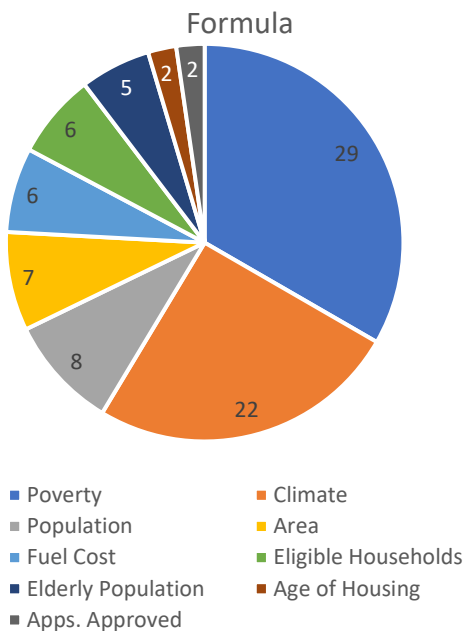# WAP Funding Allocation Formulas
August 2020

When a Weatherization Assistance Program (WAP) grantee allocates funding to a subgrantee to conduct weatherization services, the allocation formula used can depend on many factors. NASCSP conducted a study of 50 FY2020 State Plans to determine what criteria were included in allocation formulas when transferring WAP funds to subgrantees. Below is a summary of the findings, as well as an excerpt of state plans describing their formulas.

The following data shows the frequency at which each criterion appeared in state and territory allocation formulas. Meaning, out of the 50 states where an allocation formula is used, 58% used the percentage of people experiencing poverty in a subgrantee region to determine their funding. After the percentage of low-income people in the subgrantee region, the next most common criteria were climate in the region, percentage of state population in the region, and percentage of state land area in the region.
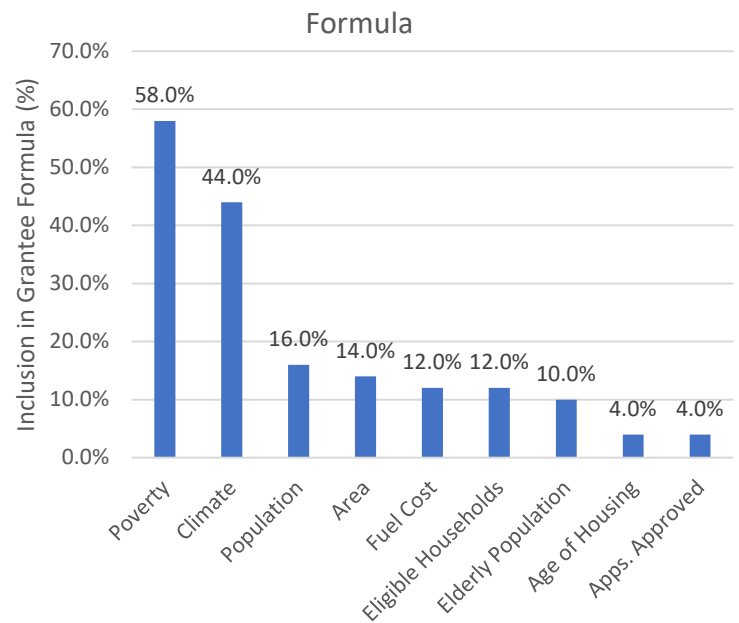
Demographic data relating to poverty, population, and resident age came from several sources, including the 2010 US Census and the 2016 American Community Survey. Client households' LIHEAP eligibility was also used as a proxy for poverty measures.

Poverty	58%
Climate	44%
Population	16%
Area	14%
Fuel Cost	12%
Eligible Households	12%
Elderly Population	10%
Age of Housing	4%
Applications Approved	4%

Number of Criteria in Grantee Allocation Formula

Frequency of Criteria in Grantee Allocation Formula

Alaska:

The state uses an allocation formula that establishes the basic funding per region based on a variety of factors and updated with census information renewal. The State reserves the right to reallocate the funds in this plan or any new funds or reductions in funds based on the following criteria:

- demonstrated need in a planned service area
- ability of the subgrantee to perform under the terms of the grant; or
- other extenuating circumstances (i.e. natural disaster or other delaying work in an area)

Alabama:

The formula used to allocate funds to each county in Alabama is based on the percentage of population in poverty in each county, each county received an amount of funds based on percentage in poverty. These allocations will be based entirely on the percentage of the State's poor persons in each county served by the subgrantees. Funds are allocated based on the U. S. Census Poverty Percentage Factor Data.

