

WEATHERIZATION ASSISTANCE PROGRAM FACT SHEET

BACKGROUND

- Vermont's low-income Weatherization Assistance 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.
- 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 the WAPs received \$12.9M. That dropped to \$11M last year and \$8M 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 raised about \$8.6M in FY 14 and \$8.1M in FY 15. JFO estimates that the tax will raise only \$6.8M in FY 16 and 17 because of declining fuel prices and warmer temperatures. Another \$1M comes from the U.S. Department of Energy, for a total of \$7.8M, leaving it \$1.2M short of the Governor's \$9.1M budget request, \$8M of which would go to the WAPs and \$1M to the State for furnace replacement and administration.
- Increasing the GRT to 0.75% (except on electricity), as passed by the House, costs the average homeowner who heats with oil less than \$5 more a year. Doubling the GRT would cost less than \$9 more a year.

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 51st in the U.S. in energy affordability.
 - VT has the 2nd 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.

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.
- The Low-Income Weatherization Assistance Program seeks to regain the lost capacity, jobs and economic activity of a few years ago. To increase *overall* program funding to \$12M, we need a \$3M increase plus \$1.2M to cover the shortfall in the Governor's FY 17 budget, yielding \$11M for the WAPs.
- The Administration included re-authorization in its Miscellaneous Tax Bill proposal, but did not ask for an increase to make up for the funding reductions and lower GRT revenues.
- House bill 841 would have increased the GRT from 0.5% to 1.0%, except on electricity, raising \$2.6M. Assuming the shortfall was covered, *overall* program funding would be \$11.6M, \$10.6M for the WAPs.
- The House-passed Miscellaneous Tax bill (H.873) increased the GRT to 0.75%, except on electricity, raising \$1.3M. It also changed fuel dealer tax payments to monthly, raising another \$900,000 in one-time revenues for Weatherization.
- The House Appropriations bill (H.875) increased *overall* funding for Weatherization to \$11.2M up from \$9.1, yielding \$10M for the WAPs. The bill also "switched" funds between Weatherization and LIHEAP to make up the \$1.2M shortfall and give LIHEAP \$1.7M for expenses that must be paid with State funds.
- State funds must be used to cover LIHEAP benefits over 150% of federal poverty and administration costs over what is allowed with federal dollars. State dollars have gone into LIHEAP annually since 2005, but were not in the Governor's FY 16 and FY 17 budgets. Last year the Legislature appropriated up to \$5M for this purpose. The House bill does not add State dollars, leaving a \$3M funding gap in LIHEAP.
- We must continue to put State dollars into LIHEAP benefits and increase investments in Weatherization to reduce low-income Vermonters' fuel burden and make progress towards our 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 homes more affordable, allowing people to focus resources on other basic needs.
- Families enjoy warmer, safer homes and 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.
- Weatherization helps Vermonters save on heating costs – homes heated with fuel oil 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 \$12M a year yields a return of more than \$30M over the lifetime of the improvements made.
- In 2014, low-income weatherization activities prevented 3,028 tons of CO2 from entering the atmosphere.