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e-news

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Energy Issues

ICAA Holds Energy Roundtable to Discuss PIPP Pilot Project

On February 9, the Illinois Community Action Association held an Energy Roundtable discussion concerning the IDHFS request for a recommendation on how to best implement an affordable energy pilot project. Because Community Action Agencies have a federal mandate to help determine what is best for Low-Income people, the goal of the day was to discuss amongst ourselves what we thought was best. There was a very complete and energetic discussion that led to a unified position of CAAs. Below are the agreements that were reached by consensus.

The ICAA members agreed by consensus that:

Goals of the Project Should Be:

1. Disrupt the disconnect/reconnect cycle.
2. Make energy more affordable for working families with low incomes.
3. Institute a predictable and regular payment plan for working families with low incomes.

Where to set the PIPP: The PIPP should be set at a percentage that will both facilitate and encourage regular payments by the participants and therefore disrupt the vicious and highly inefficient disconnect/reconnect cycle. Since 10% of a family's gross income going toward utility payments is considered to be the very high end of affordability, the PIPP should be set at 10% (at the very highest)

- The PIPP is figured on gross income and L-I customers have to live off of net income
- L-I customers have many additional demands on their income including:
 - Child care
 - Food & shelter costs
 - Transportation
 - Medical expenses

Arrearage Issues: The plan must have a matched arrearage component:

- ICAA disagrees that arrearage should be paid primarily by the State
- ICAA agrees with the Affordable Energy Plan arrearage reduction plan
 - Customer's arrears are covered within the PIPP
 - Utilities lower arrears by 10% in exchange for 3 one time regular payments
- ICAA could probably agree to 1/3 customer; 1/3 State; 1/3 utility

Design of PIPP Pilot: Whatever plan is developed by DHFS, it should be based on a research model. The model should be designed to provide transparency and objectivity to the project and should build trust among all constituent and participant groups.

Start-Up Date and Length of Pilot: The PIPP pilot should start as soon as possible. If computer programming is too complicated, we should all agree to start a much smaller pilot project in the fall of 2006 and track the program on a simplified system (keep track on paper if need be). In addition,



John Colgan and facilitator, Michael Ayers, lead the discussion

because we believe that program effectiveness can be determined in a shorter period of time, there is no reason to have the pilot last for five years. We suggest a three year time frame with a possible extension if needed. If the idea is to develop an affordable and workable energy program, the shorter the timeframe for the pilot and the quicker we can implement a program that serves the entire state, the better off we will all be.

Energy Conservation: An energy efficiency curriculum should be created and all participants in the PIPP should be required to participate in and complete that curriculum. The curriculum would be offered through the participating Community Action Agency. This will help PIPP customers to understand how to keep their bills within the range of the typical energy bill for their area of the state. PIPP customers with the highest bills and highest arrears should also be targeted as the top group to receive Weatherization services.

Cost Containment: The plan must have cost containment provisions including:

- Strategic hedging
- Capped benefit for customers not to exceed more than one or two standard deviations of the typical energy bills for their area of the state

Goals set at last PAC meeting: Some of the goals established at the last PAC meeting conflict with each other. For example, serving the same number of people with the same amount of resources will result in benefits increasing for certain populations and decreasing for others. In other words, the program cannot serve the same number of people using the same resource base without having some level of negative impact on some segment of the population.

LIHEAP Revenue: ICAA agrees that \$15 million is an adequate amount of resources to perform a PIPP pilot project. However, since there will be a negative impact on some populations, additional resources should be sought to ensure the least amount of negative impact on some populations.

Flexibility: Whatever the shape of the PIPP pilot at the outset, ICAA believes the DHFS should take an objective approach while allowing for subjective adjustments from time to time. There should be an agreement that adjustments may be made during the term of the pilot. Flexibility in the PIPP design should allow for subjective adjustments based on program outcomes.

