



IT'S GETTING HOT IN HERE: TEXAS WEATHERIZATION ASSISTANCE PROGRAM PROVIDES RELIEF TO LOW-INCOME FAMILIES AND CREATES JOBS FOR THE NEW ECONOMY

Through the American Recovery and Reinvestment Act (ARRA), Texas will receive \$327 million in additional Weatherization Assistance Program (WAP) funds through 2011. The new funds will increase the number of homes weatherized in Texas to between 30,000 and 35,000 homes, up from 4,173 in 2006.¹ 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. This policy page provides background on the Texas WAP and explores how ARRA funds can prepare more Texans for jobs of the future, meet consumer demands, and improve the quality of life for low-income seniors, persons with disabilities, and families with children.

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.**

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

Weatherization's Beginnings

During the 1970s many Americans were burdened by high energy costs, and many homes across the country were ill-equipped to protect against extreme temperatures, especially in cold-climate states. As a result of the oil embargo, home heating costs continued to rise, leaving many families unable to cover their household expenses. Policymakers responded to this crisis with a national program to address this issue.

Title IV of the Energy Conservation and Production Act of 1976 created the U.S. Department of Energy's (DOE) Weatherization Assistance Program (WAP) to help bring better energy efficiency to homes across the country and reduce America's dependence on imported oil. Under the initial program, weatherization services were provided to those hardest hit by the oil crisis to keep home heating costs down.²

Since 1976, the DOE WAP has assisted 6.2 million low-income families to reduce home energy costs. The program expanded to provide comprehensive whole household energy audits, replacement of outdated equipment, a focus on cooling systems and other long-term weatherization, health and safety measures.³ Under the Weatherization *Plus* program, high-energy use and high-burdened households along with seniors and persons with disabilities receive priority status.⁴

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.⁵

Texas Weatherization Assistance Program (WAP): An Introduction

The Texas Department of Housing and Community Affairs (TDHCA) manages the state Weatherization Assistance Program (WAP), which typically reaches 3,000-4,000 Texas households per year at an average cost of \$4,000 per unit.⁶ 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 services in local communities for households up to 125 percent of the FPL.

The new \$5 billion Recovery Act investment in state weatherization programs triggers the 1995 funding formula, which directs a greater share of funds to warm-climate states when federal allocations exceed \$233.1 million.⁷ While cold states still will receive the majority of the funding, their proportion will be smaller than in years past, thereby increasing the allocation for Sun Belt states like Texas. New provisions under ARRA extend benefits to more Texans, with households up to 200 percent of FPL qualifying for services.

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

TDHCA will administer Texas' portion of \$327 million in stimulus funds through its existing state WAP program and a new training academy for workforce development. Funds will be awarded to 69 CAAs, COGs, city governments and non-profit groups to perform the weatherization activities throughout the state. Of the subgrantee designations, 34 grants will be administered to existing WAP recipients and 35 grants will be allocated to new entities not previously participating in the program.⁸ Of the new grantees, the City of Houston will receive the largest share at \$23.4 million, followed by Dallas, San Antonio, El Paso, and Austin, all receiving more than \$5 million. Other mid-size urban areas such as Brownsville, Lubbock, McAllen, and Irving will receive between \$1 and \$3 million.⁹

Sub-recipients are set to receive awards beginning September 1, 2009, for program activities through August 31, 2011.

Benefits for Texas

An enhanced weatherization program will help Texas in four important ways:

1. The health and safety of low-income Texans will be enhanced through the whole-house weatherization protocol.

The WAP conducts whole-house energy audits to determine energy usage and energy-related health and safety measures needed before weatherization. Installing better heating and cooling systems, insulating and sealing air leaks leads to better regulation of indoor temperatures. These measures will protect Texans against extreme temperatures. From 1999 to 2004, 258 Texans died from excessive exposure to heat, while 137 died due to exposure to cold weather.¹⁰ Increased efficiency in home heating and cooling will help reduce risks for Texans during the hot and cold months.

