



March 27, 2025

House Committee on Commerce and Consumer Protection
Oregon State Legislature

Chair Sosa, Vice-Chair Chaichi, Vice-Chair Osborne, and Members of the Committee,

My name is Jimmy Jones, and I am the Executive Director of the **Mid-Willamette Valley Community Action Agency** in Salem. We serve low-income residents of Marion, Polk, and nine other counties across Oregon. Annually, we provide more than \$80 million in services and direct client assistance for housing, homelessness, energy and weatherization, and early learning programs to more than 60,000 Oregonians in poverty.

The rate increases we have seen at PGE and Pacific Power the past five years have had devastating impact on low-income households across our state. The higher the bills, the more need that is created. Higher rates also have created a consequential reduction in the number of Oregonians we can serve, because there are more people in need, asking for the same resource level available in 2019. For many, they must choose to pay their electric bill or buy food for their family. Choose between paying their electric bill, and buying medicines for their children, between paying for these rate increases, or buying gas to get to work. The \$20 million fund is inadequate for what we face in 2025, and if there is any reduction in the federal LIHEAP investment, an increase in the OEAP fund will be a wise decision.

Between 2009 and 2023, the rate-payer fund for PGE and Pacific Power generated \$252,578,015. In that same time frame, Community Action Agencies spent \$245,539,595 of the fund on low-income Oregonians in desperate need of assistance. The delta between those two numbers is \$7,038,420, which means that 97.3 percent was spent over those years. And the remaining \$7,038,420? Those funds were rolled into the next program year and spent in the following biennium. And the current biennium numbers? Through 31 January 2025, OEAP has produced \$31,238,754 in resources, of which \$28,777,850 (or 92 percent) has been spent. No funds have been lost to low-income Oregonians in need. This is one of the most successful assistance programs in Oregon.

Administrative costs are low. The Administration is ten percent of the fund, which is a lower administration percentage than virtually all other state funding administered by OHCS, where 15 percent of administrative costs on state funds are common. In return for those administrative costs, Community Action Agencies connect energy clients to other critical needs, including housing programs, prevention assistance, mainstream benefits, food, and other community services through a "whole person" service model. These direct costs of service provision are funding better outcomes for low-income Oregonians.

The CAA energy programs are among Oregon's most high-performing, cost-effective, and ethically sourced programs. Between the OEAP fund and LIEHAP, Community Action between 2017 and 2022, paid \$255,171,982 over 596,464 payments with an average payment of \$428 per household. In the past three years CAA's have paid \$108,714,440 across 224,847 payments with an average payment per household of \$484. The only alternative to this model is a self-certification method without income verification, leading to an applied credit. That self-assessment model will only lead to fraud and abuse, as we saw manifest in the state's pandemic-era direct rental assistance program, resulting in increased costs to ratepayers. CAAs are also exceptional at connecting whole-person needs to whole-person answers, by essentially providing case management services to all Energy Assistance clients. This is a great program, and fully funding it is Oregon's best choice.

Respectfully,

Jimmy Jones
Executive Director