

# State of Wisconsin Department of Administration Division of Energy

Low-income Public Benefits Evaluation

An Evaluation of Crisis Assistance Delivered  
Through the Wisconsin Home Energy  
Assistance Program

Final Report: April 27, 2007

Evaluation Contractor: PA Government Services Inc.

Prepared by: Lark Lee, Laura Schauer, Chris Mayhew, Pam Rathbun  
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## EXECUTIVE SUMMARY

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This report presents evaluation results for the crisis assistance component of the Wisconsin Home Energy Assistance program (WHEAP). This study was conducted in reaction to policy changes to the crisis assistance program, which now limit the amount of total crisis assistance a household can receive to \$1,000 for a year. The study focuses on households that received large crisis funds (\$750 or more in total crisis assistance payments in fiscal years 2005 and 2006 (FY05 and FY06)).

### 1.1 PROGRAM BACKGROUND

WHEAP is administered by the Department of Administration (DOA) and a network of local agencies. WHEAP serves households with incomes at or below 150% of the federal poverty level (FPL). The majority of WHEAP funds are distributed to participants through energy bill payment assistance (regular benefits) and crisis assistance.

WHEAP's crisis assistance provides emergency and proactive services to assist clients with home energy costs beyond the WHEAP regular benefit amount. Wide latitude is afforded to local agencies in the delivery of crisis assistance—both in how many times they assist a client and the type of assistance provided. Types of crisis assistance that customers may receive and that are included in this study are emergency assistance, proactive services, and other services (e.g., housing, temporary, or homeless assistance).

Funding increased from fiscal year 2005 to fiscal year 2006 resulting in larger average payments for both crisis and regular benefit recipients. The average crisis assistance payment increased from \$337 to \$365 in fiscal year 2006. Crisis assistance payments ranged considerably from \$5 to over \$3,000. WHEAP regular benefit payments increased from \$387 in fiscal year 2005 to \$568 in fiscal year 2006. WHEAP regular benefit payments also ranged considerably, though less than crisis assistance, from \$10 to \$1,200.

**Table 1-1. WHEAP Regular and Crisis Benefits in FY05 and FY06**

	Fiscal Year 2005 (N=44,878)	Fiscal Year 2006 (N=44,356)
<b>Crisis Funding</b>		
Total WHEAP non-crisis funding	\$54,605,440	\$88,533,968
Number of households served	140,969	155,791
Average WHEAP regular benefit amount	\$387	\$568
Total crisis funding (excluding furnace work) <sup>1</sup>	\$15,159,702	\$17,730,001
Number of households served	44,878	44,356
Average crisis assistance per household <sup>2</sup>	\$337	\$365

<sup>1</sup> Total crisis funding includes *all* crisis distribution types distributed by the program.

Starting in fiscal year 2007 (July 1, 2006–June 30, 2007), DOA established a maximum any household may receive in crisis assistance funds—including emergency and proactive arrangements—at \$1,000, unless an exception is approved by DOA. DOA added a requirement that clients had to have made a \$25 payment to their utility or fuel provider in the prior six months to be eligible for crisis assistance. DOA outlined in the WHEAP Program and Operations Manual a mechanism by which exceptions to both requirements (\$1,000 sum of crisis assistance benefits limit and the \$25 client contribution to heating and electrical costs) could be made.

## 1.2 STUDY METHODOLOGY

The focus of this study is to characterize the households that receive large crisis assistance total payments and understand why these households are in need of, or receive, such large payments. A large crisis assistance payment is defined as total annual crisis assistance benefits of \$750 or more per household. The study also set out to understand the rationale behind how agencies distribute large crisis benefits, as it is at the discretion of the agency the amount and form of crisis funding a household may receive.

Evaluators collected information through primary and secondary data sources. Crisis assistance recipients are first characterized using the FY05 and FY06 WHEAP database. Primary data collection activities includes 351 crisis assistance participant telephone surveys (300 telephone surveys with households that received crisis assistance payments equaling or exceeding \$750, as well as a comparison group survey of 51 households that received \$500–\$749 in total crisis assistance payments in FY06) and 10 in-depth interviews with program managers representing the 12 agencies selected for this crisis assistance study.

A key limitation of this study is that the study's results find agencies administer crisis assistance funds quite differently. As a result, crisis assistance is functioning more as several different individual programs as opposed to one single statewide program. This makes it difficult to interpret the participant-level program results. For example, it is difficult to know if program effects are mainly a result of the amount of crisis benefits received or because of the local agency's delivery of the program.

Key findings from the report are presented in the following sections:

1. Crisis assistance characterization
2. Crisis assistance delivery
3. Crisis assistance program experience and effects
4. Conclusions and recommendations

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<sup>2</sup> Average crisis per household is obtained using the total value of all crisis funding and dividing that by the total number of crisis assistance recipients *per the WHEAP production site*. The N's represented in this table are the N's included in the study, which exclude some crisis categories represented in the WHEAP production site. Dividing total crisis by the N's represented in this table will produce a different average per household total.

### 1.3 CRISIS ASSISTANCE CHARACTERIZATION

We characterize crisis assistance recipients by four total crisis benefit payment levels in the database analysis. The participant survey sample uses the same total benefit payment levels, with the exception of the first level (\$1 to \$499). Analysis of the participant survey excludes this low crisis group. The four total benefit payment levels for the database analysis are:

1. Households that received a total of \$1 to \$499 (low crisis)
2. Households that received a total of \$500 to \$749 (medium crisis)
3. Households that received a total of \$750 to \$1,000 (high crisis)
4. Households that received a total of more than \$1,000 (very high crisis)

Key findings based on the results of the crisis assistance characterization are as follows:

- In FY05 and FY06, less than four percent of all crisis benefit recipients received crisis assistance payments in excess of \$750. Agencies differ in the percent of their crisis benefit recipients that receive at least \$750 in total funding, ranging from zero to 20 percent.
- Households receiving larger crisis assistance payment amounts (\$750 or more) are more likely to be on a co-payment arrangement in FY06 than those receiving smaller crisis assistance payment amounts. Slightly over half of very large crisis assistance recipients (greater than \$1,000) participated in a co-payment arrangement.
- A comparison of the FY06 WHEAP and crisis population to the overall WHEAP population shows that crisis assistance is serving households more likely to be in a lower poverty level, have higher energy burdens, and have children in the home.
- Twenty-two percent of households that received crisis benefit payments in FY05 also received crisis benefit payments in FY06. These “repeat” recipients had an average higher energy burden and are in greater poverty than households that received crisis assistance in only FY05 or FY06. These “repeat” households were also more likely to have a disabled member living in the household in both years.
- Large crisis assistance recipients appear to have more financial constraints than the comparison group of smaller crisis assistance recipients although they were more likely to report working for pay in the prior month. Crisis assistance recipients that received more than \$749 in crisis funds were more likely than the comparison group to owe money for medical bills and have a balance on their credit card.
- Large crisis assistance recipients were more likely than the comparison group to have a checking or savings account, which is an indicator of some level of financial literacy. In addition, large crisis assistance recipients were more likely to participate in other assistance programs, with the exception of government subsidized housing, than households that received between \$500 and \$749 in crisis assistance funds.
- WHEAP bill payment and crisis assistance taken together are having a significant impact on reducing participants’ energy burden, especially for large crisis assistance recipients. Overall, crisis, coupled with WHEAP bill assistance, is bringing participant

energy burden below 10 percent (to 9.1 percent), which is defined by Colton as the ceiling for affordability<sup>3</sup>.

#### 1.4 CRISIS ASSISTANCE DELIVERY

To develop a sense of how crisis benefits are delivered, we interviewed 10 program managers representing 12 sampled agencies.<sup>4</sup> Interviewed agencies represented those that had larger average crisis assistance payments (average crisis assistance payments of \$750 and above) per household in FY06 (seven of the 12 interviewed agencies) and those who had smaller average crisis assistance payments (five of the 12 interviewed agencies).

Key findings based on the agency interviews for crisis assistance delivery are as follows:

- For the most part, households are identified for crisis assistance reactively (i.e., when a household calls the agency in crisis or a utility or fuel vendor calls the agency about a household in crisis) instead of proactively (i.e., identified by the agency prior to an emergency situation). Clients surveyed agree—89 percent said they contacted the agency for assistance in an emergency. This is important because proactive identification of crisis assistance recipients could prevent emergency situations such as a household having no heat in the winter.
- Over half of agencies report doing a combination of lump sum payments (lump sum payments may be proactive or crisis payments) and proactive arrangements, many of which include co-payment arrangements. Lump sum payments tend to be for bulk fuels (oil or propane) fills, according to agencies. Three agencies of the twelve represented in the interviews deliver the majority or all of crisis assistance through proactive arrangements.
- The majority of agencies report delivering energy education and budget counseling to crisis assistance recipients on an ad-hoc or informal basis although they all recognize the importance of these services (these services are not included in the “cash” benefits analyzed in this report). Only the three agencies who primarily deliver crisis assistance through proactive arrangements have formalized energy education and budget counseling for crisis assistance recipients. The importance of this is that energy education and budget counseling may have positive effects in preventing future crisis situations according to interviewees.
- All interviewed agency managers are unanimous that there is not one set approach to helping households with crisis assistance. Instead, households’ individual needs must be addressed. (While sustainability is a desired outcome of crisis assistance, it is not the primary goal of the program unlike WHEAP regular benefits. For crisis assistance, the primary goal is to prevent life-threatening crisis situations. Once these goals are met, crisis assistance may be able to identify some households where assistance may realistically help the households move toward sustainability.)

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<sup>3</sup> Colton, R. (1993), *Methods of Measuring Energy Needs of the Poor*.

<sup>4</sup> The Wisconsin Department of Administration contracts with 79 local agencies to administer WHEAP. Energy Services, Inc., interviewed for this study, manages 14 of the local administering agencies.

- All agencies assert they try to take a holistic approach to addressing household needs and actively refer households to other applicable assistance programs beyond WHEAP.
- Agencies identify two crisis administration “best practices.” One involves local networking with other programs and a technical college to offer multi-faceted services to low-income households to help them move toward self-sufficiency. The second involves direct interfacing with utilities to proactively identify households for crisis proactive services. Both of these “best practices” are types of activities required and encouraged by DOA as outlined in Chapter 2 of the WHEAP manual. In addition, DOA requires a Local Coordination Plan to encourage agencies to meet these requirements.
- Seven of the ten interviewed program managers feel there are legitimate reasons for households to receive large household payments, which are discussed in detail in the main report. These include:
  - First year recipients who come to the program in extreme situations. Some agencies argue some households who come to the program in crisis need more money the first year they come into the program in order to, “*dig out of a hole.*” For example, these households may have very high arrears.
  - The need for reasonable, affordable payments when a household’s energy burden is unreasonable. Agencies report situations where households have a high energy burden (whether because of fixed or no incomes, extreme poverty, or high energy bills) and they need larger crisis assistance payments to make energy payments reasonable and affordable on an ongoing basis.
  - Rising energy prices. All agencies discuss the rising energy prices they have seen in natural gas and bulk fuels.
  - Household instability, which can impact ability to pay the energy bill. Examples given by agencies are families experiencing severe domestic violence that may come out of a shelter with significant debts and households with medical problems and high health care/prescription costs.
  - Extreme poverty. Agencies point out some crisis assistance recipients are in crisis situations and are repeat recipients because they have very low or no income.
- Program managers are split about what they believe will be the ramifications of the newly implemented \$1,000 ceiling. Three think it will have negative effects, three think it will have positive effects, and the remaining four think it will have limited effects or are not sure of the effects at this time.
- The three managers that think a \$1,000 crisis ceiling is too high are concerned with equitable distribution of crisis funds and misuse of the system resulting from large payments.
- Those agencies against the ceiling argue that agencies need discretion over crisis funds. These agencies voice that the ceiling will result in them not being able to sufficiently help some households, which gets at one of the core policy issues—how much help can the program support having available for a few households? In

addition, some agencies fear that fuel vendors would receive the bulk of crisis monies with little going to regulated utilities because it will limit agencies' ability to do proactive arrangements with the regulated utilities.

- Agencies, in general, do not anticipate any issues with the \$25 customer co-payment. Most report they typically require a contribution.
- While the majority of agencies are pleased with the new crisis funds allocation method, a few are very vocal that it has negatively impacted them. The primary negative aspect of the new crisis allocation system is that it no longer includes the 10 percent hold harmless clause. Some agencies are concerned the crisis distribution does not award agencies for leveraging outside dollars.

## 1.5 CRISIS ASSISTANCE PROGRAM EXPERIENCE AND EFFECTS

Key findings from the survey of crisis assistance participants are as follows:

- The majority of households seek crisis assistance. They say it is because of their inability to pay their utility or fuel bills, a change in their household situation (e.g., loss of employment or medical condition), and/or the threat of disconnection or running out of fuel.
- While the survey responses corroborate the program manager interview results that the majority of crisis assistance recipients are identified reactively (they contact the agency for assistance), the responses also suggests that large crisis assistance recipients are more likely than smaller crisis assistance recipients to be identified proactively (e.g., the agency contacts them first).
- Approximately one-half of surveyed participants report receiving crisis assistance benefits before and approximately two-thirds report they are planning on applying again in FY07.
- Large crisis assistance recipients (receiving crisis of \$750 or more in 2006) are more likely than small crisis assistance recipients to be repeat crisis assistance recipients. Households that received between \$750 and \$1,000 in total crisis funds in 2006 are most likely (58%) to say they would reapply for crisis because their energy bills are not affordable. These households were also the most likely (55%) to say they sought crisis because of a change in household situation.
- However, very large crisis assistance recipients (receiving crisis of \$1,000 or more) are more likely (46%) to report that they would **not** seek crisis assistance in FY07. Those that say they would not seek crisis assistance say it was because they feel they are more financially capable, their employment situation has changed in the household, or they have learned how to manage their energy bills.
- Fifteen percent of survey respondents are on a co-payment arrangement. The percentage of crisis assistance recipients on co-payment arrangements goes up based on the amount of crisis assistance received, with over half of very large crisis assistance recipients (crisis assistance of \$1,000 or more) being on a co-payment arrangement.

- Crisis assistance recipients' average (mean) satisfaction with all aspects of the crisis assistance program is very high (above a 4 on a 5-point scale where 5 is "very satisfied").
- The majority of respondents report that the crisis assistance program helps make their energy bills more affordable and is helpful in allowing them to meet other expenses of their households. More households that receive greater than \$1,000 in total crisis assistance report the program having a positive impact on their household than those who receive smaller assistance amounts.
- Regarding the two newly implemented DOA policies in FY07, households do not feel the \$25 contribution will be difficult to make, which concurs with agencies' views. Households that receive greater than \$1,000 in total crisis feel the \$1,000 ceiling will have a negative impact on their ability to maintain heating or electric service.

## 1.6 CONCLUSIONS AND RECOMMENDATIONS

Agencies unanimously concur that crisis assistance is an essential component of WHEAP in preventing life-threatening situations—the primary goal of crisis assistance. Crisis assistance is reaching those in need of assistance beyond WHEAP—crisis assistance recipients have a lower average poverty level and a higher average energy burden than the total WHEAP population.

Furthermore, agencies assert crisis assistance benefits coupled with WHEAP regular benefits can play an important role in moving households towards sustainability. While energy sustainability is a secondary goal of crisis assistance, it is a primary goal of WHEAP. Agencies assert that for households to move toward self-sufficiency, they must have affordable energy payments. The demographic analysis shows that WHEAP with crisis assistance is significantly reducing participants' energy burden.

Survey results show large and very large crisis assistance is positively affecting households' situations—improving households' reported ability to heat their home, maintain utility service, and have resources for other household essentials.

The above conclusions suggest there is much going right with crisis assistance. Based on the results of this research, we make the following recommendations that may improve crisis assistance's positive impacts for participants.

