WAP Income Generation and Leveraging – A State Perspective

Weatherization Works

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What is the U.S. Department of Energy's (DOE) Weatherization Assistance Program or "WAP"?

The WAP was created in 1976 to assist low-income families with energy efficiency improvements and has upgraded the homes of more than 7.4 million low-income Americans with comprehensive weatherization retrofits since its inception. The program has continually advanced its home performance diagnostics testing and installation techniques, invested in comprehensive evaluation, and developed workforce training and technical standards.

The WAP services are delivered by local non-profit organizations funded through the states with the federal WAP appropriations. These agencies and their state counterparts also establish partnerships that bring other funding streams, including other federal, state, and rate-payer to the organization to expand the investments delivered in conjunction with the federal WAP.

WAP statutory mission: To reduce energy costs for low-income families, particularly for the elderly, people with disabilities, and children, by improving the energy efficiency of their homes while ensuring their health and safety.

What is NASCSP?

The National Association for State Community Services Programs (NASCSP) represents the states in their work to improve the lives of low-income families and strengthen local economies. NASCSP members are state and territorial agencies that administer the federally-funded Community Services Block Grant and the Weatherization Assistance Program.
NASCSP Mission: Building capacity in states to respond to poverty issues.

The WAP Income Generation and Leveraging Manual is intended to provide a state-related focus on many of the opportunities and methods collected by the Weatherization Leveraged Partnerships project of Economic Opportunity Studies (EOS). Comprehensive information is found on the website — www.WeatherizationPLUS.org Additional support is available through info@opportunitystudies.org.

The Weatherization Assistance Program Technical Assistance Center (WAPTAC) is an extensive electronic repository of information on the Weatherization Assistance Program. Visit WAPTAC to find the history and detail of DOE WAP program regulations, program guidance, and annual funding survey.

I. Introduction for State Leaders: Weatherization Income Generation and Leveraging

This guide highlights resources and strategies for States to use when developing and supporting partnerships that provide additional resources to complement the U.S. Department of Energy's (DOE) weatherization program funds. It explains the essential elements of the major types of high-impact partnerships and provides tested tools for creating and sustaining similar future initiatives.

States and Their Leveraged WAP Resources

Many states' Weatherization Programs combine substantial additional resources with their DOE funding. More than 40 states allocate some LIHEAP funding to WAP or WAP-coordinated resources, with the nationwide total roughly equal to 10% of all LIHEAP funding. Nearly as many states have laws or utility regulations that provide ratepayer funded low-income weatherization resources through the WAP delivery network; some transfer such funds directly to the state's WAP, while others, the majority, establish partnerships with the WAP local network. A few states dedicate fees or tax revenue to the state Weatherization Program.

> The annual WAP Funding Survey provides WAP funding and protection from all sources, posted on WAPTAC at [http://waptac.org/WAP-Basics/Funding-Survey.aspx.](http://waptac.org/WAP-Basics/Funding-Survey.aspx)

Numerous long-term partnerships were formed more than a decade ago before many incumbent WAP administrators took office; the process of creating new leveraged resources may be unfamiliar to the present-day managers. Even states with substantial current leveraging partnerships and activities face changing expectations and conditions as energy efficiency policies and markets evolve. This summary of leveraging strategies and resources to kick start initiatives can be useful to leaders in both categories.

The non-federal investments, in particular, are not evenly distributed among Grantees and Subgrantees. Leveraging efforts across the country have varied. Some states have long histories of success, others are yet to start.

[Note: In this Manual, "State" and "Grantee" are used interchangeably and refer to States, the District of Columbia, Territories, and Tribes that, as grantees, receive annual DOE WAP awards.]

Defining Leveraging and Income Generating Partnerships

The term "leveraging" is used loosely to cover a broad range of strategies that bring additional funds and resources to supplement the WAP. DOE WAP Grant Guidance defines it more narrowly that "*leveraging means the obtaining by a state of additional program-targeted non-Federal cash or in-kind contributions as a result of the Weatherization Program-funded activities.*" As a result, it is fair to distinguish WAP leveraging activities as the program activities that expand the program and provide more energy–related services to the federally eligible low-income population. The programs or program add-ons that get funded as a result of *leveraging activities* are more properly considered Weatherization-partnered or Weatherization 'Plus' programs.

In addition to leveraged weatherization program expansion, resources are generated by at least two other strategies in many states – integrating WAP services with other federal resources for the same household and generating additional non-federal income for the WAP local workforce and organizations to enhance the capacity of the organizations to deliver the WAP. The latter activity may result from providing weatherization measures to non-WAP eligible households, or fee-for-service. Both are called *Income Generating Partnerships* in this Guide.

Leveraged Resources: The Impact

- Increasing the services to low-income homes, by weatherizing more homes and/or by installing additional energy or related measures;
- Ensuring year-round jobs and competitive wages to your trained workforce at all levels;
- Increasing stakeholders with a vested interest in the Program's performance;
- Maintaining and reinforcing jobs, training, and expertise within the Weatherization network; and
- Lessening Grantee and Subgrantee vulnerability to reductions in any single Weatherization funding resource.

Why Private Partners and Public Agencies Benefit from Becoming WAP Partners

Private partners, including utilities, are implementing low-income efficiency programs, and need assistance identifying and gaining access to low-income homes. LIHEAP programs need health and safety related quick-response assistance for participants with high usage or equipment emergencies. Affordable housing owners need energy audits and strategies for keeping bills low. All these partners require results that only skilled retrofit technicians can deliver and inspect.

WAP's trained and professional workforce provides quality energy audits and performs quality retrofit work. These assets make WAP a logical and sensible partner for investors in residential energy efficiency. The WAP has led the nation in advancing residential energy efficiency technology, research, and work practices since the late 1970s. WAP continues to serve as a valuable proving ground and market outlet for the tools, training and ideas that advance the greater home performance industry.

The Lesson of Leveraging History: It takes "Leveraging Activities" to Establish New Partnerships and Maintain Current Ones

Experts have estimated that 90% of the leveraged ratepayer programs are the result of state-funded leveraging activities, generally carried out by associations of WAP subgrantees or a designated lead local agency. Some of these programs were initiated with WAP leveraging resources as long as twenty years ago and have shown huge returns on investment and are now self-sustaining with leveraged funds. All stakeholders must realize that WAP leveraging partnerships do not form overnight. It takes time to build recognition and trust, develop partnerships, and identify champions and implement sound programs. The resulting long-term relationships are worth it.

In all 38 states with utility partnerships, at least one program advocate participated in many person-years of meetings, coalition negotiations with clean energy and housing interests, direct discussions with potential and actual utility partners, attendance at regulatory and legislative hearings to provide expert testimony and, not least, in organizing the delivery of the hard-won resources.

Preferably, a leveraging initiative is funded to be an ongoing endeavor rather than a one-time, short term project. Successful programs can be evidence that builds the program's attraction for new investors. With perseverance, the WAP network or local agency can become a first option partner for both business and government related energy efficiency and housing related projects.

