

# TESTIMONY BEFORE HOUSE ENERGY AND UTILITIES COMMITTEE

January 13, 2011

**Dennis L. Mesa, Executive Director  
Kansas Housing Resources Corporation**

## SUMMARY OF WEATHERIZATION PROGRAM ACTIVITY

Kansas Housing Resources Corporation (KHRC) is a public corporation that administers Federal housing programs on behalf of the State. In addition to our traditional programs, KHRC currently administers six programs that were either created or impacted by the American Recovery and Reinvestment Act of 2009 (ARRA). The purpose of today's presentation is to provide information on KHRC's weatherization achievements, both under its traditional and ARRA programs.

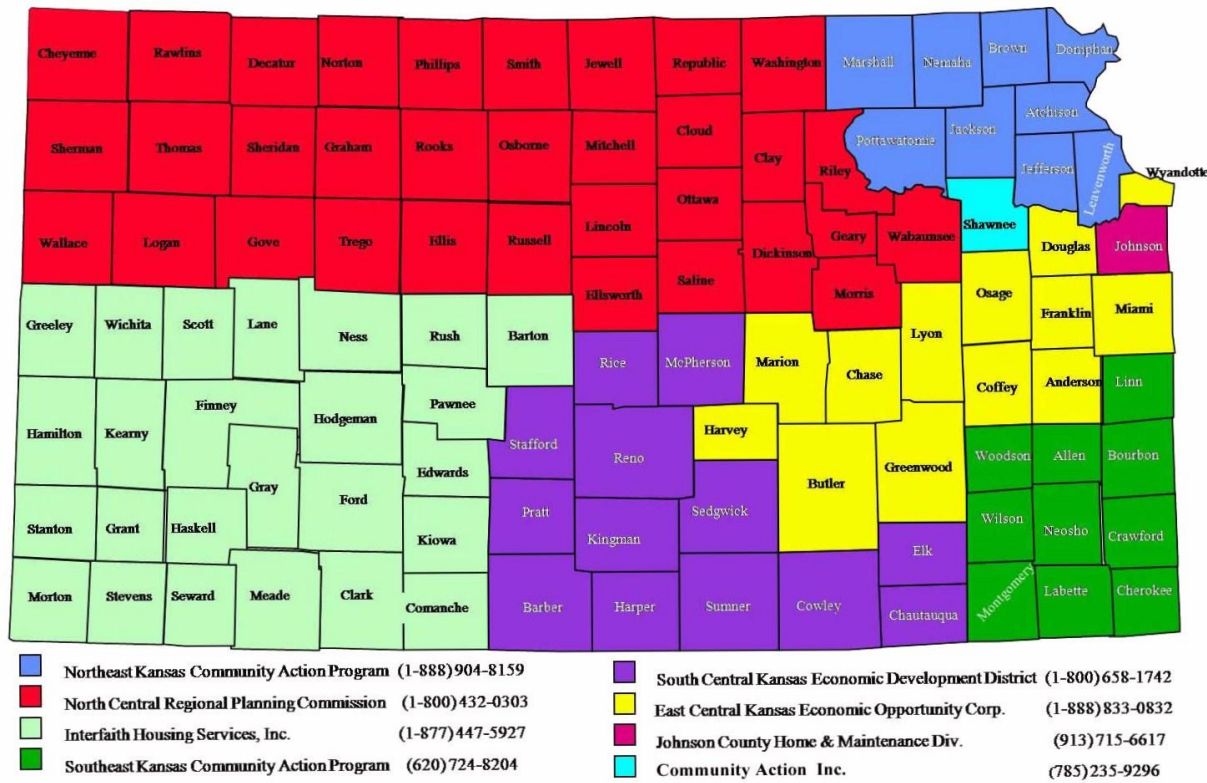
### ***Kansas Weatherization Assistance Program (K-WAP)***

**Program Summary:** K-WAP is a long-term KHRC program traditionally funded by the U.S. Department of Energy (DOE) and the Low Income Energy Assistance Program (LIEAP), which KHRC has been administering since the mid 1970's. The purpose of the program is to make low-income households in income-eligible, single or multi-family dwellings more energy efficient, thereby reducing the utility bills of these families. Funds may be used for leakage reduction, incidental repairs, insulation, health and safety measures, furnace and cooling system repair/replacement and replacement of inefficient refrigerators.

DOE regulations limit eligibility to those individuals with incomes at or below 200 percent of the poverty level (\$20,800 annually for a single person or \$42,400 annually for a family of four in Kansas). Regulations also stipulate the average cost of repair and improvements per home may not exceed \$6,500. As of December 2010, on average, Kansas weatherization providers have spent \$5,375 on repairs per home.

The weatherization program is operated through a network of eight local service providers. Each agency provides weatherization for their region of the state. The following map identifies each service provider and the region in which they operate.

