September 22, 2010 Public Hearing Testimony before the Connecticut General Assembly Appropriations, Human Services, and Energy & Technology Committees

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) BLOCK GRANT ALLOCATION PLAN FFY 2011

Distinguished Chairpersons, Vice-Chairpersons, Ranking Members, and Members of the Appropriations, Human Services, and Energy & Technology Committees:

Thank you for holding this hearing on the proposed Low Income Home Energy Assistance Program (LIHEAP) Block Grant Allocation Plan for FFY 2011. My name is James H. Gatling, Ph.D. I am the President/CEO of New Opportunities, Inc. and the Board Chairman of the Connecticut Association for Community Action (CAFCA). As you know, CAFCA is the state association for Connecticut's twelve (12) Community Action Agencies—our state's federally-designated anti-poverty agencies, which serve every one of Connecticut's 169 towns and cities.

The Connecticut Energy Assistance Program plan and budget that has been presented to you by the Department of Social Services (DSS) is based on an estimated FFY 2011 LIHEAP Block Grant funding level of $2.51 billion, which amounts to approximately $52.7 million for Connecticut. This represents an almost 40% decrease in funding from last winter's program. This could be disastrous for our state's residents and I ask you today to begin planning for the worst case scenario if federal funds are reduced by this significant amount.

Considering the uncertainty of the federal funding and the certainty of the continued recession, as a state with a 'no freeze' policy we must begin planning today to help our residents survive the winter. Our statewide network of Community Action Agencies (CAAs) can attest to the great need in our communities where many people who have never asked for assistance before are living from one uncertain, unemployment benefit check to the next – never knowing if Congress is going to grant an extension on these benefits. Many of our customers do not even have these checks to count on. Many of our elderly on fixed incomes are seeing their retirement benefits dwindle from quarter to quarter. I don't have to tell you how bad it is out there. However, I would like to further comment on last year's energy program.

FFY 2010 was a remarkable year for Connecticut's Community Action Agencies in terms of providing energy assistance. As a network, we accepted more than 131,500 applications and were able to extend assistance to the more than 113,300 eligible households. This represents a 32% increase (31,928 households) in the total caseload since the recession started and a 32% increase (27,258 households) in eligible households over the same period of time. (More specific application data are contained in Chart 1: Recession CEAP/CHAP Total Caseload Comparison and Chart 2: Recession CEAP/CHAP Eligible Caseload Comparison below.)

Data reported in the "Home Energy Affordability Gap: 2009" study reveal that Connecticut's 50,000 poorest households spend more than 85% of their annual income on their home energy bills.[1] Connecticut-specific data from the National Energy Assistance Directors' Association (NEADA) show that genuine need continues—perhaps more than we think or might like to admit—for the energy assistance provided through the CEAP.[2]

So the reality is that the CEAP has been not just significant, but *essential* to keeping struggling families safe. The more LIHEAP's funding is cut and its capacity diminished, the more the State precludes family savings; limits families' spending on other essential items such as food, health care, and housing; and drives families to use dangerous shortcuts in an attempt to live within their very limited means.

CAFCA and its member agencies are committed to these families, whether they come to us from generational poverty or have just recently fallen on hard times. We are committed to helping the State make wise investments that can benefit these families and our state as a whole. In this spirit, we recommend that the following changes be made prior to the plan's approval.

- Maintain FFY 2010 benefit levels.
- Maintain the FFY 2010 funding level for administration of the CEAP.
- Maintain level funding for the Case management activities under Assurance 16 which would suffer with the proposed 25% reduction in this area. While Federal guidelines allow for the use of up to 5% of LIHEAP funds to support case management, CAFCA understands that an increase over last year might take from clients' funding. But the proposed 25% cut would hinder our ability to provide the comprehensive case management activities so vital to our effective anti-poverty work. Therefore, **we request that level funding, or $1,000,000, be maintained for Assurance 16.**

At these hearings in the past, we have lauded Connecticut's Federal legislators for ensuring appropriate funding levels for the LIHEAP Block Grant. We remain grateful to those leaders, who have protected the fundamental human rights of low-income households, but we realize that much has changed. The ongoing recession has truly created a tempest in a tea pot and we fear the changing political landscape may seriously hurt this critical program on which Connecticut relies for our "No Freeze" policy.

The Administration, Senate, and House have yet to reach a final funding agreement, but we continue to hope for level funding. However, considering this uncertainty, we ask that you begin to prepare now to provide state funds to maintain level funding for this very important program.

Again, thank you for your time and consideration. I would be happy to take your questions.

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[1] Operation Fuel. "Home Energy Affordability Gap: 2009, Connecticut Legislative Districts." January 2010.
[2] National Energy Assistance Directors' Association. "2009 National Energy Assistance Survey Connecticut Study." April 2010.

Chart 1: Recession CEAP/CHAP Total Caseload Comparison

	2009/2010 (9/1/10)	2007/2008 (Final)	# Change	% Change
ABCD (Bridgeport)	13,617	10,872	2,745	25%
BCO (Bristol)	4,067	2,818	1,249	44%
CACD (Danbury)	5,082	3,324	1,758	53%
CRT (Hartford/Middletown)	32,574	26,410	6,164	23%
TEAM (Derby)	4,964	3,603	1,361	38%
HRAofNB (New Britain)	5,270	4,231	1,039	25%
CAAofNH (New Haven)	15,258	12,332	2,926	24%
NEON (Norwalk)	2,856	1,888	968	51%
TVCCA (Norwich)	10,146	6,734	3,412	51%
CTE (Stamford)	3,182	2,010	1,172	58%
NO (Waterbury/Meriden)	25,387	18,898	6,489	34%
ACCESS (Willimantic)	9,138	6,493	2,645	41%
Statewide Totals:	131,541	99,613	31,928	32%

Data from DSS

Chart 2: Recession CEAP/CHAP Eligible Caseload Comparison

	2009/2010 (9/1/10)	2007/2008 (Final)	# Change	% Change
ABCD (Bridgeport)	11,639	8,817	2,822	32%
BCO (Bristol)	3,369	2,317	1,052	45%
CACD (Danbury)	4,358	3,053	1,305	43%
CRT (Hartford/Middletown)	27,772	22,893	4,879	21%
TEAM (Derby)	4,104	3,010	1,094	36%
HRAofNB (New Britain)	4,044	3,187	857	27%
CAAofNH (New Haven)	13,057	10,332	2,725	26%
NEON (Norwalk)	2,429	1,661	768	46%
TVCCA (Norwich)	8,716	6,046	2,670	44%
CTE (Stamford)	2,606	1,600	1,006	63%
NO (Waterbury/Meriden)	23,108	17,356	5,752	33%
ACCESS (Willimantic)	8,183	5,855	2,328	40%
Statewide Totals:	113,385	86,127	27,258	32%

Data from DSS