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Testimony of Shirley Bergert¹ Before the Appropriations, Human Services, and Energy & Technology Committees Regarding the 2010-2011 Low Income Energy Assistance Program Block Grant Allocation Plan September 22, 2010

Connecticut Legal Services serves low income households, the intended beneficiaries of the energy assistance program. These are our vulnerable neighbors at greatest risk in maintaining necessary utility and energy services.

Federal Funding Uncertainty Implications: There may be cuts in federal support for energy assistance in fiscal 2011 – the operative word is “*may*.” Every year states play a guessing game regarding federal support and this year is no different except the administration proposes unnecessarily excessive cuts in benefits. How Connecticut handles the perennial federal funding uncertainty for fiscal 2011 will have financial and health and safety implications for low income households that go well beyond the program dollars.

To demonstrate the funding unpredictability, on September 20th, after this draft plan was submitted to the legislature, US HHS released \$2.1 million of fiscal 2010 funding not accounted for in the budget of the draft plan before you. There are likely to be continuing resolutions before there is a final federal budget deal – this is just the way the federal government and states proceed at this time of year.

- 1. Under the draft plan, an estimated 17,800 low income households will lose access to energy assistance.** These are the households with income between 200% FPL and 60% SMI, households previously eligible for energy assistance. Section XV of the draft plan allows the administration discretion to restore benefits at a level it determines appropriate, whenever during the year it decides to do so. *But unless this is done immediately, it will too late for households to budget appropriately to ensure access to adequate heat – energy assistance is often what makes heating bills affordable.*
- 2. Under the draft plan, over 7,000 low income households will lose access to the utility arrearage forgiveness program and the program to reduce monthly customer payment obligations to avoid shut-offs, in addition to their loss of energy assistance.**

¹ Member of the Low Income Energy Advisory Board, the Energy Conservation Management Board, the Fuel Oil Conservation Board, and the Advisory Board of the Institute for Sustainable Energy.

Damning domino effect: For utility heated consumers, access to the utility arrearage forgiveness program is contingent on energy assistance eligibility (Conn. Gen. Stat. §16-262c). Eligibility for reduced affordable utility heat bills (so-called "below budget" program) is contingent on eligibility for the arrearage forgiveness program. *Even if the administration restores energy assistance benefits during the year (Sec. XV of draft plan), unless this is done immediately, it will likely be too late for households to participate in the arrearage forgiveness program or the below budget program.*

- 3. Under the draft plan, households who remain eligible for energy assistance will have basic benefits cut between 53% and 23%, reducing available benefits to utility heated households from the utility arrearage forgiveness program. Deliverable fuel heated households have additional cuts of 12.5% in crisis and safety-net benefits.** These cuts will mean more households lack adequate heat and face utility shut-offs in the spring with the dangers this entails.

The Fix:

- 1. Require that both the eligibility levels and benefit levels remain at the levels of last winter's program.** States can only carry over 10% of their federal energy assistance funds to the next year. If benefits are too low relative to the ultimately available federal funds, Connecticut will be scrambling to find ways to expend excess funds or we will have to return them to the federal government. This happened two years ago, and while additional benefits were ultimately provided to households, it was too late to allow them to be taken into account in setting household payment requirements in the arrearage forgiveness program. Households unable to consistently afford winter utility heating bill customer obligations, faced increased shut-offs.²
- 2. Require DSS to provide periodic reports to the Committees of Cognizance regarding applications for and expenditures in the energy assistance program.** This information is readily available, as it is currently provided on a monthly basis to the Low Income Energy Assistance Advisory Board.³ The data provides an early warning system should the energy assistance program be expending at a rate that would exceed the federal funding level – unknown at this point but available later in the heating season. The program could be shut down early if necessary or the legislature could decide to provide additional support for the program. Eligible households would receive needed assistance, and utility heated households would have access to the arrearage forgiveness programs at more affordable household payment levels and reduced payments when needed.

² An additional \$242 was provided to utility heated households. DSS and OPM also obtained legislative approval last summer to retroactively pay last winter's heating bills for shelters -- and CT still had 10% carried forward for last winter's program.

³ LIEAB is charged by statute to "advise and assist" OPM and DSS "in the planning, development, implementation and coordination of energy-assistance-related programs and policies. . . and shall make recommendations to the General Assembly regarding . . . plans subject to legislative approval to ensure affordable access to residential energy services to low-income state residents." CGS §16a-41b(b).