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## Comments Regarding the Connecticut State Plan for the American Recovery and Reinvestment Act Weatherization Assistance Program

Before the Energy and Technology, Appropriations and Human Services  
Committees  
May 4, 2009

Prepared by Shirley Bergert<sup>1</sup>

In a very short period of time, the Department of Social Services (DSS) has put together a credible plan for Connecticut's three year \$64.3 million federal stimulus funding for low income weatherization from the American Recovery and Reinvestment Act of 2009 (ARRA). These funds are an unprecedented opportunity to effect comprehensive weatherization assistance to low income households struggling to pay bills for necessary energy use. Connecticut has had serious underfunding of job training and this funding is also an unprecedented opportunity to develop and coordinate training for positions in the workforce that will exist beyond the life of the stimulus funding. Both these opportunities will require a focused initial effort involving existing and developing resources which are well-coordinated, and ongoing monitoring and reporting to avoid the risk that the state will lose some of these federal dollars.

### Issues related to vastly expanded weatherization funding for low income residents:

The Community Action Agencies (CAAs) are the favored contractors for the federal stimulus funding. The amount of funding is unprecedented and vastly expands possible low income weatherization. The CAAs will need assistance to appropriately plan for and expend the monies allocated to them and Connecticut will need a system of weatherization supplementation to provide services the CAA system cannot deliver.

To put the \$64.3 million in perspective, federal funding for low income weatherization has ranged between \$2.3 million and \$3.2 million for the last three years, and is \$4.9 million for the current program year. Assuming the non-stimulus federal weatherization funding remains at this year's level, the real three year federal weatherization funding is about \$79 million, or \$26.3 million per year. This is eight to ten times what Connecticut historically has planned for. This is significant because in each of the last three years, the Community Action Agency network delivery mechanism has been unable to expend the budgeted weatherization funding at the far lower funding levels that have been available. The following figures are from the legislature's 9/25/08 Program Review and Investigation staff briefing, "Connecticut's Energy Efficiency and Conservation Programs" ([http://www.cga.ct.gov/2008/pridata/Studies/PDF/Energy\\_Briefing.PDF](http://www.cga.ct.gov/2008/pridata/Studies/PDF/Energy_Briefing.PDF) with specific information regarding the DSS/CAA weatherization program on pp. 79 - 83).

<sup>1</sup> Shirley Bergert serves: as the residential representative on the Energy Conservation Management Board overseeing the expenditure of ratepayer conservation funds in Connecticut Energy Efficiency Fund (Conn. Gen. Stat. § 16-245m); as the low income representative on the Fuel Oil Conservation Board (Conn. Gen. Stat. § 16a-22f); on the Low Income Energy Advisory Board (Conn. Gen. Stat. § 16a-41b); and on the Advisory Board of the Institute for Sustainable Energy at Eastern Connecticut State University.



Budget 4/07 - 3/08: \$2,901,657  
Expenditures: \$2,341,566 (19.3% below budget)

Budget 4/06 - 3/07: \$3,203,600  
Expenditures: \$2,432,656 (24.1% below budget)

Budget 4/05 - 3/06: 2,381,905  
Expenditures: \$1,967,568 (17.4% below budget)

Not all budgeted funding for the ARRA money will go to the CAAs, but enough will to point up the serious need for planning, ramp up and monitoring support, as well as the need for a back-up system to provide supplemental weatherization assistance using ARRA funds, with enough planning to time to pick up any slack. The DSS plan is vague on how it will effectuate such a back-up and supplementation system.

#### **Who can receive funding in the ARRA WAP program, and getting funding to the appropriate place:**

DSS is directing much of the ARRA WAP funding to the CAAs pursuant to federal regulation. 10 CFR sec. 440.15 provides DSS's subgrantees must be a CAA "or other public or nonprofit entity." Subgrantees are supposed to be chosen based on public comment received in public hearing regarding experience and performance in weatherization, experience assisting low-income in the state, and capacity to undertake a timely and effective weatherization program. Funding preference goes to entities currently administering a US DOE low income weatherization program, *i.e.*, the five CAAs which currently deliver weatherization services.

