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COMMITTEE ON EDUCATION AND THE WORKFORCE U.S. HOUSE OF REPRESENTATIVES 2101 RAYBURN HOUSE OFFICE BUILDING WASHINGTON, DC 20515-6100

September 27, 2023

The Honorable Xavier Becerra Secretary U.S. Department of Health and Human Services 200 Independence Ave., SW Washington, DC 20201

Dear Secretary Becerra:

I write to urge the Department of Health and Human Services (Department or HHS) to provide oversight and ongoing technical assistance to the state of Florida in its administration of several crucial federal safety net programs administered through the Office of Community Services (OCS) within the Administration for Children and Families (ACF), including the Community Services Block Grant (CSBG), the Low Income Home Energy Assistance Program (LIHEAP), and the Low Income Household Water Assistance Program (LIHWAP) following significant service disruptions earlier this spring.¹ I thank the Department for its recent monitoring visit to Florida to meet with the state agency and affected local agencies.² I urge the Department to continue to monitor the situation, provide technical assistance to remedy deficiencies, and seek redress where necessary in order to ensure the provision of services as proscribed by federal law to low-income individuals under these critical federal programs.

As you know, CSBG provides funding to Community Action Agencies (CAAs) and other grantees to assist with housing, utilities, child care, transportation, employment, and much more to improve the economic security of low-income individuals and their families while also improving economic conditions in their communities.³ Often, CAAs administer multiple important federal programs, such as LIHEAP and LIHWAP—assisting low-income households in reducing energy costs and water bills, respectively. Taken together, the work of CAAs and the programs they administer allow for a holistic and comprehensive approach to address the

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¹ Margie Menzel, *Budget snafu leaves agencies serving Florida's poor without a safety net*, WFSU News (Apr. 18, 2023), <u>https://wusfnews.wusf.usf.edu/politics-issues/2023-04-18/budget-snafu-leaves-agencies-serving-floridas-poor-without-a-safety-net</u>.

² Alex Harris, *Florida froze program to help with power bills. Advocates worry it could happen again*, Miami Herald (Aug. 23, 2023), <u>https://www.miamiherald.com/news/local/environment/article277473348.html</u>.

³ Community Services Block Grant (CSBG), Off. of Cmty. Servs., Dep't of Health & Human Servs., <u>https://www.acf.hhs.gov/ocs/programs/community-services-block-grant-csbg</u> (last visited Aug. 28, 2023).

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causes and conditions of poverty faced by low-income individuals and their families. In Fiscal Year 2023, Florida's CAAs expect to assist more than 450,000 individuals across the state, leveraging federal, state, local, and private funding to improve the lives of low-income individuals and their communities.⁴

Florida, like many other states, requires the state to appropriate or provide state budget authority for the expenditure of federal funds.⁵ On April 7th, the Florida Department of Economic Opportunity (DEO), recently renamed the Florida Department of Commerce, wrote to Florida's CAAs notifying them that DEO was reaching the end of its state budget authority and could not release federal funding to agencies for CSBG, LIHEAP, LIHWAP, and the Weatherization Assistance Program (WAP);⁶ the state legislature eventually restored budget authority to dispense federal funds.⁷ Troublingly, media reports and accounts from stakeholders indicate that CAAs in Florida faced a lapse in funding for several weeks, causing agencies to cease offering vital services to low-income individuals and to furlough staff with some agencies even having to close their doors during this period.⁸ During this lapse in state budget authority to distribute federal funds to local agencies, it is my understanding that four CAAs had to shut down and other agencies had to let staff go with some staff not being rehired, in addition to a number of agencies having to cease offering federal program services.

The disruption in services was particularly severe in LIHEAP, reportedly shutting off critical utility assistance throughout the state for a significant period.⁹ In addition to the disruption in services and operation for Florida's CAAs, I also understand that there are potential accounting issues whereby state practices appear to not meet federal standards and requirements for the affected federal programs. Stakeholders have also expressed concerns over the lack of transparency to local agencies concerning the expenditure of allocated federal funds and corresponding fiscal years. I am also aware that with the upcoming obligation deadline of September 30th for LIHWAP, Florida made the decision to submit a request for a No Cost Extension (NCE) through March 31, 2024, or the state would have risked the rescission of any unobligated federal funds.

<u>Ofca152d64c2/UploadedImages/Budget%20Processess/NASBO 2021 Budget Processes in the States S.pdf#pag</u> <u>e=88</u> (last visited Aug. 28, 2023).

⁴ *Community Services Block Grant Model State Plan October 1, 2022 – September 30, 2022* (Draft), Fla. Dep't of Econ. Opportunity, <u>https://floridajobs.org/docs/default-source/community-planning-development-and-services/community-services-block-grant/csbg-state-model-plan-fiscal-year-2023.pdf?sfvrsn=1bb858b0 2 (last visited Aug. 28, 2023).</u>

⁵ Budget Processes in the States, Nat'l Ass'n of State Budget Officers,

https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-

⁶ WAP is administered by the Department of Energy.

 ⁷ Gray Rohrer, *Florida Program to Help Low-Income Families with Utilities Runs Out of Funds*, Florida Politics (Apr. 20, 2023), <u>https://floridapolitics.com/archives/605260-florida-program-to-help-low-income-families-with-utilities-runs-out-of-funds/.</u> See also Margie Menzel, *Community Action Agencies get help from the Florida Legislature in time to keep doors open*, WFSU News (Apr. 26, 2023), <u>https://news.wfsu.org/wfsu-local-news/2023-04-26/community-action-agencies-get-help-from-the-florida-legislature-in-time-to-keep-their-doors-open.</u>
⁸ Menzel, *supra* note 1.

⁹ Harris, *supra* note 2. *See also Citrus County Housing Division Temporarily Scales Back LIHEAP/LIHWAP Assistance*, Citrus Cty., <u>https://www.citrusbocc.com/news_detail_T12_R1954.php</u> (last visited Aug. 28, 2023).

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While federal funding to CAAs has been restored since this spring's disruption, I remain concerned about the timely distribution of federal funds for the CSBG, LIHEAP, and LIHWAP programs to local agencies. In a 2017 review of Florida's administration of CSBG, HHS highlighted the state's delayed drawdown of federal funds over several fiscal years as a concern.¹⁰ The review found that these delays risked funds expiring, rendering funds ineligible for use by CAAs and thus jeopardizing low-income individuals' and their communities' access to vital services.¹¹ This most recent episode illustrates a potential pattern that could continue to disrupt vital services. I urge the Department to take corrective measures to ensure that there is a timely distribution of federal funds from the state to grantees to maintain the viability and continuity of services under CSBG, LIHEAP, and LIHWAP to Florida's neediest individuals and communities.

In closing, I appreciate the Department's recent actions to provide oversight and technical assistance to Florida concerning their operation of CSBG, LIHEAP, and LIHWAP programs, which provide critical safety-net services for some of this nation's poorest individuals. I strongly believe that HHS must remain vigilant and engaged to ensure federal dollars are properly used and resources are directed to families who need assistance. I look forward to a resolution of the issues I have raised and ask for periodic updates from the Department on this urgent matter.

Sincerely,

ROBERT C. "BOBby" SCOTT Ranking Member

¹⁰ Community Services Block Grant Florida State Assessment On-Site Review (July 17- July 21, 2017), Off. of Cmty. Servs., Dep't of Health & Human Servs.,

https://www.acf.hhs.gov/sites/default/files/documents/ocs/rpt_csbg_florida_monitoring_final_fy2017.pdf#page=4.