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Public Hearing Testimony before the
Connecticut General Assembly's Human Services Committee

**In opposition of House Bill 5426:
An Act Concerning Fuel Vendor Reimbursement Under
The Low-Income Home Energy Assistance Program**

Rhonda Evans, Executive Director
Connecticut Association for Community Action, Inc. (CAFCA)

March 14, 2024

Distinguished members of the Human Services Committee:

Thank you for holding this public hearing today. The Connecticut Association for Community Action (CAFCA) is the state association that works with Connecticut's nine Community Action Agencies (CAAs), the state and federally designated anti-poverty agencies that provide a wide variety of services to nearly 200,000 low- and moderate-income people in all 169 cities and towns across the state.

Connecticut's CAA Network has been operating the Connecticut Energy Assistance Program (CEAP), funded by the federal Low Income Home Energy Assistance Program (LIHEAP), for decades. More information about Community Action Agencies is included at the end of this testimony.

CAFCA and the CAAs value the partnerships that have been built with all stakeholders involved in the operation of CEAP, but our primary concern is to ensure that benefits are available to the greatest extent possible to individuals and families across Connecticut who depend on this program to help meet their energy needs. This bill proposes a number of changes that may negatively impact the resources available to program participants. Our concerns with HB 5426 include:

Increased fuel vendor payments

This bill proposes changing pricing standards for deliverable fuel vendors. LIHEAP funding was significantly reduced by Congress this year, rolling back funding to pre-pandemic levels all while the demand for energy assistance continues to rise. While CAFCA is not opposed to fair and equitable compensation for fuel vendors, it cannot be at the expense of program participants. Any administrative changes that decrease program funding will

limit the number of program participants approved for the program and/or decrease benefit amounts – removing Community Action Agencies’ ability to provide energy assistance to everyone who needs it. This does not align with the bill’s intention to maintain the maximum amount of funding benefits to program recipients. Therefore, every effort must be made to ensure that funding is not taken away from energy assistance customers.

Imbalanced working group representation

This bill also proposes the establishment of a working group to study best practices used in other states to fairly compensate deliverable fuel vendors while maintaining the maximum amount of funding to energy assistance program recipients. However, the proposed working group includes multiple representatives from fuel vendors and only one representative from Connecticut’s Community Action Agency Network. All stakeholders, including deliverable fuel vendors, Community Action Agencies, funders, and others, should be represented on this workgroup fairly and equitably. Additionally, the working group focuses solely on fair pricing for the vendors but should include the needs of customers as well.

It is also important to note that there are various items included in the bill that Community Action Agencies have already implemented to improve efficiencies. This includes paying vendors within ten business days of receiving an authorized fuel slip or invoice as well as the availability of electronic fund transfers for payment from agencies to fuel vendors.

In closing, CAFCA supports collaboration, equity, and efficiencies in programming – but the needs of low-income people come first. While we are not opposed to some things outlined in HB 5426, our overall concerns are centered on how operationalizing everything in the bill has the potential to negatively impact program resources and participants. We must continue to maintain the maximum amount of funding to benefit recipients of the program, ensure partners have what they need to operate successfully, and enhance efficiencies in how roles and responsibilities are delegated.

Thank you for considering our concerns with this important bill and for your service to our state. Please feel free to get in touch with any questions at rhonda@cafca.org or 860-305-2937.

More about Community Action Agencies

As the largest statewide safety net service provider, Connecticut’s network of Community Action Agencies connects neighbors in need with resources that stabilize and improve lives and communities. These services and resources include, but are not limited to:

- Nutrition (inc. SNAP outreach, Meals on Wheels, and Congregate meals)
- Housing and shelter
- Asset development and financial literacy
- Energy and heating assistance
- Job training
- Early childhood care and education

Through a holistic, comprehensive, multigenerational approach, CAAs work with those in need to plan, achieve, and maintain a realistic path to short and long-term economic self-sufficiency and success. A Profile of Services table to this testimony is below and shows the services provided by Community Action Agencies in Connecticut.

