



DATE: May 21, 2026
TO: Environmental Services Commission
FROM: Scott Edwards, Utilities Deputy Director
Matt Hobson, Utilities Fiscal Manager
SUBJECT: Revised Policy Options to Expand Utility Bill Assistance (UBA) Program

ACTION REQUIRED

Staff is seeking the Commission's recommendation on a revised set of policy options to expand the city's utility billing assistance (UBA) program.

BACKGROUND / ANALYSIS

On March 6, 2026, the Environmental Services Commission ("ESC" or "Commission") voted unanimously to recommend expanding the long-term utility bill assistance program to all households with annual income at or below 50 percent of area median income. The Commission also recommended to adjust the assistance to eligible households from 70 percent to 50 percent of the utility bill. The Commission's recommendation recognized the need to provide assistance to more customers while also moderating the impact to ratepayers who do not qualify for assistance. The Commission's recommendation is expected to provide access to the long-term assistance program to 10,000 households. Assuming a 25 percent subscription rate, the annual cost to expand the program was estimated to be \$2.3 million.

Refined Cost Estimate for Expanding Assistance Program

As part of the 2027-2028 budget development process, staff refined the cost estimate to expand the long-term assistance program. The revised cost estimate is *lower* than originally projected and, as a result, Bellevue Utilities staff are presenting the updated cost estimates to the Commission for consideration.

The key change in the cost estimate applies to the long-term utility bill rebate program, which provides a rebate check to qualifying households who live in apartments or other multi-family complexes who do not directly pay a utility bill. The original cost estimate assumed that the amount of the rebate check was equivalent to the bill credit provided to households who directly pay a utility bill. However, the amount of the rebate check is lower than the bill credit to account for lower utility costs paid by households in multi-family residential housing.

Based on this revision, the annual cost to expand the program following the Commission's recommendation decreased from \$2.3 million to \$1.9 million. Furthermore, the annual cost to expand the program to all seniors at 80 percent of area median income and maintain the 70 percent bill assistance (Option A) also decreased from \$1.4 million to \$0.8 million.

Revised Policy Options to Expand Utility Bill Assistance Program

Due to the refined cost estimate, Utilities staff developed new options for the Commission's consideration. These options retain a similar funding level from the Commission's recommendation (\$2.3 million) and expand the program to more households. Based on this funding level, two additional long-term assistance program

options are summarized below. Both of these options would provide a two-tiered benefit to qualifying households:

- **Option C (New)**
 - Maintains **70 percent discount/rebate to seniors and permanently disabled residents** with annual incomes **at or below 50 percent of area median income**. This change ensures that households currently enrolled in the long-term assistance program would not see a decrease to their assistance level; and,
 - Expands long-term assistances to **seniors and permanently disabled residents** with annual incomes between **50 percent and 80 percent of area median income** with a **35 percent discount/rebate**.
 - Expands long-term assistance to **all other households** with annual incomes **at or below 80 percent of area median income**. Eligible households would receive a **35 percent discount/rebate**. Based on 2026 utility rates, the annual assistance per household would be about \$830 for a direct customer and \$480 for an indirect customer.
- **Option D (New)**
 - Maintains **70 percent discount/rebate to seniors and permanently disabled residents** with annual incomes **at or below 50 percent of area median income**. This change ensures that households currently enrolled in the long-term assistance program would not see a decrease to their assistance level; and,
 - Expands long-term assistances to **seniors and permanently disabled residents** with annual incomes between **50 percent and 80 percent of area median income** with a **40 percent discount/rebate**.
 - Expands long-term assistance to **all other households** with annual incomes **at or below 80 percent of area median income**. Eligible households would receive a **40 percent discount/rebate**. Based on 2026 utility rates, the annual assistance per household would be about \$936 for a direct customer and \$540 for an indirect customer.

Table 1 summarizes the original and new policy options to expand the long-term bill assistance program based on the refined cost estimates.

