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## UPDATE ON THE ARRA EXPANSION OF THE TEXAS WEATHERIZATION ASSISTANCE PROGRAM

Texas, like many other states, has been slow to implement weatherization services since receiving \$327 million in September 2009 from the American Recovery and Reinvestment Act (ARRA). As of February 2010, only 2 percent of total funds have been expended and approximately 3.2 percent of homes weatherized out of the estimated 34,000 slated for service <sup>1</sup>.

This policy point provides a synopsis of the Texas Weatherization Assistance Program (WAP) with updates on the progress made during the first six months of the program. For our full analysis of the Texas WAP, see [\*“It’s Getting Hot in Here: Texas Weatherization Assistance Program Provides Relief to Low-Income Families and Creates Jobs for the New Economy.”\*](#)

### 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.**
- **Approximately 14,000 Texans were on the WAP waiting list before ARRA. This figure is expected to grow with increased funding and eligibility.**
- **Low-income families save an average \$413 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 communities.**
- **Weatherization creates between 17 and 26 jobs for every \$1.**

### Are Texans Getting Their Share?

Although Texas has begun to distribute the \$327 million in funds to local Community Action Agencies (CAAs), Councils of Government (COGs), and nonprofit groups to provide services to low-income households, the state has only reached 3.2 percent (1,095) of the estimated goal of weatherizing 34,000 households. An additional 2,244 units currently in progress will bring the state up to 10 percent completion within the first six months.

#### Texas WAP ARRA Performance Measures February 2010

Number of Units Weatherized:	<b>1,095</b>
Number of Units in Progress:	<b>2,244</b>
Total Expenditures:	<b>\$6.5 Million</b>
Number of Jobs Created (1st Quarter):	<b>117</b>

**Source** Texas Department of Housing and Community Affairs and Department of Energy

## What's Slowing Texas Down?

Texas, like the rest of the country, has experienced delays in meeting the state's weatherization goals under the ARRA plan. While Texas did not experience delays due to hiring freezes or state mandated furloughs, several key changes made by ARRA have contributed to the slowdown.

**Davis-Bacon Act:** ARRA requires states to comply with the prevailing wage rates under the Davis-Bacon Act. Compliance with the law resulted in hiring delays for Texas, which stalled initial efforts to begin weatherizing homes. Although ARRA mandates this new requirement, the Departments of Energy and Labor, through a joint memorandum issued in July 2009, encouraged states to begin work immediately and adjust salaries retroactively. Despite authorization from the DOE and DOL to begin work before full compliance had been met, many states, including Texas, chose to delay work until the formal wage rates had been established.<sup>2</sup>

### Changes to 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) <sup>1</sup>
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 <sup>1</sup>	

**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.

**Increased WAP funding in 2009 and under ARRA:** Texas Department of Housing and Community Affairs' (TDHCA) WAP regular program funds, including Department of Energy (DOE) and Low Income Home Energy Assistance Program (LIHEAP) funding, were more than doubled from \$13 to \$45 million between 2008 and 2009. Couple these additional regular funds with the creation of the ARRA program, and the result was additional time commitments to increase personnel, program planning, and training of new workers.

**Initial time to "Ramp-up" Programs across the state:** Subrecipients have required additional training and technical assistance in program management and planning, hiring of new personnel, complying with the Davis-Bacon Act requirements, procurement of subcontractors, and general training for new workers.

**State Housing Preservation Office Agreement:** TDHCA worked to expedite work on homes over 45 years old to comply with the Office of Management and Budget's guidance, issued May 26, 2009, to ensure compliance with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA).<sup>3</sup>