Using DOE WAP Funds: DOE Leveraging Rules and Guidance

The WAP statute allows program funds to be used for leveraging activities. It says in part,

Sec 6464a Private Investment

(*a) In general*

The Secretary shall, to the extent funds are made available for such purpose, provide financial assistance to entities receiving funding from the Federal Government or from a State through a weatherization assistance program under section 6863 or section 6864 of this title for the development and initial implementation of partnerships, agreements, or *other arrangements with utilities, private sector interests, or other institutions, under which non-Federal financial assistance would be made available to support programs which install energy efficiency improvements in low-income housing.* The entire section can be found at: http://www.opportunitystudies.org/leveraging/basics/leveraging-statute/#2.

In 1991, DOE introduced leveraging into national WAP grant guidance materials, including information on how to pay for the costs associated with WAP leveraging initiatives. Throughout the 1990s, DOE funds helped underwrite many WAP leveraging, financial management, and grant writing training sessions.

Federal DOE rules govern how States can designate up to 15% of program funds to support leveraging activity costs. No more than 20% can be used for the state's own activities. Some states have used T&TA funds instead of program funds, but T&TA funds may be too limited to support the sustained and expert work needed to create the partnerships.

State WAP Managers also need to be aware of applicable rules related to leveraging in the annual DOE Grant Guidance when developing their leveraging plan. DOE leveraging activity funds can be used to support limited support staff and/or consultants, communications, and other activities. The most common uses include:

- Staff time at a CAA Association or a lead local agency to secure, coordinate, and/or monitor leveraged efficiency programs and regulatory opportunities;
- Legal assistance for regulatory proceedings provided through CAA Association or directly from the state;
- Preparation of reports, fact sheets, and other materials for informational outreach.

DOE regulations recognize that leveraging success is not always guaranteed; however, leveraging activities should aim to produce at least one leveraged dollar for each program dollar expended. There is no penalty for not achieving this payback, but an initiative should not continue if it is not successful after three years.

[If states choose ***not*** to use DOE funds to support their leveraging project development activities, they do not have to follow DOE grants management and reporting rules. However if DOE-purchased vehicles, tools, and equipment are utilized in the projects funded by leveraged funds, then all DOE financial management rules must be followed. This is an important consideration and the applicable information from regulations and Grant Guidance is found in Appendix A at the end of this Guide.

In addition to DOE funds, other potential sources of funds for WAP leveraging activities expenses include:

- Low Income Home Energy Assistance Program block grant (LIHEAP–) – A state may use up to $35,000 per year to support leveraging functions. Allowed uses are similar to the WAP funds. For more information on LIHEAP leveraging see "Leveraging LIHEAP Funds" by Kay Joslin, found at http://stateenergyreport.com/2013/08/10/leveraging-liheap-funds/.

- Community Services Block Grant (CSBG) – often used for various "development" activity. ROMA reports count the community changes gained by these efforts.

II. Role of the State WAP Office in Leveraging Activities

The State WAP office role in leveraging activities is typically to provide financial resources, technical assistance, national and state-specific WAP data, and training initiatives to help their agencies advocate and implement new leveraged projects and partnerships. Further, State leaders can be very effective in coordinating agreements with other state agencies, beginning with the LIHEAP grantee agency but also including the departments of housing, rural development and public health. The State WAP office may receive initial contact from interested partners, and needs to be in position to proactively respond to potential beneficial opportunities.

Policymakers such as utility regulators and legislative oversight committees are likely to ask for state assurances that the WAP network is capable of delivering a proposed partnership program. Once implemented, there will be similar interest in the results of state monitoring of local financial and program management.

However, state managers are not well-positioned to undertake the type of partnership development work required for regulated utility initiatives or the design of state legislative funding streams. Both require extended engagement in public-private coalitions and their political discussions as well as engaging through advocacy through multiple stages of rate cases.

Those responsibilities have typically been assigned to a statewide WAP or CAA association or to a lead agency designated by its peers to represent the network. Some states have successfully engaged public interest attorneys on a long-term basis.

The amount of State staffing time needed will depend on the particular project and who will be taking the lead. Appointing a State staff person to act as liaison to represent the state at stakeholder meetings is recommended. The lead State staff person can:

- help organize, coordinate, and facilitate meetings to form the WAP network strategic leveraging team;
- provide technical support for the development of a plan, as well as current and historical data on WAP expenditures, production, and recipient demographics;
- ensure and oversee transparency and grant accountability, making certain DOE rules and guidance are recognized and followed as necessary;
- take a lead role in developing partnerships and collaborations with other state agencies; and

- develop relationships with other State leveraging leaders to obtain information on successful initiatives.

Are the Effort and the Risks Worthwhile?

There is a natural concern about diverting any much needed program funding, including reducing the number of weatherized units, to fund the process of developing new resources. However, almost every well planned and dedicated effort has had significant returns.

Steve Payne, Director of the Community Services and Housing Division for the Washington State Department of Commerce explains in a 15 minute interview how their decision to make a commitment to invest in a permanent leveraging initiative in 1993, called "The Energy Project," has paid off many times over. This story reflects the experience nationwide over more than two decades. Take a few minutes to listen to Steve's interview and hear about benefits his state's WAP Leveraging initiative have brought to his network . You can hear the interview at http://www.opportunitystudies.org/leveraging/.

> *"The most successful and long-term weatherization utility leveraging initiatives are in states where a commitment was made at the state level to support a leveraging initiative."*
>
> Steve Payne, Director, Community Services and Housing Division,
>
> Washington State Department of Commerce

The State Leveraging Plan

1. DOE Annual Application: Part of the planning process is to determine whether DOE WAP funding is needed to initiate a leveraging initiative. If so, the State WAP Office will need to write and submit a State Leveraging Plan as part of the annual grant application as instructed by the guidelines in the annual grant guidance. The WeatherizationPLUS.org website contains examples of language used in approved State Leveraging Plans at: http://www.opportunitystudies.org/repository/File/State_Leveraging_Plan_Examples.pdf.

2. The Leveraging Initiative Strategy Plan: Experienced state managers strongly recommend making a detailed strategic plan for the leveraging activities that develop the resources and the partnerships, and also the plan for how new services or other leveraged investments are going to be integrated with WAP delivery. It is not necessary to include the detailed plan in the federal application. However, a fast start up of new leveraging activities, even in states where other leveraging activities have been funded, is facilitated by a mutual understanding of goals, roles and budgets among State and local WAP network organizations and other stakeholders.