1. **Continue the FY07 co-payment arrangement.** Agencies and participants do not see an issue with the \$25 co-payment. Several agencies believe that co-payments can have positive impacts on customers' long term energy management by helping them learn to pay bills.
2. **Provide further guidance to agencies for valid exceptions to the \$1,000 ceiling.** The survey results coupled with agency interviews provide some evidence that very large crisis assistance payments, those over \$1,000, may provide warranted assistance when households face legitimate reasons. However, as noted previously, sustainability is a secondary goal of crisis assistance. The primary goal is to alleviate life-threatening situations. Very large crisis recipients report the most positive impacts from their participation and also report they are less likely to apply for crisis assistance again as a result of their improved situation. Furthermore, over half of very large crisis

assistance recipients were on co-payment arrangements and for a longer time than other groups. Therefore, the \$1,000 ceiling could negatively impact the program's ability to move a few households toward sustainability.

At the same time, as reported by agencies in favor of the \$1,000 ceiling, the benefits of the larger crisis assistance rewards need to be balanced against the benefits of a more equitable distribution of crisis assistance monies. In other words, fewer households can be helped if larger amounts of money are allocated to some households. Less than one percent (422 out of 44,611 in FY06) received very large crisis payments.

The benefits of the larger crisis assistance rewards also need to be balanced against a need for consistency across agencies. There is a great deal of variation in the delivery of crisis benefits throughout the state as noted earlier. This indicates, for example, that an individual with the same circumstances could get over \$1,000 assistance from one agency but less than \$600 from another. DOA reports that the ceiling was established to help the program move towards some consistency without removing local flexibility.

DOA reports there are mechanisms in place to allow the \$1,000 cap to be exceeded and the criteria for making the assessment to exceed the cap are listed in the WHEAP program manual. DOA reports that the criteria was established to keep serious or unique cases from not being addressed adequately by the program. However, several interviewed agencies did not seem to understand these criteria or know that exceptions to the \$1,000 cap were possible. Therefore, DOA should consider special sessions and materials to train agencies on these exceptions and how to apply for them, including case studies of situations that would warrant a payment over \$1,000.

3. **Encourage agencies to increase the proactive identification of crisis assistance households.** The research points out that the majority of crisis assistance recipients contact agencies for assistance. At the same time, agencies report several positive effects of being able to proactively identify households. One suggested way to increase proactive identification is to increase agencies' interactions with utilities and fuel vendors to identify households likely to be in an emergency situation before it occurs. DOA reports that this proactive identification is supposed to be part of agencies developing annually local coordination plans. Another suggestion is to analyze the prior year's applicant information to identify households that are likely to be in an emergency situation and contact the household to assess their situation in the current program year. This proactive identification could prevent some households from reaching an emergency situation. WHEAP provides tools to permit agencies to identify households that may be good candidates for crisis assistance. DOA reports that training on these tools was provided at the last two annual Home Energy Plus Training conferences. One way to further reinforce this need may be to add a section to the agencies' outreach plans, an annual requirement, that asks for plans to identify households proactively who would benefit from crisis assistance.
4. **Continue to provide a venue for sharing crisis assistance best practices.** Agencies are unanimous that there is no one-size-fits-all approach to crisis assistance. Agencies assert that flexible administration of crisis assistance is needed at the local levels so agencies can employ methods that work best for their clientele. We recommend the state continue to provide a venue for sharing crisis assistance

best practices. For example, last year, the state held a crisis roundtable at the Home Energy Plus Training Conference. We recommend this type of session for agencies to share best practices in crisis assistance continue. Another idea is to periodically highlight case studies of best practices through newsletters, training, or email.

5. **Provide assistance for agencies to develop formalized energy education and budget counseling as part of crisis assistance.** While all of the agencies recognize the importance of energy education and budget counseling, the majority of them do not have a formalized system to provide this assistance to crisis assistance recipients. This inconsistency was a finding from the longitudinal evaluation of WHEAP conducted by PA Consulting Group from 2001 to 2004. While we still recognize the resource barriers to establishing formal education as part of WHEAP, we believe more may be done at the agency level if the state provides guidance on these issues. Because crisis assistance recipients are a smaller sub-group of WHEAP, and are those most in need, this may be a good group to target for more consistent education offerings through the program.

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**APPENDIX C: Response Rate**

## 2. BACKGROUND

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### 2.1 PROGRAM BACKGROUND

The Department of Administration (DOA) administers the Wisconsin Home Energy Assistance Program (WHEAP) through a network of local agencies. WHEAP serves households with incomes at or below 150% of the federal poverty level (FPL). WHEAP is funded through both the federal Low Income Heating Assistance Program (LIHEAP) and the state of Wisconsin's public benefits funds (PB). A portion of WHEAP funds goes to the Weatherization Assistance program. The majority of WHEAP funds are distributed to participants through energy bill payment assistance and crisis assistance.

WHEAP's crisis assistance provides emergency and pro-active services to assist clients with home energy costs beyond the WHEAP bill payment amount. There is latitude afforded to local agencies in the delivery of crisis assistance—both in how many times they assist a client and the type of assistance provided. Types of crisis assistance that customers may receive and that are included in this study are:

**Emergency Assistance:** These services are provided during the heating year (October 1 through May 15) to households that face an imminent or actual threat of losing heat. The payment results in the delivery of fuel or continuation of utility service.

**Proactive Services:** Proactive services are provided within the program year (October 1 through September 30). These are non-emergency services intended to help households avoid future crisis situations, maintain service, make payments, decrease arrearages, and encourage self-sufficiency practices. Two types of proactive services are included in this study:

- *Proactive payments*, one-time payments
- *Co-payments arrangements*, payments made by the agency based on a payment plan agreement developed with recipients. It is at the agency's discretion how to frame the agreement, including all terms for payment (e.g., how much the agency will pay, how much the participant will pay, the schedule of payment).

**Other Payment Services:** Other payment services included in the study are:

- *Housing assistance*, payment for temporary shelter or housing for a participant or relocation to new housing.
- *Temporary assistance*, payment to assist clients purchase temporary assistance (such as space heaters and blankets).
- *Tank and line assistance* provides a payment to a vendor for repairing or replacing fuel or LP tanks or lines.
- *Homeless assistance* enables a homeless participant to move into temporary or permanent housing by making payments toward large arrearages or assist with connection fees.
- *First month rent payment* provides a payment to a landlord for the first month's rent to assist a client in relocating to a temporary or permanent residence.

## 2. Background...

Furnace assistance includes emergency furnace repairs or replacements. Emergency furnace repairs and replacements are not included in this study as they are not a type of recurring cash assistance benefit. In addition, furnace assistance is funded from a state account, not funds allocated to counties and tribes.

Nonpayment assistance includes a variety of services that may be provided to a household. Such services may include, but are not limited to, budget counseling and energy education.

Each agency is allotted a set amount of funds for their crisis assistance pool. How each agency distributes their crisis assistance monies is at the discretion of the local agency. Consequently, delivery of crisis assistance funds differs—some local agencies are more inclined to provide lump sum payments, whereas other agencies are more likely to set clients up on co-payment arrangements. In addition, the average amount of crisis assistance delivered to participants differs by agency. While the average crisis assistance payment was in the \$300 range in fiscal years 2005 and 2006, crisis assistance payments range considerably from \$5 to over \$1,000. Households may receive multiple payments in a year. The highest amount of total crisis assistance payments received in FY06 was nearly \$3,900.

Funding increased from fiscal 2005 to fiscal year 2006 resulting in larger average payments for both crisis and regular benefit recipients. The average crisis assistance payment increased from \$337 to \$365 in fiscal year 2006. Crisis assistance payments ranged considerably from \$5 to over \$3,000. WHEAP regular benefit payments increased from \$387 in fiscal year 2005 to \$568 in fiscal year 2006. WHEAP regular benefit payments also ranged considerably, though less than crisis assistance, from \$10 to \$1,200.

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Number of households served	44,878	44,356
Average crisis assistance per household <sup>6</sup>	\$337	\$365

<sup>5</sup> Total crisis funding includes *all* crisis distribution types distributed by the program.

<sup>6</sup> Average crisis per household is obtained using the total value of all crisis funding and dividing that by the total number of crisis assistance recipients *per the WHEAP production site*. The N's represented in this table are the N's included in the study, which exclude some crisis categories represented in the WHEAP production site. Dividing total crisis by the N's represented in this table will produce a different average per household total.

## 2. Background...

Starting in fiscal year 2007 (July 1, 2006–June 30, 2007), DOA introduced some eligibility limits for households. The maximum a household may now receive in total crisis benefits—including emergency and proactive payments—is \$1,000, unless otherwise approved by DOA. In addition, DOA is requiring clients to make a \$25 payment to their utility or fuel provider before receiving crisis assistance.

### 2.2 STUDY RESEARCHABLE QUESTIONS

The focus of this study is to characterize the households that receive large crisis assistance payments and to understand why these households are in need of, or receive, such large payments. A large crisis assistance payment is defined as total annual crisis assistance benefits of \$750 or more per household. In addition, because of the newly implemented \$1,000 ceiling, the study also looks at results for very large crisis assistance recipients, those receiving over \$1,000 of assistance in FY06. The study set out to understand the rationales behind how agencies provide clients crisis benefit funds, especially as it is at an agency's discretion what amount and form of crisis funding a household may receive. The researchable questions reviewed are as follows:

1. Who is receiving the large payment distributions? What are their household characteristics? Is this the first year they have requested crisis assistance or are they recurring crisis participants?
2. Why are these households receiving large crisis assistance payments?
3. What affect do these large payments have on households? Do the larger payments help these households catch up or make more payments?
4. How are crisis funds awarded to households? What is the rationale behind suggesting a co-payment arrangement versus a one-time payment? What is the rationale behind how a co-payment arrangement is set up?
5. How are these large payments being used? Are they going toward arrears forgiveness, energy bills, bulk fuel fills, etc.?
6. What other resources are households using to pay their energy bills beyond WHEAP or crisis assistance? Examples include any Keep Wisconsin Warm Fund and church programs.

### 2.3 STUDY METHODOLOGY

To answer the above questions, evaluators collected information through primary and secondary data sources. Crisis assistance recipients are first characterized using the FY05 and FY06 WHEAP database. The recipients are characterized in terms of household composition; energy expenditures; energy burden; poverty level; and previous participation. This data is analyzed by total amount of crisis assistance received per household. The analysis includes comparisons between crisis assistance recipients and the total WHEAP population.

Primary data collection activities include participant telephone surveys and in-depth interviews with agencies.

- Participant telephone survey. PA conducted 300 telephone surveys with households that received crisis assistance payments equaling or exceeding \$750, as well as a

## 2. Background...

comparison group survey of 51 households that received \$500–\$749 in total crisis assistance payments in FY06. The survey sample included all households that received greater than \$1,000 in total crisis assistance payments and a random selection of the remaining large crisis recipient households (households receiving between \$750 and \$1,000 in crisis assistance). The survey asks participants about their program experience, reasons they needed crisis assistance, the effects of crisis assistance received, and the household's economic situation.

- Agency interviews: PA interviewed 10 program managers representing 12 agencies selected for the crisis assistance study.<sup>7</sup> Interviewed agencies represent both those that had the highest percent of large crisis assistance recipients and the smallest percent of large crisis assistance recipient. Seven of the 12 interviewed agencies have the highest percent of crisis assistance recipients with total crisis assistance payments of at least \$750. Five of the 12 interviewed agencies have the lowest percent of crisis assistance recipients with total crisis assistance payments of at least \$750. The interviews investigate how agencies distribute crisis funds, situations that warrant large payments, and what agencies anticipate to be the effects of the FY07 policy changes for crisis assistance implementation.

A key limitation of this study, important to note at the onset, is that agencies administer crisis assistance funds quite differently (discussed further in Chapter 4). As a result, crisis assistance is functioning as several different individual programs as opposed to one single statewide program. This complicates the interpretation of the participant-level program results. For example, it is difficult to know if program effects are mainly a result of the amount of crisis assistance received or because of a local agency's delivery of the program.

### 2.4 REPORT ORGANIZATION

Chapter 3 characterizes FY05 and FY06 crisis assistance recipients. Chapter 4 discusses agencies' administration of crisis assistance. Chapter 5 summarizes participants' experience with crisis assistance and its effects on households. Chapter 6 presents conclusions and recommendations. Interview guides and response rates are included in the appendices.

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<sup>7</sup> The Wisconsin Department of Administration contracts with 79 local agencies to administer WHEAP. Energy Services, Inc., interviewed for this study, manages 14 of the local administering agencies.

### 3. CRISIS ASSISTANCE CHARACTERIZATION

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This chapter characterizes crisis assistance recipients across two program years (FY05 and FY06) and by amount of crisis assistance received. The FY05 and FY06 WHEAP databases are the primary data sources for this analysis. The crisis participant survey results are also included where relevant.

Crisis assistance recipients are characterized by four crisis assistance funding levels in the database analysis. These funding levels are in the analysis to illustrate similarities and differences across the four groups. The participant survey sample uses the same funding levels, with the exception of the first level (\$1 to \$499). Analysis based on the participant survey excludes this low crisis group. The four funding levels for the database analysis are:

1. Households that received a total of \$1 to \$499 (low crisis)
2. Households that received a total of \$500 to \$749 (medium crisis)
3. Households that received a total of \$750 to \$1,000 (high crisis)
4. Households that received a total of more than \$1,000 (very high crisis)

As noted in the *Background* section of this report, the analysis represents only cash assistance types of crisis distributed through the program. These include emergency assistance, proactive payments, co-payment agreements, temporary assistance, housing assistance, tank and line assistance, homeless assistance, and first monthly rent payment assistance.

#### 3.1 KEY FINDINGS

- In FY05 and FY06, less than four percent of all crisis benefit recipients received crisis assistance payments in excess of \$750. Agencies differ in the percent of their crisis benefit recipients that receive at least \$750 in total funding, ranging from zero to 20 percent.
- Households receiving larger crisis assistance payment amounts (\$750 or more) are more likely to be on a co-payment arrangement in FY06 than those receiving smaller crisis assistance payment amounts. Slightly over half of very large crisis assistance recipients (greater than \$1,000) participated in a co-payment arrangement.
- A comparison of the FY06 WHEAP and crisis population to the overall WHEAP population shows that crisis assistance is serving households more likely to be in a lower poverty level, have higher energy burdens, and have children in the home.
- Twenty-two percent of households that received crisis benefit payments in FY05 also received crisis benefit payments in FY06. These “repeat” recipients had an average higher energy burden and are in greater poverty than households that received crisis assistance in only FY05 or FY06. These “repeat” households were also more likely to have a disabled member living in the household in both years.
- Large crisis assistance recipients appear to have more financial constraints than the comparison group of smaller crisis assistance recipients although they were more likely to report working for pay in the prior month. Crisis assistance recipients that

### 3. Crisis Assistance Characterization...

received more than \$749 in crisis funds were more likely than the comparison group to owe money for medical bills and have a balance on their credit card.

- Large crisis assistance recipients were more likely than the comparison group to have a checking or savings account, which is an indicator of some level of financial literacy. In addition, large crisis assistance recipients were more likely to participate in other assistance programs, with the exception of government subsidized housing, than households that received between \$500 and \$749 in crisis assistance funds.
- WHEAP bill payment and crisis assistance taken together are having a significant impact on reducing participants' energy burden, especially for large crisis assistance recipients. Overall, crisis assistance, coupled with WHEAP bill assistance, is bringing participant energy burden below 10 percent (to 9.1 percent), which is defined by Colton as the ceiling for affordability<sup>8</sup>.

## 3.2 TYPES OF CRISIS ASSISTANCE DISTRIBUTED

### 3.2.1 Change in Crisis Funding from FY05 to FY06

The crisis assistance funding for FY06 is \$2.6 million higher than FY05. It is not unusual to see a difference in crisis funding levels from year to year, as crisis funding levels change depending on appropriation levels and provision of any emergency contingency funds released to Wisconsin during the year by the federal LIHEAP office.

The distribution of crisis funds in FY05 and FY06 reflect this increase in funding; households, on average, received more crisis funding in FY06 than FY05. The greatest total crisis value shift in these two years is from the \$1 to \$499 bucket to the \$500 to \$749 bucket. Less than four percent of all crisis assistance recipients received large or very large crisis assistance payments in FY05 or FY06.

FY05 and FY06 show significant shifts in the type of crisis assistance benefits provided (Table 3-1). Proactive assistance and emergency assistance increase significantly in FY06, this may be due to the increase in funds available in FY06. Co-payment arrangements decrease significantly from FY05 to FY06. This decrease may be a result of the dramatic price increase in heating fuels (oil, propane, and natural gas), which agencies report had a large negative impact on energy affordability for households.

