Weatherization Assistance Program

Funding Report
Program Year 2021

National Association for State Community Services Programs
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Summary

The U.S. Department of Energy’s (DOE) Weatherization Assistance Program (WAP) is administered by a nationwide network of state, district, tribal and territorial Grantees, with local government and nonprofit Subgrantees and their contractors (the “WAP Network”). Federal statute and policies encourage the WAP Network to supplement DOE WAP funding with non-federal funding to maximize investments in eligible units (“leveraging”). The Program Year (PY) 2021 WAP Funding Report is a coordinated data collection effort between the National Association for State Community Services Programs (NASCSP) and the National Community Action Partnership (NCAP) to provide a comprehensive summary of WAP funding and production.

In PY 2021, the WAP Network had over $1.6 billion available from all funding sources. This includes funds from the DOE WAP, the U.S. Department of Health and Human Services (HHS) Low-Income Home Energy Assistance Program (LIHEAP), as well as $355 million for 21 states from the American Rescue Plan Act (ARPA)\(^1\). NASCSP and NCAP found the WAP Network leveraged an additional $371 million from non-federal sources (“Other funds“). Other funds come from a variety of governmental and private sources, such as the Regional Greenhouse Gas Initiative (RGGI) and utility companies. Since 2017, NCAP has interviewed WAP Subgrantees and other sources to identify additional Other funding. These local sources reported $127.3 million in addition to the $243.7 million in Other Funds reported by Grantees.

NASCSP’s survey collected WAP funding and production data from nearly all the program Grantees: 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)\(^2\), accounting for at least 64,024 units weatherized\(^3\).

Background

The WAP was created in 1976 “to reduce energy costs for low-income families, particularly for the elderly, people with disabilities, and children, by improving the energy efficiency of their units while

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\(^2\) Data for 3 states and two U.S. territories were not available. This report includes their production numbers reported to DOE and only includes their DOE funding.

\(^3\) Due to the complexity of tracking leveraged funds, only units funded in whole or in part with DOE or HHS funds are included, to ensure an unduplicated count.
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 that use advanced technologies to deliver energy conservation measures (ECMs) to low-income households. Lower energy use cuts carbon emissions and reduces utility bills, thereby decreasing household energy burden while improving the health, safety, comfort, durability, and climate resiliency of the home.

Annual DOE appropriations provide the core funding for the WAP, and DOE policy shapes most weatherization work, not just DOE-funded measures. The applicable statute and regulations (10 CFR Part 440) establish the process to manage and account for resources and properly spend taxpayer dollars. DOE sets quality standards for weatherization materials, work practices, project cost-effectiveness, and health and safety measures. While Other funds may supplement or complement the WAP, DOE standards for quality, safety and fiscal management are the foundation for most procedures.

The annual WAP Funding Report provides comprehensive information on leveraged funding sources that expand the reach and impact of the federal WAP. It catalogues the amount and sources of funding and production of the Grantees of the WAP, as well as non-federal funds received by WAP Subgrantees directly for Weatherization-related investments. More importantly, the annual WAP Funding Report also includes prior years’ funding data and maintains an archive covering more than 20 years for historical reference, with one exception; since Program Year 2020 launched as the COVID pandemic emergency was unfolding, Weatherization services, which involve workers performing upgrades in occupied units, were severely disrupted. As a result, the PY 2020 WAP Funding Report was not published and PY 2021 includes some funds carried over from 2020.

**Funding by Source**

The PY 2021 WAP funds came from several federal funding sources, including the DOE WAP, the HHS LIHEAP, and the pandemic-related American Rescue Plan Act (ARPA4) funds. In addition to federal funds, a variety of non-federal sources (“Other funds”) contribute to the annual WAP funding, of which the largest sums are from utility partnerships and state program sources.

**DOE WAP**

DOE Grantees reported $378,246,115 in DOE regular funds were available in PY 2021. This represents 33 percent more funding than 2019 and is the highest formula funding level reported. Yet, DOE WAP funds were just 23 percent of the total funds reported as available to the network for WAP and related work. (See Figure 2).

