



City of Seattle
Human Services Department

Date: May 3, 2011

To: Councilmember Mike O'Brien, Chair, Seattle Public Utilities and Neighborhoods
Committee
Councilmember Bruce Harrell, Chair, Energy, Technology, & Civil Rights Committee

From: Dannette R. Smith, Director, Seattle Human Services Department

Re: Response to Statement of Legislative Intent 11-1-A-1 – HSD Utility Low-Income
Enrollment and Outreach

This memorandum responds to City Council Statement of Legislative Intent (SLI) 11-1-A-1, adopted during the 2011-2012 budget process. The SLI requests that the Human Services Department put forward recommendations on how enrollment of low-income customers in the City's Utility Discount Program can be increased without increasing City staffing and funding. The SLI asks HSD to coordinate with Seattle Public Utilities (SPU) and Seattle City Light (SCL) and propose recommendations in the following areas:

1. Awareness, including customer awareness of utility low-income rate and assistance programs.
2. Ease of enrollment/re-enrollment, significantly increasing the number of new enrollees and reducing attrition of eligible customers.
3. Efficiency of enrollment/re-enrollment processes, with a focus on reducing the number of staff hours needed to enroll a customer, without reducing customer service.
4. Performance measures, which will supplement those in the Memorandum of Agreement between HSD, SPU and SCL.

Following and attached are HSD's response to the SLI, due to the City Council's Seattle Public Utilities & Neighborhoods Committee by May 1, 2011.

City of Seattle Utility Assistance Programs

The City of Seattle has several programs to help low-income Seattle residents with their utility bills. The main focus of this SLI is the City's Utility Discount Program (UDP), which provides a fifty percent discount to eligible customers on their electricity and water/sewer/garbage bills. The program, funded by SPU and SCL, is administered by HSD. Although it serves eligible customers of any age, the UDP is currently managed by the

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Mayor's Office for Senior Citizens (an HSD program). Eligible customers must meet income guidelines based on seventy percent of the state median income guidelines (income counted from all members of the household); be a homeowner or renter, and not receive a Section 8 voucher or live in subsidized housing.

In 2010, the UDP enrolled 4,069 new customers and recertified 4,732 existing customers. The program is currently staffed by 9.02 FTEs: 0.36 Administrative Staff Assistant, 1.78 Administrative Support Assistant, 0.55 Manager I, 4.97 Program Intake Representatives, 0.65 Public Relations Specialist, and 0.71 Utility Supervisor.

HSD negotiates an annual Memorandum of Agreement (MOA) with SPU and SCL, outlining metrics concerning customers enrolled/re-enrolled, outreach efforts, number of staff, and funding. In 2010, the MOA provided HSD with \$389,294 from SPU and \$501,540 from SCL to administer and staff the program. The 2010 MOA was extended through May 2011, reflecting work being done to address the SLI and with the intent that it then be renegotiated to reflect new business processes and increased performance.

Consultant Study and Recommendations

In late January 2011, in response to the SLI and in response to other issues, HSD Director Dannette R. Smith engaged Scott Casson of CCIS Consulting, Inc. to review the UDP business processes and recommend changes that would aid in the SLI response, including performance metrics. Mr. Casson offers more than 16 years of experience either managing or providing performance improvement consulting within large-scale contact center and back-office operations environments. He has demonstrated a track record for identifying, recommending, and assisting clients in quickly and significantly improving their operations. Mr. Casson has also assisted other City of Seattle departments such as SPU and Seattle Municipal Court to bring about improvement to their operations. Following is a summary of Mr. Casson's business process and performance measurement recommendations, which HSD, SPU and SCL support.

