

March 11 - 15 | Arlington, VA
Crystal Gateway Marriott

2024



WINTER TRAINING CONFERENCE

Turning Possibilities into Reality

Braiding the BIL: LIHEAP and Leveraged
Funding Collaboration Models

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Braiding the BIL: LIHEAP and Leveraged Funding Collaboration Models

March 12, 2024

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)
ADMINISTRATION FOR CHILDREN AND FAMILIES
OFFICE OF COMMUNITY SERVICES, DIVISION OF ENERGY ASSISTANCE
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

AND

U.S. DEPARTMENT OF ENERGY (DOE)
STATE AND COMMUNITY ENERGY PROGRAMS OFFICE (SCEP)
WEATHERIZATION ASSISTANCE PROGRAM (WAP)



ADMINISTRATION FOR
CHILDREN & FAMILIES



Session Overview

- Federal Coordination
- Low Income Home Energy Assistance Program (LIHEAP) Transfer
- LIHEAP Model Plan
- Federal Coordination
- Braiding Leveraged Funds
- BIL Grant Administration
- Managing BIL ACPU
- Davis Bacon Act Compliance
- Discussion

Presenters:

- Megan Meadows, Director, Division of Energy Assistance, Office of Community Services, U.S. Department of Health and Human Services
- Erica Burrin, Senior Advisor, Division of Energy Assistance, Office of Community Services, U.S. Department of Health and Human Services
- Amanda Rains, Senior Policy Analyst, Weatherization Assistance Program, Department of Energy

Federal Coordination



LIHEAP and Weatherization Assistance Program (WAP) have a long history of coordination.

- The use of LIHEAP for weatherization purposes has historically been included in statute.
- Categorical eligibility for LIHEAP exists in [10 CFR 440.22\(a\)\(3\)](#).
- LIHEAP allows for up to 200% of the federal poverty guidelines for LIHEAP weatherization clients.

Historically, weatherization funding from the LIHEAP allocation, exceeds the DOE appropriation amounts for most WAP grant recipients.



LIHEAP Transfer

Most LIHEAP grant recipients administer a LIHEAP weatherization program and transfer funds to a WAP grant recipient or subgrant agency.

- A LIHEAP grant recipients may allocate up to 15% of total LIHEAP funds to weatherization.
- A LIHEAP grant recipient may request a written waiver from HHS to increase the transfer amount up to a maximum of 25% of total LIHEAP funds.
- HHS can only approve waivers from April 1 – September 30
- LIHEAP weatherization funds can be:
 - Administered directly by the LIHEAP grant recipient, or
 - Passed to another state agency, which administers the DOE Weatherization Assistance Program.

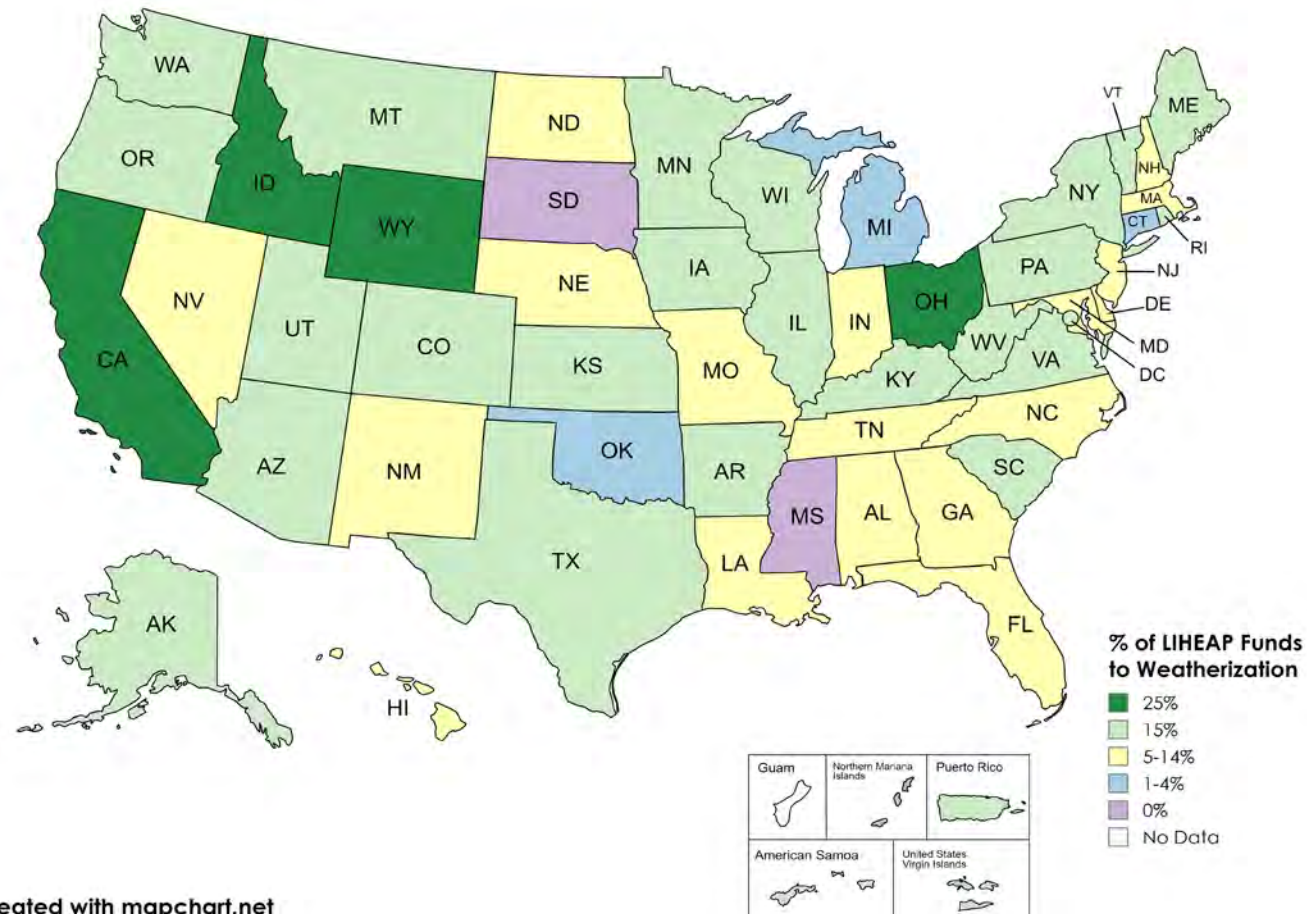


LIHEAP Weatherization Waiver Process

- As outlined in [45 CFR 96.83](#), LIHEAP weatherization waivers must include:
 - ✓ **Public Comment Period**, any public comments received and responses to public comments from the grant recipients.
 - ✓ **Good Cause or Standard Waiver**
 - ✓ **Total percent to be set aside for weatherization** with a maximum of 25%
 - ✓ **Total number of Households** served in current and previous federal fiscal year
 - ✓ **Total of funds spent** for all program components except weatherization
 - ✓ **Description of weatherization** activities to be provided by all weatherization funds for present year and explanation of weatherization will produce measurable savings



