

# Weatherization Assistance Program

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Funding Report  
PY 2019





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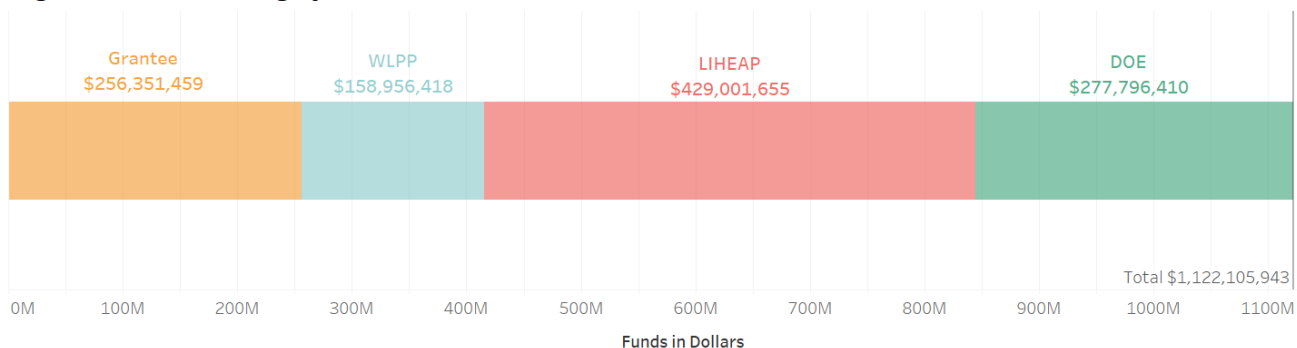
## Summary

The Program Year 2019 Weatherization Assistance Program Funding Report finds that approximately \$1.12 billion was available to Grantees and Subgrantees of the U.S. Department of Energy's (DOE) Weatherization Assistance Program (WAP). DOE provides flexibility to Grantees to start the program year when it best aligns with their operations and fiscal years; the majority of states and the U.S. territories follow a July 1 - June 30 Program Year (PY), while 13 Grantees start their programs on April 1. A national network of Grantees, Subgrantees, and private contractors used these annual grant funds to weatherize more than 85,200 low-income homes.<sup>1</sup> The National Association of State Community Services Programs (NASCS) and the Community Action Partnership (CAP) Weatherization Leveraged Partnerships Project (WLPP) coordinated to collect funding data for the PY 2019 Report.

Weatherization funds come from several major sources: the DOE's WAP, the U.S. Department of Health and Human Services' (HHS) LIHEAP, and a number of Other funders. The term "Other" is used to categorize all sources of non-federal funding leveraged by the WAP network, most often from utility partnerships and State sources. In total, WAP grantees leveraged \$256,351,459 in non-federal funds, not including funds from the WLPP, amounting to \$0.92 for every DOE dollar. During PY 2019 non-federal funds were leveraged with DOE funds in 30 states.

The NASCS 2019 funding survey included data from all 50 states; the District of Columbia; and five U.S. Territories (Guam, U.S. Virgin Islands, American Samoa, Commonwealth of Puerto Rico, Commonwealth of the Northern Mariana Islands (CNMI)). It found approximately \$963,149,524 was available to Grantees of the WAP for PY 2019 from DOE, Low Income Home Energy Assistance Program (LIHEAP), and Other funds. The CAP WLPP identified \$158,956,418 of additional non-federal funds leveraged by the network in 21 states, increasing total WAP funding to \$1,122,105,943. The WLPP interviewed WAP subgrantees, Community Action Associations, and other sources to identify sources of additional non-federal funding; these funds were only recently captured in this series of reports.

Figure 1: WAP Funding by Source 2019



<sup>1</sup> The production number of homes weatherized represents only grantee-managed reported to NASCS. This report is likely under-estimating the number of homes weatherized.



## Background

The WAP was created in 1976 in order to lower the utility expenses of low-income families who lack the resources to invest in energy efficiency improvements for their homes. The mission of the WAP is “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.” All 50 states, the District of Columbia, one Native American tribe, and five U.S. Territories operate the WAP, working with experienced local delivery agencies, primarily Community Action Agencies, to install energy efficiency upgrades in the homes of low-income people using advanced technologies and diagnostic testing protocols. The energy savings resulting from the efforts of the WAP reduce carbon emissions and decrease the energy burden for low-income families while improving their health and the durability, comfort, and safety of their homes for many years after WAP installation.

