



Memo

TO Great Lakes Water Authority – Board of Directors

FROM Maggie Pallone and Eric Pardini, Public Sector Consultants

DATE Wednesday, March 28, 2021

SUBJECT Proposed WRAP Program Changes

Proposed Program Changes

In October 2020, Public Sector Consultants provided the Great Lakes Water Authority (GLWA) Board of Directors with an evaluation report for the Water Residential Assistance Program. This report identified several recommendations for improving the delivery and effectiveness of WRAP. Upon review of the evaluation report the board expressed the desire to begin implementing recommendations to improve WRAP over the coming months. The following recommended program changes are the result of ongoing collaboration between GLWA, PSC, and Community Action Agency partners and reflect strong steps that the board can take to improve WRAP for customers, member partner communities, and program administrators.

Simplifying Eligibility Determination: Enable Categorical Eligibility

Recommendation: The GLWA Board of Directors should enable the use of categorical eligibility to determine if a household can receive WRAP funds. As a result of this change, program administrators should update their enrollment processes to incorporate categorical eligibility screenings and track the number of enrollments through this pathway.

Rationale: In the 2020 recommendations, PSC recommended that GLWA further simplify WRAP's eligibility determination. This recommendation sought to build on past efforts to reduce paperwork requirements and minimize the burden placed on households seeking assistance. **The next step toward making it easier for eligible households to access WRAP is to enable categorical eligibility determination.** Categorical eligibility is a policy tool that leverages an applicant's eligibility and/or enrollment in other income qualified programs as an automatic qualification for WRAP. For example, a household receiving Temporary Assistance for Needy Families (TANF) would be automatically eligible for Supplemental Nutrition Assistance Benefits (SNAP). The concept of categorical eligibility has been in existence for more than 50 years and is used in several state and federal assistance programs. Though the policy's design and application can vary categorical eligibility has been shown to reduce administrative burden for households and program administrators while also expanding the pool of potentially eligible program participants.

Enabling categorical eligibility for WRAP does not mean eliminating or reducing the programs existing eligibility requirements. Instead, the policy seeks to leverage assistance programs with similar guidelines

to reach more households. PSC identified eight programs have income thresholds that match or exceed the income eligibility guidelines currently in place for WRAP¹ and many of these programs are already administered through local Community Action Agencies. Based on the current WRAP program eligibility guidelines (eligible program expenses, income thresholds, and other eligibility metrics), the following assistance programs should be incorporated into a categorical eligibility determination for WRAP:

- Low-Income Home Energy Assistance Program (LIHEAP)
- State Emergency Relief (SER)
- Michigan Energy Assistance Program (MEAP)
- Home Heating Credit
- Weatherization Assistance Program
- Supplemental Nutrition Assistance Program (SNAP)
- Temporary Assistance for Needy Families (TANF)
- Supplemental Security Income (SSI)
- State Disability Assistance (SDA)

In addition to programs listed above, program administrators should have the flexibility to include other state or federal assistance program if the program eligibility guidelines align with WRAP's eligibility criteria.

Community Action Agencies already work to provide households with the various forms of assistance they qualify for during the screening process. Wayne Metro has also shared that it is beginning to utilize a universal application for assistance to streamline enrollment across its programs. Enabling categorical eligibility for WRAP will further simplify service delivery for applicant and support more efficient operations.

Serving Customers with High Arrearages: Increase the Arrearage Payment Cap

Recommendation: The GLWA Board of Directors should raise the WRAP arrearage payment cap to \$1,200 per household per year and up to \$2,400 if they complete two years of the program. Program administrators should carefully track the impact of the increased arrearage payment cap and report on how the change has impacted program participation and funding.

Rationale: One of WRAP's primary goals is ensuring customers do not lose access to their water service and can pay down past due bills. However, for too many households this goal is not attainable given current program design. WRAP provides households with up to \$700 in arrearage payments per year, meaning a household that enrolls in the program with more than \$1,400 in arrearages could successfully complete the two-year program and still have unpaid arrearages on their bill. **Since the launch of WRAP in 2016, over 20 percent of households enrolled in the program have had an arrearage balance greater than \$1,400.** This means that the approximately 4,000 households with high arrearage balances could complete WRAP and would still be at risk for a water shutoff when they leave the program. The 2020 evaluation report recommended that GLWA take steps to address the needs of customers with high arrearage balances.