LIHEAP Transfers - 2023



Legend:

- Programs in different state offices (Blue)
- Programs in same state office (Orange)

District of Columbia

As of September 2023

LIHEAP Model Plan

LIHEAP Grant Recipients provide a Model Plan to HHS by September 1.

- Section 1 of the LIHEAP Model Plan indicates the % of LIHEAP funds to be transferred for weatherization.
- Section 5 of the LIHEAP Model Plan: LIHEAP Weatherization
 - Eligibility
 - Rules
 - Average Cost Per Unit
 - Type of LIHEAP assistance (not exhaustive)
 - Other



LIHEAP Model Plan: Section 1

Estimated Funding Allocation, 2604(C), 2605(k)(1), 2605(b)(9), 2605(b)(16) - Assurances 9 and 16	
1.2 Estimate what amount of available LIHEAP funds will be used for each component that you will operate: The total of all percentages must add up to 100%.	Percentage (%)
Heating assistance	20.00%
Cooling assistance	6.00%
Crisis assistance	34.00%
Weatherization assistance	15.00%
Carryover to the following federal fiscal year	10.00%
Administrative and planning costs	10.00%
Services to reduce home energy needs including needs assessment (Assurance 16)	5.00%
Used to develop and implement leveraging activities	0.00%
TOTAL	100.00%



LIHEAP Model Plan: Section 5

“Designate the Income Eligibility Threshold Used for the Weatherization Component.”

LIHEAP grant recipients may choose to remain at the LIHEAP eligibility threshold (up to 150% of Federal Poverty Guidelines, FPG) or align with DOE WAP.

- LIHEAP grant recipients often select 200%, to align with DOE WAP eligibility threshold.
- Some grant recipient select 60% of State Median Income (SMI).
- In all but 2 instances, grant recipients selecting 60% SMI, that dollar figure is above the 200% FPG.

(Note: DOE allows categorical eligibility. If a family qualifies for LIHEAP under the Grantee eligibility guidelines, they automatically qualify for WAP, even if that income threshold is above 200%.)



LIHEAP Eligibility and Income Sources

- Grant recipients provide what sources of income count as income in their LIHEAP Model Plan. Examples include but are not limited to:
 - Wages,
 - Self-Employment Income
 - Unemployment
 - Social Security
 - Strike Pay
 - Retirement
 - TANF
 - Cash Gifts
- For ease of coordination on income sources for eligibility consider aligning your LIHEAP income sources in the LIHEAP Model Plan with [Weatherization Program Notice 24-3](#).



LIHEAP Model Plan: Section 5

LIHEAP Model Plan outlines what rules the LIHEAP weatherization funding must follow:

- Entirely LIHEAP Rules
- Entirely DOE WAP Rules
- Mostly LIHEAP Rules
 - With option to identify pieces where they will follow DOE instead.
- Mostly DOE Rules
 - With option to identify pieces where they will follow LIHEAP instead.
 - <https://liheapch.acf.hhs.gov/stateplans.htm>

