

APPLICATION FOR FEDERAL ASSISTANCE SF-424

Version 02

1. Type of Submission:

- ☐ Preapplication  
☒ Application  
☐ Changed/Corrected Application

2. Type of Application:

- ☒ New  
☐ Continuation  
☐ Revision

If Revision, select appropriate letter(s)

Other (specify):

3. Date Received

02/12/2025

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

DE-SE0001830

State Use Only:

6. Date Received by State:

02/12/2025

7. State Application Identifier:

8. APPLICANT INFORMATION:

a. Legal Name: State of Michigan

b. Employer/Taxpayer Identification Number (EIN/TIN):  
386000134

c. UEI:  
C2AQVDYYUAS7

d. Address:

Street 1: P.O. Box 30195  
Street 2: 333 S Grand Ave  
City: Lansing  
County: INGHAM County  
State: MI  
Province:  
Country: U.S.A.  
Zip / Postal Code: 489097695

e. Organizational Unit:

Department Name:  
Michigan Department of Health and Human Services

Division Name:  
Bureau of Community Action & Economic Opportunity

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: Ms First Name: Kris  
Middle Name:  
Last Name: Schoenow  
Suffix:

Title: Bureau Director

Organizational Affiliation: Michigan Department of Health and Human Services

Telephone Number: 5173883085

Fax Number:

Email: Schoenowk@michigan.gov

**APPLICATION FOR FEDERAL ASSISTANCE SF-424**

Version 02

**9. Type of Applicant:**

A State Government

**10. Name of Federal Agency:**

U. S. Department of Energy

**11. Catalog of Federal Domestic Assistance Number:**

81.042

CFDA Title:

Weatherization Assistance Program

**12. Funding Opportunity Number:**

DE-WAP-0002025

Title:

2025 Weatherization Assistance Program (WAP) Funding

**13. Competition Identification Number:**

Title:

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

Michigan - Statewide

**15. Descriptive Title of Applicant's Project:**

The Weatherization Assistance Program enables low-income families to permanently reduce their energy bills while making their homes more energy efficient, safe, and healthy.

## APPLICATION FOR FEDERAL ASSISTANCE SF-424

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## 16. Congressional District Of:

a. Applicant: Michigan Congressional District 07

b. Program/Project: MI-Statewide

Attach an additional list of Program/Project Congressional Districts if needed:

## 17. Proposed Project:

a. Start Date: 07/01/2025

b. End Date: 06/30/2026

## 18. Estimated Funding (\$):

a. Federal	22,633,732.00
b. Applicant	0.00
c. State	0.00
d. Local	0.00
e. Other	0.00
f. Program Income	0.00
g. TOTAL	22,633,732.00

## 19. Is Application subject to Review By State Under Executive Order 12372 Process?:

- ☐ a. This application was made available to the State under the Executive Order 12372 Process for review
- ☒ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- ☐ c. Program is not covered by E.O. 12372

## 20. Is the applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation)

No

21. By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to

☒ I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency

## Authorized Representative:

Prefix: First Name: David

Middle Name:

Last Name: Flak

Suffix:

Title:

Telephone Number: 5172848019

Fax Number:

Email: MDHHS-Grants@michigan.gov

Signature of Authorized Representative: Signed Electronically

Date Signed: 07/14/2025

Authorized for Local Reproduction

# U.S. DEPARTMENT OF ENERGY



## BUDGET JUSTIFICATION FOR FORMULA GRANTS

Applicant: State of Michigan

Budget period: 07/01/2025 - 06/30/2026

Award number: SE0001830

1. **PERSONNEL** - Prime Applicant only (all other participant costs are listed in 6 below and form SF-242A, Section B. Line 6.f. Contracts and Sub-Grants).

Positions to be supported under the proposed award and brief description of the duties of professionals:

Position	Description of Duties of Professionals
Bureau Executive Director SAM 17	As required in state legislation, the executive director supervises and coordinates: state activities to reduce poverty, implement community social and economic programs, designate community action agencies pursuant to Section 8 of the CSBG Act. The Executive Director oversees the Weatherization Assistance Program for Michigan by directing and managing the weatherization staff, monitoring staff (financial, programmatic, and technical), grant managers, weatherization training center, and support/admin staff within Bureau. The Executive Director reviews all monitoring reports and provides leadership for the weatherization assistance program directors and executive directors. 40% of the executive director's salary is charged to DOE in the Grantee Admin Line Item and 5% T&TA. The remaining portion of the executive director's salary is charged to BIL, CSBG and LIHEAP grants.
Bureau Deputy Director	The deputy director supervises and coordinates: state activities to reduce poverty, implement community social and economic programs, designate community action agencies pursuant to Section 8 of the CSBG Act. The Deputy Director assists the Executive Director in overseeing the Weatherization Assistance Program for Michigan by managing state programmatic monitoring staff, grant managers, and support staff within the Bureau. The Deputy Director holds an alternate regional representative position on the NASCSP weatherization board. A total of 30% is charged to DOE Admin costs. The rest is charged to BIL, CSBG and LIHEAP grants.
Financial Manager	Assists with fiscal aspects of monitoring. Provides support and technical assistance to agencies experiencing financial crisis and/or agencies that have new fiscal staff at the local level. Assists with the review and comment on audit resolutions, and review the Form 990s submitted by the CAAs. Participates in a full on-site review/assessment of CAAs. Performs all financial monitoring functions related to the Bureau. 30% of salary charged to DOE Admin Line Item. The remaining salary is charged to CSBG and BIL grants.
Weatherization Program Specialist	Works with the Policy Advisory Council (PAC) in recommending policy to the MDHHS with respect to the development and implementation of the MI weatherization program. Functions as the co-chair of the PAC Training Committee. Develops and prepares the state plan and all subsequent amendments; responsible for federal reporting, policy clarification, and general oversight of the program; oversees the activities of the programmatic compliance; evaluates statutes, program needs, problems and opportunities that would provide a more comprehensive view of the program. The specialist plans the annual weatherization conference and coordinates training for the network. The specialist reviews WAP monitoring and monitoring reports to ensure follow up and timelines are met. Lead on all special assignments related to WAP. 50% to admin and 0% to T & TA. Balance of time to DOE BIL.

Weatherization Technical Quality Assurance Coordinator	Review program compliance, on-site and among assigned local weatherization operators. Provides training and technical assistance in the sphere of weatherization to ensure the maintenance of standards and workmanship. This position provides support to the Weatherization Specialist with providing training, scheduling training, monitoring trends in training, documenting training by subgrantee request, training required based on risk assessments or monitoring, and training of those working in the WAP program for subgrantees. Additionally, the analyst provides assistance with reporting, data tracking, trend analysis, and special projects for the MI WAP program. The analyst also works directly with LWOs to assist in training support/coordination. 50% to T/TA. Balance of time charged to DOE BIL.
Weatherization Technical Monitor 1	Review program compliance, on-site and among assigned local weatherization operators. Provides training and technical assistance in the sphere of weatherization to ensure the maintenance of standards and workmanship. 50% to T/TA. Balance of time charged to DOE BIL.
Weatherization Technical Monitor 2	Review program compliance, on-site and among assigned local weatherization operators. Provides training and technical assistance in the sphere of weatherization to ensure the maintenance of standards and workmanship. 50% to T/TA. Balance of time charged to DOE BIL.
Fiscal Analyst 1	Assists with fiscal aspects of monitoring. Provides support and technical assistance to agencies experiencing financial crisis and/or agencies that have new fiscal staff at the local level. Assists with the review and comment on audit resolutions, and review the Form 990s submitted by the CAAs. Participates in a full on-site review/assessment of CAAs. Performs all financial monitoring functions related to the Bureau. 30% of salary charged to DOE Admin Line Item. The remaining salary is charged to CSBG and BIL grants.
Fiscal Analyst 2	Assists with fiscal aspects of monitoring. Provides support and technical assistance to agencies experiencing financial crisis and/or agencies that have new fiscal staff at the local level. Assists with the review and comment on audit resolutions, and review the Form 990s submitted by the CAAs. Participates in a full on-site review/assessment of CAAs. Performs all financial monitoring functions related to the Bureau. 30% of salary charged to DOE Admin Line Item. The remaining salary is charged to CSBG and BIL grants.
Department Analyst 1 (Grant Manager)	Reviews all budgets/plans for compliance with DOE regulations, and MDHHS policy and procedure for all assigned local weatherization operators. Monitors all billings, plan change requests, and production throughout program year. Conducts comprehensive monitoring on-site visits to each LWO each program year. Provides written monitor report for each LWO. Makes recommendations on policy clarifications and trainings that would serve best to address shortfalls observed during monitoring process 30% of total salary (30% Admin and 0% T&TA) is charged to DOE. The rest of salary is charged to CSBG and BIL grants.

Department Analyst 2 (Grant Manager)	Reviews all budgets/plans for compliance with DOE regulations, and MDHHS policy and procedure for all assigned local weatherization operators. Monitors all billings, plan change requests, and production throughout program year. Conducts comprehensive monitoring on-site visits to each LWO each program year. Provides written monitor report for each LWO. Makes recommendations on policy clarifications and trainings that would serve best to address shortfalls observed during monitoring process 40% of total salary (40% Admin and 0% T&TA) is charged to DOE. The rest of salary is charged to CSBG and BIL grants.
Department Analyst 3 (Grant Manager)	Reviews all budgets/plans for compliance with DOE regulations, and MDHHS policy and procedure for all assigned local weatherization operators. Monitors all billings, plan change requests, and production throughout program year. Conducts comprehensive monitoring on-site visits to each LWO each program year. Provides written monitor report for each LWO. Makes recommendations on policy clarifications and trainings that would serve best to address shortfalls observed during monitoring process 35% of total salary (30% Admin and 0% T&TA) is charged to DOE. The rest of salary is charged to CSBG and LIHEAP grants.
Department Analyst 4 (Grant Manager)	Reviews all budgets/plans for compliance with DOE regulations, and MDHHS policy and procedure for all assigned local weatherization operators. Monitors all billings, plan change requests, and production throughout program year. Conducts comprehensive monitoring on-site visits to each LWO each program year. Provides written monitor report for each LWO. Makes recommendations on policy clarifications and trainings that would serve best to address shortfalls observed during monitoring process 30% of total salary (30% Admin and 0% T&TA) is charged to DOE. The rest of salary is charged to CSBG and BIL grants.
Department Analyst 5 (Grant Manager)	Reviews all budgets/plans for compliance with DOE regulations, and MDHHS policy and procedure for all assigned local weatherization operators. Monitors all billings, plan change requests, and production throughout program year. Conducts comprehensive monitoring on-site visits to each LWO each program year. Provides written monitor report for each LWO. Makes recommendations on policy clarifications and trainings that would serve best to address shortfalls observed during monitoring process 30% of total salary (30% Admin and 0% T&TA) is charged to DOE. The rest of salary is charged to CSBG and BIL grants.
Department Analyst 6 (Grant Manager)	Reviews all budgets/plans for compliance with DOE regulations, and MDHHS policy and procedure for all assigned local weatherization operators. Monitors all billings, plan change requests, and production throughout program year. Conducts comprehensive monitoring on-site visits to each LWO each program year. Provides written monitor report for each LWO. Makes recommendations on policy clarifications and trainings that would serve best to address shortfalls observed during monitoring process 30% of total salary (30% Admin and 0% T&TA) is charged to DOE. The rest of salary is charged to CSBG and LIHEAP grants.

Department Analyst 7 (Grant Manager)	Reviews all budgets/plans for compliance with DOE regulations, and MDHHS policy and procedure for all assigned local weatherization operators. Monitors all billings, plan change requests, and production throughout program year. Conducts comprehensive monitoring on-site visits to each LWO each program year. Provides written monitor report for each LWO. Makes recommendations on policy clarifications and trainings that would serve best to address shortfalls observed during monitoring process 30% of total salary (30% Admin and 0% T&TA) is charged to DOE. The rest of salary is charged to CSBG and LIHEAP grants.
Department Analyst 8 (Grant Manager)	Reviews all budgets/plans for compliance with DOE regulations, and MDHHS policy and procedure for all assigned local weatherization operators. Monitors all billings, plan change requests, and production throughout program year. Conducts comprehensive monitoring on-site visits to each LWO each program year. Provides written monitor report for each LWO. Makes recommendations on policy clarifications and trainings that would serve best to address shortfalls observed during monitoring process 30% of total salary (30% Admin and 0% T&TA) is charged to DOE. The rest of salary is charged to CSBG and BIL grants.
Department Tech	Provides support to the Bureau director and Bureau staff including Grant Management document processing and monitoring reports for all monitors. Performs grant related administrative duties. 30% of salary is charged to DOE Admin. The remaining salary is charged to CSBG and BIL.
Department Analyst 9 (Grant Manager)	Reviews all budgets/plans for compliance with DOE regulations, and MDHHS policy and procedure for all assigned local weatherization operators. Monitors all billings, plan change requests, and production throughout program year. Conducts comprehensive monitoring on-site visits to each LWO each program year. Provides written monitor report for each LWO. Makes recommendations on policy clarifications and trainings that would serve best to address shortfalls observed during monitoring process 30% of total salary (30% Admin and 0% T&TA) is charged to DOE. The rest of salary is charged to CSBG and LIHEAP grants.
Programmatic Compliance Manager	Assists with programmatic aspects of monitoring. Provides support and technical assistance to agencies as needed. Assists with the review and comment on intake procedures. Participates in a full on-site review/assessment of CAAs. Performs all programmatic monitoring functions related to the Bureau. 30% of salary charged to DOE Admin Line Item. The remaining salary is charged to CSBG and BIL grants.
Department Specialist	Provides Training support for MiTEC, Weatherization Training Center. 50% of salary is charged to DOE Admin. Remaining salary is charged to BIL.
Department Analyst 1 (Program Monitor)	Assists with programmatic aspects of monitoring. Provides support and technical assistance to agencies as needed. Assists with the review and comment on intake procedures. Participates in a full on-site review/assessment of CAAs. Performs all programmatic monitoring functions related to the Bureau. 30% of salary charged to DOE Admin Line Item. The remaining salary is charged to CSBG and BIL grants.

