



Wayne Metropolitan
Community Action Agency
Established 1971



LHSA
A Community Action Agency



February 12, 2020

Great Lakes Water Authority & Chief Executive Officer
735 Randolph, 19th Floor
Detroit, MI 48202

RE: Recommended WRAP Program Design Changes

Dear GLWA Board of Directors and Sue McCormick:

Community Action Agencies, America's anti-poverty network, carry out a shared promise to empower people and communities to be strong, healthy, and thriving. The Community Action Alliance for Southeast Michigan, through our role in WRAP, has made water assistance, conservation, and consumer education a top priority.

Together we have enrolled more than 19,000 GLWA resident customers into WRAP, assisting in the prevention of thousands of water service shut offs. With 76 of eligible communities offering WRAP services to residents and three (3) additional in process, the positive impacts of WRAP continue to grow.

United Way's across the country have conducted research on financial need in several states, including Michigan. This nonpartisan work, is called the ALICE (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed) report. According to United Way data, the ALICE population is the working poor, struggling to make a living, but still unable to make ends meet. The ALICE threshold is up to 200% of the Federal Poverty Level (FPL), is considered to be the amount of income required for a family to meet its basic needs. Income for a family of two could not exceed \$34,480 and a family of four \$52,400.

Wayne Metro recommends an increase in the funding allocation for WRAP from 0.5% to 1.0%. This increase widens the safety net and provides more households across the GLWA service area access to WRAP services. Wayne Metro respectfully requests that GLWA Board of Directors:

- 1. Increase the WRAP funding allocation from 0.5% to 1.0%. Based on the proposed FY 2021 GLWA Budget, this would increase funding from \$5.1 million to \$10.2 million per year.**
- 2. Expand the program eligibility criteria to include the following:**
 - a. Increase the eligibility requirements to 200% or less of the federal poverty level. This would provide access to an estimated 7,300 additional households per year, with the additional funding request;

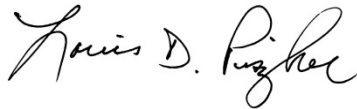
- b. Increase the conservation and plumbing repair spending per household amount from \$1,000 to an average of \$1,500. This would help an estimated 326 additional households; and
- c. Allow renters to be eligible for conservation and plumbing repairs to reduce their water consumption, upon landlord executing an agreement not to raise rents for 1 year. This would open up the conservation assistance to over 3,000 renters in the GLWA service area.

In advocating for these program changes, it is worth noting that without a funding increase, increasing the eligibility requirement from 150% to 200% of FPL would be detrimental and therefore would not be recommended. While the changes would increase participation in the suburban communities, they would negatively both Detroit and Flint, our most vulnerable. However, the proposed change to increase conservation and plumbing repairs from \$1,000 to an average of \$1,500 would be beneficial to all communities and still would be recommended by Wayne Metro.

Please find attached:

1. ALICE in Southeast Michigan

Sincerely,



Louis D. Piszker, CEO
Wayne Metro CAA