March 23, 2012 Public Hearing Testimony before the Connecticut General Assembly Appropriations, Human Services, and Energy & Technology Committees

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

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 Low Income Home Energy Assistance Program (LIHEAP). In our state the LIHEAP is called the Connecticut Energy Assistance Program or CEAP which is how it will be referred to throughout my presentation.

My name is Amos Smith and I am President/CEO of CAA-NH and an officer for the Connecticut Association for Community Action or CAFCA. 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.

As you know, except for the unexpectedly mild winter, this has been a very difficult year for the Connecticut Energy Assistance Program. We began the 2011/12 energy season with great uncertainty as to the federal funding allocation for the program; we began the program a month later than usual, with greatly reduced benefit levels for our energy customers and greatly reduced funding for the administration of the program. So, in many ways this has been one of our most difficult years in trying to serve energy customers.

To help provide some program clarity I'd like to give you a brief snapshot of what is expected of the Community Action Network and what some of the obstacles are to the successful operation of this critical program:

- CAAs are expected to operate the CEAP as a well functioning business, with strict adherence to eligibility rules and budget allowances for customers; this is made extremely difficult when state and federal decisions regarding how the program will be run and the funding level for the program are delayed until a couple of weeks before the program officially begins.
- When the program benefit awards change every year, there is overall confusion and distress among our customers, especially since budget allowances and considerations for their heating assistance have already been counted on and planned for by thousands of CEAP clients.
- Program changes and delayed program start make it difficult to hire and train staff in a timely manner and increases the difficulty the staff faces in dealing with customer frustration when the program begins.
- Regardless of how much funding is provided through this program, CAA's must interview and process a minimum of 150,000 household applications over a 6 to 8 month timeframe during the heating season. This is a monumental task and requires adequate administrative funding which the program did not receive this year with an approximate 10% cut.

These are just some of the realities we face every day in our agencies. A result of this ongoing dynamic is the need to do more with much less. This year because of the reduced benefit levels, many of our clients were surprised and very upset. The largest difference for this year's program compared to last year's was for our Contingency Heating Assistance Program or CHAP customers: a $400 benefit in FFY 2012 vs. $980 in FFY 2011 – this while oil prices were 16.6% higher than last year. With such a drastic reduction, it took much longer for the energy staff to explain the changes in the program than it normally takes to process an application and certify the customer for a benefit. Our front line staffs took a lot of criticism and abuse from customers as if they were responsible for the reduced benefit. Yet, as usual, they are serving our customers with compassion and dedication.

I think most of you will agree, the energy program does not fairly address the need that really exists throughout Connecticut. With lives and jobs on the line, the Administration and the Legislature understand that there is poverty *throughout* our state – rural and urban poverty, and *suburban* poverty distributed throughout, as well. However, you might be startled to see the many new faces of energy assistance as the Great Recession and long-term unemployment have led more formerly middle-class families to require this aid.

CAFCA and our member Community Action Agencies 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 the following changes to help address the Connecticut Energy Assistance Program.**

- Plan for a program that would maintain last year's benefit levels (including utility and renter households) and maintain last year's (2011) funding level for administration.
- Plan for CEAP to begin program year with early intake in August and pursue other customer-friendly program efficient service delivery ideas, i.e. auto-enrollment of annual elderly clients.
- Maintain a "fuel-blind" basic benefit program, serving families in need regardless of their fuel type.
- Maintain FFY 2011 funding for the case management activities under Assurance 16; eligibility has not decreased, so we will work with just as many or more of your constituents.

With such a program planned, you will:

- Preserve more than $60 million in benefits from non-governmental sources (i.e. the utility companies, which make utility payments more affordable).
- Avoid widespread utility shut-offs in the spring, once families are saddled with impossible utility payment debts
- Protect a proven delivery infrastructure, which includes local businesses.

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. Data reported in the "Home Energy Affordability Gap: 2010" study reveal that Connecticut's poorest households spend more than 70% of their annual income on their home energy bills.[1]

So the reality is that energy assistance is not just important, but *essential* to keeping struggling families safe and housed. The more energy assistance funding is cut and its capacity diminished, the more the State limits families' spending on other essential items such as food, health care, and

[1] Operation Fuel. "Home Energy Affordability Gap: 2010, Connecticut Legislative Districts." January 2011.

housing and drives families to use dangerous shortcuts in an attempt to live within their very limited means. There are also other potential unintended consequences such as DCF being contacted to remove children from a home if the home does not have heat and/or utilities.

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 and ask them to continue being leaders in the fight to preserve LIHEAP funding. But, I ask you today to begin planning for the worst case scenario if federal funds are again reduced.

We continue to hope—and fight—for better federal funding. However, in light of this uncertainty, we call upon the General Assembly and Governor Malloy to act upon what is certain. That home energy assistance helps older adults and persons with disabilities remain independent and avoid costlier living situations such as nursing homes. That home energy assistance helps families keep their homes rather than become homeless and use other crisis services. That home energy assistance protects children and saves lives each and every year.

As we continue fighting for federal funding, we ask that you prepare to provide state funds for administration of the program and to maintain level benefit funding if this proves necessary to protect your constituents. This past year in Connecticut we were blessed with an unseasonably mild winter, however, let me assure you, future mild winters are not guaranteed and we need your thoughtful action. Thank you.