**Table 3-1. Comparison of Crisis Funding in FY05 and FY06**

	Fiscal Year 2005 (N=44,878)	Fiscal Year 2006 (N=44,356)
<b>Crisis Funding</b>		
Total crisis funding (excluding furnace work) <sup>9</sup>	\$15,159,702	\$17,730,001
Average crisis assistance per household <sup>10</sup>	\$337	\$365

<sup>8</sup> Colton, R. (1993), *Methods of Measuring Energy Needs of the Poor*.

<sup>9</sup> Total crisis funding includes *all* crisis distribution types distributed by the program.

	Fiscal Year 2005 (N=44,878)	Fiscal Year 2006 (N=44,356)
<b>Amount of Total Crisis Dollars Received by Analysis Groups</b>		
\$1 to \$499*	86.5%	74.3%
\$500 to \$749*	9.8%	22.1%
\$750 to \$1,000	2.5%	2.7%
Greater than \$1,000*	1.3%	1.0%
<b>Dollar Amounts by Type of Crisis Received</b>		
Emergency assistance*	29.1%	31.5%
Proactive payment*	44.8%	59.6%
Co-payment arrangement*	33.2%	13.8%
Temporary assistance	<0.1%	<0.1%
Tank and line assistance	0.1%	<0.1%
Housing assistance	<0.1%	<0.1%
Homeless assistance	<0.1%	<0.1%
First month rent assistance	0.1%	<0.1%

\* Difference is significant at the 95% confidence level  
Sources: WHEAP database, provided by the DOA, Division of Energy  
WHEAP production website, Payments and Services Report for FY05 and FY06  
(<http://wheap.doa.state.wi.us>). Downloaded 01/12/2007.

Although less than four percent of households receive at least \$750 in crisis assistance, there are some counties that are more likely to provide larger total crisis assistance payments to its recipients. Oconto, Marinette, and Forest counties are most likely to provide households \$750 or more in total crisis assistance payments in FY06 (30 percent, 26 percent, and 21 percent, respectively). Six counties and three tribes do not provide any households with \$750 or more in total crisis assistance.

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<sup>10</sup> Average crisis assistance per household is obtained using the total value of all crisis funding and dividing that by the total number of crisis assistance recipients *per the WHEAP production site*. The N's represented in this table are the N's included in the study, which exclude some crisis categories represented in the WHEAP production site. Dividing total crisis by the N's represented in this table will produce a different average per household total.

### 3. Crisis Assistance Characterization...

Households receiving larger crisis assistance payment amounts (\$750 or more) are more likely to be on a co-payment arrangement in FY06 than smaller crisis recipients. Over half of the very large crisis assistance recipients (greater than \$1,000) participate in a co-payment arrangement.

**Table 3-2. FY06 Crisis Distribution by Crisis Level**

	\$1 to \$499 (N=30,443)	\$500 to \$749 (N=9,291)	\$750 to \$1,000 (N=1,127)	Greater than \$1,000 (N=422)
<b>Type of Crisis Assistance</b>				
Emergency assistance	23.3%	57.5%	43.7%	40.3%
Proactive payments	65.9%	38.5%	56.5%	61.3%
Co-payment arrangements	12.7%	12.6%	38.8%	54.0%

Source: WHEAP database, provided by the DOA, Division of Energy

### 3.3 HOUSEHOLDS SERVED BY THE CRISIS ASSISTANCE COMPONENT OF THE PROGRAM

#### 3.3.1 Characteristics of Crisis and WHEAP Recipients

The populations paid WHEAP regular benefits and crisis benefits in FY06 are fairly similar, although there are statistically significant differences between the two populations<sup>11</sup> (Table 3-3). Crisis assistance serves households with a lower poverty level than WHEAP. Additionally, crisis assistance is serving a higher percent of households with children and a lower percent of households with elderly members.

Interestingly, crisis assistance also serves a higher percent of recipients from all housing types (except multi-family buildings) than are in the WHEAP regular benefit group. As shown later in this section, multi-family residents have lower annual energy costs than other housing types, which may explain why crisis assistance serves fewer from this group.

From FY05 and FY06, the crisis population changes slightly. In FY06, crisis assistance serves households with a slightly higher poverty level than FY05. The percent of households with elderly members increases from FY05 to FY06. The percent of households with children decreases from FY05 to FY06.

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<sup>11</sup> The differences are significant even though the change is just a percentage point or two different. The significance is driven by the very high population sizes included in the analysis.

**Table 3-3. Household Characteristics of Crisis Assistance and WHEAP Recipients by Year<sup>12</sup>**

	Fiscal Year 2005 Crisis (N=39,965)	Fiscal Year 2006 Crisis (N=41,283)	Full WHEAP Population from Fiscal Year 2006 (N=155,792)
<b>Poverty Level</b>			
At or below 75% FPL*^	36.7%	33.5%	32.0%
Above 75% FPL*^	63.3%	66.5%	68.0%
Average FPL*	84.8%	88.0%	88.4%
<b>Household Composition</b>			
At least one child in household*^	30.4%	28.2%	25.6%
At least one elderly member in household*^	23.1%	26.2%	28.8%
At least one disabled member in household*	37.9%	38.6%	38.6%
<b>Housing Characteristics</b>			
Live in single-family unit*^	44.5%	47.1%	45.0%
Live in mobile home or trailer^	10.3%	10.2%	8.6%
Live in duplex or two family*^	25.5%	24.7%	22.4%
Live in multi-family unit*^	19.6%	18.0%	23.8%

\* FY05 and FY06 difference is significant at the 95% confidence level

^ FY06 WHEAP and crisis difference is significant at the 95% confidence level

Source: WHEAP database, provided by the DOA, Division of Energy

Table 3-4 summarizes an analysis of the 14 agencies who have the largest percent of large crisis recipients in FY06 (more than 3% of their crisis recipients received crisis payments of \$750 or more) by recipient characteristics. This analysis indicates that for these agencies, large crisis assistance payments (\$750 or more) are more likely to go to:

- Families with children
- Families with a disabled member
- Households with a lower FPL

<sup>12</sup> Note that the population size represented in this table is less than the full crisis population. The database does not include demographic data for households that only received crisis; therefore, the crisis only households are missing from this analysis. This represents a total of eight percent of the full FY05 and FY06 population.

### 3. Crisis Assistance Characterization...

- Households who live in a single family home or a mobile home

Large crisis assistance payments are less likely to go to:

- Families with an elderly member
- Households living in a duplex or multi-family dwelling

**Table 3-4. Recipient Characteristics for the 14 Agencies with the Highest Percent of Large Crisis Recipients in FY06**

	Less than \$750	\$750 and greater
Average FPL	87.9%	89.5%
At least one child in household	28.2%	29.1%
Elderly member in household	26.3%	23.1%
Disabled member in household	38.4%	45.3%
Single family home	46.5%	62.4%
Mobile home	10.1%	14.1%
Duplex	25.1%	15.2%
Apartment	18.3%	8.4%

#### Characteristics of Repeat Crisis Assistance Recipients

Twenty-two percent of households receiving crisis assistance in FY05 also received crisis assistance in FY06 (repeat recipients). Forty percent received crisis in 2005 only (non-repeaters) and 39 percent received crisis assistance in 2006, but not 2005 (first year crisis assistance recipients).

Table 3-5 shows the characteristics of each of these groups. Data for the repeat crisis assistance recipients are represented twice—once for FY05 (to compare to non-repeaters) and once for FY06 (to compare to first year crisis assistance recipients). It is important to include both years in the analysis to provide a similar comparison group. Conditions may change by year—such as energy costs and economic conditions—and including both years allows for those outside factors to be taken into account when reviewing the data.

The data indicates that repeaters tend to be worse-off in terms of their poverty level and energy burden. They have a significantly lower poverty level than their comparison group of non-repeaters, which is especially apparent in FY06 recipients. The FY06 energy burden also shows that repeaters have a higher average energy burden than one-year crisis assistance recipients.

In terms of household composition, repeaters are significantly more likely to have a disabled member in the household. They are also slightly less likely to have a child in the household.

In both years reviewed, repeaters receive a higher level of total crisis assistance than the non-repeaters. The biggest difference is in the \$500 to \$749 group. For example, nearly nine percent of non-repeaters receive \$500 to \$749 in total crisis, whereas twelve percent of the repeaters receive this amount in FY05. A higher percent of repeaters are also large and very large crisis assistance recipients.

There is no clear trend in the type of crisis received for repeaters and the other two groups. The results vary by year. For example, FY05 repeaters are more likely to receive proactive

payments than their FY05 counterparts, and FY06 repeaters are more likely to receive emergency assistance than first-year recipients.

**Table 3-5. Comparison of Repeat and One-year Crisis Assistance Recipients**

	FY05 Only (N=29,100)	Characteristics of FY05 Repeaters (N=15,791)	FY06 Only (N=28,525)	Characteristics of FY06 Repeaters (N=15,791)
<b>Poverty and Energy</b>				
At or below 75% FPL* <sup>^</sup>	36.2%	37.5%	31.7%	36.5%
Above 75% FPL* <sup>^</sup>	63.8%	62.5%	68.3%	63.5%
Average federal poverty level* <sup>^</sup>	85.6% FPL	83.5% FPL	90.0% FPL	84.5% FPL
Average energy burden (FY06 only) * <sup>^</sup>			19.5%	21.4%
<b>Household Composition</b>				
At least one child in household*	31.1%	29.3%	28.3%	28.0%
Have elderly member in household*	21.4%	26.0%	26.4%	25.9%
Have disabled member in household* <sup>^</sup>	36.4%	40.7%	36.8%	41.7%
<b>Crisis Amounts</b>				
\$1 to \$499* <sup>^</sup>	88.4%	83.0%	76.4%	70.4%
\$500 to \$749* <sup>^</sup>	8.6%	12.0%	20.6%	24.8%
\$750 to \$1,000* <sup>^</sup>	2.1%	3.2%	2.3%	3.4%
Greater than \$1,000* <sup>^</sup>	1.0%	1.8%	0.7%	1.4%
<b>Type of Crisis Assistance Received</b>				
Received co-payment arrangement* <sup>^</sup>	33.7%	32.1%	13.0%	15.2%
Received emergency assistance* <sup>^</sup>	28.7%	29.7%	28.4%	37.1%
Received proactive assistance* <sup>^</sup>	43.4%	47.4%	62.1%	55.0%

\*Difference between FY05 non-repeaters and FY05 repeaters is significant at the 95% confidence level

<sup>^</sup> Difference between FY06 first year recipients and FY06 repeaters is significant at the 95% confidence level

Source: WHEAP database, provided by the DOA, Division of Energy

### 3.3.2 Characteristics of Crisis Assistance Recipients by Amount of Crisis Assistance Received

The following table reviews household characteristics of FY06 crisis assistance recipients by their total crisis funding level groupings (\$1 to \$499, \$500 to \$749, \$750 to \$1,000, and greater than \$1,000). The participant survey does not include households that received less than \$500 in total funding; therefore, any data tables or charts related to the survey effort omit this group.

Household composition varies depending on the total level of crisis assistance received in FY06. A few points to highlight:

- Households receiving over \$1,000 have the highest average poverty level, followed by the lowest crisis recipient group (\$1 to \$499).
- Households receiving \$500 to \$749 are most likely to be in the greatest poverty and serve households with children.
- The two largest crisis funding categories are significantly more likely to house disabled members than the two lowest crisis funding categories.
- Households receiving over \$1,000 in crisis funding are significantly more likely to live in single-family housing than the other funding groups, and own their home. Conversely, households receiving less than \$500 in total funds are more likely to live in multi-unit buildings than other funding groups.

This trend is likely due to the energy costs experienced in single-family housing. A review of the FY06 crisis assistance recipients shows that recipients that reside in single-family buildings have higher annual energy costs than other applicants. Single family residents pay, on average, \$2,113 in energy costs per year, compared with \$2,062 spent by duplex or two-family unit residents and \$1,168 spent by multi-family unit residents<sup>13</sup>. Additionally, single-family household residents may have more expenses related to home upkeep than recipients that rent and/or reside in multi-family units.

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<sup>13</sup> This analysis excludes households where the database reported a total energy cost of \$0.

**Table 3-6. FY06 Household Characteristics by Level of Crisis Received<sup>14</sup>**

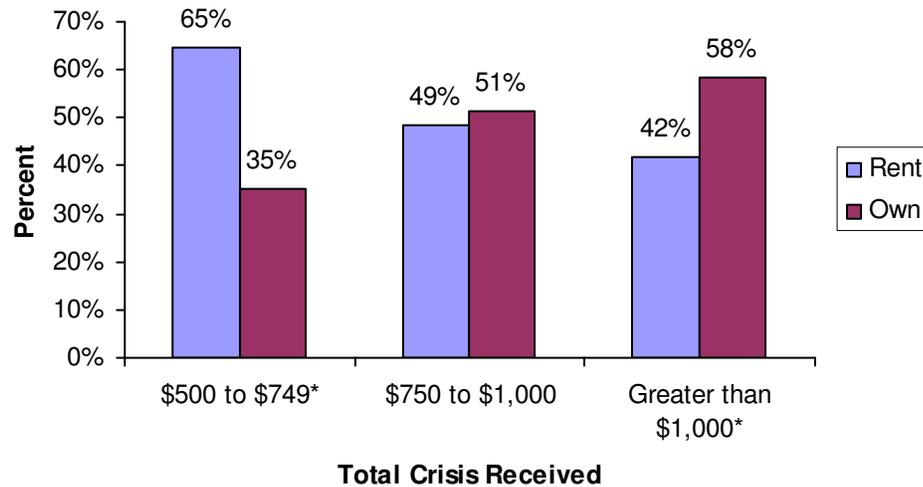
	<b>\$1 to \$499 (N=30,443)</b>	<b>\$500 to \$749 (N=9,291)</b>	<b>\$750 to \$1,000 (N=1,127)</b>	<b>Greater than \$1,000 (N=422)</b>
<b>Poverty Level</b>				
At or below 75% FPL	32.1%	38.2%	33.5%	32.5%
Above 75% FPL	67.9%	61.8%	66.5%	67.5%
Average FPL	88.9%	84.5%	88.3%	92.9%
<b>Household Composition</b>				
At least one child in household	26.8%	32.5%	29.8%	27.3%
At least one elderly member in household	28.5%	19.2%	22.3%	25.4%
At least one disabled member in household	38.3%	38.5%	45.6%	44.5%
<b>Housing Characteristics</b>				
Live in single-family unit	47.1%	44.7%	58.3%	73.2%
Live in mobile home or trailer	11.3%	6.0%	14.4%	13.3%
Live in duplex or two family	21.8%	35.8%	18.0%	7.6%
Live in multi-family unit	19.8%	13.5%	9.3%	5.9%

Source: WHEAP database, provided by the DOA, Division of Energy

Consistent with the housing characteristics described above, households receiving \$750 or more in crisis assistance are more likely to own than rent their home, and those receiving over \$1,000 in crisis assistance are significantly more likely to own their home.

<sup>14</sup> Note that the population size represented in this table is less than the full crisis population. The database does not include demographic data for households that only received crisis; therefore, the crisis only households are missing from this analysis. This represents a total of 8% of the full FY05 and FY06 population.

