

## **II. ANNUAL FILE**

### **II.1. GRANT APPLICATION – Standard Form 424**

Completed Application for Federal Assistance (SF 424v3) is attached.

### **II.2. BUDGET**

#### **II.2.1. DOE F 4600.4**

Only U.S. Department of Energy (DOE) funds are included in the application (budget). Completed Form DOE F 4600 (4094) (OMB No. 1910-0400) is attached as a separate file. See Budget Attachment.

#### **II.2.2 Budget Categories**

#### **II.2.3 Budget Justification**

##### **General Description**

The Virginia Weatherization Assistance Program (WAP) provides services to income eligible households *through a network of subgrantees comprised of* community action agencies, *non-profit organizations*, area agencies on aging, and housing and community development corporations. *Subgrantee agencies receive funding by contract* to provide services for one or more localities. Each service provider completes a standard list of measures that have been pre-determined to improve the energy efficiency of each weatherized unit.

DHCD allocates funding to each subgrantee from the total funding award less the amounts for Grantee Administration, Grantee Training and Technical Assistance (T/TA), and Leverage activities. DHCD will allocate the first fifty percent (50%) of American Recovery and Reinvestment Act (ARRA) funds pursuant to the existing funding formula (*calculated based upon the number of heating degree-days, square miles of area covered, and low-income population for that locality*). Any additional funding allocation will be based upon DHCD and DOE review of progress in obligating funds, compliance with all reporting requirements, and completed units. DHCD reserves the right to place on hold or withhold further funding to any subgrantee.

The funding formula calculates heating degree-days, low-income population, and square miles of each service area (locality), and distributes the funds based *upon a calculation* of these factors. The data for each element of the formula was updated *during the 2005 Program Year* and used to *calculate* the formula allocations. The following documents were used to complete the updates:

- Heating Degree Days - *Divisional Normals, 1971-2000: Climatology of the United States No. 85*, National Climatic Data Center, Release Date: June 15, 2002
- Low-income Population - *Poverty Status of Individuals 1999*: Census 2000
- Square Miles - Population, Housing Units, Area, and Density 2000: Census 2000

Subgrantee contracts identify set budget amounts for Administration, Program Operations, Training and Technical Assistance, Liability and Pollution Occurrence Insurance, Financial Audits, and Health and Safety expenditures. A budget category for vehicle and equipment purchases will be included in the subgrantee contracts for the ARRA program period. The amount available for Program Operations (which cover costs for the direct installation of weatherization measures) includes costs for materials and labor. Some building rents and other overhead expenses are also charged to the Program Operations budget category.

## **Grantee Administrative and T/TA Funds**

The total amount of funds available for program administrative expenditures is ten percent of the total grant amount. DHCD will use five percent of the available administrative funds as allowed by DOE. Subgrantees are allowed to use 5 percent of their total allocation for administrative expenditures as well. Subgrantees who receive less than \$350,000 in total DOE allocation are allowed to expend up to an additional 5 percent of the total grant funds for administrative purposes. Subgrantees in this category will be required to verify that administrative expenditures have exceeded 5 percent of the total grant funds.

Grantee administrative funds are budgeted for Personnel, Fringe, Travel, Equipment, Building Rents, and Indirect Cost payments. The general description costs for each budget category and the percentage of costs allocated to the total administrative budget are detailed here. Grantee T/TA funds are budgeted for costs for Personnel, Fringe, Travel, Equipment, Building Rents, and Indirect Cost payments. DHCD reserves T/TA funds for programming activities intended to directly benefit subgrantees.

### **1. Grantee Administrative and T/TA Personnel –**

The following staff positions will have responsibility for implementation and oversight of the ARRA funded weatherization activities. A general description of their roles and responsibilities along with the percentage of ARRA DOE funds allocated to each position is listed below. The balance of personnel costs will be covered by 2009 DOE weatherization funds, and other funding sources. The grantee intends to request approval for two additional Program Administrators and two additional Program Monitors.

**Associate Director — 30% DOE, Salaried, FTE** – Provides oversight to program development staff and assists with collection and evaluation of program effectiveness data. Coordinates division staffing, provides program financial oversight, and supervises program managers.

**Program Manager — 30% DOE, Salaried, FTE**– Manages the Weatherization Assistance Program by providing supervision to staff. Interprets state and federal policy related to implementation of programs. Monitors staff and program performance and production, reviews and approves financial transactions, and makes and reviews recommendations for modification and/or revisions to fiscal policies and procedures. Responsible for the review and approval of program design, and all program documentation including manuals and applications.