Annual DOE appropriations provide the core funding for the WAP. DOE uses the applicable statute and regulations (10 CFR Part 440) to manage and account for the resources provided and to ensure proper expenditure of taxpayer dollars. DOE established quality standards for weatherization materials, work practices, project cost-effectiveness, and health and safety measures for installers and residents. This policy framework covers most weatherization projects, including any utilizing DOE funds.

The NASCSP WAP Funding Report provides a comprehensive aggregation of information on all funding sources contributing to the WAP. Each year, the report catalogues the Grantee-reported funding and production levels for each Grantee of the WAP as well as the source of that funding. The WAP Funding Report also serves as the historical reference for all Program funding from various sources, maintaining data for more than 20 years and publishing the previous 10 years in each report.

## Funding Sources

As in previous program years, 2019 weatherization funds came from three major sources: the DOE’s WAP, the U.S. Department of Health and Human Services’ (HHS) LIHEAP, and Other funds. The term “Other” is used to categorize all sources of non-federal funding leveraged by the WAP network, most often from utility partnerships and State sources.

### DOE

DOE Grantees estimate \$277,796,410 in DOE regular funds were available in PY 2019 to weatherize 31,174 homes. This figure represents an increase of 12.4 percent compared to the funds reported for 2018 (\$247,136,545). DOE funds were used to weatherize 5,900 fewer units than the 2018 reported total of 37,074 units. In 2019, DOE funding represented 24.76 percent of the total funds available for the WAP as reported by grantees and the WLPP (See Figure 7).

### LIHEAP

State LIHEAP offices may designate up to 15 percent of the LIHEAP block grant to fund WAP related activities, or up to 25 percent with an approved waiver. This can include emergency energy efficiency related repairs as well as traditional weatherization, health related home upgrades, and replacement of unsafe equipment. In 2019, WAP Grantees estimated \$429,001,655 in LIHEAP funds were available for these energy efficiency activities. This is a decrease of 5.3 percent or \$24,107,030 from the funds

reported for 2018 (\$453,108,685). Funds provided through LIHEAP comprised 38.23 percent of the total funds reported by grantees and the WLPP in 2019, slightly lower than the 46.8 percent in 2018 (See Figure 3). LIHEAP funds were transferred into the WAP by 49 Grantees in 2019. Of those Grantees transferring LIHEAP funds into the WAP in 2019, 24 increased and 22 decreased LIHEAP transfers. Georgia and Rhode Island both reported increases greater than 50 percent. Four Grantees transferred the same amount as last year. A total of seven Grantees did not transfer LIHEAP funds in 2019, including Connecticut, Massachusetts, South Dakota, Guam, Puerto Rico, Northern Mariana Islands, and the Virgin Islands. LIHEAP transfers ranged from a low of \$20,000 in American Samoa to a high of \$50,331,981 in California.

## Other

A total of \$415,307,878 in non-federal funds was leveraged in 30 states in 2019, according to grantee reporting and the Weatherization Leveraged Partnerships Project (WLPP). This accounts for 37% of the total funds available for the WAP in 2019. Grantees reported a total of \$256,351,459 which was a 4.28% decrease from the previous year. The WLPP reported an increase of \$19,043,728.44 or 13.61% between 2018 and 2019.

A total of 30 grantees reported utilizing Other funds in 2019, up from 28 in 2018. North Carolina, Maine, Virginia, and Indiana did not report Other funds last year but did report other funds in 2019. Utah, Washington, and Wisconsin each reported greater than 50 percent increases in Other funds compared to 2018.

Other funds reported by grantees fit into two major categories: Utility funds and State Funds. Utility Funds are any funds that utilities collect from ratepayers and either transfer to a public benefit fund, to a WAP state agency, or directly contract to programs through WAP local agencies. Utility funds make up the majority of Other funding. State funds refer to funds that come from state-collected revenues such as fees or tax revenues. For example, funds from energy production royalties paid to the state or from similar revenues are considered State funds. Additionally, State funding includes funding from state general revenues or funding appropriated to WAP in the state budget. Eleven states reported State Funds in 2019.