Department Analyst 2 (Program Monitor)	Assists with programmatic aspects of monitoring. Provides support and technical assistance to agencies as needed. Assists with the review and comment on intake procedures. Participates in a full on-site review/assessment of CAAs. Performs all programmatic monitoring functions related to the Bureau. 30% of salary charged to DOE Admin Line Item. The remaining salary is charged to CSBG and BIL grants.
Department Analyst 3 (Program Monitor)	Assists with programmatic aspects of monitoring. Provides support and technical assistance to agencies as needed. Assists with the review and comment on intake procedures. Participates in a full on-site review/assessment of CAAs. Performs all programmatic monitoring functions related to the Bureau. 30% of salary charged to DOE Admin Line Item. The remaining salary is charged to CSBG and BIL grants.
Weatherization Manager	The Weatherization Director oversees the Weatherization Policy work, Technical Monitoring, PAC, and Training and Technical Assistance. Provides guidance and oversight of the state plan process and all subsequent amendments; responsible for federal reporting, policy clarification, and general oversight of the program; oversees the activities of the programmatic compliance; evaluates statutes, program needs, problems and opportunities that would provide a more comprehensive view of the program. Lead on all special assignments related to WAP. 45% to admin and 5% to T & TA. Balance of time to DOE BIL
Weatherization Technical Specialist	Works with the technical monitoring teams as well as recommending technical policy to the MDHHS with respect to the development and implementation of the MI weatherization program. Functions as part of the BCAEO's internal Weatherization Leadership Team to coordinate with the development of the state plan and all subsequent amendments; responsible for policy clarification, and general oversight of the technical portion of the program; oversees the activities of technical compliance; evaluates statutes, program needs, problems and opportunities that would provide a more comprehensive view of the program. The specialist plans the annual weatherization conference and coordinates training for the network. The specialist reviews WAP monitoring and monitoring reports to ensure follow up and timelines are met. Lead on all special assignments related to WAP. 35% to admin and 15% to T & TA. Balance of time to DOE BIL
Financial Analyst 3	Assists with fiscal aspects of monitoring. Provides support and technical assistance to agencies experiencing financial crisis and/or agencies that have new fiscal staff at the local level. Assists with the review and comment on audit resolutions, and review the Form 990s submitted by the CAAs. Participates in a full on-site review/assessment of CAAs. Performs all financial monitoring functions related to the Bureau. 30% of salary charged to DOE Admin Line Item. The remaining salary is charged to CSBG and BIL grants.

## Direct Personnel Compensation:

Position	Salary/Rate	Time	Direct Pay
Bureau Executive Director SAM 17	\$155,329.00	45.0000 % FT	\$69,898.05
Bureau Deputy Director	\$132,007.00	30.0000 % FT	\$39,602.10
Financial Manager	\$106,251.00	30.0000 % FT	\$31,875.30



Weatherization Program Specialist	\$96,423.00	50.0000 % FT	\$48,211.50
Weatherization Technical Quality Assurance Coordinator	\$88,230.00	50.0000 % FT	\$44,115.00
Weatherization Technical Monitor 1	\$90,132.00	50.0000 % FT	\$45,066.00
Weatherization Technical Monitor 2	\$82,074.00	50.0000 % FT	\$41,037.00
Fiscal Analyst 1	\$88,320.00	30.0000 % FT	\$26,496.00
Fiscal Analyst 2	\$63,947.00	30.0000 % FT	\$19,184.10
Department Analyst 1 (Grant Manager)	\$88,320.00	30.0000 % FT	\$26,496.00
Department Analyst 2 (Grant Manager)	\$88,320.00	30.0000 % FT	\$26,496.00
Department Analyst 3 (Grant Manager)	\$88,320.00	30.0000 % FT	\$26,496.00
Department Analyst 4 (Grant Manager)	\$88,320.00	30.0000 % FT	\$26,496.00
Department Analyst 5 (Grant Manager)	\$57,639.00	30.0000 % FT	\$17,291.70
Department Analyst 6 (Grant Manager)	\$88,320.00	30.0000 % FT	\$26,496.00
Department Analyst 7 (Grant Manager)	\$54,600.00	30.0000 % FT	\$16,380.00
Department Analyst 8 (Grant Manager)	\$67,267.00	30.0000 % FT	\$20,180.10
Department Tech	\$64,449.00	30.0000 % FT	\$19,334.70
Department Analyst 9 (Grant Manager)	\$70,350.00	30.0000 % FT	\$21,105.00
Programmatic Compliance Manager	\$106,251.00	30.0000 % FT	\$31,875.30
Department Specialist	\$96,423.00	50.0000 % FT	\$48,211.50
Department Analyst 1 (Program Monitor)	\$82,599.00	30.0000 % FT	\$24,779.70
Department Analyst 2 (Program Monitor)	\$77,248.00	30.0000 % FT	\$23,174.40
Department Analyst 3 (Program Monitor)	\$77,248.00	30.0000 % FT	\$23,174.40
Weatherization Manager	\$106,251.00	50.0000 % FT	\$53,125.50
Weatherization Technical Specialist	\$96,423.00	50.0000 % FT	\$48,211.50
Financial Analyst 3	\$63,947.00	30.0000 % FT	\$19,184.10
Direct Pay Total			\$863,992.95

## 2. FRINGE BENEFITS

- a. Are the fringe cost rates approved by a Federal Agency? If so, identify the agency and date of latest rate agreement or audit below, and attach a copy of the rate agreement to the application.
  
- b. If a. above does not apply, please use this box (or an attachment) to further explain how your total fringe benefits costs were calculated. Your calculations should identify all rates used, along with the base they were applied to (and how the base was derived), and a total for each (along with grand total). If there is an established computation methodology approved for state-wide use, please provide a copy. Also, please fill out the table below with the Fringe Benefits Calculations.

Attached to SF424 is the Michigan Department of Health and Human Services' (MDHHS) Public Assistance Cost Allocation Plan (PACAP) amendment effective April 1, 2025. The PACAP narrative amendment includes several changes summarized on the cover letter.

The Weatherization Assistance Program program staff are within Organizational Unit 13: Bureau of Community Services. The only change in this Organizational Unit was the removal of a separate program/unit. This change does not impact the WAP Staff. Additional changes are throughout the PACAP including updates to cost pools and allocation methods due to organizational changes or changes in functions performed by staff and various formatting updates. Changes are indicated in red font (additions) and strike-out (deletions) for easy identification. MDHHS does not foresee a material change affecting the WAP due to a change in the PACAP.

The fringe benefit rate includes all retirement and insurance costs for each employee. Which includes social security + Medicare + retirement + person healthcare Fund + other employee retirement contributions + insurance costs. A fringe benefit rate of is based on the time (hours) each person will work in weatherization. Staff's allocation of time is indicated by their percentage in the salaries section of the budget. Many staff members split their time between other programs. Coding in the payroll system is used to track the amount of time each employee dedicates to the weatherization assistance program. This rate is applied to estimate budget amounts. [https://www.michigan.gov/leo/0,5863,7-336-94422\\_59886\\_27856-101032--,00.html](https://www.michigan.gov/leo/0,5863,7-336-94422_59886_27856-101032--,00.html)

#### Fringe Benefits Calculations

Position	Direct Pay	Rate	Benefits
Bureau Executive Director SAM 17	\$69,898.05	70.0301 %	\$48,949.67
Bureau Deputy Director	\$39,602.10	58.9603 %	\$23,349.52
Financial Manager	\$31,875.30	81.7204 %	\$26,048.62
Weatherization Program Specialist	\$48,211.50	62.5802 %	\$30,170.85
Weatherization Technical Quality Assurance Coordinator	\$44,115.00	67.0203 %	\$29,566.01
Weatherization Technical Monitor 1	\$45,066.00	58.2503 %	\$26,251.08
Weatherization Technical Monitor 2	\$41,037.00	93.3603 %	\$38,312.27
Fiscal Analyst 1	\$26,496.00	68.5205 %	\$18,155.19
Fiscal Analyst 2	\$19,184.10	58.2306 %	\$11,171.02
Department Analyst 1 (Grant Manager)	\$26,496.00	76.2204 %	\$20,195.36
Department Analyst 2 (Grant Manager)	\$26,496.00	70.7105 %	\$18,735.45
Department Analyst 3 (Grant Manager)	\$26,496.00	67.9504 %	\$18,004.14
Department Analyst 4 (Grant Manager)	\$26,496.00	68.1005 %	\$18,043.91
Department Analyst 5 (Grant Manager)	\$17,291.70	91.0907 %	\$15,751.13
Department Analyst 6 (Grant Manager)	\$26,496.00	82.4304 %	\$21,840.76
Department Analyst 7 (Grant Manager)	\$16,380.00	77.8407 %	\$12,750.31
Department Analyst 8 (Grant Manager)	\$20,180.10	78.2006 %	\$15,780.96
Department Tech	\$19,334.70	47.5490 %	\$9,193.46
Department Analyst 9 (Grant Manager)	\$21,105.00	57.8206 %	\$12,203.04
Programmatic Compliance Manager	\$31,875.30	68.1704 %	\$21,729.52
Department Specialist	\$48,211.50	53.3103 %	\$25,701.70
Department Analyst 1 (Program Monitor)	\$24,779.70	63.2405 %	\$15,670.81
Department Analyst 2 (Program Monitor)	\$23,174.40	53.0405 %	\$12,291.82
Department Analyst 3 (Program Monitor)	\$23,174.40	47.3205 %	\$10,966.24
Weatherization Manager	\$53,125.50	71.9202 %	\$38,207.97
Weatherization Technical Specialist	\$48,211.50	68.5303 %	\$33,039.49
Financial Analyst 3	\$19,184.10	86.3790 %	\$16,571.03
Fringe Benefits Total			\$588,651.33

### 3. TRAVEL

- a. Please provide the purpose of travel, such as professional conference(s), DOE sponsored meeting(s), project management meeting, etc. If there is any foreign travel, please identify.

Purpose of Trip	Number of Trips	Cost Per Trip	Total
The Bureau will hold a training day for energy auditors and a training day for quality control inspectors. Approximately 20 staff will attend. Expenses will be charged to Admin and T&TA.	20	\$190.00	\$3,800.00
In State Weatherization Meetings: 1. Weatherization Regional Meetings (8 meetings, 8 staff) 2. State Association Meetings (6 meetings, 1 staff) 3. All Manager Annual Meeting (1 meeting, 6 staff) 4. Weatherization System Planning Meetings (5 meetings, 5 staff) 5. Weatherization Leadership Meetings (4 meetings, 4 staff) 6. WAWEB Transition Meetings and Training (5 meetings, 5 staff) 7. Multi-Family Planning Meetings (1 meeting, 3 staff) 8. Other Meetings rescheduled from prior program year (28 meetings, 8 staff) Expenses will be charged to Grantee Admin.	306	\$150.00	\$45,900.00
Programmatic, financial, and technical quality assurance monitoring of 20 subgrantees: Monitoring visits are combined with other grant monitoring when possible to reduce the travel costs. Travel costs may vary due to the location of the agencies and homes being monitored. All travel costs are approved by the monitors supervisor to ensure accurate costs are charged to the grant. Monitors conduct desk reviews when possible. Monitors may visit an agency more than once if deficiencies are identified. The number of days per agency will vary on the size of the agency and their production levels. The budget is an estimate of the costs will be based on 30 agency visits at 7+ days for the following types of monitoring (average 2.25 days per monitoring type for each agency). BCAEO Monitoring Staff: 1. Programmatic monitors (1 Manager and 3 staff) 2. Financial monitors/manager ( 1 Manager and 2 staff) 3. Quality Control Inspectors (1 Technical Specialist and 3 staff) Expenses will be charged to Admin for planning meetings and T&TA for the majority of the trainings and monitoring visits.	210	\$200.00	\$42,000.00
Weatherization Program Management Training and Meetings: It is expected that 2 to 3 staff will provide training and attending meetings throughout the program year at various locations. Approximately 4 trainings and 8 meetings will be held. Expenses will be charged to Admin for meetings and T&TA for trainings.	25	\$197.00	\$4,925.00
Weatherization National Conferences for the 2 key staff members: 1. Building Professional Association (BPA) 2. Energy Out West Conference 3. National Association for State Community Services Programs Conferences Annual Conference 4. National Association for State Community Services Programs Conferences Annual Conference 5. National Association for State Community Services Programs Conferences Mid Winter Conference 5 Conferences for 2 staff at \$2,500 per conference Expenses will be charged to Grantee Admin and T&TA.	10	\$2,500.00	\$25,000.00
The Bureau will hold a Weatherization Conference in the fall of 2025. Approximately 25 staff will attend. The State of Michigan has travel reimbursement guidelines that the Bureau must adhere to when in travel status. The guidelines never exceed federal guidelines. Expenses will be charged to T&TA.	25	\$600.00	\$15,000.00
		Travel Total	\$136,625.00

- b. Please provide the basis for estimating the costs, such as past trips, current quotations, Federal Travel Regulations, etc. All listed travel must be necessary for the performance of the award objectives.

DOE expects Grantees to budget adequate funds to allow key staff to participate in national and regional conferences, as well as participate on related planning committees, task forces, and other scheduled and related meetings.

The state of Michigan has travel regulations that must be adhered to by state employees when in travel status. The regulations provide state rates for reimbursement for meals, mileage, and accommodations. These rates never exceed federal travel regulation limits.

BCAEO employees submit travel through the online state travel system, MI HR Self-Service. Details of the travel such as mileage, travel locations, meals, overnight accommodations, tolls, etc. are added individually into the system. Once entered, the employee submits the travel reimbursement request. The request is then reviewed by the Bureau Director and approved then sent to the MDHHS Accounting for review and approval. Receipts for all meals, accommodations, and any other charges must be submitted to the MDHHS Accounting office via email before the final approval for reimbursement is approved.

All travel costs are consistent with the State of Michigan Standard Travel Regulations. These regulations are available at [http://www.michigan.gov/dtmb/0,5552,7-150-9141\\_13132---,00.html](http://www.michigan.gov/dtmb/0,5552,7-150-9141_13132---,00.html)

**4. EQUIPMENT** - Equipment is generally defined as an item with an acquisition cost greater than \$10,000 and a useful life expectancy of more than one year.

- a. List all proposed equipment below and briefly justify its need as it applies to the objectives of the award.

<u>Equipment</u>	<u>Unit Cost</u>	<u>Number</u>	<u>Total Cost</u>	<u>Justification of Need</u>
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- b. Please provide a basis of cost such as vendor quotes, catalog prices, prior invoices, etc. and justify need. If the Equipment is being proposed as Cost Share and was previously acquired, please provide the source and value of its contribution to the project and logical support for the estimated value shown. If it is new equipment which will retain a useful life upon completion of the project, provide logical support for the estimated value shown. Also, please indicate whether the Equipment is being used for other projects or is 100% dedicated to the DOE project.

**5. SUPPLIES** - Supplies are generally defined as an item with an acquisition cost of \$10,000 or less and a useful life expectancy of less than one year. Supplies are generally consumed during the project performance.