**Program Administrator— 0% DOE, Salaried, FTE** — Responsible for the day-to-day program implementation activities and serves as the principle point of contact for program subgrantees and partners as assigned. Duties include completing regular updates of the policies and procedures manual, recommending funding allocations, contract document preparation, financial tracking and monitoring, analyzing the and monitoring the financial drawdown rate, preparing all federal reports, and tracking regulatory programmatic changes. The Program Administrator will respond to all program related requests for information and provides referrals to subgrantees or other agencies as necessary. Attends policy and training conferences and communicates relevant information to staff and subgrantees. Performs monitoring of subgrantees for compliance with the policies and procedures and prepares reports of the outcome of those visits. Develops and evaluates Requests for Proposals to select service providers. Assesses the training needs for the installers of weatherization measures and for administrative personnel. .

**Program Administrator— 100% DOE, Salaried, FTE** — Responsible for the day-to-day program implementation activities and serves as the principle point of contact for program subgrantees and partners as assigned. Duties include completing regular updates of the policies and procedures manual, recommending funding allocations, contract document preparation, financial tracking and monitoring, analyzing the and monitoring the financial drawdown rate, preparing all federal reports, and tracking regulatory programmatic changes. The Program Administrator will respond to all program related requests for information and provides referrals to subgrantees or other agencies as necessary. Attends policy and training conferences and communicates relevant information to staff and subgrantees. Performs monitoring of subgrantees for compliance with the policies and procedures and prepares reports of the outcome of those visits. Develops and evaluates Requests for Proposals to select service providers. Assesses the training needs for the installers of weatherization measures and for administrative personnel.

**Program Administrator— 100% DOE, Salaried, FTE** — Key person responsible for the day-to-day program implementation activities and serves as the principle point of contact for program subgrantees and partners. Duties include completing regular updates of the policies and procedures manual, recommending funding allocations, contract document preparation, financial tracking and monitoring, analyzing the and monitoring the financial drawdown rate, preparing all federal reports, and tracking regulatory programmatic changes. The Program Administrator will respond to all program related requests for information and provides referrals to subgrantees or other agencies as necessary. Attends policy and training conferences and communicates relevant information to staff and subgrantees. Performs monitoring of subgrantees for compliance with the policies and procedures and prepares reports of the outcome of those visits. Develops and evaluates Requests for Proposals to select service providers. Assesses the training needs for the installers of weatherization measures and for administrative personnel. .

**Policy Manager — 0% DOE, Salaried, FTE** — Responsible for development of surveys and other data collection strategies to assess overall effectiveness and assess opportunities to increase or improve overall service delivery.

**Policy Analyst — 0% DOE** — Provides technical and support to develop program evaluation instruments, and to collate and interpret survey and report data.

**Program Analyst — 25% DOE** — Receives all subgrantee invoices and manages reporting database. Prepares accounting vouchers to ensure subgrantee payments.

**Fiscal Manager — 0% DOE** — Reviews accounting vouchers, completes drawdown of federal funds from DOE, maintains DHCD cost code and chart of accounts. Conducts subgrantee financial monitoring.

**Fiscal Analyst — 20% DOE** — Reviews accounting vouchers. Conducts subgrantee financial monitoring.

**Technical Monitor/Trainer— 50% DOE** — Serves as Lead Monitor/Trainer. Provides guidance and oversight to technical monitor positions. Completes on-site monitoring of subgrantee for compliance with the Installation Standards and prepares reports of these monitoring visits. Participates in the assessment of training needs related to fieldwork and programmatic requirements. Coordinates and completes on-site, regional and statewide training for subgrantee field staff as needed. Completes desk reviews of completed job reports. Maintains information regarding types of work completed by each subgrantee. Prepares annual risk analysis of each subgrantee's needs, and technical and operating capacity. Assists in monitoring and curriculum for development training and technical assistance needs.

**Technical Monitor— 100% DOE** — Completes on-site monitoring of subgrantee for compliance with the Installation Standards and prepares reports of these monitoring visits. Participates in the assessment of training needs related to fieldwork and programmatic requirements. Coordinates and completes on-site, regional and statewide training for subgrantee field staff as needed. Completes desk reviews of completed job reports. Maintains information regarding types of work completed by each subgrantee. Prepares annual risk analysis of each subgrantee's needs, and technical and operating capacity. Assists in monitoring and curriculum for development training and technical assistance needs.

