

## **Office of Economic Opportunity (OEO)**

### **Weatherization Assistance Program**

#### **Briefing for General, Housing and Military Affairs**

**January 28, 2015**

#### **OEO Overview**

OEO administers federal and state funds that support the work of over 50 organizations who provide direct services to more than 70,000 low-income Vermonters. These services include asset development, emergency food shelves, emergency homeless shelters, job readiness training, micro-business development and weatherization assistance.

#### **History**

- Economic Opportunity Act of 1964
- War on Poverty was put in motion by the Economic Opportunity Act of 1964
- Launched both the Office of Economic Opportunity and Community Action Agencies nationwide
- In August 1964 Vermont Governor Philip Hoff created the Vermont Office of Economic Opportunity - First in the nation
- Six employees (Community Services Administrator, Administrative Coordinator, Weatherization Director, two Energy Services Program Officers)

#### **Mission**

- Increase self-sufficiency of Vermonters
- Strengthen Vermont communities
- Eliminate the causes & symptoms of poverty

#### **How We Work**

- Identify & develop program resources – Connect communities to resources
- Provide training and technical assistance
- Facilitate and provide a forum for education and a discussion on poverty
- Ensure that low income people and communities are at the helm of their own destiny
- Advocate for community partners
- Manage programs and grants

#### **Programs and Grants**

- Emergency Solutions and Homeless Assistance Grants (emergency shelter, rapid re-housing and prevention to shelter and housing providers)
- Community Services Block Grant (core funding for Community Action agencies)
- Individual Development Accounts.

- Micro-business Development
- Weatherization Assistance Programs

### The Need

- About 1 in 8 Vermonters are living below the poverty level<sup>1</sup> (12%) – that’s about 74,000 people. The rate is higher for children (15%), children under 6 (21%),<sup>2</sup> and single moms w/ kids (36%).
- Nearly 1 in 3 Vermonters are low income (30.4% < 200% FPL) – this includes those working, but often not making enough to get by.
- Nearly 1 in 6 Vermont families are “asset poor” (15.7%) not enough to get by for 3 months without income.
- 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.
- Poverty can cause stress and leads to poor health outcomes.<sup>3</sup>
- People who lack sufficient energy to keep warm in winter face serious, if sometimes subtle, health risks including a higher risk of stroke, heart attack, pulmonary embolism, influenza, pneumonia, asthma, arthritis, depression, anxiety, and accidents within the home.

### OEO Budget

#### Community Services

- 3.6 m federal funding
- 1.7 m state funding
- 202 k Global Commitment

#### Weatherization

- 7.9 m state funding/1 m federal funding (Department of Energy)
- The Low Income Weatherization Program is primarily funded by the Gross Receipts Tax – a 0.5% tax on the gross receipts of all non-transportation fuels sold in the state of Vermont. During the five fiscal years between FY10 and FY15, additional funding from ARRA and the GMP/CVPS merger was invested.

### Home Weatherization Assistance Program - Overview

The Weatherization Assistance Program (WAP) helps lower-income residents (particularly older Vermonters, people with disabilities, and families with children) improve the energy efficiency of their homes. This saves them both fuel and electricity leaving more money to spend on other necessities such as food and health care.

- The WAPs are a big part of achieving the state’s goal of improving the energy fitness of 25% of the state’s housing stock by 2020<sup>4</sup> Vermont set a goal in 2007 to weatherize 20,000 additional low-income homes by 2020.
- We still need to weatherize more than 10,331 homes to reach this goal (2,582/year). Low Income Weatherization is a solution to Vermont’s unique energy challenges:
  - VT is ranked 51st in the U.S. in energy affordability.
  - VT has the 2nd oldest housing stock in the nation. These homes have the biggest payoff from weatherization.

<sup>1</sup> Federal Poverty Level for one person = \$11,670; for a family of three = \$19,790

<sup>2</sup> 2011 National Center for children in poverty

<sup>3</sup> Vermont Department of Health – Shining a Light on Poverty Presentation

<sup>4</sup> 10 VSA 581



- In FY 2014: 1,281 homes were weatherized.
- Senior citizens, persons with disabilities, families with young children and Fuel Assistance recipients receive priority for low income weatherization assistance.
- Energy coaching provided by the WAP helps families learn how to conserve energy and get the most out of the weatherization work done to their home.
- The WAPs have an integrated referral system to ensure families get other services to help them save money and live a healthier life.

## Weatherization Impact

Weatherization reduces poverty, promotes health, reduces carbon emissions and provides good jobs

- Low –income people save an average of more than \$1,000 annually on energy costs.
- Total 1<sup>st</sup> year gallons of #2 oil saved for **511** fuel assistance households weatherized in PY14: **109,865**.<sup>5</sup>
- They have better indoor air quality and are safer in their homes.
- They are warmer and have fewer medical complications associated with being chronically cold.
- 150 weatherization professionals were employed statewide in livable-wage, high-skills jobs.
- Homes that are weatherized use an average of 270 gallons less/year of fuel.
- The amount (in tons) of CO2 prevented from entering the atmosphere from the **1,043** households weatherized in 2014: **2,466**.

## Weatherization Health and Safety

Coaching and One Touch:

In 2014 OEO implemented new projects including efficiency coaching and a health and safety referral program called “One Touch”. The “One Touch” program helps clients benefit from individualized referrals to other state and local programs assisting low income individuals and families.

Vermiculite:

Vermiculite insulation, a known asbestos-containing material, is found in 10% of our clients’ homes. Until FY 2014, the presence of vermiculite meant an automatic deferral of weatherization services for needy clients. With the help of one-time funding, 15 homes containing vermiculite were weatherized resulting in \$1,500 in annual average savings for clients who struggle to heat their homes in the winter.

## Monitoring and Oversight

- OEO monitors and provides training and technical assistance to five non-profit community Weatherization Assistance Programs. OEO provides thorough and extensive quality assurance and quality control through a variety of methods including the inspection and monitoring of 10% of all weatherized units as well as daily monitoring and oversight via its statewide, web-based data management system.
- OEO has implemented a state-of-the-art web-based data management system with an integrated energy audit tool that prioritizes customers - including those receiving LIHEAP. This system will provide enhanced program management, data and reporting.
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<sup>5</sup> All energy usage and savings is converted to gallons of oil for ease of data evaluation. Oil is the most common fuel used by low income Weatherization clients.



- The recently developed Administrative Policy and Procedures Manual will ensure consistency, uniformity and quality state wide.

### **Weatherization and LIHEAP Coordination**

- Each year the LIHEAP program provides Weatherization a complete list of LIHEAP recipients with their fuel consumption history for the past year. This information allows Weatherization providers to streamline the eligibility verification process of LIHEAP clients (auto-qualified) and allows high energy intensity homes to be prioritized for Weatherization service.
- Last year the Vermont State Legislature, through H.885 E. 324.3(b), directed a plan be developed to advance coordination of the Fuel Assistance Program and the Weatherization Assistance Program. This plan includes assessing “programmatically and fiscal impacts” and to “maximize coordination” in pursuit of four objectives:
  - 1) Reduce both energy consumption and the financial burden due to energy use (energy burden) for low-income households;
  - 2) Adjust Seasonal Fuel Assistance benefits to reflect the effects of receiving Weatherization services;
  - 3) Identify the incentives to participate in Weatherization even when Fuel Assistance benefits are adjusted as a result; and
  - 4) Appropriately reduce Fuel Assistance benefits to households residing in “energy efficient” homes to the extent such information is available.

*Please see the attached legislative report describing the programs and coordination in more detail.*