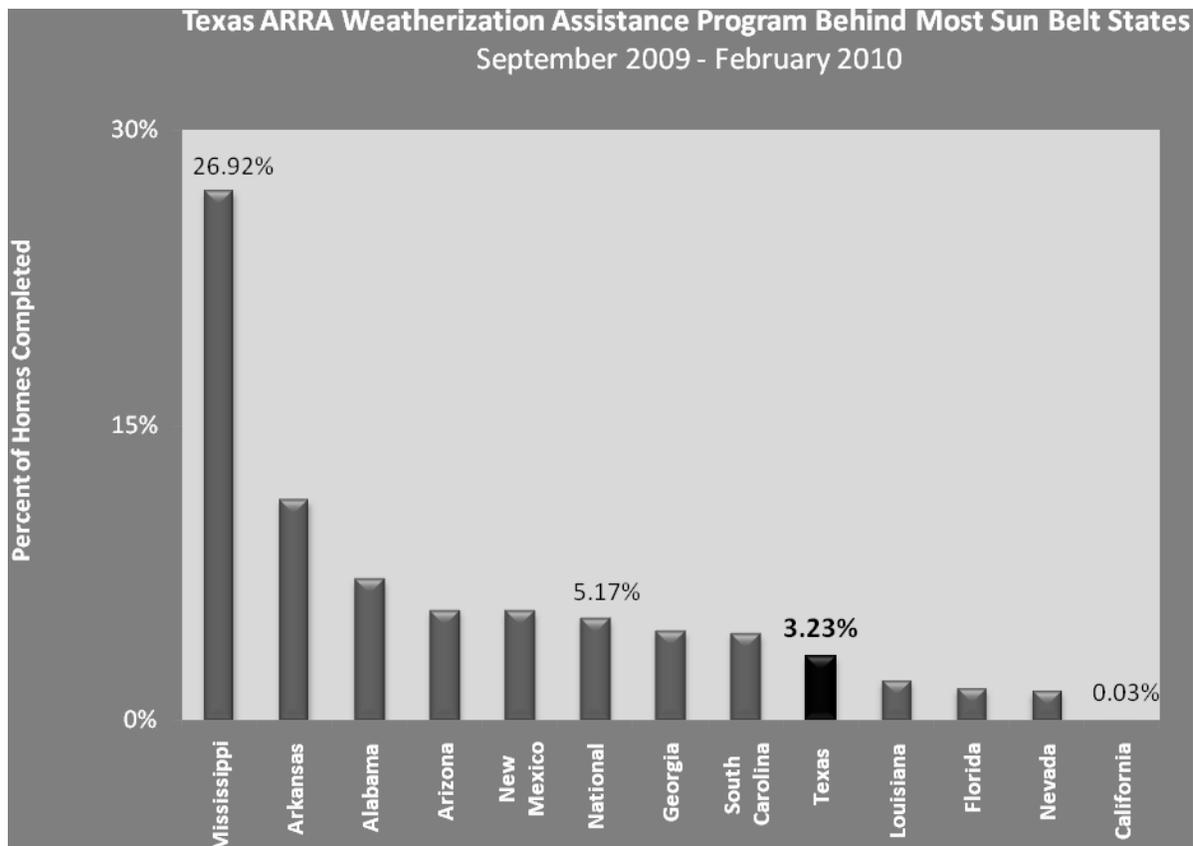
## Which Geographic Regions Are Moving Texas Forward?

Of the 45 subgrantees, the following three COGs and CAAs are leading the state in weatherization goals as of February 2010:

- The Texoma GOG in north Texas has met 38 percent of their program goals with 30 units completed and 234 in progress.

- Sheltering Arms Senior Services located in Harris County has completed the greatest volume of work in the state, with 326 units weatherized and another 391 in progress.
- Alamo Area COG has weatherized nine homes and has 350 in progress, representing 20 percent of their overall program goal to weatherize 1,792 homes.

## How Does Texas Compare to Other States?



**Source** U.S. Department of Energy, Office of Inspector General, February 2010

<sup>1</sup> Texas Department of Housing and Community Affairs (TDHCA). *U.S. Department of Energy State Plan 2009 American Recovery and Reinvestment Act: Weatherization Assistance Program for Low-Income Persons (Texas WAP Plan)*. April 2009. Austin. Web. [www.tdhca.state.tx.us/recovery/docs/09-ARRA-DOE-WAP-Plan.pdf](http://www.tdhca.state.tx.us/recovery/docs/09-ARRA-DOE-WAP-Plan.pdf). 1 July 2009. and TDHCA, "Weatherization Assistance Program for Low-Income Persons," Revised March 5, 2010. Note: The estimated number of units weatherized for the ARRA WAP program was increased by 168 units from 33,740 to 33,908. The estimated number of units to be weatherized is based on the maximum cost per dwelling of \$6,493. Percentages of expended funds and homes weatherized are based on TDHCA reported numbers through February 28, 2010.

<sup>2</sup> Department of Energy, Office of Inspector General, Office of Audit Services, "Special Report: Progress in Implementing the Department of Energy's Weatherization Assistance Program Under the American Recovery and Reinvestment Act," February 2010.

<sup>3</sup> TDHCA, April 2009.

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