**Technical Monitor— 100% DOE** — Completes on-site monitoring of subgrantee for compliance with the Installation Standards and prepares reports of these monitoring visits. Participates in the assessment of training needs related to fieldwork and programmatic requirements. Coordinates and completes on-site, regional and statewide training for subgrantee field staff as needed. Completes desk reviews of completed job reports. Maintains information regarding types of work completed by each subgrantee. Prepares annual risk analysis of each subgrantee's needs, and technical and operating capacity. Assists in monitoring and curriculum for development training and technical assistance needs.

**Executive Secretary— 10% DOE** — Processes incoming and outgoing mail. Provides general administrative support including support for conference activities. Assists with travel need, processes registrations and coordinates logistical needs.

## **2. Grantee Administrative and T/TA Fringe Benefits –**

Fringe benefits, thirty percent of personnel salary, are allocated to DOE funds and paid as a direct cost. Fringe for all salaried full time employees includes FICA match, retirement, worker's compensation, unemployment insurance, health insurance, and life insurance. Fringe for part-time employees includes only FICA match.

## **3. Grantee Administrative and T/TA Travel-**

Travel is domestic. Expenses are calculated based on past trips of similar nature and Virginia State Travel Regulations. Program funds will be used to cover expenses related to field and financial monitoring, and for conference travel.

**In-state Monitoring and Training: 80-120 trips**—annually: From Richmond to Statewide

**In-state Financial Monitoring & Tec. Assist.: 22 - 30 trips**—annually: From Richmond to Statewide

**In-State Administrative Monitoring & Tec. Assist.: 22 – 30 trips**— annually: From Richmond to Statewide

**NASCSP Mid-Winter Conference: 4 trips**—once per year: From Richmond to Washington, DC

**VA Weatherization Interchange: 4 trips**— once per year: From Richmond to VA Beach

**Weatherization State Directors Meeting: 2 trip**—From Richmond – Indianapolis, IN

#### **4. Grantee Administrative and T/TA Equipment – \$36,950**

DHCD will purchase a scanner to facilitate document transmittals to DOE, subgrantees, and other program partners; allocate funds to calibrate weatherization equipment used by the program monitor; allocate funds for the purchase of two vehicles for use by additional weatherization staff. DHCD intends to purchase additional laptop computers for use by field monitors, and additional diagnostic equipment for use by field monitors. Infrared cameras to be used by the weatherization monitors to enhance post weatherization inspections, and mini-cams to inspect small and/or inaccessible areas. Price quotes have been obtained and are based on vendor estimates. Any funds designated here and not used for the purpose intended will be transferred to program operations and made available to subgrantees to complete additional units.

Plans for these purchases are not finalized. If completed, procurement will occur in keeping with the Virginia Public Procurement Act and only upon written request and approval from DOE for any equipment costs that exceed \$5,000.

#### **5. Grantee Administrative and T/TA Supplies -**

No administrative funds have been budgeted for supplies or materials through DOE ARRA weatherization funds.

#### **6. Grantee Administrative and T/TA Contracts and Subgrants –**

No grantee administrative funds are budgeted for contractual items. Grantee T/TA funds are budgeted to provide training for the statewide program. DHCD is developing a training plan that will occur in phases to meet the ramp-up and ongoing needs of the subgrantees. DHCD is negotiating with the New River Center for Energy Research and Training (NRCERT) to be the primary training provider. DHCD also will develop a statewide weatherization training curriculum in partnership with the Virginia Community College System (VCCS).

DHCD is evaluating vendor proposals to procure and implement a new program reporting database to increase program effectiveness and efficiency.

Any unused T/TA funds will revert to Program Support.

## **7. Grantee Administrative and T/TA Other -**

DHCD assigns the “Other” budget category to building rent which is calculated as a percentage of the personnel budget.

## **8. Grantee Administrative and T/TA Indirect Costs –**

The U.S. Department of Housing and Urban Development (HUD) approves the DHCD indirect cost rate. The budget has been calculated based upon the requested rate of 68%.

## **Subgrantee Contracts -**

The subgrantee contracts include budget categories for administrative funds, T/TA, Program Operations, Vehicles and Equipment, Liability & Insurance, Financial Audits, and Health and Safety.

