

Memorandum

DATE: **January 8, 2021**

WAP Memorandum 075

REPLY TO

ATTN OF:  **Erica Burri, Weatherization Assistance Program, Program Manager**
Weatherization and Intergovernmental Program Office

SUBJECT: **Weatherization Assistance Program Reauthorization Impacts for State Plan Submission**

TO: **Weatherization Assistance Program Grantees**

INTENDED

AUDIENCE: **Grantee Program Managers, Subgrantee Program Managers**

On December 27, 2020, President Donald J. Trump signed into law P.L. 116-260, an omnibus legislative package that includes several significant changes for the Weatherization Assistance Program (WAP). The package combines the COVID-19 relief bill, the Fiscal Year (FY) 2021 appropriations bill, and a number of smaller bills including the Energy Act of 2020¹. The Energy Act of 2020 included language reauthorizing WAP through FY 2025, as well as making several changes and updates to the program.

This memo is intended to provide information about some of these changes in order to assist Grantees in developing Program Year (PY) 2021 State Plans that properly align with the new legislation. Specifically, this memo addresses:

- An increase in administrative funds from 10 to 15 percent of the grant.
- Authority to "reweatherize" a home if 15 years have passed since the original services.

DOE will issue additional memoranda on the remaining changes to the program included in this package at a later date, as needed.

Administrative Cost

- Sec. 1011(g) of the Energy Act of 2020 (Division Z of P.L. 116-260) includes language that will amend 42 U.S. Code § 6865(a)(1) language on administrative funds. Previously, the administrative cost category was limited to 10 percent of the grant and will now be increased to 15 percent.
 - *Not more than an amount equal to 15 percent of any grant made by the Secretary under this part may be used for administrative purposes in carrying out duties under this part, except that not more than one-half of such amount may be used by any State for such purposes, and a State may provide in the plan adopted pursuant to subsection (b) for*

¹ Specific Section references included in this memo refer to sections within the Energy Act of 2020, which was included as Division Z of P.L. 116-260.

recipients of grants of less than \$350,000 to use up to an additional 5 percent of such grant for administration if the State has determined that such recipient requires such additional amount to implement effectively the administrative requirements established by the Secretary pursuant to this part.

- DOE will allocate the 15 percent, with a direct split between the Grantee and its Subgrantees. The 2021 Application Instructions will be amended that not more than 7.5 percent may be used by the Grantee for such purposes, and not less than 7.5 percent must be made available to Subgrantees by the Grantee.
- Consistent with past practices, DOE includes the provision where a Grantee may provide in its annual plan an additional 5 percent for administration for recipients of grants of less than \$350,000. The Grantee must determine that such recipient requires the additional amount to implement effectively DOE's administrative requirements.
- Also consistent with past practices, Grantees must only use the new PY total allocation funds in determining the administrative allowances, as any carryover funds have already had administrative costs allocated. Unexpended funds in administrative category accounts may be carried over from the previous budget period within the award, provided there is sufficient support and justification for their continued use. Grantees can also choose to include any administrative carryover funding into the Program Operations category and/or provide a portion of their Grantee administrative funds to Subgrantees.
- DOE's 2021 Application Instructions for the Budget Section is amended as follows:
 - *Grantee Administration*
 - The total charged to Administration can be no more than 7.5 percent of total new PY funds awarded. Cost allocation between this category and Grantee Training & Technical Assistance (T&TA) must be in accordance with [2 CFR 200](#) and [10 CFR 440.23](#) "Oversight, training, and technical assistance."
 - *Subgrantee Administration*
 - Subgrantee Administration must be at least 7.5 percent of the total new funds awarded.
 - Grantees may allow Subgrantees who receive less than \$350,000 of new DOE appropriated funds, to receive to an additional 5 percent of their subawards for administration. This additional funding can be approved only to implement the administrative requirements of the Program.
 - Grantees shall develop criteria to be used to determine when eligible Subgrantees may receive up to an additional 5 percent of their subawards for administrative purposes. The total effect of the additional 5 percent of administration costs may result in the State exceeding the 15 percent administrative cost category for the award.

Reweatheringization

- Section 1011(h) of the Energy Act of 2020, will also amend 42 U.S. Code § 6865(c)(2) and remove the reweatherization date, September 30, 1994, and create a “rolling” option.
 - *Dwelling units weatherized (including dwelling units partially weatherized) under this part, or under other Federal programs (in this paragraph referred to as ‘previous weatherization’), may not receive further financial assistance for weatherization under this part until the date that is 15 years after the date such previous weatherization was completed. This paragraph does not preclude dwelling units that have received previous weatherization from receiving assistance and services (including the provision of information and education to assist with energy management and evaluation of the effectiveness of installed weatherization materials) other than weatherization under this part or under other Federal programs, or from receiving non-Federal assistance for weatherization.*
- The inclusion of “other Federal programs” includes all Federal funds including LIHEAP, HUD, or USDA “weatherization” activities.
- In the 2021 Application Instructions (V.1.2), Grantees must include the specific process for tracking homes previously weatherized. This process must now be expanded to include all Federal programs providing “weatherization” activities.

If you have questions regarding the information in this Memorandum, please contact your DOE Project Officer.