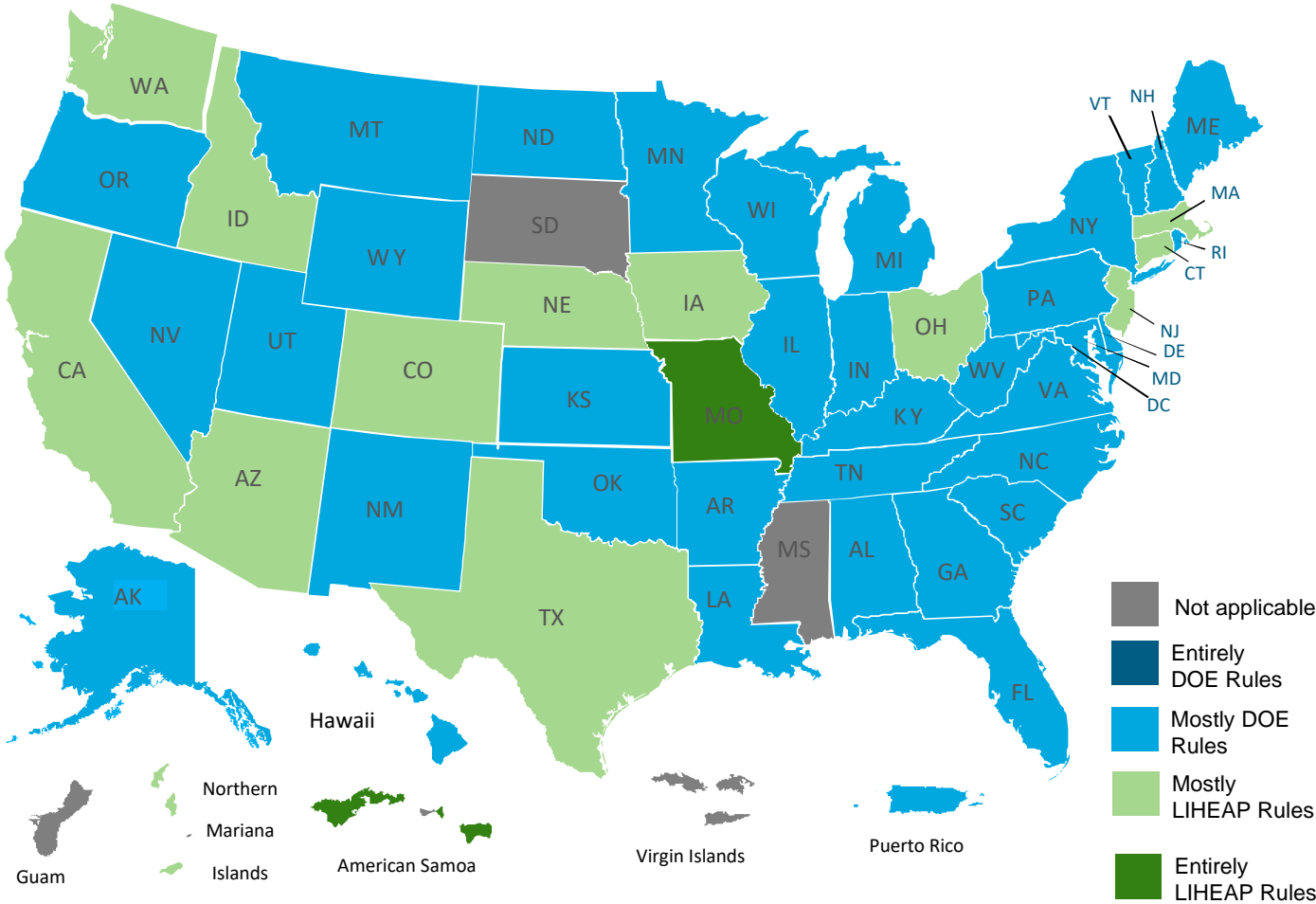
Section 5 - WEATHERIZATION ASSISTANCE

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES ADMINISTRATION FOR CHILDREN AND FAMILIES		<small>August 1987, revised 08/92, 02/95, 03/96, 12/98, 11/01 OMB Clearance No.: 0970-0075 Expiration Date: 12/31/2023</small>
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) MODEL PLAN SF - 424 - MANDATORY		
Section 5: WEATHERIZATION ASSISTANCE		
Eligibility, 2005(e)(1)(A), 2005(b)(2) - Assurance 2		
5.1 Designate the income eligibility threshold used for the Weatherization component		
Add	Household Size	Eligibility Guidelines
1	All Household Sizes	HHS Poverty Guidelines
		Eligibility Threshold
		200.00%
5.2 Do you enter into an interagency agreement to have another government agency administer a WEATHERIZATION component? <input checked="" type="radio"/> Yes <input type="radio"/> No		
5.3 If yes, name the agency.		
5.4 Is there a separate monitoring protocol for weatherization? <input checked="" type="radio"/> Yes <input type="radio"/> No		
WEATHERIZATION - Types of Rules		
5.5 Under what rules do you administer LIHEAP weatherization? (Check only one.)		
<input type="checkbox"/> Entirely under LIHEAP (not DOE) rules		
<input type="checkbox"/> Entirely under DOE WAP (not LIHEAP) rules		
<input type="checkbox"/> Mostly under LIHEAP rules with the following DOE WAP rule(s) where LIHEAP and WAP rules differ (Check all that apply):		
<input type="checkbox"/> Income Threshold		
<input type="checkbox"/> Weatherization of entire multi-family housing structure is permitted if at least 66% of units (50% in 2- & 4-unit buildings) are eligible units or will become eligible within 180 days		
<input type="checkbox"/> Weatherize shelters temporarily housing primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities).		
<input type="checkbox"/> Other - Describe:		
<input checked="" type="checkbox"/> Mostly under DOE WAP rules, with the following LIHEAP rule(s) where LIHEAP and WAP rules differ (Check all that apply.):		
<input type="checkbox"/> Income Threshold		
<input checked="" type="checkbox"/> Weatherization not subject to DOE WAP maximum statewide average cost per dwelling unit.		
<input checked="" type="checkbox"/> Weatherization measures are not subject to DOE Savings to Investment Ratio (SIR) standards.		
<input checked="" type="checkbox"/> Other - Describe:		
Re-weatherization - a dwelling may receive re-weatherization fifteen (15) years after the date previous weatherization work was completed.		
Energy related home repair - the use of LIHEAP weatherization funds is allowable for structural and auxiliary repairs, such as roof, wall, and plumbing repairs, only if the repairs are required to enable effective weatherization. These repairs will help ensure the health and safety of the occupants and help reduce the occurrence of delinquency due to the condition of the homes.		
Eligibility, 2005(b)(5) - Assurance 5		
5.6 Do you require an assets test? <input type="radio"/> Yes <input checked="" type="radio"/> No		
5.7 Do you have additional differing eligibility policies for:		
Renters	<input checked="" type="radio"/> Yes <input type="radio"/> No	
Renters living in subsidized housing?	<input checked="" type="radio"/> Yes <input type="radio"/> No	
5.8 Do you give priority in eligibility to:		
Elderly?	<input checked="" type="radio"/> Yes <input type="radio"/> No	
Disabled?	<input checked="" type="radio"/> Yes <input type="radio"/> No	