- a. List all proposed supplies below, the estimated cost, and briefly justify the need for the supplies as they apply to the objectives of the award. Note that all direct costs, including Supply items, may not be duplicative of supply costs included in the indirect pool that is the basis of the indirect rate applied for this project.

<u>General Category</u>	<u>Cost</u>	<u>Justification of Need</u>
Computer hardware and software	\$54,242.00	Computer hardware and software upgrades to reduce non-essential face to face meetings. BCAEO staff are hybrid-remote workers, primarily working remotely. Upgrades will improve the quality of services the Bureau offices the LWO in administering the weatherization assistance program. Admin expenditures (software to manage program and upgrades for 5 staff, total expenditures will be split with other programs.)
Materials and Supplies Total	\$54,242.00	

- b. Please provide a basis of cost for each item listed above and justify need. Examples include vendor quotes, prior purchases of similar or like items, published price list, etc.

Historical pricing has determined the costs for the day to day office supplies used in the Weatherization Assistance Program. Additional office supplies will be for the Weatherization Conferences and regional trainings. The State of Michigan follows OMB rules and regulations. All costs included in the Supplies line item are properly segregated from indirect costs to ensure there are not duplicate charges. All costs proposed are only being used of the WAP program and are allocated when relevant and possible among other funding sources. Technology upgrades and/or new systems will be procured using the State of Michigan contracting rules and regulations.

**6. CONTRACTS AND SUBGRANTS** - Provide the following information for New proposed subrecipients and subcontractors.

For ongoing subcontractors and subrecipients, this information does not have to be restated here, if it is provided elsewhere in the application; under Name of Proposed Sub, indicate purpose of work and where additional information can be found (i.e weatherization subgrants, Annual File section IV.1).

<b>Name of Proposed Sub</b>	<b>Total Cost</b>	<b>Basis of Cost*</b>
Subgrantee Vehicle Purchase	\$50,000.00	Estimated one subgrantee will purchase a vehicle during PY25 for use in the WAP. 1x\$50,000; Subgrantee vehicle purchase must be approved by BCAEO. The request includes 3 price quotes and a justification for the vehicle.
Subgrantee Program Operations Funds	\$9,620,245.00	State allocation formula to provide weatherization services by county taking into account census information. Please refer to section II.3 of the annual file for individual agency DOE funding amounts.
Subgrantee Client Eligibility & Intake Funds	\$712,500.00	Subgrantee Client Eligibility and Intake Funds. Based on estimated 1,100 jobs produced statewide, multiplied by average \$500 per job based on subgrantee survey data, multiplied by 1.25 to account for applications that do not make it to final close out for various reasons. $1140 * \$500 * 1.25 = \$712,500$
Subgrantee Single Audit	\$50,000.00	Single Audit requirement for subgrantees as required per OMB Regulations. In accordance with 2 CFR 200.425(a)(2), only those Subgrantees expending more than \$1M in total Federal Funding annually will receive FINANCIAL AUDITS funding identified in the Grantee's SF-424a Budget. 20 subgrantees x approximately \$2,500
Contractor Stipend and Workforce Pipeline for Students in the Weatherization Program	\$200,002.00	The Weatherization workforce development and performance improvement planning includes two programs one is the contractor stipend plan and the workforce pipeline for students to work in the Weatherization Program that is outlined in the Training and Technical Assistance Plan. The contractor stipend is based on the number of retrofit installers, energy auditors, and quality control inspectors that are currently working in the Weatherization Program as well as the number of classes to be offered this year. The workforce pipeline is based on another state's model and will begin with training and paying stipends for a retrofit installer pilot cohort before expanding. Retrofit Installer/Crew Leader Rates: \$215 full day/\$100 half day EA/QCI Rates: \$231 full day/\$108 half day. RIT Costs: $(215/\text{whole day} * 200 \text{ attendees}) + (100/\text{half day} * 570 \text{ attendees}) = \$100,000$ ; EA/QCI Costs: $(231/\text{whole day} * 410 \text{ attendees}) + (108 \text{ half day} * 49 \text{ attendees}) = \$100,002$ ; Total \$200,002

Curriculum Development, Data Analysis, and Research/T&TA Contracts on Energy Efficiency - MPHI	\$86,767.00	Curriculum development for JTAs and client education. A contract will be setup to assist in the developments of the training center. Both online training courses and classroom coursework will be developed for comprehensive and specific trainings. Funding used to meet WPN 22-4 and WPN 23-6 requirements. A contract for training and technical assistance on evaluating data to determine the a data collection model for energy efficiency. An expert in energy efficiency evaluation is needed this year to start reporting results from the data. A contract with a scope of work and deliverables as well as an hourly rate is setup prior to work beginning. (\$86,767 Admin)
Weatherization System Development	\$400,000.00	CSST empowOR replaced the core functionalities of FACSPRO Weatherization module starting 7/1/2024. The weatherization application system development with CSST and Michigan's Department of Management, Technology and Budget (DTMB) has continued through PY24. Further developments will be implemented in PY25 to enhance the current system. The Weatherization Leadership workgroup will develop continuous improvement recommendations for the weatherization development to ensure the new system meets all our needs. Both an RFI and RFP were conducted to identify the vendor and product for this work. The budget amount is a base total to start the process but it is expected that additional funds will be needed for the full weatherization package. A contract with a scope of work and deliverables as well as an hourly rate is setup prior to work beginning. (\$400,000 Admin) expenditures
Liability Insurance	\$100,000.00	Subgrantee Liability Insurance. 20 subgrantees x \$5,000
Subgrantee Training and Technical Assistance	\$900,000.00	Distributed using the funding formula Percent for each subgrantee. Funding used to meet T&TA requirements and assist with training costs to out of state IREC accredited training centers. Dollars also used to attend national conferences that will strengthen the WAP in MI. Subgrantees are instructed to put any unused funds back into Program Operations. Additional training will be needed to accommodate the weatherization workforce expansion.

Michigan Weatherization Training Center - MPH Training Center	\$1,952,197.00	<p>Michigan Training and Education Center (MiTEC) is an Interstate Renewable Energy Council (IREC) accredited weatherization training center. MiTEC follows all requirements to maintain its accreditation. The following Weatherization Job Task Analyses represent the core curriculum to be offered by the MiTEC. Retrofit Installer Technician, Crew Leader, Energy Auditor, and Quality Control Inspector . The training center is mobile and uses facilities in many parts of the state. To increase the number of students being trained, key areas have been identified to hold regular training programs. The current sites where MiTEC regularly delivers training include Highland Park (Detroit), Farwell, Birch Run and Lansing. A year-round training schedule and opportunities including certification testing, special props/tools for the classroom, and hands-on learning is a signature of the training center. Demo houses for students to experience learning from the field enhances the experience. Policies and Procedures that meet IREC standards are followed by the Weatherization Training Center's staff. Costs include general logistic costs of operating a training facility to serve WAP students and maintaining training facilities to IREC accreditation standards. Staff includes the following full time affiliate positions: 1 Technical Manager, 2 (plus 1 vacant position) Instructors, 6 Weatherization Coordinators, and 4 Program Assistants as well as contracted trainers. The training center staff will participate in all Weatherization Assistance Program's committees, team projects, field guide and audit tool reviews, conferences, webinars, and meetings that will support implementation of the annual U.S. Department of Energy's approved State Plan. Training center staff will either participate in or have knowledge of annual risk assessments, monitoring, corrective action, follow-up activities, policy updates, state plan, and technical assistance that is managed by BCAEO. Information from these activities is the basis for annual curriculum development, course work enhancements, and new classes. The training center staff will be known as and considered as BCAEO state employees. All computer equipment, email ids, cell phone, and access to systems will be provided by the Michigan Department of Health and Human Services. Each staff person will have a State of Michigan title and will represent BCAEO's Weatherization Program. Most training staff members will be very mobile and will complete work assignments in multiple locations. Training is provided in Michigan and out of state as needed. Since MiTEC is IREC accredited, it will provide Comprehensive training for all JTAs including</p>
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		<p>Quality Control Inspector, Energy Auditor, Crew Leader, and Retrofit Installer curriculum. Specific training will include any training identified, requests from agencies, and T/TA needs identified based on Monitoring findings. These can include CAZ training, WAweb, Blower Door Training, SWS training, Client Education/interaction, ASHRAE 62.2 2016, career pathways for each of the JTA's, and Health &amp; Safety, CSPM policy updates, statewide database training, Quality Control Checklist, IAQ, LSW, Income Eligibility, Monitoring training and any other training identified. BCAEO will purchase online training programs as needed.</p>
Subgrantee Administrative Funds	\$1,824,296.00	The base amount of admin (7.5%) is allocated using the funding formula among all subgrantees.
Subgrantee Final Inspection Funds	\$741,000.00	Subgrantee Final Inspection Funds. Based on estimated 1,100 jobs produced statewide, multiplied by average \$650 per job based on subgrantee survey data. $1140 * \$650 = \$741,000$
Subgrantee Energy Audit Funds	\$1,065,900.00	Subgrantee Energy Audit Funds. Based on estimated 1,100 jobs produced statewide, multiplied by average \$850 per job based on subgrantee survey data, multiplied by 1.1 to account for applications that do not make it to final close out for various reasons. $1140 * \$850 * 1.1 = \$1,065,900$
Subgrantee Health & Safety	\$2,592,656.00	To cover energy-related health and safety expenses. MI currently has LIHEAP funds which will be shared with DOE funding on weatherized homes. Any unspent Health & Safety will be used toward Program Operations. MI does not regularly receive LIHEAP WAP funds and often the funding timeframe is different than DOE WAP funds. Based on past history, it is estimated that MI will utilize 27% of total program operations for Health and Safety.
Subgrantee Weatherization Readiness	\$1,945,699.00	State allocation formula to provide weatherization readiness funds to each implementation agency to ensure homes are weatherization ready and reduce deferrals



MPHI Monitoring	\$344,505.00	Most of BCAEO's staff that cover Quality Assurance Monitoring responsibilities are contracted affiliate staff through MPH. Staff includes the following full time affiliate positions: 5 Weatherization Analysts, 1 Weatherization Coordinator, and 1 Program Assistant. The affiliate staff will participate in all Weatherization Assistance Program's committees, team projects, field guide and audit tool reviews, conferences, webinars, and meetings that will support implementation of the annual U.S. Department of Energy's approved State Plan. Affiliate staff will either participate in or have knowledge of annual risk assessments, monitoring, corrective action, follow-up activities, policy updates, state plan, and technical assistance that is managed by BCAEO. Information from these activities is the basis for annual reviews, as previous monitoring findings are taken into consideration with each new monitoring. The affiliate staff will be known as and considered as BCAEO state employees. All computer equipment, email ids, cell phone, and access to systems will be provided by the Michigan Department of Health and Human Services. Each staff person will have a State of Michigan title and will represent BCAEO's Weatherization Program. Most monitoring staff members will be very mobile and will complete work assignments in multiple locations.
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Contracts and Subgrants Total	\$22,585,767.00
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\*For example, Competitive, Historical, Quote, Catalog

**7. OTHER DIRECT COSTS** - Other direct costs are direct cost items required for the project which do not fit clearly into other categories. These direct costs may not be duplicative of costs included in the indirect pool that is the basis of the indirect rate applied for this project. Examples are: conference fees, subscription costs, printing costs, etc.

a. Please provide a General Description, Cost and Justification of Need.

General Description	Cost	Justification of Need
Program promotion	\$20,000.00	Items for Weatherization Day, Conferences, Events, and Public Information Campaigns.
Telecommunications	\$33,000.00	Costs related to cellular phone services, conference calls, and other cellular services to manage a remote work force. Upgrades to support social distancing. Grantee Admin will cover 100% of costs. (Increased number of staff members from expansion efforts)
Dues and subscriptions	\$25,545.00	NASCSP (\$2,500), Energy Efficiency (\$500), Power Apps (\$10,000), Survey Monkey (\$500), Home Energy Magazine (\$45), Efficiency First (as needed), and CSST (\$12,000).
Printing	\$11,131.00	Printing brochures, sessions descriptions, field guides, policy, and handouts for conferences and regional meetings.
Public Hearing Posting	\$5,000.00	Cost of media company to post public hearing announcement in multiple newspapers throughout the state at least 10 days prior to the hearing to meet DOE regulations.
Other Direct Costs Total	\$94,676.00	

- b. Please provide a basis of cost for each item listed above. Examples include vendor quotes, prior purchases of similar or like items, published price list, etc.

Historical pricing has determined the costs for printing information for the Weatherization Conferences and regional trainings, program promotion, and dues and subscriptions. The cellular phone service company is chosen by the State of Michigan following OMB rules and regulations. All costs included in Other Direct Costs are properly segregated from indirect costs to ensure there are not duplicate charges. All costs proposed are only being used of the WAP program and are allocated when relevant and possible among other funding sources.

**8. INDIRECT COSTS**

- a. Are the indirect cost rates approved by a Federal agency? If so, identify the agency and date of latest rate agreement or audit and provide a copy of the rate agreement.
- b. If the above does not apply, indicate the basis for computation of rates, including the types of benefits to be provided, the rate(s) used, and the cost base for each rate. You may provide the information below or provide the calculations separately.

The indirect cost rate includes DHHS central office functions benefiting the DOE program, including: Central Office Administration, Office of Monitoring & Internal Control, Contract Management, Central Office Facilities, and IT services. The MDHHS Bureau of Community Action & Economic Opportunity (BCAEO) administers the DOE weatherization assistance program grant. The indirect cost rate paid by Weatherization is .88% for PY22 of total expenditures. BCAEO staff charges time directly to the grant via time tracking so the only indirect costs is what gets allocated in the cost allocation process. So in order to get the indirect rate simply divide the cost allocation results by the direct charges.

The name and phone number of the individual responsible for negotiating the State's indirect cost rates.

