Strategies for Enhancing LIHEAP Performance

Presentation hosted by the Office of Community Services (OCS) in the Administration for Families and Children (ACF) presented by APPRISE under contract to OCS

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Moderator:
Josephine Rago-Adia (OCS Staff)

Presenter:
David Carroll (APPRISE)
Melissa Torgerson (Verve Associates)

ADMINISTRATION FOR CHILDREN & FAMILIES

Strategies for Enhancing LIHEAP Performance
Welcome and Introductions

- **Welcome & Overview**
  - Josephine Rago-Adia, OCS Staff
- **Presentation Speakers**
  - David Carroll, APPRISE
  - Melissa Torgerson, Verve Associates
- **Facilitators**
  - Grantees and OCS Staff

Presenter:
Josephine Rago-Adia

Strategies for Enhancing LIHEAP Performance

OCS Objectives for Session

- Importance of Performance Measures to LIHEAP Program
- Access to and Transparency of LIHEAP Performance Statistics
- Transition from “Collecting and Reporting LIHEAP Performance Data” to “Using Data for Making Programmatic Decisions” a.k.a. LIHEAP Performance Management

Presenter:
Josephine Rago-Adia

Strategies for Enhancing LIHEAP Performance
Session Overview

Presentation (45 Minutes):

- Overview – How can data can be used for LIHEAP Performance Management? (David)
- Benefit Targeting Example - Use Missouri's data to demonstrate how the Performance data can be used to examine how well their LIHEAP benefit matrix and benefit determination procedure target benefits. (Melissa)
- Webinar – Additional information in "Strategies for Enhancing LIHEAP Performance Webinar" on May 23.

Hands-On Session with Facilitators (75 Minutes)

- Teams will review their own state data to identify and develop strategies for enhancing their own LIHEAP programs.

Presenter:
Josephine Rago-Adia

Strategies for Enhancing LIHEAP Performance

LIHEAP Program Data – Before and After Collecting Performance Data

Do I give the highest benefits to the households with the highest home energy burden? [FOCUS OF TODAY'S PRESENTATION]

- Before – Does my benefit matrix give higher benefits to lower income households? Does my benefit matrix give higher benefits to households who use higher priced fuels? Does my benefit matrix give higher benefits to households who I think have higher energy consumption?
- After – Do I give the highest benefits to the households with the highest home energy burden?

Do I target my weatherization benefits to the households where I will get the highest level of energy savings? [WEBINAR]

- Before – How do I target weatherization benefits by poverty level? How do I target weatherization benefits to vulnerable populations?
- After – Do I target weatherization benefits to the households with the highest expenditures so that I maximize the cost-effectiveness of my program?

Presenter:
David Carroll

Strategies for Enhancing LIHEAP Performance
LIHEAP Program Data – Before and After Collecting Performance Data

Does my program focus more on making energy bills affordable, preventing the loss of service, or restoring service after it is lost? [WEBINAR]

- Before – Do I spend more on Regular Benefits or Crisis Benefits? What is the overlap between households who receive regular and crisis benefits?
- After – How does the number of service restorations compare to the number of service loss preventions compare to the number of households that I serve?

Should I implement an Emergency Equipment Repair/Replacement Program? What is the experience of other grantees? [WEBINAR]

- Before – Look at the state plans of other grantees to see who has programs. Look at the footnotes in the Report to Congress to see how many households were served.
- After – Look at the Executive Summary of states that I consider to be peers and directly observe the share of clients that are served with equipment replacement programs.

Presenter:
David Carroll

Strategies for Enhancing LIHEAP Performance
How this Session Fits

APPRISE will be presenting three training sessions during this conference. *Each focuses on a different approach* LIHEAP grantees can take to understand and use data for Performance Management.

- **Understanding LIHEAP Performance Measures** — Will demonstrate how grantees can quickly identify key "take-aways" from their LIHEAP Performance Measure data.