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LIHEAP Transfer Rules

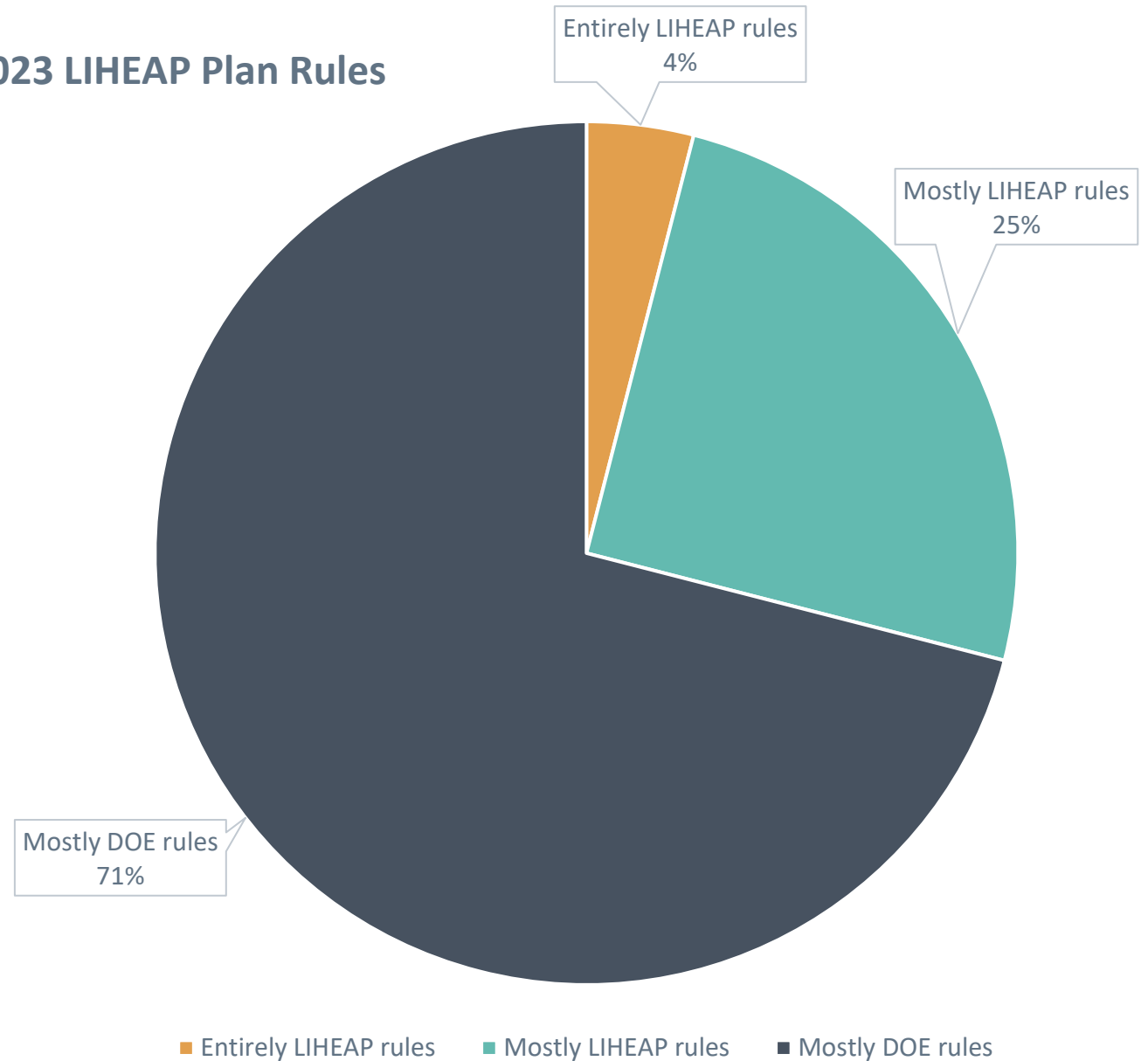


LIHEAP Weatherization

Annually, LIHEAP grant recipients must submit a plan that describes how weatherization and energy-related repairs will be provided using LIHEAP funds.
(42 USC §8624(c)(1)(D)).

96% of the 52 grant recipients transferring LIHEAP funds follow a combination of DOE and LIHEAP rules.

2023 LIHEAP Plan Rules



LIHEAP Transfer Rules: Mostly DOE

According to the 2023 LIHEAP Model Plans, common exceptions:

- Average cost per unit (26 Grantees)
- Savings to investment ratio (24 Grantees)
- Reweathering date (12 Grantees)
- Energy related repairs
 - **Possible measures:** minor structural repairs, mold/moisture control, electrical repairs
 - **Unallowable practices:** roof replacement, major construction
 - Important to base your program design on data (deferral tracking) and set cost or other limits on repairs.

Other Exceptions:

- No or higher Health and Safety limit
- HVAC Replacement
- No Savings to Investment Ratio (SIR) or $SIR < 1.0$
- Cook stove replacement allowed



2023 LIHEAP Model Plan Examples

	Colorado	Iowa	Kentucky	Montana
Transfer Percentage	15%	15%	15%	15%
Eligibility	Does not align with WAP – 60% SMI	Aligns with WAP	Aligns with WAP	Aligns with WAP
Rules	Mostly LIHEAP	Mostly LIHEAP	Mostly DOE	Mostly DOE
ACPU	No	No	No	No
Type of LIHEAP assistance (not exhaustive)	Roof repair, furnace replacement, Lighting, Appliance repair/replacement	Repair/replace HVAC, furnace replacement, appliance replacement, water heater, doors	Repair/replace HVAC, furnace replacement, cooling system, appliance repair/replacement	Roof repair, furnace replacement, Lighting, Storm window, water heaters, doors, windows
Other	Solar PV, LED Lightbulbs	N/A	Replacement of cookstoves	Fuel Switching, allow reweatherization at 10 years.
Same State Office	No	Yes	No	Yes



Braiding Resources | Deep Retrofits Example



Air Sealing	\$800.00
Attic Insulation	\$2,000.00
Sidewall Insulation	\$2,800.00
Refrigerator Replacement	\$800.00
ASHRAE Ventilation	\$550.00
Energy Audit	\$500.00
Quality Control Inspection	\$500.00
DOE Subtotal	\$7,950.00
Heating System Replacement	\$5,000.00
Roof Repair	\$1,200.00
Door Replacement	\$800.00
Other Baseload (Power Strips, LEDs)	\$500.00
LIHEAP subtotal	\$7,500.00
TOTAL	\$15,400.00

The Benefits to Households and Programs

- Deeper retrofits allow for greater savings in energy cost reduction to low income families.
- Combining of funding sources provides much needed flexibility to state and local implementers to install both energy efficiency measures and address a myriad of health and safety issues.
- Combining LIHEAP and WAP funds compliments the federal purpose of both programs. LIHEAP does a good job at lowering energy burden and WAP does a good job at lowering energy used. When the funds are combined in one dwelling it has a powerful effect on the energy use and cost for a low income household.



LIHEAP Resources

- [LIHEAP website](#)
- [LIHEAP Clearinghouse](#)
- [LIHEAP State Model Plans](#)
- [LIHEAP State Contacts](#)
- [LIHEAP Federal Contacts](#)