¹ Maximum gross income thresholds for these programs range from 75-200 percent of the federal poverty level (FPL), meaning every recipient of these programs also satisfies the WRAP income threshold of 200 percent or less of FPL.

To support the development of a recommendation, PSC analyzed WRAP participant data to determine the potential impact of raising the arrearage cap. There were 4,553 households with an arrearage balance enrolled in the program in FY 2020 with an average balance of \$1,004 and total arrearage balance of \$4.5 million. The amount owed far exceeded total funding allocated to assistance for the entire program year and the \$1.7 million allocated for assistance payments. Given that arrearage balances are significantly greater than available resources, the proposed change to WRAP's arrearage payments seeks to maximize the impact on customer arrears while taking into consideration current funding limitations.

Based on 2020 program participation and arrearage balances, PSC estimates that the arrearage payment cap for WRAP could be raised to \$1,200 per year without straining funds allocated for other resources. If the arrearage payment cap was set at \$1,200 in FY 2020, the total funding required for arrearages would have been \$1.79 million which represents less than \$100,000 more than the current funding allocation. **This change would enable WRAP to payoff over 75 percent of arrearage balances in the first year and up to 92 percent of arrearage balances after two years in the program.** This would mean that 12 percent more households would be able to exit the WRAP with a zero balance after two years in the program without requiring substantive changes to the allocation of WRAP resources. Additionally, the change would not dramatically raise the average arrearage payment on a per household basis since the majority of households enrolled in WRAP owe less than \$700.

Recommended Arrearage Cap Change, based on FY 2020 participation

	Current Arrearage Cap	Proposed Arrearage Cap
Annual arrearage payment cap	\$700	\$1,200
Total households with an arrearage balance	4,553	4,553
Households without an arrearage balance after 1 year	2,439	3,461
Percentage	53.57%	76.02%
Households without an arrearage balance after 2 years	3,673	4,189
Percentage	80.67%	92.01%
Average arrearage payment per household	\$348.28	\$517.82
Total estimated arrearage payments	\$849,447.17	\$1,792,175.31
FY 2020 – Total arrearage assistance funding	\$1,701,333.64	\$1,701,333.64

Develop Outcomes and Reporting Measures

Recommendation: The GLWA Board of Directors should review the proposed quarterly reporting template for WRAP and provide feedback.

Rationale: Through the evaluation of the WRAP, several recommendations were made on the current data collection and reporting process, including updating current performance measures, identifying and collecting data on missing performance measures, and collecting data that focuses on program outcomes. These recommendations use the goals outlined in the WRAP design manual as their guide:

- Goal One: Assist low-income individuals and families with their water and sewer bills
- Goal Two: Avoid water utility disconnection and reduce account arrearages

- Goal Three: Assist clients in increasing self-sufficiency, in part through the provision of water conservation measures
- Goal Four: Promote collaboration on program outreach to consumers and the public
- Goal Five: Foster collaboration to advance partnerships for developing and leveraging funding opportunities to deliver assistance

In order to better understand the program's impact on participants' ability to pay their bills, their water consumption, and overall reduction in arrears, PSC recommends that program administrators begin collecting and reporting data on the number of households making on-time bill payments, arrearages paid per household, and water consumption for participating households.

To implement the recommendations, PSC facilitated several discussions on data collection and reporting with GLWA staff and program staff at Wayne Metro. During these discussions, the team reviewed existing, missing, and proposed performance measures and identified the appropriate measures to include in reporting moving forward. The table below shows the final performance measures to be reported to GLWA leadership, whether it is included in the current reporting structure, and requires a new data source. Reporting will be conducted on a quarterly basis.