Arkansas:

Arkansas uses a funding allocation formula for each area (county) based on methodology similar to that used by DOE to allocate state-level funding. This formula is driven primarily by the number of persons living below poverty level, and by climatic conditions – with additional input based on the age of the housing stock. The factors used in the formula are:

- Population below poverty level, given a weight of 80 percent
- Annual average heating and cooling degree days, given a weight of 10 percent
- Percentage of houses built prior to 1990, given a weight of 10 percent

Each of these factors was multiplied by the weights given and summed to yield a total weight for each county. Each county's weight is then divided by the state's total weight and adjusted so the percentages for the counties sum to 100. The county percentages can be summed as required to generate the allocation appropriate to each administrative entity.

Arizona:

Arizona utilizes 10 local Weatherization agencies to fully implement the State Plan and provide service to the eligible population of Arizona. Project service areas are historical in nature, originating many years ago at the time of community action agency establishment in Arizona. Service area boundaries are typically drawn along county Lines and include all tribal lands within those counties.

California:

CSD allocates DOE funds to its Subgrantees based on a three-factor formula taking into account low-income population (2010 census), heating and cooling degree day data, and updated utility and fuel cost information. In 2019, the formula was modified to establish a minimum funding allocation of $50,000 to help support the administration of the DOE program in service areas considered rural and with limited population numbers.

Colorado:

Currently, the state is divided into five single family regions which are managed by five weatherization subgrantees. In addition, there is one statewide subgrantee that provides service to centrally heated multifamily units in all 64 counties.

Single-Family Allocation: Ninety percent (90%) of single family funds will be allocated according to the product of a region's Heating Degree Days (HDDs), the estimated number of households that are eligible for weatherization according to the income guidelines (at or below 200% of the federal poverty level) and the region's Housing Factor. Ten percent (10%) of the single family funds will be allocated based on the number of miles of land in each region/ the number of miles of land in the State of Colorado. The sum of the amounts for each region in a subgrantees service area represents the subgrantees total allocation.

Multifamily Allocation: Funds not allocated for use in single family projects will be allocated directly to a state-wide sub-grantee for weatherization of centrally heated multi-family buildings containing five (5) or more units. Multifamily projects throughout the state will be selected through a prioritization scheme that meets the federal requirements and takes into account geographic equity considerations. All other subgrantees shall retain their ability to weatherize individually heated multi-family units

Connecticut:
Regional production goals and budgets are based upon a demographic formula used to deliver WAP services in previous years.
State budget allocation formula is based on census data for each municipality, including population, income levels, percent of children and elderly, and climate.

Delaware:
DNREC ensures equal distribution of all WAP funds across all of Delaware's three counties (New Castle, Kent and Sussex) through contract provisions to ensure that we provide 50% of services to New Castle County (including the City of Wilmington) and 50% of services to Kent and Sussex counties, which is proportional to the distribution of the Delaware's population across the three counties. This will be clearly set up in the next contractual situation with the new Subgrantee.

Florida:
Services will be available in each of Florida's 67 counties. The weatherization funds are allocated to the local Subrecipient based on an allocation formula comprised of the low-income population of the state against the low-income population of each county, the average number of heating and cooling days in each of the two climate zones and the overall average energy cost per kilowatt.

Georgia:
A two-part formula is used for allocating the federal funds between subgrantees in weatherization. The two-part formula takes into consideration low-income families and geographic area (square miles). The formula uses the county as the basic building block. The data is taken from the U.S. Census. The county data is assembled to reflect the total area served by a subgrantee. This data is expressed as Vl, and the total number of low-income families served by a subgrantee, expressed as V2. To maintain the priority of servicing low-income families, the variables are weighted. Each area receives a weighted value of .2, and a weighted value of .8 is assigned for the number of low-income families in a given area. The combination of the weighted variable {i.e. (Vl x .2) + (V2 X.8) yields subgrantee factor. When divided by the summation of subgrantee factor, it produces a funding level requirement expressed as a percentage. The percentage is then applied to total estimated funds available, not including carryover, to decide the estimated allocation for each subgrantee.

Hawaii:
Weatherization assistance is needed and provided statewide to all four counties: the City and County of Honolulu, Kauai County, Maui County, and Hawaii County.

Iowa:
Service areas are based largely on the Community Action Agencies' (CAA's) historical geographical boundaries. This enables the CAA's to use their existing outreach structure to inform low-income persons about the program and to take applications.
Program funds are allocated to agencies according to a formula based on the number of households at, or below, 200% of the poverty level in each county in each agency's service area. The total number of households at, or below 200% of the poverty level in each agency's service area is divided by the total number of households at, or below, 200% of the poverty level in the state to arrive at each agency's percent of the state total. Each agency's percent of the state total is the percent of total funds each agency receives.
In addition to the allocation formula, a minimum or base agency funding level exists. Agencies that would receive less than the base funding level according to the allocation formula have their funding set at the base level.