SCEP

STATE & COMMUNITY ENERGY PROGRAMS

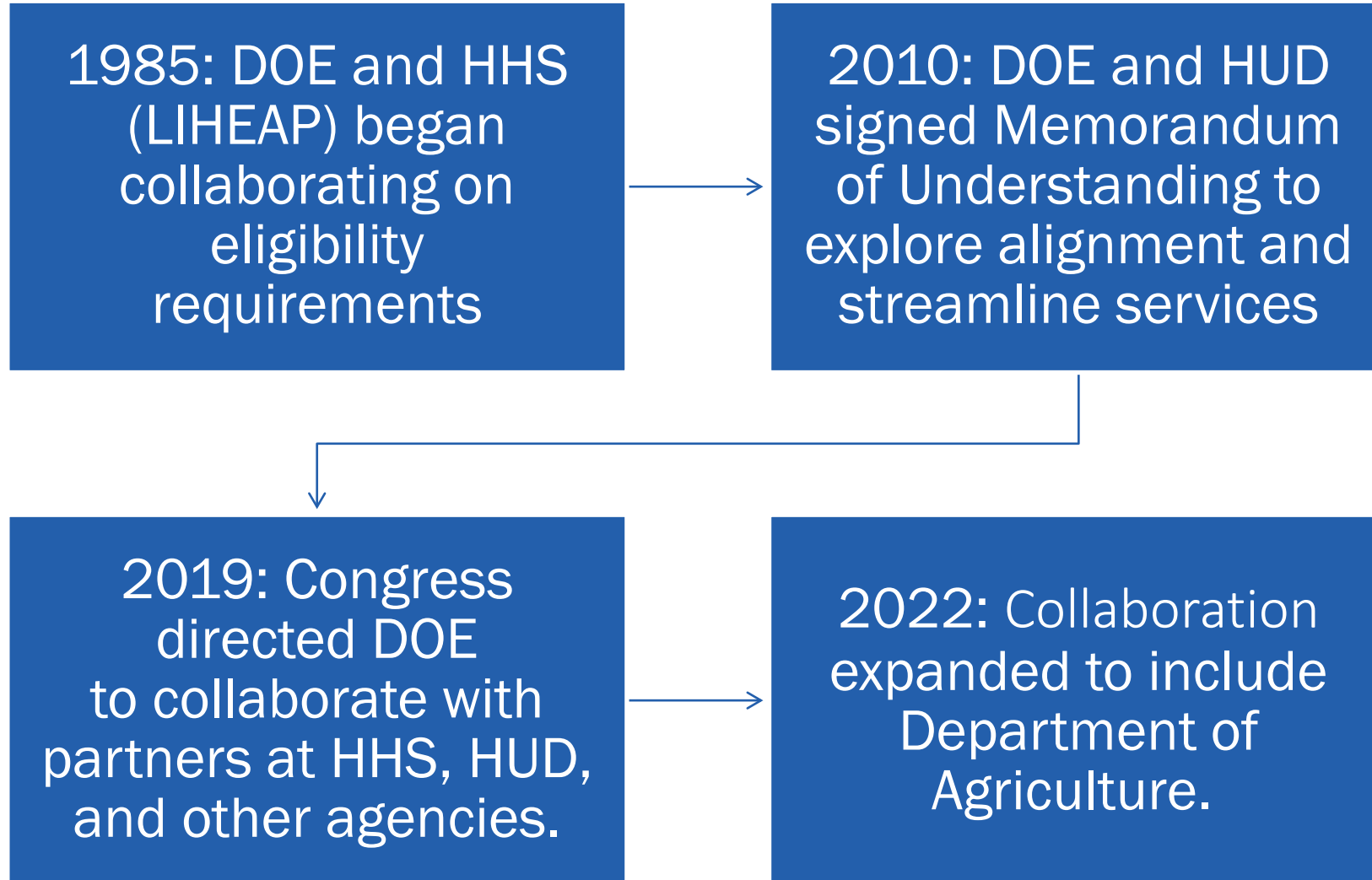
Weatherization Assistance Program





FEDERAL PROGRAM COORDINATION

Interagency Collaboration



Memorandum of Understanding (Draft)

Goal of the MOU

To coordinate and improve the efficiency and effectiveness of federal weatherization and home energy retrofits