Name: Susan Kangas

Phone Number: 5173737787

**BUDGET INFORMATION - Non-Construction Programs**

1. Program/Project Identification No. SE0001830		2. Program/Project Title Weatherization Assistance Program	
3. Name and Address State of Michigan P.O. Box 30195 Lansing, MI 489097695		4. Program/Project Start Date 07/01/2025	
		5. Completion Date 06/30/2026	

**SECTION A - BUDGET SUMMARY**

Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Federal	81.042	\$ 0.00		\$ 24,323,954.00		\$ 24,323,954.00
2.						
3.						
4.						
5. TOTAL		\$ 0.00	\$ 0.00	\$ 24,323,954.00	\$ 0.00	\$ 24,323,954.00

**SECTION B - BUDGET CATEGORIES**

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) GRANTEE ADMINISTRATI ON	(2) SUBGRANTEE ADMINISTRATI ON	(3) GRANTEE T&TA	(4) SUBGRANTEE T&TA	
a. Personnel	\$ 658,021.00	\$ 0.00	\$ 205,972.00	\$ 0.00	\$ 863,993.00
b. Fringe Benefits	\$ 445,379.00	\$ 0.00	\$ 143,272.00	\$ 0.00	\$ 588,651.00
c. Travel	\$ 85,211.00	\$ 0.00	\$ 51,414.00	\$ 0.00	\$ 136,625.00
d. Equipment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
e. Supplies	\$ 54,242.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 54,242.00
f. Contract	\$ 486,767.00	\$ 1,824,296.00	\$ 2,496,704.00	\$ 900,000.00	\$ 22,585,767.00
g. Construction	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
h. Other Direct Costs	\$ 94,676.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 94,676.00
i. Total Direct Charges	\$ 1,824,296.00	\$ 1,824,296.00	\$ 2,897,362.00	\$ 900,000.00	\$ 24,323,954.00
j. Indirect Costs	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
k. Totals	\$ 1,824,296.00	\$ 1,824,296.00	\$ 2,897,362.00	\$ 900,000.00	\$ 24,323,954.00
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

**BUDGET INFORMATION - Non-Construction Programs**

1. Program/Project Identification No. SE0001830		2. Program/Project Title Weatherization Assistance Program	
3. Name and Address State of Michigan P.O. Box 30195 Lansing, MI 489097695		4. Program/Project Start Date 07/01/2025	
		5. Completion Date 06/30/2026	

SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.						
2.						
3.						
4.						
5. TOTAL		\$ 0.00	\$ 0.00	\$ 24,323,954.00	\$ 0.00	\$ 24,323,954.00

SECTION B - BUDGET CATEGORIES					
6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) PROGRAM OPERATIONS	(2) HEALTH AND SAFETY	(3) LIABILITY INSURANCE	(4) FINANCIAL AUDITS	
a. Personnel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 863,993.00
b. Fringe Benefits	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 588,651.00
c. Travel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 136,625.00
d. Equipment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
e. Supplies	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 54,242.00
f. Contract	\$ 9,620,245.00	\$ 2,592,656.00	\$ 100,000.00	\$ 50,000.00	\$ 22,585,767.00
g. Construction	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
h. Other Direct Costs	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 94,676.00
i. Total Direct Charges	\$ 9,620,245.00	\$ 2,592,656.00	\$ 100,000.00	\$ 50,000.00	\$ 24,323,954.00
j. Indirect Costs	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
k. Totals	\$ 9,620,245.00	\$ 2,592,656.00	\$ 100,000.00	\$ 50,000.00	\$ 24,323,954.00
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

**BUDGET INFORMATION - Non-Construction Programs**

1. Program/Project Identification No. SE0001830		2. Program/Project Title Weatherization Assistance Program	
3. Name and Address State of Michigan P.O. Box 30195 Lansing, MI 489097695		4. Program/Project Start Date 07/01/2025	
		5. Completion Date 06/30/2026	

**SECTION A - BUDGET SUMMARY**

Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.						
2.						
3.						
4.						
5. TOTAL		\$ 0.00	\$ 0.00	\$ 24,323,954.00	\$ 0.00	\$ 24,323,954.00

**SECTION B - BUDGET CATEGORIES**

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) VEHICLES AND EQUIPMENT	(2) WEATHERIZATI ON READINESS	(3) CLIENT ELIGIBILITY & INTAKE	(4) ENERGY AUDITS	
a. Personnel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 863,993.00
b. Fringe Benefits	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 588,651.00
c. Travel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 136,625.00
d. Equipment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
e. Supplies	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 54,242.00
f. Contract	\$ 50,000.00	\$ 1,945,699.00	\$ 712,500.00	\$ 1,065,900.00	\$ 22,585,767.00
g. Construction	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
h. Other Direct Costs	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 94,676.00
i. Total Direct Charges	\$ 50,000.00	\$ 1,945,699.00	\$ 712,500.00	\$ 1,065,900.00	\$ 24,323,954.00
j. Indirect Costs	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
k. Totals	\$ 50,000.00	\$ 1,945,699.00	\$ 712,500.00	\$ 1,065,900.00	\$ 24,323,954.00
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

**BUDGET INFORMATION - Non-Construction Programs**

1. Program/Project Identification No. SE0001830		2. Program/Project Title Weatherization Assistance Program	
3. Name and Address State of Michigan P.O. Box 30195 Lansing, MI 489097695		4. Program/Project Start Date 07/01/2025	
		5. Completion Date 06/30/2026	

**SECTION A - BUDGET SUMMARY**

Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.						
2.						
3.						
4.						
5. TOTAL		\$ 0.00	\$ 0.00	\$ 24,323,954.00	\$ 0.00	\$ 24,323,954.00

**SECTION B - BUDGET CATEGORIES**

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) FINAL INSPECTION	(2)	(3)	(4)	
a. Personnel	\$ 0.00				\$ 863,993.00
b. Fringe Benefits	\$ 0.00				\$ 588,651.00
c. Travel	\$ 0.00				\$ 136,625.00
d. Equipment	\$ 0.00				\$ 0.00
e. Supplies	\$ 0.00				\$ 54,242.00
f. Contract	\$ 741,000.00				\$ 22,585,767.00
g. Construction	\$ 0.00				\$ 0.00
h. Other Direct Costs	\$ 0.00				\$ 94,676.00
i. Total Direct Charges	\$ 741,000.00				\$ 24,323,954.00
j. Indirect Costs	\$ 0.00				\$ 0.00
k. Totals	\$ 741,000.00				\$ 24,323,954.00
7. Program Income	\$ 0.00				\$ 0.00

U.S. Department of Energy  
**WEATHERIZATION ASSISTANCE PROGRAM**  
**SUBGRANTEE INFORMATION**  
State: MI Grant Number: SE0001830 Program Year: 2025

Name: <b>Baraga-Houghton-Keweenaw CAA</b>		Contact: Mr. Paul Hannula	
		UEI: JJ1TJNHFQJB9	
		DUNS: 153462288	
Address: 926 Dodge Street		Phone: (906) 482-5528	
Houghton, MI 49931-0000		Fax: (906) 482-5512	
		Email: bhkcaawx@att.net	
Counties served:	KEWEENAW County BARAGA County HOUGHTON County	Tentative allocation: \$ 442,882.00 Planned units: 25 Type of organization: Non-profit organization Source of labor: Contractors	Congressional districts served: <u>CD</u> MI-01
Name: <b>Blue Water Community Action</b>		Contact: Ms Marcie Goodwin	
		UEI: UC52HNS3VJZ3	
		DUNS: 062876743	
Address: 302 Michigan St.		Phone: (810) 455-6454	
Port Huron, MI 48060-0000		Fax: (810) 982-7233	
		Email: mgoodwin@bwcaa.org	
Counties served:	ST. CLAIR County	Tentative allocation: \$ 451,829.00 Planned units: 25 Type of organization: Non-profit organization Source of labor: Contractors	Congressional districts served: <u>CD</u> MI-09
Name: <b>Chippewa-Luce-Mackinac Community Action and</b>		Contact: Ms. Bobbi Palmer	
		UEI: G4TEAHYL63E6	
		DUNS: 116103888	
Address: P. O. Box 70		Phone: (906) 632-3363	
524 Ashmun Street		Fax: (906) 632-4255	
Sault Ste Marie, MI 49783-0000		Email: bpalmer@clmcaa.com	
Counties served:	CHIPPEWA County LUCE County MACKINAC County	Tentative allocation: \$ 430,366.00 Planned units: 24 Type of organization: Non-profit organization Source of labor: Contractors	Congressional districts served: <u>CD</u> MI-01
Name: <b>Community Action Agency of South Central Michigan</b>		Contact: Mr. Jeffrey Short	
		UEI: TJGJMAHY1NK9	
		DUNS: 020899480	
Address: PO Box 1026		Phone: (269) 441-1634	
175 Main Street		Fax: (269) 966-4170	
Battle Creek, MI 49016-0000		Email: jeffreys@caascsm.org	

U.S. Department of Energy  
**WEATHERIZATION ASSISTANCE PROGRAM**  
**SUBGRANTEE INFORMATION**  
State: MI Grant Number: SE0001830 Program Year: 2025

Counties served:	KALAMAZOO County BARRY County BRANCH County CALHOUN County ST. JOSEPH County	Tentative allocation: \$ 1,011,982.00 Planned units: 59 Type of organization: Non-profit organization Source of labor: Contractors	Congressional districts served:	<u>CD</u> MI-04 MI-02 MI-05
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Name: <b>Community Action of Allegan County</b>		Contact:	Mr. Darrell Oakley
		UEI:	U1Q6JDFBNJS1
		DUNS:	
Address:	323 Water Street	Phone:	(269) 673-547272
	Allegan, MI 49010-0000	Fax:	() -
		Email:	doakley@communityactionallegan.org
Counties served:	ALLEGAN County	Tentative allocation:	\$ 395,443.00
		Planned units:	22
		Type of organization:	Non-profit organization
		Source of labor:	Agency and Contractors
		Congressional districts served:	<div>CD</div> <div>MI-04</div>

Name: Dickinson-Iron Community Services Agency		Contact:	Mr Don Tramontin		
		UEI:	DZCWABQQ7YA3		
		DUNS:	556499234		
Address:	1238 Carpenter Ave	Phone:	(906) 774-2256		
	Iron Mountain, MI 49801-0000	Fax:	(906) 774-2257		
		Email:	dtramontin@dicsami.org		
Counties served:	DICKINSON County	Tentative allocation:	\$ 510,523.00	Congressional	CD
	ALGER County	Planned units:	29	districts served:	MI-01
	MARQUETTE County	Type of organization:	Non-profit organization		
	IRON County	Source of labor:	Contractors		

Name: <b>EightCAP Inc</b>		Contact:	Mr. Devin Cavendish	
		UEI:	H856QY5A3VL5	
		DUNS:	020892659	
Address:	5827 Orleans Road	Phone:	(616) 255-6543	
	Orleans, MI 48865-0000	Fax:	(616) 225-8761	
		Email:	DevinC@8cap.org	
Counties served:	GRATIOT County	Tentative allocation:	\$ 1,596,981.00	CD
	IONIA County	Planned units:	93	
	ISABELLA County	Type of organization:	Non-profit organization	Congressional districts served:
	KENT County			
	MONTCALM County			
Source of labor:		Agency and Contractors		



U.S. Department of Energy  
**WEATHERIZATION ASSISTANCE PROGRAM**  
**SUBGRANTEE INFORMATION**  
State: MI Grant Number: SE0001830 Program Year: 2025

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Name: <b>Genesee County Metropolitan Planning Commission</b>		Contact: Nichole Odette	
		UEI: T4PBKKNREJW7	
		DUNS:	
Address: 1101 Beach Street, Room 111 Flint, MI 48502-0000		Phone: (810) 766-6541	
		Fax: () -	
		Email: nodette@geneseecountymi.gov	
Counties served: GENESEE County	Tentative allocation: \$ 508,661.00	Congressional districts served:	<u>CD</u> MI-08
	Planned units: 29		
	Type of organization: Unit of local government		
	Source of labor: Agency		

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Name: <b>Gogebic-Ontonagon CAA</b>		Contact: Mr. Paul Janczak	
		UEI: YZ97THHNXZM1	
		DUNS: 096826656	
Address: 100 S. Mill St. Bessemer, MI 49911-1354		Phone: (906) 667-0283	
		Fax: (906) 663-0356	
		Email: janczakp@gocaa.org	
Counties served: ONTONAGON County GOGEBIC County	Tentative allocation: \$ 407,335.00	Congressional districts served:	<u>CD</u> MI-01
	Planned units: 23		
	Type of organization: Non-profit organization		
	Source of labor: Contractors		

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Name: <b>Human Development Commission</b>		Contact: Mr. Dave Ertman	
		UEI: YTA8LNEB1GU7	
		DUNS: 039630793	
Address: 429 Montague Avenue Caro, MI 48723-0000		Phone: (989) 672-1779	
		Fax: (989) 673-0646	
		Email: davee@hdc-caro.org	
Counties served: SANILAC County TUSCOLA County HURON County GENESEE County LAPEER County	Tentative allocation: \$ 927,510.00	Congressional districts served:	<u>CD</u> MI-08 MI-09
	Planned units: 54		
	Type of organization: Non-profit organization		
	Source of labor: Agency		

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Name: <b>Macomb Community Action</b>		Contact: Mr. Joe Manzella	
		UEI: MUN5FKTBJLQ5	
		DUNS:	
Address: 21885 Dunham Road Suite 10 Clinton Township, MI 48036-0000		Phone: (586) 469-6329	
		Fax: () -	
		Email: joe.manzella@macombgov.org	

U.S. Department of Energy  
**WEATHERIZATION ASSISTANCE PROGRAM**  
**SUBGRANTEE INFORMATION**  
State: MI Grant Number: SE0001830 Program Year: 2025

Counties served:	MACOMB County	Tentative allocation: \$ 1,174,311.00	Congressional districts served:	CD MI-09 MI-10
		Planned units: 69		
		Type of organization: Unit of local government		
		Source of labor: Contractors		
<hr/>				
Name:	Menominee-Delta-Schoolcraft Community Action Agency and	Contact:	Ms. Brenda Moya	
		UEI:	MELAWJKQV1E3	
		DUNS:	192300858	
Address:	507 First Avenue North	Phone:	(906) 786-7080	
	Escanaba, MI 49829-3998	Fax:	(906) 786-9423	
		Email:	bmoya@mdscaa.org	
Counties served:	DELTA County MENOMINEE County SCHOOLCRAFT County	Tentative allocation: \$ 455,256.00	Congressional districts served:	CD MI-01
		Planned units: 26		
		Type of organization: Non-profit organization		
		Source of labor: Contractors		
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Name:	Mid Michigan CAA Inc	Contact:	Mr. Johnny Mills	
		UEI:	D2KANZUMH565	
		DUNS:	069468080	
Address:	1574 East Washington Road	Phone:	(989) 418-0937	
	P.O. Box 768	Fax:	(989) 386-3277	
	Farwell, MI 48622-0768	Email:	jmills@mmcaa.org	
Counties served:	OSCEOLA County MIDLAND County MUSKEGON County NEWAYGO County OAKLAND County OCEANA County LAKE County LIVINGSTON County MASON County MECOSTA County CLARE County BAY County GLADWIN County SAGINAW County	Tentative allocation: \$ 2,827,297.00	Congressional districts served:	CD MI-11 MI-06 MI-08 MI-03 MI-10 MI-07 MI-12 MI-02
		Planned units: 166		
		Type of organization: Non-profit organization		
		Source of labor: Agency and Contractors		

