Piloting Toward the Future:
Six Low-Income Energy Pilot Programs

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ABSTRACT

As many states restructure the utility industry they are moving toward providing low-income energy programs through a public benefits process. In some cases this involves transferring the administration and delivery of low-income energy services to agencies relatively new to energy programs.

From 1997 through early 1999 the Wisconsin Energy Bureau financed six low-income energy pilots. The pilots were a first test of new approaches to delivering energy conservation, bill payment assistance and educational services to the low-income population. They were administered by a state agency and implemented by various social service agencies, a scenario not unlike what we anticipate for public benefits programs. Since the completion of the pilots the Wisconsin legislature passed a bill referred to as Reliability 2000 (part of 1999 Wisconsin Act 9), which legislates the public benefits process for the state. An evaluation of the six programs provides important lessons and cautions that will be valuable to program planners, administrators and implementers as we move into this new environment.

Wisconsin is generally regarded as skilled and efficient at delivering Low Income Home Energy Assistance Program payments and effective weatherization to low-income households through existing channels. We found, however, that the introduction of new players, or differing roles for existing players, raises a host of issues that threaten the efficiency and efficacy of future programs. Policy makers and program planners should heed the warnings of the pilots that provide valuable lessons, some obvious only in hindsight. On the positive side, we found that the introduction of new players infuses new ideas. In this time of transition the trick will be maintaining a balance between keeping the expertise from 20 years of low-income energy programs and allowing new approaches and players into this arena.

This paper will briefly outline the pilots and discuss the lessons learned about the delivery of the services using examples from the various pilots. The discussion will focus on the application of these lessons to the implementation of low-income programs in a restructured energy environment.

Introduction

This paper is based upon the results of an evaluation of six low-income energy services pilots conducted in Wisconsin from 1997 to 1999. The pilots were created to explore ways to address declining federal funding for helping meet low-income energy needs. The objective of the overall effort was to test new approaches that would:

- Provide comprehensive energy efficiency services

- Increase the efficiency of administering and delivering energy services
- Increase the resources available for low-income energy programs

While no single pilot addressed all of these objectives, each addressed at least one.

The Wisconsin Energy Bureau within the Department of Administration administered the pilots. The combined state funding for conducting and evaluating the six pilots was $1 million. In addition to WEB funding, several Wisconsin utilities contributed matching funds and staff resources. The Energy Center of Wisconsin independently evaluated the pilots based on program data, as well as interviews and surveys of staff and clients. One objective of the evaluation was to evaluate the strengths and weaknesses of the pilots and assess their potential for broader implementation in Wisconsin. It is within this context that we present the results.

The Pilot Programs

The six pilot programs addressed different issues related to low-income energy services. Two addressed increasing the resources available for weatherization by requiring some payment from the weatherization recipients. Three of the pilots tested coordination approaches among different entities such as social service agencies, utilities and the state "welfare" programs. These pilots hoped to improve the comprehensiveness of services delivered or the efficiency with which services were delivered. A final pilot tested alternative approaches to raising funds for low-income energy services. We describe the pilots under these three groupings.

Approaches for Increasing Weatherization Resources

These two pilots tested increasing weatherization resources by obtaining some payment from the client. Both used existing weatherization providers, but tested a loan program, while the other tested a shared savings approach.

Weatherization loan pilot. Designed and implemented by CAP Services in Waushara County in central Wisconsin, this pilot tested providing zero-interest loans—instead of grants—for installing weatherization measures. Rental property owners were provided low-interest loans. The loans are repaid at the time of property transfer —no payments were required until this point. Households qualified based on eligibility for the Department of Energy Weatherization Assistance Program (WAP). The pilot was implemented exactly as the agency implements WAP but the criteria for replacement of water heaters, furnaces, windows, and doors were relaxed relative to the federal program.