**a. Subgrantee Admin -** Administrative expenditures have been calculated as 5% of the total subgrantee contract.

### **b. Subgrantee T/TA –**

T/TA funds will be allocated based upon an average subgrantee staffing level, at \$1,000 per program related employee. This amount represents an increase in previously budgeted amounts and is intended to meet the increased training demands necessitated by the expectation of increased productivity, recent revisions to the Lead Safe Weatherization requirements, and HVAC licensing requirements. The amount available for each agency will vary based upon the size of the weatherization workforce, the total calculated for subgrantee T/TA estimates approximately \$20,000 for 22 agencies. DHCD allocates T/TA funds directly to each subgrantee so that they may independently obtain agency specific training as needed. These funds may be used for leadership skills and management training for all program personnel, technical training for all crew personnel, and to obtain or enhance spread sheeting and data management skills for administrative personnel. Eligible uses include funds for travel for state and national conferences and meetings. Any funds unused for these purposes may be transferred by the subgrantee to their Program Operations activities. The amount of available T/TA funds are included in each subgrantee contract.

### **c. Program Operations (Program Support) –**

**Subgrantees** –The subgrantees are listed on attachment A.

Weatherization services are provided through a network of subgrantees comprised of community action agencies, non-profit organizations, and housing and community

development corporations. Agencies receive funding by contract to provide services for one or more localities.

Program Operations – direct costs for the weatherization of homes are used by the subgrantees to cover costs for materials, labor and equipment and vehicle purchases. Some building rents for warehouse space are also charged to Program Operations. The balance of budgeted funds may be used for costs related to insurance, financial audits, and minor repairs designed to ensure the health and safety of housing occupants. Subgrantees either may provide services through direct hire work crews or may hire subcontractors to provide weatherization services.

**d. Vehicles and Equipment –**

DHCD has budgeted funds to purchase vehicles and equipment that exceed \$5,000 for the specific purpose of ramping up to meet expanded production goals. . Each agency will receive a negotiated amount of funding to buy additional vehicles and equipment to increase production.

**e. Liability and Pollution Occurrence Insurance -**

Each subgrantee is required to maintain a contractor's license and appropriate amounts of liability and pollution occurrence insurance. The budget for insurance is based on historical data (prior year costs for this budget category) and an estimated increase in premium costs that are commensurate with the increase in the contract size. This is most often an agency policy that includes all agency personnel and coverage for weatherization as well. Funds to meet both insurance obligations have been budgeted to each agency as a general insurance cost.

**f. Financial Audits –**

DHCD allocates funds to each subgrantee for expenditures related to required agency financial audits. Copies of the completed audits are submitted to DHCD for review by the Fiscal Manager, Program Administrator, and/or Analyst.

**g. Health and Safety -**

Ten percent of each subgrantee DOE contract funds are budgeted for Health and Safety expenditures as allowed by DOE. Costs associated with health and safety-related measures are included in the contractual line item but are separated from basic weatherization service costs. These funds are not included in the calculation of the assessment of program performance to determine the final program average per unit cost.

Health and Safety funds are used to complete minor home repairs that are necessary



for the effective application of weatherization measures, and to ensure or improve overall occupant safety. Health and safety funds may be used for costs associated with lead safe weatherization including the purchase of protective suits and equipment. Unused health and safety funds will be transferred to program operations.

#### **h. Leverage Funds –**

DOE identifies Leverage as any activity that supports or works to generate additional weatherization funding. Funding will be available to sponsor display space/booths at various public venues, including the Association of Energy Conservation Professionals' Annual Green Living and Energy Expo.

### **II.3. SUBGRANTEES**

A list of grantees is attached (**See Attachment A**).

#### **11.4 Production Schedule**

A completed Weatherization Assistance Program – Production Schedule is attached (**See Attachment B**).

#### **11.5 Energy Savings**

An estimated **84,985 MBTU** in total annual energy savings resulting from all funding sources is anticipated. This amount was determined using the formula found in the Estimated Energy Savings table (**See Attachment C**) at calculated by multiplying the total number of anticipated units weatherized by the recommended MBtu of 30.5.

### **II.6 TRAINING, TECHNICAL ASSISTANCE, AND MONITORING ACTIVITIES (T/TA)**

#### **A. Training and Technical Assistance -**

##### **1. Grantee Training and Technical Assistance (T/TA) Activities -**

DHCD has budgeted T/TA funds for personnel, fringe benefits, travel, building rents (Other), and indirect costs with the balance of these costs budgeted through DOE administrative funds and other funding sources. Grantee T/TA funds are budgeted to provide training for the statewide program. DHCD is developing a training plan that will occur in phases to meet the ramp-up and ongoing needs of the subgrantees. DHCD is negotiating with the New River Center for Energy Research and Training (NRCERT) to be the primary training provider. DHCD also will develop a statewide weatherization training curriculum in partnership with the Virginia Community College System (VCCS).

DHCD is evaluating vendor proposals to procure and implement a new program reporting database to increase program effectiveness and efficiency.

