

Good morning. My name is Dan H. Hoxworth and it is my privilege to be the Executive Director of Capstone Community Action which has serves Lamoille, Orange and Washington Counties and also offers some statewide programs. Capstone often partners with the other four community action agencies --SEVCA, NEKCA, BROCC and CVOEO and the State of Vermont to offer many services to economically vulnerable Vermonters. In addition, thanks to the funding provided mostly by the State of Vermont through the Gross Receipts Tax (which is augmented by the US Department of Energy), Capstone along with the other CAPs (with the exception of NEKCA and the additional of NETO) provides weatherization services to low income households. Let me add my personal thanks to this Committee and its members for seeing the value in conservation and supporting this essential funding. As you know, weatherization improves the indoor air quality, thereby reducing the risk of drafts and molds in these households and reducing medical expenses. Further, weatherization saves the average "fuel poor" household between \$400 and \$600 a year, which is money that families can use toward other basic needs.

In addition to Weatherization, Capstone provides comprehensive services to help people achieve economic well-being with dignity. Our commitment is to alleviate the suffering caused by poverty, to work with individuals and families to move out of poverty, and to advocate for economic justice for all.

Our vision is a prosperous Vermont community where everyone has enough healthy food to eat, a stable home, and the support they need to achieve their own goals and dreams.

At Capstone, our programs play a critical role in Vermont communities to: 1) stabilize lives of Vermonters with food, fuel, housing and transportation assistance, 2) provide their children with a rich early childhood education and support parents to develop and enrich their children's lives, 3) equip Vermonters with the tools to achieve their financial goals, and finally 4) to ensure Vermonters live and participate in sustainable communities. We were fortunate to assist 18,000 Vermonters last year on their journey to stabilization and self-sufficiency.

I joined Capstone in July of last year succeeding Hal Cohen, who now leads the Vermont Agency of Human Services. I am honored to be working to end the scourge of poverty and create prosperity yet again. I am but one generation removed from the life of many of our participants. My father is a son of a sharecropper in the Bootheel of Missouri. Having picked cotton from age 3, he utilized the GI bill from World War II to be the first in his family to go to college and break from the bonds of poverty and his younger siblings followed him as have his children and grandchildren. In doing so, he instilled in me a commitment to support others less privileged to create a better life for themselves and their children.

Thank you for the invitation to be here today and speak for a few minutes about the potential for a carbon pollution price in Vermont. Coming here from the Midwest, I truly believe that Vermont is and can be a model for the rest of the country in how to build strong, sustainable communities that leaves no one behind. Along with Vermont's impressive Farm to Table movement, a sustainable, renewable Vermont can be a brand that attracts and retains young

people like my two sons. I see the pricing of carbon pollution as the fundamental next step in achieving this ambitious vision.

You might ask why an agency that works to help low-income Vermonters is committed to creating a sustainable future for our State and nation. Because climate change impacts the lives of our most economically vulnerable citizens in Vermont the most!

How, you ask?

- Economically vulnerable families often live in the most areas most vulnerable to the severe weather events. They don't have the choice that families at other income levels have to relocate.
- They also often live in housing that is the least able to protect them from severe weather events.
- They take the longest time to recover from severe weather events (if they ever do) as was seen in Vermont after Superstorm Irene.
- The "fuel poor" are the most impacted by negative price shocks that are characteristic of a carbon based economy. Their limited incomes have no ability to absorb additional costs. In other words, fuel price volatility destabilizes low income families.

So how would the Energy Independent Vermont proposal for carbon pricing assist low income households?

Please allow me to highlight three of them:

1. The proposal cuts the state sales tax, which is the most regressive of all taxes. While there are ways to reduce fossil fuel use, and thereby avoid paying a carbon pollution price, when you need necessities like a new refrigerator or a blanket or light bulbs or toilet paper there is no way to avoid the state's sales tax. Everyone knows that low income households consume virtually of all their income and thus a much higher percentage of their income incurs the sales tax.
2. Conservation is always the most effective strategy to reducing carbon emissions and costs to low income households. The proposal calls for a minimum of \$8 million annually for low-income weatherization work. I am sure this Committee is well-aware that the State is far behind its target of weatherizing 20,000 low income homes by 2020. Currently only 750 of the 3000 homes needed annually to reach this goal are able to be weatherized.

3. In addition to the tax credits available to all Vermonters, the proposals recommend additional, supplemental benefits for Vermonters earning less than 200% of the federal poverty level. This is about \$44,000 for a family of four. These benefits would be delivered monthly to assist Vermonters living paycheck-to-paycheck.

In addition to those specific benefits for low-income Vermonters, our constituents will also benefit from the investments an Energy Independence Fund could make in moving Vermont toward a multi-modal transportation system with investments in walking, biking, and public transportation options.

One component that I feel the current proposals lack is one I learned about at the Vermont Rural Development Council's Climate Economy Summit held last month, and that is the option for the State to bond against future revenues and front-load much of the activity of the Energy Independence Fund. We should make every effort to frontload investments transportation systems and energy efficiency in the first years of the program, rather than wait until the later years--8, 9 and 10 to address these needs. So, I hope the Committee will consider that change as it is crafting legislation.

Further, I believe it is essential that Vermont ensure that all non-owner occupied housing is rated by its fuel efficiency (Btu's per square foot) and that such building labeling be mandated so that renters and tenants will be fully informed and able to weigh the true cost of occupancy (rent and heating costs) in a dwelling.

Overall, I feel that a carbon pollution tax would be a healthy step in the right direction for all Vermonters, especially those at the lower rungs of the economic ladder. Capstone along with the other CAPs and VLIAC will continue to work with Energy Independent Vermont to ensure that the interests of Vermont's most economically vulnerable citizens are addressed in forthcoming legislative proposals.

Vermont's adoption of a carbon pollution tax would be a reinforce the State's commitment to a sustainable, renewable economy and be a beacon to the very young people we need attract to replenish and expand our workforce as my generation moves toward retirement.

Thank you for the opportunity to address this crucial topic for the lives of our participants, their children and their children's children. I'd be happy to answer any questions.