CAP Services was able to fully enroll the pilot program and expend its funds by providing weatherization loans to 64 households in Waushara county. A letter briefly describing the program was sent to all LIHEAP recipients (approximately 1,000 households) in the county, resulting in 116 application submissions. Of these 116 applicants, 8 refused the program for various reasons, 17 were denied the program by the agency, and 2 dropped out. The CAP agency has provided weatherization loans to some of the applicants pending at the close of the pilot program using supplemental funds and money from repaid loans.

Sixty percent of the pilot weatherization loans were made in tandem with low-interest housing rehabilitation loans. The pilot participants did not appear to differ in any substantial ways from typical participants in weatherization programs. As with the standard grant-based program, the loan pilot attracted mainly homeowners, though three rental property owners did participate. As of March, 2000, four of the properties have been sold and the loans repaid in full. In addition, the rental property owners make monthly payments on their loans.

Weatherization shared savings pilot. The ultimate purpose of this concept—which was piloted by two community action agencies—is to extend weatherization resources by having clients help pay for the cost of weatherization through the energy savings that result. The pilot tested the narrower objectives of whether weatherization agencies could recruit participants for a shared savings program and manage the administration of such an effort. Given the two year time-frame of the pilot programs it was unrealistic to require administration over a much longer time frame. Participating households received an expanded set of weatherization measures that included measures not allowed under the standard weatherization program (replacement refrigerators, window replacement, or even the installation of clothes lines to offset dryer energy use).

One of the agencies (Southwest CAP) was able to recruit its target of 15 households, despite a limited eligible population, by using county caseworkers to identify and inform eligible households. The agency did not keep records on eligible or contacted households. Participating households were largely positive about the experience, as were program staff. The other agency (West CAP) was unable to recruit participants during the pilot period due to a combination of having fewer eligible clients, using a less personal recruiting approach, and competing priorities for staff time.

The pilot was not meant to explore the limits of how much a shared savings approach could extend weatherization dollars (Southwest CAP recovered about one percent of the cost of the measures installed), but rough calculations suggest it would be unlikely to be more than 10 percent. In addition, restrictions on the pilots' administrative budget meant that important but thorny issues of how to cost effectively manage such a program—which involves having the weatherization agency act as a billing agent between the clients and utilities—were not tested, though some lessons were learned.

Coordination Pilots

Three of the pilots were focused on coordination among different entities to deliver services to low-income households. Two involved coordination among social service agencies, the third involved coordination between a social service agency, a utility and a state agency other than the one implementing the pilots. The pilots addressed coordination using two different approaches we characterize as 'high touch' and 'high tech.' 'High touch' approaches use a high level of human interaction with clients to coordinate the delivery of low-income energy (and other) services. They may involve longer intake procedures or repeated contact with a client. 'High tech' approaches use computers to allow data retrieval and transfer among a set of participating entities. The two approaches are not mutually exclusive — the Milwaukee Energy Linkage — combined the two.

The Milwaukee Energy Network (MEN). Designed and implemented by Community Advocates in Milwaukee county, this 'high touch' pilot was a test of coordination both among social service agencies and between agencies and utilities. The program's objectives were to establish a network of community-based organizations to connect low-income households to energy services and to provide pilot participants with skills and incentives to maintain utility payments and become self-sufficient.

The pilot was designed to provide comprehensive case management to households as part of an arrearage reduction program. Agency personnel were to meet with clients for intake into the program, assist in referrals to other programs (energy and other), and maintain ongoing contact (as needed) during the arrearage reduction program to assist in the elimination of arrearages. The goal of the case management approach was to cover the myriad energy and other issues faced by low-income households. Agencies were given a $200 stipend per enrolled client to cover the costs associated with the program. They attended monthly meetings at which low-income energy programs were presented and coordination issues discussed.

The pilot successfully created a network of case managers from about ten Milwaukee social service agencies, though the bulk of the clients were managed by staff at Community Advocates (51 percent) and three other agencies (34 percent). Active agencies were enthusiastic about the program and had a better understanding of the goals of the MEN program than less active ones. Some agencies were more critical of the program and did not feel that the $200 compensation for case management was enough the cover the work involved. These agencies tended to serve more specialized low-income constituencies and have heavier caseloads.

