

CB #7
117313

ORDINANCE

AN ORDINANCE relating to emergency assistance for low-income Seattle Public Utilities customers and amending Section 21.76.065 of the Seattle Municipal Code.

WHEREAS, low-income rate credits are available under Section 21.76.030 of the Seattle Municipal Code for Seattle Public Utility customers with annual household incomes that do not exceed 70 percent of the Washington State median income for the number of individuals in the household as computed annually by the state or the City; and

WHEREAS, once-a-year emergency assistance for paying delinquent Seattle Public Utilities bills is available under Section 21.76.065 of the Seattle Municipal Code to customers with annual household incomes that do exceed 125 percent of the poverty level for the number of individuals in the household as computed annually by the U.S. Government; and

WHEREAS, the Seattle City Council intends to establish a single threshold of 70% of Washington state median income to qualify low-income Seattle Public Utilities customers for both utility rate credits and emergency assistance for paying delinquent bills; and

WHEREAS, a 70% of Washington state median income threshold will simplify the City process for determining the eligibility of customers for low-income programs and will increase the number of eligible customers; and

WHEREAS, emergency assistance is available to low-income customers who are billed by Seattle Public Utilities (SPU) for utility services, and the Council wishes to clarify that the assistance applies to services included in the combined utilities bill issued by SPU, which includes water, wastewater and solid waste charges, NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Effective January 1, 2012, Section 21.76.065 of the Seattle Municipal Code, which section was enacted by Ordinance 122174, is amended as follows:

21.76.065 Low income emergency assistance program.

A. Qualification. Upon satisfactory proof, emergency assistance shall be issued to each household for which a member of the household is billed, by SPU, for water, ((drainage,)) wastewater or solid waste services and:



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle Public Utilities	Meg Moorehead 4-8929	

Legislation Title:

AN ORDINANCE relating to emergency assistance for low-income Seattle Public Utilities customers and amending Section 21.76.065 of the Seattle Municipal Code.

Summary of the Legislation:

This ordinance would change the SMC 21.76.065 threshold to qualify customers for the once-a-year emergency assistance in paying delinquent Seattle Public Utilities (SPU) bills from 125% of the federal poverty level to 70% of Washington state median income. The 70% of state median income threshold is already used to qualify low-income customers for 50% rate credits under SMC 21.76.030. The legislation also clarifies that emergency assistance applies to services included in the combined utilities bill issued by SPU, which includes water, wastewater and solid waste charges.

Background:

To reduce the impact of rate increases on low-income customers, in 2009 the Council changed the eligibility threshold for SPU low-income rate credits to 70% of state median income. The change made more customers eligible for discounted rates. At that time the eligibility thresholds were not changed for once-a-year emergency assistance to low-income customers who have delinquent SPU bills. The emergency assistance provides a credit of up to 50% of a customer's delinquent bill, with the 2011 credit not to exceed \$297. During its review of 2012-2014 water rates, the Seattle Public Utilities and Neighborhoods (SPUN) Committee recommended that the emergency assistance threshold be changed to 70% of state median income. The consistent threshold for the two programs is intended to simplify the qualification process and provide assistance to more low-income customers. With the change, about twice as many customers would be eligible for assistance.

Please check one of the following:

This legislation does not have any financial implications.

This legislation has financial implications.

There are no appropriation impacts or position changes associated with this proposed Council



Bill.

Anticipated Revenue/Reimbursement: Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2011 Revenue	2012 Revenue
Water Fund 43000	Seattle Public Utilities	Water Sales	\$0	\$75,000
Water Fund 43000	Seattle Public Utilities	EAP Credits	\$0	(\$75,000)
Drainage & Wastewater Fund 44010	Seattle Public Utilities	EAP Credits	\$0	(\$65,000)
Solid Waste Fund 45000	Seattle Public Utilities	EAP Credits	\$0	(\$65,000)
TOTAL				(\$130,000)

Revenue/Reimbursement Notes:

The 2012 revenue reductions reflect the estimated impact of expanding the participation in the Emergency Assistance Program. The Water Fund impact will be offset by adjusting the 2012 water rates to offset this increase in credits. Solid waste and wastewater rates have already been approved for 2012, therefore the revenue decreases represent the estimated decrease in solid waste and wastewater revenues due to increased participation in the Emergency Assistance Program.

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

The financial impacts shown in this fiscal note assume that the number of enrolled low-income customers rises slightly from 2011 levels, but remains far below 100% of eligible customers. If the number of customers seeking and receiving SPU low-income assistance increases substantially, future rates for other ratepayers will need to increase to compensate for the lower rates paid by a greater number of low-income customers.

b) What is the financial cost of not implementing the legislation?

In 2010, 886 customers received emergency credits worth \$189,000 toward delinquent water, sewer, drainage and solid waste bills. If the legislation is not implemented, SPU assistance might continue at past levels, resulting in less revenue loss than might occur under the proposed legislation.

c) Does this legislation affect any departments besides the originating department?



No

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

Council objectives are to expand the number of low-income customers that have access to emergency assistance for paying delinquent bills, given the difficult economic times and rising utility rates. A threshold other than 70% of state median income could have been selected but would not have the administrative advantage associated with using the same threshold used for SPU low-income rate credits.

e) Is the legislation subject to public hearing requirements?

No.

f) Other Issues:

None.

List attachments to the fiscal note below:

None.

