



Connecticut Community Action

Testimony

February 18, 2009

Good Afternoon Senator Harp, Representative Geragosian and ladies and gentleman of the Appropriations Committee. My name is James Gatling and I am the Chair of the Connecticut Association for Community Action (CAFCA) and President/CEO of New Opportunities, Inc. CAFCA is the state association for Connecticut's 12 Community Action Agencies which serve all 169 towns and cities in the state and New Opportunities is the Community Action Agency serving 26 towns and cities in north central Connecticut. In case you have questions for our network, I have several other CAA directors and Edith Pollock Karsky, CAFCA's Executive Director joining me.

I am here this afternoon to express my strong opposition to the portion of the Governor's budget which directly impacts our agencies' ability to provide direct services and case management to our low-income children, our elderly and disabled and working poor families – specifically the recommended elimination of the Human Services Infrastructure Community Action Agency line of funding from the budget and transferring these bedrock support funds to regional planning agencies to put out to bid. This would, in essence, create another level of bureaucracy for agencies to jump through, while the decision to award the contract would still have to be reviewed by DSS and OPM. Such a process would create additional delays in getting funds to where they are desperately needed – our customers!

Right now, due to the worst economy the state has witnessed since the Great Depression, our agencies are seeing a dire need for assistance to Connecticut families including help with fuel, food and other forms of aid - the highest levels we have ever seen. People who have never sought relief from our CAAs before are coming to our door for help. Just in energy assistance requests alone, almost 30,000

new customers statewide have come to our agencies for help paying their heating bills – while in our agencies they are requesting job search help because they’ve lost their jobs, eviction prevention help, and food assistance. These people are in desperate need of all support services our agencies offer! Our workers are on the front-line in providing these services and, thankfully, we have the information and the expertise needed to provide comprehensive support to meet many of these needs.

The CAAs are unique in our ability to serve as “one stop centers” for many services, such as: heating; food assistance services; credit repair and money management; free tax preparation and asset development; utility matching payment plan; child care and Head Start; elderly nutrition, meals on wheels and homemaker services for the elderly which helps keep our senior citizens at home and out of much more expensive nursing homes. As our Results –Based Reporting indicates, you cannot get a better return on investment than with dollars spent in Community Action Agency through the programs we offer. (I’ve attached our RBA report to this testimony for your review).

In this time of scarce resources it is very important for you to know what is being accomplished with state funds and that make results reporting crucial. I believe the community action network is the only social services delivery system in the state that can provide you with such detailed reporting: The following is one example of our RBA reporting:

How much did we do?

- **Nearly 285,000 people statewide benefited from CAA services last year.**
- **Over 48,000 people received referrals to other services they need.**

How well did we do it?

- **CAA’s raised an additional \$26.67 for every dollar of HSI funding.**
- **CAA’s recruited volunteers to help reduce poverty; 753,179 hours donated = 362 FTE’s.**

- **Over \$10 million returned to our state's economy with volunteer tax preparation assistance.**

Is anyone better off?

- **Over 285,000 people have moved closer to self-sufficiency. Examples:**
 - **Over 4,000 people went to work.**
 - **Over 21,000 people learned to save, invest and decrease debt.**
 - **5,750 pre-school aged children are better prepared to start school.**
 - **Kids did better in school – socially, emotionally, athletically and academically.**
 - **Over 10,500 people statewide live in more safe, stable housing.**
 - **Over 121,000 households reduced/eliminated emergency needs.**
 - **Over 32,000 senior citizens maintain an active, independent life style.**

This clearly shows that many individuals and families who came to us for services are better off.

The \$4.7 million in Human Services Infrastructure Community Action Agency line in the CT state budget is critical in allowing the CAA network to continue to provide the case management services that can respond to the needs of our communities. Also, these funds help provide operational support for programs that have inadequate funds for the administration of many programs, such as energy assistance and child care. Restoration of the HSI line in the budget at level funding is a must for the ongoing operation of the CAA network so that we can continue to meet these needs during this very difficult time. Additionally, the Department of Social Services uses this as a state match for the Supplemental Nutrition Assistance Program (SNAP) outreach program.

As it is, Connecticut's financial support for the Community Action Network has dramatically decreased over the past fifteen years – from a high of \$8,209,854 million in 1992 to today's \$4.7 This is a reduction of over \$3.5 million dollars a year

in real dollars and much more than that when inflation is figured in. This reduction has come at the same time we are asked to do more for the state's low income children and families. However, you have managed over the years to continue this critical baseline level of support.

