

# Improving CARE & ESA Outcomes: Inter-Agency Data Sharing

A Proposed 2028 Low-Income Needs Assessment Study Topic to  
Improve Program Outcomes for Low-Income Children and Families



## Background

- The statutory authority for this assessment appears in California Public Utilities Code §382, which requires the Commission to conduct periodic evaluations of low-income ratepayer needs with **assistance from the Low-Income Oversight Board**.
- The Board formed a LINA Committee as an alternative to the previously held workshops to provide an ongoing public forum to assist with the LINA study, including topic selection.
- Two of the most significant programs evaluated through this process are the California Alternate Rates for Energy (**CARE**) program and the **Energy Savings Assistance (ESA)** program.
- Both programs rely heavily on accurate income verification to determine eligibility and ensure that assistance is directed to households most in need.



## Barrier to CARE and ESA Performance to Meet Low-Income Rate Payer Needs: Income verification

- **Income verification** remains one of the most significant operational challenges affecting both programs.
- For CARE, customers must periodically complete **post-enrollment income verification** to remain enrolled in the program. For ESA, contractors frequently must verify household income **before** beginning work on a residence.
- At the same time, many of the households eligible for these programs are already enrolled in other public assistance programs administered through county social services agencies or their contractors.
- These programs—such as Medi-Cal, CalFresh, and other safety-net services—**already verify household income** using eligibility standards that are often consistent with or stricter than those required for CARE and ESA participation.



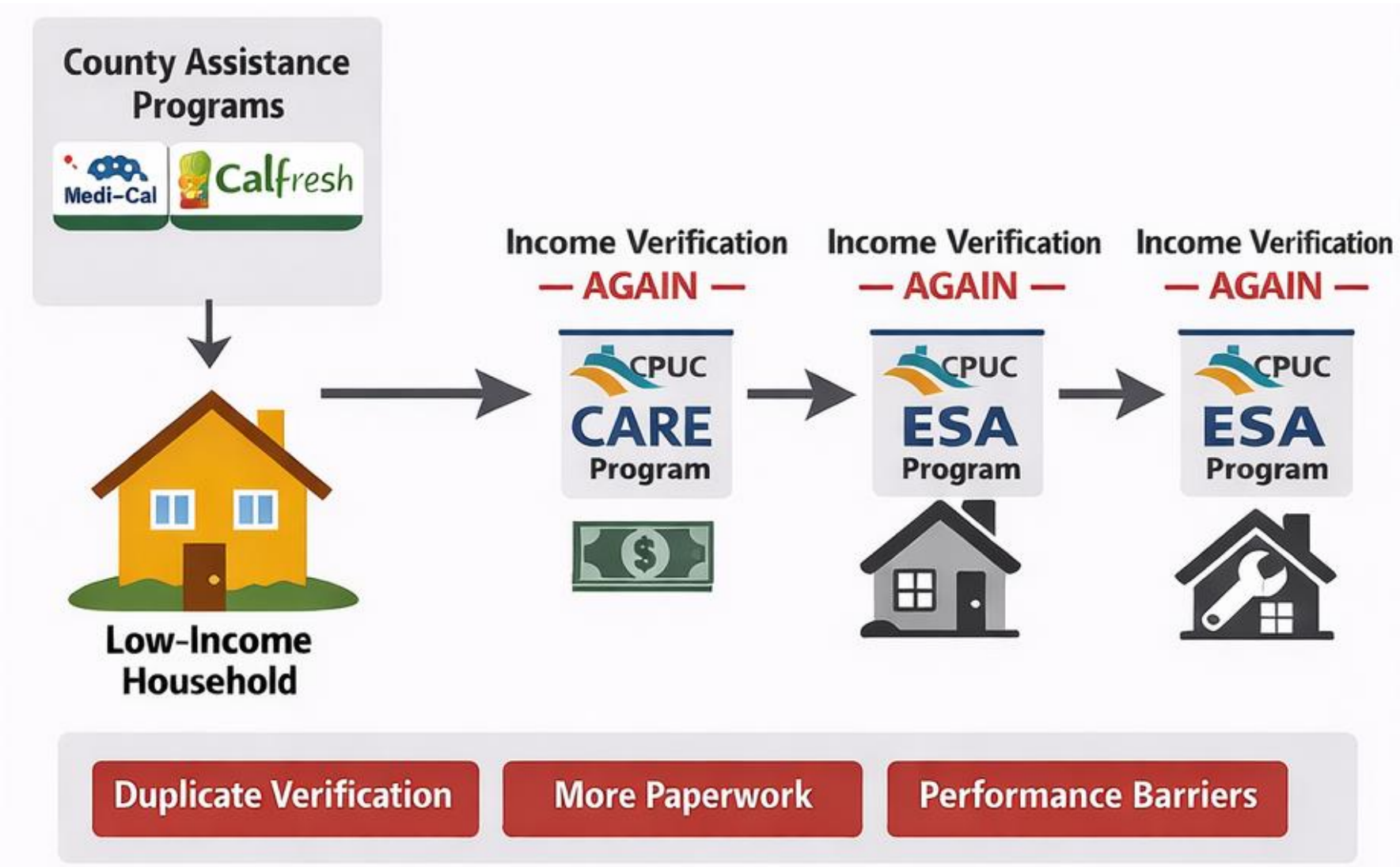
## The Status Quo has Serious Consequences for California Families

