Weatherization & LIHEAP: Fact, Fiction or Fuzzy?


February 2018
## Leveraged Funds Included in Budget

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>By including leveraged funds amount in the budget, those funds are calculated into administration percentages and T&amp;TA allocations, giving the Grantee and Subgrantees additional funds to administer the leveraged resources and train staff.</td>
<td></td>
</tr>
<tr>
<td><em>Leveraged funds may include an administrative component, obviating the need for this approach.</em></td>
<td>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 calculation.</td>
</tr>
<tr>
<td></td>
<td>As such, the Grantee <strong>cannot use</strong> the leveraged funds for any measures or activities not justified by the audit or included in Appendix A.</td>
</tr>
</tbody>
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Leveraged Funds Not Included in Budget

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<th>Advantages</th>
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<tbody>
<tr>
<td>The funds leveraged do not have to follow all DOE rules. Instead, these</td>
<td>No additional DOE funds above the allowable administrative fund percentage</td>
</tr>
<tr>
<td>funds can be used in parallel to the DOE Program and funds can be</td>
<td>can be used to administer leveraged funds or be allocated for T&amp;TA if the</td>
</tr>
<tr>
<td>allocated for other activities not necessarily justified by the audit or</td>
<td>leveraged funds are not included in the DOE budget.</td>
</tr>
<tr>
<td>included in Appendix A (e.g., house repairs beyond the allowable</td>
<td>Any additional administrative funds must be part of the leveraged funding</td>
</tr>
<tr>
<td>incidental repairs, replacing stand-alone freezers, health and safety</td>
<td>budget.</td>
</tr>
<tr>
<td>activities that if not accomplished might result in a deferral, etc.).</td>
<td></td>
</tr>
<tr>
<td>A percentage of the WAP grant can be used to attract leveraged funds</td>
<td></td>
</tr>
<tr>
<td>even though the leveraged funds are not included in the DOE Program</td>
<td></td>
</tr>
<tr>
<td>budget.</td>
<td></td>
</tr>
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</table>
Blended WAP/LIHEAP Funds In a House Can Pay For...

• Whole-House Energy Audit
• Measures installed to Standard Work Specifications (SWS)
• Final Inspection/Quality Control Inspection (QCI)
• Administrative Costs
• Training
LIHEAP Funds ONLY In a House Can Pay For...

• Health & Safety measures not allowed in Weatherization Program Notice 11-6, such as cookstove replacements.

• Scopes of work that do not meet DOE guidelines, for example, Weatherization without meeting ASHRAE ventilation standards.
# LIHEAP: Fact, Fiction, or Fuzzy

<table>
<thead>
<tr>
<th>LIHEAP is a block grant that we can spend how we want.</th>
<th>Per HHS:</th>
</tr>
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<tbody>
<tr>
<td>HHS requires Grantees to have a plan and the funds must be expended in accordance to the plan.</td>
<td></td>
</tr>
<tr>
<td>Grantees can choose:</td>
<td></td>
</tr>
<tr>
<td>• Entirely DOE rules</td>
<td></td>
</tr>
<tr>
<td>• Entirely LIHEAP rules</td>
<td></td>
</tr>
<tr>
<td>• Mostly LIHEAP rules</td>
<td></td>
</tr>
<tr>
<td>• Mostly DOE rules</td>
<td></td>
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</table>
Agency Rules

Not applicable

Entirely
DOE Rules

Mostly DOE
Rules

Mostly LIHEAP
Rules

 Entirely
LIHEAP Rules
| With LIHEAP funds, we can take 15% for weatherization. | In FY2016, 45 states and DC transferred some percentage of funds to LIHEAP. Maximum, without waiver, is 15% but, if a LIHEAP Grantee wishes to spend more, they can ask for a waiver for up to 25%. |
Percentage of LIHEAP Funds Transferred (2016)

- < 5%
- 5 – 9%
- 10-14%
- 15%
- 0 %

States:
- Alaska (AK)
- Arizona (AZ)
- California (CA)
- Colorado (CO)
- Connecticut (CT)
- Delaware (DE)
- Florida (FL)
- Georgia (GA)
- Hawaii (HI)
- Idaho (ID)
- Illinois (IL)
- Indiana (IN)
- Iowa (IA)
- Kansas (KS)
- Kentucky (KY)
- Louisiana (LA)
- Maine (ME)
- Maryland (MD)
- Massachusetts (MA)
- Michigan (MI)
- Minnesota (MN)
- Mississippi (MS)
- Missouri (MO)
- Montana (MT)
- Nebraska (NE)
- Nevada (NV)
- New Jersey (NJ)
- New Mexico (NM)
- New York (NY)
- North Carolina (NC)
- North Dakota (ND)
- Ohio (OH)
- Oklahoma (OK)
- Oregon (OR)
- Pennsylvania (PA)
- Rhode Island (RI)
- South Carolina (SC)
- South Dakota (SD)
- Tennessee (TN)
- Texas (TX)
- Utah (UT)
- Virginia (VA)
- Washington (WA)
- West Virginia (WV)
- Wisconsin (WI)
- Wyoming (WY)

Islands:
- American Samoa
- Guam
- Northern Mariana Islands
- Puerto Rico
- Virgin Islands
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<tr>
<th>We use LIHEAP to take care of everything DOE doesn’t allow.</th>
<th>Per HHS</th>
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<td>Grantees participating in “LIHEAP Weatherization” must determine what measures they will offer.</td>
<td></td>
</tr>
<tr>
<td>All measures offered must be low-cost, cost-effective, residential weatherization or other energy-related home repairs (that do not constitute construction).</td>
<td></td>
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</table>
Examples of Measures in LIHEAP Plans

- Storm windows
- Furnace modifications, replacements, repairs
- Cooling system modifications, replacements, repairs
- Water conservation measures
- Lighting measures
- Energy-related roof repair
- Major appliance repairs or replacement
- Windows/Sliding glass doors
- Doors
- Water Heaters
- Solar screens
LIHEAP: Fact, Fiction, or Fuzzy

| **Per HHS** | 
| --- | --- |
| We need to spend LIHEAP dollars first because those are subject to re-allotment requirements the DOE dollars don’t have. | LIHEAP dollars that are not obligated in the FY in which they are disbursed are included in the 10% carryover limit. They are subject to LIHEAP re-allotment requirements if the Grantee exceeds its carryover limit in a given FY. |
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<td>We can use LIHEAP to replace heating systems without having to contend with DOE’s Health &amp; Safety guidelines.</td>
</tr>
<tr>
<td>Yes, but you must include that you are using these funds to replace heating systems within your LIHEAP plan.</td>
</tr>
<tr>
<td>WAP and LIHEAP are usually in the same office.</td>
</tr>
</tbody>
</table>
Summary

• The LIHEAP/WAP relationship is incredibly valuable.
• Tremendous flexibility is provided so Grantees can establish programs that meet their specific needs.
• Something to think about:
  – Tracking WAP deferrals can often help determine good use of LIHEAP funds.