

Remarks at Public Hearing on Proposed FY17 State Budget Bellows Falls, VT – February 15, 2016

Introduction

Weatherization Assistance Program (WAP) – Brief overview

- Provided by 5 non-profits (4 CAAs) since late 1970s/80s to make homes of low-income VTers as safe, healthy & energy efficient as possible
- Weatherized 26,000 homes over the last 2 decades, reducing avg. household energy cost by 20% or more (up to avg. \$600/yr), depending on fuel prices with state-of-art energy auditing / saving technology.
- Playing major role in helping VT achieve goal set in 2007 (10 VSA §581) to “ improve substantially the energy fitness of at least...25% of the State’s housing stock by 2020 (approx. 80,000 housing units).” 20K of those are homes of low-income VTers to be served by WAP
- Addresses wide range of health / safety issues (e.g., moisture / mold, fire hazards, CO, dangerous / unhealthy heating systems, Vermiculite, etc.)
- Creates livable-wage, highly-skilled jobs: 85 now employed statewide (down from 150 last year due to funding cuts)
- Funded primarily by Gross Receipts Tax (GRT) @ ½ of 1% on retail sales of non-transportation fuels

The Need

- Est. 125K VTers lived in “fuel poverty” in 2012 (10% or more of monthly income spent on energy costs) – up 76% since 2000.
- VT ***dead last*** in U.S. in energy affordability, with 2nd oldest housing stock (46% built before 1970)
- Over 1,200 units that have qualified for assistance on waiting list but only enough funds to do 2/3 this year (~750). Many more eligible, but applications cut back due to lack of funding to avoid waiting lists longer than a year since they have to be re-certified then. Some lists 3–4 yrs.
- Potential pool of 24-25K LIHEAP (fuel) applicants this year whose homes are likely to need Weatherization, which could save taxpayers many 1,000s of \$\$’s.

The Problem

- Funding dropped by **38.5%** since FY2012 with ARRA stimulus & GMP merger funds, from ~ \$13 to under \$8 million this year.
- GRT currently raises just under \$8 million/yr to support WAP, which continues to sink as fuel prices drop, and which may be significantly below projection in Gov’s budget

- Still need to weatherize more than 9,200 homes to reach State goal (over 3,000/yr). At current funding, only doing 750/yr, a 33% cut from last year's 1,124. At this rate, won't reach State 2020 goal until 2029.
- Down 65 skilled, well-paid, full-time staff due to cuts, resulting in significant loss of capacity to meet the need / achieve goals, and continuing roller coaster of ramping up / sizing down and giving benefit of highly-trained staff (and resources expended to train them) to private employers.

The Opportunity & Solution

- First, GRT needs to be re-authorized this year or there will be virtually *no funding* for WAP next year
- Second, need to increase funding by \$4 million to maintain capacity to meet State's goals and recoup lost jobs and economic activity.
- Several bills address the need for increased funds:
 - H.841, introduced by Reps. Hooper & Pearson (in Ways & Means?) increases GRT from 0.5% – 1.0% (except electric) and raises an est. \$3.5–4 million, but would result in **less than a \$9/year increase for the avg. VT single-family home heated with fuel oil.**
 - H.287 increases GRT (except electric) in 0.5% steps over next 3 years for additional \$12 million in 3rd year.
 - H.472 proposes a \$2 hotel occupancy fee, half of which (\$6 million) would be dedicated to WAP
- Whichever means is selected is not critical, but the Legislature needs to continue to support WAP adequately to reduce low-income VTers' fuel burden and help the State continue to make progress towards its energy saving goals

Thank you for this opportunity to speak about this important need and for your serious consideration of the bills to continue and increase funding for this valuable investment in VT's people, reducing the state's carbon footprint, and our future well-being.

[Micro Business and Financial Literacy / Capability Education and Individual Development Account (IDA) Asset Building program for low-income VTers...Helping to create / enhance / expand financial stability & security for LI households and help them achieve critical life goals and move toward self-sufficiency

Funding has been stagnant for 7-8 years as costs and need have continued to rise, and we need to do more for disadvantaged VTers than just continuing to put Band-Aids on; we need to invest in their future in order to reduce their dependence on public assistance in the long-term]