



TO: HOUSE COMMITTEE ON URBAN AFFAIRS AND SELECT COMMITTEE ON FEDERAL ECONOMIC STABILIZATION FUNDING

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SUBJECT: WEATHERIZATION ASSISTANCE PROGRAM UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT

This memo provides an overview and current update of the Texas Weatherization Assistance Program (WAP) under the American Recovery and Reinvestment Act (ARRA).

Background of the Texas Weatherization Assistance Program (WAP)

The Texas Department of Housing and Community Affairs (TDHCA) manages the state WAP, which typically reaches 3,000-4,000 Texas households per year at an average cost of \$4,000 per unit. Two federal sources fund the WAP: the Department of Energy and the Low Income Home Energy Assistance Program (LIHEAP). In the standard (pre-ARRA) program, TDHCA directs the funds to local Community Action Agencies (CAA), local area councils of government (COGs), and non-profit groups to provide weatherization services in local communities for households up to 125 percent of the FPL.

The Recovery Act has brought \$327 million additional funds to the Texas WAP program. Under the ARRA program, Texas plans to weatherize nearly 34,000 homes, eight times the number of homes weatherized in 2006 under the regular program. Funds have been awarded to 45 CAAs, COGs, city governments and non-profit groups to perform the weatherization activities throughout the state. Other features of the program include a new training academy for workforce development and enhanced weatherization services to increase the cost per home from a maximum of \$4,000 to \$6,500 per home. All WAP ARRA funds must be obligated by September 2010 and spent by March 2012.

Changes to the Texas Weatherization Assistance Program Under the 2009 American Recovery and Reinvestment Act (ARRA)		
Allocation	Pre-ARRA	ARRA
Training & Technical Assistance	10%	20%
Eligibility	125% FPL* \$27,563 family of 4	200% FPL \$44,100 family of 4
Monetary Cap Per Home	\$2,500*	\$6,500
Homes Weatherized	4,173 (2006)	33,740
Energy Savings	39,650 (MBtu - 2008)	1,034,195 (MBtu) ¹
Subgrantees	34	45
Reweathering	September 30, 1979	September 30, 1994
Estimated workforce under ARRA	5,500 – 8,700 17 to 26 jobs per \$1 million invested	
Source: Texas Department of Housing and Community Affairs, Texas WAP Plan, Revised March 5, 2010. * DOE rate is 150 percent FPL. ** The TDHCA combines WAP DOE funding with other sources (Low Income Home Energy Assistance Program) to spend an average of \$4,000 per household.		

What is Weatherization?

Weatherization is the process of making homes and buildings more energy efficient by properly protecting structures from the elements such as wind, rain, sunlight, and hot and cold weather. Weatherization measures include:

- Sealing air leaks;
- Installing insulation;
- Replacing, repairing or retrofitting outdated air and cooling equipment, water heaters, refrigerators;
- Installing energy efficient doors and windows; and
- Educating consumers on energy saving techniques and maintenance.

Weatherization Facts & Figures

- Low-income families spend 12.2 percent of their household income on energy costs, compared to 3.7 percent for other households.
- Before ARRA there were approximately 14,000 Texans on the WAP waiting list. This figure is expected to grow with increased funding and eligibility.
- Low income families save an average of \$413 in reduced energy costs during the first year of weatherization.
- For every \$1 invested in the WAP, \$3.80 in energy and non-energy benefits are returned to our communities.
- Weatherization creates between 17 and 26 jobs for every \$1 million invested.

Benefits of Weatherization

Weatherization helps low-income communities by making their homes more energy efficient, thereby reducing the cost of utilities and homes from extreme weather conditions. Weatherization also enhances the value of a family's primary asset – their home. The enhanced weatherization program in Texas under ARRA has the potential to benefit Texas in four important ways:

1. The health and safety of low-income Texas will be enhanced through the whole-house weatherization protocol.
2. Weatherization will provide financial relief for more low-income Texans in the form of lower household energy costs.
3. Weatherization increases skill development and job mobility for low-income workers.
4. Weatherization will improve the environment through greater energy efficiency and reduced pollution.

Non-Energy Benefits of Weatherization

- Increased property values
- Reduced incidence of fire
- Reduced utility arrearages
- A more-skilled workforce
- Federal income taxes generated from new jobs
- Income generated from employment
- Avoided costs of unemployment benefits
- Reduced environmental pollution
- Overall improvements in health and safety

Texas WAP ARRA Performance Measures September 2009-February 2010:

Number of Units Weatherized: 1,095

Number of Units in Progress: 2,244

Total Expenditures: \$6.5 Million

Number of Jobs Created (1st Quarter): 117

For our full analysis of the Texas WAP, see: <http://www.cppp.org/research.php?aid=903>

Texas ARRA Weatherization Assistance Program Behind Most Sun Belt States- September 2009 - February 2010