U.S. Department of Energy  
**WEATHERIZATION ASSISTANCE PROGRAM**  
**SUBGRANTEE INFORMATION**  
State: MI Grant Number: SE0001830 Program Year: 2025

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Name: <b>Monroe County Opportunity Program</b>		Contact: Ms. Sandra Wilson
		UEI: WXD1J5TKSNB9
		DUNS: 097226690
Address: 1140 South Telegraph Road		Phone: (734) 241-2775
Monroe, MI 48161-4006		Fax: (734) 457-0630
		Email: swilson@monroecountyop.org
Counties served:	MONROE County LENAWEE County JACKSON County HILLSDALE County	Tentative allocation: \$ 818,568.00 Planned units: 47 Type of organization: Non-profit organization Source of labor: Contractors
		Congressional districts served: <u>CD</u> MI-05

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Name: <b>Northeast Michigan Community Action Agency</b>		Contact: Mr. Douglas Tallant
		UEI: CEG3V4ZVRDU4
		DUNS: 020905642
Address: 2375 Gordon Road		Phone: (989) 329-3664
Alpena, MI 49707-0000		Fax: (989) 471-2700
		Email: tallantd@nemcsa.org
Counties served:	SHIAWASSEE County PRESQUE ISLE County MONTMORENCY County OGEMAW County OSCODA County OTSEGO County IOSCO County CLINTON County CRAWFORD County EATON County INGHAM County ALCONA County ALPENA County ARENAC County CHEBOYGAN County	Tentative allocation: \$ 1,554,331.00 Planned units: 89 Type of organization: Non-profit organization Source of labor: Contractors
		Congressional districts served: <u>CD</u> MI-07 MI-01 MI-02

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Name: <b>Northwest Michigan Community Action Agency</b>		Contact: Ms. Tish Stave
		UEI: LZWJEHLF8724
		DUNS:
Address: 3963 Three Mile Rd.		Phone: (231) 346-2185
Traverse City, MI 49686-0000		Fax: () -
		Email: tstave@nmcaa.net

U.S. Department of Energy  
**WEATHERIZATION ASSISTANCE PROGRAM**  
**SUBGRANTEE INFORMATION**  
State: MI Grant Number: SE0001830 Program Year: 2025

Counties served:	GRAND TRAVERSE Coun EMMET County BENZIE County CHARLEVOIX County ANTRIM County KALKASKA County LEELANAU County MANISTEE County MISSAUKEE County ROSCOMMON County WEXFORD County	Tentative allocation: \$ 682,655.00 Planned units: 39 Type of organization: Non-profit organization	Congressional districts served:	<u>CD</u> MI-01 MI-02
		Source of labor: Contractors		
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Name:	Ottawa County CAA	Contact:	Ms. Barbara Koning	
		UEI:	EZE8NUD6HSQ7	
		DUNS:	085899011	
Address:	12251 James Street	Phone:	(616) 393-4433	
	Suite 300	Fax:	(616) 393-5612	
	Holland, MI 49424-9661	Email:	bkoning@miottawa.org	
Counties served:	OTTAWA County	Tentative allocation: \$ 520,280.00 Planned units: 30 Type of organization: Unit of local government Source of labor: Contractors	Congressional districts served:	<u>CD</u> MI-04 MI-03
<hr/>				
Name:	Southwest Michigan CAA	Contact:	Ms. Sandra Klank	
		UEI:	LD15GLQVWY7	
		DUNS:	002009442	
Address:	185 East Main Street	Phone:	(269) 925-9077	
	Suite 200	Fax:	(269) 925-9271	
	Benton Harbor, MI 49022-0000	Email:	sklank@smcaa.com	
Counties served:	BERRIEN County CASS County VAN BUREN County	Tentative allocation: \$ 668,229.00 Planned units: 38 Type of organization: Non-profit organization Source of labor: Contractors	Congressional districts served:	<u>CD</u> MI-04 MI-05
<hr/>				
Name:	Washtenaw County	Contact:	Mr. Aaron Kraft	
		UEI:	M5WKMFUV9GA4	
		DUNS:		
Address:	301 West Michigan Ave.	Phone:	(734) 544-3022	
	Suite 400	Fax:	() -	
	Ypsilanti, MI 48197-0000	Email:	krafta@washtenaw.org	

U.S. Department of Energy  
**WEATHERIZATION ASSISTANCE PROGRAM**  
**SUBGRANTEE INFORMATION**  
State: MI Grant Number: SE0001830 Program Year: 2025

Counties served:	WASHTENAW County	Tentative allocation:	\$ 703,237.00	Congressional districts served:	<u>CD</u> MI-06
		Planned units:	40		
		Type of organization:	Unit of local government		
		Source of labor:	Agency		

  

Name:	Wayne Metropolitan Community Action Agency	Contact:	Mr. John Carmody		
		UEI:	LJSGHKVJLBU4		
		DUNS:	053258109		
Address:	7310 Woodward Ave	Phone:	(313) 463-5468		
	Suite 800	Fax:	(313) 873-6066		
	Detroit, MI 48202-0000	Email:	jcarmody@waynemetro.org		
Counties served:	WAYNE County	Tentative allocation:	\$ 3,514,617.00	Congressional districts served:	<u>CD</u> MI-12 MI-13 MI-06
		Planned units:	209		
		Type of organization:	Non-profit organization		
		Source of labor:	Contractors		

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

This worksheet should be completed as specified in Section III of the Weatherization Assistance Program Application Package.

## V.1 Eligibility

### V.1.1 Approach to Determining Client Eligibility

Provide a description of the definition of income used to determine eligibility

The Michigan Department of Health and Human Services, Bureau of Community Action and Economic Opportunity (MDHHS-BCAEO) uses a combined U.S. Department of Energy (DOE) and U.S. Health and Human Services Low Income Home Energy Assistance Program (LIHEAP) Weatherization Assistance Program (WAP) application. The combined WAP application eligibility expires 12 months from eligibility determination date if work on dwelling unit (energy audit) has not been initiated.

**Low-income household definition:** A low-income household is a family unit meeting the qualifications below to be eligible for weatherization services.

**Income definition description:** A dwelling unit is eligible for weatherization under DOE funding if it is occupied by a low-income household:

1. **Traditional Eligibility:** Whose income is at or below 200% of the most recent Federal Poverty Income Guidelines and is eligible under LIHEAP funding for assistance when income is at or below 200% of Federal Poverty Income Guidelines as allowed by 10 CFR 440.22.
2. **Categorical Eligibility:** Which contains a member who has received cash assistance payments during the preceding twelve-month period under Titles IV and XVI of the Social Security Act, Pub.L. No. 88452, 42 U.S.C. § 2701 et seq. or applicable State or local law.
3. **Categorical Eligibility:** Who is determined eligible for assistance under the Low-Income Home Energy Assistance Act of 1981, provided that such basis is at least 200 percent of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget.
4. **Categorical Eligibility:** Whose residents have met the income requirements of HUD means-tested programs through mechanisms including, but not limited to, applicant documentation, interagency lists of recipients, shared system databases, etc. Method of verification of eligibility must be included in the client file.

A household meeting the criteria of traditional or categorical eligibility will be managed and recorded in the statewide database software system by subgrantees. A weatherization tool in the database system, developed by Michigan, will record income eligibility using a combination application to administer and manage the Weatherization Assistance Program. The database system tracks and reports program enrollment for programs administered by MDHHS-BCAEO including DOE and LIHEAP Weatherization programs. Eligibility determinations will be subject to review by MDHHS-BCAEO. Categorical eligibility for weatherization may occur when an individual or family unit is found eligible under another federal program (example: eligible LIHEAP recipients are eligible for DOE WAP) using a similar eligibility determination criterion. Documentation of categorical eligibility is maintained in the client file.

On a case by case basis, multifamily projects may use alternative methods to document eligibility (traditional or categorical) which will be reviewed and approved by MDHHS-BCAEO. Subgrantees will work with MDHHS-BCAEO Technical staff during the multifamily project approval process and documentation of MDHHS-BCAEO instruction will be maintained in the project file. As multifamily projects are typically managed at the project level rather than individual applicant level, BCAEO and Subgrantees will determine the optimal way to determine and track eligibility.

See section "Describe How Rental Units/Multifamily Buildings Will Be Addressed (V.1.2 Box 4)" for details on Multifamily.

Policy Link: <https://www.michigan.gov/mdhhs/doing-business/weatherization/manuals>

Under CSPM 600 Series – Draft PY25 Weatherization Assistance Program.

**Policy Manual: Community Service Policy Manual 601 Income Eligibility Guidelines**

Describe what household eligibility basis will be used in the Program

Michigan uses the most recent federal poverty guidelines as updated by MDHHS and supported in WPN, published on [HHS](#) as referenced in the -3 WPN.

MDHHS-BCAEO transitioned statewide database systems during PY23/PY24. The current statewide database system is CSST empowOR.

Household eligibility basis levels outlined in the section above are available through the database system, BCAEO policy manuals, and Subgrantees. All weatherization requirements and changes are updated in the database system to ensure weatherization assistance program compliance by all Subgrantees.

Subgrantees use a standard weatherization application or intake/customer report which requires that all household income be calculated, per DOE requirements. Subgrantee staff verify income levels and home ownership. Subgrantees are required to maintain a signed weatherization program application or client report. The Eligibility Determination date marks when a client was deemed eligible for weatherization. This safeguard ensures that all households receiving weatherization services are eligible. Proof of income eligibility documentation (traditional or categorical) and all client eligibility documentation must be included in the client file which is uploaded to the statewide database or maintained by the Subgrantee. No dwelling unit may be weatherized without documentation that the dwelling unit is an eligible unit. Both LIHEAP and DOE funding are available for households that are determined income eligible by the parameters listed in the "definition of income used to determine eligibility" of this state plan.

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number: SE0001830, State: MI, Program Year: 2025**  
**Recipient: State of Michigan**

If weatherization services do not begin (an energy audit or deferral reduction work has not been initiated) within 12 months of the eligibility determination date, the household's eligibility must be redetermined.

Michigan treats renters and owner-occupied dwellings equally. The Michigan Community Services Policy Manual (CSPM) requires Subgrantees to have procedures in place to ensure eligible households are served according to their priority, whether or not the eligible household rents or owns the dwelling. The Subgrantees' procedures are reviewed by BCAEO's monitors.

Subgrantees work on a case by case basis with rental property owners (both single family and multifamily) to ensure and document that any WAP payment for a rental building or dwelling will be directed to eligible low-income occupants receiving weatherization services. Any required forms and written permission from the owner/landlord prior to the start of any weatherization activities must be included in the work file.

Policy Link: <https://www.michigan.gov/mdhhs/doing-business/weatherization/manuals>

Under CSPM 600 Series – Draft PY25 Weatherization Assistance Program.

**Policy Manual:**

Community Service Policy Manual 606 Program Requirements

Community Service Policy Manual 610.1 Landlord Agreement Sample

Community Service Policy Manual 610.2 Landlord Contributions

Community Service Policy Manual 611 Client Priority Selection Criteria

Describe the process for ensuring qualified aliens are eligible for weatherization benefits

Michigan will follow the policies outlined “LIHEAP IM HHS Guidance on the Use of Social Security Numbers (SSNs) and Citizenship Status Verification” and “LIHEAP IM 2023-03 Assistance for Eligible Household Members Residing with Ineligible Household Members.” to ensure that DOE weatherization services shall only be provided to eligible populations.

### V.1.2 Approach to Determining Building Eligibility

Procedures to determine that units weatherized have eligibility documentation

Procedures to determine units to weatherize:

**Pursuant to 10 CFR Part 440.1:** The weatherization program is to increase the energy efficiency of dwellings owned or occupied by low-income persons.

**10 CFR 440.3 defines** a dwelling unit as a house, including stationary mobile home, an apartment, a group of rooms, or a single room occupied as a separate living quarter.

**10 CFR Part 440.16(a):** No dwelling unit may be weatherized without documentation that the unit is an eligible unit as provided in CRF 440.22.

#### Eligible Dwelling Units

Structures eligible for weatherization include single family, manufactured housing (mobile homes), and multifamily housing (two to four units and 5+ units). All structures must be stationary and have a specific mailing (street) address. Campers, RVs and nonstationary trailers are not eligible. All dwellings to be weatherized must be owner or renter occupied, and occupied by a household:

1. Whose income is at or below 200 percent of the poverty level established by the U.S. Department of Health and Human Services, or which contains a member who has been determined eligible for any of the categorical eligibilities outlined in section V.1.1.
2. Occupying a qualified rental dwelling unit in accordance with CSPM Item 608.
3. Occupying a shelter (group home or transitional facility) in accordance with CSPM Item 608.1.

In the case of multifamily buildings, a dwelling unit may receive weatherization services and not be determined income eligible as outlined above if the unit is in a multifamily building where; not less than 50 percent of the dwelling units in two or four unit buildings; or, not less than

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

66 percent of the dwelling units in the building for three and five+ unit buildings, are eligible dwelling units or will become eligible dwelling units within 180 days under a Federal, State, or local government program for rehabilitating the building or making similar improvements to the building. In these cases, weatherization services will be provided to the whole building. Additional detail on Multifamily/Rental building eligibility is included in later sections.

If energy savings cannot be realized due to the condition of a home, these conditions shall be documented in the file and the home shall not be weatherized. Such conditions shall be brought to the attention of the client with referrals to other help sources available.

Subgrantees must document ownership of the property to be weatherized. In the case that the property is a rental, Subgrantees must secure written permission from the owner. A landlord (property owner) agreement confirming permission for weatherization to occur fulfills this requirement for rental units. Ownership and landlord (property owner) agreement documentation must be retained in the client file.

Single family units for sale are not eligible for weatherization unless the home will be sold to the low-income resident of the dwelling. Homes in foreclosure may be deferred by the subgrantee.

Subgrantees must check if the dwelling has been previously weatherized and/or eligible for reweatherization. (See Rewaterization Compliance Section)

**Eligibility Documentation (owner and renters)**

The following documents must be uploaded to the statewide database system or retained as directed by MDHHSBCAEO:

- Signed Customer Report or Standard Application Form
- Signed weatherization disclaimer(s)
- Income eligibility documentation (pay stubs, award letters, etc.)
- Written notification to client
- Priority criteria selection
- Home ownership documentation (including rental units)
- Landlord Agreement (if applicable)
- Documentation of landlord contributions (if applicable)
- Utility usage documentation
- SHPO Documentation (as applicable)
- MDHHS-BCAEO approval of self declaration of zero income for the entire household (if applicable)

Multifamily Documentation: Subgrantees completing 5+ unit multifamily projects will work with BCAEO to submit and retain eligibility and project documentation.

