



February 14, 2014 Public Hearing Testimony before the Connecticut General Assembly Appropriations Committee

Governor's Budget Bill

Distinguished Chairpersons, Vice-Chairpersons, Ranking Members, and Members:

My name is Edith Pollock Karsky and I serve as Executive Director of the Connecticut Association for Community Action, Inc. (CAFCA). **I am here to express our support for Governor Malloy's budget and Commissioner Roderick Bremby's testimony on the budget recommendations for the Department of Social Services.** The CAFCA board and staff particularly applaud the Governor's support for an increase in the minimum wage, universal pre-K, and an increase in the state EITC. These measures will have a positive impact on Connecticut's low income individuals and families.

By way of background, CAFCA is the state association for Connecticut's eleven (11) Community Action Agencies (CAAs). These are the local agencies designated by the federal and state governments as partners in helping people work their way out of poverty. Our network serves all 169 cities and towns, and utilizes a Results Based Accountability framework to report our outcomes. We collaborate across silos with state government to help families avoid financial crisis and empower people through job training, energy assistance, child care, and other vital supports to regain their financial footing if they do experience poverty. We administer economic empowerment programs to more than 360,000 people annually, empowering families and strengthening communities in each and every part of the state.

For the CAA network, an important item in the Governor's budget is the Human Services Infrastructure for Community Action Programs (HSI), which is a customer-focused, integrated service delivery system that helps stabilize communities by giving families the tools they need to rejoin the economy. Among so many other accomplishments, the HSI allows parents to work, unemployed persons to receive job training, seniors to remain independent, and low-income families to cut and cover their energy costs. With the HSI, our *proven* programs give families a fighting chance towards economic self-sufficiency.

Last year, CAFCA and the Connecticut Center for Economic Analysis released a report – 'Meeting the Challenge: The Dynamics of Poverty in Connecticut' – or the CT Poverty Report, and it describes both statistically and anecdotally just how wide and deep the conditions of poverty are that exist in our great state.

Since the Great Recession began in 2008, demand for our agencies' anti-poverty programs has skyrocketed. Call them the new poor: people long accustomed to the comforts of middle-class life, who are now asking for public assistance for the first time in their lives—and potentially for years to come. This economic condition we are currently facing has been designated the 'new normal'. A startling example of this 'new normal' is the increase in the case load of the Low Income Home Energy Assistance Program (LIHEAP), where customer demand for home heating assistance has increased by over 40% at most Community Action Agencies since the recession began. Of course, in addition to energy assistance, these families have multiple other needs as well.

Considering the unusually cold winter, we are very concerned that this year's federal energy assistance allocation may not be enough to help Connecticut residents survive the cold. What's more, the state's Energy Affordability Gap—the gap between what low-income families in Connecticut owe in energy bills and what they can afford—continues to grow. On average, the state's poorest families owe approximately \$2,363 more in energy bills than they can afford to pay. Most of our federal funding for the Connecticut Energy Assistance Program (CEAP) has already been used up this winter season. And so, we may be before you in the near future to request that the state look to providing some financial support for this critical program.

During these very difficult economic times, Connecticut's CAAs have come through as an integral part of our state's social safety net. We have helped families keep their homes, have nutritious meals on their tables, care for their children, and prepare for new careers. While providing services to meet immediate needs, our agencies also work with those in need to develop long-range plans for success.

Especially in these tough times and as everyone is forced to do more with less, it is worth noting that CAAs are held by federal requirements to strict standards of accountability. In keeping with our tradition of accountability, all members have been provided with a copy of our 2013 Annual Report "50 Years of Community Action: Honoring the Past, Preparing for the Future."

All of the outcomes reported in our annual report have been accomplished despite the significant challenge thrust upon CAAs by years of funding cuts. With regard to the HSI line item in particular, Connecticut's financial support of our CAAs has decreased dramatically, *even as we are asked to do more to help families rejoin the economy*. Over the years, we have streamlined operations and found efficiencies—through mergers, partnerships, collaboration, and technology—and we continue innovating to enhance our effectiveness and efficiency.

And so, while we struggle to help families face their challenges, we ask you to help us meet ours by continuing to honor your years of support for the critical services we provide. You can do this most clearly by maintaining the line item in the budget for the Human Services Infrastructure – Community Action Program.

Thank you for your time and consideration. And, thank you for understanding that Community Action Agencies, as jobs engines and employers in partnership with the State, are a vital part of Connecticut's revival. We look forward to working with you and the Administration to even more effectively support Connecticut's recovery in the year ahead and to continue to prepare Connecticut's most vulnerable citizens for a future of hope and achievement.