I would like to thank the legislature, especially members of this committee, for your understanding of the importance of supporting the CAAs - CT's federally designated anti-poverty agencies – and the work we do for our most vulnerable residents. Your ongoing support has been crucial to our successes in serving CT's poor residents.

In closing we want to stress that we are happy to work with everyone, as we should all be working together to address the needs of those most vulnerable in our communities at this time of unprecedented economic turmoil, job loss and overall hardships for CT families. But please understand that the HSI funding is crucial in maintaining these basic safety net services for low-income and working poor families during the worst economic time in recent memory. We extend our services and offer continued partnership with the

- Governor's office**
- Legislature**
- Utilities**
- Workforce Boards**
- Schools and Community Colleges**
- Social Services providers**
- Churches**
- Businesses**

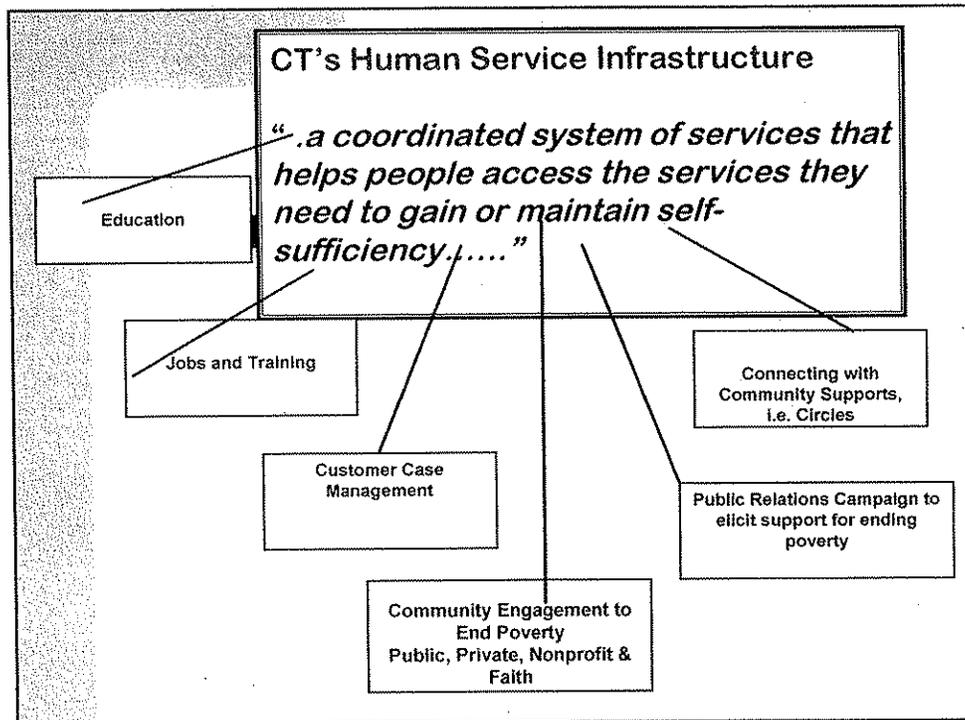
We would be happy to answer any of your questions.

**Human Services Infrastructure &
CONNECTICUT COMMUNITY ACTION**

*RESULTS THAT
MATTER*

*HUMAN SERVICES
INFRASTRUCTURE GOALS*

- **Better use of existing resources**
- **Connect clients to community resources before, during & after DSS or other state agency intervention**
- **Get clients to CT state agencies prepared to use services efficiently**
- **Co-ordinate "helping" services within the human service infrastructure**



**CT COMMUNITY ACTION SERVICES
AGGREGATE RESULTS THAT MATTER**

How much did we do?

- Nearly 285,000 people statewide benefited from CAA services last year.
- Over 48,000 people received referrals to other services they need.

How well did we do it?

- CAA's raised an additional \$26.67 for every dollar of CSBG funding.
- CAA's recruited volunteers to help reduce poverty: 753,179 hours donated = 362 FTE's.
- Over \$10 million returned to our state's economy with volunteer tax preparation assistance.

Is anyone better off?

- Over 285,000 people have moved closer to self-sufficiency. Examples:
 - Over 4,000 people went to work.
 - Over 21,000 people learned to save, invest and decrease debt.
 - 5,750 pre-school aged children are better prepared to start school.
 - Kids did better in school – socially, emotionally, athletically and academically.
 - Over 10,500 people statewide live in more safe, stable housing.
 - Over 121,000 households reduced/eliminated emergency needs.
 - Over 32,000 senior citizens maintain an active, independent life style.

EMPLOYMENT & TRAINING

How much did we do?

- 13,352 people eliminated or reduced barriers to employment.
- 4,262 people obtained employment or self-employment.
- 445 youth obtained job skills and employment experience.