Ideally, the State WAP office and the local network will meet and develop a plan that will:

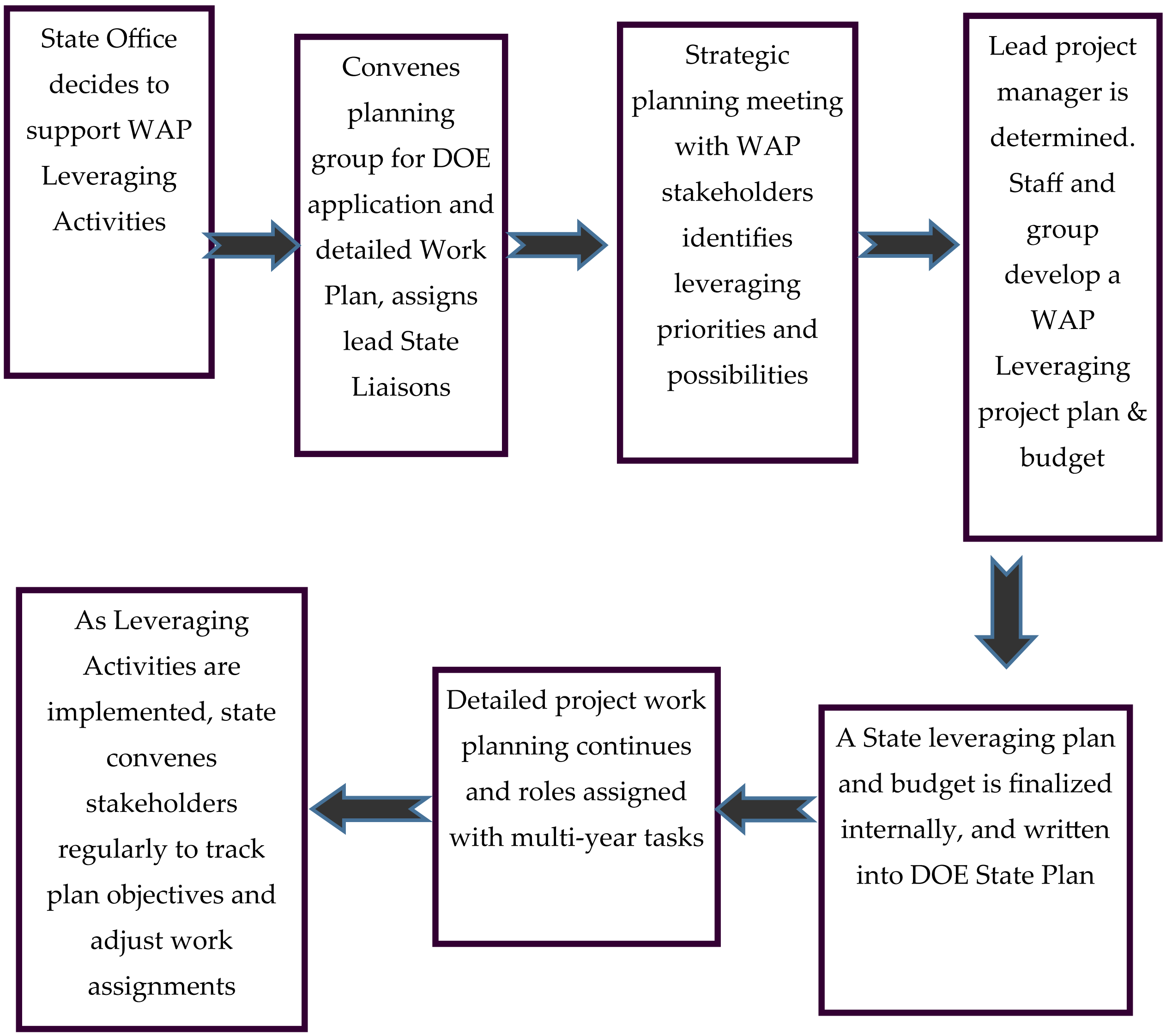
- Identify shared goals among local agencies;
- Appeal to the state management;
- Be realistic to perform if the new opportunity is achieved;
- Define clear roles and responsibilities; and
- Have a detailed plan for outreach, advocacy, education, and project development phases.

A template for this strategic planning process is found at the www.weatherizationplus.org site.

KEY TO SUCCESS: All highly successful weatherization income generation and leveraging projects have a designated project manager with a clearly defined role including responsibility for strategic planning and for day-to-day oversight and communication. The designated project manager is typically not a state employee. This person identifies and engages in regulatory and legislative developments, as well as new leveraging opportunities, and is often responsible for overseeing implementation of such projects.

Aside from plan submittal, the State role is most often a supportive one, collaborating with the subgrantee network and other stakeholders to form a strategic team to provide leadership and input into a long-range leveraging plan.

A State's Leveraging Planning Strategy Steps



III. Different Funding Partnerships: LIHEAP, Utility Programs, Enterprise Development, Multifamily Weatherization, and Weatherization Plus Health

LIHEAP

Nationally, according to the NASCSP WAP PY 2012 Funding Survey, WAP received $436 million dollars, or 48.9% of WAP operating funds, from LIHEAP, making it the largest single funding source. LIHEAP transfers were made in 43 states, demonstrating the significant role LIHEAP plays in supplementing DOE funds to support the national delivery of the Weatherization network's energy efficiency investment to low-income households.

The LIHEAP statute provides that States can use up to 15% of the LIHEAP grant for weatherization without federal approval and also allows states to transfer up to 25% of the LIHEAP grant to WAP with a Good Cause Waiver. The Good Cause Waiver is described in more detail in Appendix B.

In some states, including California, Pennsylvania and Virginia, the state legislature mandates LIHEAP WAP allocations. In many others, a State WAP leader collaborates with the State LIHEAP office on the amount and use of LIHEAP funds for weatherization that will be in a LIHEAP plan.

Many State WAP offices also receive direct and/or automatic referrals from LIHEAP offices, both for WAP applications and to identify high end users and high energy burden households. Being able to prioritize WAP services for high end users and high energy burden households may be an attractive incentive for LIHEAP offices in discussions and negotiations with State WAP managers.

LIHEAP Crisis Intervention

LIHEAP Crisis intervention Programs coordinate with the State WAP office and the local WAP service delivery network to establish rapid response capacity in many states. Generally, any activity that is necessary to resolve a crisis is allowable, such as providing temporary shelter until heat can be restored by the repair or replacement of a furnace. Allowable measures include, but are not limited to: furnace repair, furnace replacement, broken window repair, broken window replacement, imminent danger of shut-off, shut-off, or out of fuel. A crisis may also exist due to extreme cold or heat which constitutes a threat to the health and/or safety of a member of the household.

One example is in **Idaho**, where crisis funds can be used to address and ameliorate energy issues which may pose health and/or safety risks to low-income households. The two primary purposes are stated as:

- To mitigate out of fuel, imminent shut-off, or shut off; and
- Provide energy efficient or measures that address health and safety issues within the dwelling.

State WAP managers can assure that LIHEAP offices are aware the WAP can be a service resource for crisis intervention initiatives.

Utility Programs and Weatherization Assistance

For several years, the greatest source of non-Federal funds in the WAP has been utility funded programs. There are many successful WAP-utility partnership programs operating across the country that have had a huge impact for the states and agencies where they exist, greatly expanding WAP services in terms of clients served and the number and range of measures installed.

While energy efficiency resources collected in utility rates are growing steadily, the share devoted to low-income programs is not. Today, WAP network workforce captures about half of the low-income utility program funding if California's massive programs are excluded from the equation. Clearly there is potential to expand without further increasing programs.

The main value of WAP initiatives to partner with these programs is in designing joint delivery of the investments by the taxpayer and utility ratepayer for efficiency and lack of duplication, of course, but also for several other reasons including:

- to incorporate whole-house weatherization with baseload utility investments;
- to assure the quality and durability of the package of investments; and
- to reach additional homes in the utility service territory and provide reduced usage offered by baseload programs, including to those on the waiting list.

Appendix C contains material describing the extensive commitment and steps to participate in the regulatory decisions that determine low-income utility projects and potential WAP/utility programs, with links to more detailed sources. It explains some complexities of the leveraging activities called for in the regulatory arena, including a key element driving the time-consuming process: regulators operate in a judicial-type environment and in any rate case, which is where program details as well as cost are decided, they cannot consider a programmatic alternative unless there is testimony and evidence in the record of that specific case. WAP's advocates must make the same case and present similar evidence in every single proceeding, including rebuttals of other interveners.