Idaho:
The Idaho Weatherization Assistance Program is operated through local Direct Service Providers in accordance with DOE program requirements. The designated Direct Service Providers serve every county in Idaho and ensure delivery of weatherization services are provided statewide.

Illinois:
The State of Illinois will continue its IHWAP program for Illinois Program Year 2021 (Federal Program Year 2020) delivering weatherization services through its network of Local Administrating Agencies serving all 102 counties with demonstrated program effectiveness, program operation, and management.
The DCEO/OCA uses a federally-approved formula to allocate grant funds to LAAs; the formula is based on the Index of Needs and is comprised of five factors: Heating Degree Days; Fuel Cost Factor Per 100,000 BTUs; Persons in Poverty per the most recent census data; Elderly in Poverty per the most recent census data; and Disabled persons in Poverty.

Indiana:
DOE and LIHEAP allocations are distributed using the census-based allocation formula for 85% of Weatherization sub-grantees contracted funds. The remaining 15% of the allocation is distributed out to those Weatherization sub-grantees who meet all of the following incentives:
IHCDA will desktop monitor subgrantee production, expenditure rates, and average cost per home throughout the life of each DOE or LIHEAP grant.

Kansas:
Allocation of funds to Subrecipients and across budget categories will be based on the base formula as available from KHRC. The base formula is based on the 2013-2017 American Community Survey 5-year Estimates.

Kentucky:
When determining to which agency(ies) funds will be reallocated, KHC and CAK may consider such factors as work qualifications, remaining funds available to expend, proximity and ability to serve

the additional area, as well as federal grant compliance history.

Community Action Kentucky (CAK) currently has twenty three (23) defined Community Action Agency areas in the state of Kentucky. Funds will be allocated to those areas based on a defined formula and an allocation plan.

Louisiana:

The funds are allocated to each subgrantee using a parish allocation formula based upon census data and the number of parishes served. The temperatures vary across the State, however, the difference is not significant enough to warrant alteration of the allocation formula.

Massachusetts:

All areas of the state are served by the Massachusetts Subgrantees. Each WAP Subgrantee has a specified service territory based on Massachusetts incorporated cities and towns.

Maryland:

The Weatherization Assistance Program is a federal, formula based annual grant program. The amount of funds available for each subgrantee is determined by a formula that represents a portion of the total amount of funding available to the State of Maryland. Funding may be increased or decreased in response to changes in census data (data that indicates population increase/decrease, and/or poverty population increase/decrease) or changes in climate data within each Maryland locality.

Maine:

Maine's WAP serves all counties statewide through nine (9) Subgrantees along historical lines. Each Subgrantee is, in fact, a Community Action Agency or other public or nonprofit entity.

Maine Housing will allocate program funding to Subgrantees based on the percentage of LIHEAP applications approved.

In order to meet the additional heating needs of those in the northern and western portions of Maine, the Grantee uses a sliding scale of allocation based on recorded Heating Degree Days (HDD).

Michigan:

Services are based largely on Community Action Agencies (CAAs) historical geographical boundaries and past performance. This enables the CAAs to use their existing outreach structure to inform low income persons about the program and to take applications.

Michigan's WAP funds are distributed via an allocation formula that was revised to reflect the current conditions and energy conservation needs in Michigan based on the 2010 census. It uses a formula that includes a population factor, a territory size factor, and a heating degree day factor.

Minnesota:

It uses a three-part formula that includes a population factor, a heating degree day/cooling degree day factor and an energy cost factor. Commerce used the information below:

US 2010 Census data. 2010 census data updates numbers and distribution of low-income households across the state.

WAP income eligibility is 200% of Federal Poverty Income Guidelines. Data from the number of households with incomes at 100% of poverty level or less is also taken into account in determining eligibility. These two factors allow Commerce to cast a large eligibility net, while also providing attention to those households most in need.

Heating and cooling degree days reflect that Minnesota's climate is an important energy conservation consideration.

Low-income household energy bills take up a much larger share of their income and eligible households are disproportionately affected by increasing home energy costs so an energy cost factor is used. Commerce used a five-year average for natural gas, electricity, propane and other fuels.

Missouri:
Current service areas are based on the geographic boundaries of the State's Community Action Agencies (CAAs). The Missouri Weatherization Policy Advisory Council (MWPAC) has recommended and approved the allocation methodology to be based upon a $40,000 base for each subgrantee, a separate subgrantee T&TA allocation, with the remainder of the funds allocated to the subgrantees based on the U.S. Census poverty/population data.

