

# WEATHERIZATION ASSISTANCE PROGRAM FACT SHEET

## BACKGROUND

- Vermont's low-income Weatherization Programs (WAPs) are operated by four Community Action Agencies and NETO, the Northeast Employment and Training Organization. Operating since the 1980's, these agencies have weatherized 26,000 homes over the last 19 years, reducing the average household energy cost by \$400 – \$600 a year, depending on fuel prices.
- Low-income Weatherization funding has seen a decline since funding was augmented by ARRA stimulus dollars and Green Mountain Power merger money. At its high point in FY 12 it was funded at \$12.9 million. It dropped to \$11 million last year and to \$8 million this year, a 27% reduction over just one year alone.
- Instituted in 1990, the Gross Receipts Tax (GRT) on the retail sales of non-transportation fuels, natural gas, electricity, and coal provides the core funding for Weatherization.
- At 0.5% the GRT currently raises just under \$8 million a year, the majority of which supports the Weatherization Program, though this number continues to go down as fuel prices drop. Another \$1 million comes from the U.S. Department of Energy, for a total of \$9 million, of which just under \$8 million goes to the CAPS and NETO for Weatherization and to run the program.
- Doubling the GRT would result in less than a \$9/year increase for the average Vermont single family homeowner who heats with fuel oil.

## THE NEED

- An estimated 125,000 Vermonters lived in “fuel poverty” in 2012 – a 76% increase since 2000.
  - “Fuel poverty” = 10% or more of monthly household income is spent on energy services.
- The WAPs play a big part in helping the State achieve its goal of improving the thermal efficiency of 25% of the state's housing stock by 2020.
  - Vermont set a goal in 2007 to weatherize 20,000 additional low-income homes by 2020.
  - We still need to weatherize more than 9,200 homes to reach this goal – over 3,000/year.
  - At the current funding level, we are only doing 750 homes a year, a 33% reduction from the 1,124 homes completed last year. At this rate we won't reach the 2020 goal until 2029.
- Low-income Weatherization is a solution to Vermont's unique energy and housing health and safety challenges:
  - VT is ranked 51<sup>st</sup> in the U.S. in energy affordability.
  - VT has the 2<sup>nd</sup> oldest housing stock in the nation, with 46% of units built before 1970. These homes have the biggest payoff from Weatherization, which improves both energy efficiency and housing health and safety.
- Weatherization creates livable-wage, high-skills jobs. 85 people are currently employed statewide, though funding cuts have reduced this from 150 last year - a loss of 65 full-time equivalent positions.
- Statewide there are over 1,200 homes and apartments that have been qualified for assistance and await the arrival of a Weatherization crew, yet there is only enough funding to complete two-thirds of those homes this year.
- Many more low-income Vermonters are eligible for assistance, but outreach efforts have been cut back due to the funding reductions and not wanting waiting lists to grow too long.
- In some regions of the state, applicants must wait as long as 3 - 4 years for Weatherization assistance.
- There is a potential pool of 24,700 households expected to apply for LIHEAP this year whose homes are likely to need Weatherization.

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*For the Weatherization Assistance Programs:*

## THE ASK

- The GRT needs to be re-authorized every few years to continue providing core funding for Weatherization. It is currently set to expire this June and must be re-authorized by the Legislature, or there will be no funding for Weatherization next year.
- Due to funding reductions, we also need to increase Weatherization funding to maintain the capacity of the last few years and recoup the lost jobs and economic activity. To maintain overall program funding at \$13 million, we need an increase of \$4 million, which would yield just under \$12 million for the Weatherization Programs.
- A few options include:
  - H.841, introduced by Reps. Hooper and Pearson, would increase the existing Gross Receipts Tax from 0.5% to 1.0%, though the increase would not apply to electricity (raises an estimated \$3.5M - \$4M).
  - H.287, which increases the GRT, though not on electricity, in 0.5% steps over the next three years for an additional \$12 million in the third year.
  - H.472, which proposes a \$2.00 hotel occupancy fee, half of whose estimated revenues (\$6 million) would be dedicated to Weatherization.
- The Administration has included re-authorization of the GRT in its Miscellaneous Tax Bill proposal, but has not asked for an increase. Rep. Clarkson has introduced a separate re-authorization bill (H.658).
- Either way, we need the Legislature's support to continue to reduce low-income Vermonters' fuel burden and help the State continue to make progress towards its thermal efficiency goals.

## VERMONTERS ARE BETTER OFF THANKS TO WEATHERIZATION ASSISTANCE

- Senior citizens, persons with disabilities, families with young children, households below 60% of median income, and Fuel Assistance recipients receive priority for Weatherization, which also leverages health and safety improvements.
- Weatherization makes their homes more affordable, which means they can focus resources on other basic needs.
- Families will have warmer and safer homes, with better indoor air quality, making them healthier and less subject to health issues associated with being chronically cold and mold. Children will have a better chance to succeed.
- The Weatherization Assistance Programs (WAPs) also refer families to other services, such as Vermont's Lead-Based Paint Program, Head Start, or aging services, helping them save money and live a healthier life.
- Energy coaching provided by the WAPs helps families learn how to conserve energy and get the most out of the work done to their home. In FY 14, 67% of weatherized single family homes received Fuel Assistance.
- Vermonters save on electricity and #2 heating fuel – weatherized homes use an average of 150-230 gallons less/year.
- For every \$1 invested in Weatherization, \$2.51 is returned to the household and community – investing \$12 million/year yields a return of more than \$30 million over the lifetime of the improvements made.
- In 2014, low-income weatherization activities prevented 3,028 tons of CO<sub>2</sub> from entering the atmosphere.