Between January 24, 2011 and March 31, 2011, Mr. Casson conducted his evaluation and developed recommendations for HSD, SCL and SPU leadership's consideration. His efforts included data analysis of industry standards around efficiency, quality and other contact-center metrics; direct observation of all core UDP processes; and interviews with UDP staff and leadership. His research led to four overall findings:

1. Associate Alignment – UDP staff are committed to their end customers and improving the overall operation
2. Challenges Already Known – most of the problems or challenges identified to be addressed are not new or surprises; the issue has been access to the solutions necessary to correct them
3. Delete List – the UDP Delete List, which showed a backlog in January 2011 of 2,800 customers whose recertification was past due, is an indicator of the program's challenges

4. Cycle Time – application cycle time (end to end) is driven by current business processes and can range from two – four months for a customer; improving cycle time must become one of the most important objectives moving forward

Based on these findings, the overarching recommendation to improve UDP functions and increase efficiency focuses on **creating a formalized call center** for the program. This can be achieved by putting the people, processes and technology in place to increase enrollment, provide a better and more efficient customer experience, and demonstrate to the primary funders (SPU and SCL) and elected officials the metrics being achieved. Note: The findings are described in greater detail in Attachment 1: *Utility Discount Program Optimization Findings and Recommendations, March 2, 2011.*

Highlights of recommendations

Below are brief descriptions of each of the key recommendations. These recommendations primarily address SLI items 2, 3, 4, (ease of enrollment/re-enrollment; efficiency of enrollment/re-enrollment, and performance measures.

1. Create a Formalized Call Center

Current State: The current UDP structure has three receptionists handling all initial interest and applicant pre-screening (primarily phone calls, with applications mailed out to interested customers), while the Program Intake Representatives handle pending applications end to end once they are returned (via US mail) following the pre-screen. This configuration results in several challenges, including: the degree to which callers are pre-screened does not sufficiently weed out those who are not eligible for the program; customers do not send in the required documents for proof of eligibility, anywhere between 20-30% of initial interest calls and 75-80% of pending application calls (based on anecdotal data) go to voice mail, significantly increasing the cycle time and probability of losing that potential applicant.

Recommendation: A formalized call center approach, with appropriate staff roles, technology (particularly around phone call distribution) and metrics would help increase enrollment and re-certification, improve efficiency, and enhance overall customer satisfaction with shorter wait times and more eligible clients making it through the process. Technology needs to be in place (including Automatic Call Distributor and Auto-Attendant functions to distribute calls) to make this shift effectively. See also the Technology section below.

2. Screen and Complete Applications

Current State: The receptionist classification (Administrative Support Assistant) prohibits those staff from asking for sufficient client information to assess eligibility. The current “front-end” screening as mentioned above allows an undefined number of clients who should be ruled ineligible from the outset to begin the application process, an inefficient use of the customer’s time or City staff’s. Receptionists mail applications to potential

clients that are not fully completed, relying on the client to prioritize completing the application and mailing it back with information completely and correctly included. PIRs then complete the screening, often having to follow up with a customer for additional information or finding out that a customer was not eligible to begin with based on income, housing status or some other factor.

Recommendation: Program Intake Representatives should handle applicant screening and complete applications with potential enrollees on the phone (or in person, if applicable). The application a potential enrollee receives in the mail should be as complete as possible. This will significantly reduce cycle time and engage only interested and more likely eligible applicants. To aid in this function, a “fillable” PDF application should be created that staff can complete online while on the phone with the customer.

3. Follow Up on “in progress” Cases

Current State: No processes or tracking mechanisms exist to appropriately handle applications mailed but not returned or those returned but put on “pending” status for more information. This set of applications represents enough potential clients to greatly increase enrollment in the program.

Recommendation: Institute a “follow up” function to “mine” these potential enrollees and see their applications to completion and enrollment as appropriate. The existing UDP II database will need to be modified to be able to track and report on these statuses.

4. Program Intake Representative Job Model – “Functionalization”

Current State: The current business processes have Program Intake Representatives handling more than seven functions daily, each with similar urgency or priority. Clients are assigned to a Representative alphabetically by last name, and the staff handle that customer’s case end to end. Staff have appreciated being able to work with a customer start to finish, however the tradeoff is inefficiency and slower processes.