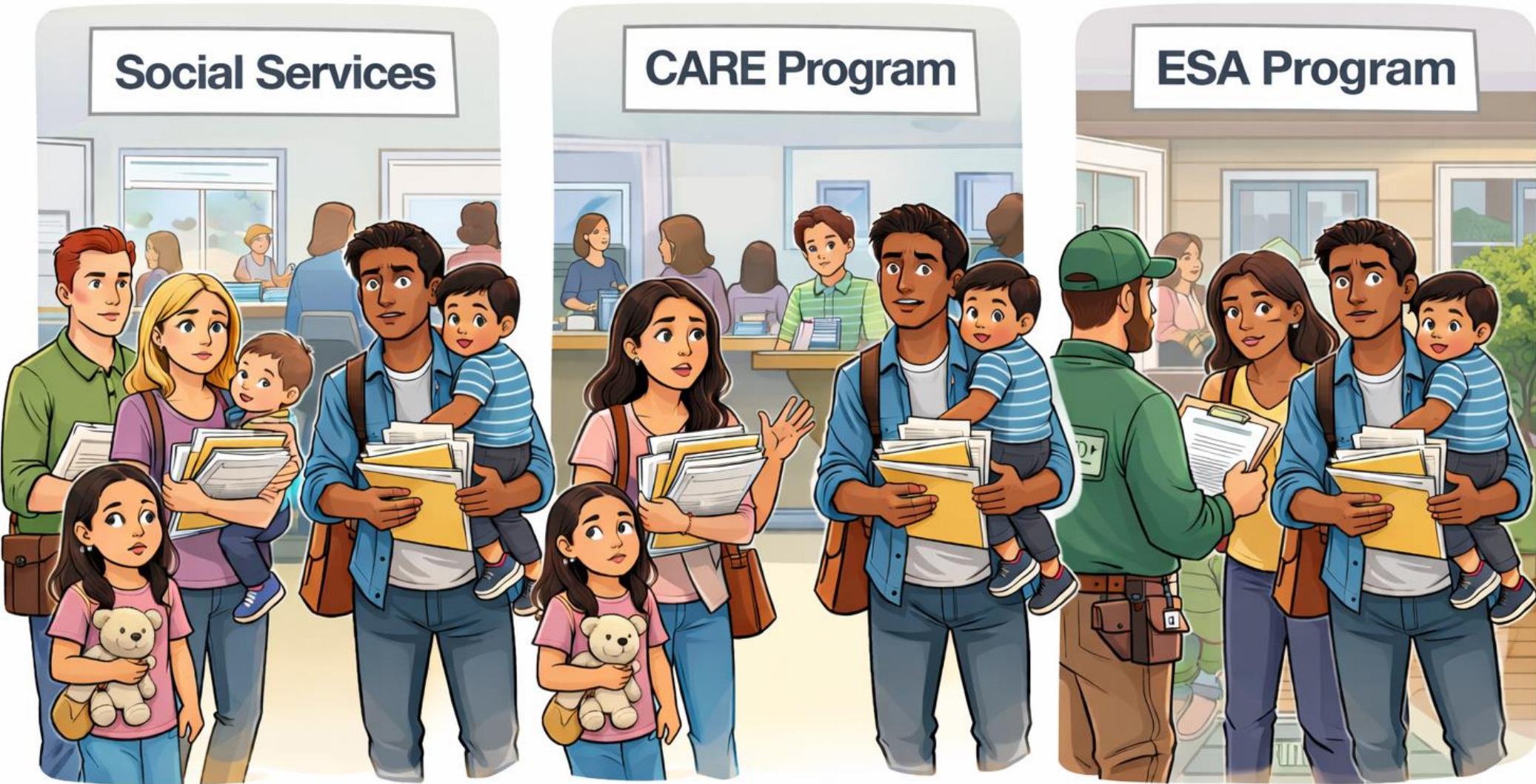
- CARE: According to IOU testimony in the IGFC, findings from the 2019 Low-Income Needs Assessment survey research indicate that many **CARE participants who are removed from the program are not removed because they exceed income eligibility thresholds.**
  - 42% removed from CARE due to inconvenience or forgetting
  - 23% did not understand how to continue the program
  - 9% experienced process issues
  - In short - **many removals occur for administrative—not income—reasons**
- ESA: Income Verification is a major **barrier for ESA outreach** and enrollment

