



BUSTING THE WEATHERIZATION PROGRAM MYTHS

Yes, the Department of Energy Weatherization Assistance Program Can Expand Efficiently!

FACT: The American Reinvestment and Recovery Act includes \$5 billion for the Department of Energy Weatherization Assistance Program.

MYTH: IT'S NOT A JOB STIMULUS. "... (Much of the plan) does not stimulate the economy... (Weatherizing poor people's homes,) is a worthy goal but does nothing to create new jobs." Eric Cantor, R-VA, House Minority Whip on CBS's "The Early Show" 1/22/09

FACT: Weatherization funding primarily pays for trained crews of energy auditors and installers who use sophisticated tools that homeowners do not have and identify the sources of energy waste. They then install long-lasting measures like attic and sidewall insulation, duct repairs and heating system upgrades that last for decades. *The program will create between 123,000 and 140,000 new jobs (one-third of them will be direct) for workers in the homebuilding trades.ⁱ*

(Want to see that workforce and those tools in action? Go to [this YouTube clip](#) for a look at the training required for different levels of the workforce. Also, check out the [curriculum](#).)

MYTH: THIS IS HYPER-GROWTH. "It's a huge increase from the \$447 million that Congress authorized for this purpose in the current budget year." ANDREW MIGA AP "Billions for Weatherization in Stimulus Questioned," Feb 13, 2009

FACT: IT IS A REALLY-BIG-BUT-MANAGEABLE INCREASE OF 250% above the current spending level of about \$1 billion per year. The program will be about 3.7 times bigger during the stimulus period than it was up to February 2009. In some states, the percentage increase will be less, and in others, mostly Southern states, it will be considerably more.

WHY? Because the funding from US DOE is not even a majority of funding in the program today. Here's how it really works:

- The Weatherization Assistance Program is delivered today by about 900 local community action agencies. Typically, they combine the Department of Energy (DOE) dollars with other federal, state and utility matching funds; then they purchase the efficiency tools and meters and pay their workers to deliver all of the measures to a home as one "package" of all funding sources' contributions.
- The local network's funding in FY 2007 totaled about \$770 million, of which less than one-third was DOE funding; the FY 2009 funding may total \$1 billion *before any stimulus funding is released.*ⁱⁱ

MYTH: LOW PRODUCTION IS FOREVER. Or: This program is not capable of weatherizing a million homes a year in the future

FACT: Weatherization weatherized between 140,000 and 175,000 homes a year from 2006 to the present; President Obama asked for \$6.2 billion to combine with all other funds and weatherize a total of 1 million moderate and low-income homes during the stimulus period. (Other funds in the ARRA, including tax benefits, would contribute to the costs of weatherizing another 1.5 million homes of higher-income families). Congress appropriated \$5 billion.

At \$5 billion, the target will be over 800,000 as compared to the 300,000 or so under the previous program levels.

This expanded delivery system will keep increasing its production as the trained workforce comes on board and gradually becomes fully productive. If funding remains available to keep the Weatherization production system in the future, the rate of weatherization can soon reach the 1-million-home-a-year mark.

MYTH: IT'S WASTEFUL SPENDING. "Funding Community Action Programs to do Weatherization programs... It's just more of the same kind of wasteful spending that we have seen in the past." (*John Boehner, R- Ohio, House Minority Leader* on PBS "Newshour" 1/15/09)

FACT: Weatherization works. Leaders can reasonably differ over priorities for spending, but Weatherization has been tested, scrutinized, and proven to achieve the intended results without waste.

- [Third party evaluations](#) have tested homes pre- and post- Weatherization nationwide and in many statesⁱⁱⁱ and demonstrated that the average resident of a Weatherized home realizes a drop of more than 22% of all home energy usage. That efficiency persists for about 20 consecutive years; the reduction in heating fuel used is 30%.
- This means that residents of the 6million homes already weatherized, together, avoided paying over \$2.4 billion in 2008 energy bills.

MYTH: INADEQUATE OVERSIGHT. "More of \$6.2 billion should be put toward ensuring that the funds are being spent properly." [Business Week](#) 1/30/09

FACT: States can spend up to 5% of funds on sound fiscal practices and oversight of local agencies' compliance with quality and management requirements. Local agencies also spend 5% on ensuring sound fiscal systems and preventing fraud. Every home is inspected by a trained energy auditor before and after the work is complete. That seems like more than enough for the purpose. Oversight activities include

- managing open procurement practices,
- ensuring that participants are recruited and their eligibility is verified ,
- ensuring that the finished work in every home is inspected at least once,
- ensuring that clean warehouses keep the insulation, equipment and other materials dry and secure from pilferage, and
- ensuring that trucks are equipped, maintained, and insured, as are the work crews themselves.
- keeping auditors, CPAs, and bookkeepers hard at work tracking funding and accounting back to the state managers and federal agency. Few other energy programs have the established federal reporting and accounting systems, as well as the house-by-house quality control that characterize the Weatherization Assistance Program.

Remember, the professional functions listed above are not performed by casual volunteers, but rather by professionals with considerable training whose jobs will also be created by the Recovery Act funds.

Alt. MYTH: TOO MUCH OVERSIGHT? 'Funds will leak away to pay for overheads.' Cantor et al.

FACT: You can't please everyone! Bookkeepers and auditors are 'overheads' that are essential for accountable government programs. It's also a good idea to keep insulation in a secure storage area in case of rain or thievery. Warehouses are overhead. The Program, like the Recovery Act, chooses to err on the side of **too much** quality measurement. (See its added reporting requirements at www.recovery.gov and doe.recovery.gov .)

ⁱ "How Many Workers Does the Weatherization Assistance Program Employ Now? What Jobs will the Recovery Act Offer?" [Economic Opportunity Studies](#),

ⁱⁱ "How Big is Weatherization Plus?" [Economic Opportunity Studies](#),