Other benefits of whole-house audits include the use of technologies to test for lead, mold, carbon monoxide, gas leaks, and electrical hazards. These steps protect Texans by ensuring indoor air quality is maintained and that all mold, asbestos, and lead hazards are eliminated before conducting weatherization in the home. Client education, provided as a part of the whole-house approach, ensures that Texans will be better informed about energy efficiency

and how to protect themselves from household toxins and extreme weather conditions.

2. Weatherization will provide financial relief for more low-income Texans in the form of lower household energy costs.

The Texas WAP will reach an estimated 30,000 to 35,000 households, eight times the number of homes weatherized in 2006.¹⁵ With services expanded to households up to 200 percent of poverty, an additional 3.5 million Texans could qualify for home weatherization services.¹⁶ And, they will receive better weatherization and thus more energy savings. The DOE estimates that weatherized low-income households save, on average, \$413 in their first-year energy costs.¹⁷ Increased per-unit savings will likely be enhanced as ARRA raises the allocation per unit from \$2,500 to a cap of \$6,500 per unit. Texas is currently spending an average of \$4,000 per unit with combined DOE and LIHEAP funds. Each household will benefit from increased savings resulting from equipment and window replacement, as well as other repairs that may not have been covered previously. Furthermore, these long-term cost-savings on energy expenses are expected to last between 15 and 20 years after weatherizing the home.

Overall, weatherization will better equip low-income households for extreme temperatures and increase their buying power with added savings each year. Improved energy efficiency and new appliances also will increase property values.

ARRA places a larger emphasis on training and skills development, while expanding the income eligibility to include more working families, as shown by the table.

3. Weatherization increases skill development and job mobility for low-income workers.

While weatherizing homes has immediate and long-term benefits for energy efficiency and reducing overall household expenses for low-income Texans, the workforce development component could make the greatest long-term impact. WAP promotes two types of job creation: direct and indirect. Direct jobs consist of “green collar”

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 ¹¹ \$27,563 family of 4	200% FPL \$44,100 family of 4
Monetary Cap Per Home	\$2,500 ¹²	\$6,500
Homes Weatherized	4,173 (2006)	33,740
Energy Savings	39,650 (MBtu - 2008)	1,029,070 (MBtu) ¹³
Subgrantees	34	69
Reweathering	September 30, 1979	September 30, 1994
Estimated workforce under ARRA	5,500 – 8,700 17 to 26 jobs per \$1 million invested ¹⁴	

skilled workers performing and monitoring weatherization services for the estimated 30,000 Texas households. Indirect jobs include suppliers of materials such as insulation, blower doors, infrared scanning equipment, appliances, and general construction materials. Other indirect jobs include professional trainers employed to teach new workers green collar techniques and to become skilled energy auditors and inspectors.¹⁸

While the number of jobs needed to conduct the ARRA-funded WAP is unknown, some studies estimate that between 17 and 26 jobs are created per \$1 million invested in the program.¹⁹ However, the DOE estimates that every \$1 million invested creates as many as 52 direct jobs and 23 indirect jobs.²⁰

4. Weatherization will improve the environment through greater energy efficiency and reduced pollution.

As the nation's largest consumer of residential energy, Texas stands to gain from a greater share of weatherization funds.²¹ Energy conservation will increase with more homes being weatherized and a greater investment per home. The DOE estimates that each home weatherized reduces annual carbon emissions by 1.79 tons per household, per year. Further savings are anticipated as each home weatherized will be reviewed for a comprehensive service to address all energy needs.

Recommendations

How can Texas leverage the WAP funds to promote jobs for the future?