- **LIHEAP Performance Measure Case Study** — Will demonstrate how grantees can use data to answer specific questions about their program.

- **Strategies for Enhancing LIHEAP Performance** — Will demonstrate how grantees can use LIHEAP Performance Measure data to consider and inform new program strategies (e.g., updating benefit matrix).

Presenter:
Melissa Torgerson

Strategies for Enhancing LIHEAP Performance
Session Objectives

By the end of this session, participants should feel more comfortable using their LIHEAP Performance Measure data to:

- Evaluate whether their benefit matrix is (or is not) working as designed
- Identify whether specific areas of their benefit matrix need to be updated or changed

Getting Started

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Strategies for Enhancing LIHEAP Performance
Should we update our benefit matrix?

Should we update our benefit matrix to better target assistance to households with the highest energy burden?

There are numerous reasons that grantees consider updating their benefit matrix. For example:

- Subgrantees and/or partners are suggesting that benefit levels are too high or low (not aligned with client need)
- Fuel prices have changed considerably since the matrix was last updated
- There is no one alive who knows how the current benefit matrix was developed
- LIHEAP performance measure data indicates that high burden households are not receiving greater benefits than average households.

Strategies for Enhancing LIHEAP Performance
Should we update our benefit matrix?

Should we update our benefit matrix to better target assistance to households with the highest energy burden?

How well does our matrix handle distribution of benefits by income?

How well does our benefit matrix handle distribution of benefits by energy costs?

Are we having the impact we want to achieve?

Key Questions

Since Energy Burden is the product of both income and home energy costs—it is important that we look at each of these components separately.

It is also important to check the impacts of household LIHEAP benefits against our state goals for the program.

Strategies for Enhancing LIHEAP Performance
Should we update our benefit matrix?

Should we update our benefit matrix to better target assistance to households with the highest energy burden?

How well does our matrix handle distribution of benefits by <u>income</u>?

- ❑ Is **<u>our matrix</u>** designed to furnish higher benefits to lower income households?
- ❑ Does **<u>our performance data</u>** reflect the income variation in our benefit matrix?

How well does our benefit matrix handle distribution of benefits by <u>energy costs?</u>

- ❑ Is **<u>our matrix</u>** designed to furnish higher benefits to households with higher energy costs?
- ❑ Does **<u>our performance data</u>** reflect the energy cost variation in our benefit matrix?
- ❑ Does our benefit matrix *accurately represent the differences in energy costs* highlighted in our data?

Are we having the impact we want to achieve?

- ❑ Are we satisfied with the share of bill LIHEAP is paying and/or households' energy burden after LIHEAP?

Looking at the Benefit Matrix and Performance Data side-by-side

The first thing we do is look at the benefit matrix. How is it designed to vary benefits based on income and energy costs?

Then we look to the Performance Data to learn how well our benefit matrix is (or is not) working.

Finally, we look at the outcome of our benefits in terms of share of energy bill paid and household energy burden. Are we having the impact we hoped for?

Example – Missouri

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Strategies for Enhancing LIHEAP Performance

Should we update our benefit matrix?

❑ Is <u>our matrix</u> designed to furnish higher benefits to lower income households?

Missouri 2018 Benefit Matrix

Step 1 → A 0%-25%; Step 2 → F 126%-135%; Step 3 → Lowest Income Benefit/Highest Income Benefit

	A 0%-25%	B 26%-50%	C 51%-75%	D 76%-100%	E 101%-125%	F 126%-135%	Lowest Income Benefit/ Highest Income Benefit
NATURAL GAS	$296	$278	$259	$240	$221	$203	$296 / $203 = **1.46**
TANK PROPANE	$450	$413	$375	$338	$300	$263	$450 / $263 = **1.71**
ELECTRIC	$289	$270	$251	$233	$214	$195	$289 / $195 = **1.48**
FUEL OIL	$296	$278	$259	$240	$221	$203	$296 / $203 = **1.46**
WOOD	$199	$180	$161	$143	$124	$105	$199 / $105 = **1.90**
KEROSENE	$139	$120	$101	$83	$64	$45	$139 / $45 = **3.09**

Step 1	Identify the benefit for a Natural Gas main heat household of three in the *lowest income* category.	**$296**
Step 2	Identify the benefit for a Natural Gas main heat household of three in the *highest income* category.	**$203**
Step 3	What is the ratio of lowest income to highest income benefits for Natural Gas main heat households?	**$296 ÷ $203 = 1.46** The matrix is designed so that the lowest income Natural Gas main heat households receive a 46% higher benefit than the highest income Natural Gas households.