Table 1: Revised Policy Options to Expand Utility Bill Assistance Program

		Status Quo	Option A	Option B ESC Recommendation (March 6) ¹	Option C (NEW) ²	Option D (NEW) ³
1	Eligible Households - Population Type	Sr/Disabled (50% AMI)	Sr/Disabled (80% AMI)	All Households (50% AMI)	All Households (80% AMI)	All Households (80% AMI)
2	Eligible Households	4,000	6,000	10,000	15,000	15,000
3	Estimated Participation 25%	1,000	1,500	2,500	3,800	3,800
4	% Area Median Income (AMI)	50%	80%	50%	80%	80%
5	% Utility Discount	70%	70%	50%	35% / 70%	40% / 70%
6	Annual Bill Assistance - Bill Discount	\$1,645	\$1,645	\$1,176	\$828 / \$1,645	\$936 / \$1,645
7	Annual Bill Assistance - Rebate	\$948	\$948	\$684	\$480 / \$948	\$540 / \$948
8	Monthly Bill Assistance - Bill Discount	\$137	\$137	\$98	\$69 / \$137	\$78 / \$137
9	Monthly Bill Assistance - Rebate	\$79	\$79	\$57	\$40 / \$79	\$45 / \$79
10						
11	Additional Annual Cost		\$1,400,000 \$800,000	\$2,300,000 \$1,900,000	\$2,400,000	\$2,700,000
12	Rate Increase Impact		0.7% 0.4%	1.2% 1.0%	1.2%	1.3%
13	Monthly impact to SF bill		\$1.60 \$0.93	\$2.80 \$2.33	\$2.79	\$3.03
14	¹ would reduce assistance to existing senior/disabled customers from 70% discount to 50% discount					
15	² 70% assistance to Sr/Disabled very-low income; 35% assistance to all other eligible households					
16	³ 70% assistance to Sr/Disabled very-low income; 40% assistance to all other eligible households					

POLICY ISSUES

State law (RCW 74.38.070) authorizes the City to provide utility services at a reduced rate for low-income senior and low-income citizens provided that the reduced rate is granted uniformly to all qualifying customers. Bellevue City Code 24.10.030(C) authorizes Utilities to offer long-term utility billing assistance to seniors and permanently disabled individuals with annual income at or below 50 percent of the area median income. This section of the City Code would need to be revised for all options.

FISCAL IMPACT

The annual cost of each option would be funded by a combination of increased budgeted expenditures and reduced utility rate revenue. Indirect bill assistance would require an increase to budgeted expenditures while direct bill assistance (e.g., bill credits to households that receive a bill from Bellevue Utilities) would decrease utility rate revenue. The annual combined increase to expenditures and reduction to utility rate revenue ranges from \$0.8 million to \$2.7 million.

NEXT STEPS

City staff are requesting ESC consider revising its recommendation based on the refined cost estimates for expanding the long-term bill assistance program.

- Option A: Expand program to **senior/disabled households** with annual income at or below **80% area median income** and **maintain assistance** at 70% of utility bill.
- Option B (recommended by ESC on March 6, 2026): Expand program to **all households** with annual incomes at or below **50% area median income** and **reduce assistance** to 50% of utility bill.
- Option C (new): Expand program to **all households** with annual incomes at or below **80% area median income**, and **maintain assistance at 70% of utility bill for senior/disabled households with annual incomes at or below 50 percent of area median income**. Assistance for all other eligible households would be **35% of utility bill**.
- Option D (new): Expand program to **all households** with annual incomes at or below **80% of area median income**, and **maintain assistance at 70% of utility bill for low-income senior/disabled households with annual incomes at or below 50 percent of area median income**. Assistance for all other eligible households would be **40% of utility bill**.

Following the Commission's recommendation, the proposed changes to the utility bill assistance program would be presented to City Council as part of the 2027-2028 proposed budget process.

If approved, the proposed changes would take effect in 2027.