How well did we do it?

- For every dollar invested, \$6.08 was saved.
- Programs costing \$7,784,497 produced 4,262 employment outcomes = savings of \$47,389,178 in avoided welfare costs annually.

Is anyone better off?

- Over 4,000 adults moved closer to self-sufficiency by going to work.
- 83% (1,741 of 2,104) increased their earnings.
- 62% of new hires (1,892 of 3,074) retained their jobs for at least 90 days.
- Children emerging from poverty, will likely earn, on average, 39% more than the median income.[1]

1] The Cost of Doing Nothing: The Economic Impact of Recession-induced Client Financial Distress, December 2009

FINANCIAL LITERACY & ASSET DEVELOPMENT

How much did we do?

- 21,185 people built savings and/or assets.
- Over 2,000 people obtained tax credits.
- Over 1,000 people maintained a budget for more than 90 days.
- 296 people opened savings accounts, accumulating over \$150,000 in savings.
- 26 people purchased homes and 14 people funded education.
- Nearly 3,000 people/households decreased debt.

How well did we do it?

- For every dollar invested, \$29.47 was returned to the community.
- Leveraged resources, valued at just under \$129,000, produced 2,209 tax returns.
- Volunteers donated 5,200+ hours = about 16.25 FTEs.

Is anyone better off?

- Families with assets are better able to weather economic storms.
- Over 21,000 learned to save, invest in assets and decrease debt.
- In 2008 over \$10 million was returned to our state's economy with volunteer tax preparation assistance.
- Nationwide, nearly 85% of IDA savers, purchasing homes with conventional fixed rate mortgages, fared well during the subprime mortgage crisis due to financial education & homeownership counseling. 2

2 Corporation for Enterprise Development (CFED), "IDA Program Survey on Home Ownership and Foreclosure" 2008

EARLY CHILDHOOD PROGRAMS

How much did we do?

- 5,750 children participated in preschool activities.
- Over 6,800 children obtained immunizations and medical care.
- About 5,800 children received dental care.
- Nearly 3,000 adults improved family functioning from counseling and/or other services.

How well did we do it?

- For every dollar invested, \$18.89 was saved in lifelong gains.
- Programs costing \$56.4 million produced 5,750 school readiness outcomes saving:
 - about \$1.1 billion in increased worker productivity
 - increased wages for parents
 - long term costs for law enforcement, welfare, health care and special education, etc

Is anyone better off?

- 5,750 children are better prepared to start and succeed in school.
- 12,600 children are healthier because they received medical & dental care.
- Children in well-functioning homes are less likely to get into trouble in school, get involved with crime, have difficulty learning, or need other supportive services, all of which cost taxpayers.
- CT employers gained \$1.1 billion in increased worker productivity.

HOUSING & SHELTER

How much did we do?

- About 10,500 people obtained, maintained or improved housing arrangements:
 - Over 4,200 people improved home safety with lead removal.
 - Almost 3,000 people obtained emergency shelter.
 - Over 2,000 households/individuals moved from temporary to safe, stable housing.

How well did we do it?

- Over 1,500 people maintained safe/stable housing for over 90 days.
- Nearly 1,200 people obtained permanent housing through home purchase or rental housing.

Is anyone better off?

- Over 10,500 people throughout the state now live in more safe, stable housing. Many are purchasing or renting homes. Families who live in safer, more stable housing can better manage their daily lives and their children's nutrition, health, developmental and academic performance.

ENERGY ASSISTANCE & WEATHERIZATION

How much did we do?

- Over 73,300 households avoided crises with energy assistance.
- Over 11,150 people weatherized their homes, decreasing energy cost.
- Over 5,000 households used the utility matching payment program (MPP).
- Over 14,800 people resolved problems with fuel vendors.
- 140 households improved environmental safety with a new heating or a/c system.
- Over 11,300 people learned more about energy conservation.

How well did we do it?

- For every dollar invested, \$2.97 was saved over the lifetime of the measure.
- Programs costing \$5.1 million produced 11,365 conservation outcomes that saved about \$15.14 million in energy costs over the lifetime of the conservation measures.

Is anyone better off?

- Low-income people avoided utility crises, resolved vendor disputes, improved environmental safety and learned how to save money through energy conservation measures.

SENIOR SUPPORT SERVICES

How much did we do?

- Over 13,500 participated in senior focused activities.
- Nearly 1,200 senior citizens maintained independent living through support services including home meal delivery, home health or homemaker services.
- Over 8,200 senior citizens avoided institutionalization.

How well did we do it?

