



Appropriations, Energy & Technology and Human Services Committees
Testimony of Dr. James H. Gatling, President/CEO, New Opportunities, Inc.
Public Hearing, August 21, 2008

Good morning, ladies and gentlemen of the Appropriations, Energy and Technology and Human Services Committees. My name is Jim Gatling and I am the President/CEO of New Opportunities, Inc and President of the Connecticut Association for Community Action (CAFCA), the state association representing Connecticut's twelve community action agencies. I also serve as a member of the Low Income Energy Assistance Advisory Board, which has been meeting for the past three years for the purpose of examining the energy needs of CT's low income elderly, children and their families with our focus being to make the program better for those in need.

It seems everyday there is an article in the papers and on the news about how we should change and expand the energy assistance program. While I'm sure these suggestions represent deep concern from our political leaders regarding a potential heating crisis for CT's citizens as winter approaches, we need to be very clear as to what can and must be done with our existing resources and with any new resources that can be brought to the program. If predictions hold true, just to cover the same amount of service as last year will cost an additional \$20 million dollars, so making promises about expansion may be premature.

I am here today to comment on the Connecticut Energy Assistance Plan. My comments this year address two main areas: simplifying the program and providing energy assistance benefits to a greater number of needy applicants with fairness and less confusion. As you may know, the CAA network took approximately 100,000 energy applications last year and provided energy assistance to 86,212 households. This represents an incredible amount of work for our energy intake workers over a short time period of only several months.

The plan before you, the way it is presently configured, made sense when energy costs were less expensive and oil was selling for \$30 a barrel, not \$130 plus a barrel. Therefore, an important change we are recommending is to allow for the basic benefit to at least cover the cost of an oil tank fill-up – most tanks have a capacity of 250 gallons, so if we are looking at a potential cost of \$5.00/gallon, the basic benefit should be \$1,250.00. Depending on income, crisis and safety net benefits can be then adjusted following this basic benefit.

We must look at our current situation clearly - the anticipated costs for energy assistance this coming season are scary. Last year this program paid for 10.6 million gallons of oil averaging \$3.056/gallon or \$32,398,485. If we don't increase our caseload at all but just serve the same customers as last year, this same 10.6 million gallons of oil at a projected \$5.00/gallon would cost us \$53,007,993 this year – **that's an additional \$20.6 million just to serve the same customers.** Under these potential price constraints it certainly makes no sense to put in a state plan multiple benefit amounts such as \$675 basic, plus a \$400 crisis, plus a \$675 safety net, when we know that it will take over \$1,200 to fill a customer's tank. These multiple classifications make no sense in the real world and it definitely increases the work for the energy intake worker and confusion for the customer. Customers should only have to come in once to get their eligibility determination and know what their benefit/s for the energy season will be.

This leads me to another point in simplifying the program. Customers who receive state assistance should have automatic eligibility. We know if they are on assistance they are income eligible, so it would help the program tremendously if the state provided its customers with a simple form that shows their income

for presentation to the energy worker. Having energy workers trying to access the state's computer system for income verification is way too time consuming and is an unnecessary burden on the already over-burdened intake worker.

Our last recommendation for the plan is to remove the designation of elderly and/or disabled from the Level 4 – vulnerable category and have the benefit available to all who are in the 151 to 200% of the federal poverty level. We know that many individuals and families will be hurting this year with the high cost of energy and the energy-inflated costs of all other consumer products, therefore let's plan now to help all our citizens in that income category who are in need.

I am sure you are aware that the state contributed financially to the energy needs of our citizens under the State Appropriated Fuel Assistance program up until several years ago, when the funding was discontinued. We would request that you consider reallocating state funds to the energy assistance program for the purpose of providing additional energy assistance benefits and for year round operation of this important program - or at the very least, allocate state funds to provide for early intake into the energy assistance program. We know the program works better when we have more time to work with our clients and don't have to herd them all through our doors over a 16 week time period. Additionally, if state funds are appropriated for energy benefits, funds must also be appropriated for administration of the program and for security. We currently operate on a shoe string budget and use other CAA funding sources to support this program. Our agencies are stretched way too thin and our workers are on the front lines of service delivery in a difficult economy with customers who present with many problems.

We need to be very watchful during the coming year to make sure that poor people in this great and wealthy state don't get left out in the cold. On behalf of Connecticut's Community Action Agencies we look forward to working with you to protect our most vulnerable population. Thank you.