Strategies for Enhancing LIHEAP Performance
Should we update our benefit matrix?

❑ Is <u>our matrix</u> designed to furnish higher benefits to lower income households?

Missouri 2018 Benefit Matrix

Step 1 → Step 2 → Step 3 → Step 4

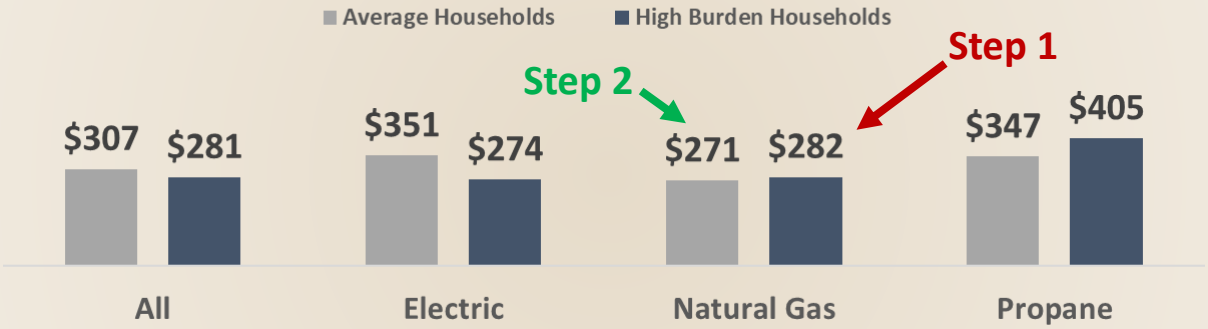
	A 0%-25%	B 26%-50%	C 51%-75%	D 76%-100%	E 101%-125%	F 126%-135%	Lowest Income Benefit/ Highest Income Benefit
NATURAL GAS	$296	$278	$259	$240	$221	$203	$296 / $203 = **1.46**
TANK PROPANE	$450	$413	$375	$338	$300	$263	$450 / $263 = **1.71**
ELECTRIC	$289	$270	$251	$233	$214	$195	$289 / $195 = **1.48**
FUEL OIL	$296	$278	$259	$240	$221	$203	$296 / $203 = **1.46**
WOOD	$199	$180	$161	$143	$124	$105	$199 / $105 = **1.90**
KEROSENE	$139	$120	$101	$83	$64	$45	$139 / $45 = **3.09**

Step 4	Is this ratio consistent across all fuel types? *(Repeat steps 1-3 for all fuel types)*	Across all fuel types, the matrix is designed to give the lowest income households more LIHEAP assistance than the highest income households. More specifically, lowest income households should receive anywhere between 46% and 200% more assistance than highest income households (depending on fuel type).

Strategies for Enhancing LIHEAP Performance
Should we update our benefit matrix?

❑ **Does <u>our performance data</u> reflect the income variation in our benefit matrix?**

Fig 2.3: Average Annual Total LIHEAP Benefit
Comparing Average Households to High Burden Households by Fuel Type
LIHEAP Perf Data Form, Part V, Sections B and C, Line 3



Step 1	Using Figure 2.3 in the state snapshot, identify the average benefit for a ***high burden*** Natural Gas main heat household.	**$282**
Step 2	Using Figure 2.3 in the state snapshot, identify the average benefit for a ***average*** Natural Gas main heat household.	**$271**
Step 3	What is the ratio of high burden to average benefits for Natural Gas main heat households?	**$282 ÷ $271 = 1.04** Our data shows that the highest burden Natural Gas main heat households receive a 4% higher benefit than average Natural Gas households.