Approximately 200 (utility and agency records differ) clients (of a goal of 300) participated in the arrearage reduction program. Only about one in five, however, remained in the program for a full year. The high attrition rate can be attributed to both the program design and its implementation. The program was designed to serve those with the highest utility arrearages by offering them substantial matching funds if they maintained relatively low but steady payments to the utility. The financially precarious situation of the eligible population, which lead them into the high arrearage situation, seemed to preclude their success in it. Poor-record keeping and coordination between the utilities and the agencies exacerbated the situation. Clients were frequently dropped from the payment program before the case manger was aware of the problem and could intervene. These problems demonstrate the need for a consistent tracking system and flexibility in payment programs for this population.

Energy Services Partnership (ESP). This effort attempted to better coordinate low-income services among agencies in La Crosse county by putting in place a computer system that a variety of agencies could use to determine eligibility for programs. The ESP had been developed prior to the pilots, with 16 agencies working toward coordinating referrals and program delivery. The pilot funds were used to purchase and install computers and software in the four agencies to provide referrals for up to 168 services available in the community—a 'high tech' approach.

The pilot, led by Coulee CAP, was successful in implementing the hardware and software for a computer-based referral network among four La Crosse county agencies. Although agency staff speak highly of the system, it is infrequently used at present, mainly because agency staff are often too overworked to afford the extra time it takes enter data into the system. However, a survey of 48 clients who received referrals from the system showed that the system does have the intended effect of making clients aware of new programs and services, which some clients end up using.

The Milwaukee Energy Linkage (MEL). This effort in Milwaukee County represents ~~a~~ combination of 'high tech' and 'high touch' approaches. The program was designed to provide electronic client information sharing among the Social Development Commission, Milwaukee County, and Wisconsin Gas Company. It also provided expanded case management services and gas bill payment assistance for clients. The expanded case management services included longer intake appointments in which the client's situation was assessed and clients were enrolled in programs other than those related to energy. The case worker advocated for the client when making payment arrangements with the utility, monitored client payments and intervened when appropriate. The computer linkage was to assist in the identification of clients and the monitoring of client payments. As attempts to complete all the linkages were stymied the name of the pilot name was changed from the Milwaukee *Electronic* Linkage to the Milwaukee *Energy* Linkage.

The pilot succeeded in completing a computer linkage between SDC and the Wisconsin Gas billing system late in the pilot period. This linkage alleviated some problems caused by poor communication between SDC and the utility. It also had benefits outside of the pilot program. The agency/utility linkage has been maintained beyond the pilot period and case workers use it to more efficiently process LIHEAP applications, as well as to proactively identify utility payment troubled clients.

The pilot was unsuccessful in obtaining a link between Wisconsin Gas Company and the State CARES system. Confidentiality issues, expense, and an apparent lack of commitment from upper levels of state government appear to have stymied the effort.

Fundraising pilot

Keep Wisconsin Warm Fund. This pilot sought to increase resources by raising fuel fund money in south central Wisconsin. It was implemented by Energy Services, Inc. The pilot used oil overcharge funds as seed money to seek one-to-one matching contributions from businesses. In contrast to traditional fuel funds, the pilot sought to raise money from non-energy related businesses. (Historically, the majority of fuel fund money is from utilities and their customers.) The evaluation was limited to the pilot's ability to raise matching funds.

The pilot was successful in matching the pilot funds with contributions. The bulk of the matching cash contributions, however, were from utility sources ($205,000 in direct utility contributions and $62,000 from toy truck sales promoted by two utilities). Business contributions (totaling $92,000) were often in-kind, which allowed the agency to promote the program using mass media approaches.

Lessons Learned

In this section, we make some overall observations about the pilots that focused on improving the coordination of low-income services, the two pilots that tested ways to increase the resources for weatherization, and the three pilots that had arrearage reduction components. In addition, we examine some overarching issues that affected most or all of the pilots.

