



Association of California Community & Energy Services

February 18, 2025

Mr. Jason Wimbley, Director
California State Department of Community Services and Development (CSD)
2389 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833

Regarding recommendations for easing cashflow/financial pressures on LSPs

Dear Jason:

We thank the Department for its efforts to work with the Network to explore ideas and options for easing the financial burdens placed on the State and Local Service Providers (LSPs) during these uncertain times.

We appreciated Daphne Hunt and Chris Vail's candid explanations of the state of the DOE BIL finances and the clarification that allows for regular DOE WAP activities to continue. Following her presentation, a closed-session discussion was held amongst DOE BIL contractors to explore ideas and to speak frankly.

At the end of the discussion ACCES was asked by those present to draft a letter to CSD requesting additional flexibilities in their contracts to aid production, cashflow and the continuity in client services throughout the year to the extent possible. The proposed flexibilities will allow LSPs to plan ahead and continue to provide services in their areas during these unstable and erratic times.

Recommendations

- ✓ We recommend that the ABC category determinations and redistribution of funds be suspended indefinitely to allow LSPs to spread their funds as long as is possible without penalty. This will facilitate cashflow, aid in planning efforts and remove the pressure to spend everything quickly without any assurance of future funding.

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and to enhance the quality and depth of these services.*

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- ✓ We recommend that CSD remove all production benchmarks and their related penalties to allow LSPs to stretch existing contracts/cash without penalty.
- ✓ We recommend that CSD extend existing contract periods as far as is possible to help LSPs manage the future in the absence of a clear funding outlook.
- ✓ A request is also being made that CSD consider requesting that the Governor utilize General Funds to cover LSPs' expenditures in the absence of reimbursement funds from the federal government should that be necessary.
- ✓ We further request CSD work with the Governor's office and request that the Governor join the Governor of Pennsylvania's lawsuit to discontinue the federal freeze on funding and release the funds.

Lastly, we request that the proposed flexibilities remain in place throughout 2025 and beyond, if necessary, to facilitate the continuity of services and the LSPs' business operations. Please feel free to contact me if you have any questions.

Respectfully submitted,

Anh Lay
Interim Executive Director

Cc: ACCES Board of Directors
David Knight, Executive Director, CalCAPA
DOE BIL Contractors

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