



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

IN THE MATTER OF THE ENERGY ASSISTANCE)
GRANTS AS AUTHORIZED UNDER L. 2009, C. 207-) ORDER
TEMPORARY RELIEF FOR UTILITY EXPENSES)
(TRUE) PROGRAM) CONTRACT AMENDMENTS
) AND REVISED BUDGET
)
) DOCKET NO. EG10100740

Parties of Record:

Donna Blaze, Affordable Housing Alliance
James Nappi, Applied Energy Group

BY THE BOARD:

On January 15, 2010, L. 2009, c. 207, an Act providing for the allocation of \$25 million for utility assistance grants for qualified households (the "Act"), was signed into law by acting Governor Stephen Sweeney. Under the provisions of the Act, the Board of Public Utilities ("Board") was directed to allocate \$25 million from available funds from the Societal Benefits Charge ("SBC") towards utility assistance grants for qualified households. Further, the Act directs the Board to grant the \$25 million to a nonprofit organization to administer a program that will provide grants to help households seeking temporary assistance to pay their gas and/or electric public utility bills.

At its November 10, 2010 agenda meeting, the Board determined it would distribute a notice of grant availability informing the public of its plans to award the funds from the SBC to a nonprofit organization who would then administer a program to use the \$25 million to help pay the gas and electric bills of households seeking temporary assistance. Board Staff published a Notice of Availability of Grants ("Notice") the same day.

In accordance with the requirements contained in the Notice, by January 5, 2011 the Board received a total of ten proposals that were reviewed by an Evaluation Committee ("Committee"), consisting of four representatives from Board Staff. At its February 22, 2011 agenda meeting, the Board voted to accept the recommendation of the Committee to award the grant to the Affordable Housing Alliance ("AHA" or "Grantee"), the applicant that was the highest scoring bidder. The grant program is now known as the Temporary Relief for Utility Expenses ("TRUE") Program.

The contract between the Board and the AHA was signed by Lee Solomon, the President of the Board at that time, and Donna Blaze, Chief Executive Officer of the AHA on March 4, 2011. The AHA's projected budget was included in the contract and was based on an estimated twenty-four month program, assuming the money would be expended within that time frame. The program began accepting paper applications in March 2011 and the online application and tracking system became available in June 2011.

Eligibility requirements for the program include: 1) the applicant's gas and/or electric account is currently 45 days or more past due and/or a disconnection notice has been received; 2) client must demonstrate that four payments of at least \$25 each have been made within the past six months onto the account; 3) the applicant must not have received any benefit through the Universal Service Fund ("USF") or Low-Income Home Energy Assistance Program ("LIHEAP") programs within the last 12 months before the date of submitting a TRUE application; 4) utility service must be connected when the grant is applied; and 5) the household must be income eligible. The TRUE income floor is set at \$1 over the LIHEAP income ceiling and the TRUE income ceiling is the NJ median income. For a family of three the income eligibility range is \$38,196 to \$85,391 for the October 2012 – September 2013 program year.

AHA's TRUE program office is located in Eatontown, NJ in Monmouth County, and the Grantee has formed partnerships with existing application intake agencies associated with USF and LIHEAP to afford greater accessibility to clients in different counties. Further, the USF/LIHEAP agencies can refer clients who are over income for LIHEAP to the TRUE program. However, the majority of TRUE applications are submitted on-line and are processed by the main TRUE office in Eatontown. Applicants have numerous application options to apply for the TRUE program. They can: apply on the TRUE website; mail in their application to the TRUE main office in Eatontown or an affiliate office closer to their home; they can walk in applications to any TRUE office, as well as fax or email applications.

After a year of administering the TRUE Program, AHA met with Board Staff on May 4, 2012 to discuss proposed modifications to the TRUE program based on program data and overall feedback from clients and program partners. Additionally, AHA has discussed the possible reasons that the funds have not been fully expended with AHA TRUE staff, the TRUE affiliate offices, the utilities and Board Staff. AHA believes that making certain modifications to the program will promote participating in the TRUE grant program without compromising eligibility standards or qualifications. Board Staff has reviewed these proposed changes and recommends the following:

RECOMMENDATIONS

A. Revised Contract Work Period and Revised Budget

The TRUE program was designed based on the initial AHA grant proposal that estimated that the \$25M grant would be expended within a two-year time frame. However, as of November 19, 2012, \$13.6M of the total grant money has been disbursed to AHA by the Board and \$9,861,879 of the total grant money has been disbursed by AHA with 9,276 households having received a TRUE grant.

