

Joint LIOB and ULTSAC Report:
Outreach Efforts of CARE and ULTS Service Programs
January 24, 2003

I. EXECUTIVE SUMMARY:

In Decision (D) 02-07-033, the Commission ordered, among other things, that the Low Income Oversight Board (LIOB) hold public meetings for targeted outreach to specific telephone utility service areas for the purpose of soliciting public input on coordinating customer outreach between the California Alternate Rate for Energy (CARE) and Universal Lifeline Telephone Services (ULTS) programs.¹ In addition to holding their regularly scheduled public meetings, the LIOB and the Universal Lifeline Telephone Service Administrative Committee (ULTSAC) jointly held two public input meetings for the purpose of soliciting public comments on coordinating outreach. Two public input meetings were held, the first in Fresno on October 29, 2002 and the second, in San Diego on November 14, 2002. Attendees included members of the LIOB and ULTSAC, Commission staff, representatives from the impacted utilities, and Community Based Organizations (CBOs) who represent the interests of low-income ratepayers and provide services to these communities.

In response to Commission Ordering Paragraph 15 in D. 02-07-033, the LIOB, with the support of and in conjunction with the ULTSAC, offer this report for your review and consideration. It relays recommendations generated by a technical subcommittee consisting of LIOB and ULTSAC members and approved by the LIOB on November 15, 2002 and ULTSAC on January 13, 2003.² The report also summarizes comments set forth by interested participants and members of the public at the two joint public meetings.

The sub-committee's efforts in exploring outreach synergies between the two programs provides the foundation for the LIOB's and ULTSAC's recommendations for coordinating outreach between the ULTS and CARE programs. The following is a synopsis of the joint LIOB and ULTSAC recommendations:

- Coordination of CARE and ULTS outreach efforts should focus on utilizing existing outreach activities currently used and planned for both programs. There are a number of activities to accomplish this coordination, and they are listed later in this report.³
- Definitions, re-certification and verification differences between CARE and ULTS should be standardized when feasible;
- Low-income target groups are generally the same for both programs enabling information on several programs to be provided in a coordinated manner;

¹Approved at the July 17, 2002 Commission meeting.

²Appendix A: Technical Sub Committee Recommendations

³Appendix B: CARE/ULTS Outreach and Regulatory Matrices

Joint LIOB and ULTSAC Report:
Outreach Efforts of CARE and ULTS Service Programs
January 24, 2003

- The ULTSAC should provide energy utilities written information, talking points and contact information to assist the energy utilities in disseminating ULTS information; and
- Energy utilities should use existing CARE materials to inform customers about ULTS and the ULTS marketing efforts should incorporate messages about CARE.

Additionally, there was discussion which surfaced in the course of the various meetings involving potential standardization of definitions, eligibility thresholds, recertification and verification processes for CARE and ULTS programs; and potential use of ULTS call center, once reestablished, to advise ULTS eligible customers of potential eligibility for CARE program.

In addition, the LIOB and the ULTSAC recommend:

- LIOB & ULTSAC/others as appropriate be directed by the Commission to examine the feasibility of standardizing the definition, eligibility thresholds, recertification and verification process for CARE and ULTS programs;
- CPUC/Telecommunications Division be directed to examine possibility of ULTS call center advising ULTS eligibility customers of potential eligibility for CARE and CARE contact information.
- Using inclusive contract language and upon Commission approval, a call-center should be re-established to provide information on both telephone and energy low-income programs;

Lastly, the Discussion Section of this report includes extensive comments received from the LIOB, the ULTSAC, members of the public, and the utilities regarding the use of existing outreach strategies, with pros and cons and justification for each, as tools for increasing penetration among targeted low-income groups.

II. BACKGROUND: CALIFORNIA ALTERNATE RATE FOR ENERGY AND UNIVERSAL LIFELINE TELEPHONE SERVICE PROGRAMS

Utility programs to assist low-income households have been in place for many years. Energy public purpose programs such as CARE and the Low Income Energy Efficiency (LIEE) programs have been, and continue to be, administered by regulated utilities with program and policy oversight by the Commission. The ULTS low-income program was formerly administered by the ULTSMB and ULTSAC. To conform to Senate Bill (SB) 669 and SB 724, the Commission issued D.01-09-064 that altered the role of the boards to advisory from administrative and also directed the Telecommunications Division to assume administration of the program.