Additionally, the WLPP identified a growing variety of smaller funding streams for sub-grantee agencies from non-federal sources, such as local government contracts, foundation grants, partnerships with health services providers, and charitable donations.

There is wide variation among state WAP networks' ability to attract such funding. While 32 states leveraged more than \$3 million dollars in 2019, there are some states in which there is little non-federal funds available.<sup>2</sup>

## Funding Trends

PY 2019 showed no major change in total reported available funding over PY 2018. Funding has stabilized following the 2013 ramp-down of stimulus funding levels during the American Recovery

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<sup>2</sup> In some States, it is known that there is substantial local leveraged funding but exact amounts cannot be determined. In these cases, very conservative estimates have been included based on prior year reports compiled by the Weatherization Leveraged Partnerships Project or partial information provided by some subgrantees.



and Reinvestment Act of 2009, which infused \$5 billion into the Program and allowed unprecedented expansion in infrastructure, workforce, and training Recovery Act funds and production were included in the 2010 – 2012 Funding Reports.

The federal Fiscal Year (FY) 2019 appropriations level of \$257 million for the DOE WAP enacted by Congress included an increase of \$8 million over the previous year, demonstrating the ongoing bipartisan support for the program. Below are some of the other funding trends reflected in the FY 2019 Report:

- During the past 10 years, DOE funding has fluctuated from a high of \$413,276,722 in 2009 at the beginning of the Recovery Act period to a low of \$146,920,676 in 2013. With \$277,796,410 available in 2019, the DOE program has surpassed funding levels pre-Recovery Act. For reference, in 2008, prior to Recovery Act, \$237,506,900 of DOE was reported by Grantees DOE funds.
- LIHEAP transfers were reported by 49 WAP grantees in 2019, for a total of \$429,001,655. 2019 saw \$24,107,030 less in LIHEAP transfers than 2018, representing approximately 12.4 percent of the total LIHEAP appropriation. In 2019, Congress appropriated \$3.69 billion to LIHEAP, an increase of \$53 million. The regulations governing LIHEAP allow up to 15 percent of a Grantee's allocation, or 25 percent with a waiver from HHS, to be used for the WAP. The amount of LIHEAP funds dedicated to the WAP varies by state depending on state-specific priorities and conditions.
- Leveraging additional resources is necessary to better meet the large backlog of eligible households needing services to provide more comprehensive services to homes and prevent deferral. Grantees and local WAP sub-grantees continue to seek leveraging opportunities with companion programs and other publicly and privately funded initiatives to increase funding and improve the selection of services available to low-income households. Two additional grantees (Alabama and Pennsylvania) reported receiving Other funds in 2019.
- The WAP relies heavily on leveraged resources and companion programs. Grantees may budget a portion of DOE funds as leveraging funds to be used to garner additional funding from outside the traditional sources. DOE funds and the recognized high standards of DOE requirements are critical to the success of WAP network leveraging activities.
  - In 2019, the WAP utilized approximately \$844,309,533 of non-DOE funds (LIHEAP and Other funds reported by states and WLPP), or approximately \$3.04 in other federal and non-federal resources for every dollar invested by DOE. When looking exclusively at non-federal funds reported by states and the WLPP, the WAP network leveraged \$415,307,878 in non-federal funds, amounting to \$1.50 for every DOE dollar spent.

## Production Summary

The WAP Funding Report provides an opportunity for Grantees to estimate the number of homes weatherized using all funding sources. The 2019 WAP Funding Report results indicates that the network weatherized approximately 85,244 homes using all funding sources. Some Grantees reported production as “unduplicated”, meaning that a single funding source (DOE, LIHEAP) is used for those jobs. Other Grantees report some production as “blended” or “braided”, meaning that other funds (LIHEAP, Utility, etc.) are added to DOE or other funds to enhance the energy efficiency services to program recipients. Twenty Grantees (or 34 percent) reported their DOE production as



unduplicated, while 39 Grantees (or 66 percent) reported their DOE production is blended with LIHEAP and/or Other funds.