### Counties Served by Kansas Weatherization Assistance Program



**Recent Funding:** As previously mentioned, funding for the weatherization program traditionally comes from DOE and LIEAP. However, the American Recovery and Reinvestment

Act of 2009 (ARRA) provided additional dollars to fund weatherization services. In 2009 and 2010, DOE and LIEAP provided approximately \$13 million for weatherization. In 2009, ARRA provided \$56 million in funding for a three-year period ending July 2012.

With the substantial increase in 2009 total funding, and based on the regional weatherization agencies own appraisal of their capacity to ramp up operations, KHRC set aside \$13 million to establish a multi-family program focusing on weatherizing Tax Credit properties, USDA Rural Development properties, and project-based Section 8 properties that had no direct HUD funds for energy-efficiency improvements. The remaining \$43 million is being used to repair single family homes. The multi-family program will sunset once ARRA funding is exhausted.

The following chart shows a seven-year funding history for the Weatherization Program.

<b>WEATHERIZATION FUNDING (5 YEAR HISTORY)</b>			
<b>Year</b>	<b>DOE</b>	<b>LIEAP</b>	<b>Total</b>
2010	\$ 1,988,468	\$ 3,282,132	\$ 5,270,600
2009	\$ 5,001,866	\$ 2,856,708	\$ 7,858,574
2008	\$ 2,518,837	\$ 2,497,970	\$ 5,016,807
2007	\$ 2,264,099	\$ 2,501,390	\$ 4,765,489
2006	\$ 2,706,214	\$ 4,415,873	\$ 7,122,087
2005	\$ 2,262,771	\$ 2,149,146	\$ 4,411,917
2004	\$ 2,390,904	\$ 2,548,024	\$ 4,938,928
Average	\$ 2,733,308	\$ 2,893,035	\$ 5,626,343

**ARRA Production Update:** KHRC is pleased to report that Kansas reached a Recovery Act milestone in 2010, with the network completing weatherization work for nearly 60 percent of the homes the state planned to weatherize. As of December 30th, weatherization providers completed 3,446 homes with ARRA funding. As of last week, our ARRA production total is up to 3,522 units completed.

**Traditional DOE Update:** To date, WAP providers in Kansas have effectively utilized 100 percent of 2009 traditional DOE/LIEAP funding and over 65 percent of the 2010 funds. In all, 1,647 homes have been weatherized with traditional DOE funding.

**Overall:** Combining ARRA dollars and “traditional” funding from 2009 and 2010, Kansas weatherization providers have completed a total of 5,169 homes and over 4,958 homes in progress. The “in progress” total includes homes placed on the waiting list which have been approved for services. Currently, our waiting list is 1,616 homes.

The following tables show the network’s production numbers and homes in progress.

<b>OVERVIEW</b>	<b>2009 DOE / LIEAP</b>	<b>2010 DOE / LIEAP</b>	<b>ARRA</b>	<b>TOTAL</b>
<b>Homes Completed</b> (updated weekly - as of 01/07/11)	1,081	566	3,522	5,169

<b>OVERVIEW</b>	<b>2010 DOE/LIEAP/ARRA</b>
<b>Homes in Progress</b> (updated monthly as of 12/15)	4,958
<b>Homes on Waiting List</b> (updated monthly as of 12/15)	1,616
<b>Funds Expended</b> (updated monthly –as of 12/15)	\$30,518,604

**Monthly Production Rate:** In February of last year, DOE established a target production rate for Kansas of 294 homes per month. For the month of November 2010, Kansas network providers completed a total of 273 homes or 93 percent of DOE’s standard. Since the production standard was released last year, Kansas has surpassed the DOE standard by 530 homes with an overall production rate of 116 percent.

<b>MONTH</b>	<b>DOE STANDARD</b>	<b>TRADITIONAL DOE/LIEAP</b>	<b>ARRA</b>	<b>TOTAL</b>	<b>PRODUCTION RATE</b>
<b>NOVEMBER</b>	294	61	212	273	93%
<b>OCTOBER</b>	294	75	320	395	134%
<b>SEPTEMBER</b>	294	49	304	353	117%
<b>AUGUST</b>	294	60	280	340	115%
<b>JULY</b>	294	61	195	256	87%
<b>JUNE</b>	294	68	178	246	84%
<b>MAY</b>	294	84	270	354	120%
<b>APRIL</b>	294	0	232	232	79%
<b>MARCH</b>	294	191	433	624	212%
<b>FEBRUARY</b>	294	21	331	352	120%
<b>JANUARY</b>	294	54	285	339	115%

**Job Creation:**

Based on DOE estimating rules, KHRC estimates 131 weatherization-related jobs have been created by ARRA funds.

**Summary:** In summary, KHRC hit the accelerator on weatherization services in 2010 and network providers are continuing to upgrade homes at the optimal rate. With nearly 60 percent of the state's planned production now complete, KHRC and our sub-grantees are moving forward aggressively with the weatherization program, delivering energy and cost savings for the families who need it most. My staff and I welcome the opportunity to answer any questions you might have.