Metrics by Goal	Reporting Status	Data Source and Collection Process
Goal One: Assist low-income individuals and families with their water and sewer bills		
Number of completed applications	Current	Existing
Number of applicants not eligible for participation and reason for ineligibility	New	Existing
Number of households assisted	Current	Existing
Amount (\$) of assistance provided total and average per household	Current	Existing
Number of repeats applicants/participants	Current	Existing
Timeframe from application submission to program enrollment	New	Existing
Number of participants making on-time bill payments	New	Existing
Goal Two: Avoid water utility disconnection and reduce account arrearages		
Number of shut-offs avoided	Current	Existing
Average arrearage balance per household (reported for newly enrolled households)	Current	Existing
Amount of arrearages paid per household	New	Existing
Goal Three: Assist customers in increasing self-sufficiency, in part through the provision of water conservation measures		

Number household with high water (also report as percent of total enrolled households)	Current	Existing
Number of water audits completed	New	Existing
Number of repairs performed	Current	Existing
Average cost of repairs per household	New	Existing
Water consumption (CCF) per household (tracked by household size)	New	New
Goal Four: Promote collaboration on program outreach to consumers and the public via multimedia and multilingual information sources		
Number of client referrals from regional agencies and community organizations	New	New
Goal Five: Foster collaboration to advance partnerships for developing and leveraging funding opportunities to deliver assistance		
Program participants served through supplemental water/ sewer funding (state or federal)	Current	Existing
Additional forms of assistance provided via supplemental funding (other types of assistance provided)	New	New

Updated WRAP Quarterly Report Template, Through Fiscal Year 2021 Q2

WRAP Program Summary Report - Oakland Livingston Human Services Agency					
	Total FY 2021 YTD		Total FY 2020		
Budgeted Program Funding	\$1,149,643		\$1,114,023		
Total Funds Allocated - Direct Assistance	\$851,554		\$825,138		
Total Funds Allocated - Conservation Assistance	\$212,889		\$206,285		
Allocation Percentage	16.69%		22.88%		
	Q1 July-September 2020	Q2 October-December 2020	Total FY 2021 YTD	Total FY 2020 YTD	Total FY 2020
Goal One					
Number of enrollment appointments	78	92	170	153	286
Number of applicants not eligible for participation					
Number of households enrolled	80	31	111	181	352
Amount (\$) of total assistance provided (Committed)	\$65,376.70	\$21,380.18	\$86,756.88	\$119,316.67	\$247,916.00
Amount (\$) of total assistance provided (Uncommitted)			\$764,797.39		
Amount (\$) of average assistance provided per household	\$817.21	\$689.68	\$781.59	\$659.21	\$704.31
Number of repeat applicants/participants					
Year 1	57	28	85	115	223
Year 2	21	1	22	58	104
WRAPFinity	2	2	4	8	25
Timeframe from application submission to program					
Number of participants making on-time bill payments					
Goal Two					
Number of shut-offs avoided	59	86	145	119	230
Number of households enrolled with an arrearage balance	80	108	188	140	303
Average arrearage balance per household (reported for newly enrolled households)	\$ 83.00	\$ 85.00	\$ 168.00	\$ 182.00	\$ 357.00
Amount of arrearages paid per household					
Goal Three					
Amount (\$) of Conservation assistance provided					
Amount (\$) of Conservation assistance provided - Direct Repairs	\$0.00	\$6,008.50	\$6,008.50	\$2,175.00	\$3,632.00
Amount (\$) of Conservation assistance (uncommitted)			\$206,880.07		
Number household with high water	37	23	60	64	124
Percentage of enrolled households	46%	74%	54%	35%	35%
Number of water audits completed	0	27	27	7	11
Number of repairs performed	0	8	8	4	5
Average cost of repairs per household	-	\$751.06	\$751.06	\$543.75	\$726.40
Water consumption (CCF) per household					
Goal Four					
Number of client referrals from regional agencies and community organizations					
Goal Five					
Program participants served through supplemental water/					
Additional forms of assistance provided via supplemental					

Appendix 1. Household Arrearages, Fiscal Year 2020

	Wayne	Oakland	Macomb	Genesee	Washtenaw
Households Enrolled	5,106	357	265	179	21
Households with Arrearage Balance	3,968	304	93	167	19
Percentage	77.7%	85.2%	35.1%	93.3%	90.5%
Total Household Arrearage Balance	\$4,071,483	\$55,518	\$8,987	\$57,668	\$305
Average Household Arrearage Balance	\$1,026	\$182	\$96	\$345	\$16