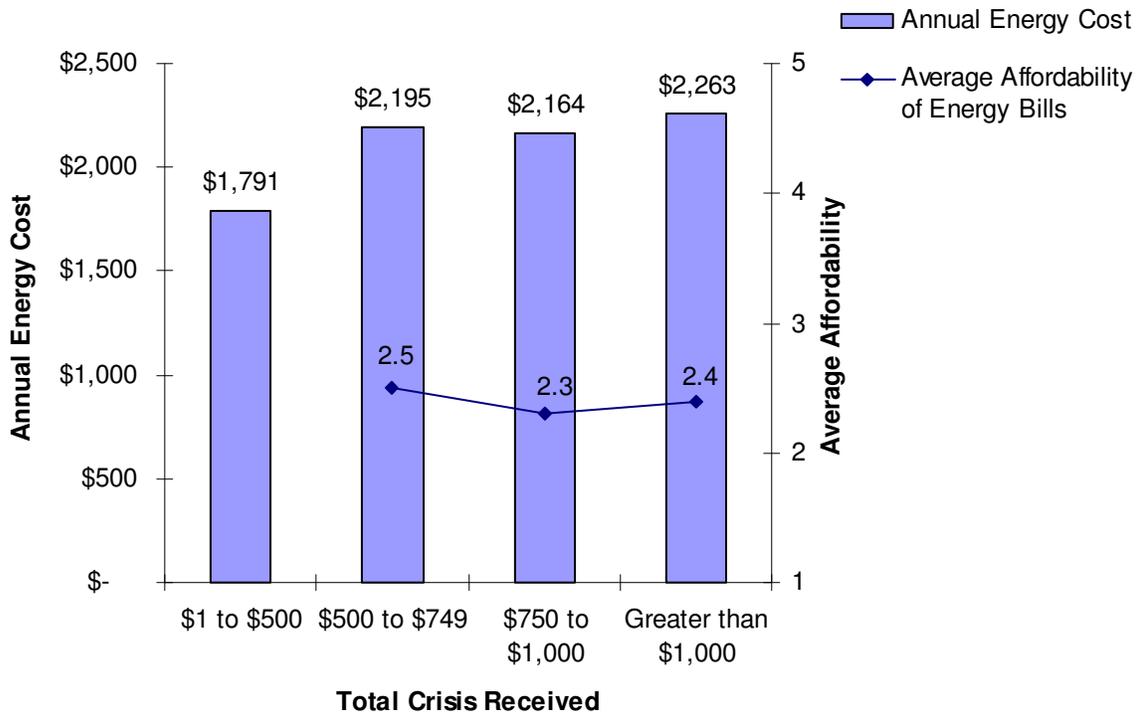
**Figure 3-1. Homeownership Status by Total Crisis Assistance Received**



\* Difference is significant at the 95% confidence level  
 Source: Crisis participant survey

The energy costs for FY06 vary considerably depending on the amount of crisis received, with the largest crisis assistance recipients having higher annual energy costs than the other groups. On average, all crisis assistance recipients surveyed have difficulty affording their energy bills. On a 5-point scale, where 1 is not at all affordable and 5 is very affordable, respondents rate the affordability a 2.5. The affordability varies slightly by total crisis assistance received (Figure 3-2).

**Figure 3-2. FY06 Household Characteristics by Level of Crisis Assistance Received<sup>15</sup>**  
*(Average Affordability is rated on a 1 to 5 scale, 5 being very affordable)*



Sources: WHEAP database, provided by the DOA, Division of Energy  
 Crisis participant survey

Households receiving more crisis funds are more likely to report working for pay in the month prior to being surveyed. Forty-four percent of households with more than \$1,000 in crisis assistance worked for pay the previous month, compared with 37 percent of households between \$750 and \$1,000 and 31 percent of households between \$500 and \$749. This is most likely a result of the make-up of the household—households with an elderly member are less likely to receive large crisis assistance payments.

<sup>15</sup> Note that the population size represented in this table is less than the full crisis population. The database does not include demographic data for households that only received crisis; therefore, the crisis only households are missing from this analysis. This represents a total of 8% of the full FY05 and FY06 population.

### 3. Crisis Assistance Characterization...

Table 3-7 summarizes self-reported financial resources information from the customer survey. According to the survey results, there is little difference in the following characteristics of crisis assistance recipients when reviewing the total amount of crisis they receive:

- Ownership of a credit card
- Owe money for rent or mortgage for previous months.

However, large crisis assistance recipients are more likely to have a balance on their credit card than smaller crisis assistance recipients; nearly three-quarters of respondents with crisis assistance payments above \$750 have at least a \$500 balance on their credit card, compared with 56 percent of households receiving \$500 to \$749 in crisis assistance. Additionally, large crisis assistance recipients are twice as likely to owe more than \$250 in medical bills than smaller crisis assistance recipients.

The more crisis money received, the higher the chances that the household has a checking or savings account. A third of households receiving \$500–\$749 in crisis assistance payments have neither a checking nor a savings account, whereas a fifth of households receiving more than \$1,000 in total crisis assistance have neither type of account. The larger crisis assistance recipients are more likely to have a checking account than the other group. This finding is supported by the fact that the highest crisis assistance recipients also have the highest average poverty level, which would likely increase their ability to maintain a checking and/or savings account. It could also be a result of more program intervention with the larger crisis assistance recipients that could have included budget counseling efforts (not reviewed for this evaluation).

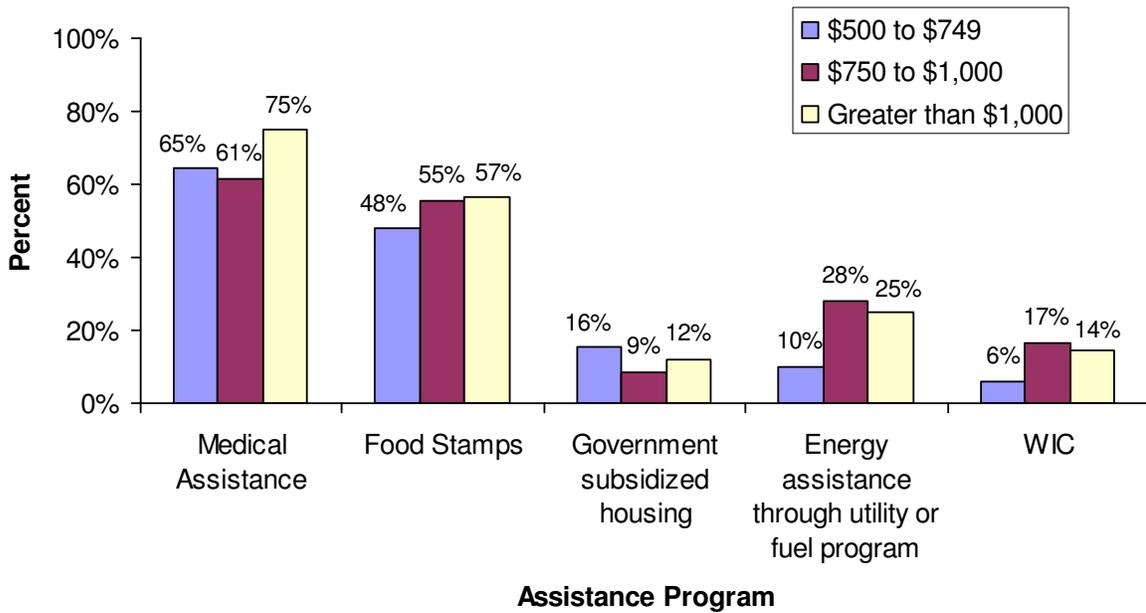
**Table 3-7. Financial Characteristics of Crisis Assistance Recipients**

	<b>\$500–\$749 (n=50)</b>	<b>\$750– \$1,000 (n=139)</b>	<b>Greater than \$1,000 (n=158)</b>
Owe more than \$250 in medical bills	28.0%	52.9%	51.0%
Owe payments for previous month at current address	16.0%	20.3%	19.8%
Have a credit card	28.0%	28.8%	26.0%
[If have a credit card] Owe more than \$500 in credit card bills at the end of the month	55.6%	72.4%	72.2%
Has a checking account	34.0%	38.0%	40.4%
Has neither a checking nor savings account	30.0%	28.5%	20.0%

Source: Crisis participant survey (October 2006)

Large crisis assistance recipients (\$750 or greater) are also more likely to participate in other assistance programs. (Figure 3-3). The exception to this is government subsidized housing; \$500 to \$749 recipients are more likely to reside in government subsidized housing.

**Figure 3-3. Crisis Assistance Recipients' Participation in Assistance Programs**



Source: Crisis Participant Survey

### 3.4 WHEAP AND CRISIS IMPACT ON ENERGY BURDEN

WHEAP bill payment and crisis assistance taken together are having a significant impact on reducing participants' energy burden (the percent of a household's income spent on energy), especially for larger crisis assistance recipients. In general, households that receive crisis assistance also receive WHEAP regular benefits. Therefore, it is important to look at how WHEAP regular benefits and crisis benefits work together to address participants' energy needs.

Table 3-8 shows the average energy burden of crisis assistance recipients by crisis level with the WHEAP bill payment amount and with the WHEAP and crisis assistance amounts. Overall, crisis assistance, coupled with WHEAP bill assistance, is bringing participant energy burden below 10 percent (to 9.1 percent), which is defined by Colton as the ceiling for affordability. In fact, the lowest post-program energy burden is for the very high recipients (over \$1,000).

**Table 3-8. Energy Burden by Crisis Level Received**

<b>Crisis Level</b>	<b>Pre-program Energy Burden</b>	<b>Energy Burden with WHEAP Bill Assistance</b>	<b>Energy Burden with WHEAP and Crisis Assistance</b>
\$1 to \$499	19.2%	12.9%	9.4%
\$500 to \$749	23.3%	15.5%	8.7%
\$750 to \$1,000	22.3%	16.6%	5.5%
Greater than \$1,000	20.1%	14.8%	2.9%
Total	20.2%	13.6%	9.1%

#### 4. **CRISIS ASSISTANCE DELIVERY**

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This section summarizes how crisis assistance is delivered at the local agency level. The results are based on the 10 program manager interviews representing 12 sampled agencies. Interviewed agencies represented those that had larger average crisis assistance payments (average crisis assistance payments of \$750 and above) per household in FY06 (seven of the 12 interviewed agencies) and those that had smaller average crisis assistance payments (five of the 12 interviewed agencies). This section begins with key findings from the agency interviews. Results are then presented in more detail in the following topic areas:

1. WHEAP and crisis administration (identification of crisis households, crisis assistance delivery, agency attitude toward crisis assistance, crisis assistance best practices)
2. Large crisis assistance recipients
3. FY07 program changes

##### 4.1 **KEY FINDINGS**

- Agencies are unanimous that crisis assistance is an essential part of WHEAP meeting its primary goal of preventing life-threatening situations. Agencies also indicate that crisis assistance is an important component to moving households towards energy sufficiency, a secondary goal of crisis assistance, but a primary goal of the overall WHEAP program.
- For the most part, households are identified for crisis assistance reactively (i.e., when a household calls the agency in crisis or a utility or fuel vendor calls the agency about a household in crisis) instead of proactively (i.e., identified by the agency prior to an emergency situation). Clients agree—89 percent say they contacted the agency for assistance in an emergency. This is important because proactive identification of crisis assistance recipients could prevent emergency situations such as a household having no heat in the winter.
- Over half of agencies do a combination of lump sum payments (lump sum payments may be proactive or crisis payments) and proactive arrangements, many of which include co-payment arrangements. Lump sum payments tend to be for bulk fuel (oil or propane) fills, according to agencies. Three agencies of the twelve represented in the interviews deliver the majority or all of crisis assistance through proactive arrangements.
- The majority of agencies deliver energy education and budget counseling to crisis assistance recipients on an ad-hoc or informal basis although they all recognize the importance of these services (these services are not included in the “cash” benefits analyzed in this report). Only the three agencies who primarily deliver crisis assistance through proactive arrangements have formalized energy education and budget counseling for crisis assistance recipients. The importance of this is that energy education and budget counseling may have positive effects in preventing future crisis situations, according to interviewees.
- The agency managers are unanimous that there is not one set approach to helping households with crisis assistance. Instead, households’ individual needs must be addressed. (While sustainability is a desired outcome of crisis assistance, it is not the

#### 4. Crisis Assistance Delivery...

primary goal of the program unlike WHEAP regular benefits. For crisis assistance, the primary goal is to prevent life-threatening crisis situations. Once these goals are met, crisis assistance may be able to identify some households where assistance may realistically help the households move toward sustainability.).

- Agencies report trying to take a holistic approach to addressing household needs and actively refer households to other applicable assistance programs beyond WHEAP.
- Agencies identify two crisis administration “best practices.” One is local networking with other programs and a technical college to offer multi-faceted services to low-income households. The second is direct interfacing with utilities to proactively identify households for crisis proactive services. Both of these “best practices” are types of activities required and encouraged by DOA as outlined in Chapter 2 of the WHEAP manual. In addition, DOA requires a Local Coordination Plan to encourage agencies to meet these requirements.
- Seven of the ten interviewed program managers feel there are legitimate reasons for households to receive large household payments, which are discussed in detail below. These include first year recipients who come to the program in extreme situations; the need for reasonable, affordable payments when a household’s energy burden is unreasonable; rising energy prices; household instability; and extreme poverty.
- Program managers are split about what they believe will be the ramifications of the newly implemented \$1,000 ceiling. Three think it will have negative effects, three think it will have positive effects, and the remaining four think it will have limited effects or are not sure of the effects at this time.
- The three managers that think a \$1,000 crisis ceiling is too high are concerned with equitable distribution of crisis funds and misuse of the system resulting from large payments.
- Those agencies against the ceiling argue agencies need discretion over crisis funds. These agencies voiced that the ceiling will result in them not being able to sufficiently help some households, which gets at one of the core policy issues—how much help can the program support having available for a few households? In addition, some agencies fear that fuel vendors would receive the bulk of crisis monies with little going to regulated utilities because it will limit agencies’ ability to do proactive arrangements with the regulated utilities.
- Agencies, in general, do not anticipate any issues with the \$25 customer co-payment. Most report they typically require a contribution.
- While the majority of agencies are pleased with the new crisis funds allocation method, a few are very vocal that it has negatively impacted them. The primary negative aspect of the new crisis allocation system is that it no longer includes the 10 percent hold harmless clause. Some agencies are concerned the crisis distribution does not award agencies for leveraging outside dollars.

## 4.2 WHEAP AND CRISIS ADMINISTRATION

In general, interviewed agencies represent county or tribal community social services. For example, most agencies offer assistance programs for child care, career, elderly services, job centers, and/or economic support in addition to energy services. These agencies have at least one person whose main job responsibility is WHEAP. Program managers tap into other energy programs when applicable, such as utility programs and Keep Wisconsin Warm Fund. Two agencies report being primarily one-stop energy shops, concentrating on serving all of the households' energy needs.

Agencies take WHEAP applications through different venues. In some counties, the majority of applicants come to the main service center. In others, there are many elderly who need site visits and working poor who are processed at satellite offices.

### 4.2.1 Identification of Crisis Households

For crisis assistance, the majority of agencies report that households are identified reactively instead of proactively. The two most frequent methods to identify households for crisis assistance are: (1) when households contact an agency in an emergency situation, and (2) through utility or fuel vendor referrals. This finding is confirmed by the customer survey; nearly ninety percent of households interviewed say they first contacted the agency about crisis assistance (89 percent).

Three agencies proactively identify households for crisis assistance. One program manager reports they are able to proactively do this because they also run utility low-income programs and can directly identify households with high arrears and approach them for proactive payment arrangements. Another agency uses last year's WHEAP information to identify households to approach for proactive co-payment arrangements.

These three agencies discuss the importance of timing of proactive arrangements. They say it is important to identify households prior to the heating season or prior to the end of the moratorium period because they then have the time to proactively address these households' needs. The agencies report they are more resource-constrained in terms of staffing to deal with emergency situations in the heating season and just after the moratorium. In addition, one program manager argues that bulk fuels (oil and propane) are cheaper in the summer and therefore it is more cost-effective for the program to set up proactive arrangements for bulk fuels when they can also take advantage of usually lower pre-buy fuel prices.

### 4.2.2 Crisis Assistance Delivery

Only one out of twelve agencies (a low crisis distributor) reports it does not do proactive co-payment arrangements at all through crisis assistance. Instead they deliver all crisis assistance through lump sum payments. This agency noted that it is probably something they should do, they just have not.

Of the other agencies, four report primarily administering crisis assistance through proactive and co-payment agreements (three of these are high crisis distributors, one is low). The fact that the majority of these agencies are high crisis distributors is consistent with the characterization analysis, which shows that the highest percent of co-payment recipients tended to be high crisis assistance recipients, who receive a total of \$750 or greater in total crisis assistance payments.

#### 4. Crisis Assistance Delivery...

The remaining seven agencies do a combination of emergency payments and proactive arrangements. Agencies report that lump sum emergency payments tend to be for bulk fuel (oil or propane) fills.