Approaches for Increasing Weatherization Resources

Two of the pilots—the Shared Savings and Weatherization Loan pilots—were focused on finding better ways to fund housing weatherization efforts. Both approaches were able to recruit participants who agreed to have their homes weatherized under an arrangement that required them to pay something for the measures that were installed (although there remain questions about the ability to recruit clients into a shared savings program that involves standard weatherization measures). As we discuss below, however, both pilots also revealed that the participants relied heavily on trust that the weatherization agency would not steer them into a program that was not in their best interests.

As a way of stretching weatherization resources, the loan approach appears to have more promise. Under the weatherization loan approach, a substantial amount of capital could be returned to fund additional weatherization once the program has operated long enough for participant housing to start to change ownership. Already several loans have been repaid and the money used to finance additional loans. Although the Shared Savings Pilot was not intended to explore the limits of recovering weatherization costs, our rough calculations suggest that it is likely to be no more than about 10 percent. Moreover, while the administrative costs of operating loan programs are well known, the administrative costs of a shared savings program are not, and important issues with holding down the cost of a shared savings program were not well tested in the pilot. Another test of the shared savings approach within a single utility service territory is needed to determine how low the administrative costs could be, and thus whether this is a viable option.

The fact that the loan program was an extension of a tried-and-true approach for rehabilitation of low-income housing no doubt helped contribute to the success of CAP Services' effort and provides an encouraging foundation for implementation elsewhere. CAP Services and many other state weatherization agencies have considerable experience in making similar loans for low-income housing rehabilitation. In fact, the main barrier to implementing such a program more widely is that the rules governing federal funding for weatherization explicitly forbid using the money for loans. Public benefits funding provides an opportunity to be more flexible in the design of weatherization programs.

In contrast, the Shared Savings Pilot was (to our knowledge) unique in the country. Shared savings arrangements are not new, but they are usually established between a utility or energy service company and (typically) a large commercial or industrial facility. Furthermore, in retrospect the rural Wisconsin agencies that served as the test-bed for the pilot were not the optimal ones, given the large number of electric utilities serving the areas and the high proportion of customers using non-utility heating fuels. The large number of utilities increased administrative costs to deal with substantially different billing systems. The preponderance of customers using non-utility heating fuels limited the number of eligible households, thus making recruitment difficult. If it is to succeed, a shared savings program would need to be tightly integrated with the billing system of a single utility.

Coordination

The three pilots that dealt with better coordination of low-income services were MEN, MEL, and ESP. The first was an attempt to develop a wider network of social services, the second was an effort to promote cross-program data sharing, and the third combined both of these elements. Looking across these three efforts, we have several observations:

Protecting the confidentiality of client data is an important issue that must be addressed when implementing data sharing systems. Two programs, the Energy Services Partnership (ESP) and Milwaukee Energy Linkage (MEL), used technology-driven solutions to help expand services for low-income clients. For each of these efforts, issues with the confidentiality of client data emerged as a significant barrier to realizing the original vision of the pilot.

For ESP, there were two problems. First, participating agencies had to revise their forms that promised client confidentiality, and several agencies for whom protecting confidentiality was paramount had to devise a work-around solution. Second, agencies using the system to take applications for energy assistance were required to assume liability for the accuracy of income information. The pilot was not able to fully overcome the liability issue but was able to work out the confidentiality one. This may in part have been because the confidentiality concerns were confined to local agencies, while the liability issues extended to the state.

The main difficulty encountered by the MEL pilot was the State's refusal to grant a for-profit corporation (Wisconsin's largest gas utility) access to confidential data contained in a state government database (Wisconsin CARES). The CARES database identifies all Wisconsin households reciving government assistance and is useful for identifying households eligible for energy programs. This limit on access is a significant barrier to coordination between utility and government funded low-income programs.

The experience of both pilots indicate that working through confidentiality issues is a critical early step in the planning and development of data sharing networks. When issues are within a local agency they appear relatively easy to remedy. The ESP pilot benefited from having a Legal Aid lawyer as part of the partnership who could identify and recommend solutions to any legal issues that arose. Although confidentiality obstacles at the state level were never overcome, they were not insurmountable. We believe that with more time and buy-in at higher levels of state government that they would have been overcome.