AHA's initial marketing and outreach efforts to promote the TRUE grants included radio ads, TV interviews, newspaper advertisements and news coverage, attendance at over 80 informational events, hosting informational meetings with the legislative offices, direct mail to clients and social service organizations. Since the program began, AHA has increased the number of TRUE affiliate offices throughout the State and is now represented in all 21 counties. AHA has also modified its marketing plan to include a partnership with the two largest utility companies whereby the AHA does a direct mailing through the utility companies to target payment-troubled customers. This latest partnership with the utilities has proven effective as incoming TRUE applications increased approximately 40% for about a one-month period after the mailings. Jersey Central Power & Light has also partnered with AHA by carrying out automatic phone calls to payment troubled customers and by directing its collections personnel to leave door hangers advertising the TRUE program when visiting a premise.

At this time AHA does not expect that the \$25M grant money will be completely expended by the current contract's work period end date of March 2013 and proposes extending the grant program to March 2015. However, AHA estimates that at least half the monies will be expended by March 2013. Therefore AHA submitted to Board Staff a revised budget on November 13, 2012 (see Attachment A) to provide for the program continuing an additional two years until March 2015. The revised proposed budget is attached and in summary will result as follows:

	Original Approved Budget 3/4/2011 - 3/4/2013	Revised Proposed Budget 3/4/2011 - 3/4/2015	Variance from Original Budget
Direct Costs	\$3,205,008	\$3,796,970	\$591,962
Grants to Clients	\$21,394,366	\$20,403,030	(\$991,336)
Admin Costs	\$400,626	\$800,000	\$399,374
TOTAL	\$25,000,000	\$25,000,000	\$0.00

Board Staff has reviewed the revised proposed budget in detail, asked for revisions and feels that the budget contained herein is reasonable and necessary for continued administration of the TRUE program. As the AHA's original budget was drafted before the program began, it is understandable that AHA's original projections require modification based on actual costs.

Board Staff notes that AHA has worked diligently to administer the TRUE program with fiscal and programmatic integrity, maintaining its standards and ensuring that only qualified grant recipients receive TRUE Grants. While this may result in grants being issued at a slower pace than comparable programs, the required application documents and strict eligibility criteria helps maintain the integrity of the program, prevent fraud and furthers the goal of helping clients to establish payment compliance with their utility companies. Board Staff further believes that current efforts underway by AHA to enhance its partnerships and perform more targeted marketing will promote the TRUE Grant program more effectively to eligible New Jersey residents. AHA has worked closely with Board Staff to implement enhancements to the program, whether it is

further developing its web-based system, maintaining affiliate agencies based on performance or quickly addressing any questions or concerns from its stakeholders.

A revised Attachment B from the contract is included with this Order, reflecting the proposed budget modifications of the TRUE contract between the Board and AHA. Therefore Board Staff recommends that the revised budget be approved and the contract work period be extended to March 2015 or until the funds run out, whichever is sooner. Board Staff further recommends that the Board President be authorized to execute any required contract amendments to effectuate these changes. In accordance with L. 2009, c. 207, a final report will be submitted to Board Staff by the AHA within one year of the final grant monies being expended. The Board will then submit that report to the Legislature.

B. Affiliate Application Fees

In AHA's initial proposal and budget, it was determined that AHA would reimburse the affiliate agencies in various counties (including their main TRUE office in Eatontown) according to a tiered schedule at a rate of \$20 to \$25 per approved grant application. However, it was expressed to the AHA by the affiliate offices that the amount of work required to process each application was not worth the amount of reimbursement they were receiving. AHA found that the \$25 cap for reimbursement was low compared with other energy assistance programs. Therefore AHA proposed that affiliate agencies be reimbursed at a flat rate of \$30 per approved application.

In order to make up for this increase in costs with the TRUE affiliate offices, AHA will reduce the amount of money its main TRUE office in Eatontown receives per approved application to \$17.50. Board Staff recommends this change.

DISCUSSION AND FINDINGS

The Board has reviewed the proposed amendments to the TRUE contract, including an extension of the duration of the program. Based on the foregoing, the Board **HEREBY FINDS** it appropriate to make adjustments to the program to further provide the assistance contemplated in L. 2009, c. 207.

The Board **HEREBY ORDERS** that the TRUE contract between the Board and Affordable Housing Alliance be extended through March 4, 2015, or until the entire \$25 million in grant money is expended, whichever comes first. Additionally, the Board **APPROVES** the attached revised TRUE budget, subject to audit. Finally, the Board **APPROVES** the modification to the original TRUE contract allowing TRUE to reimburse TRUE affiliate agencies \$30 per approved TRUE application.