The following are some PY 2019 highlights and conclusions related to the production reports:

- In late PY 2019, the emergence of the COVID-19 epidemic in the United States affected subgrantees' access to homes and their ability to perform in-person weatherization tasks. Not all states and territories were affected equally or at the same time, but changes to weatherization procedures resulted in lower production levels during the spring and summer of 2020. Following the development and implementation of new health and safety protocols, and after weatherization crews and contractors completed additional COVID-19 trainings, most subgrantees were able to safely return to work performing in-person reduced-contact weatherization services by the beginning of PY 2020.
- Grantees weatherized approximately 31,174 units using DOE funds, including those units receiving DOE funds blended with LIHEAP and/or Other funds.
- Grantees completed approximately 26,794 home weatherizations using LIHEAP as the primary funding source, either solely with LIHEAP funds or combined with Other funds. These units are only reported in this study and not to DOE because there is no DOE process for reporting HHS funded units.<sup>3</sup>
- Grantees used Other funds as the sole funding source to work on 27,276 units in 2019. It is important to note that Other funds are often used to supplement DOE and LIHEAP funds in a home and those homes are reported as completed homes for DOE or LIHEAP; however, some homes weatherized using Other funds are not be reported to DOE if no DOE funding was used in that home.

## Funding Future

Wide program funding fluctuations that occurred in the last decade have stabilized. In recent years the DOE-WAP has fully implemented the DOE Quality Work Plan, which requires credentialing for Quality Control Inspectors (QCI) and implements the national Standard Work Specifications (SWS) for the installation of home energy efficiency measures. 100% of WAP units receive an inspection by a certified QCI and State grantees monitor 5-10% of all units for an additional layer of quality assurance. These initiatives have shown a strong commitment by the DOE, Grantees, and subgrantees to increase the professionalism and quality of the program. Funding increases can be at least partly attributed to the success of these initiatives and the commitment at all levels of the WAP to increase energy savings, provide quality services, and protect the health and safety of eligible households. DOE has continued to enhance WAP operations by administering the American Customer Satisfaction Index (ACSI) survey to all grantees and sub-grantees of the program in 2017 and 2019. Feedback received is being used to improve processes, procedures, and cost effectiveness at all levels of the program.

In the FY 2020 appropriations bill, Congress showed continued bipartisan support for the program, appropriating \$305 million to WAP. This represents a \$48 million increase over the FY 2019 level of

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<sup>3</sup>Please consult the HHS LIHEAP Data Warehouse for more information on units reported to HHS.



\$257 million. The COVID-19 pandemic greatly increased the number of people eligible for and in need of LIHEAP energy bill assistance; as a result, the amount of LIHEAP funds to be transferred to WAP in future years is increasingly uncertain.

The WAP network is engaged in developing new partnerships to expand the role of the WAP in local communities with the intent to provide a more comprehensive set of services to low-income WAP clients through initiatives such as Weatherization Plus Health and Healthy Homes. WAP operators are keenly aware that more diverse funding streams will broaden the impacts of WAP services. However, the program requires DOE funding to support the evidence based framework of efficiency services through administration at the Grantee and sub-grantee levels, the auditing of homes, training and technical assistance, related health and safety measures, quality control, and the evaluation of program effectiveness. For the past 43 years, professionals working within the WAP have developed exacting standards for effectiveness, quality, and energy efficiency. The result is that the WAP is a leader of the energy efficiency retrofit industry in best practices, diagnostic testing protocols, and installation techniques creating an environment in which other public and private organizations are willing to invest. Weatherization providers are uniquely able to gain access to homes that others consider difficult to reach.

The WAP grantees and subgrantees demonstrate extraordinary skills by mobilizing and combining multiple funding streams to transform the homes of low-income people into healthier, more comfortable, and less expensive places to live. These skills will be essential in helping low-income communities meet the challenges of climate change and harness the opportunities of emerging clean technologies.

NOTE: Figures 2-7 include WLPP funding in the “Total” for years 2017-2019.