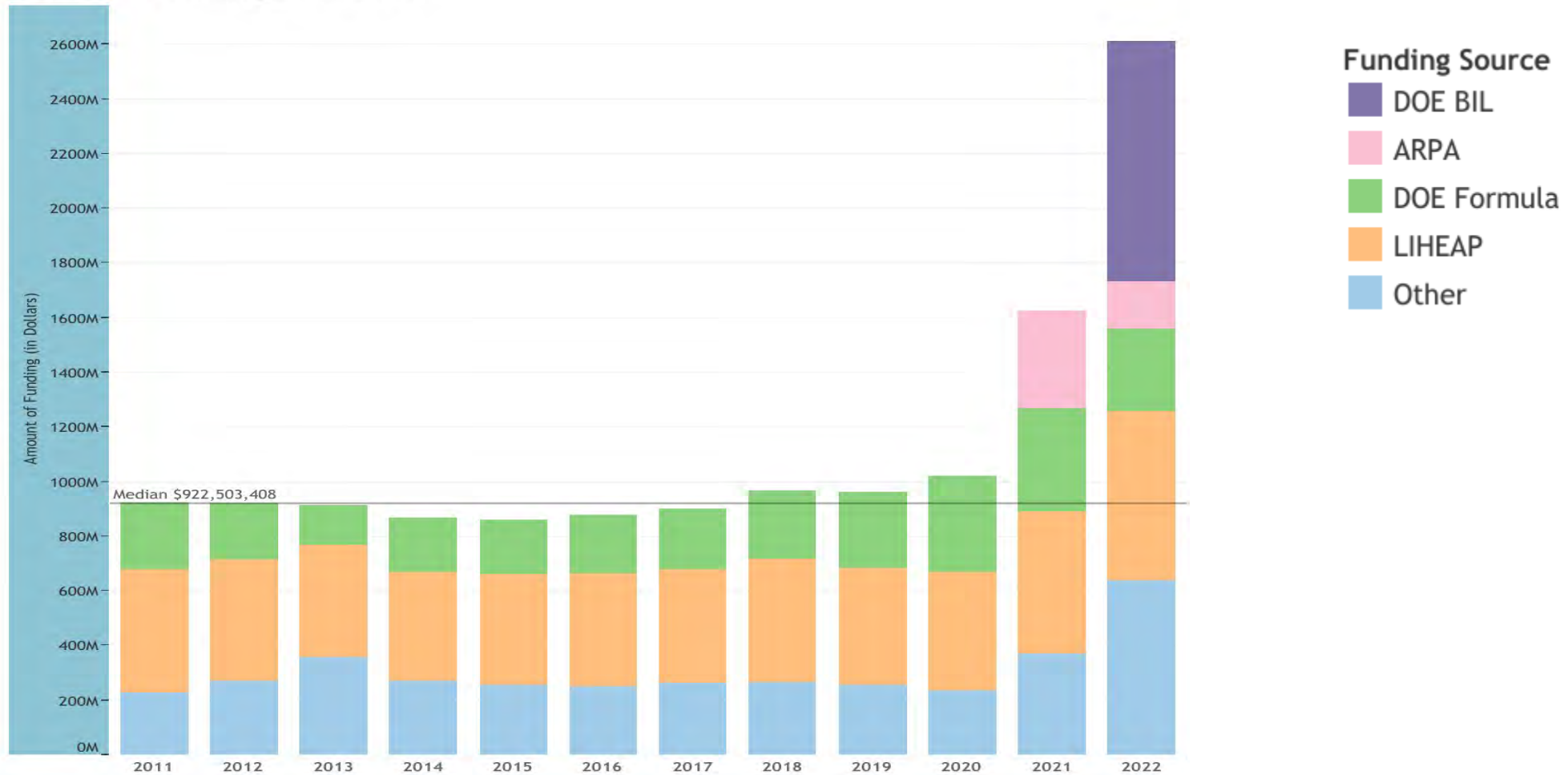


Collaboration Areas

- ✓ Data sharing
- ✓ Property Lists
- ✓ Braiding Federal Funding and Aligning Federal Processes
- ✓ Referral Processes
- ✓ Workforce Development
- ✓ Cross-Program Training
- ✓ Promotion and Outreach
- ✓ Justice 40 Initiative
- ✓ Increase Multifamily Weatherization

Leveraged Funding in WAP

Total WAP Funding 2011-2022



Source: [NASCSP PY2022 Annual Funding Report](#)

Interagency Collaboration Successes

Enhanced Program Resources

- DOE WAP developed guidance on braiding resources improve cross-program coordination ([WPN 22-9](#)).
- DOE & HUD coordinated a pilot program to connect Section 3 workers with WAP Subgrantees for potential employment.

Streamlined Eligibility

- DOE WAP expanded client eligibility to provide HUD categorical eligibility for single and multifamily housing (WPN 22-5).
- DOE WAP coordinated with agencies to publish HUD and USDA eligible property lists for subgrantee use ([Memo 109](#), [99](#))

Coordinated Decision-Making

- Increased adoption of language in DOE and LIHEAP plans that allows for more flexibility to address energy efficiency measures
- Enhanced federal collaboration around healthy homes and weatherization
- Progress on inter-agency MOU



BRAIDING LEVERAGED FUNDS

Program Rules and Guidance

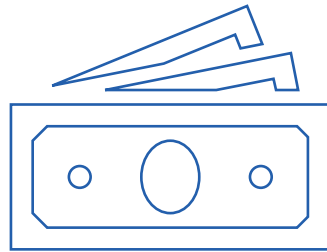
- **10 CFR 440.1 – Purpose and Scope**
 - “to increase the energy efficiency of dwellings owned or occupied by low-income persons or to provide such persons renewable energy systems or technologies, reduce their total residential expenditures, and improve their health and safety”
- **10 CFR 440.21(d) – Energy Audit Procedures**
 - Except for materials to eliminate health and safety hazards, each individual weatherization material and package of weatherization materials installed in an eligible dwelling unit must be cost-effective.
- **Braiding: Flexibility provided while remaining compliant with DOE rules**
 - Leveraged funds can pay for measures with SIR <1.0
 - WPN 22-9 superseded Memo 035 and provides guidance on managing multiple funds in weatherization.

Leveraged Funding in WAP



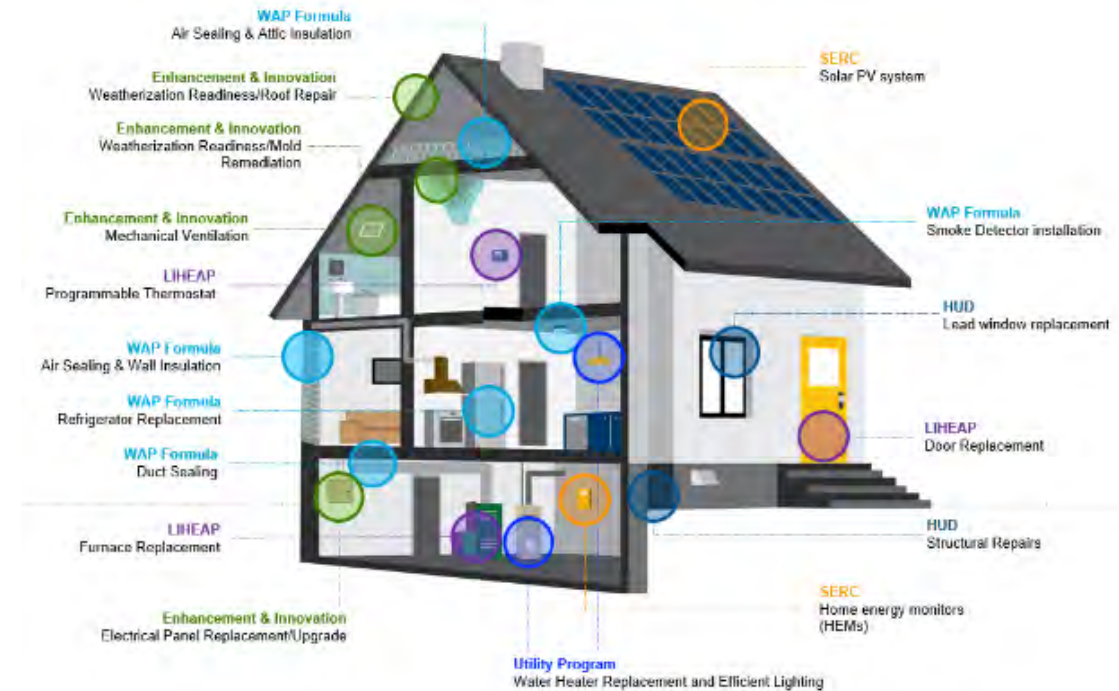
Leveraging Activities

Activities that support securing and administering non-DOE funding for weatherization



Leveraged Funding

Federal and non-federal funding secured to supplement DOE WAP



Braiding Funds

Utilizing two or more funding sources on a job. Each funding source can be isolated from all others in financial/accounting and reporting systems.