ENERGY PROGRAMS

More than 20 years ago, the Commission established the Low-Income Rate Assistance Program (LIRA), a precursor to the CARE program. LIRA was authorized

Joint LIOB and ULTSAC Report:
Outreach Efforts of CARE and ULTS Service Programs
January 24, 2003

under Decisions (D) 89-07-062 and D 89-09-044. Program eligibility was established at a 150 percent of the federal poverty guidelines using General Order 153, originally written for the Universal Lifeline Telephone Service (ULTS), as a benchmark. The Commission, in D.92-04-024, changed the program's name from LIRA to CARE. Subsequent legislation and Commission decision expanded the CARE program to include qualified group living facilities, migrant farm workers and employee housing.

Resolution E-3583, dated December 17, 1998, resulted in Advice Letter filings by the large utilities requesting approval for the implementation of a CARE Outreach pilot program and the first phase of a Needs Assessment Study. Each of the large utilities initiated its own Outreach Pilot through contracts with a variety of implementers. New and innovative methodologies were developed with the most successful adopted as outreach strategies.

A Needs Assessment Study is being conducted in two phases with Phase I designed to include developing a report summarizing known information and preparing and issuing a Request for Proposal (RFP) for Phase II. The results of Phase 1 were submitted to the Commission in April 2002. The Phase I Report and the draft proposal for Phase 2 are currently under consideration and before the Commission. The LIOB, pursuant to SBX2 2⁴ and its charter adopted under Resolution L-299, has, as one of its important mandates, advising the Commission in Phase II of the Needs Assessment Study. The study's findings should guide the Commission in facilitating increased low-income program penetration in all geographic areas, among groups that have been traditionally hard-to-reach and underserved, and in addressing the energy needs of low-income customers.

Over the last two years, to minimize the impacts of the energy crisis on the state's vulnerable low-income population, the Commission has made numerous improvements in both the CARE and LIEE programs. The Commission, in various resolutions and decisions, approved additional low-income program components such as D. 01-05-033 that authorized a rapid deployment program and allocated \$15 million in SBX1 5 funds for expanded CARE Outreach and \$45 million for expanded LIEE programs. The Commission, in D. 01-06-010 and D. 02-01-040, increased CARE and LIEE eligibility to 175 percent of the federal poverty guidelines and the CARE discount from 15 percent to 20 percent for eligible households served by the large and small investor-owned utilities. The Commission also exempted electric CARE customers from the 2001 electric rate increases and implemented AB 3, granting CARE customers a one-time gas credit in 2001. Finally, among other things, the Commission, in D. 02-07-033, authorized the implementation of Automatic Enrollment for the CARE program.

The energy programs are funded through public purpose good charges on end-user utility bills. Funds collected for these electric programs remain within each of the utilities. Funds collected for the gas programs are remitted to the California Board of

⁴Senate Bill 2 from the Second Extraordinary Session of 2001.

Equalization. The mechanics of how to allocate the gas funds among the utilities and the programs are before the Commission in Rulemaking 01-10-001, filed October 3, 2002.

Eligibility for CARE and LIEE is based upon household income at or below 175 percent of the federal poverty guidelines and currently ranges from \$22,600 (1-2 person household) to \$42,800 (6 person household) with \$5,400 for each additional person. In addition, senior and handicapped households qualify for LIEE at 200 percent of the federal poverty guidelines.

TELEPHONE PROGRAMS

In 1983, Assembly Bill (AB) 1348 codified PU Code Section 871, the Moore Universal Service Telephone Act. The Act required that the Commission establish a program that provides low-income households access to affordable basic residential telephone service. In response, the Commission issued D. 84-11-028 which created the ULTS program. The program provides a 50 percent discount for residential telephone service to low-income households, defined as families functioning as domestic establishments whose combined income does not exceed 150 percent of the federal poverty guidelines. D. 84-11-028 also established General Order 153 that guides program administration. The ULTS program was funded by a surcharge tax administered by the State Board of Equalization.

In 1987, AB 386 rescinded the ULTS surcharge tax and established a four percent interim surcharge, assessed on inter-LATA services, to fund the program. Commission Decision, D. 87-11-088, created the ULTS Trust for the receipt and disbursement of ULTS funds and also created the ULTS Administrative Committee (ULTSAC) to administer the program. A 1994 Decision, D. 94-09-065, ordered among other things, an expansion of the surcharge to include all intrastate telecommunications and required the ULTS to conduct outreach to underserved communities. In D. 96-10-066, the Commission ordered the marketing effort to be conducted in a competitively neutral manner with funding provided as a part of the ULTSAC's budget. By Commission D. 97-12-105,⁵ the marketing entity name was changed from the ULTS Marketing Group to ULTS Marketing Board (ULTSMB).