Figure 2: DOE WAP Funding vs. Total WAP Funding 2009–2019

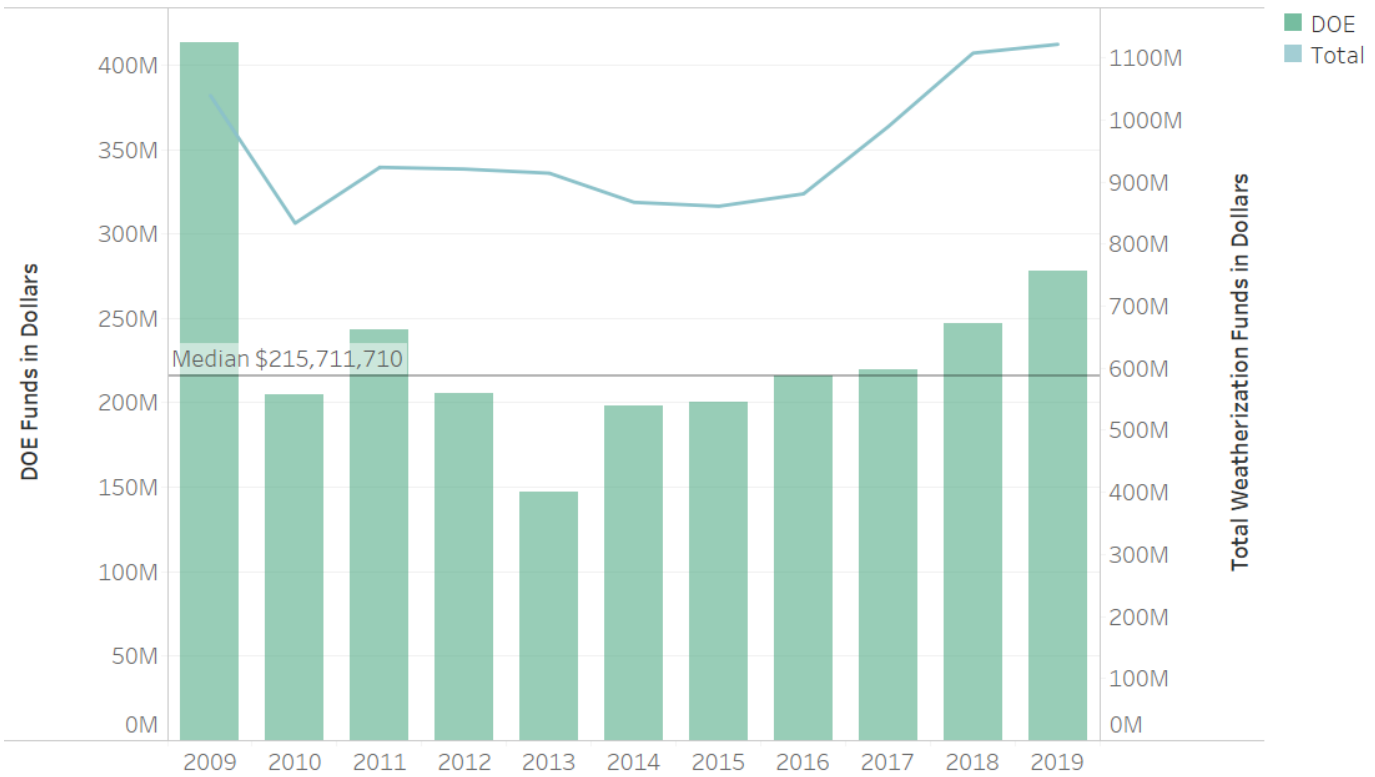
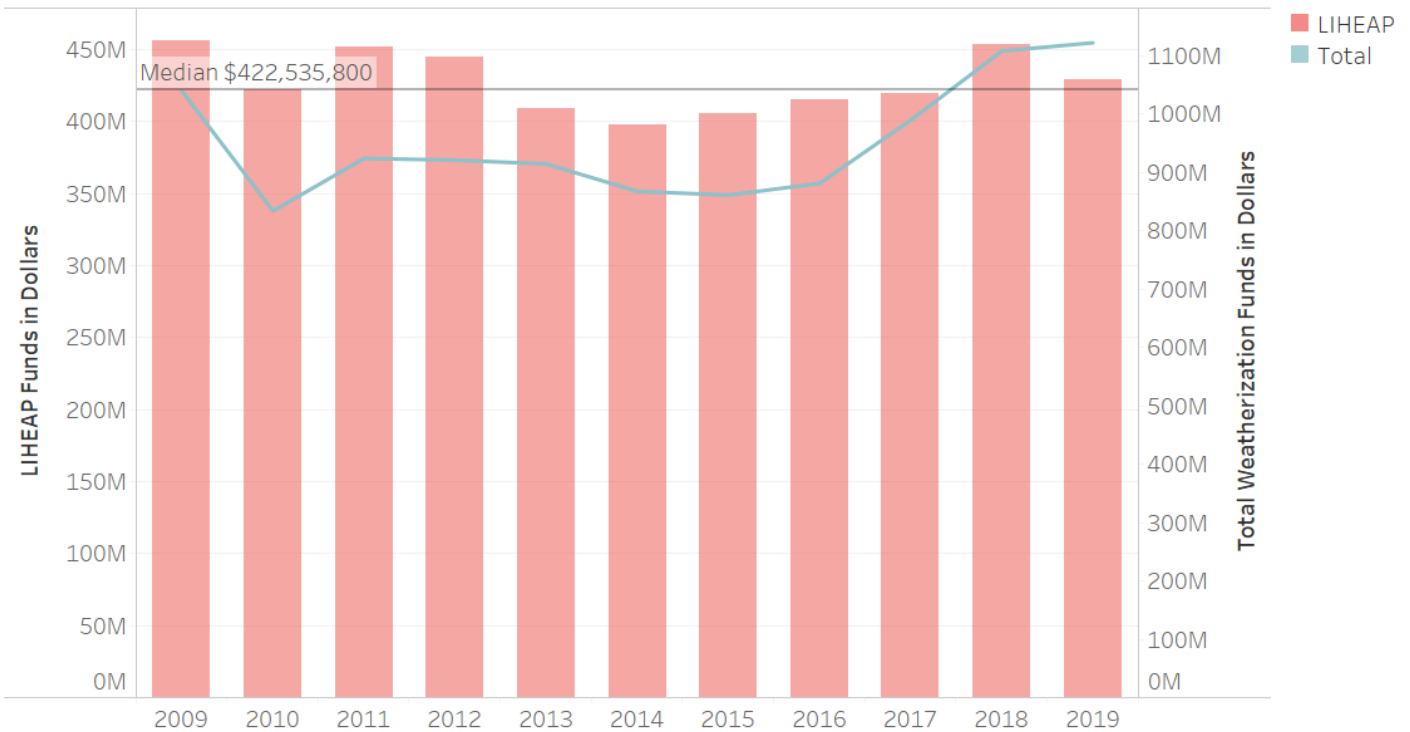


