

# **Connecticut Community Action**

**Testimony of Dr. James H. Gatling**

**May 4, 2009**

**Good afternoon Senators Harp, Fonfara, and Doyle; Representatives Geragosian, Nardello, and Walker; and ladies and gentlemen of the Appropriations, Energy and Technology and Human Services Committees. 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.**

**I am here this afternoon to discuss the Department of Social Services' Weatherization Plan which is part of the American Recovery and Reinvestment Act of 2009 and to give you our reasons why the plan needs to be adjusted. Out of the total \$64.3 million for weatherization efforts for low-income individuals and families, only \$28.5 million is assigned to the existing provider network of CAAs. This is a radical change in the way DSS and the weatherization contractors (CAAs) have operated in the past and it will not get the funding out to the agencies who know how to do the work, can hire and train the people who need the jobs, and have the customers who need the services – which is what Congress and President Obama intended with the stimulus package.**

**The CAFCA Board recently received guidance from the Community Action Program's Legal Services' Inc. (CAPLAW) and the National Community Action Foundation (NCAF) and based on their interpretation of existing laws and guidelines their concern and ours on the DSS' draft plan for releasing ARRA weatherization funds include:**

- **The process for developing the plan was not open and transparent**
- **The State Plan is not in alignment with DOE laws, regulations and guidelines**

- The proposed use of technical assistance funds does not meet the purpose of managing extraordinary weatherization growth at the local level while enhancing quality of work for customers at the local level.
- The plan does not capitalize on the existing local providers 35 year history to leverage all energy funds at the local level to meet local needs-but instead creates centralized planning, administration and control from Hartford and state agencies and other potential sub-grantees for an alternative untested system, and
- The technical assistance dollars in this plan are retained in Hartford or distributed to state agencies for purposes not in alignment with improving the low income weatherization program at the local level.

The expressed intent of the Recovery Act is to create jobs and weatherize units immediately. Right now, only DSS and the Community Action Agencies are capable of delivering these services. Unfortunately, the plan ensures there will be delays created by using state agencies that need to develop the complex systems, acquire the expertise to perform weatherization or they will need to subcontract or outsource the work while inspecting it to maintain quality standards and prevent abuse or waste.

We recommend that DSS remain the contractor agency and the Community Action Agencies remain the sub-contractors. The CAAs have the expertise and ability to perform immediately. This is the current structure which has proven to be an effective and streamlined process for getting the funding to those for whom it is intended.

At a recent meeting with the CT Congressional delegation in Washington, our federal elected officials expressed their strong desire that these funds be distributed to the Community Action Agencies providing the weatherization services and that this happen in a timely manner so that units can be weatherized and jobs created as quickly as possible. They stressed that this should not be delayed by bureaucratic processes. Additionally, they noted that Congress intentionally used a number of the formula-based funding streams, e.g. weatherization and CSBG, for the 'stimulus' funding because they have confidence in the current system and the operators, i.e. the Community Action Agency Network, and have faith that these crucial funds will quickly get out to the low-income communities as intended and for the purposes of the

**funding – job creation and weatherizing units for energy efficiency – important initiatives of the Obama administration.**

**Again, the CAFCA Board has serious concerns about the department's current plan - it does not ensure the proper use and release of funds causing precious time to be wasted, thereby holding up these funds from getting to where they are intended to go. Connecticut's low-income families and our communities need this weatherization stimulus. Congress and the Obama administration have tried to answer many of our economic needs by adopting the ARRA 2009 in an unprecedented and timely manner: we are asking that CT administer these crucial funds with the same urgency, while safe-guarding that the funds are used in the manner for which they were intended. The weatherization law and regulations are clear in this regard and we ask that they be closely followed.**

**We are attaching a letter we sent to Commissioner Beaulieu on April 22, 2009 which goes into more detail on what the federal laws and guidelines are concerning this program.**

**In closing we want to stress that we are ready and willing 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. We extend our services and offer continued partnership with the**

- Governor's office**
- Legislature**
- Workforce Boards**
- Schools and Community Colleges**

**We would be happy to answer any of your questions.**

## Connecticut Community Action

April 23, 2009

Ms. Claudette Beaulieu  
Deputy Commissioner - Programs  
Department of Social Services  
25 Sigourney St.  
Hartford, CT 06106 - 5033

Dear Ms. Beaulieu,

The Connecticut Association for Community Action (CAFCA) and our member Community Action Agencies (CAAs) are writing to you because we are concerned about the Department of Social Services' (DSS) plan for the weatherization stimulus funds in the American Recovery and Reinvestment Act of 2009 (ARRA).