Strategies for Enhancing LIHEAP Performance
Should we update our benefit matrix?

❑ **Does <u>our performance data</u> reflect the income variation in our benefit matrix?**

Step 4

	ACTUAL BENEFITS *(STATE SNAPSHOT)*	BENEFIT MATRIX
	Lowest Income Benefit/ Highest Income Benefit	Lowest Income Benefit/ Highest Income Benefit
NATURAL GAS	$282 / $271 = **1.04**	$296 / $203 = **1.46**
PROPANE	$405 / $307 = **1.17**	$450 / $263 = **1.71**
ELECTRIC	$274 / $351 = **.78**	$289 / $195 = **1.48**

Step 5

Step 4	Is this high burden/average benefit ratio consistent with the lowest income/highest income benefit ratio from our matrix?	Our matrix is designed to give the lowest income Natural Gas households a 46% greater benefit, however, our data indicates that the highest burden Natural Gas households are only receiving 4% more than average households.
Step 5	How do these ratios compare across all fuel types? *(Repeat steps 1-4 for all fuel types)*	The highest burden Propane households are only getting 17% greater benefits than average households--and electric high burden households are actually receiving a 22% **lower** benefit than average electric households.

Strategies for Enhancing LIHEAP Performance
Should we update our benefit matrix?

Summary (Income)

Should we update our benefit matrix to better target assistance to households with the highest energy burden?	**How well does our matrix handle distribution of benefits by income?**	**Is our matrix designed to furnish higher benefits to lower income households?**	**Yes.** The matrix is designed so that the lowest income households receive anywhere between 46% and 200% more assistance than highest income households (depending on fuel type).
		Does our performance data reflect the income variation in our benefit matrix?	**No.** Based on the matrix, we would expect to see moderately greater benefits among the highest burden households across all fuel types. However, actual benefits for Natural Gas and Propane high burden households are only 4% and 17% higher than average households (respectively). Additionally, high burden electric main fuel households receive a benefit that is 22% less than average electric households.

Strategies for Enhancing LIHEAP Performance
Should we update our benefit matrix?

- Is <u>our matrix</u> designed to furnish higher benefits to households with higher energy costs?