In 1999, the ULTSMB let contracts subject to Commission approval for unbranded marketing outreach and a call center for low-income basic telephone service. In June 2001, the ULTSMB submitted both a new call center contract and marketing contract to the Commission to replace the original expiring agreements. As both contracts are to be issued by the Commission rather than the former ULTSMB, they were revised to ensure compliance with state contracting rules. The contracts have been submitted to the Department of General Services for approval. Until contract approval, there is a hiatus in marketing and call center efforts.

The passage of SB 669 and SB 742 mandated the transfer of the ULTS Trust Funds to the State Treasury by October 1, 2001 and also required that the ULTS Trust funds be appropriated through the State's Annual Budget Act and process. The Commission directed the Telecommunication Division to assume responsibility for program administration. Commission Decision, D.02-04-059 dated, April 22, 2002, merged the ULTSMB with the ULTSAC by repealing the charter of the Marketing Board. Commission Resolution T-16688, dated December 5, 2002, adopted program expenditures for FY 2002-03.⁶

LOOKING TOWARDS COORDINATED OUTREACH

Differences in income guidelines, household definition, and verification efforts, among other things, resulted in the exclusion of the ULTS program from participation in automatic enrollment, while the efforts to coordinate customer outreach between ULTS and CARE, as directed by the Commission, have commenced. As noted, the LIOB, in this report, presents a summarization of the positions of parties and participants in the public meetings, the pros and cons of options considered, and its recommendations, with supporting justification.

III. DISCUSSION

Senate Bill X2 2 amended existing Public Utilities Code Sections 382, 739.1 and 2790 which require the Public Utilities Commission to establish a program of assistance to low-income electric and gas customers. Senator Alarcon's bill, approved by Governor Davis on October 8, 2001, established the LIOB for the purpose of advising the Commission on low-income electric and gas customer issues and to serve as a liaison for the Commission to low-income ratepayers and representatives.

In addition, SBX2 2, among other things, requires the Commission to improve the CARE Program with respect to program benefits, customer participation and outreach to low-income communities. The bill requires an examination of methods to improve CARE enrollment, including using information from the ULTS program and determining the most effective means of utilizing that information to increase CARE enrollment. The bill also addresses customer privacy issues and alternative mechanisms for outreach to potential enrollees. The bill requires the Commission to improve the CARE application process using existing ULTS application process as a model. To fulfill the legislative mandate, the LIOB and ULTSAC have joined together to combine their efforts in exploring potential outreach synergies between the CARE and ULTS programs. The discussion that follows reflects the efforts undertaken thus far.

Recognizing the importance of increasing penetration in energy and telephone low-income programs among eligible hard to reach and underserved populations, D. 02-

⁶ A complete description and history of the ULTS program is found in Appendix C.

Joint LIOB and ULTSAC Report:
Outreach Efforts of CARE and ULTS Service Programs
January 24, 2003

07-033 ordered the LIOB to hold public meetings for targeted outreach to specific telephone utility service areas for the purpose of coordinating customer outreach between CARE and the ULTS. In response to the decision, the LIOB invited the ULTSAC to participate in the public input process and resulting analysis. The ULTSAC and the LIOB held two public meetings to obtain input on this matter.

Although the energy and ULTS low-income programs use different definitions of household and have somewhat different eligibility guidelines, the programs have a common goal to reach income qualified senior customers, non-English speaking rural and urban customers, the disabled, and the low-income population generally to lessen the burden of utility costs for low-income customers. Ongoing discussions between members of the LIOB, ULTSAC, representatives from energy and telephone utilities, CBOs and other interested parties, who contributed valuable information at the joint LIOB and ULTSAC outreach meetings held October 29 and November 14⁷, have resulted in an LIOB and ULTSAC consensus proposal that should assist the Commission in achieving its goal of reaching those eligible low-income customers who are not yet benefiting from the Commission's low-income assistance programs. In general, the recommendations focus on including information on each program, in outreach activities that have proven to be successful. This will move the CARE and ULTS programs toward the Commission's desire to coordinate outreach efforts and reach more customers with required information, while minimizing incremental cost impacts.

Comments received from the LIOB, ULTSAC and members of the public, who attended the joint outreach meetings, emphasized that the following strategic approaches are a necessary component to increase penetration among the targeted populations. Underlying the recommended approaches is the importance of focusing on existing outreach activities that have proven, over time, to be successful while implementing new strategies based upon input from the various stakeholders. Following is a summary of comments:

1. CBO and utility outreach efforts, both printed educational materials and community interaction, must be culturally sensitive, easy to understand, and reflect differences in the use of language by various ethnic groups, as well as differences in federal and state regulations when targeting the diverse low-income community.
2. CBO's outreach efforts are most successful when they are built on existing successful models, when they are able to leverage CARE/ULTS with other low-income programs, and when costs incurred during outreach are reimbursed with adequate compensation either through a contractual or grant process.
3. CBO networking, use of "one stop centers", faith-based organizations, public workshops, and targeted media within local communities all are able to provide the information necessary, in a manner that is both understood and

⁷ Survey forms completed by CBO's at the October 29 and November 14 meetings may be found in Appendix D.