Any unused T/TA funds will revert to Program Support.

Budgeted funds **will also be used to** conduct any necessary, unplanned, conference or training events that will specifically benefit the subgrantees. This may include special or mandatory training recommended or required by the Field Monitor to correct deficiencies identified during compliance monitoring visits. These funds will also be used by DHCD staff to provide statewide training and technical assistance including specific T/TA visits, sponsoring the semi-annual subgrantee Interchange, and ad hoc regional roundtable discussions that review program technical changes and aid the review and revision of technical reference documents and the Program Implementation manual. DHCD will also participate in regional and national training and conferences, and work to promote energy conservation education.

DHCD will continue to conduct and require subgrantees to attend semi-annual “interchanges” and ad hoc regional roundtable discussions with WAP subgrantees. These meetings allow agency staff and subgrantees the opportunity to meet face-to-face and address any questions or concerns, and provide a forum for subgrantees to provide program policy and design input. Interchanges will be used to facilitate the coordination of WAP and other non-DOE programs, such as LIHEAP and Crisis, and staff from the Virginia Department of Social Services are invited to attend.

ARRA T/TA funds are budgeted specifically to contract with the New River Center for Energy Research and Training to provide on-site and on-demand training and technical assistance to weatherization subgrantees. Additional funds have been allocated to work with the Virginia Community College System to use their four state-of-the-art heating system training laboratories and develop a weatherization training component to accompany their heating system curriculum and promote green jobs.

Grantee T/TA funding will be used to provide on-site technical, financial and administrative or programmatic monitoring, and to conduct field training and administrative technical assistance by DHCD staff.

Grantee T/TA funds will be used to upgrade or replace the data collection and reporting system currently in use by the subgrantees to a web-based reporting system.

## **2. Subgrantee Training and Technical Assistance Activities -**

T/TA funds will be allocated based upon an average subgrantee staffing level, at \$1,000 per program related employee. This amount represents an increase in previously budgeted amounts and is intended to meet the increased training demands necessitated by the expectation of increased productivity, recent revisions to the Lead

Safe Weatherization requirements, and HVAC licensing requirements. The amount available for each agency will vary based upon the size of the weatherization workforce, the total calculated for subgrantee T/TA estimates approximately \$20,000 for 22 agencies. DHCD allocates T/TA funds directly to each subgrantee so that they may independently obtain agency specific training as needed. These funds may be used for leadership skills and management training for all program personnel, technical training for all crew personnel, and to obtain or enhance spread sheeting and data management skills for administrative personnel. Eligible uses include funds for travel for state and national conferences and meetings. Any funds unused for these purposes may be transferred by the subgrantee to their Program Operations activities. The amount of available T/TA funds are included in each subgrantee contract.

Additional T/TA funds may be made available to a subgrantee upon request on a case-by-case basis, contingent upon a demonstrated need the availability of funds. Additional funds may be used for participation in statewide training and technical assistance opportunities, participation in semi-annual subgrantee Interchanges, ad hoc regional roundtable discussions, and participation in regional and national training and conferences.

**Licensing Requirements:** DHCD requires that each subgrantee hold and maintain a Class A or B contractor's license, in accordance with State licensing regulations. DHCD does not currently require/mandate any certification or training for subgrantee staff. However, Virginia law requires that all HVAC work be performed by licensed tradesmen. If staff does not hold a journeyman or master license, subgrantees are required to work with a licensed HVAC contractor. Subgrantee initiated training and technical assistance activities may include costs associated with quality control inspections, training, licensing and certification training and/or examination fees.

## **B. Monitoring Plan and Policy**

### **1. On-site Compliance Monitoring**

DHCD has a written monitoring policy. Subgrantees receive a copy of the policy prior to compliance monitoring visits to ensure that subgrantees are fully aware of the work areas and subject matters to be reviewed. Prior written notice of the visit must be mailed to the attention of the subgrantee Executive Directors.

Subgrantees must be in compliance with program requirements and must have completed a satisfactory compliance review to be eligible for continued participation in the Weatherization Assistance Program. Compliance monitoring visits culminate in a written report that summarizes strengths and deficiencies noted during the review. Findings of non-compliance and/or agencies who fail to complete any required corrective action are violations of the terms and conditions of the signed agreement,

and subgrantees may be required to cease operations until the required corrective actions are satisfactorily completed. Failure to satisfactorily complete the required corrective actions may result in defunding of the subgrantee contract.

