

Low Income Rate Assistance (LIRA)

For Discussion at February 24 Customer Review Panel Meeting

SPU Utility Discount and Emergency Assistance Programs*

Summary

Seattle Public Utilities and Seattle City Light have a long history of providing assistance to low income customers.

The City of Seattle initiated the Utility Rate Assistance Program in 1982 for Senior and Disabled customers. This provided qualified customers with discounted utility rates from both Seattle Public Utilities and Seattle City Light. A similar program for low-income households was launched in 1990. In 2010, these discount programs were combined, creating a single Low income Utility Rate Assistance program with common income criteria and benefits to serve all qualified low-income households.

Seattle Public Utilities launched The Emergency Assistance Program, modeled on Seattle City Light's Emergency Low income Assistance (ELIA) program in 2005. SPU's program provides financial assistance to qualified low-income households who face an immediate discontinuation of water service. These households may receive an annual emergency credit of up to 50% of a delinquent bill to a maximum of \$353. Households with minor children also participating in the Low Income Rate Assistance Program Utility Discount Program may access these emergency benefits twice each year.

Currently Seattle Public Utilities offers two utility Low Income Rate Assistance programs.

Utility Discount Program for Seattle City Light and Seattle Public Utilities customers.

This program is administered in conjunction with Seattle's Human Services Department, serves utility customer households earning less than 70% State Median Income and provides a 50% - 60% discount on electric and combined water, sewer, solid waste utility bills.

Emergency Assistance Program for Seattle Public Utilities Customers.

The Emergency Assistance program provides emergency payment assistance for households at immediate risk of having combined utilities services discontinued for delinquent payments. Qualified households must earn less than 70% of State Median Income and may receive up to 50% credit on combined utility charges up to a maximum of \$353 per year.

*LIRA and UDP have been used interchangeably. For purposes of this paper, LIRA refers to the umbrella which includes Utility Discount Program (UDP) and the Emergency Assistance Program (EAP).

How to enroll

Information about the Utility Discount Program is available in English, Spanish, Vietnamese, Somali, Korean, Russian, Chinese and Cambodian. Customers can find out more about all of Seattle's Utility Discount and Emergency Assistance Programs by calling (206) 684-0268 M-F between 8:30AM and 4:30 PM or visiting www.seattle.gov/humanservices/benefits/udp

Applicants will be required to provide documentation of income and verification of residence. Seattle's Low Income Rate Assistance and Emergency Assistance programs serve homeowners and renters throughout Seattle City Light's and Seattle Public Utilities' service areas. Subsidized households which receive HUD subsidies that include utility assistance funds do not qualify for the Utility Discount Program.

Applicants requiring language assistance are served by bilingual program or language bank staff as needed and will not be asked to provide immigration status.

Customers may also enroll via the Financial Empowerment Center (FEC). SPU is partnering with the FEC to help low-income customers get and stay current on their utility bills. FEC provides multilingual financial counselors to help clients find ways to save, create a budget, and manage their finances. The Financial Empowerment Centers are funded locally by the Allen Foundation and all services are provided at no cost to the customer.

Utility Discount Program

Total Active Enrollment 2013

Total Active Utility Discount Program enrollment as of December 31, 2013 was 14,000, an increase of 578 households over 2012

Location of households served:

The Utility Discount Program serves homeowner and renter households across SCL and SPU service territories. Zip codes most frequently served include 98118, 98133, 98125 and 98168.

Zip Code	% of actively enrolled households in 2013	Average Annual Income by Zip Code
98118	10%	\$44,697
98133	8%	\$44,174
98125	7%	\$42,400
98168	7%	\$41,097

Household profile:

Fifty-three percent of LIRA households are single adults living alone.

Age of household members:

Twenty-five percent of individual program participants served are children 0-17. Thirty-one percent of program participants are 65+, and the 44% balance is made up of adults aged 18-64.

Household Income

Nearly half of enrolled households earn less than 30% Area Median Income (AMI), which is considered “extremely low.” Forty-two percent earn between 30% and 50% of AMI, which is considered “very low”. The remaining ten percent earn between 50% of Area Median income and current program income threshold of 70% of State Median. As a reference, 2013 Area Median Household Income for Seattle was \$67,100 or \$5591 monthly.¹

Household Size	<30% AMI (48% of H/H)	30-50% AMI (42% of H/H)	<70% State Median (10% of H/H)
1	\$1,546 mo.	\$ 2,575 mo.	\$2,550 mo.
2	\$1,767	\$2,952	\$3,335
3	\$1,988	\$3,308	\$4,120
4	\$2,204	\$3,675	\$4,905

Race/Ethnicity

Thirty- nine percent of participants identify as White/Caucasian, 27% are Asian or Asian American, 13% are Hispanic/Latino, and 13% are African or African American. Native Americans make up 1 % of program participants and the balance consists of those identifying as multi-racial or “other”.

Languages

Top languages in 2013 were English at 81%, Spanish at 6%, Chinese at 5% and Vietnamese at 3%. Other Asian languages bring the total to 11%. East African languages total 2%, with Amharic and Somali the most frequently spoken. Customers were assisted in a total of 28 languages.

SPU Cost of Utility Discount Program in 2013

Customer Credits (\$M)	
Water	\$ 2.1
Drainage/Wastewater	3.5
Solid Waste	1.6
Total Credits	\$ 7.2
*Program Administration	.58

¹ <http://www.seattle.gov/dpd/cityplanning/populationdemographics/aboutseattle>

Grand Total	\$ 7.78
-------------	----------------

*Program Administration includes SPU portion of Utility Discount Program, HSD cost, SPU Customer Billing cost and .5 FTE SPU program management staff.

SPU Emergency Assistance Program

Households Served in 2013: 982

SPU Cost of Emergency Assistance Program in 2013

SPU Emergency Assistance Program

Emergency Assistance Funds paid	\$ 239,751
HSD Administrative cost	\$ 39,350
SPU admin .75 FTE intake/ billing	\$ 80,000
Grand Total	\$ 359,101

Additional Benefit:

Households applying for the Emergency Assistance Program, who are also Utility Discount Program participants with minor children in their homes, may take advantage of this program up to twice annually. Programs of this type enable SPU to save money by performing fewer service shut-offs for delinquent accounts.

Current issues of note:

Issue 1: Universe of income eligible households

Census data updated for 2014 indicates approximately 99,500 households could be income-qualified for Seattle’s Utility Discount Program. SPU has reduced this number to 75,000 households to reflect the approximately 24,500 ineligible HUD (and other) subsidized housing units within SPU service areas.

Issue 2: Assumptions about program participation rates through 2020

Within the November baseline rate path estimate of 4.7%, Utility Discount Program participation is assumed to increase by 52%. On January 29th, the Mayor announced his directive to double active LIRA participation by 2018, which means increasing the assumed participation in 2018 (and 2019) to 28,000. In the November baseline, total credits increased from \$7.1 million in 2013 to \$15.2 in 2020. Under the new directive to double participation, the total credits in 2018 will be \$18 million.