Joint LIOB and ULTSAC Report:
Outreach Efforts of CARE and ULTS Service Programs
January 24, 2003

acceptable, to reach and enroll low-income hard-to-reach households. No one approach is successful on its own, but all should be utilized.

Various stakeholders including members of the LIOB, ULTSAC, CBOs and others who represent diverse ethnic, cultural, senior and other low-income groups, as well as utility representatives, and non-aligned stake-holders attended one or both of the joint public meetings held October 29 and November 14, 2002. The concerns expressed on energy and telephone issues faced by the low-income community include:

- Failure of service providers to provide timely and accurate monthly bills result in s “back-bills” in excess of the low income customer’s ability to pay;
- The process for re-certification of CARE eligibility should be modified to include a grace period and language-specific instructions using print and/or color variation to highlight the re-certification message.
- Level payment plans that are incorrectly averaged result in excessive balances due at the end of year.
- Standardizing income eligibility guidelines, definition of household, and verification and re-certification of CARE/ULTS customers.
- Utilities and CBOs should seek opportunities to leverage and intensify their efforts among low-income programs in order to reach customers that have been left behind as a means to increase penetration in areas that include the hard-to-reach and/or underserved.
- Outreach methods should be evaluated for success and needed improvements; most successful methods should be expanded as part of the over-all outreach effort.
- Creation of a multi-use Call Center could function as an intermediary between low-income customers and the utilities by providing customer service assistance in language translation, enrolling eligible ratepayers in CARE and ULTS, and resolving miscellaneous consumer problems.
- Educational materials, applications and other forms of outreach need to be language specific, easy to understand, and culturally sensitive.

The LIOB, in conjunction with the ULTSAC, offers the following outreach methodologies, with supporting justification, as those that have either proven to be most successful and/or have the potential to achieve the highest degree of success given discussion and analysis. Therefore, the justification provided with each is supportive of the methodology considered. Based on the discussion and analysis that ensued, there does not appear to be any downsides to the implementation or continuation of the following recommendations.

- Leverage With Other Low-Income Programs: California’s energy crisis experience re-enforced the importance of using one type of low-income program to introduce low-income customers to other available programs. The Rapid Deployment Decision (D.) 01-05-033, issued May 2001,

expanded the CARE and Low-Income Energy Efficiency (LIEE) programs by accelerating and expanding existing leveraging with programs undertaken by other state and local agencies. Using legislative SBX1 5 funds given to the Commission, the utilities entered into Capitation Contracts with CBO's to enroll eligible customers in CARE who had either not been previously enrolled or who failed to re-certify as required by CARE guidelines. Hosting and facilitating public events in low-income communities, going door-to-door, providing support to state and federal agencies to enable them to expand their respective programs, and working through cultural and faith-based programs, utilities and CBO's increased CARE enrollment while introducing customers to other available programs. Historically, **leveraging** was, and continues to be, a successful effort that will be enhanced further with the combining of energy efforts and telephone outreach.

- Utilizing Existing Successful Outreach Efforts: Cross incorporation of public purpose information of existing programs in outlets used by telephone and energy utilities, as well as, continuing the work of CBO's in the communities they serve will provide numerous additional opportunities for each program to be promoted to customers at a minimal incremental cost. Providing culturally sensitive, easy to understand, and language specific written and verbal information will assist energy utilities in their service areas, the ULTS statewide, and CBO's throughout the state to inform their respective client bases of the numerous low-income programs available to them. Providing CBO's adequate compensation for conducting CARE and/or ULTS outreach, through grants or contracts, enables them to continue their **existing outreach** as well as expanding their efforts to provide outreach, to targeted groups in formerly underserved areas.
- Call Center: Prior to expiration of the former ULTS Call Center contract, the Call Center successfully provided telephone outreach information and preliminary customer-service assistance to telephone customers in a variety of languages. The scope of the contract under development could be expanded to include the provision of information on CARE, so that the ULTS **Call Center** would then complement the customer assistance centers run by the energy utilities.
- Workshops and Focus Groups conducted by the utilities and CBO's facilitate community involvement, expand networking opportunities, and encourage public input on issues that may be specific to hard-to-reach, underserved, and other segments of the population who make-up the low-income community. The LIOB, in its advisory capacity to the Commission, could provide the Commission advice on information gathered at workshops and/or Focus Groups that may be beneficial as the Commission develops policy that impacts low-income ratepayers. **Workshops and Focus Groups**, in their dual roles, provide a successful method of outreach that is a source to both receive and disseminate information in an informal setting that encourages participation.

