



Agenda Date: 8/23/17
Agenda Item: 9A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

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

Parties of Record:

Donna Blaze, CEO, Affordable Housing Alliance, Inc.
James Nappi, Vice President, TRC Energy Solutions

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 to provide grants to help households seeking temporary assistance to pay their gas and/or electric public utility bills.

BACKGROUND

At its November 10, 2010 agenda meeting, the Board determined it would distribute a notice of grant availability ("Notice") informing the public of its plans to award the funds from the SBC to a nonprofit organization that would then administer a program to use the \$25 million to help pay the gas and electric bills of households seeking temporary assistance. The Notice was issued the same day and ten proposals were received to administer what became known as the Temporary Relief for Utility Expenses ("TRUE") program.

After a competitive bidding process, an evaluation committee recommended to the Board the highest scoring bid from the Affordable Housing Alliance ("AHA" or "Grantee") of Eatontown, in Monmouth County. The Board accepted the recommendation and awarded the TRUE Grant to AHA at its February 22, 2011 agenda meeting. When the contract expired in March of 2015, there was approximately \$6.2M left unspent.

Therefore in May of 2015, the Board directed Staff to publish a new Notice for the remaining TRUE funds and five proposals were received. After a competitive bidding process, the AHA was again found to be the highest scoring bidder and the Board accepted the evaluation committee's recommendation to award the remaining funds to the AHA at its August 19, 2015 agenda meeting. The current TRUE contract ("TRUE2") is set to expire on October 22, 2017.

Eligibility requirements for the TRUE program include: 1) a past due balance, a disconnection notice, or service disconnection; 2) two payments of at least \$25 must have been made to the utility company within the past six months; 3) the applicant must not be receiving benefits from the Board's Universal Service Fund ("USF") program or the federal Low Income Home Energy Assistance Program ("LIHEAP"); 4) utility service must be connected when the grant is applied; 5) the applicant cannot have more than \$15,000 in liquid assets; and 6) the household must be income eligible (currently \$48,612 - \$109,113 for a family of four). TRUE grants are available once per year and are capped at \$750 for each utility company.

In terms of accessibility, AHA also administers the USF and LIHEAP program for Monmouth County as well as the Board's Payment Assistance for Gas and Electric ("PAGE") program. Therefore, clients in need can be screened for multiple programs at the same time. AHA accepts applications at three locations in Monmouth County and has formed partnerships throughout the State with existing application intake agencies associated with the USF and LIHEAP programs, as well as numerous non-profit organizations. Additionally, in 2016 the state-wide human services hotline 211 became an intake agency for the TRUE program. AHA staff provides regular training to all affiliate offices.

Applicants have numerous ways to apply for the TRUE program. They can apply:

- online;
- via regular mail;
- via email;
- via fax; and
- in person at any AHA office in Monmouth County, or TRUE affiliate office throughout the State.

On July 10, 2017, AHA sent a letter to Board Staff indicating the TRUE program will be completed by January 31, 2018, which would require a three month extension to the contract work period. Attached to AHA's letter was a proposed modified budget that would enable the Grantee to close out the TRUE grant program by the proposed date.

RECOMMENDATIONS

Revised Contract Work Period and Revised Budget

Approximately 94% of the total \$25M grant money has been disbursed by the Grantee. Due to the small amount of grant funding remaining and the funding's enabling legislation requiring the full \$25M to be disbursed, Staff recommends that the Board accept AHA's request and authorize a three month contract extension.

AHA's proposed modified TRUE2 budget is attached to this Order and in summary will result as follows:

| | Original Approved Budget 10/22/15 - 10/22/2017 | Revised Proposed Budget 10/22/15 - 1/31/2018 | Variance from Original Budget |
|---------------------------------|---|---|--------------------------------------|
| Direct Costs¹ | \$851,126.00 | \$931,151.00 | \$80,025.00 |
| Grants to Clients | \$5,346,582.26 | \$5,271,491.07 | (\$75,091.19) |
| Admin Costs | \$93,623.00 | \$97,572.00 | \$3,949.00 |
| TOTAL | \$6,291,331.26 | \$6,300,214.07 | \$8,882.81 ² |

Variances in budget line items can be seen in "Attachment B-1."³ The largest increases to original budget line items are due to: 1) AHA processing applications at a much higher rate than TRUE affiliate offices (5:1 rather than the anticipated 2:1 ratio), requiring additional hires, software support, equipment and a higher square footage percentage for rental costs; 2) AHA's utility assistance program office moving to another AHA office due to an expired lease, which required IT and wiring costs; 3) improvements were made to the TRUE hotline; and 4) the three month extension to the contract work period. Board Staff has discussed the modified budget in detail with AHA and feels that the budget contained herein is reasonable and necessary for continued administration and close out of the TRUE program.