**HHS LIHEAP**

States have discretion to designate up to 15 percent of the LIHEAP block grant to fund energy efficiency-related activities or up to 25 percent with an HHS-approved waiver. The uses can include emergency

4 [https://www.acf.hhs.gov/american-rescue-plan](https://www.acf.hhs.gov/american-rescue-plan)
energy-related repairs as well as traditional weatherization, health-related home upgrades, and replacement of unsafe equipment. Forty-six WAP Grantees reported $521,443,810 in LIHEAP funds were available for energy efficiency activities. This is also a record amount and represented an increase of almost 22 percent, $92,442,155, over the funds reported for PY 2019. Funds provided through LIHEAP comprised 32 percent of all PY 2021 funds (See Figure 3).

**ARPA**

This PY 2021 report shows a one-time influx of federal funding from the pandemic-related ARPA funds. Twenty-one Grantees reported allocating $355,276,035 in ARPA funds for PY 2021, accounting for 22 percent of the total funds available for the WAP Network. Of this, $345,526,350 was from LIHEAP ARPA funds and two percent, $9,749,684, were other ARPA funds. ARPA was used in many ways, including standard weatherization services, deferral and repair programs, electrification and electrification readiness, emergency heating and cooling, and pilot programs to service heating systems and prevent crises. (See Figure 5 and 6).

The federal funds reported above account for 77 percent of the WAP network resources in PY 2021.

**Other funds**

Grantees and local WAP organizations continue to seek leveraging opportunities with publicly- and privately funded efficiency and housing initiatives to increase production and to provide a wider range of necessary energy and safety improvements in the eligible units. The WAP relies heavily on leveraged resources and companion programs. DOE funds and the recognized high standards of DOE requirements are critical to the success of WAP network leveraging. Network organizations in 33 states leveraged a total $370,968,575 in non-federal funds, almost equal funding to the DOE WAP funds for all 57 Grantees. (See Figure 4).

Most of the Other funds fit into two major categories: Utility funds and State funds. Utility funds are any funds utilities transfer to a public benefit fund, a WAP state agency or association, or a weatherization subgrantee. Most Utility funds come from ratepayer-supported energy efficiency programs. State funds are funds that come from state-collected revenues such as fees or tax revenues. Examples of State funds include energy production royalties, state general revenues, or state appropriations. Twelve states reported using State funds in 2021.

There is wide variation among state networks’ ability to attract Other funding. While 18 states leveraged more than $3 million dollars in 2021, there were many states in which there was little or no non-federal funding available.

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5 Eight Grantees did not transfer LIHEAP funds in 2021, including Connecticut, Massachusetts, Mississippi, South Dakota, Guam, Puerto Rico, Northern Mariana Islands, and the Virgin Islands.

6 Grantees may budget a portion of DOE funds as a “leveraging” fund to be used in initiatives to garner non-federal funding.
Emerging Partnerships: NASCSP and NCAP also used the data collection to identify innovative efforts that enhance WAP and the resources they relied on. For example, six Grantees described significant projects adding up to over $40 million collectively, to abate known lead hazards and remedy other housing defects using federal funds, primarily from HUD federal or state programs, but also from several less utilized sources. A handful tested electrification and renewable energy installations. The NCAP interviews identified a growing variety of smaller sub-grantee projects funded from non-federal sources, such as local government contracts, foundation grants, partnerships with health services providers, and charitable donations. Most were directed either at remediating hazards in the eligible units or testing electrification investments.