- **Ensure efficiency, accountability, and transparency.** The Texas WAP can make significant advances for the state economy and environment if it institutes best practices of local and other state programs, provides timely progress reports, and ensures that all eligible households receive the services available.
- **Build partnerships between WAP grantees and local workforce boards funded under the Workforce Investment Act (WIA) to leverage**

resources throughout the system. The overall ARRA training funds for adult workforce development total \$88.1 million for Texas.²² Local WAPs must partner with local entities with proven track records at connecting disadvantaged workers with employment opportunities. This effort will help Texas meet its goals for weatherizing homes and will help build a stronger workforce with new jobs and skill development.

- **Provide flexible training opportunities for direct and indirect workers through the community college system and other training and technical academies.** We encourage local workforce boards to partner with local community colleges to develop flexible scheduling that combine classroom and on-the-job/on-site training curriculum. For example, Workforce Solutions – Capital Area Workforce Board worked effectively with Austin Community College to develop a flexible schedule for a short-term weatherization course that “layers” on related skill sets and certification preparation through classroom and hands-on training curriculum.
- **Offer industry-recognized credentials with a clear pathway to long-term, family-supporting careers.** Providing low-income workers with training and advanced licensing and certification will help them acquire skills portable across industries and that lead to higher-paying and higher-skilled jobs.
- **Establish targeted hiring practices to recruit new workers into the industry through local workforce boards funded under the Workforce Investment Act (WIA).** Special efforts to reach out to low-income workers will help increase the employability of this sector, resulting in a higher-skilled workforce in Texas.
- **Create sound contracts that support prevailing wage rates with benefits.** Public funds must be administered to ensure that permanent, full-time jobs with benefits are offered, rather than

temporary or contractual positions that do not provide benefits or pay taxes for the employee.

- **Ensure that grantees work with reputable contractors with a solid record of compliance with safety, environmental, and labor laws and regulations.** The Recovery Act mandates that all laborers and mechanics working under stimulus-funded projects be paid prevailing wages under the Davis-Bacon Act.²³ Thus, all contracts between subrecipients and contractors must include language that specifies that they abide by the prevailing wage standards. However, the new standards do not apply to the general WAP fiscal 2009 appropriations for states.²⁴
- **Create new program benchmarks to measure success that include the number of jobs created, the training, credentials, and demographics of the workforce, and the range of wages and benefits provided to new workers.**

Helping Texans Weather the Heat

- Identify and assist the most vulnerable Texans, including persons with disabilities and seniors, currently on the wait list, as well as those living in underserved areas.

- Develop a coordinated outreach strategy through public service announcements, radio and television ads, as well as other media in Spanish, English, and other languages based on the needs of the population in each region.
- Develop protocols to ensure that both low-income homeowners and renters have access to WAP services. The Texas Apartment Association estimates 40 percent of Texas households reside in single and multi-family rental units. Half of rental households in Texas earn less than \$25,000 per year.²⁵ Of the total number of families renting in the state, more than 461,000 are below 100 percent of the FPL and may qualify for services.²⁶

Conclusion

Texas will receive \$327 million in additional WAP funds through 2011 thanks to ARRA, increasing the number of weatherized homes in Texas to between 30,000 and 35,000 homes. In addition to improving the value of a home, weatherization helps low-income households by improving their health and safety; lowering their energy costs; increasing skill development and job mobility for low-income workers; and generally improving their environment. Texas should leverage increased WAP funds to help promote employment during the economic downturn.

CPPP Intern Leslie Helmcamp contributed to this report.

Flyer on Weatherization

American Recovery and Reinvestment Act of 2009- Department of Energy Weatherization Assistance Program

Who is eligible?/Quién es eligible?

- Households with income up to 200 percent of poverty/Familias con ingreso de hasta el 200 por ciento de pobreza
 - Persons receiving Social Security Income or Temporary Assistance for Needy Families are automatically eligible/Personas recibiendo ingreso del seguro social o TANF son automáticamente elegibles
 - Priority is given to the following groups/Se da prioridad a los siguientes grupos
 - Seniors/Personas mayor de edad
 - Persons with disabilities/Individuos con incapacidades
 - Families with minor children/Familias con hijos menores de edad
 - High energy users/Consumidores con gastos altos de energía

Note: Reweathering may be conducted on homes weatherized prior to September 30, 1994./Nota: Una re climatización puede conducirse en hogares climatizados antes del 30 de septiembre de 1994.