"It's important to always have a presence at the table in all the meetings, discussions, and especially negotiations and settlements … the important thing is to be there as an advocate for your programs and for the people they serve, to debunk misleading stereotypes and presumptions."

Chuck Eberdt, Director, The Energy Project, Washington State

Fee-for-Service – Weatherization Enterprise Income-Generation

The impetus behind WAP agencies considering a fee-for-service energy enterprise is to capitalize on their knowledge base, workforce, and management capacity to provide income generating services. There are many areas of the country where the WAP models of conducting comprehensive energy audits, advanced diagnostic testing, and whole house weatherization are not done by other businesses and there is considerable opportunity for providing weatherization services to non-low-income households as a business enterprise. Since there are no shareholders in a non-profit organization, the profits from the related social enterprise are completely re-invested in the work of the organization. Most important for WAP agencies: added work keeps a full time energy team employed, challenged and well-paid.

Is There a State Role in Fee-for-Service?

Although State WAP offices will not be the developer of local fee-for-service business enterprises, they may serve an important support role in assisting local Subgrantee agencies in exploring their options by provide technical assistance in the early phases of planning and consideration of an agency for-profit enterprise. Key issues include not only the required business planning and management skills, but also conducting due diligence, market research, and separating the private and government accounts and activities that could jeopardize the parent agency if not set up correctly. The distinctions between the parent nonprofit agency and the new for-profit or "Fee for Service" entity must be clearly delineated in each organization for all business functions. As part of the fee-for-service exploration phase, local weatherization agencies need to undertake strategic planning and perform an agency assessment with their energy staff, financial staff, and Board of Directors, as well as consult agency auditors and attorneys, especially when creating new entities like Limited Liability Corporations (LLC). The State office can provide guidance, oversight, and support to help ensure that WAP subgrantee agencies pursuing a weatherization business enterprise are doing so appropriately.

Pages 35—37 of the New York State Weatherization Program's Policies and Procedures Manual were found at http://www.nyshcr.org/Publications/WeatherizationManual/WAP_Manual.pdf, provide an excellent overview regarding fee-for-service activities.

The WeatherizationPlus.org website includes in-depth information on WAP fee for service at http://www.opportunitystudies.org/leveraging/fee-for-service/.

Appendix D contains more in-depth information and resources pertaining to Fee for Service and Weatherization Enterprise.

Multifamily Weatherization

The weatherization of multifamily buildings has arguably been underserved in WAP when comparing the percentage of completed multifamily units to the percentage of low-income families residing in this housing stock. A proactive effort to enhance multifamily weatherization occurred during the ARRA period, including overcoming the barriers, advancing technical standards and best practices, and fostering financing opportunities.

More comprehensive information on the status of multifamily weatherization can be found on the EOS website. An in-depth DOE sponsored Webinar titled "Overcoming Persistent Barriers to Energy Efficiency in Multifamily Housing," found at: http://www1.eere.energy.gov/wip/solutioncenter/pdfs/energy_efficiency_in_multifamily_housing.pdf, provides extensive information from a number of national organizations and experts, and is strongly recommended as a comprehensive one-stop primer for interested parties.

While the vast majority of multifamily projects will be local initiatives, the State WAP office may have important roles in helping spotlight the multifamily initiative and available resources, coordinating agreements with other state agencies, and managing training and technical assistance efforts.

Weatherization Plus Health

The U.S. Department of Energy's (DOE) Weatherization Plus Health initiative, implemented by NASCSP, is a national effort to enable the comprehensive, strategic coordination of resources for energy, health, and safety in low-income homes. Weatherization Plus Health has provided a series of resources to empower the Weatherization Assistance Program (WAP) and Healthy Homes providers to establish strong partnerships, coordinate service delivery, and implement new strategies to benefit their communities. A major goal of the initiative for WAP operators is to leverage additional resources for WAP health and safety measures, thereby providing more comprehensive services, reducing deferrals, and helping preserve WAP funds for core energy efficiency measures.

The Weatherization Plus Health website, www.wxplushealth.org, is a comprehensive source of data, resources, and tools to connect low-income community energy and health providers with much needed services and resource information. It also identifies home location health hazards and energy costs. The GeoExplorer tool can help the user identify various layers of data for their location including weatherization and healthy homes providers, population demographics, and environmental data on climate and radon zones.

The Weatherization Plus Health Toolkit and the Weatherization Plus Health National Report have many useful resources, tools, and best practices for WAP network operators.

The Patient Protection and Affordable Care Act

The Patient Protection and Affordable Care Act (ACA), enacted in 2010, includes a number of provisions that may be opportunities for the WAP network. The basic premises for the opportunities are:

WAP network operators are in more low-income homes than any other organization or business in the country;

WAP operators analyze the health and safety issues in the dwelling unit, and

WAP operators understand the correlation that indoor air quality and housing related issues have on recurring health issues of the residents.

State WAP managers can help coordinate awareness and development of these opportunities within their statewide network. State WAP leaders can also promote the WAP network's logical role as a player in these initiatives among other related state government agencies and statewide organizations.

Appendix E lists several potential opportunities for WAP operators in regards to ACA.

Appendix A: DOE Rules and Guidance

The following includes an overview of various related and important DOE Rules and Guidance that is provided to State WAP grantees each year. This information can also be found on WAPTAC under the Rules and Guidance tab:

From 10 CFR Part 440

Section 440.18 Allowable Expenditures

(14)Funds used for leveraging activities in accordance with 440.14(b)(9)(xiv)

Section 440.14 State Plans

(b) The Proposed State Plan must include:

(xiv) The amount of Federal funds and how they will be used to increase the amount of weatherization activities that the State obtains from non-Federal sources, including private sources, and the expected leveraged effect to be accomplished.

From DOE WAP Program Year 2014Grant Guidance Weatherization Program Notice (WPN) 14-1 Program Year 2014 Weatherization Grant Guidance

3.3 LEVERAGED RESOURCES

Leveraged funds included in the budget of the DOE award must meet all WAP rules, regulations and guidelines. Grantees should carefully consider the advantages and challenges related to including leveraged funds in the DOE award. Landlord contributions are not considered leveraged resources. They are generally not voluntary and often come with special requirements. Grantees who require further clarifications or guidance on leveraged resources should contact their respective DOE Project Officer.

WPN 14-1 Application Considerations

As all seasoned State WAP Managers know, the DOE WAP Annual State Plan application process is now fully electronic and applications must be submitted on the Performance and Accountability for Grants in Energy (PAGE) website.

Two DOE WAP Annual State Plan application package budget forms, the Standard Form 424A (SF -424A) and the Budget Justification, work in conjunction with one another to provide DOE a clear understanding of how the Grantee is proposing the use of funds following the DOE rules and regulations.

The following depicts the relationship between the sections of the SF-424A and how that information flows into the Budget Justification. The applicant must provide a separate SF-424A budget and Budget Justification for any subrecipient that will manage the program on behalf of the State and provide these documents as attachments to the SF-424 application in PAGE.

