

Testimony of Amy Shollenberger, *Representing the Weatherization Assistance Programs*

- BROCC - Community Action in Southwestern Vermont
- Central Vermont Community Action Council (CVCAC)
- CVOEO Weatherization
- Northeast Employment and Training Organization (NETO)
- Southeastern Vermont Community Action (SEVCA)

To Senate Health and Welfare Committee

April 16, 2014

Thank you for the opportunity to testify today, and for your consideration of our request for continued funding for the Low Income Weatherization Assistance Program at the \$12 million level, to keep the program at its current capacity and keep us moving toward the goal of weatherizing the homes of 20,000 low-income Vermonters by 2020.

The Weatherization Assistance Program was founded in the 1970's. In 1990 the State established the Weatherization Trust Fund. Vermont assesses a .5% Gross Receipts Tax on non-transportation fuels, which yields about \$7.2 million dollars a year, and that money goes into the Weatherization Trust Fund for the Low Income Weatherization Assistance Program.

Currently, Vermonters are eligible for weatherization assistance services if they make 80% of the Vermont median household income or less. However, the majority of recipients are at the 60% of median or less level.

In the summer of 2008 heating oil pre-buys hit \$4.00 a gallon, and the recession soon followed. President Obama included Weatherization in his shovel-ready programs for the American Recovery and Reinvestment Act – ARRA. The Vermont Low Income Weatherization Assistance Program received ARRA funding in addition to the base from the Weatherization Trust Fund and made investments in equipment and trained staff for a program that made major energy renovations on over 1,700 units per year on a budget of approximately \$12 million dollars/yr.

ARRA funds were available for 3 years, then when ARRA dropped off weatherization kept pace towards our state climate goals with funds from the GMP/CVPS merger. A total of \$10 million was allocated from the merger savings for the Low Income Weatherization Assistance Program. In calendar year 2014, we are using the last of that GMP/CVPS money, with a little less than \$2 million allocated for the first half of FY2015.

During this time of increased funding, there was also serious effort put into improving the program, and as a result, for the past 5 years Vermont has been leading the nation in weatherization quality and performance, generating \$2.51 in local benefits for every \$1.00 invested. It saves families a quarter to a third of their energy needs. This savings means that families struggling to get by can put that money towards other needs, such as food or medicine.

Low Income Weatherization by statute prioritizes its investment on the most vulnerable households: the elderly, families with small children, people with disabilities, and households that receive LIHEAP supplemental fuel assistance. The program employs over 150 staff and dozens of subcontractors, fuel technicians and electricians. It provides living wage jobs to highly skilled technicians and buys primarily local goods.

Even with the current \$12 million/year investment, waiting lists approach a year. Without continued funding at this capacity, those wait lists will grow even longer, and ARRA funded equipment will be mothballed. Trained staff – folks that can walk into a house and save a family \$1,000 a year – will be laid off.

Further, we risk curbing the innovative Efficiency Coach program. This initiative looks at the social aspects of energy use and helps families use less simply by how they operate in their homes – no construction needed.

Weatherization is among Vermont's most concrete efforts to address carbon emissions. It makes homes of vulnerable Vermonters safer, more comfortable and more durable, and it puts money back in the pockets of families that struggle with the costs of fuel, housing, nutrition and transportation. And the investment pays back year after year after year.

Thank you for considering funding the Weatherization Assistance Program at \$12 million in FY-2015

Addenda:

1. Attached please find a letter signed by 34 organizations supporting the Low Income Weatherization Program and an increase in the Gross Receipts Tax to fund the program.
2. Factsheet on Weatherization Assistance Program
3. From the Vermont Department of Taxes: <http://www.state.vt.us/tax/majorvttaxesfuel.shtml>

Fuel Gross Receipts

The Fuel Gross Receipts Tax is a tax of 0.5 % on the retail sales of the following fuels:

- Heating oil, kerosene and other dyed diesel fuels delivered to a business or residence.
- Natural Gas
- Propane Gas
- Electricity
- Coal

All deliveries of heating oil, kerosene and other dyed diesel fuels to customers' residential or business locations are subject to the fuel gross receipts tax. Fuels sold to the customer at a fuel dealer pump are not subject to the tax.

The seller may include the following message on the bill to the buyer: *"The amount of this bill includes a 0.5% gross receipts tax, enacted in 1990, for support of Vermont's low income home weatherization program."*

Please Support Low-Income Weatherization Funding

We, the undersigned, support continued funding of the Weatherization Assistance Programs (WAPs) at least at the \$12 million level.