Prior to any weatherization activity, Subgrantees are required to assess if the dwelling requires a State Historic Preservation (SHPO) or Tribal Historic Preservation (THPO) consultation. More information on the SHPO or THPO review is in "Describe What Structures are Eligible for Weatherization"

Policy Link: <https://www.michigan.gov/mdhhs/doing-business/weatherization/manuals>

Under CSPM 600 Series – Draft PY25 Weatherization Assistance Program.

Policy Manual:

Community Service Policy Manual 605 Rewaterization of Dwelling

Community Service Policy Manual 606 Program Requirements

Community Service Policy Manual 608 Multifamily Building Eligibility

Community Service Policy Manual 608.1 Shelters, Group Homes and Transitional Facilities

Community Service Policy Manual 612 Applicant File Documentation

Community Service Policy Manual 619 State Historical Preservation Office (SHPO) Review

Describe Rewaterization compliance



**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number: SE0001830, State: MI, Program Year: 2025**  
**Recipient: State of Michigan**

The Consolidated Appropriations Act of 2021 was amended to read as follows: "(2) 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."

Subgrantees are required to retain records of all weatherized dwellings, including the date weatherization activities were completed and a description of DOE and other funds used for weatherization in a particular dwelling. Historical records of previously weatherized dwelling units by address were retained as far back as 1995. Prior to scheduling a household for service (during intake/eligibility determination), Subgrantees check the address to see whether that house has been previously weatherized. As units are completed, they will be added to the list of weatherized homes.

No dwellings weatherized within the 15 year "rolling" completion date using DOE funds will receive additional weatherization using DOE funds. Dwellings weatherized after the 15 year "rolling" completion date may be reweatherized if the household in the dwelling is currently eligible and a current energy audit documents that additional cost-effective work can be performed. The priority is to serve dwelling units that have not been weatherized. Factors such as current waiting list and dwelling energy use may be considered by Subgrantee for reweatherization. Exception to the reweatherization policy is allowed under Michigan's Disaster Plan as described in section V.9. This policy is clarified in CSPM 605.

Policy Manual: Community Service Policy Manual 605 Reweatherization of Dwelling Units

Describe what structures are eligible for weatherization

Structures eligible for weatherization include single family, manufactured housing (mobile homes), 2-4 unit housing, townhomes and 5+ unit multifamily buildings (both small and large). All structures must be occupied (owner or renter) prior to weatherization, stationary, and have a specific mailing (street) address. Campers, RV's and nonstationary trailers are not eligible. Properties having only a commercial use are not eligible for weatherization.

Nontraditional dwelling types such as shelters and mixed-use buildings, including apartments over businesses, while allowed, must be approved by MDHHS-BCAEO prior to weatherization to ensure that the dwelling meets program regulations. If deemed necessary, MDHHS-BCAEO will seek approval from the DOE Project Officer.

Vacant unit(s) in a multifamily building which meets the eligibility criteria for the building may be weatherized in accordance WPN 2212. Further details on Multifamily/Rental Unit can be found in the following section.

**Shelters**

Per CFR 440.22 the State may weatherize Shelters. 10 CFR 440 defines Shelters as "...a dwelling unit or units whose principal purpose is to house, on a temporary basis, individuals who may or may not be related to one another and who are not living in nursing homes, prisons, or similar institutional care facilities." Shelters for the homeless, battered spouses, etc., may be weatherized. Subgrantees may count each 800 square feet as a unit or each floor of the shelter as a unit. 'Group Homes' or 'Transitional Living Facilities' meeting the definition of Shelters above may be weatherized following Shelter guidelines. Prior approval by MDHHS-BCAEO is required to weatherize a shelter.

**Rehabbed Multifamily Buildings**

Weatherization funds may be used to weatherize a dwelling being rehabbed such as Habitat for Humanity rehabs or Michigan State Housing Development Authority (MHSDA) rehabs (cannot be used on new construction) if the dwelling fits the following:

1. The households have been determined eligible; and
2. The Subgrantee is meeting or exceeding all the goals for elderly, disabled (or the household falls into one of these categories) ; and
3. The waiting list of eligible applicants is followed based on the priorities established by the Subgrantee. These units cannot be given a priority just because they are a part of a rehab program.

**Mixed residential/commercial buildings**

As outlined in WPN 22-12, qualifying residential buildings containing storefronts or other commercial business spaces may be weatherized using WAP funding. WAP funding can only be used for the residential portion of the building. If a whole building audit on a building with a centralized or otherwise residence/commercial shared HVAC unit recommends alterations or replacement of the HVAC system, then the commercial owner(s) would have to pay their share of that energy conservation measure (ECM) proportional to the percentage of energy used by the commercial establishment(s). Michigan will work directly with Subgrantees considering weatherization for a mixed residential/commercial building to confirm eligibility and weatherization will meet program and funding requirements. Prior approval from MDHHS-BCAEO is required for these projects.

Ineligible buildings: Commercial, nonqualifying institutions, and nonqualifying buildings.

**State Historic Preservation Office Review (SHPO) and Tribal Historic Preservation Office (THPO)**

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

MDHHS-BCAEO and the Michigan Economic Development Commission (MEDC), have in place a programmatic agreement to ensure National Historic Act compliance with DOE funded activities, originally signed April 2010. Per 36 CFR 800.14 the agreement was extended for 5 years in 2020. The current agreement expires December 2025. MDHHS has begun discussions with MEDC on the next steps for the PA to be renewed before this deadline.

Michigan's SHPO Programmatic Agreement is here: <https://www.energy.gov/eere/wipo/historicpreservationexecutedprogrammaticagreements>

Prior to any weatherization activity, Subgrantees are required to assess if the dwelling requires a State Historic Preservation (SHPO) or Tribal Historic Preservation (THPO) consultation.

SHPO: Units 50 years of age or older at the time the work takes place, units that are historic properties, or units that are in a designated historic area must be compared to the exemption guide in CSPM 619. If the workscope includes activities not exempt, the project must be submitted for SHPO consultation. Weatherization work will align with the provisions in the Programmatic Agreement and any consultation with the SHPO office.

THPO: Proposed work on tribal land for eligible jobs 45 years or older will be submitted to DOE for consultation with SHPO and Tribal Historic Preservation Office (THPO).

Policy Link: <https://www.michigan.gov/mdhhs/doing-business/weatherization/manuals>

Under CSPM 600 Series – Draft PY25 Weatherization Assistance Program.

**Policy Manual:**

Community Service Policy Manual 606 Program Requirements

Community Service Policy Manual 608 Rental Unit and Multifamily Weatherization

Community Service Policy Manual 608.1 Shelters, Group Homes and Transitional Living Facilities

Community Service Policy Manual 619 State Historical Preservation Office (SHPO) Review

**Describe how Rental Units/Multifamily Buildings will be addressed**

In the WAP a multifamily building is any residential building containing two or more units. (WPN 22-12)

- Residential buildings containing 5 or more dwelling units that are 4 or more stories above grade, or that contain 5 or more units with centralized/shared mechanical systems (e.g., heating, cooling, hot water, ventilation) are referred to as large multifamily buildings.
- Residential buildings containing 5 or more dwelling units per building, are no more than 3 stories above grade, with each individual unit containing its own mechanical systems (no centralized mechanical systems) are referred to as small multifamily or lowrise multifamily buildings.
- Multi-unit buildings with fewer than 5 units are called 24 unit buildings

**Multifamily Building Eligibility**

Multifamily buildings will be eligible for weatherization when not less than 66 percent (50 percent for duplexes and four unit buildings, and certain eligible types of multifamily buildings\*) of dwelling units in the building (10 CFR 440, Part 22(b)(2)):

- i. Are eligible dwelling units, or
- ii. Will become eligible dwelling units within 180 days under a Federal, State, or local government program for rehabilitating the building or making similar improvements to the building.

\*The initial expectation is Michigan will target buildings with 5 or more units wherein between 66 – 100 percent of the occupants meet the income eligibility requirements. However, the regulations acknowledge there are certain buildings where 50 percent eligibility is a more appropriate threshold. The regulations are explicit in establishing that this lower threshold is appropriate in duplex and four unit buildings. In addition, in the Interim Final Rule to update 10 CFR 440, DOE provided guidance on what types of large multifamily buildings may be subject to the 50 percent threshold. Michigan will follow this guidance on case-by-case basis and exercise caution while approaching these projects. If considered, Michigan will review if the project and investment of DOE funds will result in significant energy efficiency improvements due to the upgrades to equipment, energy systems, common space, or the building shell. Additionally, Michigan will review Subgrantees leveraging of resources for the project. Subgrantees will work initially with MDHHSBCAEO Technical Staff on these projects and MDHHS-BCAEO will then consult with DOE PO.

The 66 percent/50 percent rule applies to multifamily buildings. If the building is in a complex, each building is to be considered separately when determining the 66 percent/50 percent eligibility. A vacant unit may be weatherized in a multifamily building only where:

Not less than 50 percent of the dwelling units in the building are eligible dwelling units for duplexes and four unit buildings; or

**U.S. Department of Energy**  
**Weatherization Assistance Program (WAP)**  
**STATE PLAN / MASTER FILE WORKSHEET**  
**Grant Number: SE0001830, State: MI, Program Year: 2025**  
**Recipient: State of Michigan**

Not less than 66 percent of the dwelling units in the building are eligible dwelling units for three unit and five unit or more buildings.

If the whole building qualifies for WAP, the vacant units will receive WAP services per the energy audit. The unit would be counted as eligible if it will become income eligible within 180 days under a federal, state, or local government program for rehabilitating the building or making improvements to the building (CFR 440.22(b)(2)(ii)). In the event a vacant unit is counted as eligible but is then occupied by an ineligible family, the project will become disallowed if the minimum eligibility requirements, set forth in 10 CFR 440.22, for the building as a whole are not met.

**Property Listings for use in the Weatherization Assistance Program**

Michigan allows Subgrantees to access the USDA and HUD lists that were released by DOE in WAP Memo 099, 109-Revised and WPN 22-5 to confirm building eligibility for Weatherization. Subgrantees may consider those properties indicated as 100% income eligible or income eligible, in general as eligible for WAP. Per WPN 25-4, Michigan will also use the expanded USDA multifamily building list to expand categorical eligibility to USDA programs means tested at 80% AMI or below. There is another list in WPN 22-5 that agencies may consider as potentially income eligible but must still be verified.

**Income Eligibility Documentation**

After reviewing eligibility requirements as determined for MSHDA's (MI State Housing Development Authority) LIHTC (Low Income Housing Tax Credit) program, BCAEO has determined that income considerations are similar or more restrictive than the DOE income eligibility guidelines. As result, traditional eligibility can be determined for LIHTC projects by reviewing the 'Household Certified Income', as collected by the LIHTC property landlord or its representative.

The determination of a household's income must occur within 12 months preceding the WAP eligibility date. This income, for all household members, will be then assessed against 200 percent of federal poverty level income guidelines to determine eligibility for the DOE Weatherization Assistance Program (WAP). If using income requirements of a HUD means tested programs, or other applicable means tested program, income will be compared to 80% AMI to determine eligibility. Eligibility must be assessed building by building, and documentation of each building review and eligibility levels must be retained in the project file.

Except when using the HUD/USDA lists or LIHTC projects as referenced above, the Subgrantee must collect income information on a unit by unit basis to determine building eligibility.

**Multifamily Energy Audit**

Multifamily buildings two to four units are addressed using the NEAT software.

For energy audit purposes, per 10 CFR 440.22, multifamily housing is defined as any building which contains five or more single family dwelling units, with the following exception: Row houses and townhomes may be treated as single family dwellings if they have independent mechanical systems and are attached only by vertical walls that contain a continuous pressure boundary (i.e. fire rated assembly) that is not penetrated from the foundation to the highest point of conditioned space.

Multifamily units have historically been lower than 20% of Michigan's annual production. For multifamily projects that require an energy audit to be run, in accordance with WPN 23-6, Michigan will submit any multifamily project details to our DOE Project Officer for review prior to any multifamily project commencing. Multifamily projects requiring use of an energy audit tool will be below 20% of Michigan's production until Michigan receives approval for use of a Multifamily Energy Audit tool.

Michigan was approved to utilize the Region 3 DOE Sponsored Low Rise Multifamily (LRMF) Priority List in accordance with WPN 228 on the appropriate MF buildings and work scopes. Michigan reviews all LRMF Priority List work orders and works with the Subgrantee throughout the process.

**Approach to Multifamily Projects**

Michigan will complete multifamily projects as projects are identified. The availability of potential projects, qualified field staff, smoothness and timing of project oversight between entities will each contribute to determining how many multifamily projects will be completed within the Program Year. BCAEO and Michigan Subgrantees will follow the instructions in WPN 23-6 for states with no approved multifamily energy audit tool, and multifamily production for projects requiring the use of a traditional multifamily energy audit tool will remain under 20% of total completed units.

All Subgrantees may opt to do multifamily projects in their territory, but most have not pursued this option. The LRMF PL approach will be the most straightforward way for entities who do not regularly weatherize these types of projects. BCAEO is working with Subgrantees on identifying and approaching LRMF PL Projects. Michigan anticipates that most Subgrantees will only utilize this option, if any, for multifamily projects. A few Michigan Subgrantees (based on current experience) will continue to pursue any multifamily projects regardless of audit type. In the upcoming years, Michigan will explore submitting for and receiving approval of a multifamily energy audit by DOE so that more than 20% of the state's production may be multifamily projects with an energy audit tool run. As Michigan has received approval for the LRMF PL in PY22, multifamily projects completed with the PL will not be counted towards the 20% production.

**Multifamily Building Approach and Restrictions**

Generally, if a multifamily building qualifies for WAP, the entire building will be weatherized including vacant units. All units will receive WAP services per the energy audit.

If a multifamily building is not determined eligible, no single unit may be weatherized. Example: In a ten unit building where there are four eligible units and six ineligible units, weatherization cannot be performed in any of the ten units. However, as stated in WPN 22-12 FAQ, while DOE believes weatherizing individual unit(s)

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number: SE0001830, State: MI, Program Year: 2025**  
**Recipient: State of Michigan**

in a building is marginally effective relative to weatherizing the whole building and creates additional challenges in tracking, reweatherization, etc. DOE recognizes that there are instances where weatherizing individual units may be taken into consideration and does not prohibit weatherizing individual dwelling unit(s) in a qualified multifamily building. As such, Michigan will work with Subgrantees to determine if the identified project meets the criteria and consult with the DOE PO as needed.