Below are specific aspects (both advantages and challenges) Grantees should keep in mind when considering whether or not to include 'leveraged funds' in both the SF-424 Application and SF-424A Budget. DOE funds used for leveraging must be used according to DOE rules and tracked and reported.

	Advantages	**Challenges**
Leveraged Funds Included in ***Budget***	By including the leveraged funds amount in the budget, those funds are calculated into administration percentages and T&TA allocations, giving the Grantee and Subgrantees additional funds to administer the leveraged resources and train staff.	Must follow all DOE rules, regulations and guidelines and any measures installed using these leveraged funds must be justified by the audit/priority list, follow DOE approved procedures, and must be included in the average cost. As such, the Grantee cannot use the leveraged funds for any measures or activities not justified by the audit or the included in Appendix A.

Leveraged Funds ***Not Included*** in Budget	A percentage of the grant can be used to attract funds but the funds leveraged do not have to follow all DOE rules. Instead, these funds can be used in parallel to the DOE Program and funds can be allocated for other activities not necessarily justified by the audit or included in Appendix A (e.g., house repairs beyond the allowable incidental repairs, replacing stand-alone freezers, health and safety activities that if not accomplished might result in a deferral, etc.).	No additional % of funds can be used to administer leveraged funds or be allocated for T&TA if the leveraged funds are not included in the DOE budget.

From DOE WAP Program Year 2014 Grant Guidance – WPN 14-1 "Application Instructions," Section B – Budget Categories, pgs. 21-22

Leveraging – *Optional Category*

- DOE Program regulations permit Grantees to take a percentage of their grant to undertake leveraging activities which may supplement Weatherization or be used to run a parallel Program (regardless of who initiates the action). Leveraging activities include paying for agency staff or hiring consultant staff to explore and develop partnerships with utility companies and other entities that will generate non-Federal resources for Weatherization. Other allowable activities include:

  Holding leveraging meetings, preparing technical materials/briefs, or facilitating voluntary match funds from a non-Federal source.

- The leveraging column can consist of one or more leveraging activities:

  Up to 15% of the annual Federal formula allocation (including PVE funds used under the Weatherization Program) can be used for attracting leverage resources. DOE considers this percentage reasonable for leveraging activities that are in accordance with 10 CFR 440.14 (c)(6)(xiv). Project Officers can approve this percentage and related purpose with appropriate explanation of activities to be conducted and reasonable historic return on the investment.

  Should a Grantee request to have more than 15% of their grant used for leveraging purposes, DOE will conduct a secondary level of review and will request additional information on the anticipated return on investment to justify the higher percentage.

- If the Grantee chooses to add leveraged funds to the budget, identify the following information for each third party contributing to the project: (1) the name of the organization; (2) the proposed dollar amount to be provided; (3) the amount as a percentage of the total project cost; and (4) the proposed leverage item (cash, services, or property). By submitting an application that contains leveraged funds, Grantees are providing assurance that the leveraged funds will comply with all WAP rules, regulations and guidelines.

From DOE WAP Program Year 2014 Grant Guidance- WPN 14-1 "Application Instructions", Section IV.4, Page 29

DOE-Funded Leveraging Activities

In 1990, SEEPIA (State Energy Efficiency Program Improvement Act of 1990) encouraged weatherization to consider an optional activity that may be undertaken within the award.

Leveraging Partnership Development and Management: 10 CFR 440.14(c)(6)(xiv) requires that Grantees provide the amount of Federal funds to be budgeted, and an explanation of how they will be used, to increase the amount of weatherization assistance to low-income clients. Leveraging means the obtaining by a state of additional program-targeted non-Federal cash or in-kind contributions as a result of the Weatherization Program-funded activities. Up to 15% of the annual formula DOE allocation may be proposed for leveraging and the application will still be eligible for the typical DOE review. Applicants requesting a percentage *higher* that 15% will undergo secondary review. Grantees may be required to provide more justification and documentation to satisfy the more in depth review process. When the proposed costs are anything more than incidental and beyond the capacity of the Grantee Administration category to cover within its 5% budget limitation, then a new budget category (column) is created in the budget and those costs need to be tracked separately.

Grantees shall provide an explanation of how these funds will be used to obtain non-Federal resources, how funds leveraged will be used to support the DOE Weatherization Program, the leveraging effect of those funds, and the rationale for the amount of funds being used.

When using DOE funds, funds must be used to obtain non-Federal resources to: increase the number of low-income homes weatherized, and/or increase the scope or type of services provided to low-income homes. Grantees are encouraged to generate at least one non-Federal leveraging dollar for every DOE dollar expended. Grantees shall provide annual reports to DOE describing training, technical assistance, monitoring, and leveraging activities that have occurred in the previous year. DOE realizes generating new leveraging resources is not always immediately successful.

The Grantee, as well as the DOE Project Officer, is asked to review past performance and determine after some reasonable period if the lost opportunity of weatherizing additional homes with the DOE funds outweighs the continued budgeting and spending towards unsuccessful leveraging efforts.

Leveraging Funds Implementation: In some limited cases, a Grantee may want to consider including the actual leveraging funds as part of the DOE grant to access additional Grantee administration resources. Although allowable, most Grantees carefully weigh the additional responsibilities, reporting, constraints and DOE oversight and prefer to operate the leveraged funds as an activity outside the DOE grant budget.

From DOE 10 CFR Part 600 Financial Assistance Rules

600.124 Program income ***(for non-profits)***

(a) The standards set forth in this section shall be used to account for program income related to projects financed in whole or in part with DOE funds.
(b) Except as provided in paragraph (h) of this section, program income earned during the project period shall be retained by the recipient and, in accordance with program regulations or the terms and conditions of the award, shall be used in one or more of the following ways.

(1) Added to funds committed to the project and used to further eligible project objectives.

(2) Used to finance the non-DOE share of the project.

(3) Deducted from the total project allowable cost in determining the net allowable costs on which the share of costs is based.

(c) When DOE authorizes the disposition of program income as described in paragraphs (b)(1) or (b)(2) of this section, program income in excess of any limits stipulated shall be used in accordance with paragraph (b)(3) of this section.
(d) In the event that the program regulations or the terms and conditions of the award do not specify how program income is to be used, paragraph (b)(3) of this section shall apply automatically to all projects or programs except research. For awards that support research, paragraph (b)(1) of this section shall apply automatically unless the award indicates another alternative in the terms and conditions, the recipient is subject to special award conditions, as indicated in § 600.114, or the recipient is a commercial organization.
(e) Unless program regulations or the terms and conditions of the award provide otherwise, recipients shall have no obligation to the Federal Government regarding program income earned after the end of the project period.

(f) Unless program regulations or the terms and conditions of the award provide otherwise, costs incident to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the award.
(g) Proceeds from the sale of property shall be handled in accordance with the requirements of the Property Standards (See §§ 600.130 through 600.137).
(h) Unless program regulations or the terms and condition of the award provide otherwise, recipients shall have no obligation to the Federal Government with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award. However, Patent and Trademark Amendments (35 U.S.C. Chapter 18) apply to inventions made under an experimental, developmental, or research award.