Other entities are qualified to be subgrantees under the ARRA and could function as partners to provide the needed back-up and supplementation of weatherization services. Connecticut has one the best statewide weatherization systems in the country, operated under the auspices of the CT Energy Efficiency Fund (CEEF), programs administered by UI, CL&P and CMEEC for the municipal electric companies pursuant to state statutes (CGS §§ 16-32f, 16-245m and 7-233y). The annual funding for these programs exceeds the three year ARRA funding. All CEEF systems have low income programs, so they have the requisite experience in weatherization for the poor, and they have the capacity to ramp up to do more. None of these are "nonprofits", but they are "public entities" qualified to be subgrantees: the municipal utilities are local government agencies and CL&P and UI, in their capacity as CEEF administrators, are public entities as they administer conservation funding collected and expended under a fund created by and administered in accordance with state law, under the oversight of the Energy Conservation Management Board and the DPUC. As well, the Energy Conservation Management Board, is a public entity as it exists solely pursuant to statute to serve the public interest.

DSS has also directed funding through the Department of Economic Development (DECD), a public entity as a state agency. DECD can contract with the CEEF utility administrators and CMEEC to ensure funding is expended in the most cost-effective manner.

#### **DECD and state funded public housing:**

DECD funding should be expended through a system of collaboration with CEEF programs to ensure the most cost-effective and appropriate weatherization measures are implemented. The science of efficiency is not intuitive, though those who haven't studied it assume they know what to do. Besides not knowing how to identify the most cost-effective efforts, you have to know what you are doing so that efficiency measures don't jeopardize the health and safety of the residents.

DSS has allocated funding to DECD to support weatherization in state funded housing, prioritizing projects with tenants who pay for heat. The funding is important support for rental properties serving lower income household many of whom are elderly, disabled or families with children. The plan provides for an RFP process to identify contractors to provide the weatherization work. Unfortunately there is no single certification that identifies appropriate competencies in contractors, nor a simple audit system that will provide for the most cost-effective measures to implement, protecting health and safety of residents. CEEF programs can collaborate with audits and identification of appropriately trained and licensed contractors.

### **Tracking and reporting:**

Tracking and reporting is essential and not adequately provided for in the plan. If this isn't done by all funded entities, there is a risk that it will be too late to address deficiencies before Connecticut loses some of the federal funding. Reporting should be done by DSS and OPM to legislative committees of cognizance, the ECMB, the Low Income Energy Advisory Board (LIEAB), and other interested parties.

LIEAB could be particularly helpful monitoring planning and expenditures, but OPM has cancelled all LIEAB meetings since Feb. 2, 2000, meaning LIEAB has had no input on this plan. OPM must not be permitted to continue to unilaterally cancel LIEAB meetings and fail to reschedule them.

### **Training for "Green Jobs":**

As indicated earlier, this is an unprecedented opportunity to set up a meaningful training system that will train individuals for long-term, self-supporting work, and could fill in gaps the state has not had adequate training money for (e.g., welfare to work, ex-offenders, veterans, dislocated workers). A good amount of effort has to go into ensuring an effectively coordinated training system is set up that actually effectively trains individuals and connects them with potential employers. There is a US DOE audit that ought to be the minimum training as it is required for the ARRA funding, but it is only useful for DOE funded work -- meaning the jobs aren't there for this work when the federal stimulus funding ends. There are a number of nationally recognized efficiency related certifications that will carry the trainees beyond the stimulus funding period. DSS' plan is vague re: training. It ought to put adequate funding in for such coordination. Connecticut has one of the region's leading experts in "green job" development and funding could be provided to Bill Leahy, Institute for Sustainable Energy at ECSU, a public entity, to do coordination and reporting on this.

### **Low income access to weatherization assistance:**

The plan makes no provision for allowing low income households to apply for and get assured access to weatherization assistance. The CAAs do not currently have an effective system in place where low income households can apply for and get on a real waiting list for assistance; the CEEF programs do have such waiting lists. A system needs to be mandated that will ensure program access for eligible households who seek assistance.