Figure 3: LIHEAP WAP Funding vs. Total WAP Funding 2009–2019





NOTE: Figures 4-7 include WLPP as part of Other Funds for years 2017-2019.

Figure 4: Other WAP Funding vs. Total WAP Funding 2009–2019

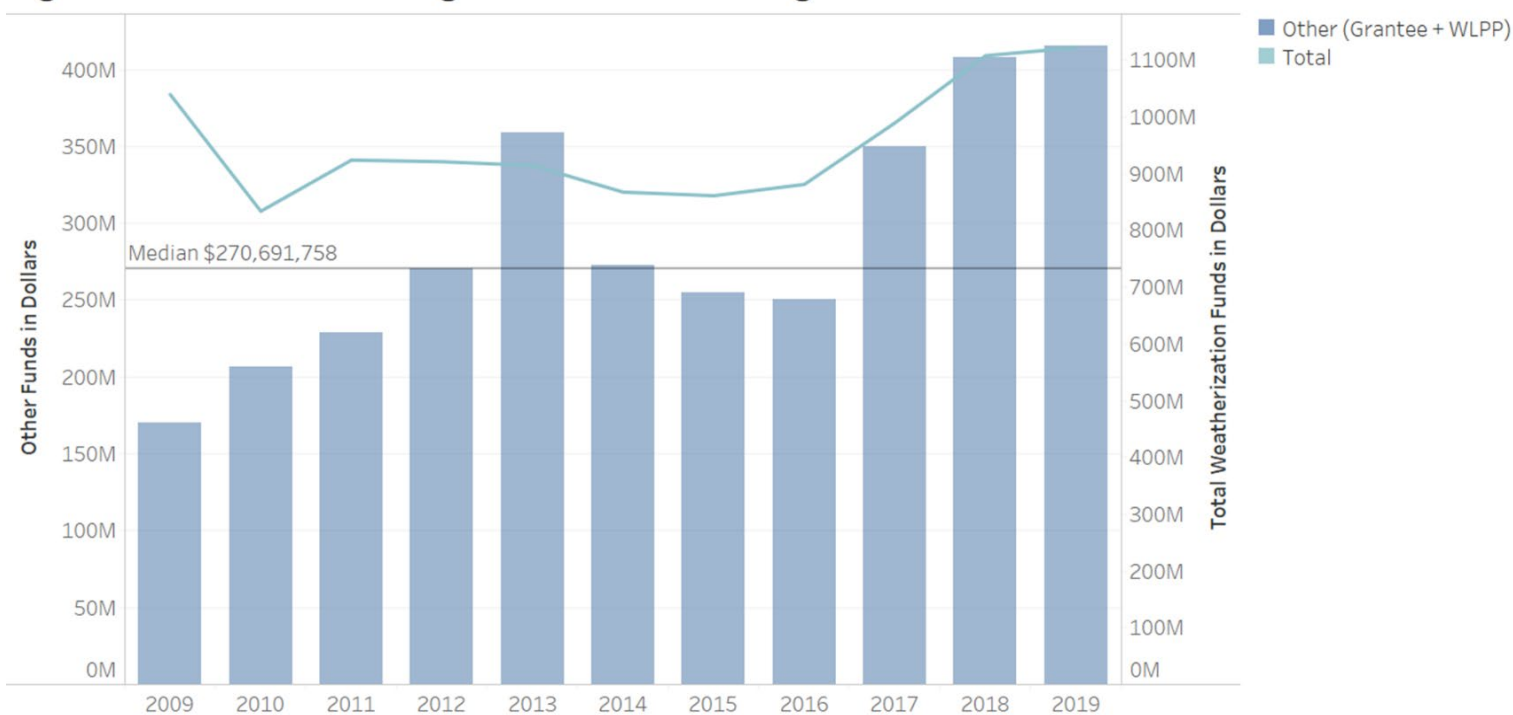