IDA Program

ICAA IDA Participant Savings Surpasses \$50,000 for Home Ownership

The ICAA Individual Development Account (IDA) program is a matched savings program whereby eligible participants can save for their chosen asset of home purchase, post secondary education or start up or expansion of a small business. For every \$1 that a participant saves, it is matched with \$2 from the program. ICAA offers all 3 assets to participants, but by far, home ownership is the most desired asset. Recently, the amount the participants who have graduated from the program have saved to purchase homes surpassed \$50,000. Since the program provides a 2:1 match, the match awarded to these participants surpassed \$100,000. 33 homes have been purchased since the program began in 2000, with the total purchase price of these homes adding up to just under \$3,000,000. Pictured is just one of the 32 homes that have been purchased with the help of the IDA program.



Home purchased with the help of the IDA Program

RCAP

The RCAP team is preparing to do a statewide training on financing mechanisms available to small communities. The training will be held at four locations around the state. Dates, times and locations will be announced soon.

The training will focus on financing that is currently available from the Illinois Department of Commerce and Economic Opportunity, U.S. Department of Agriculture, Illinois EPA and the Illinois Facilities Fund. Representatives from these agencies will be invited to attend.

RCAP will provide a presentation on the services it provides to small communities to help them address their water and waste water problems.

We will also invite representatives from member Community Action Agencies from the area to speak on the services they offer.

The team is looking forward to the upcoming training sessions and the opportunity to meet with ICAA members.

Further updates will be forthcoming. In the meantime should you have any questions please do not hesitate to contact any member of the RCAP team; Tim Olmsted, John Bowersmith or Sarah Mueth at (217) 789-0125.

Illinois Community Action Development Corporation

Welch Woods

Construction on Welch Woods was completed and fully occupied by July 2005. Although the



The completed Welch Woods Project

majority of families are single-female headed families earning less than 50% of the AMI, 33% of the residents are seniors with fixed incomes. The project is currently operating with a steady cash flow. The residents are encouraged to form a Resident Council to govern their activities. To date, the residents have sponsored several social and entertainment events for the complex. Photos of Welch Woods can also be seen in IHDA's 2006 Annual Report and Comprehensive Plan. The Affordable Housing Finance is doing an article of Welch Woods for its March 2006 edition.



Children have a safe place to play in the Welch Woods Courtyard

Housing Issues

ICAA's housing advocacy efforts for this year are off to an encouraging start. Working with organizations including Housing Action Illinois and the Supportive Housing Providers Association (SHPA), we have helped to mount initiatives on several fronts.

Governor Blagojevich's recently released budget includes \$11 million for the Homeless Prevention Fund which is administered by the Department of Human Services and channeled through local Continuums of Care. The success of this program in preventing homelessness through emergency rental, utility and other assistance is well-documented.

The overall funding has come through a combination of Illinois general revenue and TANF dollars, and has been stuck at \$5 million for several years. Local agencies have never had enough funding to make it through the year. ICAA, Housing Action Illinois and other organizations have successfully lobbied the Governor to address the shortfall. The new funding, if supported by the legislature, should be a great improvement. The money will come from the state's Affordable Housing Trust Fund.

Illinois Housing Development Authority officials frame this new use of Trust Fund dollars (permitted in the language of the authorizing legislation) as, effectively, just a new way of creating housing by allowing people to stay in their current unit. They do not see it as a diversion from housing production but an alternative mode of production. The prevention money will come from recent increases in the funds generated by the real estate transfer tax that supports the Trust Fund. The budget continues to show \$50 million for the Trust Fund. Stay tuned.

ICAA's ally SHPA got a \$4.2 million increase from \$9.6 to \$13.8 million to fund services for supportive housing. This will provide service match for new HUD-funded supportive housing and for previous projects for which services had yet to be funded.

And lastly, the newly created Rental Housing Support Program will have an initial funding level of \$25 million for FY 2007, which starts in July. The RFP to select local administering agencies is expected in late Spring, and money will hit the streets in 2007.