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 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. AHA has worked closely with Board Staff to implement enhancements to the program, whether it is improving collaboration with the utility companies, streamlining its application process, or addressing concerns from stakeholders.

Also attached to this order is a revised "Attachment B"⁴ which will render the TRUE2 contract budget between the Board and AHA modified. Board Staff recommends that the revised budget be approved and the contract work period be extended to January 31, 2018 or until the funds run out, whichever is sooner. Board staff further recommends that the Board President be

¹ In this instance, direct costs include items such as salaries and fringe, consultants, office space, and communications.

² The utility companies reimbursed the Grantee in the amount of \$8,882.81 for funds received during the TRUE1 contract period (in operation from March 2011-March 2015). These grants were applied to utility accounts but resulted in a credit when the account was closed. These reimbursements occurred after the TRUE 2 contract and budget amount was finalized. While the modified budget is a "no cost" adjustment, the timing of the reimbursement resulted in an increase to the original budget in the amount of \$8,882.81.

³ Attachment B-1 attached herein updates Attachment B-1 in the original contract.

⁴ Attachment B attached herein updates Attachment B in the original contract.

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. The Board will then submit that report to the Legislature.

DISCUSSION AND FINDINGS

Based on the foregoing, the Board **HEREBY ORDERS** that the TRUE2 contract between the Board and Affordable Housing Alliance be extended through January 31, 2018, or until the remaining grant money is expended, whichever comes first. Additionally, the Board **APPROVES** the attached revised TRUE2 budget, subject to audit. The Board **FURTHER ORDERS** that the TRUE2 grant budget be amended to include \$8,882.81 in refunds received pursuant to the TRUE1 grant program.


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 January 31, 2018 or otherwise, shall be used and accounted for by AHA in its grant assistance disbursements.

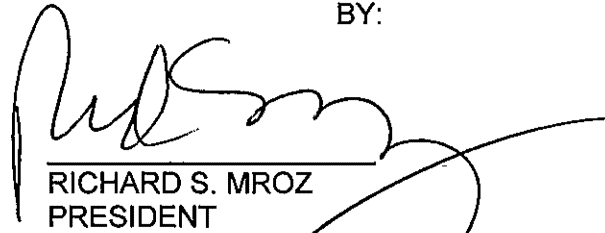
The Board **HEREBY AUTHORIZES** the Board President to execute the documents necessary to implement these changes on its behalf.

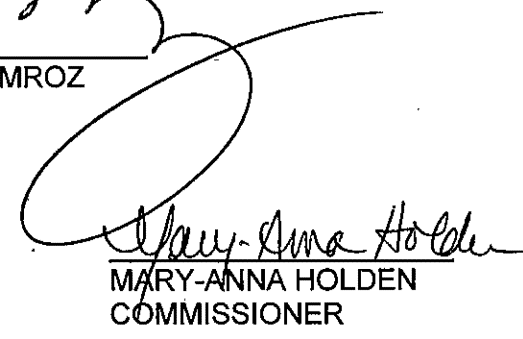
The effective date of this Order is September 2, 2017.

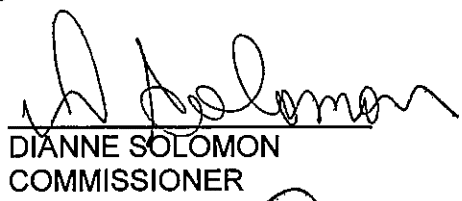
DATED: 8/23/17

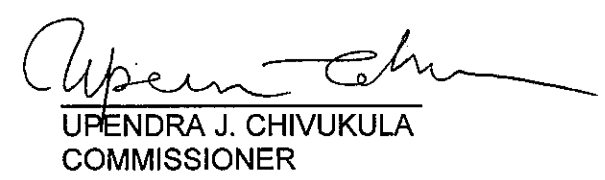
BOARD OF PUBLIC UTILITIES
BY:


JOSEPH L. FIORDALISO
COMMISSIONER


RICHARD S. MROZ
PRESIDENT

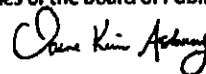

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
BOARD SECRETARY

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



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

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

GRANT IDENTIFIER: TRUE Grant II 2015

APPROVED PROJECT BUDGET

| ACCOUNT DESCRIPTION | TOTAL BUDGET | FEDERAL | STATE | GRANTEE | BPU SHARE (Other OCE Funds) |
|---|---------------------|----------------|---------------------|----------------|------------------------------------|
| A. Personnel Costs Salaries | 419,000.00 | | 419,000.00 | | |
| Fringe Benefits & Payroll Taxes | 83,000.00 | | 83,000.00 | | |
| B. Consultants and Subcontractors | 212,359.00 | | 212,359.00 | | |
| C. Other Costs Specify: <u>Grants to clients and other direct costs (see attached detailed budget adjustment)</u> | 5,478,283.07 | | 5,478,283.07 | | |
| D. Audit | 10,000.00 | | 10,000.00 | | |
| Subtotal Direct Costs | 6,202,642.07 | | 6,202,642.07 | | |
| Less Program Income | 0.00 | | 0.00 | | |
| Total Direct Costs | 6,202,642.07 | | 6,202,642.07 | | |
| Administrative Costs | 97,572.00 | | 97,572.00 | | |
| TOTAL PROJECT AMOUNT | 6,300,214.07 | 0.00 | 6,300,214.07 | 0.00 | 0.00 |

TOTAL GRANT AMOUNT (sum of "Federal" and "State" column totals): \$6,300,214.07

The sums identified in the "Total Budget" column are itemized and justified in: Attachment B-1

| | | | | |
|---|----------------------|-------------------------|----------------------|--|
| Affordable Housing Alliance | | | | |
| TRUE 2 Grant Revised Budget | | | | |
| Line Item Revisions | | | | |
| Attachment B-1 | Original | Extension | Revised | |
| Docket No. EG10100740 | TRUE 2 | 1/31/2018 | TRUE 2 | |
| | <u>Budget</u> | <u>Revisions</u> | <u>Budget</u> | |
| Grant Total | 6,291,331.26 | 8,882.81 | 6,300,214.07 | |
| Personnel | 350,960.00 | 68,040.00 | 419,000.00 | |
| Professional Fees | 26,000.00 | (25,641.00) | 359.00 | |
| Audit | 10,000.00 | 0.00 | 10,000.00 | |
| Advertising | 100,000.00 | (34,000.00) | 66,000.00 | |
| Fringe Benefits | 42,000.00 | 2,000.00 | 44,000.00 | |
| Payroll Taxes | 42,236.00 | (3,236.00) | 39,000.00 | |
| Office Supplies | 20,000.00 | 3,600.00 | 23,600.00 | |
| Communications | 3,552.00 | 13,748.00 | 17,300.00 | |
| Postage | 7,200.00 | (3,400.00) | 3,800.00 | |
| Insurance | 6,000.00 | (958.00) | 5,042.00 | |
| Training | 3,000.00 | (1,000.00) | 2,000.00 | |
| Utilities | 1,200.00 | 1,200.00 | 2,400.00 | |
| Travel | 2,400.00 | 6,750.00 | 9,150.00 | |
| Network Connectivity | 3,800.00 | (3,800.00) | 0.00 | |
| Software Support | 10,000.00 | 44,000.00 | 54,000.00 | |
| Equipment | 10,000.00 | 3,500.00 | 13,500.00 | |
| Rent | 21,600.00 | 39,400.00 | 61,000.00 | |
| Systems Development | 15,000.00 | 0.00 | 15,000.00 | |
| Affiliate Application Fees | 92,268.00 | (48,268.00) | 44,000.00 | |
| AHA Affiliate Application Fees | 83,910.00 | 18,090.00 | 102,000.00 | |
| Total Direct Program Costs | 851,126.00 | 80,025.00 | 931,151.00 | |
| Admin Overhead At 11% Of Direct Costs | 93,623.00 | 3,949.00 | 97,572.00 | |
| Total Program Costs | 944,749.00 | 83,974.00 | 1,028,723.00 | |
| Grant Funds Available For Distribution | 5,346,582.26 | (75,091.19) | 5,271,491.07 | |
| Distribution Percentage | 85% | | 84% | |