Leveraging Activities

According to WPN 22-9, up to **15%** of the DOE allocation can be used for leveraging activities such as:

- Holding meetings
- Facilitating matching funds
- Negotiating contracts, MOUs, etc.
- Developing program design
- Providing technical assistance

Grantees are encouraged to generate at least one non-Federal leveraging dollar for every DOE dollar expended.

Budgeting for Leveraging Activities

Grantee Leveraging Activities

Funds retained at state/territory for oversight and administration of activities

Subgrantee Coordination

Funds provided to a Subgrantee or other organization that serves as an administrative agent and coordinates leveraging activities on behalf of all Subgrantees

Subgrantee Allocations

Funding provided to each Subgrantee to support administrative costs for leveraging activities

Rules for Reporting BIL Units

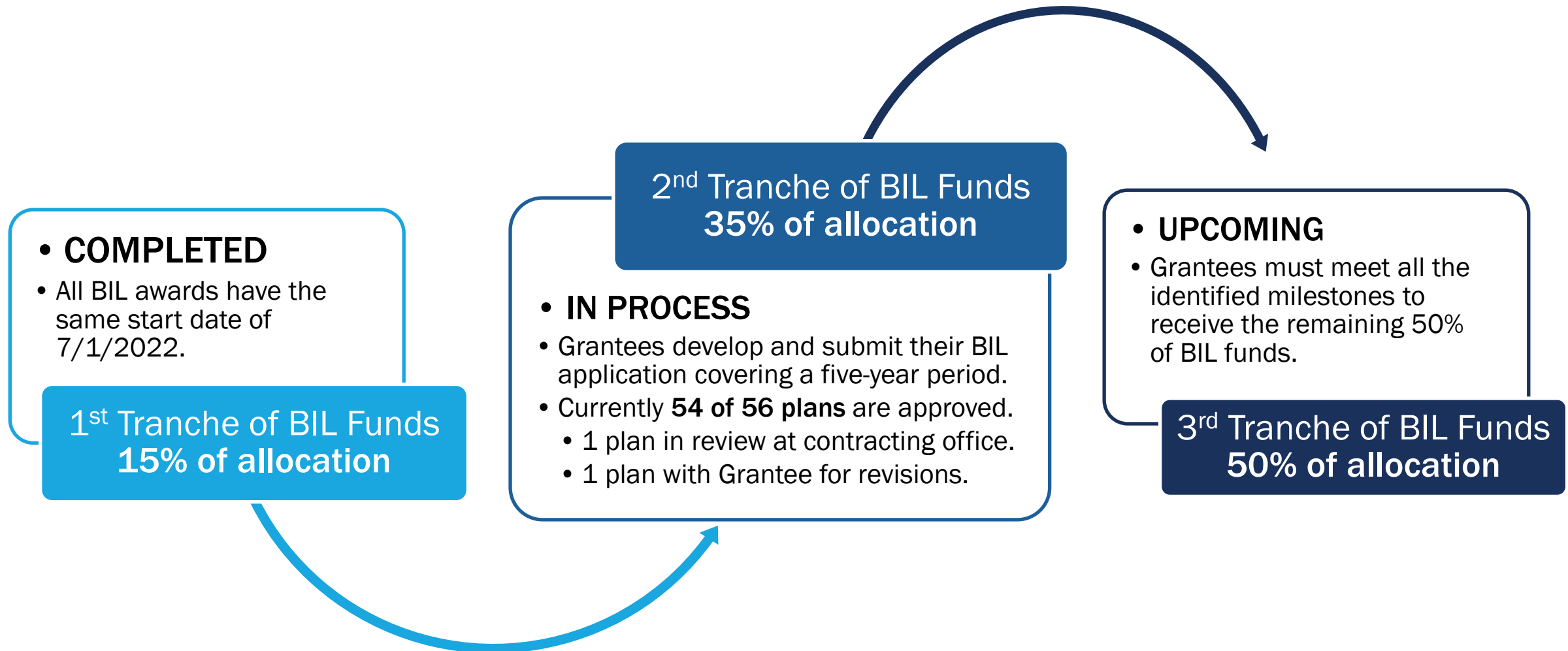
Requirements for DOE Units:

- Household is income eligible (e.g., 200% federal poverty level)
- Dwelling is eligible (e.g., type of structure included in DOE Plan)
- Savings to Investment Ratio (SIR)
 - Cumulative SIR 1.0 or greater
 - Measures with DOE funding applied contain measure SIR of 1.0 or greater, or an approved priority list has been applied.
- Health and Safety
 - Client has not refused continuous ventilation requirements as calculated per the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Ventilation and Acceptable Indoor Air Quality Standard