We'll see how all this encouraging news holds up to the legislative process and other contingencies, but I guess for now we don't look a gift horse in the mouth.

Legislation ICAA supports in the Spring session of the General Assembly includes:

- The Comprehensive Housing Planning Act (HB5268/SB2290) which codifies the 2003 Governor's Executive Order.
- The Residential Tenant Protection Act (HB4758) which protects tenants from lockouts, protection currently reliant on case-law, not statute.
- The Safe Homes Act (HB4715) which provides protections to renters who are victims of domestic violence.

Agency Corner

Two Rivers Head Start

The Open House for the Aurora Central Office is scheduled for Thursday, April 6, 2006 from 5:00-7:00pm.

East Central Illinois Community Action Agency

East Central will celebrate its 40th Anniversary on March 10th at their Annual Conference Banquet

If you have something you would like to report to the Membership please submit it to Sara Ratcliffe via email, sratcliffe@icaanet.org, or fax, 217-789-0139 by the 15th of each month for inclusion in the ICAA E-News.

FCD

FCD Specialist Recertification Training

Mark your calendars for May 19 or June 6. ICAA, in collaboration with the University of Illinois-Springfield, is offering a one-day Family and Community Development Specialist Training Recertification at ICAA's headquarters in Springfield. This is a great opportunity to refresh, renew and reinvigorate your skills and outlook. The training will be focused on interviewing skills, goal setting, group work, professional development and ROMA. The cost is \$125.00 and training hours are 9:00 a.m. to 4:00 p.m.



Kathy Baker, Vonda Williams and Ivy Abrams are working hard at FCD Training

FCD Training

Winter 2006 FCD Specialist Training is underway at ICAA in Springfield. 24 students, representing BCMW, CEFS, Champaign, CIEDC, Decatur Macon, IVEDC, Lake County and Two Rivers Head Start are learning effective case management, client empowerment and engagement during the first week of training. Trainers from ICAA and the University of Illinois-Springfield team teach the FCD Specialist curriculum. The summer FCD dates are being finalized and will be released in March.

Upcoming Meetings

Save the Date for the following Meetings:

- February 28, 2006 Advocacy Day (Executive Directors and all interested agency staff) - 10:00am-8:00pm - \$10 per attendee - ICAA Office, State Capitol, reception will be held at Pasfield House across from the Capitol - contact John Colgan, JTColgan@aol.com, or Sara Ratcliffe, sratcliffe@icaanet.org, with questions
- March 15, 2006 ICADC Board Meeting (ICADC Board Members) - 10:00am-12:00pm - no cost - lunch provided - ICAA Office in Springfield - contact Don Harris, dharris@icaanet.org, or Kim Colgan, kcolgan@icaanet.org, with questions
ICAA Board Meeting (ICAA Board Members) - 1:00-3:00pm - no cost - lunch provided - ICAA Office in Springfield - contact Sara Ratcliffe, sratcliffe@icaanet.org, with questions
- March 28-29, 2006 LIHEAP Conference (LIHEAP staff) - Day 1: 8:00am-8:00pm, Day 2: 8:00am-12:00pm - no cost - Crowne Plaza Springfield, 217-529-7777 - planned in conjunction with the Illinois Department of Healthcare and Family Services, Office of Energy Assistance - contact Sara Ratcliffe, sratcliffe@icaanet.org, with questions
- April 30-May 3, 2006 ICAA Annual Conference (All Community Action Staff and friends) - schedule and cost tba - Hilton Springfield, 217-789-1530 - contact Sara Ratcliffe, sratcliffe@icaanet.org, with questions



Conference Highlights

- Conference Tracks: Executive Director, Skill Development, Health and Wellness, Program, Board Member and Grassroots Training
- FCD Graduation
- Statewide Poverty Dialogue
- Families of Distinction Awards Banquet
- Community Action Awards Gala
- Community Action Picnic
- Motivational Speakers
- Raffles, Prizes, Fun!