Mississippi:
MSWAP will enter in agreement with six (6) subgrantees statewide for PY2020, which allows all 82 counties to be served in a timely and effective manner. Proposed subgrantee allocations are delineated by the estimated number of eligible units by elderly, disabled, Native American, owners, and renters.

Montana:
Funds for the operation of Weatherization Assistance Programs will be allocated to Human Resource Development Councils (HRDC's) in the Governor's twelve (12 Planning Districts and to one (1) Indian Reservation. The DOE funds are allocated to the subgrantees using multiyear demographics information from the American Community Survey.
Funding from federal sources is part of MDNR Division of Energy's allocation from the U.S. DOE, under a formula allocation based on population, local climatic conditions, and the cost of heating and cooling for low-income residences.

North Carolina:
Pursuant to 10 CFR 440.14(c)(6)(ii) a funding allocation formula has been devised to distribute funds throughout the state. Fifty one percent of the annual allocation of funds made available to North Carolina for weatherization services by the US Department of Energy are allocated to Subgrantees based on the number of low-income persons in their service area compared to the total number of low-income families in all areas served in the State. The number of low-income persons in the service area is based on the most recently completed Census count. The remaining amount is allocated to Subgrantees based on the number of units produced by the Subgrantee in the previous year.

North Dakota:
North Dakota's fifty-three counties are grouped into eight regions for the purposes of the Weatherization Assistance Program. The regions correspond with the jurisdictions of the seven (7) community action agencies (CAAs), which conduct weatherization activities on the local level. Weatherization funds will be allocated among Community Action Agencies (CAAs) on the basis of a formula which considers 1) the distribution of the low-income population; 2) the relative size of areas served and; 3) the minimum funding required for efficient program operations.

Nebraska:
Formula to calculate Subgrantees allocation . Weighted average based on population.

{Population (C)} {200% of Poverty (C)} {Poverty(C)} {Elderly(C)}

0.1 X {Population (S)} + 0.2 X {200% of Poverty (S)} + 0.3 X {Poverty (S)} + 0.4 X {Elderly (S)}

C = County S= State

New Hampshire:
"The allocation formula includes these three variables:
The number of certified Fuel Assistance Program (FAP) applications, by county, in the prior year;
Each county's percentage of the state's population with incomes below 200% of the Federal Poverty Guideline (using the most recent American Community Survey estimates of individuals below the poverty line); and
Each county's percentage of the state's average heating degree days (HDD) from 1981-2010."

New Jersey:
For the 2019 PY, NJ WAP will continue to serve the entire State divided into 13 service areas based on the population in poverty, utilizing the 2016 American Community Survey, U.S. Census data and proximity of surrounding counties. Allocations to WAP Agencies will be a base award of $100,000 with the remaining award allocated based on the number of individuals in poverty within the service area. The annual file of the state plan identifies the WAP agencies, allocation amounts and projected production goals.

New Mexico:
The 2017 US Census American Community Survey was used to compile the data used for the distribution formula. The funding allocations for each county and pueblo are based on the number of households with elderly, young children, disabled and low-income occupants, weighted by heating degree days, and follows a similar method as the 10 CFR 440.10 describes for state allocations. The above at-risk population segments are averaged with the amount of low-income households to determine the allocations for each county and pueblo. DOE, LIHEAP and State funds will be allocated statewide. Utility funds will be allocated to the areas served by the participating utility companies.

Nevada:
The service areas proposed for the program year are based on the following: the estimated number of eligible households located in each county; the availability of funds to provide assistance to the rural counties, and the availability of qualified service providers. The total distribution of Weatherization funding is mostly based on population, except in eastern and western rural service areas. In these areas an additional 2% each was provided to assist with the higher costs of doing business in remote areas of the state.

New York:
HCR allocates funding for each county in the State using a formula that considers climate and share of low-income households. Funding is also reserved to provide a minimum allocation to ensure service to each county where the formula does not otherwise generate sufficient funding to feasibly operate a program. These data, when considered together with New York State's harsh climate and high energy costs, show that the needs for energy efficiency are different for rental and owner housing, and vary according to location. Because of this diversity, New York has developed procedures to target assistance to those most in need, using methodologies that are best suited to conditions within the State.

Ohio:
Ohio completes an annual Risk Assessment of sub-grantees to evaluate performance and to determine if a sub-grantee is administering an effective weatherization program. The Risk Assessment tool evaluates

sub-grantees based on administrative, technical and fiscal management. A rating of "high risk" for two consecutive years on the annual Risk Assessment performed by ODSA, may result in a competitive proposal process for the sub-grantee's territory after the current contract expires. Should the Risk Assessment rating result in a competitive proposal process for any subgrantee's territory, Ohio will proceed in accordance with 10 CFR 440.15.