In these instances, the following conditions must be met:

- i) The unit is self-contained, without sharing an attic or basement with adjacent units, and has its own individual heating and cooling systems,
- ii) The unit has been audited with a current, approved energy audit tool and protocol that is able to adequately address a single unit within a larger structure, and
- iii) The scope of work is specific to allowable measures within the eligible unit(s).

When weatherizing individual units in a multifamily building, the health and safety conditions of the whole building or adjacent units shall be considered to ensure neighboring units do not negatively impact the health and safety of the weatherized unit(s) and the weatherized unit(s) will not negatively impact the health and safety of neighboring units. If such negative effects will occur, then some health and safety or incidental work to neighboring units (with their permission) can be funded by WAP. If such necessary work cannot be addressed, the unit would need to be deferred.

When subgrantees weatherize a building containing rental dwelling units, common areas (like vestibules, mechanical rooms, kitchens, and laundries, for the use of tenants only) that are within the building thermal envelope of the qualified residential building may be weatherized as part of the whole building as a system approach to weatherization. Common areas in buildings having a separate envelope not thermally connected to the qualified building, even if existing only for the use of the tenants of the qualified building, may not receive services paid with WAP funding. (WPN 22-12 FAQ)

**Rental Units (WPN 22-13)**

Rental units are eligible for weatherization and represent a portion of the dwelling units weatherized in Michigan. Michigan requires that the Subgrantee has established procedures for dwellings which consist of a rental unit(s) or to ensure that:

- They possess written permission of the building owner or authorized agent is obtained before commencing work.
- The benefits of the services accrue primarily to the low-income tenants residing in such units.
- For 24 months after Weatherization work completion (final inspection date), the household will not be subjected to rent increases (unless those increases are demonstrably related to matters other than the weatherization work performed). In the case of a rent increase, tenants are made aware of their right to appeal in the Tenant Synopsis, which must be provided to the tenant prior to commencing work.
- There are adequate procedures whereby the Subgrantee can receive tenant complaints and owners can appeal, should rental increases occur.
- No undue or excessive enhancement\* shall occur to the value of the dwelling unit.

\*A properly executed energy audit resulting in installation of common energy conservation measures (SIRs) with an SIR of 1 or greater with necessary weatherization readiness, health and safety and incidental repairs would not constitute an undue enhancement.

**Landlord Agreement and Tenant Synopsis (WPN 22-13, 22-13 FAQ)**

The Subgrantee will ensure a landlord agreement is completed for each building containing a rental dwelling unit to be weatherized prior to the weatherization of any rental unit. Landlord agreements generally include all necessary information to allow the weatherization improvements to proceed in an expeditious and cost-effective manner in accordance with DOE regulations and guidelines as well as State of Michigan and local contract law. MDHHS-BCAEO's tenant eviction policy is specified in the Landlord Agreement. Within that document, the landlord agrees not to evict the tenant(s) during the period of agreement, except for documented cause, and also agrees not to raise the rent as a result of increased value due to weatherization work completed.

In addition to addressing basic guidelines, the landlord agreement typically includes:

1. The approval of signatures of the building owner(s) or legal representatives;
2. A description of the owner's obligations including any financial contributions;
3. A description of the Subgrantee's obligations including the scope of work and;
4. Rental clauses that allow rent increases only for specific causes or set limits on increases such as prorated share of increased property taxes, increased operating expense, or the prorated amortized cost of property improving outside the scope of WAP;
5. Protection against sale of property clause; and
6. A definition of a breach in the agreement and the remedies to be taken if such a breach occurs including liquidated damages.

A Tenant Synopsis must be provided to the tenant receiving weatherization services. If a signature cannot be obtained from the tenant, there must be documentation of the attempt to garner the signature.

The tenant synopsis should include at minimum:

- i) Rental clauses that allow rent increases only for specific causes or to set limits on the increases.

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

ii) Protection against sale of property and/or eviction.

iii) Description of the process the tenant should follow if they believe the landlord has violated the agreement.

Renters have the right to appeal any rent increases they believe do not meet the requirements stated above. Any appeal must be stated in writing and must follow an appeal process as outlined in the CSPM.

Any Subgrantee customized document must at a minimum contain the information listed above. MDHHS-BCAEO provides sample landlord agreements, policies, and other required documents for Subgrantees to use as a starting point.

#### Demographics & Prioritization of Projects

Subgrantees must have procedures in place to ensure that priority is given to identify and provide weatherization assistance to elderly persons, persons with disabilities, families with children, high residential energy users, and household with high energy burden. For multifamily projects, Subgrantees may not have access to utility information to effectively calculate High Energy Use and High Energy Burden per unit, and these categories will only be assessed if utility information is readily available. Subgrantees must obtain, verify, and maintain, as required, the proper documentation on demographics for the properties to be weatherized. Subgrantees are not required to collect any additional information beyond the demographics required for reporting purposes to the BCAEO or DOE.

Generally, resident demographics must be reported on a unit-by-unit basis. However, in some cases such as buildings with HUD or LIHTC approval, Subgrantees may collect rent rolls or other such building owner records provided that, on an entire building or project basis, there is sufficient documentation to meet this requirement. This will be determined when the Subgrantee request is made.

To meet the purpose of WAP, Michigan works to ensure that weatherization services are provided to low-income persons that live in all types of housing (i.e., site built single family, manufactured housing units, and multifamily buildings). Multifamily buildings, including rental housing, offer opportunities for energy efficiency upgrades that are a cost-effective approach to lowering operating expenses, maintaining affordability, and creating healthier, more comfortable living environments for low-income families. For this reason, Michigan has made significant efforts in recent years to increase Weatherization in multifamily housing. Some of these efforts include: encouraging existing Subgrantees to complete multifamily work (BCAEO Technical Specialist plans to work directly with agencies to identify multifamily projects in the area) and receiving approval to utilize the Low Rise Multifamily Priority List.

#### Average Cost Per Unit (ACPU) in Multifamily Buildings

The statewide maximum allowable ACPU is for all units, whether they are site built single family, mobile homes or multifamily. All units in a Weatherized multifamily building, regardless of income qualifications for the individual unit, count toward the Subgrantee's annual production and therefore the ACPU.

#### Documentation Requirements

The following table provides a quick reference to convey the documentation required by DOE whether selecting buildings that appear on a HUD/USDA list or a building that is not on the list(s).

Table 1. DOCUMENTATION REQUIREMENTS

Documentation Required	If on HUD or USDA List	If NOT on HUD or USDA List
Building Owner Permission	Yes	Yes
Income Eligibility Documentation	No (Agency must document that the HUD or USDA lists (see WPN 22-5) was used and the eligibility threshold of the list (e.g., 66% or 100%).	Yes
Demographics of Residents	Yes	Yes
Accrual of Benefits to Tenants <sup>2</sup>	Yes, if applicable	Yes, if applicable
Audit Runs	Yes	Yes
Landlord Participation/Buy-Down Agreements	Yes, if applicable	Yes, if applicable

#### Accrual of Benefits to Tenants

Michigan has established procedures for dwellings which consist of a rental unit or rental units to ensure that:

- The benefits of weatherization assistance in connection with such rental units, including units where tenants pay for their energy through their rent, will accrue primarily to the low-income tenants residing in such units;
- Instances in which a tenant does not pay for energy directly, Grantees must ensure the weatherization benefits accrue to the low-income tenant.
- Any request for weatherization of eligible multiunit buildings needs to demonstrate in sufficient detail to the Grantee that the benefits of weatherization work accrue primarily to the low-income tenants.

To ensure this, Subgrantees have the option of:

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

- Requiring a landlord agreement for a minimum period of two years, or
- Developing a policy describing a combination of several categories of benefits that can be used to demonstrate that the benefits of the weatherization accrue primarily to the tenant.
- Benefits that could be combined, include, but are not limited to:
  - Longer term preservation of the property as affordable housing;
  - Continuation of protection against rent increases beyond that required under the WAP regulations (10 CFR 440.22(b)(3)(ii));
  - Investment of the energy savings in facilities or services that offer measurable direct benefits to tenants;
  - Investment of the energy savings from the weatherization work in specific health and safety improvements with measurable benefits to tenants;
  - Improvements to ventilation and to heat and hot water distribution to improve the comfort of residents; and
  - Establishment of a shared savings program

Generic assertions such as “tenant services will be improved” or “weatherization will improve health and safety” are not sufficient to demonstrate that the accrual of benefits requirement is met. For example, a detailed plan of what improvements are planned, how they would benefit the tenant, and a timeline for completion would be recommended. Any request for weatherization of eligible multiunit buildings needs to demonstrate in sufficient detail that the benefits of weatherization work accrue primarily to the low-income tenants.

Table 2 is a quick reference to convey which potential tenant benefits are valid for different utility payment arrangements.

**Table 2. ACCRUAL OF BENEFITS**

Potential Benefit	Tenant Pays	Utilities
	Utilities	Included in Rent
Lower energy bills when seasonal temperatures are consistent with historic temperatures	Yes	No
"Lower than expected" energy bills in the event of hotter/colder weather than in previous years	Yes	No
Longer term preservation of the property as affordable housing	Yes	Yes
Continuation of protection against rent increases beyond that required under the WAP regulations (10 CFR 440.22(b)(3)(ii))	Yes	Yes
Investment of the energy savings in facilities or services that offer measurable direct benefits to tenants	No	Yes
Investment of the energy savings from the weatherization work in specific health and safety improvements with measurable benefits to tenants	No	Yes
Additional improvements, not related to weatherization, to heat and hot water distribution, and ventilation, to improve the comfort of residents	Yes	Yes
Establishment of a shared savings program	No	Yes

**Audit Runs Including Priority List Projects**

The WAP file for each building should contain at least the following information from the energy audit:

- Building Narrative: A complete narrative description of the project, defined building envelope, building mechanical equipment and associated facilities and the proposed improvements. Include building age, ownership, location, general property layout, etc.
- For Audits with an Energy Model, the recommended statement of work including the savings-toinvestment ratios (SIRs) of each measure and the total project SIR.
  - If any measures were bought down or otherwise leveraged the documentation must show the pre-leveraged SIRs of each individual measure and the pre leveraged project SIR.
  - Documentation must include the other sources that funded each bought down measure.

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number: SE0001830, State: MI, Program Year: 2025**  
**Recipient: State of Michigan**

- An immediately accessible electronic file that shows all the audit inputs and outputs.
- For Priority List projects, completed priority list audit including all pre-weatherization measurements and all completed priority list pages.
- An immediately accessible electronic file that shows all the audit inputs and outputs. For priority list projects the file should include all pre-weatherization measurements and all completed priority list pages.
- Floorplan/sketch and photos associated with the project.
- ASHRAE Ventilation Calculations
- Final installed costs of each measure and the total project cost. If the project went through the bidding process, then all bid prices (winning and losing bids) must be in the file.
- Invoices for completed work.
- All specifications defining each measure.

**Building Owner Permission**

As required in 10.CFR 440.22 (b)(1), the Subgrantee is required to obtain the written permission of the owner of the building or its agent prior to proceeding with weatherization. The Subgrantee will ensure a landlord agreement is completed for each building containing a rental dwelling unit to be weatherized, prior to the weatherization of any rental unit. BCAEO has created sample landlord documentation for Subgrantees to use and edit as appropriate.

**Landlord Contribution**

Landlord contributions for eligible single family and manufactured housing rental dwellings shall not be required per 10 CFR 440.22(d) and the Final Rule amending the DOE Weatherization Assistance Program regulations dated March 4, 1993, (58 FR 12514). Subgrantees may encourage landlord financial participation, but may not defer service if the landlord does not consent to a financial contribution. Landlord contributions for single family dwellings are optional and may be accepted.

Michigan requires financial participation of a landlord for weatherization of a 5+ unit multifamily property except in cases where the landlord also qualifies for weatherization services; or is a nonprofit organization, governmental agency, or municipal corporation. Michigan may grant case by case waivers for landlord contribution. Amount of financial participation is determined at the local level. Subgrantees may choose to require landlord contributions when weatherizing two to four unit rental properties, except in cases where the landlord also qualifies for weatherization services.

The Subgrantee must have a written landlord contribution policy. Financial Participation may include a cash contribution, rent reduction to the tenant, consideration of documented improvements made to the property within the last twelve months, or a combination of all three. Landlord participation can be used to buy down an SIR of a multifamily weatherization project in compliance with WPN 22-12 and WPN 22-9.

**Leveraging, Landlord Participation & Buy Downs**

Leveraging (or co-funding, as defined in WPN 229) is allowable in Michigan's WAP for all housing types and creates flexibility for Subgrantees to install measures that save energy but do not achieve the necessary Savings-to-Investment Ratio (SIR) by allowing the agencies to secure funding to apply to the cost of the measure, bringing down the cost of the measure to meet the SIR requirement. Michigan follows the guidance for leveraging (co-funding) outlined in WPN 229.

In multifamily weatherization, building owners may also "buy down" measures typically prioritized as needs – such as furnace or boiler replacements or new fenestration – that do save energy but don't achieve an SIR of 1 or greater as a standalone measure. Note that when using Low Rise Multifamily Priority Lists, buy downs can also be utilized to allow optional measures. This guidance addresses how Subgrantees can use buy down funding to reduce the cost of individual measures while meeting the program requirements as they relate to the SIR for the WAP investment.

Subgrantees may use this SIR calculation allowance only when the cost effectiveness for the entire investment in the property can still be substantiated. In other words, a measure can be bought down only when the overall SIR of the package of measures, including the full cost of the measure that will be bought down, is 1.0 or greater. As noted above, this should be documented in the project file.

Example: In order for a measure to qualify for the buydown, the package of measures, including the full cost (the pre-buy down cost) of the measure, which is to be bought down, must have an SIR = 1.0.

In the first case below, the replacement windows would be eligible for a buydown in WAP; the replacement windows with a full cost measure SIR = 0.8 could be bought down so the after buy down DOE measure cost would have an SIR of at least 1.0 (and the post buy down DOE package SIR would subsequently increase).

In the second case, the replacement windows would not be eligible for a buydown in WAP because the pre buydown package SIR is below 1.0.