This funding is needed to:

- Continue the same level of service to low-income Vermonters
- Address long waiting lists
- Sustain investments to insure long term affordability of publicly financed multifamily housing which has seen utility/heating costs double since 2008
- Reduce the growing need for LIHEAP as the price of unregulated fuels increases
- Help the state to meet its goal of weatherizing 80,000 homes by 2020

The Weatherization Assistance Programs respond to the State's unique energy challenges:

- VT ranks 50th in the US in energy affordability.
- Households below 200% of the poverty level spend \$3,215 more on their energy bills than what is considered affordable.
- VT has the 2nd oldest housing stock in the nation. These homes have the biggest payoff from weatherization.
- The WAPs can stretch LIHEAP dollars by reducing the overall cost of heating Vermonters' homes.

We recognize that the Weatherization Assistance Programs have been partially funded with temporary funds; however, these funds have been available for the last five years and have been provided so that the state could meet its energy and climate goals. The WAPs have increased capacity and infrastructure to meet the challenge provided by the state to meet the aggressive weatherization goal.

The Weatherization Assistance Programs have been funded in part with a 0.5% Gross Receipts Tax. One option for continuing to fund the Weatherization Assistance Programs is to raise the Gross Receipts Tax to 1%, and dedicating the funds to the Weatherization Assistance Programs. The 1% GRT level would allow the WAPs and other partners to help the state to meet its goal of 80,000 homes by 2020.

We look forward to working with the legislature to commit the needed funding to meet the state's weatherization goals.

Steve Geller, Southeastern VT Community Action, Inc.

Hal Cohen, Central VT Community Action Council

Jan Demers, Champlain Valley Office of Economic Opportunity, Inc.

Jim Ryan, Northeast Employment and Training Organization

Linda Rooker, BROCC – Community Action in Southwestern Vermont

George Mathias, RuralEdge

John Sayles, Vermont Food Bank

Carlen Finn, Voices for Vermont's Children

Jim Merriam, Efficiency Vermont

Erhard Mahnke, Vermont Affordable Housing Coalition

Johanna Miller, Vermont Natural Resources Council (VNRC)

Ben Walsh, Vermont Public Interest Research Group (VPIRG)

Jonathan Dancing, Building Performance Professionals Assn. of VT (BPPA-VT)

Don Hooper, National Wildlife Federation

Karen Lafayette, Vermont Low Income Advocacy Council (VLIAC)

Andrea Cohen, Vermont Businesses for Social Responsibility (VBSR)

Ludy Biddle, NeighborWorks of Western Vermont
Maeve McBride, 350Vermont

Sandra Levine, Conservation Law Foundation

Sandra Meidlinger, Passive House Alliance of Vermont

Kenn Sassorossi, Housing Vermont

Krister Adams, Vermont State Housing Authority

Marissa Parisi, Hunger Free Vermont

Julie Iffland, Randolph Area Community Development Corporation

Paul Hill, Jr., Vermont Community Loan Fund

Elizabeth Kulas, Housing Trust of Rutland County, Inc.

Jim Lovinsky, Lamoille Housing Partnership

Connie Snow, Windham & Windsor Housing Trust

Eileen Peltier, Central Vermont Community Land Trust

Cindy Reid, Cathedral Square Corporation

Gabrielle Stebbins, Renewable Energy Vermont

Chris Curtis, Vermont Legal Aid

Sarah Launderville, Vermont Center for Independent Living

Deb Katz, Citizens Awareness Network

WEATHERIZATION ASSISTANCE PROGRAMS (WAPs) GOAL: TO HELP OVER 14,000 LOW-INCOME VERMONT FAMILIES SAVE FUEL AND MONEY BY IMPROVING THE ENERGY EFFICIENCY OF THEIR HOMES BY 2020

Baseline Story

- WAPs is part of broader goal of improving the energy fitness of 25% of the state's housing stock, or 80,000 homes by 2020 (Act 92).
- WAPs responds to the State's unique energy challenges:
 - VT ranks 50th in the US in energy affordability (Fisher, Sheehan & Colton 2012).
 - Households below 200% of the poverty level spend \$3,215 more on their energy bills than what is considered affordable (Fisher, Sheehan & Colton 2012).
 - VT has the 2nd oldest housing stock in the nation. These homes have the biggest payoff from weatherization. (Efficiency Vermont)
- WAPs is currently primarily funded with .5% gross receipts tax on all non-transportation fuels sold in the state of Vermont.
- In the past five years, the state has chosen to further invest in WAPs with special one-time funding sources, including \$10 million in additional funding for 2011-12 as a result of the Green Mountain Power/CVPS merger agreement and \$20.38 million in ARRA funding between 2009 and 2010.