Many questions and concerns were raised at the emergency meeting held on April 13, 2009, where you released the draft plan. Since then and after careful review of the document, we believe a number of issues need to be addressed. Out of the total \$64.3 million for weatherization efforts for low-income individuals and families, only \$28.5 million is assigned to the existing provider network of CAAs. Other designated beneficiaries of the funds include the Department of Labor, State Department of Education/Connecticut Community Technical Colleges and the Department of Economic and Community Development (DECD). DSS will keep \$3.7 million and \$7.1 million is not yet assigned. Under this plan DECD will receive \$20 million to weatherize public housing, work that is not allowed under the program where utilities are included in the tenant's rent, unless it can be shown that the benefits of weatherization assistance "accrue primarily to the low income tenants residing in such units." 10 CFR 440.22(b)(3)(i).

This is a radical change in the way DSS and the weatherization contractors (CAAs) have operated in the past and we feel we must express our opposition. The CAFCA Board is concerned about DSS' draft plan for releasing ARRA weatherization funds for the following reasons:

- Department of Energy statute and regulations (10 CFR 400.15) establish the procedures for selection of entities for distribution of all funds to entities to conduct weatherization activities. These selection rules establish preferences that favor experienced, effective W.A.P program operators. Those procedures and preferences were not observed, in direct violation of federal rules. For example,
  - the state plan must name the sub-grantees (10 CFR 440.14(b)(1) and demonstrate that all are Community Action Agencies (CAAs) or other public or nonprofit entities and the state must give preference to those entities that have, or are currently administering, effective WAP or Community Action Programs. 10 CFR 440.15(a)(3).

○ Further the regulation states:  
*“The final selection of each sub-grantee must be made on the basis of public comment received during the public hearing and findings regarding:”*

- *The sub-grantee’s experience and performance in weatherization or housing renovation activities;*
- *The sub-grantee’s experience in assisting low-income persons in the area to be served; and*
- *The sub-grantee’s capacity to undertake a timely and effective weatherization program.”*

No where in the draft state plan are these findings listed with respect to the sub-grantees that are expected to receive the majority of the funds or to the state’s implementation of the required preference.

- Related to the breaches listed above is the fact that the regulation requires a finding that an experienced local provider is not capable of performing the Weatherization work it has applied to undertake before awarding any of the weatherization work to another entity. Our agencies indicated a desire and ability to perform the Recovery Act weatherization; the state is required to proceed to test their ability to do so as follows (10 CFR 440.15 (a) 3):  
To determine the effectiveness of a potential sub-grantee’s WAP or Community Action programs, the state must to look at factors including (but not limited to):
  - The extent to which the past or current program achieved or is achieving weatherization goals in a timely fashion;
  - The quality of work performed by the sub-grantee;
  - The number, qualifications, and experience of the staff members of the sub-grantee; and
  - The ability of the sub-grantee to secure volunteers, training participants, public service employment workers, and other federal or state training programs.

This mandatory review did not occur, so, of course, it is not reflected in the draft plan. CT’s twelve Community Action Agencies have the capacity and the expertise and according to the law, must have first preference. All of the Community Action Agencies have proven their ability to perform timely and quality programs under the Federal (LIHEAP) requirements for Weatherization funding.

- The expressed intent of the Recovery Act is to create jobs and weatherize units immediately. Right now, only DSS and the Community Action Agencies are capable of delivering these services. Unfortunately, the plan ensures there will be delays created by using state agencies that need to develop the complex systems, acquire the expertise to perform weatherization and that will need to subcontract or outsource the work while inspecting it to maintain quality standards and prevent abuse or waste.

We recommend that DSS remain the contractor agency and the Community Action Agencies remain the sub-contractors. The CAAs have the expertise and ability to perform immediately. This is the current structure which has proven to be an effective and streamlined process for getting the funding to those for whom it is intended.

At a recent meeting with most of the Community Action Agencies in Washington, D.C., our Congressional offices expressed their strong desire that these funds be distributed to the Community Action Agencies providing the weatherization services and that this happen in a timely manner so that units can be weatherized and jobs created as quickly as possible. They stressed that this should not be delayed by bureaucratic processes. Additionally, they noted that Congress intentionally used a number of the formula-based funding streams, e.g. weatherization and CSBG, for the 'stimulus' funding because they have confidence in the current system and the operators, i.e. the Community Action Agency Network, and have faith that these crucial funds will quickly get out to the low-income communities as intended and for the purposes of the funding – job creation and weatherizing units for energy efficiency – important initiatives of the Obama administration.

Again, the CAFCA Board has serious concerns about the department's current plan - it does not ensure the proper use and release of funds causing precious time to be wasted, thereby holding up these funds from getting to where they are intended to go. Connecticut's low-income families and our communities need this weatherization stimulus. Congress and the Obama administration have tried to answer many of our economic needs by adopting the ARRA 2009 in an unprecedented and timely manner: we are asking that your office administer these crucial funds with the same urgency, while safe-guarding that the funds are used in the manner for which they were intended. The weatherization law and regulations are clear in this regard and we ask that they be closely followed.

Thank you for assisting us with this. Please let us know if you need any additional information.

Sincerely,



Edith Pollock Karsky  
Executive Director

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<sup>1</sup> See 10 C.F.R. §§ 440.15(a)(2); 440.14(a).