The program does not require that budget counseling and energy education be provided. While agencies recognize the importance of budget counseling and energy education, these services are generally delivered informally or on an ad-hoc basis to crisis assistance recipients. Only the three agencies who primarily deliver crisis assistance through proactive arrangements have formalized education components. They believe that budget and energy use counseling are necessary for successful proactive arrangements. Two additional agencies report they are working toward formalized budget counseling arrangements for crisis assistance recipients.

*“It is important crisis talks about energy lifestyle changes and taking responsibility and getting customers to manage their ballooning challenges.”*

One of the agencies that formalized education components also point to the importance of recognizing a household’s success in proactive arrangements. This agency sends congratulation letters to households successfully completing their co-payment agreements.

All agencies assert that they try to take a holistic approach to addressing household needs and actively refer households to other applicable assistance programs beyond WHEAP. At the same time, the majority of agencies also suggest staffing and resources constraints within their agency limit their ability to provide one-on-one case management or more individualized attention that they think is important to help these households.

All managers agree there is not one set approach to helping a household through crisis assistance. Instead, households’ individual needs must be addressed.

*“The level and types of services needed by these households is so varied, you can’t take a cookie-cutter approach. You have to take them case by case.”*

Because of the need for an individualized approach, all the managers believe flexibility to administer crisis funds is necessary for the program to be most effective at helping households.

#### **4.2.3 Agency Attitude Toward Crisis Assistance**

Agencies are unanimous that crisis assistance is an essential part of WHEAP and is meeting its primary goal to prevent life-threatening situations. One agency manager feels it is the most important and effective component of WHEAP in reaching the overall WHEAP program goal to move households toward energy sustainability. This interviewee is a strong believer that the majority of WHEAP dollars should be in crisis monies for proactive co-payment arrangements and not for lump sum payment amounts.

*“Crisis is by and large making the biggest difference in targeting households with the greatest needs.”*

*“Crisis is the glue that holds energy assistance together.”*

#### 4. Crisis Assistance Delivery...

Interviewed agencies feel the flexibility they have to administer crisis assistance is important to its success.

*“The success of the program has been driven by the latitude and flexibility allowed at the local level to tap into resources differently.”*

A few interviewed agencies are very vocal that they do not think that crisis assistance should be micromanaged. At the same time, it is also recognized by some interviewed managers that some agencies have abused crisis assistance and therefore some direction or guidance from DOA is needed. There was discussion of how to make agencies comply without punishing agencies that are utilizing crisis assistance as the program intends.

#### **4.2.4 Crisis Assistance Best Practices**

This section briefly highlights two “best practices” reported by agencies in interviews. DOA encourages agencies to do these types of practices through the annual Local Coordination Plan they are required to submit. However, we feel it is worth highlighting these two best practices here since agency interviews indicate that some agencies are doing a better job meeting DOA requirements than others.

One best practice employed by an agency involved networking within the community to plug crisis assistance recipients into multiple programs that could help bring them out of poverty and into self-sufficiency. This county works with a local technical college to form a separate organization that is associated with the technical college. This organization has several different services in one building to assist clients. Because it is associated with the technical college, they do not have to fight the “welfare” stigma. They are able to walk crisis assistance recipients over to this center to talk to a guidance counselor who can help them develop resumes, get a GED, take necessary workshops, etc.

The second best practice involves direct interfacing with the utilities. Two agencies are able to proactively identify households in danger of a utility disconnect before the disconnection happens and contact these households to participate in proactive payment arrangements. These agencies are able to do this because they administer the program for the utilities and have direct access to the utilities’ databases. While this is not feasible for most agencies, it does highlight the importance of direct interaction with the utilities and bulk fuel providers to identify and serve crisis assistance households proactively to prevent emergency situations.

### **4.3 LARGE CRISIS ASSISTANCE PAYMENTS**

#### **4.3.1 Large Crisis Assistance Recipients**

While all of the agencies say they serve some repeat crisis assistance recipients and “*abusive repeaters*,” they believe the majority are not. They believe it is okay for the same household to repeat if there are indicators of the household’s progress toward sustainability.

Seven of the ten interviewed program managers feel there are legitimate reasons for households to receive large household payments. These include:

- First year recipients
- The need for reasonable, affordable payments

#### 4. Crisis Assistance Delivery...

- Rising energy prices
- Household instability
- Extreme poverty.

Reported reasons, which are not mutually exclusive, are discussed in more detail below:

**First year recipients.** Some agencies argue some households who come to the program in crisis need more money the first year they come into the program in order to, “*dig out of a hole.*” For example, these households may have very high arrears. One agency (a high crisis distributor) says their agency makes it a policy to address a family’s needs the first year they come into the program irrespective of the amount needed in order to place the household successfully on the path to sustainability.

*“That first year, we want to get a family to success and we’re willing to put as much money into them to get them through this one year. We need to allow people the year to work through the program and make payments.”*

**Reasonable, affordable payments.** Agencies believe that to get households on the path of sustainability, households must have reasonable, affordable payments. These agencies report situations where households have a high energy burden (whether because of fixed or no incomes, extreme poverty, or high energy bills) and they need larger crisis assistance payments to make energy payments reasonable and affordable on an ongoing basis.

*“We base co-pay amounts on their legitimate ability to pay and it is based on customer commitment and accountability. Our average payment is greater than the state but it is all linked to customer service agreements that in the long term increase economic self-sufficiency.”*

One agency asserts that for a proactive approach to be successful, it must “*gap a household’s ability to pay based on the resources they have available and their energy costs.*” Sustainability to this interviewee does not mean that the household may not participate in crisis year after year, but rather that the household has stabilized and is not in an emergency situation (e.g., disconnection).

*“There are households that we underwrite multiple years because their income is so low and the percentage of their income going to energy is so high, but we have stabilized them and they aren’t getting disconnected.”*

**Rising energy prices.** All agencies discuss the rising energy prices they have seen in natural gas and bulk fuels, although those have appeared to level off for the FY07 heating season. Agencies say if a bulk fuel customer is in need of two fill-ups in the season, that alone would make them a high crisis recipient.

*“If they have more than two crises in a season, we can’t help them anymore.”*

Agencies give different amounts for minimum bulk fuel fills, but they generally range from \$300–\$500 per fill.

**Extreme household instability.** Some agencies argue households can have certain situations that warrant larger crisis assistance payments. One example is families

#### 4. Crisis Assistance Delivery...

experiencing severe domestic violence. For example, the household may come out of a shelter with significant debts.

*“They leave abusive relationships with \$1,000 debts and she has to do everything she can. There are some circumstances that warrant \$0 or \$5 payments for a limited amount of time.”*

Other examples of extreme household instability are households with medical problems and high health care/drug costs. In fact, as shown in Chapter 3, the large crisis assistance recipients (\$750+) are more likely to report owing money for medical bills, back payments on rent or mortgage and, if they have a credit card, the debt is higher/greater than the debt of the smaller crisis recipient group (\$500–\$749).

**Extreme poverty.** Agencies point out some crisis assistance recipients are in crisis situations and are repeat recipients because they have very low or no income. Agencies report there are households who work, but have such low paying jobs that they aren’t making much. Another situation raised by one program manager is seasonal employment where households are unemployed for a significant percentage of the year. Some elderly have very low fixed incomes.

#### 4.3.2 Large Crisis Distributions

While the majority of interviewed managers feel larger crisis amounts can be justified in certain situations as described above, three managers (one large crisis distributor, two low crisis distributors) think that a \$1,000 crisis ceiling is too high. One agency says they have set their agency’s maximum at \$600. They determined this by looking at what they think would realistically be needed to get households by and distribute their crisis monies fairly. They believe crisis assistance should be spread out more evenly to a larger group of recipients than large payments only to a few recipients. Another agency claims that \$1,000 is too much and allows some fuel vendors to charge large emergency fuel delivery fees and some households to abuse the system. Another agency thinks the \$1,000 ceiling may keep abuse of crisis assistance funds down. This agency believes some agencies “dump” their crisis funds at the end of the year in order to expend all of their crisis funds.

#### 4.4 FY07 PROGRAM CHANGES

Support of DOA’s new policy to cap the crisis distribution amount to \$1,000 is mixed. Three program managers are not in favor of the \$1,000 cap, three agencies favor the cap, and four agencies do not think the ceiling will have a large effect on how they administer crisis assistance and are not sure what the effects would be. This latter group say the state allows flexibility in the ceiling on a case-by-case basis, although they are not sure what this entails since the procedure is new.

Negative arguments against the \$1,000 ceiling include the agencies’ belief that they need discretion over crisis funds to best meet the individual needs of their county or community and household situations, which might include large crisis assistance payments. Several agencies feel the ceiling was put in place because some agencies misused their crisis assistance funds. They feel this penalizes agencies who keep careful control over and monitor their crisis funds. Two agencies believe the ceiling may result in bulk fuel vendors receiving the bulk of crisis monies with little going to regulated utilities because it will limit agencies’ ability to do proactive arrangements.

#### 4. Crisis Assistance Delivery...

The majority of the agencies say they do not anticipate any issues with the \$25 customer co-payment because they have typically required a contribution. One agency says they actually like the requirement because it takes some of the pressure off them as they can tell the customer it is a state requirement.

There is also discussion of the new crisis funds allocation system. While the majority of agencies are pleased with the new crisis allocation system, a few are very vocal that it has negatively impacted them. The agencies that are pleased with the crisis distribution say it is more equitable, transparent, and easy to monitor. They say this is because the crisis monies allocation has been changed to reflect participation based on number of applications.

The negative aspects of the new crisis allocation system are that it no longer includes the 10 percent hold harmless clause. The other reported negative is that the crisis allocation system does not reward agencies for leveraging outside dollars. This was also the case for the old system, according to the agency, but something the interviewee thinks needs to be fixed.

## 5. **CRISIS ASSISTANCE PROGRAM EXPERIENCE AND EFFECTS**

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This section of the report summarizes customers' experience with crisis assistance and the effects crisis assistance has had on households' situation. This chapter primarily draws on the quantitative results from the participant survey, but also brings in relative qualitative information from the agency interviews. To briefly summarize the primary data collection activities discussed in the *Background* section to this report:

- PA conducted 300 telephone surveys with households that received crisis assistance payments equaling or exceeding \$750, as well as a comparison group survey of 51 households that received \$500–\$749 in total crisis assistance payments in FY06.
- PA interviewed 10 program managers representing 12 agencies selected for the crisis assistance study.<sup>16</sup> Interviewed agencies represent both those that had the highest percent of large crisis assistance recipients and the smallest percent of large crisis assistance recipient.

We begin this section with key findings. Results are then discussed in more detail in the following sections:

- Crisis participation (reasons for participation, crisis participation patterns, and co-payment arrangements)
- Program satisfaction
- Program effects on households
- FY07 program changes.

### 5.1 **KEY FINDINGS**

- The majority of households seek crisis assistance. They say it is because of their inability to pay their utility or fuel bills, a change in their household situation (e.g., loss of employment or medical condition), and/or the threat of disconnection or running out of fuel.
- While the survey responses corroborate the program manager interview results that the majority of crisis assistance recipients are identified reactively (they contact the agency for assistance), the responses also suggests that large crisis assistance recipients are more likely than smaller crisis assistance recipients to be identified proactively (e.g., the agency contacts them first).
- Approximately one-half of survey participants report receiving crisis assistance benefits before and approximately two-thirds report they are planning on applying again in FY07.
- Large crisis assistance recipients (receiving crisis assistance of \$750 or more in 2006) are more likely than small crisis assistance recipients to be repeat recipients.

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<sup>16</sup> The Wisconsin Department of Administration contracts with 79 local agencies to administer WHEAP. Energy Services, Inc., interviewed for this study, manages 14 of the local administering agencies.

## 5. Crisis Assistance Program Experience and Effects...

Households that received between \$750 and \$1,000 in total crisis funds in 2006 are most likely (58%) to say they would reapply for crisis assistance because their energy bills are not affordable. These households are most likely (55%) to say they sought crisis assistance because of a change in household situation.

- Very large crisis assistance recipients (receiving crisis of \$1,000 or more) were more likely (46%) to report that they will **not** seek crisis assistance in FY07 because they feel more financially capable, their employment situation is changed in the household, or they have learned how to manage their energy bills.
- Fifteen percent of survey respondents are on a co-payment arrangement. The percentage of crisis assistance recipients on co-payment arrangements goes up based on the amount of crisis assistance received, with over half of very large crisis assistance recipients (crisis assistance of \$1,000 or more) being on a co-payment arrangement.
- Crisis assistance recipients' average (mean) satisfaction with all aspects of the crisis assistance program is very high (above a 4 on a 5-point scale where 5 is "very satisfied").
- The majority of respondents report the crisis benefits made their energy bills more affordable and are helpful in allowing them to meet other expenses of their households. More households that receive greater than \$1,000 in total crisis assistance report the program has had a positive impact on their household than those receiving smaller assistance amounts.
- Regarding the two newly implemented DOA policies in FY07, households do not feel the \$25 contribution will be difficult to make, which concurs with agencies' views. Households that received greater than \$1,000 in total crisis feel the \$1,000 ceiling will have a negative impact on their ability to maintain heating or electric service.

### 5.2 CRISIS PARTICIPATION

#### 5.2.1 Reasons for Participation

Not surprisingly, the most commonly reported reason for seeking crisis assistance is because the household could not pay the fuel or utility bill or they were in imminent danger of being disconnected or running out of fuel (55 percent and 18 percent, respectively). Nearly one-half of respondents (46 percent) say they applied for crisis assistance because of a change in their household situation. The most frequently mentioned change is a loss of employment (65 percent), followed by medical conditions and child care issues (21 and 11 percent, respectively).

Thirty-six percent cite having low income or minimal finances as a reason for seeking crisis assistance. Households receiving more than \$1,000 in crisis assistance are most likely to provide this reason for seeking crisis assistance. Only thirteen percent of respondents say they sought crisis assistance to help pay off back payments in utility or fuel bills. The lower level recipients are more likely to cite this as a reason than the higher crisis assistance recipients (14 percent for \$500 to \$750, 8 percent for \$750 to \$1,000, and 6 percent for greater than \$1,000 recipients).

Table 5-1. Primary Reasons for Seeking Crisis Assistance in FY06

	\$500–\$749 N=51	\$750–\$1,000 N=140	Greater than \$1,000 N=161
Could not pay utility/fuel bill	54.9%	52.5%	52.2%
Have limited or low income	33.3%	48.2%	54.0%
In danger of getting disconnected or running out of fuel	19.6%	10.1%	13.8%
Has back payments for utility/fuel bill	13.7%	7.9%	5.8%
Sought crisis because of a change in household situation	45.1%	54.7%	50.9%
<i>[If sought because of a change]</i> Loss of work or employment	69.6%	44.3%	65.4%
<i>[If sought because of a change]</i> Had a medical condition	17.4%	36.6%	20.5%

Source: Crisis participant survey (October 2006)

## 5.2.2 How Households Were Identified for Crisis Assistance

How households are identified for crisis assistance varies significantly depending on the level of crisis assistance received. The lower crisis assistance recipients surveyed are most likely to say they contacted the agency to inquire about crisis assistance (90 percent), compared with 78 and 87 percent of households in the higher two categories. This indicates that agencies are more likely contacting the higher level customers and informing them about crisis assistance or offering crisis assistance, which concurs with the agency interviews.

## 5.2.3 Crisis Assistance Participation Patterns

The WHEAP database analysis shows that about a quarter of households that applied for crisis in FY05 also applied for FY06. The survey results indicate that repeat participants—participants who received crisis assistance in more than one year—are most likely higher. Almost half (46 percent) of crisis assistance participants surveyed said they applied for crisis assistance in previous years beyond FY05 (Table 5-2).

There is a positive correlation between having applied for crisis assistance in FY05 and the amount of crisis assistance received. According to the survey data, the more crisis funds received, the more likely the household is to have sought crisis assistance in FY05 as well as FY06. The survey asks how many other years these repeat applicants applied for crisis prior to FY06. The average number of years is fairly similar when reviewed by total amount of crisis received, although there is a slight increase in average number of years as the amount of crisis funds increases.

