

LIHEAP Workshop

Developing a Benefit Matrix

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Key Factors

- **Income Eligibility: 110%-150% Federal Poverty, 60% State Median Income.**
- **The amount of monies you have to distribute for programs**
- **Highest benefit to the lowest income**
- **Households with weighted benefits should include elderly, disabled and households with children**
- **Energy Burden is determined by household income and utility cost. A weighted benefit should go to the highest energy burden household.**

Data Needed to Project Benefit Costs

- **Historical data from the past three years**
- **State Census data showing potential eligible households**
- **Utility Companies' costs by fuel type and season**
- **Rate hikes for companies regulated by Public Utility Commission**
- **Projected deliverable fuel costs (from companies, EIA, fuel associations)**

Data Needed to Project Benefit Costs (cont)

- **Market share of each utility company**
- **Number of households receiving a weighted benefit for Targeted Groups**
- **Households using more or less fuel due to region/location in the state**
- **Previous eligible households consumption data from Regulated Utility Companies for Winter/Summer Heating /Cooling Season**
- **Projected change in eligible population for the current year. Allow anywhere from 5-10% increase**

Sample Projection Worksheet

Actual Benefits and LIHEAP 2014 Projections

Year	Households Served	Total Assistance Provided (\$)	Benefit Amount		
			Max	Min	Avg
2010-2011	460,000	\$57,206,000	\$270.46	\$31.38	\$124.36
2011-2012	459,286	\$79,614,630	\$543.78	\$50.91	\$173.34
2012-2013	454,620	\$97,925,617	\$628.07	\$70.54	\$216.42
2013-2014 Projection	470,000	\$128,750,000			\$273.94

Sample Projection Worksheet (cont.)

2014 LIHEAP Funding Options Assumptions

Allocation from HHS***	\$140,000,000
Carryover from 2012 + Obligation + Start-up	\$110,000,000
WAP Transfer up to 15%	\$24,750,000
Winter Crisis Program	\$60,000,000
Admin/Operations for Community Action Agencies ***	\$19,000,000
In House Admin	\$7,500,000
SCP Reserve	\$10,000,000
Total 2013-2104 LIHEAP	\$128,750,000

Sample Projection Worksheet (cont.)

Winter Crisis Program			
Year	Households Served	Amount	Avg. Benefit
2010-2011	171,735	\$ 41,961,147.70	\$244.34
2011-2012	155,307	\$ 44,369,950.43	\$285.69
2012-2013	148,616	\$ 41,216,997.75	\$277.29
2013-2014 Projection	190,000	\$ 60,000,000.00	\$315.79

*Local agencies assumed additional administrative burden and costs due to closing of utility company customer service centers.

Identifying Target Groups

- ▶ **Examples Are Households with:**
 - ▶ **Children**
 - ▶ **Disabled members**
 - ▶ **Elderly**
 - ▶ **High Utility Cost by Region**
 - ▶ **Highest Energy Burden (Income Divided by Utility Cost)**

All will receive a weighted benefit

Determining Benefit Amount for Eligible Households by Poverty Ratio

- **Number of households by Fuel Type**
- **Overall Market Share of Fuel type by Clients and Company**
- **Winter costs and Summer costs of the participating Utilities. (Regulated , Non Regulated, CO-OPS, Municipalities and deliverable Fuels)**
- **Assumption Data - (See Example 3 page 1)**

Assuring Accuracy in Benefit Matrix

- ▶ Check that households receiving benefits with the same Poverty Ratio, Income, and Household Size receive the same benefit state-wide
 - ▶ unless a coefficient factor (0.06%) is used for the location of the state. This factor is based on different utility usage in the area of the state.
- ▶ Test Targeted Households for weighted benefit
- ▶ Run a Test version of the Notification Program to sample and verify household size, Poverty ratio and benefits for each household

Performance Measures and Benefit Matrix

- **Benefit Targeting Index - Demonstrates whether your State is giving the higher benefits to the higher energy Burden Households**
- **Burden Reduction Targeting Index - Show how burden reduction for high burden household compares to the burden reduction for the average recipients**
- **Service Restoration - How many households had service restored by LIHEAP**
- **Service Loss Prevention - How many clients would have lost service if not for Intervention with LIHEAP funds**

EXAMPLE 1 - Reimbursement by Poverty Ratio / Winter Cost

PERCENT OF POVERTY	WINTER COST REIMBURSED
=====	=====
<50	50.00
50.0000	50.00
51.0000	49.80
52.0000	49.60
53.0000	49.40
54.0000	49.20
55.0000	49.00

PERCENT OF POVERTY	WINTER COST REIMBURSED
=====	=====
144.0000	31.20
145.0000	31.00
146.0000	30.80
147.0000	30.60
148.0000	30.40
149.0000	30.20
150.0000	30.00
>150	0.00

Percent Reimbursed = WS-PCT-CR-BASE – (WS-PCT-CR-FACTOR * Percent of Poverty)

Example 2

See Handout

Resources

1. Grantee Manual

<http://www.liheapch.acf.hhs.gov/tribes/manual.htm>

3. LIHEAP Virtual Library (The Bubble Tool)

<http://chdev.ncat.org>

4. Examples of State Benefits Matrices and Calculations

<http://www.liheapch.acf.hhs.gov/delivery/benefits.htm>

Questions?

If you have questions or need more information, please contact NEADA and we will make sure your question is referred to the correct person and answered promptly.

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