



MEMORANDUM

DATE: January 8, 2026
TO: Environmental Services Commission
FROM: Matt Hobson, Utilities Fiscal Manager
Jacob Edwards-King, Business Services Manager
Hana Abdulrahman, Utilities Rate & Tax Relief Program Administrator
SUBJECT: Utility Bill Assistance Program – Update

ACTION REQUIRED

On January 8, 2026, staff will provide the Environmental Services Commission (ESC) with an update on the Utility Bill Assistance (UBA) Program. Staff will highlight program offerings and current participation, 2025 operational improvements, and 2026 planned enhancements that do **not** impact rates. Staff will also be seeking the Commission's feedback on the policy framework criteria options to consider for expanding the UBA Program.

BACKGROUND / ANALYSIS

Safe and affordable utility services are essential for public safety and health as well as thriving communities. However, many households across the United States struggle to pay their utility bills. In 2024, the U.S. Environmental Protection Agency (EPA) estimated 12.1 to 19.2 million households do not have access to affordable utility services. There is no universal approach to measure affordability, as the cost of utility services, income distribution, demand, and rate structures vary widely from one utility to the next. Based on recent best practice research, City staff estimate there are 10,000 to 14,000 households in Bellevue experiencing an affordability challenge.¹

Consistent with utilities across the country, Bellevue Utilities is evaluating policy options to close the affordability gap while maintaining reliable and safe services for the community. Simply reducing the cost of utility bills would quickly result in an unsustainable financial path and jeopardize the utility's long-term viability. Therefore, policies that promote affordability must be appropriately balanced with the financial requirements for operating and maintaining utility systems, including aging infrastructure replacement, maintaining regulatory compliance, while ensuring predictable and stable future rate increases.

Program Overview

Bellevue's UBA programs advance the City's mission of providing safe, reliable, and equitable utility services by reducing financial barriers for those struggling with utility bill affordability. The programs support our most vulnerable customers, particularly low-income seniors, low-income individuals with permanent disabilities, and households experiencing short-term financial hardship.

¹ Based on the percent of households in Bellevue who spend more than 3.0 to 4.5 percent of annual household income on water, wastewater, and stormwater utility services.

The five UBA programs include:

- **Utility Bill Discount (Long-Term):** Provides a 70% discount for low-income seniors (62+) or low-income permanently disabled households with annual income at or below 50 percent of area median income (AMI) -- \$62,850 for a two-person household in Bellevue.
- **Utility Bill Rebate (Long-Term):** Provides a 70% annual rebate check for those with the same income-qualified, age or disability qualifications as the Utility Bill Discount program. This program serves those who live in apartments or other multi-family complexes who do not directly pay a utility bill.
- **Tax Rebate (Long-Term):** Provides an annual check, which subsidizes utility occupational taxes. Discount and Rebate program applicants are automatically enrolled in this program and receive a check (~\$150) at the end of the year. This program is available to any household in Bellevue that qualifies as low-income.
- **Emergency Assistance (Short-Term):** Provides one-time support for households experiencing financial shock (e.g., job loss, death in family, divorce). Program eligibility requires monthly income at or below 50 percent of area median income -- \$5,021 for a two-person household in Bellevue. Eligible households receive support providing up to four months of utility bill relief. A household can receive this support once every three years.
- **Neighbors Helping Neighbors (Short-Term):** Community-funded support providing up to two months of utility bill relief to qualifying low-income households who have received a late notice on their utility bill. The income requirement for this program is identical to the Emergency Assistance program. A household can receive this support once every year. Neighbors Helping Neighbors is funded by donations from the community and to encourage donations, the Utility matches community donations up to \$50,000 per year.

Program Demand and Participation

Based on the 2023 American Community Survey published by the Census Bureau, City staff estimate there are 3,000 households in Bellevue currently eligible for utility billing assistance under existing program requirements. In 2025, the City received 1,154 applications and supported 1,096 participants through short and long-term assistance programs, or approximately one-third of eligible households.

2025 Operational Improvements

Over the past year, Bellevue Utilities implemented the following program refinements and enhancements to remove barriers, strengthen customer service delivery, and reduce administrative burden for both customers and staff.

- **Program Rebranding**
Replaced “Rate Relief Program” with “Utility Bill Assistance,” which reflects a more customer-centered name with improved clarity.
- **Streamlined Application Processing**
Refined our applications process, which reduced the size of the applications by 50 percent.
- **Website Update**
Updated our website flow and content, including a pre-application income calculator.

- **New Online Application Platform**
Deployed a web-based application system enabling secure document uploading and status tracking.
- **Increased Staff Capacity**
Added a part-time position to the UBA program, which provided dedicated support to increase staff capacity and allow for expanded outreach and engagement activities.
- **Expanded Outreach and Engagement**
City staff focused on expanding UBA outreach and engagement activities with the intent to increase program participation via enhanced awareness and accessibility. These efforts improved access for historically underrepresented communities and strengthened alignment with broader human services networks. Engagement occurred through various avenues to ensure optimal program exposure and community connection. Inter-departmental partnerships such as weekly *Community Connect* sessions at Mini City Hall provided an accessible and convenient opportunity for residents to receive personalized UBA application assistance. Additionally, this year the UBA Program implemented a *Train the Trainer* initiative, working directly with community-based organizations such as the Chinese Information Services Center, Africans on the Eastside, and Bellevue LifeSpring to train service providers on the UBA application process and better serve their communities.