Recommendation: Restructure the Program Intake Representative role into a “functionalized” model where each staff person focuses on one specific function at a time. Staff would rotate through each function at a predetermined schedule, thus helping assure accountability. Functions would include: phone/intake; phone/case management; approving and terminating applications; and application management (review for completeness, process delay letters, follow up on pended, etc.). Receptionists would handle general information calls, walk-in client management, and clerical duties such as mail, filing, etc.

When looking at functionalization, the program will need to consider the best way to work with clients for whom English is a second language. Currently, two Program Intake Representatives speak languages other than English – one speaks several Asian languages and one speaks Spanish. The Language Line is used for other languages. The new call

routing process will feature multiple languages to appropriately route non-English speaking customers.

5. Metrics and Outlier Management

Current State: Individual performance metrics have only recently been tracked, and were primarily created to ensure that the 2010 MOA objectives were met. Each Program Intake Representative has since been given a weekly goal for the number of new applications and recertifications completed.

Recommendation: Create monthly “scorecards” to track both individual and program performance; compare against objectives. Greatly expand the type of information tracked, including telephone call metrics (e.g., calls lost to voice mail; time spent on the phone with clients). Consider “outlier” management which looks at average performance as a baseline. Performance measures to be tracked and considered for inclusion in the MOA between the Utilities and HSD will relate to productivity, customer experience, effectiveness of outreach, attrition and other overall performance targets.

6. Technology

Current State: Current UDP technology and data tracking limitations are mentioned above.

Recommendations: The primary technology changes recommended include use of Automatic Call Distributor and Auto Attendant capabilities in the phone system (critical to shifting to a call center model). These would allow calls to be routed appropriately in the new functionalized team, and would allow callers the use of menus and prompts for information and accurate call routing. When setting up these systems, HSD will need to consider how to work with the large population of senior or elderly callers who may not like menus and prompts and/or may not be able to hear or understand the outgoing messages. The Department will also need to consider how to best serve callers whose primary language is not English. Other technology recommendations include use of bar code technology for application tracking, modifications to HSD’s UDP II database to enhance case status options, creation of the “fillable” PDF mentioned above, and development of a variety of reports to track cases and staff metrics.

Awareness

The City Council has expressed particular interest in expanding awareness of the Utility Discount Program, to ensure that as many customers as possible who are potentially eligible for the program are aware of the discount and how to sign up. Awareness efforts need to be as inclusive as possible, to reach low-income or senior customers whose primary language may not be English. In 2010, SPU, in coordination with SCL and HSD, developed and began implementing a detailed strategic marketing plan incorporating Best Management Practices in marketing energy assistance programs. Five community-based organizations (Asian Counseling and Referral Service, Central Area Motivation Program, El Centro de La Raza, International District Housing Alliance, and Southwest Youth and Family Services) were recruited to expand cultural and language competencies in assisting

customers to complete UDP applications. At the conclusion of this pilot in May 2011, SPU will evaluate the feasibility of using this framework for future seasonal or ongoing sign-up events.

At the same time, given the existing backlog of potential new customers and existing customers needing recertification, the program needs to strike a balance between reaching out to large numbers of potential new clients and effectively serving those already in the queue. The restructuring described above, with an enhanced use of technology, is intended to shorten the end-to-end application processing time and by its nature increase the number of clients staff are able to enroll and/or re-certify.

Additionally, Mr. Casson, who evaluated and made performance improvement recommendations for UDP believes that a sizeable number of ineligible applicants who enter the process today will fall out of the process earlier than they do now, and prior to a decision being reached. By significantly improving the end-to-end cycle time and beginning to perform case follow-up at specified points in the process, he believes that enrollment will increase due to converting more existing applicants into enrollments.