Missouri 2018 Benefit Matrix

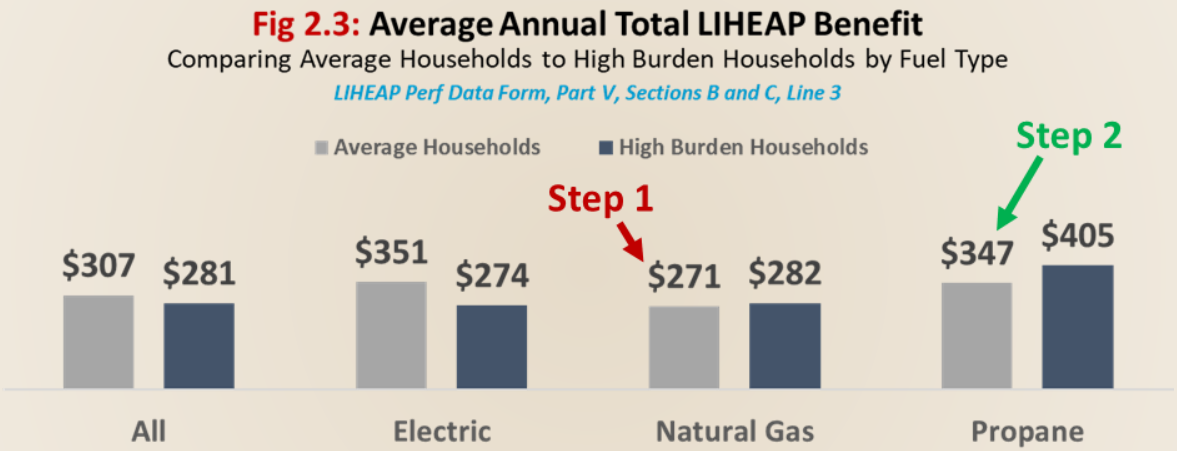
Step 1 Step 2

	A 0%-25%	B 26%-50%	C 51%-75%	D 76%-100%	E 101%-125%	F 126%-135%
NATURAL GAS	$296	$278	$259	$240	$221	$203
TANK PROPANE	$450	$413	$375	$338	$300	$263
ELECTRIC	$289	$270	$251	$233	$214	$195
FUEL OIL	$296	$278	$259	$240	$221	$203
WOOD	$199	$180	$161	$143	$124	$105
KEROSENE	$139	$120	$101	$83	$64	$45

Step 1	Identify the benefit for a Natural Gas main heat household of three in the *middle income* category D.	**$240**
Step 2	Identify the benefit for a Tank Propane (deliverable fuel) heat household of three in the *middle income* category D.	**$338**
Step 3	What is the ratio of benefits for Natural Gas main heat households to benefits for Propane households?	**$240 ÷ $338 = .71** The matrix is designed so that Propane main heat households receive a 29% higher benefit than Natural Gas main heat households.

Strategies for Enhancing LIHEAP Performance
Should we update our benefit matrix?

- **Does our performance data reflect the energy cost variation in our benefit matrix?**



Step 1	Using Figure 2.3 in the state snapshot, identify the annual LIHEAP benefit for a ***average*** Natural Gas main heat household.	**$271**
Step 2	Using Figure 2.3 in the state snapshot, identify the annual LIHEAP benefit for a ***average*** Propane main heat household.	**$347**

Strategies for Enhancing LIHEAP Performance
Should we update our benefit matrix?

- **Does our performance data reflect the energy cost variation in our benefit matrix?**

Step 3

	ACTUAL AVG BENEFITS *(STATE SNAPSHOT)*	BENEFIT MATRIX
NATURAL GAS	$271	$240
PROPANE	$347	$338
RATIO	$271 / $347 = **.78**	$240 / $338 = **.71**

Step 4

Step 3	What is the ratio of Natural Gas main heat household LIHEAP benefits to Propane main heat household LIHEAP benefits?	**$271 ÷ $347 = .78** Our data shows that on average, Propane main heat households receive a 22% higher benefit than average Natural Gas households.
Step 4	Is this Natural Gas/Propane benefit ratio consistent with the Natural Gas/Propane benefit ratio from our matrix?	The data demonstrates that on average, Propane households are getting 22% higher benefits than Natural Gas households—which is nearly on par with the 29% difference in the benefit matrix.

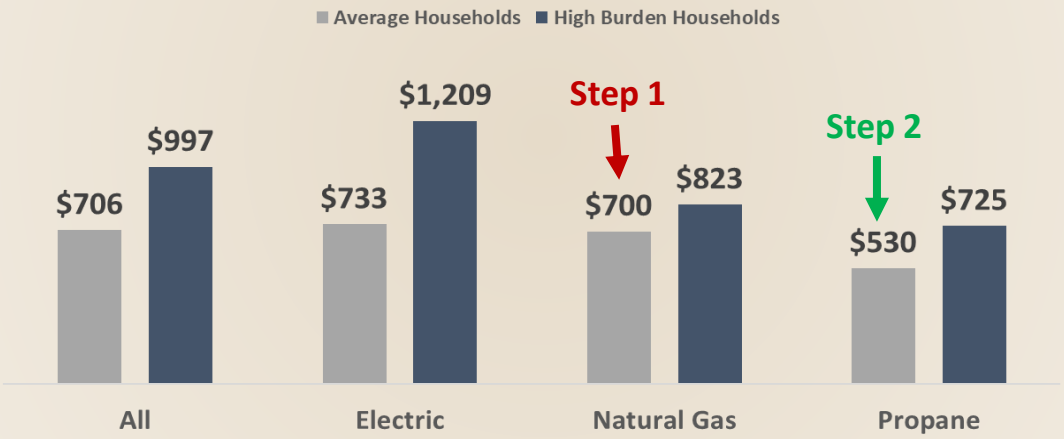
Strategies for Enhancing LIHEAP Performance
Should we update our benefit matrix?

