

Policy Question

Should the City extend the Emergency Utility Assistance Program through December 31, 2026, and if so, at what level of funding and benefit per household?

Background

Customers needing assistance with City of Salem Utility bills currently have three options:

- Request a payment arrangement for a specific payment due.
- Apply for the Utility Rate Relief Program, a monthly discount.
- Apply for Emergency Utility Assistance of up to \$500 per customer/account per year.

Payment arrangements and Utility Rate Relief are ongoing programs. Emergency Utility Assistance has been authorized by resolution and must be extended to receive funding after December 31, 2024. Additional information on these options is provided below.

1. Payment Arrangements

Customers needing extra time to pay their current utility bill may be eligible to set up a payment arrangement that extends the due date for their current bill. Customers can set up payment arrangements in the following ways:

- Over the phone by calling our Utility Customer Care Team at 503-588-6099
- By email at Utilitybilling@cityofsalem.net
- Online through the online payment system at <https://egov.cityofsalem.net/eebpp>

2. Utility Rate Relief Program

Customers are qualified for the Utility Rate Relief Program by Mid-Willamette Valley Community Action Agency (MWVCAA). Customers ages 60 and older or who have a disabled member in the household, with household income at or below 60 percent of the State Median Income, may be eligible for a monthly discount on their single-family residential utility bill. Customers may call MWVCAA at 503-588-9016 for more information.

The City's Utility Rate Relief Program provides a 60 percent discount off the fixed wastewater base fee. For inside city customers, it is \$11.03 per month and for outside city customers it is \$12.00 per month. As of June 30, 2024, there are 744 customers in Salem and 191 customers outside of the city limits participating in this program. The annual amount of foregone revenue based on current participants and rates is estimated to be \$126,000 per year. This program is well-established and is adopted as part of the biennial rate resolution.

Customers are qualified annually to continue receiving the discount. This ensures only eligible customers receive the discount and provides an opportunity for MWVCAA to determine if customers may also qualify for other assistance programs.

3. Emergency Utility Assistance Program

Single-family residential customers experiencing a short-term need for payment assistance may be eligible for up to \$500 of assistance toward their City of Salem utility bill each calendar year. Once the customer is qualified, financial assistance is applied to the utility account in the amount of the past-due amount or current balance to a maximum of \$500 for the calendar year. Customers are qualified on site for assistance through St. Vincent DePaul and the Salvation Army. Income qualification is based on The Emergency Food Assistance Program (TEFAP) guidelines. Customers are pre-qualified if, within the past 12 months, they have been:

- Requalified by a participating agency;
- Qualified for the Utility Rate Relief program or the Low-Income Home Energy Assistance program (LIHEAP); or,
- Received Salem Housing Authority Section 8 Rental Housing Assistance or lived in a Salem Housing Authority property.

Customers who have been pre-qualified above may the Utility Customer Care Team at 503-588-6099 to request assistance.

For many years, the Emergency Utility Assistance Program was funded solely with private donations. In 2016, the Water/Wastewater Task Force recommended annual donations be matched with up to \$10,000 of utility revenue. During the pandemic, total funding was increased to \$500,000 and the maximum benefit per account increased from \$150 to \$500 per customer/account per calendar year. For calendar years 2023 and 2024, Council maintained the \$500 limit per customer/account per calendar year and approved funding of \$300,000 per year through December 31, 2024.

Growth in the number of customers participating in the program and total assistance funds provided is shown in the table below:

Calendar Yr	2019	2020	2021	2022	2023	2024 <small>(6/30/24)</small>
Customers	297	495	1,716	1,716	1,867	2,154
Assistance	\$27,013.95	\$71,611.76	\$229,393.36	\$263,464.81	\$311,691.07	\$396,015.72

Disbursements for the last six months have averaged \$65,000 per month. If expenditures continue at the same rate for the remainder of the calendar year, approved funding will be sufficient to last through November 2024. If the program is extended, new funding would be available beginning in January 2025

From March of 2022 through December of 2023, a federal program providing water utility assistance to low-income households provided \$702,298.19 to 2,345 households, representing an average of about \$300 per household. The availability of this funding temporarily reduced demand for Emergency Utility Assistance. Now that the federal program has ended, the average monthly demand for Emergency Utility Assistance has increased from \$22,000 per month in 2022 to \$65,000 in 2024. Assistance per customer has increased from \$153 per account in 2022 to \$184 per account in 2024.

Demand for assistance programs continues to increase.

Options

1. Extend the Emergency Utility Assistance Program through December 31, 2026, concurrent with the biennial utility rate cycle, maintain funding at \$300,000, and retain household benefit limit of \$500 per calendar year, thereby assisting an estimated 600 households.
2. Extend the Emergency Utility Assistance Program; increase the funding allocation to \$300,000 per year; limit benefit per household to \$250 per calendar year, thereby assisting an estimated 1,200 households.
3. Extend the Emergency Utility Assistance Program; increase the funding allocation to \$500,000 per year; limit benefit per household to \$250 per calendar year, thereby assisting an estimated 2,000 households.