This, at first, may appear that multiple recipients may be abusers because they receive crisis assistance year after year. But in fact, it supports agencies' views that multiple recipients (households who receive crisis assistance in more than one program year) are treated more proactively since co-payment arrangements tend to be related to the high crisis assistance recipients.

Table 5-2. Past and Future Crisis Activities

	\$500–\$749 N=51	\$750– \$1,000 N=140	Greater than \$1,000 N=161
Sought crisis in previous years, not just FY05	44.7%	55.3%	54.4%
<i>[If applied for crisis previously]</i> Average number of years prior to FY06 applied for crisis	2.8	3.2	3.0
Sought crisis because of a change in household situation	45.1%	54.7%	50.9%
<i>[If sought because of a change]</i> Loss of work or employment	69.6%	44.3%	65.4%
<i>[If sought because of a change]</i> Had a medical condition	17.4%	36.6%	20.5%
Planning to apply for crisis in FY07	61.9%	71.0%	57.5%
<i>[If plan to apply in FY07]</i> Will seek crisis assistance because utility bill or bulk fuel is not affordable	34.6%	58.1%	51.3%

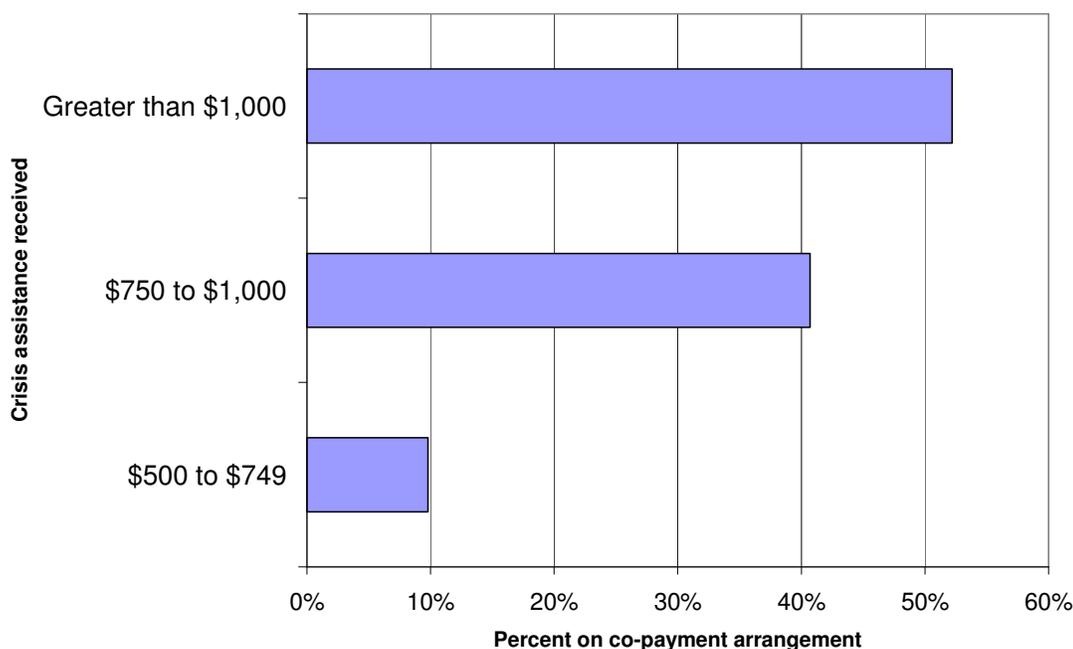
Source: Crisis participant survey (October 2006)

Nearly two-thirds of households that say they would apply for WHEAP in FY07 also say they plan to apply for crisis assistance as well. As Table 5-2 shows, the percent that say they will apply for crisis assistance again ranges by total crisis assistance received, with households that received greater than \$1,000 least likely to say they would seek crisis assistance again in FY07. (Note: this finding could be an important argument for a higher crisis cap as discussed more in the *Conclusions and Recommendations* section of this report). These very large crisis assistance recipients say they will not seek crisis assistance because they are more financially capable (32 percent), their employment situation is changed in the household (12 percent), and they have learned how to manage their energy bills (9 percent).

Those households that believe they will apply for crisis assistance again in FY07 primarily say they would do so because their energy bills are not affordable and that they generally have no or little income. Households receiving between \$750 and \$1,000 in total crisis funds are most likely to say they would reapply for crisis because their energy bills are not affordable. These households (those that will apply again) are most likely to say they sought crisis because of a change in household situation.

#### 5.2.4 Co-payment Arrangements

About 15 percent of survey respondents are given assistance with a co-payment arrangement using crisis assistance. The percentage of crisis assistance recipients on co-payment arrangements tends to increase as the amount of crisis assistance increases. Over one-half of very large crisis assistance recipients (crisis assistance of \$1,000 or more) are on a co-payment arrangement (Figure 5-1), compared with only 10 percent of those receiving a medium level of crisis assistance (\$500 to \$749). At the same time, this also shows that almost half of very large crisis assistance recipients are not on a co-payment arrangement and therefore are not expected to make any additional payment themselves.

**Figure 5-1. Co-payment Arrangement by Crisis Assistance Amount, Survey Respondents**

Source: Crisis participant survey (October 2006)

According to interviews with program staff, the terms of the co-payment arrangements are established at the discretion of the agency, the intent being to promote more responsible bill payment behavior in conjunction with the crisis assistance. According to agencies, the size of the payment required by households through the arrangement varies by household and is based on the household's ability to pay. The survey attempted to identify how much households contributed toward their co-payment arrangements and the difficulty of making those payments.

On average, survey respondents say the co-payment agreement spanned five and a half months, indicating most arrangements were established midway through the heating season. Generally, the more crisis assistance a household receives, the longer the co-payment arrangement. Households receiving \$500 to \$749 in total crisis assistance have the arrangement for an average of 5.1 months; it is 5.8 months for households between \$750 and \$1,000, and 7.1 months for households receiving more than \$1,000 in total crisis funds.

According to survey respondents, the average monthly co-payment agreement amount is \$120. On a monthly basis, survey respondents say they paid anywhere from \$1 to \$500 as part of their co-payment arrangement.

The survey asked these households how difficult it was to make the payments throughout the year on a 1 to 5 scale, where 1 is not at all difficult and 5 is very difficult. On average, households rate the difficulty a 3.3. Households at or below 75% federal poverty level rate the difficulty significantly higher than households above 75% federal poverty level. Clearly, the higher the income level the easier it is to make the co-payment.

### 5.3 PROGRAM SATISFACTION

Crisis assistance recipients are very satisfied with all aspects of the crisis assistance program. The survey asked households about their satisfaction with various elements of the crisis assistance program. On a 1 to 5 scale, where 1 is not at all satisfied and 5 is very satisfied, households are asked for their level of satisfaction with:

- The amount of cash assistance received
- The type of assistance received
- How quickly their need was addressed through the program
- The helpfulness of staff
- Agency staff's understanding of household's situation and needs
- Information on how to manage household budget
- Information on how to manage household energy consumption
- Referrals to other services and/or programs.

All topics rate a minimum of 4.0 on a 5-point scale. Respondents are most satisfied with the type of assistance and how quickly the program responds to their needs (average rating 4.7 for each). Households are least satisfied with the affordability of the monthly co-payment (4.0), although this is still a high level of satisfaction.

**Table 5-3. Satisfaction Rating with Crisis Assistance**  
(1 to 5 scale, where 1 is not at all satisfied and 5 is very satisfied)

Client satisfaction with . . .	Average Satisfaction
The type of assistance received	4.7
How quickly need was addressed through program	4.7
The helpfulness of staff	4.6
Information on how to manage household's budget	4.6
Information on how to manage households' energy consumption	4.6
The amount of cash assistance received	4.5
Agency staff understanding of household situation and needs	4.4
Referrals to other social services and/or programs	4.2
Affordability of monthly co-payment amount	4.0

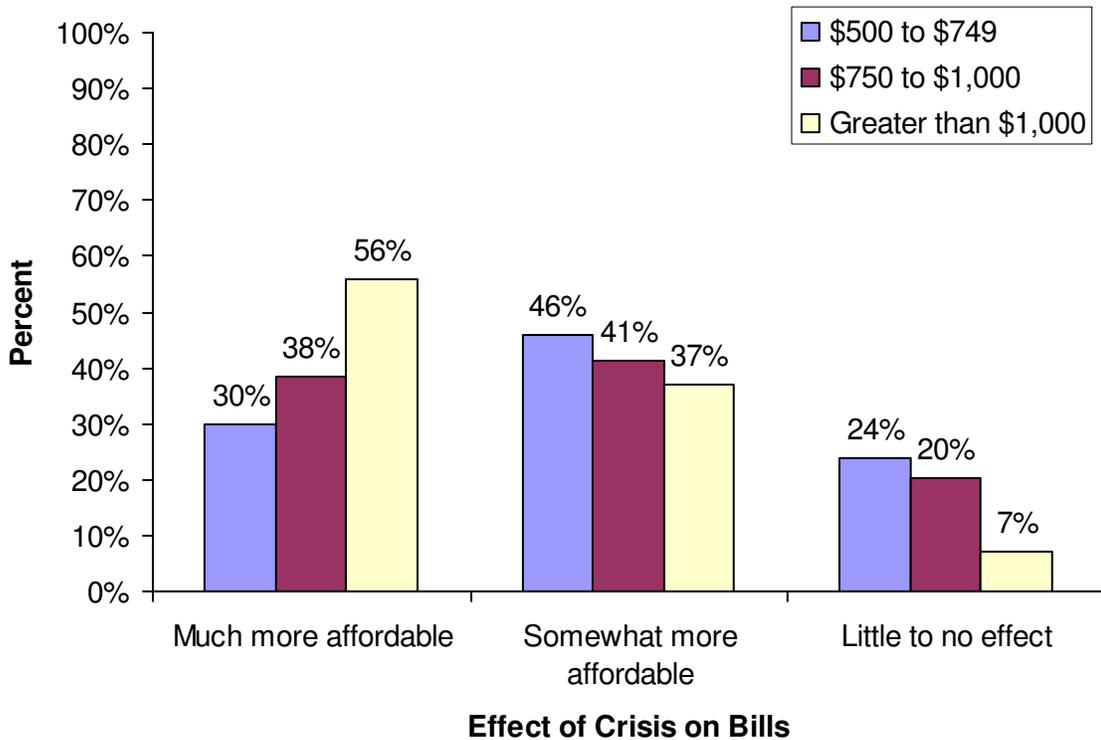
### 5.4 PROGRAM REPORTED EFFECTS ON HOUSEHOLDS' SITUATIONS

Households feel the crisis assistance funds help make their energy bills more affordable. Respondents were asked if their participation in crisis assistance in FY06 made their energy bills much more affordable, somewhat more affordable, or had little to no effect on the affordability of their bills. Over three-quarters (77%) of households feel the program made their energy bills more affordable (either much or somewhat more).

There is some difference in the responses about program effects by amount of total crisis assistance received (Figure 5-2). The higher the crisis assistance amount received, the more effect the funds have on a household's reported ability to pay their energy bills. While this

result might be intuitive, it should not be expected as all these households face such high financial constraints (as discussed in Chapter 3).

**Figure 5-2. Program Effect on Energy Bill by Total Crisis Assistance Received**



Source: Crisis participant survey (October 2006)

A similar positive trend emerges when reviewing respondents' view of the program effect on other areas of their household. Respondents were asked how helpful crisis assistance was on their household's ability to do various things. Respondents, on average, feel the program is relatively helpful. Respondents report the greatest impact on their home is the ability to properly heat their home (overall average of 4.4 on a 5-point scale, where 5 was very helpful) (Table 5-4).

Households that received a higher level of crisis are more likely to say they feel the effects of the program on other areas of their household. This is true for all categories, with the exception of "have proper medical care" (which is essentially out of the control of the program). The largest crisis assistance recipients are more likely to say the program helped them maintain their utility service (average of 4.5 compared with an overall average of 3.8).

**Table 5-4. Helpfulness of Crisis Assistance on Households' Ability to . . .**  
*(Mean rating on a 1 to 5 scale, where 1 is "Not at all helpful" and 5 is "Very helpful")*

	\$500– \$749	\$750– \$1,000	Greater than \$1,000	Overall
Properly heat home	4.4	4.3	4.6	4.4
Maintain utility service	3.8	3.9	4.5	3.8
Have sufficient heating fuel (if applicable)	4.4	4.3	4.6	4.4
Meet other household expenses such as food and clothing	4.0	4.0	4.4	4.0
Catch up with and maintain payment of utility and fuel bills	4.2	4.0	4.4	4.2
Maintain a home	4.2	4.2	4.5	4.2
Have proper medical care	3.5	3.5	3.5	3.5

Source: Crisis participant survey (October 2006)

In the agency interviews, the program managers think crisis assistance, especially proactive and/or co-payment arrangements, has significant positive effects on household situations. Program managers report crisis assistance can help people catch up on bills so they can make it on their own, learn good payment behavior, and improve the affordability of their energy bills. They believe crisis assistance can be the essential ingredient to move a household toward self-sufficiency. They also point out that crisis assistance plays the vital role of keeping households out of no-heat or disconnection situations, crisis assistance's primary goal.

*"Being proactive helps people live within their budget. It helps them catch up so they can do it on their own."*

*"What we find is that it's amazing, it's not unlike a diet, it's a habit. Most of these people have come from families where there was not a budget."*

## 5.5 FY07 PROGRAM CHANGES

As discussed in the *Background* section of this report, the program implemented two new policies for FY07: households are required to make a one-time \$25 payment toward their utility bill to receive crisis assistance and households are limited to a maximum total crisis award of \$1,000 (unless otherwise approved by DOA). The survey asks respondents about the impact they feel these two new policy changes would have on their household.

Households, in general, did not feel they would experience any difficulty in making the \$25 payment toward their heat and electric bills. Nearly 80 percent of households say it will not be difficult to make this payment (rated 1 or 2 on a 5-point scale, where 5 is very difficult). Fourteen percent say this requirement will be very difficult.

Only households receiving more than \$1,000 in crisis assistance were asked what impact a \$1,000 ceiling would have on their household's ability to properly heat their home and maintain their utility service. Fifty percent of respondents say it would have a great deal of impact and an additional forty percent say it would have some impact on their home. These

## 5. Crisis Assistance Program Experience and Effects...

results are consistent with the responses given about how helpful they feel the funding was in keeping them connected and improving the affordability of their energy bill.

The households that believe there would be an impact feel the reduced amount could result in a loss in heat or electricity (28 percent). They feel it would make their ability to pay other bills more difficult (25 percent).

## 6. CONCLUSIONS AND RECOMMENDATIONS

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Agencies unanimously concur that crisis assistance is an essential component of WHEAP in preventing life-threatening situations—the primary goal of crisis assistance. Crisis assistance is reaching those in need of assistance beyond WHEAP—crisis assistance recipients have a lower average poverty level and a higher average energy burden than the total WHEAP population.

Furthermore, agencies assert crisis assistance benefits coupled with WHEAP regular benefits can play an important role in moving households towards sustainability. While energy sustainability is a secondary goal of crisis assistance, it is a primary goal of WHEAP. Agencies assert that for households to move toward self-sufficiency, they must have affordable energy payments. The demographic analysis shows that WHEAP with crisis assistance is significantly reducing participants' energy burden.

Survey results show large and very large crisis assistance is positively affecting households' situations—improving households' reported ability to heat their home, maintain utility service, and have resources for other household essentials.

The above conclusions suggest there is much going right with crisis assistance. Based on the results of this research, we make the following recommendations that may improve crisis assistance's positive impacts for participants.

1. **Continue the FY07 co-payment arrangement.** Agencies and participants do not see an issue with the \$25 co-payment. Several agencies believe that co-payments can have positive impacts on customers' long term energy management by helping them learn to pay bills.
2. **Provide further guidance to agencies for valid exceptions to the \$1,000 ceiling.** The survey results coupled with agency interviews provide some evidence that very large crisis assistance payments, those over \$1,000, may provide warranted assistance when households face legitimate reasons. However, as noted previously, sustainability is a secondary goal of crisis assistance. The primary goal is to alleviate life-threatening situations. Very large crisis recipients report the most positive impacts from their participation and also report they are less likely to apply for crisis assistance again as a result of their improved situation. Furthermore, over half of very large crisis assistance recipients were on co-payment arrangements and for a longer time than other groups. Therefore, the \$1,000 ceiling could negatively impact the program's ability to move a few households toward sustainability.