Technical assistance will be provided to local weatherization programs as they are monitored. This assistance shall occur during the monitoring process providing the monitor with an opportunity to explain and demonstrate to local agency personnel how the deficiencies can be corrected. Any deficiencies that appear to be program wide or affecting a significant portion of subgrantees will result in mandatory classroom training or one-on-one training as necessary.

Three work areas are monitored: technical field work, financial management, and administrative management. Installation of weatherization measures (field work) will be reviewed by the Field Monitor for compliance with the installation standards; financial management will be monitored by DHCD Financial Analysts from the agency's Administrative Division for compliance with Generally Accepted Accounting Practices and with OMB-Circular A-133, and the administrative work will be monitored by the Program Administrator for compliance with the program policy guidance set forth in the Virginia Weatherization Assistance Program Implementation Manual.

DHCD plans to expand its Field Monitor workforce during the upcoming program year.

## **2. Desk Monitoring**

Monitoring will take place on site. Only if travel is not possible due to travel restrictions or disaster will desk monitoring take place. Limited monitoring of production and financial reporting is performed upon receipt and review by DHCD. This review is primarily confined to subgrantee audits, conducted by an independent CPA, as required by contractual provision. Audit reviews are performed on an on-going basis. Failure to submit accurate and timely reports may result in withholding reimbursements.

## **3. Financial and Administrative Management Monitoring**

Subgrantees shall be monitored to ensure that appropriate and adequate financial management controls are in place and effective. Accurate, current, and complete financial records must be maintained and must be consistent with all submitted job reports and invoices. Subgrantees that fail to maintain appropriate financial record keeping and internal controls may be found to be out of contractual compliance.

DHCD staff will perform on-site financial monitoring of all subgrantees each program year. Subgrantees with exemplary monitoring reviews will be designated for review monitoring visits every other year. Additional monitoring visits may occur subject to need.

Subgrantees will be monitored to ensure that appropriate program documentation is maintained. This includes contracts and correspondence with DHCD, client applications, and local program policies.

## **II.7 DOE-FUNDED LEVERAGING ACTIVITIES**

Subgrantees will be allowed to use weatherization assets (vehicles, equipment, etc.) for the purpose of generating income or for the purpose of completing weatherization with other resources and all program income received through these efforts must be reinvested back into the weatherization program.

Leverage funds will be made available to subgrantees that submit a budget and a plan for how they will use these funds and what type of resources they seek to attract to the program.

Weatherization activities undertaken by subgrantees using weatherization equipment and personnel with funds from a leverage source must be reported (the funds received and the units weatherized) on the quarterly leveraging report.

## **II.8 Policy Advisory Council**

The Policy Advisory Council met on March 4, 2009 and received an overview of DHCD's plans to implement ARRA, program year 2009, and supplemental funding. The State Plan development timeline was reviewed and discussed and general comments were received regarding the program administration intent. The following have been invited to serve as members of the Advisory Council.

- Jim Schuyler/Virginia Community Action Partnership
- Andrea Gregg/Department of Social Services (Energy Assistance Program)
- Virginia Board, Virginia Board Dominion Power
- Larry Jackson, Appalachian Power Company
- Cathey France, Virginia Natural Gas
- Mike Alderman, Central Virginia Community College
- Robin Jones, Department of Mines, Minerals, and Energy
- Billy Weitzenfeld/Association of Energy Conservation Professionals

DHCD will post copies of the State Plan on the internet, notify each organization listed above, and all weatherization subgrantees that the state plan is available for review and comment prior to the public hearing date.

## **II.9 Hearings and Transcripts**

A public hearing will be held on April 15, 2009 at the DHCD office building at 501 North 2<sup>nd</sup> Street, Richmond. The notes of that hearing, along with written comments, *are included within the state plan as an attachment.*

## **II.10 ADJUSTMENTS TO ON-FILE INFORMATION**

### **III.1.1 General Description**

### **II.2.3 Budget Justification**

DHCD intends to significantly expand its weatherization workforce by requesting to add four staff-persons to complete various weatherization related functions to raise the number of individuals with significant weatherization related assignments to a total of six(6). The key personnel will be the Program Administrators who will have day-to-day responsibility for program implementation and oversight. A general description of the duties and responsibilities of each person is listed in an earlier portion of this document.

### **III.2.1 Type of Work to Be Done**

*Fuel Switching:* Programs responsibilities regarding fuel switching have been updated. Fuel switching is not allowed based solely upon a client's preference for an alternate fuel source. However, when water heater replacement is required, the program will seek a replacement that represents the most cost effective installation and will yield highest savings to investment ratio. In some instances this may lead to fuel switching.