Oklahoma:
In PY2020, ODOC will use the same formula used in previous DOE plan years, which takes into account the poverty population, elderly population and the number of substandard housing within each county.

Oregon:
Each county within a subgrantee service area receives weatherization services proportional to the ratio of it's low income residents relative to the population of low income residents in the service area.
a.Households below the poverty level as established by the Federal Office of Management and Budget and the most current U.S. Census, will account for 85% of the funds allocated to subgrantees.
b.Heating degree days squared, (averaged for subgrantees with multicounty service areas) will account for 15% of funds allocated."

Pennsylvania:
There are subgrantees who are each assigned service areas, which includes all counties, cities, and areas of the state. During the current review of poverty and heating degree days data in combination with various capacity issues uncovered during the 2020 Risk Assessment process, it appears that the population needs for weatherization services combined with ongoing compliance with all program requirements has challenged the network as it is currently organized.

Rhode Island:
The allocation process is based upon negotiation of individual contracts with non-profit corporations. The determining factors are: past performance by Subgrantee, incidence of poverty in the service area covered; number of LIHEAP households assisted in the service area; and the ability of the agency to weatherize homes effectively.

South Carolina:
The funds are allocated to each subgrantee based on the 2010 Census poverty population in the counties the subgrantee serves. A dwelling unit shall be eligible for weatherization assistance if it is occupied by an eligible family unit whose income is at or below 200 percent of the poverty level and the structure is eligible as outlined in V.1.2 Approach to Determining Building Eligibility.

South Dakota:
The four agencies listed below offer weatherization services to all tribal and nontribal homes in all 66 counties in South Dakota.

Tennessee:
Funding allocations will be provided based on the percentage of the State's low-income population that resides within a county. Each county will have a single subgrantee to administer the DOE Weatherization Assistance Program on behalf of the Grantee. Each subgrantee will have a defined service area that will consist of one or more counties. Funding will be provided to the subgrantee based on the county allocation(s) for their service area.

Texas:
The Department updates the budget allocation proportion by county and Subgrantee based on poverty income, elderly poverty, median household income (from the 2010 U.S. Census data), and climate data (from the National Climatic Data Center, Climate Normals, 2010), as outlined in 10 TAC §6.404. The allocation formulas reflect the 2010 Census data. The fund allocations for individual service areas are determined by a 5 factor distribution formula as outlined in 10 TAC §6.404:

(1) Number of nonelderly poverty households per county;
(2) Number of elderly poverty households per county;
(3) Median income variance per county;
(4) Inverse poverty household density ratio per county; and
(5) County Weather Factor (Heating/Cooling Degree days per county) as a portion of State County Weather.

Utah:
The objective of Utah's Allocation formula is to distribute WAP funds to its subgrantees in a manner which will allow them to serve an equal percentage of the eligible population for the geographical areas each represents. Factors considered are:
a. Climate of agency service area.
b. Poverty population within agency service area.
c. Average weighted heating fuel costs within the agency service area.
d. Density of eligible dwellings in an agency's service area
e. Bases for Program Operations

Virginia:
Subgrantees are provided a DOE allocation using a formula that is based on low income population and square miles served.

Vermont:
The State of Vermont has used the same 5 subgrantees for the past 40 years.

Wisconsin:
Funding allocations among the subgrantees [440.15(b)] are made according to a population-weighted degree-day formula, shown below, which complies with the requirement to allocate on the basis of relative need. The formula is used to determine overall agency funding except for Training and Technical Assistance (T&TA). The allocation formula is:

CDD x CPH x 100 = County allocation
SCDDH percentage

where:
CDD is the average county degree-days
CPH is the county persons eligible for Low Income Home Energy Assistance (LIHEAP)
SCDDH is the sum of the county degree days multiplied by LIHEAP eligible households.

West Virginia:

Subrecipients in the State operate the WAP in service areas designated by specific counties, barring any unforeseen circumstances necessitating service area alteration.

West Virginia will use census data from the most recent census, 2010, in a funding formula including the number of low income homes and the land area of each county of a subrecipient's service area.

Wyoming:

The State of Wyoming ensures funds will be allocated on an equitable basis based on low income population projections by county per most recent census figures. The subgrantee funding formula is based on county population based LIHEAP eligibility (which meets at least 200% of Federal Poverty Level (FPL) as required by the DOE), square miles of service, population over sixty (60) years of age, DFS welfare services data, and heating degree days in the service area.