At the same time, as reported by agencies in favor of the \$1,000 ceiling, the benefits of the larger crisis assistance rewards need to be balanced against the benefits of a more equitable distribution of crisis assistance monies. In other words, fewer households can be helped if larger amounts of money are allocated to some households. Less than one percent (422 out of 44,611 in FY06) received very large crisis payments.

The benefits of the larger crisis assistance rewards also needs to be balanced against a need for consistency across agencies. There is a great deal of variation in the delivery of crisis benefits throughout the state as noted earlier. This indicates, for example, that an individual with the same circumstances could get over \$1,000

## 6. Conclusions and Recommendations...

assistance from one agency but less than \$600 from another. DOA reports that the ceiling was established to help the program move towards some consistency without removing local flexibility.

DOA reports there are mechanisms in place to allow the \$1,000 cap to be exceeded and the criteria for making the assessment to exceed the cap are listed in the WHEAP program manual. DOA reports that the criteria were established to keep serious or unique cases from not being addressed adequately by the program. However, several interviewed agencies did not seem to understand these criteria or know that exceptions to the \$1,000 cap were possible. Therefore, DOA should consider special sessions and materials to train agencies on these exceptions and how to apply for them, including case studies of situations that would warrant a payment over \$1,000.

3. **Encourage agencies to increase the proactive identification of crisis assistance households.** The research points out the majority of crisis assistance recipients contact agencies for assistance. At the same time, agencies report several positive effects of being able to proactively identify households. One suggested way to increase proactive identification is to increase agencies' interactions with utility and fuel vendors to identify households likely to be in an emergency situation before it occurs. DOA reports that this proactive identification is supposed to be part of agencies developing annually local coordination plans. Another suggestion is to analyze the prior year's applicant information to identify households that are likely to be in an emergency situation and contact the household to assess their situation in the current program year. This proactive identification could prevent some households from reaching an emergency situation. WHEAP provides tools to permit agencies to identify households that may be good candidates for crisis assistance. DOA reports that training on these tools was provided at the last two annual Home Energy Plus Training conferences. One way to further reinforce this need may be to add a section to the agencies' outreach plans, an annual requirement, that asks for plans to identifying households proactively who would benefit from crisis assistance.
4. **Continue to provide a venue for sharing crisis assistance best practices.** Agencies are unanimous that there is no one-size fits all approach to crisis assistance. Agencies assert that flexible administration of crisis assistance is needed at the local levels so agencies can employ methods that work best for their clientele. We recommend the state continue to provide a venue for sharing crisis assistance best practices. For example, last year, the state held a crisis roundtable at the Home Energy Plus Training Conference. We recommend this type of session for agencies to share best practices in crisis assistance continue. Another idea is to periodically highlight case studies of best practices through newsletters, training, or email.
5. **Provide assistance for agencies to develop formalized energy education and budget counseling as part of crisis assistance.** While all of the agencies recognize the importance of energy education and budget counseling, the majority of them do not have a formalized system to provide this assistance to crisis assistance recipients. This inconsistency was a finding from the longitudinal evaluation of WHEAP conducted by PA Consulting Group from 2001 to 2004. While we still recognize the resource barriers to establishing formal education as part of WHEAP, we believe more may be done at the agency level if the state provides guidance on these issues. Because crisis assistance recipients are a smaller sub-group of WHEAP, and are

## 6. *Conclusions and Recommendations...*

those most in need, this may be a good group to target for more consistent education offerings through the program.

**APPENDIX A: AGENCY INTERVIEW GUIDE**

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**WHEAP Agency Interview Protocol  
Crisis Assistance Study  
September 2006  
Sample Type (Large or Small Crisis Distributor)**

**I. Introduction**

My name is X and I'm from PA Consulting. Our company is evaluating the Wisconsin low income programs for the Wisconsin State Department of Administration. One of the aspects of the energy assistance program that we are currently looking at is the Crisis funding, and how different agencies decide to distribute these funds. I'd like to schedule about an hour to talk with you in more detail about your crisis recipients and how crisis distribution happens at your agency. Your responses will be kept confidential and will be combined with those of other agencies when we report on the results.

**II. WHEAP Administration**

First, I would like to get an understanding of how your agency administers WHEAP.

1. How would you describe your agency?
  
2. How many people are involved in administering WHEAP within your agency? Does this same staff also administer crisis assistance?
  
3. Does the staff working with WHEAP work with other programs through your agency?
  
4. What percent of work does it compose for each involved staff member? For WHEAP direct payment? For WHEAP crisis assistance?
  
5. What case management services do you provide as part of WHEAP? As part of Crisis Assistance?

### III. Crisis Administration

Next, I would like to ask you some specific questions about how your agency handles crisis assistance for WHEAP.

1. How do you identify households for crisis assistance?
2. I would like to understand how you spend your crisis funds. Specifically, I would like to know what percent of your crisis funds are in the form of lump sum payments, co-payment arrangements, energy education, intensive case management, and any other type of crisis service (not including furnace repairs or replacements). Probe for the percentage of time strategy is used, when it is used, and why certain strategies are and are not used.

Crisis Assistance Strategy	Percentage of time used	When used	Why/why not used
Lump sum payment (applied toward _____)			
Co-payment			
Energy education			
Intensive case management			
Other (specify _____)			

2A \_ Follow-up. How do you use your Crisis Assistance Plan to guide your administration of crisis assistance?

3. What strategy have you found to be the most effective in helping customers meet their monthly bills on a more consistent basis? Why do you feel this method has been most effective (gather examples, if possible).
4. What strategy have you found to be least effective? Why?
5. How do you coordinate crisis assistance with other assistance programs and agencies (Keep Wisconsin Warm Fund, church programs, etc.)?

6. What percent of crisis monies do you use in a typical year?
  
7. [IF USE ALL MONIES] When do you typically run out of crisis funds? What is the result of this?
  
8. What do you think requiring a \$ 25 household contribution on heat and electric bills will have on program administration?
  
9. What effect do you think the \$ 25 household contribution requirement will have on households?
  
10. What do you think putting a ceiling on crisis funds per household will have on program administration?
  
11. What effect do you think a maximum of \$1,000 of crisis assistance payments per household will have on households?
  
12. Will you award the funds differently now that there is a maximum value allowed?

#### IV. Crisis Assistance Participants

Now we would like to ask you some questions specifically about the crisis recipients.

1. How do you determine how much a household should receive? What method do you use to distribute the funds?
2. How do crisis participants differ from WHEAP bill assistance only participants? How do recipients of large crisis assistance payments differ from other crisis assistance recipients?
3. What percentage of crisis assistance participants do you think are repeat crisis assistance participants from year to year? What percentage of recipients of large crisis assistance amounts are repeat crisis assistance participants from year to year?
4. What is a 'typical' or 'average' crisis assistance payment amount? What circumstances normally lead to a larger than 'typical' or 'average' payment?

[SKIP NEXT TWO QUESTIONS IF SMALL RECIPIENT]

5. Now, I would like you to think about crisis recipients, or households that receive over \$750 in crisis funds throughout a fiscal year. This amount of crisis funds could be co-payment arrangements or lump sum payments to the households' utility. These recipients could receive the funds at one time, or in numerous installments throughout the year.

We noticed that of the \_\_\_\_\_ [from database analysis] households that received crisis funds from you in Fiscal Year 2006; \_\_\_\_\_% [from database analysis] of these households received over \$750 throughout the year. What are the main reasons participants need these larger crisis payment amounts?

6. Approximately \_\_\_\_% [from database analysis] visited the office repeatedly and received crisis assistance – sometimes as many as \_\_\_\_ times [from database analysis]. Why do you believe households repeatedly visit your office to receive crisis assistance? Do you limit the number of times households can receive crisis assistance? [IF YES], what is that limit? Are you aware of any crisis assistance payments that have been larger than the customers' annual energy bill? If yes, what do you think led to this situation?
  
7. What situations do you think warrant the larger crisis payments discussed above? Is there any consistent pattern in the characteristics of households who need these larger crisis assistance?

**V. Crisis Assistance Effects**

1. What effects do crisis payments have on households? Do the payments help these households catch up, or make more payments? How about large crisis assistance payments? [Get examples if possible]
  
2. How do you think the positive effects of crisis assistance could be increased?
  
3. Are there negative effects of crisis assistance? How could these be minimized?

**VI. Crisis Assistance Improvements**

1. What do you think is working best about crisis assistance? What do you like least about crisis assistance?
  
  
  
  
  
  
  
  
  
  
2. What changes would you make to crisis assistance that could better help customers meet their bills on a regular basis?

**VII. Conclusion**

Is there anything else about WHEAP crisis assistance that we did not discuss that you think is important to note?

**APPENDIX B: PARTICIPANT SURVEY AND RESPONSE RATE**

**Introduction to and Layout of the Crisis Assistance Survey**

The survey interviews Program Year 2006 (PY06) crisis assistance participant. We will conduct 300 telephone surveys with households that received crisis payments equaling or exceeding \$750, as well as a comparison group survey of 50 households that received \$500–\$749 in total crisis payments in PY06. The sample will include all households that received greater than \$1,000 in total crisis payments, and a random selection of the remaining households.

Question series are ordered as followed:

- a. Introduction
- b. Program questions (P series)
- c. Household effects questions (E series)
- d. Economic hardship questions (H series)
- e. Demographic questions (D series)

Crisis Assistance Flags from the ENERGY ASSISTANCE database are as follows: (Note the focus of this study is on cash assistance. Questions regarding furnace repair and replacement are not included)

Flag
Client Education Payment (ED)
Crisis Copayment Contract (COPAY)
Emergency Assistance Payment (EAP)
First Month Rent Crisis Proactive Payment (RENT)
Homeless Assistance (HLA)
Housing Assistance (HSG)
PB Crisis Copayment Contract (PBCOPAY)
PB Emergency Electrical Assistance Payment (ELEC)
PB Proactive Electrical Assistance Payment (PROELEC)
PB Tank & Line Assistance Payment
Proactive Assistance Payment
Temporary Assistance

**NOTE – Interviewer and skip instructions are in brackets [ ].**

**NOTE – DK = Don't know, R = Refused, NA = Not applicable**

### Introduction

Intro. Hello, my name is [interviewer name], and I'm calling on behalf of the Wisconsin Home Energy Assistance Program administered by the Wisconsin Department of Administration and [county agency name]. May I speak with [sample name]?

- 1 Yes [GO TO INTRO2]
- 2 No [CONTINUE]

Intro1. Is there another adult in the household who is knowledgeable about your household's experience with the Energy Assistance Program or your household's heating bills?

- 1 Yes [CONTINUE]
- 2 No [SCHEDULE CALLBACK AND/OR ATTEMPT TO CONVERT]

Intro2. I'm with PA Government Services, an independent research firm. We have been hired to assist the State of Wisconsin in evaluating the Energy Assistance Program they are offering to households in Wisconsin. You should have received a postcard a couple of weeks ago explaining the purpose of this call.

I'm not selling anything; I'd just like to ask you some questions about your experience with the Energy Assistance Program and your home's energy use. I'd like to assure you that your responses will be kept confidential and your name will not be revealed to anyone.

**(Why are you conducting this study)** Studies like this help the state better understand households' awareness of, satisfaction with and need for energy programs like this.

**(Timing)** This survey should take 15 to 20 minutes of your time. Is this a good time for us to speak with you? IF NOT, SET UP CALL BACK APPOINTMENT OR OFFER TO LET THEM CALL US BACK AT 1-800-935-4277.

**(Sales concern)** I am not selling anything; we would simply like to learn about your experience with the Energy Assistance Program, your household's quality of life, and your household's comfort, safety, and energy use. This information will help the state best design and deliver energy programs to assist residential customers like yourself. Your responses will be kept confidential by our firm. If you would like to talk with someone about this study, feel free to call Jim Cain with the Wisconsin Department of Administration at 608-267-2736.

### Program Information

Our records indicate that you received crisis assistance through the Energy Assistance Program within the past year. This would be assistance beyond the one-time annual payment toward your heating bills. Typical types of crisis assistance include help paying down past owed amounts on utility or fuel bills, utility or fuel bill co-payment arrangements, emergency

*B: Participant Survey and Response Rate...*

fuel fills, or payments to avoid a utility disconnection of service. [INTERVIEWERS NOTE IF RESPONDENTS DOES NOT RECALL RECEIVING CRISIS ASSISTANCE, PROBE AND EXPLAIN CRISIS ASSISTANCE. THEN PROCEED WITH SURVEY, DO NOT TERMINATE.]

We would like to begin by asking you a few questions about your experience and satisfaction with the crisis assistance portion of Energy Assistance Program last heating season. We will be asking you to think about last heating season, which began in October 2005 and went through this past September, 2006.

P1 How did you first hear about crisis assistance? [DO NOT READ; INDICATE ALL THAT APPLY]

- 1 Local county agency that administers energy assistance
- 2 Utility representative
- 3 Fuel company (eg, oil, propane) representative
- 4 Friend, neighbor or relative
- 5 Landlord
- 6 Local fuel fund
- 7 Other social service office [SPECIFY]
- 8 Referral from other program [SPECIFY]
- 9 Did not receive crisis assistance [PROBE TO MAKE SURE DOES NOT RECALL RECEIVING CRISIS ASSISTANCE, EXPLAINING THE BENEFIT THEY RECEIVED THROUGH THE PROGRAM. IF STILL DON'T RECALL, SKIP TO P11]
- 10 Other [SPECIFY]
- 11 Don't know

P1a [If P1=1] Did you contact [county agency name] to apply for crisis assistance or did they contact you first about crisis assistance?

- 1 Customer contacted agency
- 2 Agency contacted customer about crisis assistance

P2 How many different times did you seek crisis assistance last heating season? \_\_\_\_\_  
Times

P2a How many different times did you receive crisis assistance last heating season?  
[NOTE: COMPARE TO NUMBER OF TIMES FROM DATABASE] \_\_\_\_\_ Times

P3 What assistance or services did you receive as part of crisis assistance last heating season, which ran from October 2005 and went through this past September, 2006? [DO NOT READ, RECORD ALL THAT APPLY, WILL ALSO COMPARE TO CRISIS ASSISTANCE CODES FROM DATABASE ANALYSIS].

- 1 A payment, in addition to energy assistance payment, on utility bill
- 2 Emergency fuel fill
- 3 Co-payment arrangement with utility
- 4 Co-payment arrangement with fuel vendor

*B: Participant Survey and Response Rate...*

- 5 Energy education
- 6 Budget counselling
- 7 Case management services
- 8 Referrals to other agencies and program [PLEASE SPECIFY]
- 9 Rent or housing assistance
- 10 Other [PLEASE SPECIFY]

P3a [If DB COPAY BUT DIDN'T MENTION IN P3] Our records show that you had a co-payment arrangement either with a utility or fuel vendor. Do you recall this arrangement?

- 1 Yes, recalls co-payment arrangement
- 2 No, does not recall co-payment arrangement

P4a How do you think [county agency name] staff determined this was the type of crisis assistance your household should receive? [DO NOT READ; INDICATE ALL THAT APPLY]

- 1 I told them this is the assistance I needed
- 2 They suggested this type of assistance after talking to me about my situation
- 3 They suggested this type of assistance after reviewing my utility and fuel bills
- 4 They suggested this type of assistance after talking to my utility or fuel company
- 5 Other [SPECIFY: \_\_\_\_\_]

P5 What is the main reason why you sought crisis last heating season? [DO NOT READ; INDICATE ALL THAT APPLY]

- 1 Could not pay utility/bulk fuel bill
- 2 Had back payments for utility/bulk fuel bill
- 3 Wanted to reduce utility or fuel bill, utility or fuel bill not affordable
- 4 In danger of getting disconnected or running out of bulk fuel
- 5 Ran out of bulk fuel
- 6 Wanted help so could meet other type of expense/necessity [SPECIFY EXPENSE/NECESSITY: \_\_\_\_\_]
- 7 Have limited/low income
- 8 Because someone told me to [SPECIFY WHO: \_\_\_\_\_]
- 9 Other [SPECIFY]
- 10 Don't know

P6 Did you seek crisis assistance during the last heating season because of a change in your household situation?