- **Does our benefit matrix *accurately represent differences in energy costs?***

Fig 2.2: Average Annual Total Residential Energy Bill

Comparing Average Households to High Burden Households by Fuel Type

LIHEAP Perf Data Form, Part V, Sections B and C, Line 6



Step 1	Using the state snapshot, identify the annual total residential energy bill (Fig 2.2) for an ***average*** Natural Gas main heat household.	**$700**
Step 2	Using the state snapshot, identify the annual total residential energy bill (Fig 2.2) for an ***average*** Propane main heat household.	**$530**

Strategies for Enhancing LIHEAP Performance
Should we update our benefit matrix?

- **Does our benefit matrix *accurately represent differences in energy costs?***

	ACTUAL AVG BENEFITS *(STATE SNAPSHOT)*	BENEFIT MATRIX
NATURAL GAS	$271	$240
PROPANE	$347	$338
RATIO	$271 / $347 = **.78**	$240 / $338 = **.71**

Step 3	What is the ratio of average natural gas main heat households' energy bill to the average propane main heat households' energy bill?	**$700 ÷ $530 = 1.32** On average, our data shows that natural gas main heat households have 32% higher energy costs than propane main heat households.
Step 4	Is this energy cost ratio consistent with the energy benefit ratio from our matrix? Is it consistent with the energy benefit ratio from our performance data form?	**No.** Our benefit matrix is based on the premise that Propane main heat households have higher total residential energy bills than Natural Gas main heat households, and therefore, awards propane households a 29% higher benefit. However, the data suggests that Natural Gas households actually have 32% higher energy costs than Propane households.

Strategies for Enhancing LIHEAP Performance
Should we update our benefit matrix?

Summary (Energy Costs)

Should we update our benefit matrix to better target assistance to households with the highest energy burden?	**How well does our benefit matrix handle distribution of benefits by main heating fuel costs?**	**Is <u>our matrix</u> designed to furnish higher benefits to households with higher energy costs?**	**It appears so.** The matrix is designed to furnish higher benefits to deliverable fuel main heat households (e.g., propane) when compared to utility main heat households (e.g., electric, natural gas).
		Does <u>our performance data</u> reflect the energy cost variation in our benefit matrix?	**Yes.** For example, the data demonstrates that on average, Propane households are getting 22% higher benefits than Natural Gas households—which is nearly on par with the 29% difference in the benefit matrix.
		Does our benefit matrix *accurately represent differences in energy costs?*	**No.** Our benefit matrix is based on the premise that Propane main heat households have higher total residential energy bills than Natural Gas main heat households. However, the data suggests that Natural Gas households actually have 32% higher energy costs than Propane households.

