



Improving lives for a lifetime.

Dear Chairman Nesbitt and House Energy Committee Members;

Thank you for the opportunity to present our observations on the House Bill to amend 1939 PA 3. While we appreciate the intention of the bill, we have some concerns and welcome the opportunity to work with you on these issues. TrueNorth Community Services is a private nonprofit organization located in Fremont MI. TrueNorth provides a variety of human services including heat and energy assistance to 34 northern rural Michigan counties. Since January 1 of 2013, we have distributed over \$4 million dollars in 6277 assists to vulnerable persons and households. This assistance has been crucial in light of the impact of reduced federal funding from the Low In-home Heat and Energy program (LIHEAP).

Our two main concerns are based on 42 years of experience providing successful programs to rural Michigan communities.

**First:**

We believe it is essential to ensure equitable services to our rural counties especially for those citizens dependent on deliverable fuels. The bill provides a process for regulated utilities to create a funding source for their customers who need financial assistance in paying their utility bill. The bill does not appear to provide a process or mechanism for deliverable fuels. Deliverable fuel assistance makes up approximately one third of the assistance provided by TrueNorth. This gap cannot be overcome with shrinking federal LIHEAP dollars. Unlike Natural Gas and Electricity, deliverable fuels do not have a shut off process. Payment is required prior to the delivery of the fuel. Deliverable fuel companies are primarily small businesses that do not have the capacity to engage in complex processes that are feasible for large utility providers. Creating a sustainable funding process for heat and energy assistance requires legislation that is inclusive of rural communities that rely on deliverable fuel sources.

**Second:**

The bill does not provide support for self-sufficiency services that transition eligible recipients off assistance. These self-sufficiency services are mandated by law in previous legislation that passed last session. TrueNorth is in its third year of providing a very successful heat and energy self-sufficiency program and has demonstrated the capacity to reduce the need for assistance while ensuring the safety of the authentically vulnerable. The experience and effectiveness that private nonprofit organizations have in producing self-sufficiency and ensuring the safety of vulnerable citizens could be lost if this legislation were enacted. Inability to pay a heat and energy bill is a complex problem that has its root causes in the broad realities of poverty. A solution that is only financial in nature misses this point. Self-sufficiency services provided by several highly effective nonprofits with expertise in this area hold the promise of moving traditional recipients off assistance and reducing the need for public assistance in any form.

TrueNorth appreciates the intention and effort represented by this bill. Finding a sustainable funding mechanism for low income heat and energy assistance is an important priority for the state. We would like to see a solution that includes rural communities and deliverable fuels. We would also hope to see a solution that builds on the success nonprofit organizations have demonstrated in building self-sufficiency and transitioning Michigan citizens off public assistance. TrueNorth would be happy to provide any help necessary to work toward a solution that addresses these issues. Thank you for your time.

Sincerely,

David Wingard MSW, Ph.D.c.  
Director of Research and Strategic Development  
TrueNorth Community Services