How to Access Weatherization Assistance?/Cómo obtener asistencia de climatización

Find the WAP provider in your area by calling the Texas Department of Housing and Community Affairs(TDHCA)/Busca asistencia en su área a través del TDHCA/ 1-(888) 606-8889 or visit their directory on the web/o visite el directorio en la página de web: http://www.tdhca.state.tx.us/assist_repair.htm

Steps to Weatherize Your Home/Los pasos para climatizar su hogar

1. Complete an application with the WAP provider in your area/Complete una solicitud con el programa de WAP en su área.
2. Provide documentation to demonstrate income eligibility/provea documentación para demostrar su elegibilidad basada en su ingreso:

Acceptable documents include/documentos aceptables incluyen:

- Benefits statement/Award letter, or Form SSA-2458 from the Social Security Administration, or *(Estado de cuenta de Beneficios de Seguro Social/ o Formulario SSA-2458, o)*
- Tax Returns/W-2, or *(Declaración de Impuesto/W-2, o)*
- Retirement/Interest income, or *(Una declaración 1099 u otro registro de su ingreso de retiro/interés, o)*
- Recent proof of earnings/pay stub or notarized declaration of cash wages , or *(Prueba reciente de su ingreso/Talón de Cheques, o una declaración de pagos en efectivo notarizada; o)*
- Form 100 – AFDC- from the Texas Department of Human Resources, or *(Un Formulario AFDC 10097-84 del Depto. De Recursos Humanos de Texas, o)*
- Statement of earnings from employer, or *(Declaración de ingresos de su patron, o)*
- Child support statement, or *(Declaración de sostenimiento de niños, o)*
- Report from Veterans Administration (VA Pension), or *(Reporte de Pensión de la administration de Veteranos o)*
- Unemployment Compensation Benefits (TEC Form), or *(Un reporte de la Comisión de Empleo de Texas de sus beneficios de desempleo, o)*
- Workman's Compensation Benefits. *(Beneficios de Compensación de Trabajo).*

For renters, provide written permission from your landlord prior to applying for weatherization assistance (Los arrendatarios deberán proveer autorización escrita del arrendador de la casa o del departamento apartamento antes de hacer solicitud.)

<http://www.cppp.org>; August 2009

To learn more, sign up for e-mails, or make a donation, go to www.cppp.org.

The Center for Public Policy Priorities is a nonpartisan, nonprofit policy institute committed to improving public policies to better the economic and social conditions of low- and moderate-income Texans.