'High touch' coordination requires some 'high tech' support. The MEN pilot used a 'high touch' approach—providing a case manager to coordinate low-income services for each client. While this pilot did show some useful benefits from this arrangement, it was hampered by poor record-keeping and inadequate information flow among the participating agencies. The MEN effort would have benefited from some form of 'high tech' data sharing, such as those implemented by MEL and ESP. The MEL program substantially improved its case management activities when the computer linkage ('high tech') between SDC and Wisconsin Gas was secured. Future efforts to coordinate programs via a case management system should ensure that an information backbone is in place to allow case managers to act effectively on behalf of their clients.

Removing low-income service delivery requirements from utilities may introduce additional data issues. The pilots demonstrated the need for data sharing between utilities and agencies providing low-income household energy services. Since the pilots, however, we have observed an emerging data problem related to public benefits — utility reluctance to spend time and resources to collect and provide data for these programs when they will be unable to recover these costs in the rates. Utility databases contain much information that can be used to identify troubled low-income customers and to track bill payments. As low-income energy service programs are consolidated within state government the utilities will no longer be required to provide Early Identification Programs. We are already seeing reductions in staff devoted to these services, and utility reluctance to provide mechanisms for tracking and sharing the data that would be helpful in service delivery. States should be mindful of these data issues and include data sharing requirements as part of public benefits legislation.

Agencies need compensation when service coordination and data sharing create extra work for their staff. The time required to record intake data for other programs was an important issue for the already overworked staff involved in the ESP pilot and a primary reason why the computer referral system was not used much. The MEN pilot recognized and addressed this problem by providing $200 for each client managed by an agency in the network. Some agencies still found this amount inadequate relative to the work required. The MEL pilot, on the other hand, did not receive this criticism because its purpose was to make staff at a single agency more efficient in delivering services. The clear lesson that emerges is that coordination efforts need to assess how much extra work is being asked of agency staff and ensure that program resources are shared to compensate for the extra burden.

Trust and cooperation among low-income service providers should not be assumed. Coordinating program efforts requires a high degree of trust and cooperation among those involved. The agencies involved in these pilots were willing to cooperate to achieve common goals. At times, however, there were barriers to cooperation. First, organizations must develop and maintain trust; it is not automatic. In some cases social service agencies did not trust that utilities had the best interest of their clients in mind. Utility staff, on the other hand, felt that agency caseworkers were trying to work around agreed upon rules. In a few cases social service agency trust was slowed by turf issues and a sense of limited. Second, cooperation can be hampered by competing or different objectives. This is especially apparent among organizations from different sectors, such as private nonprofits versus government agencies. Third, organizations are often resource-constrained and will prioritize to meet their organizational objectives before meeting coordination objectives.

The process of bringing agencies together for a common goal—such as developing a data sharing system—can lead to cross-referral benefits that are independent of the original objective. Two of the pilot programs—ESP and MEN—developed and used networks of social service agencies to deliver the program's services. Agency staff spoke frequently of how the process of getting together to coordinate the pilots had opened their eyes to the services and programs each other offers. This newly gained familiarity appeared to have coordination and client referral benefits that were independent of how well the original coordination objective was achieved.

All of the agencies and programs long pre-dated the pilot programs and yet it took a special pilot programs to bring these agencies together. Why? While staff often speak of coordinating, most low-income programs are run so administratively lean that program staff are overburdened just trying to manage their own programs. What was successful in bringing the agencies together was a concrete focal point, such as developing a shared intake form—with dollars available to make it happen—that held out the promise to make their jobs easier. Although the original pilot objectives may not have been fully realized we should recognize the real coordination gains made.

Arrearage Reduction Programs

Three pilots (MEN, MEL, and ESP) operated arrearage reduction programs meant to offer customers an opportunity to reduce their utility debt. Two of the pilots did not spend their arrearage reduction budgets. This was due to three main barriers. First, the programs had screening and entry criteria that eliminated many customers with arrearage problems. Second, program tracking and communication problems between utilities and agencies hampered proactive case management. Third, strict rules to stay in the programs led to high drop-out rates.