*Lead Safe Weatherization:* The Health and Safety guidelines have been updated to allow weatherization providers to complete lead testing if required, and to complete clearance testing on all jobs. Instructions regarding lead safe weatherization are outlined in the program implementation manual.

*Space Heater Restrictions:* The use of space heaters is prohibited by the Virginia program in keeping with WPN 08-04.

### **Insurance/Liability**

If a subgrantee uses a private contractor, that contractor must have liability insurance and POI is strongly encouraged.

### **Multifamily**

DHCD will allow grantees the flexibility to exercise a more comprehensive approach to serving low-income clients. With this in mind, DHCD has reviewed the multi-family guidelines to minimize or eliminate impediments to the use of funds in addressing multi-family weatherization. DHCD has reduced its policies that are beyond the DOE

minimum requirements to assist subgrantees in meeting production goals and expectations.

Certain repairs may be accomplished in the course of providing weatherization assistance. However, the overall goal of the weatherization program remains reduction in heating costs through energy efficiency and health and safety improvements. All repairs provided under the program must be consistent with these goals.

Not less than 66 percent of the dwelling units in the building must be resided in by families that are income eligible. In a multi-unit building serviced by a mass metered heating or cooling system, not less than 50 percent of the dwelling units must be resided in by families that are income eligible.

### **III.5.4 Training and Technical Assistance Approach and Plan**

Grantee T/TA funds are budgeted to provide training for the statewide program. DHCD is developing a training plan that will occur in phases to meet the ramp-up and ongoing needs of the subgrantees. DHCD is negotiating with the New River Center for Energy Research and Training (NRCERT) to be the primary training provider. DHCD also will develop a statewide weatherization training curriculum in partnership with the Virginia Community College System (VCCS).

DHCD is evaluating vendor proposals to procure and implement a new program reporting database to increase program effectiveness and efficiency.

T/TA funds will be allocated based upon an average subgrantee staffing level, at \$1,000 per program related employee. This amount represents an increase in previously budgeted amounts and is intended to meet the increased training demands necessitated by the expectation of increased productivity, recent revisions to the Lead Safe Weatherization requirements, and HVAC licensing requirements. The amount available for each agency will vary based upon the size of the weatherization workforce, the total calculated for subgrantee T/TA estimates approximately \$20,000 for 22 agencies. DHCD allocates T/TA funds directly to each subgrantee so that they may independently obtain agency specific training as needed. These funds may be used for leadership skills and management training for all program personnel, technical training for all crew personnel, and to obtain or enhance spread sheeting and data management skills for administrative personnel. Eligible uses include funds for travel for state and national conferences and meetings. Any funds unused for these purposes may be transferred by the subgrantee to their Program Operations activities. The amount of available T/TA funds are included in each subgrantee contract.

### **III.5.5 Leveraged Resources**

DHCD encourages the federally allowable practice of leveraging resources by subgrantees to generate additional weatherization program income. Leveraged resources must produce a documented return of more than one dollar for every dollar spent. The leveraged resources should expand energy efficiency services and/or increase the number of DOE-eligible dwelling units weatherized. Landlord contributions are not considered leveraged resources. Subgrantees are required to report on a quarterly basis the amount and type of all leveraged resources.

### **II.11 Miscellaneous**

Form 4600.4 will include funds for the purchase of vehicles and equipment to increase production in response to the increased funding from the American Recovery and Reinvestment Act.

### **II.12 Assurances and Certifications**

The following boilerplate forms are required and will be submitted with the completed State Plan at the end of the comment period. These forms are not attached here.

- Nondiscrimination in Federally Assisted Programs (DOE F 1600.5),
- Certifications Regarding Lobbying; Debarment, Suspension and Other Responsibility Matters; and Drug-Free Workplace Requirements (FA-CERTS)
- Disclosure of Lobbying Activities, Standard Form LLL.

State Plan Public Hearing Date:

April 15, 2009 at the Department of Housing and Community Development, 501 N. 2<sup>nd</sup> Street, Richmond, VA 23219, in the Board Room from 10:00 a.m. to 12:00 p.m.