Figure 5: Total All Funding Sources 2009-2019

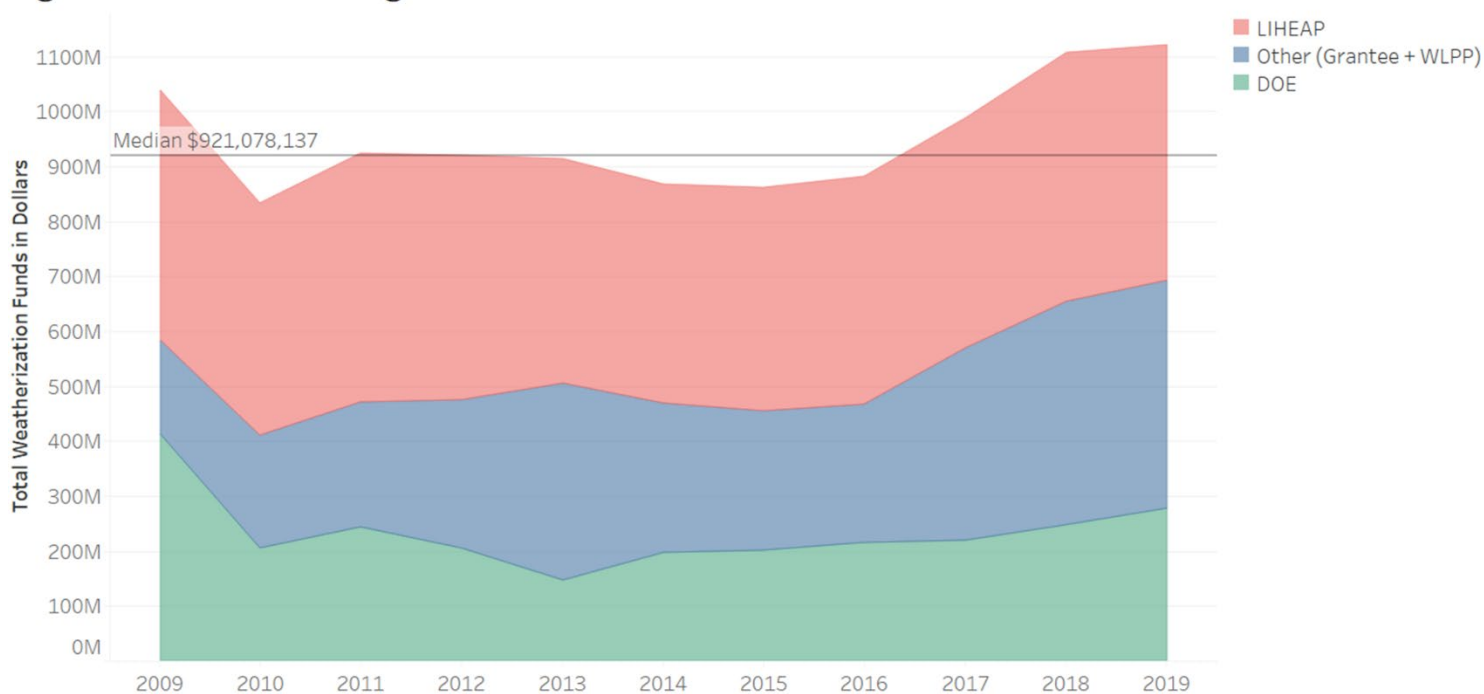


Figure 6: WAP Funding Over Time 2009–2019

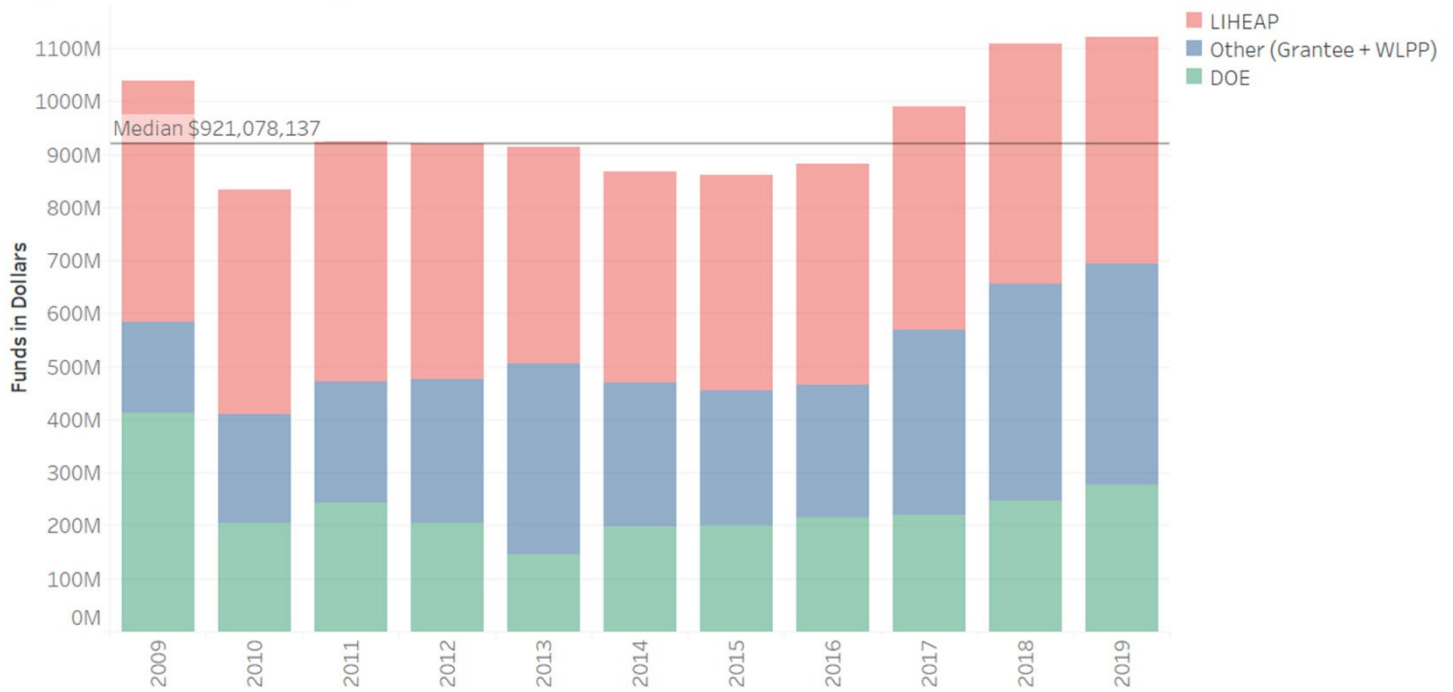


Figure 7: WAP Funding by Source 2019

