over the last three program years, education spending has exceeded budgeted amounts, and services have been reduced to ensure that the overall budget is not impacted. In addition, we would like to add one new topic, which, with design and translation costs, we estimate at least **\$50,000** per topic.
- If we keep materials current with evolving topics and programs, the use of CBOs would be required for input and translation. We should have material in 17 languages. In CHANGES all 8 current topics are missing 12 languages, and 1 topic is missing 1 language. Therefore, we would need translations of 8 existing topics into 12 languages, totaling 97 translations. If we pay CBOs \$200 per translation topic, that would be **\$19,400**.
- Making the database improvements recommended in the 2023 CHANGES evaluation. This includes updating functions to allow managers to track the outcomes for individual customers seeking case assistance in detail. Also, as the program has grown, consumers are typically offered support for multiple issues, but the current database structure makes it difficult to track any more than one consumer issue. To make these changes, we have asked our database consultant, ITTC, and they have provided an estimate of just over 800 hours at **\$104,000**.
- Adding a CBO to the coalition to expand into a new geographic or cultural area would cost approximately **\$70,000** annually based on budgets provided to existing CBOs, contractor administration and management overhead, and additional training and start-up costs.

Estimated Total for Strategic Database Enhancements, Materials and CBO Expansion:  
**\$243,400**

**Total Increase Requested (Parts A + B + C): \$855,400**

We thank you for your consideration and are available for follow-up questions or to provide more details in any of the areas highlighted above.

Sincerely,

**Chrystal Dorado, Project Manager for TEAM & CHANGES Programs International  
Institute of Los Angeles (CPUC's TEAM & CHANGES Programs Prime Contractor)**