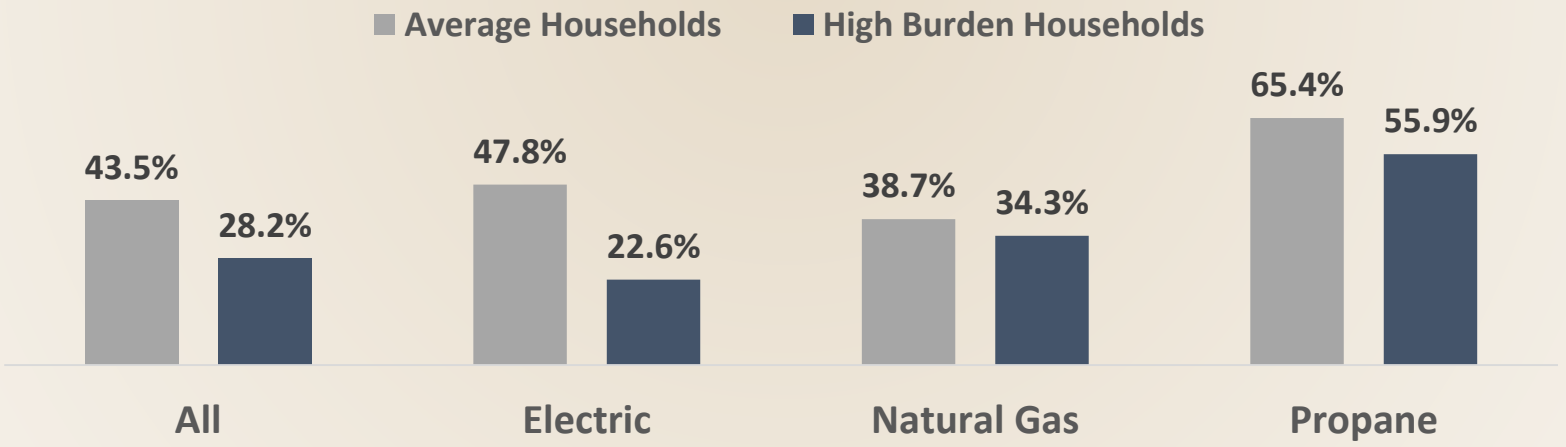
Strategies for Enhancing LIHEAP Performance
Should we update our benefit matrix?

- **Are we satisfied with the share of bill LIHEAP is paying for both average and high burden households? Across all fuel types?**

Fig 2.6: Percentage of Energy Bill Paid by LIHEAP

Comparing Average Households to High Burden Households by Fuel Type

LIHEAP Perf Data Form, Part V, Sections B and C, Line 10



Strategies for Enhancing LIHEAP Performance
Should we update our benefit matrix?

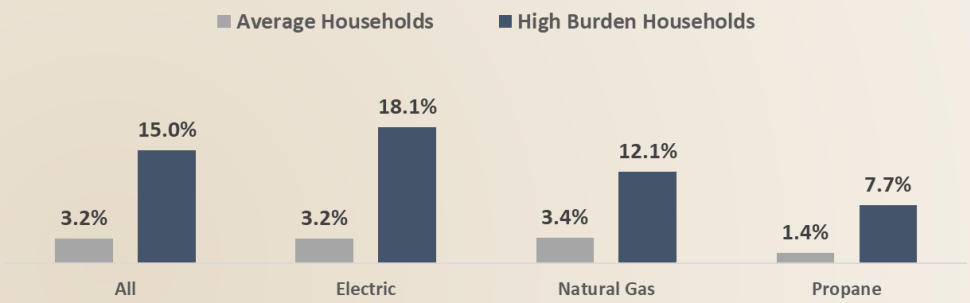
We identified a few key areas where the State of Missouri could focus their attention in terms of their benefit matrix.

1. Increasing benefits for lowest income households across all fuel types.

2. Evaluating program design that is resulting in lower benefits for high burden electric households (in spite of matrix).

3. "Trueing up" variation in benefits across fuel categories based on actual energy bill data.

Fig 2.5: Energy Burden After LIHEAP
Comparing Average Households to High Burden Households by Fuel Type
LIHEAP Perf Data Form, Part V, Sections B and C, Line 8



Missouri has already started using their FY 2018 LIHEAP Performance Data to evaluate an increase of benefits for their lowest income households across all fuel types.

Strategies for Enhancing LIHEAP Performance
Questions

Questions?

Strategies for Enhancing LIHEAP Performance

LIHEAP Performance Management Resources for Grantees

For more information, please contact:

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Training Exercise

You will now do the same process for your own state!

1. Look at your benefit matrix to see how it allocates benefits.

2. Look at your performance data to see how benefits are allocated.

3. Furnish your own interpretation of the data.