600.225 Program income *(For governments)*

(a) *General.* Grantees are encouraged to earn income to defray program costs.
Program income includes income from fees for services performed, from the use or rental of real or personal property acquired with grant funds, from the sale of commodities or items fabricated under a grant agreement, and from payments of principal and interest on loans made with grant funds. Except as otherwise provided in regulations of the Federal agency, program income does not include interest on grant funds, rebates, credits, discounts, refunds, etc. and interest earned on any of them.
(b) *Definition of program income.* Program income means gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. "During the grant period" is the time between the effective date of the award and the ending date of the award reflected in the final financial report.
(c) *Cost of generating program income.* If authorized by Federal regulations or the grant agreement, costs incident to the generation of program income may be deducted from gross income to determine program income.
(d) *Governmental revenues.* Taxes, special assessments, levies, fines, and other such revenues raised by a grantee or subgrantee are not program income unless the revenues are specifically identified in the grant agreement or Federal agency regulations as program income.
(e) *Royalties.* Income from royalties and license fees for copyrighted material, patents, and inventions developed by a grantee or subgrantee is program income only if the revenues are specifically identified in the grant agreement or Federal agency regulations as program income. (See § 600.234.)
(f) *Property.* Proceeds from the sale of real property or equipment will be handled in accordance with the requirements of §§ 600.231 and 600.232.

(g) *Use of program income.* Program income shall be deducted from outlays which may be both Federal and non-Federal as described below, unless the Federal agency regulations or the grant agreement specify another alternative (or a combination of the alternatives). In specifying alternatives, the Federal agency may distinguish between income earned by the grantee and income earned by subgrantees and between the sources, kinds, or amounts of income. When Federal agencies authorize the alternatives in paragraphs (g) (2) and (3) of this section, program income in excess of any limits stipulated shall also be deducted from outlays.

(1) *Deduction.* Ordinarily program income shall be deducted from total allowable costs to determine the net allowable costs. Program income shall be used for current costs unless the Federal agency authorizes otherwise. Program income which the grantee did not anticipate at the time of the award shall be used to reduce the Federal agency and grantee contributions rather than to increase the funds committed to the project.

(2) *Addition.* When authorized, program income may be added to the funds committed to the grant agreement by the Federal agency and the grantee. The program income shall be used for the purposes and under the conditions of the grant agreement.

(3) *Cost sharing or matching.* When authorized, program income may be used to meet the cost sharing or matching requirement of the grant agreement. The amount of the Federal grant award remains the same.

(h) *Income after the award period.* There are no Federal requirements governing the disposition of program income earned after the end of the award period (i.e., until the ending date of the final financial report, see paragraph (a) of this section), unless the terms of the agreement or the Federal agency regulations provide otherwise.

Appendix B: LIHEAP Coordinated Funding

25% LIHEAP Good Cause Waiver

The LIHEAP regulations allow state LIHEAP offices to expend up to 25% of its annual allocation through a waiver request. The requirements are detailed in 45 CFR 96.83, found at: http://liheap.ncat.org/pubs/liheapcfr.htm#96.83.

A copy of the Washington waiver for FY 2013 can be found at: http://www.waptac.org/data/files/ website_docs/government/rules/2013-liheap-weatherization-waiver-request.pdf.

The Washington submittal provides step-by-step responses for addressing each of the requirements set out on 45 CFR 96.83.

LIHEAP Clearinghouse

Since 1988, the National Center for Appropriate Technology (NCAT) has operated the LIHEAP Clearinghouse. The Clearinghouse collects, develops, organizes, and disseminates information on low-income energy issues to:

- State, tribal, and territorial LIHEAP grantees;
- CAAs and local government offices (subgrantees);
- low-income energy service organizations;
- fuel funds; and
- utilities and utility regulatory commissions.

State LIHEAP Plans and Manuals are on the Clearinghouse site. The Clearinghouse provides information that helps low-income energy providers and low-income energy issue groups pursue goals, such as to:

- improve the management and delivery of low-income energy services;
- target benefits to those with the highest energy burdens or the most need;
- initiate innovative administrative and programmatic improvements;
- investigate and obtain sources of supplemental, nonfederal funding;
- reduce energy consumption by program recipients;
- foster energy self-sufficiency and reduce program dependency among recipients; and
- maximize cooperative and coordinated efforts among utilities, HHS, grantees and organizations serving low-income persons.

The LIHEAP Clearinghouse is a valuable resource for all LIHEAP related information. The website is www.liheap.ncat.org.

The LIHEAP Clearinghouse also provides information through its phone line (406-494-8662) and electronic newsletter—sign up through the website.

Example of State WAP – LIHEAP Coordination:

In addition to LIHEAP funds transferred to supplement WAP efforts, North Carolina's State WAP office also oversees a separate LIHEAP component called the Heating & Air Repair and Replacement Program (HARRP). HARRP works through WAP local agencies to repair and/or replace inefficient heating and cooling systems. This project was developed through collaboration between the NC State WAP Office and the NC Department of Health and Human Services several years ago.

The 34 page North Carolina WAP-HARRP Guidance can be found at: http://www.energync.net/Portals/14/Documents/weatherization/Forms/06-07-2013%20WAP%20HARRP%20Program%20and%20Budget%20Guidance%20-%20FY14.pdf.

Appendix C: Understanding Utility Regulatory Advocacy

This section is intended to be an initial overview of information regarding WAP utility programs, the basics that State WAP managers and other WAP advocates need to understand to begin the complex discussions of pursuing these projects. More in-depth information can be found at WeatherizationPLUS.org. Another excellent resource is the National Consumer Law Center website at www.nclc.org and the page on Weatherization and Home Energy Efficiency, found at: http://www.nclc.org/issues/weatherization-a-home-energy-efficiency.html.

Although State WAP offices traditionally do not intervene in regulatory utility cases, they can lend assistance to State CAA Associations, local agencies, and other groups that may intervene in regulatory venues on behalf of low-income energy efficiency and weatherization programs. As part of the Leveraging Plan, the State Office can request to fund a legal expert to craft and provide expert testimony at proceedings. The plan can also include assistance for a state CAA Association or other low-income energy advocacy group activities such as convening a forum with key stakeholders and policymakers to discuss home energy security issues in their state. The state office can help provide technical assistance, data support, network production data, and guidance for these activities.

The intensive work needed to successfully negotiate utility partnerships is a prime case where a designated lead project manager is needed. It is a very specialized position, unlike almost any particular role in WAP. This designated leader is typically from a local agency or CAA Association. West Virginia is an exception, where for a number of years a state employee was directly involved in working with and providing in-depth technical assistance for the CAA Association as a technical advisor, especially regarding the proceedings of the WV regulatory commission, primarily by developing the necessary research, presentations and coalition agreements where appropriate.

The project manager and lead advocates will need to be knowledgeable of the following in their state:

- Utility low-income energy efficiency programs;
- Bill discount programs;
- Arrearage management and bill retirement programs;
- Enhanced regulatory consumer protections;
- State initiatives such as EERS
- General investigations into utility practices, demand-side management, greenhouse gas dialogue, etc.; and
- Advocacy in public benefit fund-related investigations, which can often follow a series of events in regulatory, legislative, and/or judicial arenas.

The one basic position of the advocates is the adverse effect any rate increase will have on low-income households, who are already the most vulnerable utility customers, and the argument that additional low-income weatherization and energy assistance components can help balance the negative impacts on the most at-risk citizens.