<https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/demand-response/demand-response-workshops/advanced-der---demand-flexibility-management/joint-iou-opening-testimony-exhibit-1-errata-clean.pdf?source=chatgpt.com>

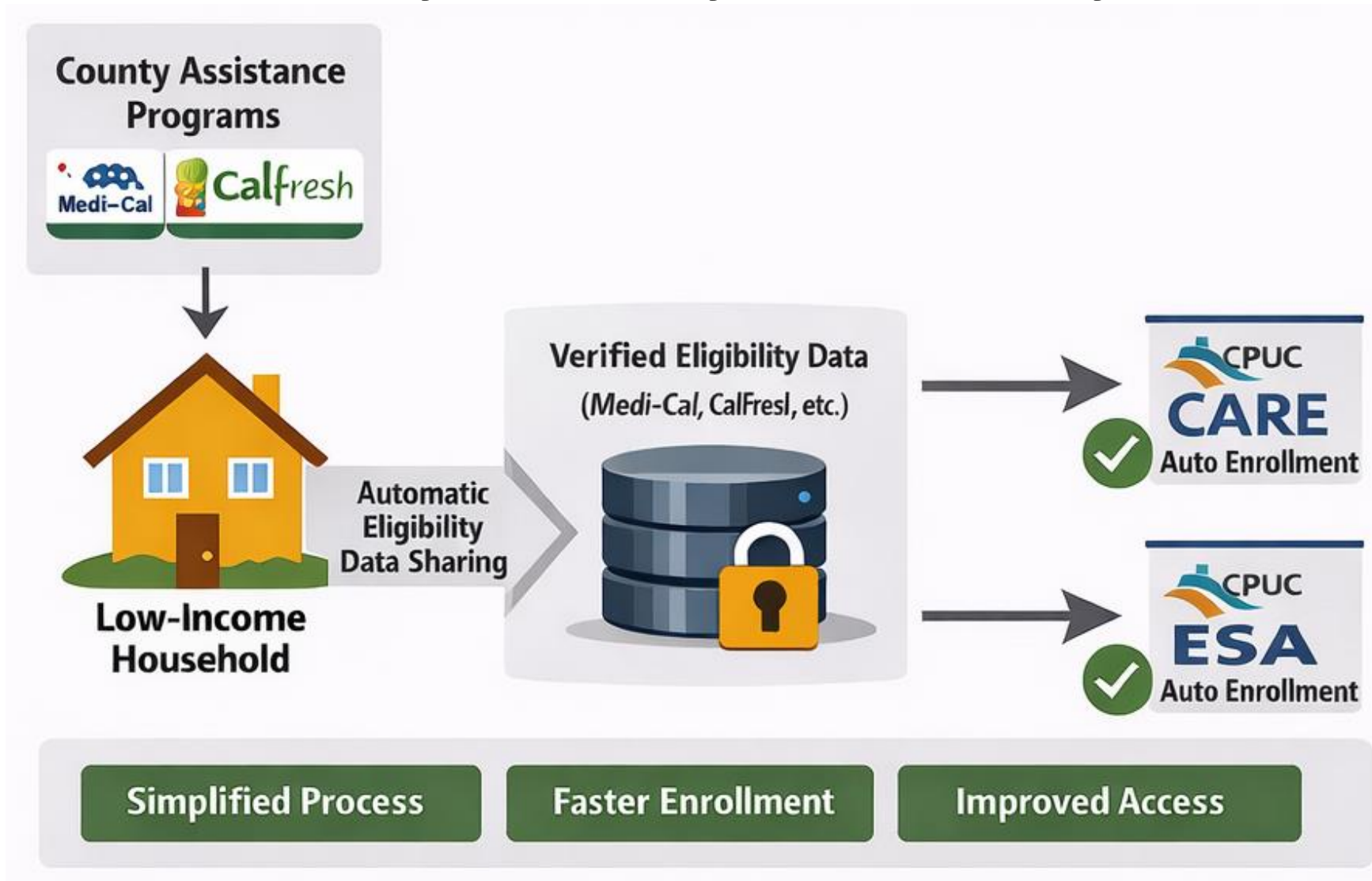


# Current System: Triple Income Verification





# A Better System? Maybe – lets Study it!



## Opportunity for Inter-Agency Data Sharing

- Many households that qualify for CARE and ESA are already enrolled in other public assistance programs that verify household income as part of their eligibility determination processes.
- **Social Service Programs** such as Medi-Cal, CalFresh, Supplemental Security Income, and housing assistance **programs routinely perform income verification at the time of enrollment and periodically thereafter.**
- Because eligibility thresholds for these programs frequently align with CARE and ESA income limits, the existence of these verified datasets presents a potential opportunity for secure inter-agency data sharing.
- Under a data-sharing model, program administrators could verify CARE or ESA eligibility based on confirmed participation in qualifying assistance programs rather than requiring households to repeat the same income verification process multiple times.



## Precedent – Data Sharing Works!

- Schools: Under California Education Code [Section 49558](#), local educational agencies (LEAs) may release school meal eligibility information to county agencies that determine eligibility for Medi-Cal and CalFresh — with parental consent.
- SSI-Linked Medicaid: In California and 33 other states if you are approved for SSI/SSP you are automatically eligible for Medi-Cal with benefits starting a month thereafter.
- Medi-Cal Express Lane Eligibility: “Express Lane Eligibility” (ELE) process that uses CalFresh (California’s SNAP program) participation to streamline Medi-Cal enrollment. Per the LAO, this model was very successful:
  - “California obtained the federal waiver and implemented the Express Lane process beginning in early 2014. Under this process, CalFresh clients who have characteristics that indicate they would be eligible for Medi-Cal but are not enrolled are sent a notice... Those that return the notices are enrolled in Medi-Cal without having to submit a separate application... over 200,000 adults and nearly 40,000 children enrolled in Medi-Cal using the Express Lane process.”