The arrearage reduction programs were targeted to customers with the highest arrearage amount. Presumably, these are customers who have the least ability to pay or may be facing other crises in their households. Despite this targeting, Wisconsin Gas required a down payment for entry into the program, and all utilities were strict in requiring payment every month.

The two Milwaukee programs experienced problems with timely communication between the utility and the agencies. Given the strict payment requirements, this communication was essential for case management and may have contributed to low success rates. Finally, the strict requirements for regular payments were difficult for many participants.

These arrearage reduction programs would have benefited from some modifications in their design. Programs targeted to those with the highest arrearages cannot require substantial down payments. Even $100 is a significant burden to a low-income household and represents a barrier to program participation. Programs should be designed with guidelines that allow implementers flexibility if households are to succeed. One trip to the doctor's office, or even a flat tire, can cause a household to miss a monthly payment.

Overall Implementation Issues

Fifteen Percent Cap on Administrative Costs. In approving the funding for the pilots, the Wisconsin Legislature stipulated that no more than 15 percent of each pilot's funds be used for administrative purposes. While administrative caps make sense for ongoing, full-scale efforts, pilots by nature are experiments that require relatively more planning, set-up, and tracking resources. The legislatively imposed cap had a deleterious effect on several of the pilots, as well as on the ability of the evaluation to assess the pilots. In particular, this requirement led the La Crosse Energy Services Partnership to add an arrearage reduction component that was not well coordinated with its principal effort. In addition, for the Shared Savings Pilot, the requirement meant that important elements of the original pilot concept could not be implemented. Finally, the limits on administrative funds reduced the ability of the agencies to track information needed for the evaluation. Tracking program participation and outcomes is increasingly important to satisfy federal and other funding source requirements. For pilot programs it is essential to reap the benefits of testing a new approach.

WEB Oversight. Oversight of the pilots at the state level was assigned to the Wisconsin Energy Bureau, which at the time was within the Division of Energy and Inter-governmental Relations. Most of the pilot agency staff, however, were accustomed to working with staff within the Division of Housing, which administered weatherization (the Weatherization Bureau) and energy assistance programs (Energy Services Bureau). This hampered communication between the state and the pilot agencies, and may in some instances have created conflicting priorities for the agencies (see below). The situation was exacerbated by the departure of the WEB project manager just as the pilots were getting underway, after which the position went unfilled for six months. Soon after the position was filled WEB staff were overwhelmed by the initiation of a much larger effort (the $17 million Focus on Energy project).

The end result was that the pilots were not actively managed by WEB for a good portion of the implementation period. Staff at some of the pilot agencies told us that they were not sure exactly what was expected of them by WEB. And in the absence of clear guidelines about documenting program activities, record keeping suffered at some agencies. We were not always able to document how the pilot funds were spent.

State Buy-In in a Larger Context. In at least two instances, the pilots ran into problems that stemmed from problems with other state agencies. The most notable of these was that the MEL pilot was unable to obtain permission for Wisconsin Gas Company to access confidential income information contained in the Wisconsin CARES database maintained by the state. In essence, this was a problem with one arm of state government blocking what the other was trying to do.

The second issue arose from the fact that the pilots were administered by the Wisconsin Energy Bureau, which is a generally unknown entity to most of the pilot agencies. This led to two problems. First, as noted above, communication between the agencies and WEB was hampered by a mutual unfamiliarity. Second, in some cases (most notably West CAP's implementation of the Shared Savings Pilot), agencies were faced with competing priorities between the Division of Housing weatherization program and the WEB pilot efforts. The weatherization program administered by the Division of Housing has been the bread-and-butter of agency operations for several decades, so when faced between fulfilling DOH contract requirements and WEB pilot requirements, agencies tended to choose the former at the expense of the latter.