- Bill inserts, applications, brochures, and other forms of **printed materials** must be language specific, easy to understand, and culturally sensitive. Some of the public participants indicated that they feel that some of the translated printed materials were unintelligible to the population segment that they were designed to serve. ULTS and CARE information provided to **newspapers** for outreach should be targeted to media outlets that serve various low-income groups and written in a manner that enables even the least literate to obtain the information that is required to penetrate the various groups. Information provided on **bill inserts** should be highlighted/bolded or presented in a manner that draws attention to the CARE/ULTS programs. Formatting **applications** to make them short, language specific, and easy to read increases their completion by CARE/ULTS eligible customers. By following these basic guidelines, the dollars spent on these outreach activities will provide a benefit that exceed the cost by reaching those who may not be reached by traditional media sources.
- Vocational training centers such as the Refugee Assistance Center, Proteus, and Fresno County Economic Opportunities Commission provide one-on-one consultations or group settings to low income, recent immigrants, seniors and others. In reaching a large spectrum of the community, the **centers** are able to provide educational materials and other outreach on available public purpose programs in conjunction with their primary mission(s) in an integrated and cost-effective manner.

IV. RECOMMENDATIONS

On November 14, 2002, a subcommittee consisting of members from the ULTSAC and the LIOB met to exchange ideas on outreach synergies for CARE and ULTS low-income programs. The subcommittee determined that there are a number of avenues for “companion outreach” for the two programs that will be beneficial in making more potentially eligible customers aware of these important programs. The subcommittee’s recommendations, approved by the LIOB at its November 15 meeting and by the ULTSAC at its January 13, 2003 meeting, as well as input gathered from interested stakeholders at the Joint Session(s) on ULTS/CARE Streamlining Process and Targeted Outreach held on October 29 and November 14, serve as the foundation for the LIOB’s recommendations to the Commission as required in the July 17, 2002 Decision, D. 02-07-033:

- CARE and ULTS outreach efforts should focus on utilizing existing outreach activities for each program and incorporating information on the other program in these efforts to provide numerous additional opportunities for each program at a minimal incremental cost.
- Examine the feasibility of standardizing income eligibility definitions for CARE and ULTS as well as the re-certification requirements and post-enrollment random verification processes.

Joint LIOB and ULTSAC Report:
Outreach Efforts of CARE and ULTS Service Programs
January 24, 2003

- Although program eligibility guidelines for each program are somewhat different, the target group of each program consists of low-income and “hard to reach” customers, and it makes sense to include information on all programs in communication and outreach efforts.
- The ULTSAC, pending Commission approval, should re-establish the call center to provide telephone customers information on low-income telephone programs and if contract language permits, information on energy low-income programs as well.
- The ULTSAC should provide a message to the energy utilities to include in their outreach information. The suggested message may state, “you may also be eligible for a discount on your telephone bill, please contact_____ for additional information.”
- The ULTSAC should provide energy utilities with brochures, other written materials, and talking points that can be disseminated to customers, agencies, and energy utility employees when conducting CARE and LIEE outreach activities.
- Energy utilities should utilize existing CARE materials such as the following to inform its customers about ULTS:
 - o CARE Application;
 - o Utility Bill Information Materials;
 - o Brochures;
 - o Websites;
 - o Print Media (community newspapers, press releases, etc.);
 - o Presentations to community groups, customers and other organizations;
 - o Community and other Events;
 - o Workshops;
 - o Other Programs such as energy efficiency programs; and
 - o Partnering Agencies.
- The ULTSAC should engage in the following methods to reach potential CARE customers:
 - o The Call Center, when operational and if there are no contractual limitations, should relay information on CARE when customers call the 800 number to inquire about telephone programs and establish a means to connect the caller to the energy utility in its service area.
 - o Use tools developed for the ULTS marketing plan (media, community outreach, CBO outreach, etc.) to incorporate messages about CARE.

The LIOB and ULTSAC support and encourage the Commission to adopt the aforementioned outreach synergies. The LIOB and ULTSAC suggest further that

Joint LIOB and ULTSAC Report:
Outreach Efforts of CARE and ULTS Service Programs
January 24, 2003

they be implemented as soon as practicable in order to increase penetration and better serve the needs of low-income hard-to-reach utility customers.