  - [https://lao.ca.gov/reports/2014/hhs/integrating-hhs-eligibility/integrating-hhs-eligibility-103014.aspx?utm\\_source=chatgpt.com](https://lao.ca.gov/reports/2014/hhs/integrating-hhs-eligibility/integrating-hhs-eligibility-103014.aspx?utm_source=chatgpt.com)



## Cost Implications for Alternatives

- In testimony submitted in a proceeding regarding income-graduated fixed charge, the joint investor-owned utilities reported that CARE post-enrollment verification cost approximately \$2.1 million in 2022 to verify roughly 230,000 customers. This equates to an average cost of approximately \$9 per verified customer.
- The same testimony noted that **scaling a similar verification process across all utility customers could produce verification costs approaching \$100 million annually.**
- While those estimates were presented in the context of evaluating an income-graduated rate design, they nevertheless illustrate the scale of administrative costs associated with income verification.
- These figures suggest that alternative verification approaches—particularly automated verification based on existing government eligibility determinations—may represent a more cost-effective model.
- This is of course just a hypothesis, which necessitates further study through a process such as the LINA



## Potential Benefits of a Data-Sharing Model

- **Reduce administrative barriers** that currently prevent eligible households from enrolling in or remaining in CARE. Simplifying the income verification process would likely increase participation among households that qualify but encounter procedural difficulties.
- **Reduce Costs** associated with repeated income verification efforts conducted by utilities, contractors, and program administrators.
- **Improve program integrity** by relying on verified eligibility determinations already conducted by public agencies.
- **Increase overall effectiveness** of CARE and ESA by reducing unnecessary program attrition and ensuring that assistance remains available to households that meet eligibility requirements.
- **Simplify Enrollment for Families** by modernizing the process and reducing duplication of efforts.