Funding Trends

- Federal Funds: As noted, in Program Year 2021, Grantee-reported network funding reached a new high because of the infusion of federal ARPA funds and more modest increases in allocations from DOE and LIHEAP.
  - Of the 46 Grantees transferring LIHEAP funds into the WAP in 2021, 24 increased and 22 decreased LIHEAP transfers, compared to 2019. Alaska, California, Illinois, Maryland, Minnesota, Nebraska, and Virginia all reported large increases, including the ARPA funds in some of those states.
  - In fact, the $521 million transferred from the LIHEAP block grant plus the almost $346 million in ARPA LIHEAP funding used by 21 states gave the network unprecedented resources to make health, safety, and minor structural repairs in hundreds of units. It is likely that the one-time ARPA funding will also be reported in PY 2022 because of the late release of those funds.
- Federal Funds Forecast: While the ARPA funds were expected to be depleted by the end of PY 2022, funding levels will remain high over the next few years because the American Infrastructure and Investment Act of 2021 included $3.5 billion for longer-term WAP expansion. Also, annual appropriations for WAP increased in PY 2021 and PY 2022.
- Other funds decreased slightly from 2019 and contributed 23 percent of all funds available for the PY 2021 WAP. The figure, almost $371 million, represents a decrease of 10.7 percent from 2019’s reported funding level. More Grantees, 32, reported utilizing Other funds in 2021 than in 2019. The Other programs’ scale, as always, varied dramatically among states, from a high of Massachusetts’ utility programs delivered by the network – nearly $140 million- to less than $20,000. However, local reports on these programs collected by NCAP are likely to understate the Other funds resources because many partnerships at the local or regional level form and change without any common reporting system among the many private and local funders. For that reason, the annual “Other funds” total in this series should always be considered a conservative estimate of the non-federal funds available.\(^7\) Grantee-reported Other funds show little year-to-year variation.

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\(^7\) In States where data was not available on the Other Funds of all Subgrantees, partial information provided by some Subgrantees has been included.
PY 2021 Production Summary

This report also provides Grantees’ estimates of the number of units weatherized using all funding sources, but the total is certainly a conservative figure. Respondents indicated that the network weatherized at least 64,024 units. Some Grantees reported only units weatherized using a single funding source (DOE, LIHEAP) to assure the tally was unduplicated. Most Grantees [41] report some production as “blended” or “braided”, meaning that Other funds (LIHEAP, Utility, etc.) are added to DOE or Other funds to enhance the WAP services for greater energy efficiency and increased health and safety measures.

In PY 2021, it is important to note that the COVID pandemic continued to impact production in various ways. Subgrantees had to ensure the health and safety of clients and workers before returning to performing in-person weatherization services, and many implemented reduced contact services and electronic application options. However, COVID-related staffing shortages, increased evictions and foreclosures, and lingering customer reluctance for in-home visits caused shifts in demand for and delivery of Weatherization services.

- Grantees weatherized 35,630 units using DOE funds, including those units receiving DOE funds blended with LIHEAP and/or Other funds.
- Grantees also completed 15,829 units using LIHEAP as the primary funding source, either solely with LIHEAP funds or combined with Other, not DOE, funds.  
- Some Grantees could report on 12,565 units in which Other funds were the sole funding sources; however, most units weatherized using Other funds are not recorded and reported to DOE or LIHEAP if no federal funding were used.

The Funding Future

The WAP Network had more federal funds to spend in program year 2021 than ever before. In the FY 2022 appropriations bill enacted in 2021, Congress showed continued bipartisan support for the program, appropriating $375 million to WAP, a $65 million increase over the FY 2021 level. The Infrastructure Investment and Jobs Act (IIJA) provides $3.5 billion for DOE WAP starting in Program Year 2022.

The WAP network is continually engaged in developing new partnerships to expand the role of the WAP with the intent to provide a more comprehensive set of services to low-income WAP clients through initiatives such as upgrades to the indoor environment to make home healthier and conversions to clean energy sources. WAP leaders are keenly aware that more diverse funding streams, especially

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8These units are only reported in this study, not to DOE, because there is no process for reporting HHS funded units. Please consult the HHS LIHEAP Data Warehouse for more information on units reported to HHS.
Other funds are needed for measures that will broaden the impacts of WAP services and increase the resilience of eligible units facing extreme weather.

The WAP Grantees and Subgrantees skills mobilizing and combining multiple funding streams will be essential in helping low-income communities meet the challenges of climate change and harness the opportunities of emerging clean technologies.

The attached Figures 2-6 represent data collected from PY 2014 to 2021 except for the PY 2020 data (as noted previously, a WAP Funding Report was not published for PY 2020) due to the COVID pandemic.
Figure 2: DOE WAP Funding vs. Total WAP Funding 2014-2021

Median $219,302,055

Figure 3: LIHEAP WAP Funding vs. Total WAP Funding 2014-2021

Median $419,708,733