Since the passage of Reliability 2000 the Department of Administration created a Division of Energy and Public Benefits. This new division is comprised of the Wisconsin Energy Bureau, the Weatherization Bureau and the Energy Services Bureau. All three bureaus report to a single division administrator, which should facilitate greater coordination and cooperation. It appears that all low-income energy programs will be administered by the Weatherization or Energy Services Bureau, agencies experienced in low-income energy program delivery. These changes should address some of the issues discussed above.

Champion for Pilots. Several of the pilots involved innovative approaches to dealing with seemingly old problems. The pilots that were the most successful in pursuing their original objectives were those that had a champion—someone to push forward on pilot objectives despite obstacles. This lesson was most obvious in the loss of a champion (and expertise) for the Shared Savings Pilot, in which the program designer was eliminated from the pilot budget to reduce administrative costs.

Many of the agencies also had very high staff turn-over during the two-year implementation period. In some cases this substantially affected program delivery. The unusually high turn-over was because the pilots were implemented during a transition period in low-income programs in general. The reality, however, is that high staff turn-over is the norm at many of these agencies.

Client Trust. Interviews with clients from several pilots, most notably the Shared Savings and Weatherization Loan Pilot, demonstrated that clients place a great deal of trust that local agencies will act in their best interest. Participants in Southwest CAP's shared savings effort signed up for the effort despite not fully understanding the terms of the admittedly complex shared savings agreement. Similarly, interviews with loan recipients in the CAP Services pilot reveal a fuzzy understanding of the loan terms and amounts. In both cases, participants stated that they trusted the agency not to take advantage of them or steer them toward programs that were not in their best interest.

This client trust does not appear to be misplaced. Staff at both Southwest CAP and CAP Services give every indication of working in the best interests of their clients. The other low-income energy-service providers in the state are probably similarly dedicated to improving the well-being of the households they serve. However, future programs in this vein should be set up with checks and balances to ensure that abuse of client trust does not occur.

The Pilots in the Context of Larger Changes. The WEB pilots were initiated at a time of change for programs for the poor. The most prominent of these was the transformation of the welfare system to the Wisconsin Works, or W-2, system. Many low-income households formerly served by the state welfare programs have joined the workforce. While still eligible for many of the energy programs and services, client enrollment in many social service programs (such as Food Stamps) has declined dramatically since 1996. The impact of this on the pilot participants is unclear.

A second major change is the state's overhaul of the LIHEAP application system. Starting October 1, 1999 most client applications will be entered via the World Wide Web. This process completely changes the environment under which the ESP program was designed. It is unclear what effect this change will have on the County Human Services LIHEAP coordinator using the Simple Service application.

Conclusions

The six low-income pilot programs do not point in a single direction for the future. They do, however, provide guidelines for future program design. They point to the need for incorporating flexibility into low-income public benefits legislation and into the programs themselves. Public benefits rules should be flexible enough to allow for the continued testing and improving of program designs. Individual programs should be flexible enough to change if they are not functioning well, and should allow for flexibility in dealing with individual client situations. Rigid programs cannot adapt to change, rigid rules cannot adapt to individual situations. Both inhibit program success.

Future programs should take advantage of what already exists. The more successful pilot programs built upon existing skills and relationships to provide improved or additional services. The pilot programs that tried to do too many different things at once encountered more obstacles.

The pilot programs also demonstrated the need for patience. New programs take time to work. Even the two years of the pilots was not enough to get some of them fully implemented. With hindsight it appears unrealistic to expect entirely new efforts to be implemented and obtain results in that time-frame. Instead, policy makers should monitor efforts on an on-going basis to identify those that are likely to result in successful programs and those that will be unable to overcome the obstacles they encounter. While they should not be afraid to kill programs that appear unable to succeed, they should also provide extra help to those that are likely to succeed with that help.

Finally, programs must include safeguards to protect low-income households. In two of the pilot programs participating households demonstrated a high degree of vulnerability. Public benefits programs may mean the introduction of new players in the low-income arena, some less scrupulous than others.

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