## Key Research Questions for a LINA Study

- **What are the legal, technical, and institutional barriers that currently prevent data sharing between utilities and public assistance program administrators?**
  - Privacy laws, data system compatibility issues, agency coordination challenges and potentially others.
- **Are there the specific data elements utilities would require in order to verify eligibility?**
  - IOUs may not need full income documentation; instead, a simple eligibility confirmation or income bracket determination may be sufficient.
- **Can data-sharing systems be structured in a manner that protects privacy and shields personally identifiable information through methods such as anonymized verification, encrypted identifiers, or third-party verification platforms?**



## Key Research Questions for a LINA Study

- **Could an opt-in enrollment mechanism provide a solution to barriers?**
  - Under such a model, individuals applying for qualifying social service programs could be asked whether they wish to enroll in energy assistance programs such as CARE or FERA. With the applicant's consent, eligibility information could be securely transmitted to the appropriate utility.
- **What are the potential policy pathways that would enable data sharing?**
  - These pathways may include inter-agency agreements, technical integration platforms, legislative authorization, or pilot programs designed to test eligibility-verification models.



## Supporting the Spirit of Other Proposed Topics

- Inter-agency data sharing, as described, may also provide findings and outcomes for the three IOU/ED proposed topics
- Many of the barriers highlighted in each proposed topic have solution or potential strengthened future assessments through inter-agency data sharing



## TOPIC #1: Supporting CARE program integrity, evaluation of application processes, income verification, and program implementation

- Inter-agency data sharing, the LINA study addresses the core objectives of CARE program evaluation:
  - Confirms the program reaches eligible households (*program integrity*)
  - Identifies process inefficiencies and barriers (*application, recertification, PEV*)
  - Proposes methods to simplify and streamline enrollment while maintaining compliance
  - Supports retention of qualifying customers and improves customer experience
- The data-sharing study does *not* replace a CARE-specific evaluation but could **strengthen it** in the future by providing an evidence-based mechanism to improve income verification and administrative efficiency — key determinants of program performance.



## TOPIC #2: How Data-Sharing May Support Tribal Enrollment & Engagement

- Identify Eligible Households: Use verified income from programs like CalFresh or Medi-Cal to pinpoint Tribal households that qualify for ESA, CARE, and FERA.
- Reduce Enrollment Barriers: Minimize duplicative income verification and paperwork, simplifying access for Tribal communities.
- Improve Program Alignment: Ensure Tribal households are connected to energy assistance that matches their actual energy needs.
- Enhance Participation: Streamlined verification and outreach increase Tribal enrollment and retention in all programs.
- Culturally Responsive Implementation: Frees staff time and resources to focus on tailored engagement and support strategies.



## TOPIC #3: How Data-Sharing May Support CARE/FERA Equity & Accessibility

- Identify Gaps: Use verified income and participation data from programs like CalFresh, Medi-Cal, and SSI to detect households underserved by CARE/FERA.
- Reduce Access Barriers: Minimize duplicative verification and complex recertification, especially for populations facing administrative or language challenges.
- Promote Equitable Enrollment: Ensure all eligible households—including those in diverse housing situations or demographic groups—can access CARE/FERA.
- Support ME&O Improvements: Data-driven insights allow targeted outreach to communities with historically lower enrollment or retention.
- Enhance Program Design: Inform process improvements and capitation strategies to better serve all eligible households efficiently and fairly.



## **Inter-Agency Data Sharing: Relevance to the Statutory Purpose of the Low-Income Needs Assessment**

- Aligns with Law: Evaluating mechanisms to improve income verification aligns directly with the statutory purpose of the Low-Income Needs Assessment.
- Addresses Need: The LINA is intended to examine the needs of low-income ratepayers and evaluate whether existing programs effectively meet those needs. Income verification plays a central role in determining program participation, program retention, and administrative efficiency.
- Improves Programs: A study examining how inter-agency data sharing could improve verification processes would therefore provide valuable insights into how CARE and ESA programs can more effectively serve eligible households while reducing unnecessary administrative burdens.



## Potential Benefits of *Inter-Agency Data Sharing*

- ✓ Increased participation among eligible households
- ✓ Reduced administrative costs
- ✓ Lower verification costs for ratepayers – lower bills!
- ✓ Improve coordination between energy and social service programs
- ✓ Identification of legal and technical barriers to data sharing
- ✓ Analysis of privacy considerations and safeguards
- ✓ Cost-benefit evaluation of automated eligibility verification
- ✓ Identification of pilot program opportunities
- ✓ Policy recommendations to support secure data sharing