- For every dollar invested, \$43.11 was saved.
- Programs costing \$14,890,836 yielded 8,264 senior citizens who avoided institutionalization, saving about \$642 million in nursing home costs.

Is anyone better off?

- Over 32,000 senior citizens maintain an active, independent life-style.

YOUTH DEVELOPMENT & AFTER SCHOOL SERVICES

How much did we do?

- 455 youth obtained job skills and employment experience.
- Over 1,200 youth improved social/emotional development.
- Over 700 youth improved their academic performance.
- Over 650 youth avoided at-risk behavior for at least 3 months.
- Over 480 youth reduced involvement with the criminal justice system.
- 320 at risk of DCF youth remained with their family.
- 280 non-custodial fathers spent more time with their children.
- Over 830 youth increased their academic, athletic or social skills.

How well did we do it?

- Potential ROI of \$10.51 for every dollar spent on a sustained investment to develop youth into economically and socially viable adults.^[3]

Is anyone better off?

- Kids gained a stronger foundation for an economic self-sufficient life.
- Kids did better in school – socially, emotionally, athletically and academically.
- Families stayed together and functioned better.

[3] Hoxman, R.P., Smith, S.P., & Murphy, R. "A Matter of Money: The Cost & Financing of Youth Development in America" Washington, D.C.: Academy for Educational Development, Center for Youth Development, 2001

NUTRITION SERVICES

How much did we do?

- Over 26,000 people obtained emergency or supplemental food.
- Over 10,200 seniors participated in congregate meal programs.
- Over 6,700 people participated in Meals on Wheels.
- Over 4,100 seniors maintained/improved their nutritional risk score.
- Over 9,100 children participated in congregate meal programs through Head Start, child care, after school and other programs.
- Over 2,200 children in WIC reduced their risk of anemia.
- Over 1,000 WIC mothers breastfed their infants.
- Over 400 pregnant women in WIC achieved appropriate weight gain.
- Over 870 babies born to women in WIC did not have low birth weight.

How well did we do it?

- An investment of \$10 per person per year in proven community-based programs to increase physical activity, improved nutrition and prevent smoking and other tobacco use could save the country more than \$16 billion annually within 5 years. CT's ROI is 6.6 to every dollar spent.^[4]

Is anyone better off?

- People of all ages stayed healthier by eating more nutritious meals.
- Fewer children became anemic.
- Pregnant women had healthier pregnancies and healthier babies.
- Children enrolled in WIC were more likely to have better dental health & long term health.

HEALTH & COUNSELING SERVICES

How much did we do?

- Over 3,200 people obtained access to needed health care.
- Over 2,200 youth improved physical health and development.
- Over 2,700 learned how to avoid at-risk behavior.

How well did we do it?

- Lower life expectancy, a greater incidence of serious illness, and a generally lower quality of health can cost about \$149 billion annually.^[5]

Is anyone better off?

- Thousands of low-income people state-wide lived healthier lives because of the access to health care that they received.

[5] Harry J. Holzer, Dana Whitmore Spitzerbach, Greg J. Duncan, Jens Ludwig. The Economic Costs of Poverty in the United States: Subsequent Effects of Children Growing Up Poor. Center for American Progress, January 24, 2007.

CRIMINAL JUSTICE SERVICES

How much did we do?

- Over 650 youth avoided at-risk behavior for at least 3 months.
- Over 190 youth reduced involvement with the criminal justice system.
- Over 1,200 adults avoided at-risk behavior for at least 6 months.

How well did we do it?

- The annual "crime cost" of poverty is \$170 billion. ^[6]

Is anyone better off?

- Over 2,000 children and adults did not go to jail.

[6] "The Cost of Doing Nothing: The Economic Impact of Recession-Induced Child Poverty" First Focus, December, 2008

CT COMMUNITY ACTION AGENCIES LEVERAGE RESULTS THAT MATTER

How much did we do?

- CT CAA's brought over \$197 million into CT with competitive private, state and federal grants to fight the causes and effects of poverty.
- CAA's formed 785 partnerships to improve and coordinate service.
- CAA's formed 785 partnerships to improve community planning.
- CAA's formed 149 partnerships to achieve improved outcomes.

How well did we do it?

- CT CAA's leverage funding sources & community volunteers to fight poverty efficiently.
- Using HSI funds, CAA's form a statewide network to provide a one-stop center of service delivery. Low income residents connect to the network efficiently and easily.
- CAA organizations are lean and efficient because of leveraged funding, partnerships that share resources, dedicated staff, and community volunteers.

Is anyone better off?

- Over 285,000 low-income CT residents moved closer to self-sufficiency.
- All CT residents benefit from taxpayer dollars that are efficiently and well spent.