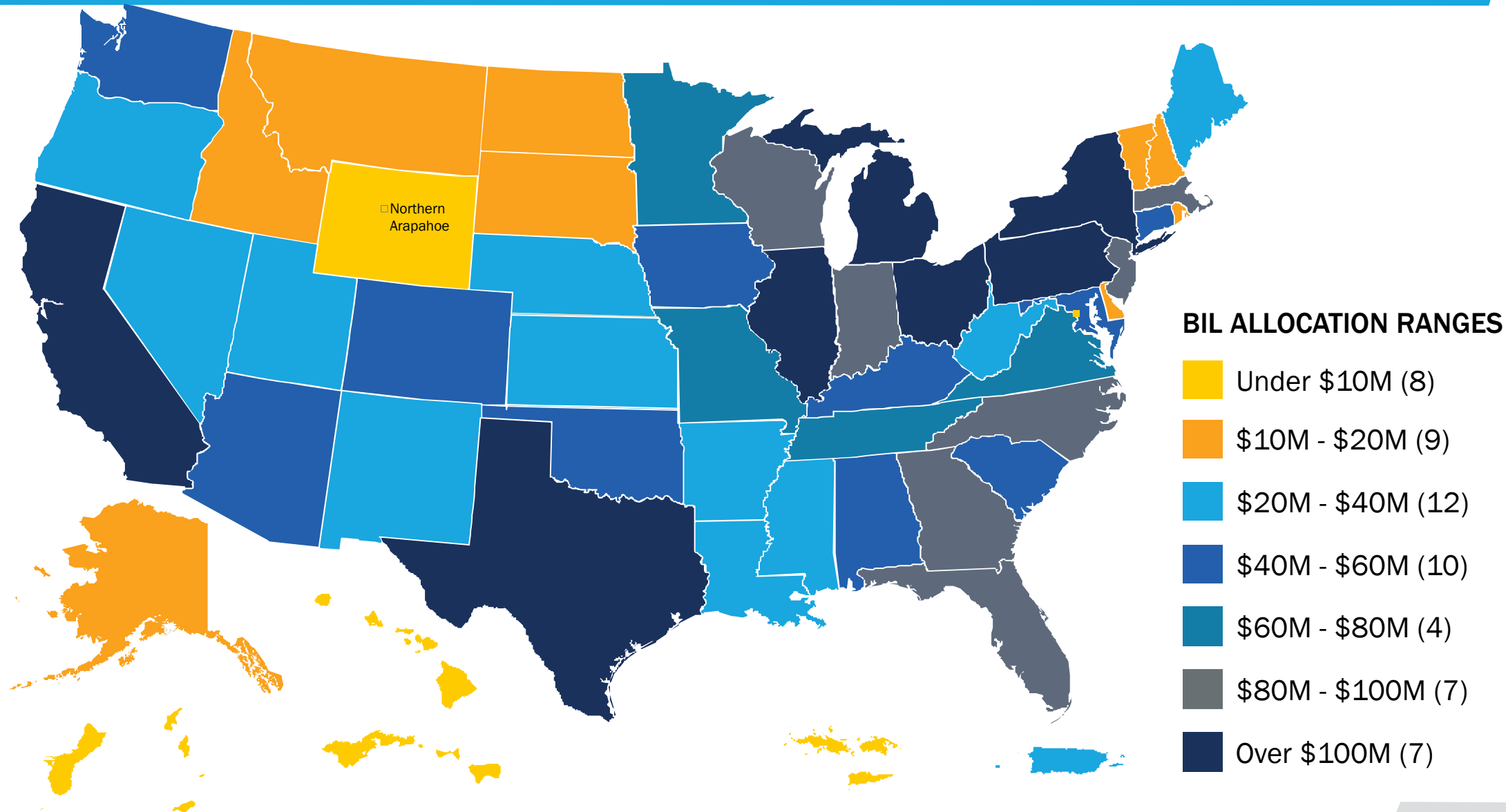


BIL GRANT ADMINISTRATION

BIL Timeline Updates



BIL Funding | Allocation Ranges



Obtaining the Remaining 50% of Funding

1. 30% of all units estimated are weatherized.
2. Monitoring and inspection protocol has been fulfilled as part of the approved annual Grantee plan.
3. Local agencies have been monitored at least once each year to determine compliance with administrative, fiscal, and Grantee field policies and guidelines.
4. Local quality control efforts are in place.
5. At least 5% of the completed units are inspected by the Grantee Quality Control Inspection (QCI) staff during the course of the year.
6. Grantees progress reports are acceptable, submitted in accordance with grant requirements, including being on time and accurate.
7. Monitoring reviews by DOE confirm acceptable performance.



MANAGING BIL AVERAGE COST PER UNIT

Allowable Braiding of Funds

WAP BIL Grants

Grantees can weatherize a home using WAP BIL grant funds WITH the following grants generated from BIL or Annual appropriations (if awarded):

- SERC Grant
- E&I Grant
- WRF

WAP Annual Grants

Grantees can weatherize a home using annual DOE WAP grant funds WITH the following grants generated from BIL or Annual appropriations (if awarded):

- SERC Grant
- E&I Grant
- CSPP Grant
- WRF

Allowable Braiding of Funds

- When DOE funds are braided, measures must be paid, in full, with a single DOE funding type and are not to be co-funded with multiple DOE WAP-funding types.
- Co-funding measures with other fund sources (LIHEAP, utility funding, etc.) is allowed.

Determining BIL ACPU

- For expenditure limits and renewable energy measures, BIL funded grants will follow a 5-year average of annual ACPU limits from Program Years (PY) 2022-2026.
- DOE will track expenditures, production, and the ACPU throughout the life of the grant, but the ACPU for the award will be evaluated based on the final average ACPU. How averages will be calculated is outlined below.

Resource:

[WAP Grantee BIL ACPU Calculator](#)



DAVIS BACON ACT COMPLIANCE

Davis Bacon Act Compliance

- DBA applies only to work performed on multifamily buildings not fewer than 5 units using BIL funding.
- DOE released [WPN BIL-6](#) on January 25, 2024
- All funding (e.g., LIHEAP) braided into a DBA covered project must follow DBA laws.
- DOE has procured LCPtracker as the compliance software for certified payroll-COMING SOON
 - When a Subgrantee has a project that will start in the next 2 months, reach out to your DOE Project Officer.



STREAMLINING PROGRAMS

Ways to Streamline to Leverage LIHEAP with WAP

1. Include categorical eligibility in your WAP state plan
2. Include all eligible measures your Subgrantees are likely to do in your WAP state plan and energy audit approval as well as your LIHEAP state plan. This includes energy efficiency measures, health and safety, weatherization readiness and renewables.
3. Include flexibility in LIHEAP state plan such as ACPU, Savings to Investment ratio, reweatherization date, higher H&S limits, etc.

**While BIL only required one state plan for 5-years, Grantees interested in modifying their plan should talk to their DOE Project Officers.*



DISCUSSION - COLLABORATION MODELS

Questions

- How do we build relationship between LIHEAP and WAP administrators?
- How is your collaboration currently going?
- How are states managing their BIL ACPU? Are you braiding with LIHEAP? Are you braiding with other WAP programs?
- If you are braiding funds how have you aligned WAP and LIHEAP to make implementation more effective for local agencies?
- Are there opportunities for cross-training? How can DOE or HHS help?




THANK YOU!

Contact:

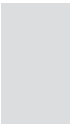
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PMS 300 C
CMYK 90/67/0/0
RGB 36/96/173
HEX # 255fac




PMS 427 C
CMYK 0/0/0/15
RGB 220/221/222
HEX # dcddde




PMS 7481 C
CMYK 72/17/0/0
RGB 28/166/223
HEX # 1ca6df



PMS 108 C
CMYK 0/20/100/0
RGB 225/205/5
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CMYK 100/87/36/27
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PMS 137 C
CMYK 0/42/99/0
RGB 250/162/29
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SCEP
STATE & COMMUNITY ENERGY PROGRAMS

NASCSP Resources



<https://nascsp.org/wap/waptac/wap-resources/reports-and-fact-sheets/>

Scan to
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the session
evaluation