Attachments:

- A. Revised TRUE budget
- B. Revised Attachment B

The Board **FURTHER ORDERS** that the Affordable Housing Alliance shall continue to adhere to the reporting requirements as set forth in the Notice of Grant Availability and any other reporting requirements specified in the contract and as set forth in the Board's February 22, 2011 Order and below:

Quarterly progress reports, accounting for all funds received and spent, will be required, including but not limited to the number and amount of financial assistance grants distributed to Limited Income Households by electric and/or gas utility and when the grants are distributed. Quarterly reports shall also include actual program administrative costs for that quarter. Annually, the nonprofit organization shall issue a comprehensive report to the Board which provides the number of applicants applying for household utility assistance grants, the number of households receiving utility assistance grants, the average amount of assistance provided, the average gross income of households receiving assistance, the methods and procedures used for the verification of income or hardship, and any other information as required by the Board.

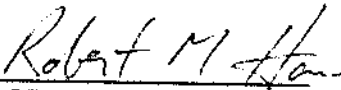
While the Board approves the proposed budget, AHA must demonstrate actual program administrative costs. AHA is only entitled to those administrative costs set forth in the budget that are actually spent. Any budgeted administrative expenses which are not spent, either because the program terminates prior to March 2015 or otherwise, shall be used and accounted for by AHA in its financial grant assistance disbursements.

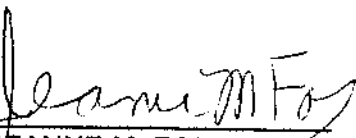
The Board **HEREBY AUTHORIZES** the Board President to execute the documents necessary to implement these changes on its behalf.

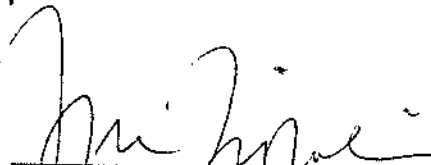
This Order shall be effective on December 28, 2012.

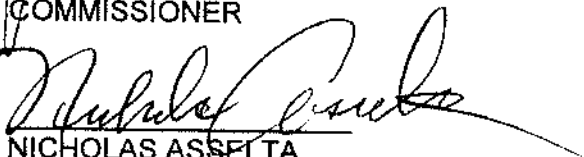
DATED: 12/19/12

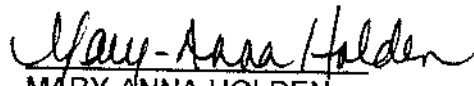
BOARD OF PUBLIC UTILITIES
BY:

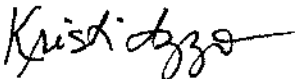

ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER

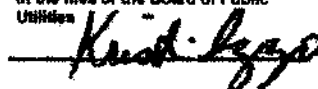

JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST: 

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



Attachment A: Revised TRUE Budget

The Affordable Housing Alliance
TRUE Grant
Revised Projected 4 Year Program Costs
March 2011 - February 2015

Expense	Actual and Projected Mar 11 - Feb 13	Projected Mar 13 - Feb 15	Projected 4 yrs Totals	Original BPU Grant Budget Mar 11 - Feb 13	Variance From Original Budget
5000 - Personnel	797,600	760,005	1,557,605	858,400	699,205
5010 - Professional fees	11,565	7,000	18,565	100,000	(81,435)
5011 - Audit	24,000	24,000	48,000	24,000	24,000
5020 - Advertising	200,036	199,964	400,000	400,000	-
5030 - Fringe benefits	54,075	67,500	121,575	163,768	(42,193)
5040 - Payroll taxes	67,854	63,080	130,934	74,340	56,594
5060 - Office supplies	29,278	20,000	49,278	50,000	(722)
5080 - Communications	35,765	40,000	75,765	40,000	35,765
5090 - Postage	8,122	7,100	15,222	20,000	(4,778)
5100 - Insurance	11,573	14,740	26,313	120,000	(93,687)
5110 - Dues & subscriptions	175	-	175	4,000	(3,825)
5130 - Training	1,581	1,000	2,581	40,000	(37,419)
5190 - Utilities	13,522	16,257	29,779	20,000	9,779
5230 - Travel	4,018	3,000	7,018	80,000	(72,982)
5251 - Network connectivity	22,810	22,810	45,620	10,500	35,120
5253 - License fees / software support	108,155	89,430	197,585	200,000	(2,415)
5260 - Equipment	55,152	18,200	73,352	50,000	23,352
5300 - Rent	103,003	101,850	204,853	150,000	54,853
1550 - Systems development	166,355	18,645	185,000	175,000	10,000
4100 - Application processing fees	23,808	27,720	51,528	62,500	(10,972)
7100 - Affiliate application fees	269,775	286,447	556,222	562,500	(6,278)
Direct costs	2,008,222	1,788,748	3,796,970	3,205,000	591,962
5500 - Admin overhead	400,000	400,000	800,000	400,626	399,374
7000 - Program awards	10,209,778	10,193,252	20,403,030	21,394,366	(991,336)
Total Expense	12,618,000 ***	12,382,000	25,000,000	25,000,000	-