## Attachment A

### Subgrantees and Service Area

<u>Local Administrator</u>	<u>Location</u>	<u>Contract Projection</u>	<u>Projected Production</u>
BayAging	Urbanna	\$1,324,864	171
Central Virginia Area Agency on Aging	Lynchburg	\$829,519	107
Clinch Valley Community Action Agency	Tazewell	\$681,026	87
Community Energy Conservation Program	Charlottesville	\$2,935,140	382
Community Housing Partners Corporation	Christiansburg	\$6,360,688	830
Crater District Area Agency on Aging	Petersburg	\$1,379,491	178
Eastern Shore Area Agency on Aging/ Community Action Agency	Onancock	\$488,212	62
ElderHomes Corporation	Richmond	\$2,554,277	332
Tri-Counties Community Action	South Boston	\$671,820	86
H.O.P.E., Inc.	Farmville	\$1,260,532	163
Lynchburg Community Action Group	Lynchburg	\$649,136	83
Mountain Community Action Program	Marion	\$744,148	95
PEOPLE, Inc.	Abingdon	\$817,829	105
Pittsylvania County Community Action Agency	Chatham	\$1,194,637	154
Rappahannock Area Agency on Aging	Fredericksburg	\$958,394	123
Rooftop of Virginia Community Action Program	Galax	\$620,487	79
Rural Area Development Association	Gate City	\$1,249,535	161
Southeastern Tidewater Opportunity Project	Norfolk	\$3,729,478	486
Support to Eliminate Poverty	Rocky Mount	\$621,780	79
Telamon Corporation, Inc.	Richmond	\$623,232	80
Total Action Against Poverty	Roanoke	\$2,038,623	265
Williamsburg-James City County Community Action Agency	Williamsburg	\$963,482	124
<b>Subgrantee Totals:</b>		<b>*\$32,696,330</b>	<b>*4,228</b>

*\*Represents 50% of Recovery Act Budget to Weatherize Units*

**Attachment B**

**Production Schedule**

U.S. DEPARTMENT OF ENERGY

Weatherization Assistance Program — Production Schedule

Weatherized Units(Total)	<b>Annual Total</b>
	8,600
Reweatherized Units	0

Vehicles and Equipment \$5,000 or more Average Cost per Dwelling Unit (DOE Rules)

A.	Total of Vehicles and Equipment .....	\$2,200,000.00
B.	Total Units to Be Weatherized, from Production Schedule above.....	8,600
C.	Units to be Reweatherized, from Production Schedule above .....	0
D.	Total Units to be Weatherized, plus Planned Reweatherized Units from Production Schedule above (B plus C) .....	8,456
E.	Average Vehicles and Equipment Cost per Dwelling Unit (A divided by D) .....	\$255.81

Average Cost per Dwelling Unit (DOE rules)

F.	Total of Funds for Program Operations .....	\$54,963,573
G.	Total Units to be Weatherized, plus Planned Reweatherized Units from Production Schedule above (total from D above) .....	8,600
H.	Average Cost per Dwelling Unit, less Vehicles and Equipment (F divided by G)	\$6,357
I.	Average Cost per Dwelling Unit for Vehicles and Equipment (total from E).....	\$255.81
J.	Total average Cost per Dwelling Unit (H plus I).....	\$6,500

## Attachment C

### Estimated Energy Savings Worksheet

#### Attachment C

#### Estimated Energy Savings Worksheet

DOE Program	Amount	Line
Total DOE State Weatherization Allocation (a)	\$94,135,276	(a)
Total Cost associated with Administration, T&T/A, Financial and Energy Audits or 15% of allocation (b)	\$39,249,892	(b)
Subtract the amount entered in line (b) from line (a) for a total Federal (DOE) funds available to weatherize homes	\$54,884,384	(c)
State Average Cost per Home or National WAP Program Year Average Cost per Home (i.e. ARRA & PY20098 \$2,966)	\$6,500	(d)
Divide the amount entered on line (c) by the amount entered on line (d) for Total Estimated Homes to be Weatherized	8,444	(e)
Multiply (e) by 30.5 MBTU for Total Annual Estimated Energy Savings resulting from DOE appropriated funds	257,534	(f)
<b>All Funding Sources</b>		
Total funds (e.g. DOE WAP, State, Leveraged, LIHEAP, and other non-Federal sources of funds) used by the State to weatherize homes	\$110,636,987	(g)
Total cost associated with the administration of Weatherization funds or 15% of total funds available to weatherize homes	\$16,978,553	(h)
Subtract the amount entered in line (h) from line (g) for total funds available to weatherize homes	\$93,658,434	(i)
State Average Cost per Home or National WAP Program Year Average Cost per Home (i.e., ARRA & PY20097 42,744)	\$6,500	(j)
Divide the amount entered on line (i) by the amount entered on line (j) for Total Estimated Homes to be Weatherized	14,409	(k)
Multiply (k) by 30.5 MBTU for Total Annual Estimated Energy Savings resulting from all funding sources	439,474	(l)