Expanded presence at community events and partner organizations improved program visibility, particularly among seniors, immigrant communities, and residents living in subsidized or lower-income housing. Outreach activities grew from 5 events in 2024 to 15 in 2025, with targeted engagements such as in-person application sessions at senior living facilities resulting in 92 applications processed.

2026 Planned Enhancements

Building on 2025 operational improvements, Bellevue Utilities will implement the following UBA Program enhancements in 2026 to reduce administrative burden, further increase staff capacity, and improve the customer experience.

- **Refined Renewal Process – Self-Attestation**
The UBA program currently requires enrollees to submit a full application every other year to demonstrate eligibility and renew their participation. Bellevue Utilities will refine the renewal process in 2026, requiring participants to only complete a short form (i.e., self-attestation) to confirm their ongoing eligibility. This refinement will significantly reduce the number of full application submittals each year, reducing administrative burden for enrollees and improve the customer experience. It will also increase staff capacity, providing opportunities for further program expansion within existing resources.

To safeguard against potential abuse, Bellevue Utilities will conduct random audits requiring selected enrollees to validate their qualifications. It should be noted that all first-time applications require full documentation to validate qualifications and program eligibility. The refined renewal process would only apply to program enrollees previously vetted and accepted for our long-term programs.

- **Blackout Period Elimination**
The UBA Program currently requires a pause in new applications to our long-term assistance programs from November to January each year. This practice creates administrative capacity to close the prior year's program, produce all Tax Rebate checks, and then open next year's program. With a refined renewal (i.e., self-attestation) process implemented, the increased administrative capacity will allow

Bellevue Utilities to remove the blackout period. Eliminating the blackout period provides year-round program access, ensuring financial assistance is available to our customers when needed.

- **Benefit Continuity**

The UBA Program currently requires benefits to cease when the six-month re-enrollment period begins each year. During this period, there is considerable time needed for enrollees to gather and submit application materials followed by staff time to review/approve the application. Due to the length of time necessary for re-enrollment, enrollees will begin to receive un-discounted utility bills. Although we eventually apply a discount to these bills, this still creates unnecessary stress as debt is shown accumulating on their account until the process is completed. Bellevue Utilities will extend the benefit period through the end of the re-enrollment period to address this issue and improve the customer experience.

- **Digital Accessibility**

To further improve the customer experience, staff are working to add Utility Bill Assistance information to the MyBellevue app in 2026. This will allow residents to easily access program information and contact staff for more information.

The UBA Program's 2025 operational improvements and 2026 planned enhancements focus on expanding and retaining participation for eligible households under the City's existing income, age, and disability requirements. Going forward, staff will continue to maximize participation via expanded outreach and engagement as well as program refinements wherever possible.

POLICY ISSUES

While the UBA Program provides financial assistance to more than 1,000 households in its current form, Council approved policy changes would be necessary to significantly address the estimated 10,000 to 14,000 households experiencing utility bill affordability challenges. Bellevue code does not authorize the Utilities Department to provide long-term bill assistance to this larger household population, which is primarily due to existing age and disability qualification requirements. Additionally, expanding the UBA Program to a larger population would require rate increases to water, sewer, and storm and surface water customers who are not eligible for assistance.

The actual rate impact and cost of expanding the UBA Program would be dependent upon the number of eligible households that actually sign up for assistance. If the long-term assistance programs were expanded to all 14,000 households experiencing a Utility Bill affordability challenge *and* all 14,000 households enrolled, the City would need to increase water, sewer, and storm and surface water rates by approximately 15 percent to maintain existing service levels. This is a conservative estimate intended to convey the magnitude of the affordability challenge and the importance of thoughtful public policy to address it.

For the ESC meeting in March 2026, staff will present policy options to consider expanding the UBA Program to more Bellevue households. As part of the discussion, staff will request a policy recommendation from the Commission to present to City Council later this year. In preparation for the Commission's meeting in March, staff have prepared the following framework to organize the policy options.

Exhibit 1: UBA Expansion Policy Framework

Criteria	Description
Number of Eligible Households	The number of households that would qualify for UBA
Annual Benefit Amount	Annual UBA amount for long-term programs
Income Eligibility Threshold	Measure of annual household income to determine program eligibility
Estimated Participation Level	Estimated percent of qualifying households that would enroll in UBA
Utilities with Similar Programs	Benchmarking other utilities with similar program design elements
Utility Rate Impact	One-time and recurring annual rate increases required to fund UBA
Additional Staffing Requirements	Additional FTE and part-time staffing requirements to administer UBA
Annual Operating Cost	Annual operating cost including bill assistance

City staff recommend the Commission evaluate the costs and benefits of each policy option based on the following “big picture” policy questions:

1. How much are we, as a community, willing or able to invest in addressing utility affordability?
2. If we were to prioritize this investment, should it focus on:
 - a. Wide Benefit Approach: Providing limited benefits to a larger population.
 - b. Deep Benefit Approach: Providing more substantial benefits to a smaller population.

For the March 2026 ESC meeting, staff will frame the policy options based on the criteria provided in **Exhibit 1**, which will guide the discussion as the Commission considers expanding Bellevue’s UBA Program.

NEXT STEPS

At the **March 2026 ESC meeting**, staff will bring:

- Detailed policy options
- Fiscal and operational impacts (including potential rate impacts)
- Investment scenarios across multiple household income thresholds
- A recommended framework for an expanded Utility Bill Assistance Program