Other concurrent efforts, such as the Washington Connection portal, will also facilitate awareness of and potential enrollment in the UDP. The portal, developed by the State of Washington, is an online application tool for a number of state benefits. The City is currently working with the state to add City benefits (including UDP) to the portal, allowing clients and caseworkers to apply or test eligibility for UDP online. In conjunction with this effort, HSD is using federal stimulus funds to increase nonprofit agency capacity to connect clients with public benefits, an effort which is also expected to raise awareness of and enrollment in the UDP.

HSD will continue to work with community organizations whose primary mission is to help low income families, including those in ethnic communities, achieve self-sufficiency. Currently UDP staff conduct monthly outreach events for enrolling customers at Chinese Information and Service Center and Puget Sound Labor Agency, and will resume similar activities at the Mexican Consulate and South Park community organizations in the spring. In addition, to raise awareness about the UDP, collaborative arrangements will be confirmed with agencies such as the Central Area Motivation Program, which has agreed to provide to HSD names of clients (with consent) in their programs who are likely to be eligible for the utility discount. Partnerships with low income housing groups, especially in buildings in ethnic communities, are being formed for reaching eligible residents.

Finally, HSD is undergoing an organizational realignment in conjunction with development and implementation of a new Strategic Plan, "Healthy Communities, Healthy Families." Beginning early summer, 2011, the UDP will be part of the newly formed Community Support and Self-Sufficiency division. This division will house other HSD direct service programs and will look at opportunities to ensure these programs are effectively community-based, collaborate internally and with other partners, and share resources and referrals. We anticipate that the new HSD organizational structure, the UDP shift to a

formalized call center, and implementation of the Washington Connection portal will all contribute to a more efficient process and more clients served.

Next Steps, Expected Outcomes

HSD has taken seriously the Council's interest in expanding enrollment and awareness of the UDP. The Department intends to move quickly but methodically, and in close collaboration with SCL and SPU, to implement the recommendations above, starting with creation of the staff functional areas and implementation of the telephone technology to support these functions.

Specifically, HSD staff is currently planning for the implementation of the new design: 1) developing the process mapping and staffing plan for the functionalization modules, 2) modifying the existing UDP database and developing a new database which is connected to the state portal mentioned above, and 3) working with the City's Department of Information Technology to develop and implement the Nortel Automatic Call Distributor. An implementation start date of July 31 is currently projected. HSD management is also in close communication with Local 17, which represents the UDP staff, during this planning and implementation process.

Specific tasks to be accomplished by the end of July implementation date include:

- I. Business Process
 - Define functionalized modules and tasks
 - Develop client and document flow
 - Update UDP policy and procedures
 - Develop processes for serving non-English speakers
 - Train staff, inform community partners, SPU, SCL on new processes
- II. Personnel
 - Re-organize UDP structure, define position roles/responsibilities, establish position classification titles
 - Identify staffing level at functionalized modules
 - Train staff on new phone and database systems
- III. Technology
 - Phone system: develop, install and test Nortel phone system
 - Data base: identify data base requirements, develop functionality, test system, roll out

Expected Outcomes

Based on the factors above, HSD is projecting the following increase to outcomes in three areas:

- **New Enrollment -**
 - Actual average per month, Jan-March 2011: 453
 - Projected increase 12 months after new design: 20%

- **Active Enrolled (snap shot) -**
 - Active at end of March 2011: 14,206
 - Projected increase 12 months after new design: 20%

- **Cycle Time (from application to HSD approval)**
 - Estimated current cycle time: 2-4 months
 - Projected cycle time 12 months after new design: 1-2 months

I appreciate the City Council's interest in this program and in ensuring that HSD strengthens our ability to serve low-income families and individuals needing assistance with utility bills. I look forward to discussing this further with Councilmembers at the May 10, 2011 Seattle Public Utilities and Neighborhoods Committee. If you have any questions before then, please don't hesitate to contact me at (206) 684-0263 or Dannette.Smith@seattle.gov.

Attachments: Utility Discount Program Optimization Findings and Recommendations, March 2, 2011

cc: Steve Barham, City Budget Office
Meg Moorehead, City Council Central Staff