- 1 Yes
- 2 No

P6a [If P6=1] What was the change in your household situation? [RECORD ALL THAT APPLY.]

*B: Participant Survey and Response Rate...*

- 1 Laid off from work/unemployment/seasonal work
- 2 Change in marital status, divorce, separation
- 3 Change in living situation, shelter
- 4 Medical condition
- 5 Child care issues
- 6 Other [SPECIFY]

P7 [IF ESTABLISHED A CO-PAYMENT ARRANGEMENT] You mentioned you set up a co-payment arrangement with the agency. How many months was the co-payment agreement for? \_\_\_\_\_ Months

P7a [IF ESTABLISHED A CO-PAYMENT ARRANGEMENT] How much did you have to pay monthly through this arrangement? \$ \_\_\_\_\_

P7b [IF ESTABLISHED A CO-PAYMENT ARRANGEMENT] How much did the agency pay monthly through crisis assistance? \$ \_\_\_\_\_

P7c [IF ESTABLISHED A CO-PAYMENT ARRANGEMENT] How difficult was it to make your monthly payments through out the year? Please rate on a scale from 1 to 5, where 1 is "not at all difficult" and 5 is "very difficult." \_\_\_\_\_

P8 Now I would like to ask you about your satisfaction with the crisis assistance you received through the Energy Assistance Program last heating season. On a scale of 1 to 5, where 1 is "not at all satisfied" and 5 is "very satisfied", how satisfied were you with the amount of cash assistance you received?

On a scale from 1 to 5, how satisfied were you with...

[RECORD N FOR NOT APPLICABLE]

- A The amount of cash assistance you received
- B The type of assistance you received
- C How quickly your need was addressed through the program
- D The helpfulness of staff
- E Agency staff understanding of your household's situation and needs
- F Information on how to manage your household's budget
- G Information on how to manage your household's energy consumption
- H Referrals to other services and/or programs that could help your household
- I [If COPAY or PBCOPAY=1] The affordability of your monthly co-payment amount for your utility or fuel bill

*B: Participant Survey and Response Rate...*

P8a [IF RESPONDED 1, 2 OR 3 FOR ANY OF P8] What could have made you more satisfied with the services you received? [RECORD ALL THAT APPLY.]

- 1 More cash assistance money
- 2 Smaller co-payment amount
- 3 More referrals to other programs
- 4 More helpful staff
- 5 More information from staff
- 6 Quicker program response
- 7 Other [SPECIFY]

P9 Did you seek crisis assistance in years prior to last heating season?

- 1 Yes
- 2 No
- D Don't know
- R Refused

P9year Approximately, how many other years did you seek crisis assistance prior to last heating season? \_\_\_\_\_

Next I'd like to talk about energy assistance, which also includes non-emergency assistance, and the current heating season.

P10 Are you planning to seek energy assistance again this heating season?

- 1 Yes
- 2 No
- D Don't know

P10a [If P10=2] What are the reasons that your household is not planning to seek energy assistance benefits this year? [DO NOT READ; INDICATE ALL THAT APPLY.]

- 1 Household received assistance from another source
- 2 Feel that household is financially more capable this year
- 3 Employment situation changed in household (SPECIFY CHANGE)
- 4 Didn't believe would qualify for the Energy Assistance Program this year
- 5 Crisis assistance and energy assistance allowed me to catch up on bills
- 6 Didn't like participating in program last year (PROBE WHY?)
- 7 Situation changed in general (ONLY USE IF PROBE AND CAN'T GET MORE SPECIFIC ANSWER)
- 8 Other (SPECIFY)

P11 [If P10=1] Are you planning to seek crisis assistance again this heating season?

- 1 Yes
- 2 No

P11a [if P11=1] Why do you think you will seek crisis assistance again? [DO NOT READ; INDICATE ALL THAT APPLY]

B: Participant Survey and Response Rate...

- 1 Utility bill is not affordable
- 2 Bulk fuel (oil or propane) is not affordable
- 3 Have back payments for utility bill
- 4 Have back payments for bulk fuel
- 5 In danger of getting disconnected
- 6 In danger of running out of bulk fuel
- 7 Household situation is still unstable
- 8 Want help so can meet other type of expense  
[SPECIFY EXPENSE: \_\_\_\_\_]
- 9 Want to be able to adequately heat home
- 10 Want to have enough money for other necessities  
[SPECIFY NECESSITY: \_\_\_\_\_]
- 11 Have limited/low income
- 12 Other [SPECIFY]
- 13 Don't know

P11b\_1 [if P11=1] Are there things the program could have done differently that would have helped your household be in a situation where you would not have to seek crisis assistance again this heating season?

- 1 Yes [What could the program have done differently? RECORD VERBATIM]
- 2 No

P11c [if P11=2] Why do you think you will not ask for crisis assistance again this year? [DO NOT READ; INDICATE ALL THAT APPLY]

- 1 Household received assistance from another source
- 2 Feel that household is financially more capable this year
- 3 Employment situation changed in household (SPECIFY CHANGE)
- 4 Last year's assistance helped us to catch up on our utility and/or fuel bills
- 5 Last year's assistance helped us maintain our utility and/or fuel bills
- 6 Learned how to manage money
- 7 Learned how to manage energy bills
- 8 Other [SPECIFY]

[SKIP TO E1 if did not recall receiving crisis; P1=9]

P12 This heating season, the State is requiring households to make at least one payment of \$25 toward their heating costs in the previous six months in order to qualify for crisis assistance. On a scale of 1 to 5 where 1 is "not at all difficult" and 5 is "very difficult", how difficult would it be for your household to make a \$25 payment toward your electric or fuel bill to receive crisis assistance?

D Don't know

P13 What impact did the crisis assistance you received have on your household?  
[RECORD VERBATIM]

*B: Participant Survey and Response Rate...*

P14 [FOR CRISIS ASSISTANCE RESPONDENTS WHO RECEIVED GREATER THAN 1,000 CASH ASSISTANCE LAST HEATING SEASON AND RECALLS RECEIVING CRISIS ASSISTANCE] Our records show that your household received [TOTAL AMT OF ASSISTANCE] last heating season. If your household's crisis cash assistance had been limited to \$1,000 last heating season, would that have had no impact, some impact or a great deal of impact on your household?

- 1 No impact
- 2 Some impact
- 3 A great deal of impact
- D Don't know

P14a [IF P14=1] Why wouldn't the limit have impacted your household? [RECORD VERBATIM]

P14b [IF P14=2 OR 3] How would the limit have affected your household? [RECORD VERBATIM]

P14c [IF P14=2 OR 3] What impact would that have had? [RECORD VERBATIM]

**Program Effects**

E1 On a scale of 1 to 5, with 1 meaning "not at all affordable" and 5 meaning "very affordable", how affordable are your home energy bills?  
\_\_\_\_\_ [RECORD D FOR DON'T KNOW]

E2 [IF RECALL RECEIVING CRISIS ASSISTANCE] Would you say that your participation in crisis assistance last heating season has made your energy bills much more affordable, somewhat more affordable or has had little to no effect on the affordability of your energy bills?

- 1 Much more affordable
- 2 Somewhat more affordable
- 3 Little to no effect
- D Don't know

E3 Do you have a monthly budget bill payment set up with your utility or fuel vendor where you pay the same amount every month?

- 1 Yes
- 2 No
- D Don't know

E3a [If E3=1] Do you have this bill payment plan throughout the year or just during the heating season?

B: Participant Survey and Response Rate...

- 1 Throughout the year
- 2 Heating season only

E3b [IF E3=1] How much are your monthly payments?

\$ \_\_\_\_\_

E4 On a scale of 1 to 5, where 1 is "not at all helpful" and 5 is "very helpful", how helpful was the [IF RECALL RECEIVING CRISIS ASSISTANCE: crisis] [IF DON'T RECALL RECEIVING CRISIS ASSISTANCE: energy] assistance you received last heating season on your household's ability to [ROTATE LIST]

- A Properly heat your home
- B Maintain utility service
- C [If bulk fuel customer] Have sufficient heating fuel
- D Meet other household expenses such as food and clothing
- E Catch up with and maintain payment of utility and fuel bills
- F Maintain a home
- G Have proper medical care

E5 Over the past 12 months have you received any money or help from any organization or individual other than energy assistance to help pay your utility and fuel bills?

- 1 Yes
- 2 No [Skip to H1]
- D Don't know or not sure [Skip to H1]

E6 What would you estimate was the total amount of money you received from all sources other than energy assistance in the last 12 months to help pay your utility and fuel bills?

- 1 Response in dollars: \$ \_\_\_\_\_ - if none, enter 0
- R Prefer not to answer/refuse
- D Don't know or not sure

E6a (If response 1 in E6 has a dollar value greater than \$20.00) Where was this money received from?

[DO NOT READ; INDICATE ALL THAT APPLY]

- 1 A local non-profit type organization such as a church, club or community group
- 2 A governmental organization such as the city, county, state, or federal government
- 3 A friend, neighbor, or relative
- 4 Your utility company

B: Participant Survey and Response Rate...

- 5 Other person or organization
- 6 Keep Wisconsin Warm Fuel fund
- 7 Church
- 8 Prefer not to answer
- D Don't know or not sure

**Economic Hardship**

Next, I would like to ask you some questions about your household. I understand that these are personal questions, but your honest responses are extremely important to us in evaluating the effectiveness of energy assistance in providing your household with the assistance it needs.

H1 I'm going to read a list of programs that provide assistance to families. For each one, please tell me if you or anyone in your household received help from that program in the past year. Did you or anyone in your household... [READ CATEGORIES BELOW AND RECORD ANSWER.] [ROTATE LIST]

FOR ALL H1:

- 1 Yes
- 2 No
- D Don't know
- R Refused

- A. Receive food stamps?
- B. Receive cash payments from TANF (Temporary Assistance for Needy Families)
- C. Participate in WIC, also known as the Women, Infant, and Children Program
- D. Receive Medical Assistance (MA, Medicaid, or Title 19)
- E. Receive assistance from the government in paying for your housing? *[For example, did you receive a rent subsidy or pay a lower rent because the government pays part of the cost? IF ASK FOR CLARIFICATION: Section 8, Section 12]*
- F. Receive job training or job placement assistance?
- G. Participate in a program through your [fuel provider / utility] to help you pay for your energy bills?

**Demographics**

D1. What is the highest level of school you completed or the highest degree you received?

- 1 1 To 11
- 2 12th Grade No Diploma
- 3 High School Graduate Or Equivalent (Ged)
- 4 Some College Or Technical School But No Degree

*B: Participant Survey and Response Rate...*

- 5 Associate/2-Year Degree In College (Includes Technical School)
- 6 Bachelor's Degree (Ba, Ab, Bs)
- 7 Master's Degree (Ma, Ms, Meng, Med, Msw, Mba)
- 8 Professional School (Md, Dds, Dvm, Llb, Jd)
- 9 Doctorate Degree (Phd, Edd)
- D Don't know
- R Refused

D2. Do you rent or own your home?

- 1 Rent
- 2 Own

D2a. [IF OWN] In what year was your home built?

- 1 1990 or later
- 2 1985 to 1989
- 3 1980 to 1984
- 4 1970 to 1979
- 5 1960 to 1969
- 6 1950 to 1959
- 7 1940 to 1949
- 8 1939 or earlier
- D Don't know

D3. How much does your household pay for monthly rent/mortgage?

- Enter rent/mortgage: \$\_\_\_\_\_ [IF DON'T PAY ANY, PUT IN \$0]
- D Don't know
  - R Refused

D4. Are you currently. . . [READ LIST]?

- 1 Married
- 2 Widowed
- 3 Divorced
- 4 Separated
- 5 Never married, living alone
- 6 Never married, living with someone
- R Refused

D5. During the last month, did anyone in your household do any work for pay?

- 1 Yes

*B: Participant Survey and Response Rate...*

- 2 No [Skip to 6C]
- R Refuse [Skip to D7]

D6A. [If D5=1] How many adults worked last month?

\_\_\_\_\_ADULTS

[IF D6A>2, SHOW SCRIPT: THE NEXT TWO QUESTIONS ASK ABOUT HOURS WORKED DURING THE LAST MONTH. PLEASE REFER TO THE TWO ADULTS WHO WORKED THE MOST HOURS.]

D6B1. On average, how many hours per week did the FIRST adult work?

\_\_\_\_\_HOURS

D6B2. (Ask if D6A>1) On average, how many hours per week did the SECOND adult work?

\_\_\_\_\_HOURS

D6C. (If don't work or D6B1+D6B2<35 hrs) Some people do not work full time because they cannot find full time work or because business is poor. Others do not work full time because of family obligations or other personal reasons. What is the main reason that a member of your household does not work full time? [DO NOT READ; INDICATE ALL THAT APPLY]

- 1 Lack of work/poor business conditions
- 2 Could only find part time work
- 3 Seasonal work
- 4 Child care problems
- 5 Other family/personal obligations
- 6 Health/medical limitations
- 7 School/training
- 8 Retired/social security limit on earnings
- 9 Disabled (mental or physical)
- 10 Other [SPECIFY]
- D Don't know

*B: Participant Survey and Response Rate...*

D7 During the past 12 months, did you [and your spouse if married] usually carry a balance on any of your credit cards from one month to the next or did you usually pay off the balance on all your credit cards at the end of the month? [INTERVIEWER NOTE: RECORD "CARRY BALANCE" IF THEY CARRIED ANY BALANCE ON ANY CREDIT CARDS]

- 1 Carry balance
- 2 Pay off at end of month
- 3 No credit card
- D Don't know
- R Refused

D7a [if D7=1] Not including what you owe for this month's credit card bills, do you currently owe more than \$500 for credit card bills from previous months?

- 1 Yes
- 2 No
- D Don't know
- R Refused

D8 [IF RENT] Not including what you will owe for THIS MONTH's rent, do you owe rent payments for any previous months at your current address?

[IF OWN] Not including what you will owe for THIS MONTH's mortgage, do you owe payments for any previous months at your current address?

- 1 Yes
- 2 No
- D Don't know
- R Refused

D9 Do you currently owe more than \$250 for medical bills, including doctor or dentist bills, prescription drug payments, or hospital fees?

- 1 Yes
- 2 No
- D Don't know
- R Refused

D10 Do you have a checking account, a savings account, or both?

- 1 Checking account
- 2 Savings account
- 3 Both
- 4 Neither
- D Don't know
- R Refused

*B: Participant Survey and Response Rate...*

D10a [if D10=1, 2 or 3] At the end of the month, do you USUALLY have less than \$100, between \$100 and \$250, between \$250 and \$500, between \$500 and \$1,000, or more than \$1,000 in (your checking account/your savings account/your checking and savings accounts combined)?

- 1 Less than \$100
- 2 Between \$100 and \$250
- 3 Between \$250 - \$500
- 4 Between \$500 and \$1,000
- 5 Greater than \$1,000
- D Don't know
- R Refused

ANY\_COM Those are all the questions I have for you. Do you have any additional comments you would like me to note?

- Yes [RECORD VERBATIM]
- No

End. THOSE ARE ALL THE QUESTIONS I HAVE FOR YOU. THANK YOU FOR YOUR TIME.

**APPENDIX C: RESPONSE RATE**

**Table C-1. Crisis Assistance 2006 - Final Response Rate**

	Total	Strata 1 - \$500 to \$749	Strata 2 - \$750 to \$1000	Strata 3 - >\$1000
<b>Starting Sample</b>	955	155	361	439
Ineligible - Deceased	1	0	0	1
Ineligible - Other	0	0	0	0
<b>Adjusted Sample</b>	954	155	361	438
Refused	42	7	16	19
Unavailable for duration	8	0	2	6
No/bad phone number	376	64	146	166
Incapable/language barrier	29	4	7	18
Still attempting contact	147	29	50	68
Not yet attempted	0	0	0	0
<b>Complete</b>	352	51	140	161
<b>Response Rate</b>	36.9%	32.9%	38.8%	36.8%
<b>Cooperation Rate*</b>	60.9%	56.0%	65.1%	59.2%

\*Completions/(adjusted sample - bad phone number)

NOTE: numerous attempts were made to find a working phone number, including web tracing and NCOA/telephone append services.