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- ¹ 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. <http://www.tdhca.state.tx.us/recovery/docs/09-ARRA-DOE-WAP-Plan.pdf>. 1 July 2009.
- ² U.S. Department of Energy (DOE). Energy Efficiency and Renewable Energy. "History of the Weatherization Assistance Program," Washington. Web. <http://apps1.eere.energy.gov/weatherization/history.cfm>. 1 July 2009.
- ³ Ibid.
- ⁴ DOE, Weatherization Assistance Program, Technical Assistance Center. "Weatherization Plus – Next Generation." Web. <http://www.waptac.org/sp.asp?id=1818>. 1 July 2009.
- ⁵ For a complete list of approved weatherization measures and resources, see 10 CFR Part 440 Appendix A. <http://www.waptac.org/si.asp?id=496>
- ⁶ These averages are based on the combined DOE and LIHEAP funds used for the WAP program.
- ⁷ See Federal Register: <http://www.thefederalregister.com/d.p/2009-03-25-E9-6628>, http://apps1.eere.energy.gov/weatherization/allocation_formula.cfm. Note: J. Bennett Johnston, a former senator from Louisiana, led the effort of the Sun Belt states to advocate for more equity in the WAP's allocation of funds. Many warm-climate states argued that cooling measures in warm climates also are important for public health reasons. The formula was established in response to a study by the National Association of State Community Services Programs.
- ⁸ See the Texas WAP Plan for a full list of grantees: <http://www.tdhca.state.tx.us/recovery/docs/09-ARRA-DOE-WAP-Plan.pdf>.
- ⁹ The cities receiving new allocations include: Houston, Dallas, San Antonio, El Paso, Austin, Fort Worth, Laredo, Brownsville, Corpus Christi, Lubbock, Arlington, Waco, McAllen, Amarillo, Pasadena, Beaumont, Irving, Garland, Odessa and Abilene. See Texas Plan for award amounts.
- ¹⁰ Texas Department of State Health Services, "Temperature-Related Deaths." Web. <http://www.dshs.state.tx.us/CHS/VSTAT/Hotcolddths/hotcolddths.shtm>. 20 July 2009.
- ¹¹ The U.S. Department of Energy rate is 150 percent of the federal poverty level for the regular program. TDHCA sets the regular program income limit at 125 percent of poverty, approximately 60 percent of the median household income in Texas.
- ¹² The TDHCA combines WAP DOE funding with other sources (Low Income Home Energy Assistance Program) to spend an average of \$4,000 per household.
- ¹³ TDHCA. Texas WAP Plan. <http://www.tdhca.state.tx.us/recovery/docs/09-ARRA-DOE-WAP-Plan.pdf>.
- ¹⁴ Economic Opportunity Studies, "How Many Workers Does the Weatherization Assistance Program Employ Now? What About the Future." Web. <http://waptac.org/sp.asp?id=9398>. 1 July 2009. Note: This figure is estimated from various studies. The DOE estimates are much higher at 75 jobs created per \$1 million invested in the program. TDHCA's First quarter reporting, due in October 2009, should provide a more exact number of jobs that will be created during the course of the two-year program.
- ¹⁵ TDHCA. Texas WAP Plan. <http://www.tdhca.state.tx.us/recovery/docs/09-ARRA-DOE-WAP-Plan.pdf>.
- ¹⁶ U.S. Census Bureau. *2005-2007 American Community Survey 3-year Estimates*. Note: ARRA amends the reweatherization provision to include homes that have not been weatherized since September 30, 1994. Notice of Funding Awards, Texas Department of Housing and Community Affairs.
- ¹⁷ DOE, Weatherization Assistance Program, Technical Assistance Center. "Weatherization Assistance Program Overview." Washington. Web. <http://www.waptac.org/sp.asp?id=1437>. 1 July 2009.
- ¹⁸ Ibid.
- ¹⁹ Ibid.
- ²⁰ DOE, Weatherization Assistance Program, Technical Assistance Center. "Weatherization Assistance Program Overview." <http://www.waptac.org/sp.asp?id=1437>.
- ²¹ Energy Information Administration, *Official Energy Statistics from the U.S. Government*. Web. http://www.eia.doe.gov/emeu/states/sep_sum/html/sum_btu_res.html. 20 July 2009.
- ²² Texas Comptroller, Window on State Government. "Estimated Impact on Texas." Austin. Web. <http://www.window.state.tx.us/recovery/follow/EstimatedStimulusImpactonTexas.pdf>. 14 July 2009. Note: The WIA-ARRA figures total \$34.3M for adults and \$53.8 million for dislocated workers.
- ²³ See: The American Recovery and Reinvestment Act of 2009, § 1606. http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&dclid=f:h1enr.pdf
- ²⁴ DOE. "Weatherization Program Notice 09-1." Washington. 17 November 2008. Web. <http://www.waptac.org/si.asp?id=1228/> 14 July 2009.
- ²⁵ Texas Apartment Association. Web. <http://www.taa.org/member/industry/>. Austin. 1 July 2009.
- ²⁶ U.S. Census Bureau. *2005-2007 American Community Survey 3-year Estimates*.