GOAL: Weatherize 14,850 more low-income units by 2020 as a part of Vermont's energy fitness goal.

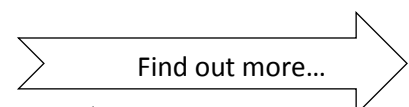
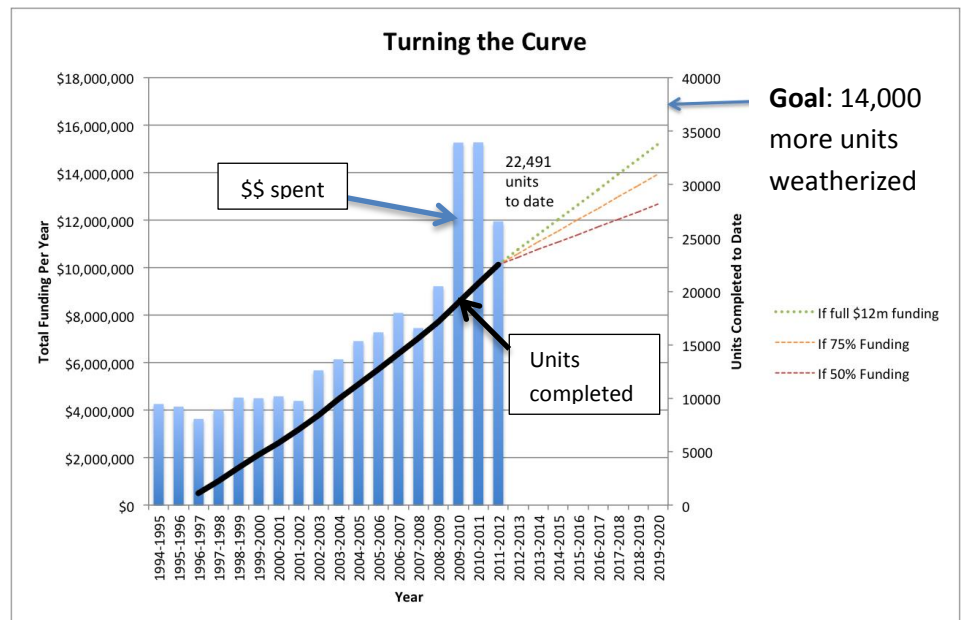
- Over 2,000 households per year need weatherization to meet this goal
- Current cost is \$8,500 per household.

APPROPRIATION REQUEST:

- \$12 million/year to maintain program capacity as the means toward meeting the program goal.

How much did we do?

- In the FY14 budget (H.530), a total of \$11,986,570 was allocated for weatherization assistance (combination of gross receipts tax + GMP/CVPS merger money).
- In the 2011-2012 program year, WAPs weatherized 1,802 low-income housing units.
- The Weatherization Assistance Program employs 150 people state wide in livable wage jobs.



How well are we doing it?

- The Weatherization Trust Fund was established in 1990 to stabilize the funding, infrastructure, and technical capacity of the program. The Trust Fund is overseen by the Office of Economic Opportunity and accountability measures are built into the program.
- Vermont's WAPs produce an annual energy savings benefit to a household of \$600-\$1,900 per year, better than the \$437 national average (U.S. Office of Energy Efficiency and Renewable Energy).
- In the FY14 budget bill, the eligibility for weatherization assistance was changed, so that more Vermont households will qualify for weatherization assistance.
- The Weatherization Assistance Programs integrate a referral system to ensure families get other services as well to help them save money and live a healthier life.
- Weatherization workers provide energy coaching so families can conserve energy via behavior change as well as to ensure they get the most out of the Weatherization Program work done on their homes.
- Families report that weatherization helps to make their home warmer and more affordable, which means they can focus their resources on other basic needs.
- For every dollar invested in weatherization, \$2.51 is returned to the household and the community (Vermont Thermal Efficiency Task Force, 2013).

Is anyone better off?

Senior citizens, persons with disabilities, and families with young children receive priority for weatherization assistance.

Low-income Vermonters who have had their homes weatherized by WAP are better off because:

- ✓ They are experiencing an average of 37.6% energy savings.
- ✓ They save an average of more than \$1,000 per year on energy costs.
- ✓ They save 270 gallons of #2 heating fuel per year – that's 464,940 gallons for all homes weatherized in the program last year.