The most successful and sustainable utility-weatherization partnerships have involved low-income advocacy and legal counsel in the early stages of strategic planning and representation. Point people should become familiar with newly filed cases and existing cases being reviewed by their Public Utility Commission (PUC). Many PUC websites offer an email subscription service which allows registered users to receive customized daily activity information based on criteria they define. Users have the ability to choose to receive updates based on new filings, case numbers, activity type, utility type, and/or case types.

Utility initiatives typically require a long term commitment from the state and stakeholders, again stressing the need for a designated leader. The resulting partnerships are usually the result of gaining knowledge and expertise of the utility regulatory arena, relationship building, countless meetings, and being a player in regulatory proceedings, which often can go on for many months or even years.

Regulatory Utility Commissions

Utility leveraging participation requires planning and in-depth knowledge of regulatory procedures. Each state and the District of Columbia except Virginia, have a regulatory utility commission that sets rates. These commissions go by various names. For purposes of this discussion, we will refer to the state commissions that have regulatory authority over electric and natural gas and other utilities as "Public Utility Commissions" or PUCs. Specifically, PUCs are governed by each state's laws and are therefore somewhat unique; there is relative uniformity in many PUC processes. Each PUC has a set of Commissioners at the top who oversee technical and legal staff, each operates according to rules governing practice and decision-making, and each conducts proceedings where information is presented and decisions are rendered following fairly similar procedures.

Specific PUC decisions are often based on the "standards of review" (decisional rules) and precedents unique to each state. More broadly, however, Commissioners make decisions within an extensive set of rules set by legislators that are fairly similar state to state.

Public Utility Commission Proceedings

Public Utility Commissions handle a number of proceedings. While each state has its own set of rules, there are many similarities. As the utility industry developed in the U.S. in the 1900s, it was widely agreed that having one company operate a set of gas or electric lines and related facilities in any geographic area would result in lower prices than if several companies tried to build duplicative, competing systems. At the same time, many policymakers saw a great need to protect the public against monopolies, which can lead to higher prices and lower service quality. Starting around 1910, states created PUCs to protect the public from monopolies while providing utility companies with a fair return on their investment.

State PUCs typically are involved in rulemaking proceedings, adjudicatory proceedings (below), generic proceedings, and informal proceedings. It is often in the adjudicatory proceedings for rate increase requests or merger cases where low-income energy advocates formally file a petition to intervene in the case:

- **Adjudicatory proceedings**, such as rate hike review requests, are cases that commissions formally 'adjudicate' (decide) after hearing witnesses, accepting evidence, and reading briefs. Commissions generally hold hearings when they review rate hike requests, approve the construction of new power plants, review merger proposals, etc.
- **Utility ratemaking** is the formal regulatory process by which public utilities set the prices (more commonly known as 'rates') they will charge consumers. Ratemaking, typically carried out through "rate cases" before a state's PUC, serves as one of the primary instruments of government regulation of public utilities.

- **Rate cases** are typically long processes and require a time commitment and intervention at the beginning of the case. Each state's utility and regulatory environment is slightly different. Before reaching out, research your state's utility network and the current federal energy legislation that could have an impact on state utility company operations. The American Council for an Energy Efficient Economy (ACEEE) maintains a website with a State Energy Efficiency Policy Database which includes state policy resources, policy priorities, and utility policies and programs, found at: http://aceee.org/sector/state-policy.

Demand Side Management

Demand side management (DSM) programs are often opportunities for WAP/utility partnerships. DSM involves influencing customer behavior to determine how much and when customers use energy. The goal of DSM is to encourage users to conserve energy during peak hours or to move the time of energy use to off-peak times such as, nighttime and weekends. Peak demand management doesn't necessarily decrease total energy consumption, but can delay investment in costly equipment and plants. At a PUC, you may also hear discussions on Supply Side Management (SSM), which refers to activities on the utility's side of the meter.

Sometimes used interchangeably with "energy conservation" and "energy efficiency," DSM may also include what is called "load management" when the utility can control appliances like air conditioners or electric water heaters (for residential customers) when power demand is great (like the middle of a summer afternoon). In load management, overall usage may actually be greater, but usage during the costly peak times will be lower.

Weatherization programs often can participate as partners in utility DSM programs with client education and direct installation of baseload and energy efficiency measures. These programs are often available for residential customers through rebates and direct install, as well as for commercial and industrial customers. DSM program design is also typically reviewed and agreed to during utility rate cases at a PUC.

Public Benefits / Universal Service / System Benefit Funds

During the mid and late 1990s, over half the States passed or considered some form of utility restructuring or deregulation, with an overall goal of fostering competition. By 2001, the momentum towards restructuring slowed and some states delayed implementation of the laws they had passed. Nevertheless, as a result of this activity, 22 States either expanded their existing utility ratepayer-funded low-income energy programs or created new funding sources and programs, including two states (Wisconsin and Vermont) that did not restructure or deregulate, but did pass comprehensive energy legislation that included low-income energy funding.

In those 22 states, low-income energy programs, as well as energy programs for other customer classes, are funded through a charge or charges assessed on electric and/or natural gas consumers, which states variously refer to as a public goods surcharge, system benefits charge, societal benefits charge, public benefits fee, universal service fee, universal energy charge, meters charge, etc. Some states impose the charge or fee only on electric bills, and, thus, provide only electric assistance programs. Some impose the charges on electric and gas customers and provide programs for both types of customers. The charge may be assessed on all customers (residential, commercial, and industrial) or only on residential customers.

Most states provide both rate assistance and energy efficiency programs for households with low incomes, while rate assistance generally receives the most funds. In most states, the funds are administered or overseen by a state agency, typically the State LIHEAP and/or WAP Office or the regulatory commission.

An in-depth resource for this information is on the LIHEAP Clearinghouse website on the Programs Operated Through Ratepayer Funded Public Benefits/Universal Service/System Benefit Funds page, found at: http://aceee.org/sector/state-policy.

Becoming a Player in the Regulatory Setting

As previously stated, WAP utility projects are usually the result of long term relationship building and becoming a player in the utility regulatory landscape. The lead leveraging project manager and/or team should meet with utility and regulatory staff, including the utility commission's Consumer Advocate, to provide briefing packets with WAP fact sheets and data as well as share public information on the state's WAP delivery network, successes, and potential value for utility partners.

The lead project team must also be ready to market the program and continue to do so year after year. A key message is to articulate to potential partners that "we are familiar with your goals and here is how we can help you meet them." It is important for utility and regulatory staff to understand that WAP can provide value and help achieve mutual goals through collaboration.

Appendix D: More Resources for Local Agencies Developing a Business Plan

Senior Corps of Retired Executives (SCORE)

- A non-profit association providing free counseling and low-cost workshops to small businesses throughout the United States.
- Provides entrepreneurs with free, confidential face-to-face and email business counseling.
- SCORE's website hosts a "Business Toolbox" an on-line learning center that brings together the expertise of successful business owners: http://www.score.org.

The Indian Social Entrepreneur's Guides

- Guide One: Developing a Marketing Plan
- Guide Two: Performing a Preliminary Feasibility Study
- Guide Three: Preparing a Business Plan
- Guide Four: Securing Financing

Note: Published June 2006, the Health and Human Services (HHS), Administration for Children and Families (ACF) Guide resources noted above, 346 pages, have been used as national weatherization resource material in fee-for-service business training by Susan White, ACKCO, Phoenix, AZ and Ken Robinette, South Central Community Action Partnership (SCCAP), Twin Falls, ID.

