



*Written Testimony Before the Planning and Development Committee
March 7, 2008*

***In opposition to House Bill No. 5799, AN ACT CONCERNING MUNICIPAL
OVERSIGHT OF COMMUNITY ACTION AGENCIES.***

- House Bill No. 5799 proposes to make changes to the composition of the boards and their oversight of community action agencies. The bill also proposes to reduce the time for the processing of winter heating assistance applications received by the community action agencies from a municipality. This legislation violates federal law and will have the consequence of misdirecting community action agency resources during the winter heating season. As the designated state agency for the administration for the Connecticut Community Services Block Grant (CSBG) in Connecticut, the Department of Social Services (DSS) urges no action on this legislation.

Specifically:

- This legislation violates the federal law governing community action agencies in Connecticut, namely Section 676B of the CSBG Block Grant Act as reauthorized in 1998, 42 U.S.C. § 9910, because the proposed board membership requirements may result in the inability of community action agencies to meet the federal tripartite board composition requirements, which are as follows: not fewer than 1/3 (low-income), 1/3 (elected public officials) and 1/3 or remaining (business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served). Since CAA catchment areas range from 1 town to 39 towns, reducing the maximum number of Board members to 25, as well as requiring the appointment of certain individuals to the board could mean that a number of CAAs would exceed the maximum number and/or not meet the federally-required tripartite threshold. In addition, federal law provides that board members must be selected by the community action agency. 42 U.S.C. § 9910(a)(2). State law requiring the appointment of specific individuals to serve on community action boards, such as the chief elected officials and directors of social services programs in each municipality served by the community conflicts with the federal requirement that community action agencies decide who shall serve on their boards.
- Under the existing state contract with CAAs, the CAA must provide for an annual financial audit acceptable to DSS. Moreover, the State Auditors of Public Accounts must have access to all records and accounts for the fiscal year(s) in which the award was made and the CAA must comply with federal and state single audit standards as applicable.

DSS does not favor requiring the department to select auditors for non-profits as this would have the appearance of a conflict of interest.

- Section 2 (a) proposes that applications submitted by a municipality on behalf of its residents to community action agencies must be processed within ten days of the submission. Currently, an application is processed and a decision rendered to the applicant within 45 days of the application date. This provides adequate time for the staff to review and render a decision. The applications for households that use a deliverable fuel for their primary heat are expedited for processing, as the agencies are aware that these households cannot receive assistance until a decision is made. Since eligible households that use electricity or natural gas for their primary heat cannot have their utility service disconnected during the moratorium period from November to May 1, these applications are usually processed later unless the household has had their services disconnected or have a shut off notice and in those cases, then those applications would also be fast tracked for processing. The bill states that only applications from the municipalities would be processed in ten days, which would create an unfair advantage to other persons that apply at the community action agency or at another site, such as a non-profit agency. The bill does not specify whether the ten day processing time starts when the resident applies or when the municipality submits the application to the agency. Additional administrative funds will be needed to hire staff to process the applications within the time frame identified in the bill. The Low-Income Home Energy Assistance Program (LIHEAP) limits administrative funding to 10% of the allocation grant.

Section 2(a) also states that an applicant may appeal a disapproval to the community action agency's board and that the board shall then render a decision on the appeal not more than ten days after its receipt of the appeal. Currently, LIHEAP regulations provide that an applicant/service recipient may appeal a denial through a Desk Review process, in writing, to the Executive Director of the community action agency. If after a decision is made, the person is still aggrieved, he or she may appeal, in writing, through the Office of Administrative Hearings at DSS. Conn. Agencies Regs. 16a-41(b)-16. It appears that the language in the bill allows the board to make the final decision, and reviews the extra level of review that is currently provided by state regulation.

- Section 2(b) states that the community action agency shall submit a written report to the board with information on the number of LIHEAP applications submitted, the number of applications approved, the number of participants who refused services and number of approved applications where services were unable to be performed. DSS is neutral on this section as the agencies currently have most of this information that they can provide at their CAA board meetings. DSS hopes that this information is currently provided if the board has requested it.

For additional information on this testimony or any other legislation concerning the Department of Social Services, contact Matthew Barrett at (860) 424-5012 or via email at matthew.barrett@ct.gov