*** 3rd and 4th year line item expenses distributed evenly across both years

Attachment B: Revised Attachment B from Contract with Affordable Housing Alliance

BPU-069G
1/98

ATTACHMENT B
Page 1 of 2

**GRANT AGREEMENT
BETWEEN
AFFORDABLE HOUSING ALLIANCE, INC.
AND
THE STATE OF NEW JERSEY
BY AND FOR
THE BOARD OF PUBLIC UTILITIES**

GRANT IDENTIFIER: _____

APPROVED PROJECT BUDGET

ACCOUNT DESCRIPTION	TOTAL BUDGET	FEDERAL	STATE	GRANTEE	(BPU SHARE) OTHER (OCE FUNDS)
A. Personnel Costs	1,557,605	0.00	0.00	0.00	1,557,605
Salaries					
Fringe Benefits	252,509	0.00	0.00	0.00	252,509
B. Consultants and Subcontractors	1,026,315	0.00	0.00	0.00	1,026,315
C. Other Costs Specify: <u>See Attachment B-1 pages 2-6 for itemization of Other Direct Costs -- includes Energy Assistance Grants</u>	21,315,571	0.00	0.00	0.00	21,315,571
D. Audit	48,000	0.00	0.00	0.00	48,000
Subtotal Direct Costs	24,200,000	0.00	0.00	0.00	24,200,000
Less Program Income	0.00	0.00	0.00	0.00	0.00
Total Direct Costs	24,200,000	0.00	0.00	0.00	24,200,000
Administrative Costs	800,000	0.00	0.00	0.00	800,000
TOTAL PROJECT AMOUNT	25,000,000	0.00	0.00	0.00	25,000,000.00

BPU-069G
1/98

ATTACHMENT B
Page 2 of 2

TOTAL GRANT AMOUNT (sum of "Federal" and "State" column totals) \$25,000,000

The sums identified in the "Total Budget" column are itemized and justified in (check one or more as appropriate)

Attachment B-1

Attachment D-2, Grantee's Original Proposal, and are attached in revised approved budget and order BPU
Docket No. EG10100740

IN THE MATTER OF THE ENERGY ASSISTANCE GRANTS AS AUTHORIZED
UNDER L. 2009, C. 207-TEMPORARY RELIEF FOR UTILITY EXPENSES (TRUE) PROGRAM
DOCKET NO EG10100740

SERVICE LIST

Donna Blaze, CEO Affordable Housing Alliance 59 Broad Street Eatontown, NJ 07724	Jannie Foxworth South Jersey Gas Company 1 South Jersey Plaza Folsom, NJ 08037
Michele Torres TRUE Program Director Affordable Housing Alliance 59 Broad Street Eatontown, NJ 07724	Evalene Wright Community Outreach Dept Atlantic City Electric Company/Pepco PO Box 1739 Salisbury, MD 21802
James Nappi Applied Energy Group 317 George Street Suite 305 New Brunswick, NJ 08901	Judy Thomas Community Outreach Dept Atlantic City Electric Company/Pepco PO Box 1739 Salisbury, MD 21802
Stefanie A. Brand, Esq., Director The Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, New Jersey 07101	Timothy Keitz First Energy Human Services 2800 Pottsville Pike PO Box 16001 Reading, PA 19612 - 6001
Sarah Steindel, Esq. Division of the Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07102	Gina O'Donnell Supervisor, Energy Assistance Administration Elizabethtown Gas Company 300 Connell Drive, Suite 3000 Berkley Heights, NJ 07922
Geoffrey Gersten Deputy Attorney General Department of Law 124 Halsey Street, 5 th Floor Newark, NJ 07102	Kristi Izzo Secretary of the Board Board of Public Utilities 44 South Clinton Ave, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350
Anne-Marie Perachio NJ Natural Gas Company 1415 Wyckoff Road P.O. Box 1464 Wall, NJ 07719	Tricia Caliguire Chief Counsel Board of Public Utilities 44 South Clinton Ave, 9th Floor P.O. Box 350 Trenton, NJ 08625-0350
William Bradshaw NJ Natural Gas Company 1415 Wyckoff Road P.O. Box 1464 Wall, NJ 07719	Albert Weierman Division of Audits 44 South Clinton Ave, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350
Claire Bartolomeo PSE&G Payment Assistant Outreach 80 Park Plaza-T7 Newark, NJ 07102	Maureen Clerc Board of Public Utilities 44 South Clinton Ave, 9th Floor P.O. Box 350 Trenton, NJ 08625-0350
Linda Feger, Manager Orange & Rockland Utilities, Inc. One Blue Hill Plaza Pearl River, NY 10965	