The Indian Social Entrepreneur's Business Guides are free and available—simply call or email the HHS Administration for Native Americans (ANA) Helpdesk at (877) 922-9262 or ANAComments@acf.hhs.gov. When ordering you will be able to select one, two, three , or all guides; the guides are tailored for social entrepreneurs, tribal enterprises, and Indian business owners. Place your order based on what best fits your needs.

Profit Making for Nonprofits

Jim Masters is the President of the Center for Community Futures in Oakland, California. For over 40 years Jim has had success working for and with CAA's, their national associations and Federal funding agencies. He developed a 229 page "Profit Making for Nonprofits and Social Enterprise Tool Kit" which he has used as a successful training resource in many State CAA and Weatherization training forums throughout the country.

This resource is available for free download in Word or PDF Format from:

http://www.cencomfut.com/ or http://www.community-wealth.org/_pdfs/tools/social/tool-masters-SEmanual.pdf

South Central CAP's (Twin Falls, Idaho) HEM Business Model

A four-part proposal explaining what would be performed, who would perform it, how it would be financed, and what was expected in eventual profits.

1. A description of the primary focus of the project. Weatherization auditors would perform energy audits for middle- to upper-income homeowners. They would check insulation, windows, doors, and heating and cooling systems using blower doors, Duct Blasters, carbon monoxide analyzers, and multimeters to determine where energy savings could be captured. At the end of the audit, they would provide homeowners with a written detailed analysis, including a list of actions that they could utilize to save energy — all for a fee of $300.

2. A description of staff structure and explanation of how the business would operate. That structure included using current weatherization supervisors, auditors, crewmembers, office staff, a financial officer, and the Executive Director. Staff would work on Fridays and Saturdays only, because they worked 10 hours a day for their CAA nonprofit during the week. At that time, SCCAP weatherization program had a staff of 13, 8 of whom signed up to work for the for-profit company.

3. A description of how the start-up costs would be paid. This included the cost of whatever new equipment was needed. Staff inventoried agency equipment that had been purchased with nonfederal funds and decided what nonfederal cash resources could be designated to the for-profit company. With this information, a financial proposal was prepared that listed the potential assets and stated what equipment and supplies would have to be purchased.

4. Staff wrote a description of expected profits and timeline. Staff knew that energy conservation and efficiency were becoming more important to homeowners (in part due

to the rising costs of energy, and the awareness created by Energy Star products). Staff was confident that they knew their area, their market, and that there would be a profitable market for services.

Once presented to the SCCAP Board of Directors, the Board had questions about a project of this size and about the risk the agency would run if it failed. Fortunately for SCCAP, their board members have professional experience in banking, private business, corporate business, and public office and had constructive questions. These questions are important considerations when weighing such a new and different CAA model:

- What will the legal structure of the business be?
- Will there be a clear separation between the federal program and the for-profit business?
- Will there be an independent Board of Directors?
- Who will do the bookkeeping, payroll, and invoicing?
- How will the new undertaking market and generate business and what percentage of the profits will be added on to projects?
- Will agency staff burn out with a longer workweek?
- How much money will the agency offer the for-profit staff?
- Will trucks and equipment that SCCAP does not own be used, tracked, and grant reimbursed?

Appendix E. Weatherization Plus Health and Affordable Care Act Resources

Potential opportunities for WAP network operators in regards to the Affordable Care Act include:

- **Competitive grants** made available from the Prevention and Public Health Fund, designed to invest in preventing the health conditions that lead to hospitalizations and premature disability and death. Information can be found at: http://www.apha.org/NR/rdonlyres/3060CA48-35E3-4F57-B1A5-CA1C1102090C/0/APHA_PPHF_factsheet_May2013.pdf

- **Hospital Community Benefit Funds**: Across the country, the approximately 2,900 community or acute (short-term) care hospitals maintain their tax-exempt status by providing community benefits recognized by the Internal Revenue Service, often in the form of free or uncompensated care given to uninsured or under-insured patients. In keeping with ACA's commitment to prevention, new ACA provisions require that hospital non-profit status consider other types of investments that address local community needs as they prevent illness and promote good health. Each hospital is required to conduct a Community Health Needs Assessment and develop implementation plans to use community benefit funds to address priority community health needs. Hospitals must conduct these Community Needs Assessments every three years and annually report their community benefits spending on IRS Form 990, Schedule H Part I.

  State WAP and local community action agencies can become involved in these Community Needs Assessments to ensure substandard housing and homes with high-energy use are included as community needs and that community benefit funds are directed to housing improvements. A good resource that provides data on community health needs is www.chna.org.

- **Reimbursement for Housing-Related Measures**: With recent changes under the ACA, healthcare providers will have increased flexibility to fund home visiting programs and cost -effective housing interventions. Created by the law, an Accountable Care Organization (ACO) is a set of health care providers that work together collaboratively and accept collective accountability for the cost and quality of care delivered to a population of patients. ACOs or individual healthcare providers receive reimbursement from public health coverage or private health insurers. Several State Medicaid programs are exploring such approaches, particularly related to asthma. For more information on strategies to use Medicaid funds to support home visits for asthmatics, consult The Childhood Asthma Leadership Coalition's report, *Using Medicaid to Advance Community-Based Childhood Asthma Interventions* (www.childhoodasthma.org).

- **Administrative Funding and Referrals**: Under ACA, an estimated 14 million people will be eligible for health coverage through Medicaid or subsidized health insurance purchased through State health insurance exchanges. States and the federal government are contracting with community-based nonprofits for outreach to and enrollment of those who are eligible, many of who are hard to reach. Involvement as paid enrollment navigators or application assistors can bring administrative dollars that support WAP subgrantee operations. Funds are also available to update data capacity and IT across health and human services programs, creating greater administrative efficiencies and program integrity. The linkage of intake across energy and health can also facilitate referrals of clients among weatherization, healthy homes, and health and social service programs. (Resources: Families USA, www.familiesusa.org; Enroll America, www.enrollamerica.org).

Go-To Resource - Economic Opportunity Studies and WeatherizationPLUS.org

DOE WAP has supported the Economic Opportunity Studies (EOS) Leveraging Project **WeatherizationPLUS.org** for the past decade to provide valuable leveraging guidance, information, and training to the nationwide WAP network. In addition, EOS staff has expertise and the ability to provide technical assistance on leveraging projects. More information about EOS and contact information can be found on the EOS website, found at: http://www.opportunitystudies.org/about-2/.

WeatherizationPlus.org has extensive information on topics like how to start a leveraging project, how to network with low-income energy advocates and mentors across the country, program implementation efforts, utility intervention and program design, housing finance related tools, weatherization fee-for-service information, how to identify new markets, example of state leveraging plans, and how-to information on financing.

RESOURCE: Visit the WeatherizationPLUS.org website and sign up for the **Weatherization PLUS Newsletter**

WeatherizationPlus.org also offers a Toolkit approach to leveraging resources. The "Find the Right Tools" topical toolkits, found at: http://www.opportunitystudies.org/leveraging/tools/, help states and local agencies sort through the huge number of resources available and hone in on documents and training of interest.