**Energy Saving Economics Case 1 – Buy-down Allowed in WAP**

Measure	Measure SIR	Cumulative SIR
Infiltration Reduction	1.3	1.3
Lighting Retrofits	7.4	1.7
Ceiling Insulation	2.4	1.9
Replacement Windows (pre-buy-down)	0.8	1.1 (= 1.0)

**Energy Saving Economics Case 2 – Buy-down Not Allowed in WAP**

Measure	Measure SIR	Cumulative SIR
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**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number: SE0001830, State: MI, Program Year: 2025**  
**Recipient: State of Michigan**

Infiltration Reduction	1.3	1.3
Lighting Retrofits	7.4	1.7
Ceiling Insulation	2.4	1.9
Replacement Windows (pre-buy-down)	0.6	0.9 (not = 1.0)

Michigan does not allow Subgrantees to "leapfrog" measures that are already cost effective to accommodate a measure that is included in the package of measures as a result of using the provisions of this guidance. All measures that were cost effective after the initial energy audit is conducted would remain a part of the list of measures to be completed on the building. Measures that did not attain the SIR of 1.0 can only be considered for buy down if all the cost effective measures in the initial audit are also installed.

Policy Link: <https://www.michigan.gov/mdhhs/doing-business/weatherization/manuals>

Under CSPM 600 Series – Draft PY25 Weatherization Assistance Program.

**Policy Manual:**

Community Service Policy Manual 601 Income Eligibility Guidelines  
Community Service Policy Manual 606 Program Requirements  
Community Service Policy Manual 608 Rental Unit and Multifamily Weatherization  
Community Service Policy Manual 608.1 Shelters, Group Homes and Transitional Living Facilities  
Community Service Policy Manual 610.1 Landlord Agreement Sample  
Community Service Policy Manual 610.2 Landlord Contributions

**Describe the deferral Process**

There are conditions or situations when an otherwise eligible dwelling unit should not be immediately weatherized. A determination may become evident during the eligibility process, during the audit, or after work has begun. The decision to defer work in a dwelling is difficult, but at times necessary. This does not mean that weatherization assistance will never be available, but that work should be postponed until the problems can be resolved and/or alternative resources are found.

Subgrantees are expected to pursue reasonable options on behalf of the dwelling owner, and to use good judgment in dealing with difficult situations. If the unsafe conditions cannot be corrected by the subgrantee due to funding constraints, cost limitations, or because the complexity of the problem is considered beyond the scope of the weatherization; alternate funding should be recommended. Subgrantees shall not simply defer service without pursuing other options and identifying other resources to address the identified hazard(s). Whenever appropriate, educational information on how to address the hazard shall be shared with the occupant. If corrections are made on a deferred dwelling that addresses the issue that led to the deferral, the Subgrantee may proceed with weatherization. Subgrantees are asked to maintain a list of deferred dwellings for that purpose.

Subgrantees may elect to defer a home from receiving weatherization services where health and safety hazards exist for the staff, contractors or clients, or where conditions that cannot be addressed by WAP prevent the safe and effective implementation of weatherization measures.

Each subgrantee is required to have a written walkaway (deferral) policy which is in the best interest for its service area. Subgrantees include in their policies the procedures to be followed when making a deferral decision and how the customer is notified. The Subgrantee policy should include guidelines for establishing a time period for correction and an identification of resources and options to assist the applicant. Subgrantees must also include a list of potential reasons for deferral, which may not be all encompassing, as deferral reasons may be conditional or compounded by multiple issues. Some conditions to consider are listed below.

**Conditions where Subgrantees must not weatherize include:**

- The dwelling was weatherized with a final close out date within the last 15 years.
- The building or dwelling unit is scheduled for demolition/redevelopment or is for sale\*.
- The condition of the structure would make weatherization impossible or impractical (e.g. inability to meet SWS)
- Per WPN 23-6, client refusal of any cost justified major measure. Agencies should make every attempt possible to educate clients around cost justified measures they are refusing. See CSPM 606.3 for further information on measure skipping.
- Per WPN 23-6, if the building owner or occupant declines a measure not defined as a major measure prior to work beginning, the auditor must include in the client file a comprehensive justification, including background/source documents that support the decision to skip a specific measure. All other weatherization measures must be installed. If the auditor cannot access background/source documents that justifies the building owner/occupant's decision to decline a measure or the measure is defined as a "major measure", the situation must be fully documented in the client file and the job must be deferred due to client refusal. See CSPM 606.3 for further information on measure skipping.
- Encountering a mandatory reason for deferral as outlined in the Health and Safety plan (CSPM 614).

**Conditions where a Subgrantees may defer, include, but are not limited to:**

- The extent and condition of lead based paint in the house would potentially create further health and safety hazards.
- The building structure or its mechanical systems, including electrical, plumbing, sagging or rotted roof rafters, wall studs and floor joist deficiencies, are in such a state of disrepair that failure is imminent, and the conditions cannot be resolved cost effectively.



**U.S. Department of Energy**  
**Weatherization Assistance Program (WAP)**  
**STATE PLAN / MASTER FILE WORKSHEET**  
**Grant Number: SE0001830, State: MI, Program Year: 2025**  
**Recipient: State of Michigan**

- The house has been condemned or electrical, heating, plumbing, or other equipment has been “red tagged” by local or state building officials or utilities and the conditions cannot be resolved with WAP funds.
- Exterior dwelling deterioration.
- Electrical or plumbing hazards or structural failures that cannot be addressed/completed within Incidental Repair or Health and Safety (H&S) cost limitations.
- Standing water, excessive water/moisture damage, remnant of standing water issues, mold, radon, friable asbestos, deteriorated lead based paint surfaces, flaking lead paint, volatile organic compounds, or other hazardous materials that cannot be addressed by the weatherization work.
- Moisture problems are so severe they cannot be resolved under existing health and safety measures and with minor repairs.
- Unvented space heater(s) that may have a harmful effect on the air quality of the home.
- Dwellings where construction has not been completed.
- Major remodeling is in progress, which limits the proper completion of weatherization measures.
- Improperly stored chemicals, combustible materials, or other fire hazards that present a danger to the occupants or the workers.
- Evidence of infestations of rodents, insects, and/or other vermin.
- Unsecured pets that may prevent workers from safely completing their work.
- The presence of sewage or animal feces in or around the home.
- The home receives HUD funding and at the time of completion, the unit will not meet applicable HUD Lead Based Paint standards.
- Maintenance or housekeeping practices that limit the access of workers to the dwelling or create an unhealthy work environment.
- Dangerous conditions exist due to high carbon monoxide levels in combustion appliances, and cannot be resolved under existing health and safety measures.
- In the judgment of the energy auditor, any condition exists which may endanger the health and/or safety of the work crew or subcontractor, the work should not proceed until the condition is corrected.
- The client is uncooperative, abusive, or threatening to the crew, subcontractors, auditors, inspectors, or others who must work on or visit the house. Threat(s) of violence or abusive behavior to worker(s) or household member(s) during the weatherization process.
- The client/occupants has known health conditions that prohibit the installation of insulation and other weatherization materials.
- The illegal presence or use of any controlled substance in the home during the weatherization process.
- The building or dwelling unit is in foreclosure.
- Ownership cannot be confirmed due to a legal dispute. Clear title must be established before services can be provided.
- The cost to weatherize a home is so significant that it will negatively impact the Subgrantee’s ability to meet the statewide average cost per dwelling (e.g. those homes that are more than 2x the state average). MDHHSBCAEO must be notified in writing prior to deferring a dwelling for this reason.

When the auditor/inspector or any other weatherization employee encounters an unsafe or inoperable heating appliance during the heating season, weatherization work should not proceed until the condition is corrected. If the measure is allowable in weatherization and determined to be necessary for this job, weatherization funds may be used to correct the condition.

#### **Walkaway (Deferral) Notification Requirements**

Upon the decision to defer weatherization program services\*, the customer must be notified in writing within five working days. The notice must include the reason for the deferral and the means by which the applicant can rectify the situation so the weatherization measures can be performed, and any guidelines for establishing a time period for correction. The requirements for rectifying the deferral must be reasonable and appropriate to the severity of the situation being addressed. Examples of reasonable timeframes would be 30 days for housekeeping concerns or 90 days for major remodeling work. In cases where an individual client feels a deferral is unfairly determined, the individual client may appeal a decision to defer. In these circumstances, the Subgrantee must provide the client the agency’s defined appeals process and follow the Michigan Dispute Resolution process. Any eligible applicant that complies fully with these requirements shall be reinstated in the Subgrantee’s work system so weatherization work can progress as soon as reasonably possible. There is no time extension for the eligibility period due to a deferral. If the dwelling cannot be reported as complete within the eligibility period, the customer must reapply for weatherization assistance.

\*If the Subgrantee will use deferral reduction funding (DOE WRF or other available grants) to address the issue and resolve the deferral, notification does not need to be provided to the client.

#### **Documentation**

On a deferred unit, photographs documenting the reason for deferral are required and shall be part of the client file. If photographs are unobtainable, the reason(s) must be documented in the client file.

#### **Deferral Tracking Requirements**

Subgrantees will track units deferred and the deferral reason. Deferrals that occur after a Weatherization application is created are documented in the database system. If a deferral is identified before the Weatherization application is created, and the Grantee does not have the resources to address it, they must track it in the BCAEO Deferral Tracking Tool. At any time, BCAEO may request submission of the uptodate Tracking Tool.

#### **Weatherization Readiness Funds**

Beginning in PY22, DOE has added a cost category for Weatherization Readiness Funds (WRF). WRF are designated for use by Subgrantees in addressing structural and health and safety issues of homes that are currently in the queue to be weatherized, but at risk of deferral. This funding is specifically targeted to reduce the frequency of deferred homes that require other services outside the scope of weatherization, before the weatherization services can commence. WRF may also be

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number: SE0001830, State: MI, Program Year: 2025**  
**Recipient: State of Michigan**

used to address issues discovered after weatherization has started that would otherwise prevent continuing weatherization and not result in a completed unit. WRF will be used only on necessary repairs, cleanup, and remediation needs of the physical dwelling itself that, if left uncorrected, has led, or would lead to a deferral under the Subgrantee's deferral policy; and if corrected, will lead to a DOE completion. There may be situations where structural or health and safety (H&S) issues are so great that the limited WRF resources cannot adequately correct the conditions to make the unit weatherization ready. In these situations, the Grantee and Subgrantee shall follow their deferral policy and refer the dwelling to other resources. WRF cannot be used to cover the cost of expenditures allowable with formula funds (i.e., client intake, energy audits, energy conservation measures (ECM), final inspections, etc.). (WPN 24-9)

Units receiving WRF must:

- Have all WRF activities and expenditures completed and reported in the same grant cycle as awarded.
- Result in a DOE-Funded completion within 9 months of the WRF work.
- Count as either a DOE Formula unit or a DOE BIL unit.
- Result in a DOE completion defined as, "A dwelling on which a DOE approved energy audit or priority list has been applied, and at least (1) DOE funded allowable energy conservation measure is installed and weatherization work has been completed."
- Each dwelling unit can receive \$15,000 DOE WR Funds. A waiver may be submitted by the Subgrantee if the funds required to address the cause of deferral exceeds \$15,000.

All items that could be allowable under WRF must first be considered as an Energy Conservation Measure or Incidental Repair. If they will not be cost effective to install, they may then be considered under Health & Safety. If use of Health & Safety funds is unaffordable on that measure, then the use of WRF funds is allowable. Subgrantees will maintain documentation supporting that the use of Weatherization Readiness Funds addressed issues that would have resulted in the home being deferred. Supporting documentation may include statement for why the home was at risk of deferral necessitating the use of WRF funds.

WRF funds will be initially allocated to Subgrantees aligned with the DOE formula allocation. MDHHS-BCAEO will evaluate spending trends, frequency of deferrals across the state, and solicit spending projections for Subgrantees in order to reallocate WRF funds as needed. Households must be determined eligible for WAP services to receive consideration for WRF. If the condition of the home requires work to make it Weatherization Ready, the home will be eligible for WRF consideration. Households will be served following Subgrantee job prioritization procedures and specialized contractor availability. Subgrantees may use WRF funds on previously deferred units or units going through the energy audit process.

Subgrantees often complete WRF repairs prior to retrofit work, but it is acceptable for Michigan Subgrantees to complete WRF repairs concurrently with retrofit work if the nature of the repair does not adversely impact the weatherization work. The process of making the repair, or delay in making the repair, must not damage installed weatherization retrofit work.

#### **Timeframe Adjustments**

Some timeline rules are formulated between the eligibility determination and energy audit conducted during a WAP job. The following policy will apply when deferral reduction (WRF) work takes place prior to the energy audit.

Substitute for timeframe from CSPM 601: "Recertification, the redetermination of a household's income eligibility, must occur at least every 12 months from the eligibility date, if the deferral reduction work has not yet been initiated."

#### **WRF Allowable Measures and Reporting**

Subgrantees are required to track the information below and will be asked to prepare a summary of units receiving WRF for the T&TA, Monitoring and Leveraging Report.

Avoided deferrals – the number of dwelling units made weatherization ready with these funds, and for each building or unit:

- Year Built;
- Housing Type (sitebuilt single family, manufactured housing, multifamily);
- Nature of repairs needed which prohibit weatherization. Where applicable, identify multiple repairs or remediation reasons for a single building. The following repairs are allowable:
  - Mold remediation
  - Moisture control
  - Knob and tube wiring issues
  - Other electrical issues
  - Grading
  - Roof repair and replacement
  - Structural issues
  - Measures to meet SHPO requirements
  - Gutters and downspouts
  - Drainage system
  - Sump pump installation
  - Plumbing repair and replacement

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

- Pest control
- Asbestos encapsulation, remediation, or abatement
- Duct repair and replacement
- Health & Safety measures that are unaffordable with the Subgrantee's normal Health & Safety funds. Subgrantee must document that the H&S Measures are unaffordable.
- Other – Grantees may encounter reasons for deferral not included on the prior list. In these instances, the agency must submit a waiver to BCAEO describing the needed measure and other relevant details. Waivers must be submitted to MDHHS [BCAEO@michigan.gov](mailto:BCAEO@michigan.gov), and the agency must receive preapproval before work commences.
- DOE WRF expenditure per unit and building; and,
- Leveraged fund expenditure per unit and building (i.e., funds such as LIHEAP, HUD, nonfederal, etc. braided with DOE WRF to make building weatherization ready).

Monitoring of WRF expenditures is outlined under 'Final Inspections and Monitoring Activities'.

Policy Link: <https://www.michigan.gov/mdhhs/doing-business/weatherization/manuals>

Under CSPM 600 Series – Draft PY25 Weatherization Assistance Program.

**Policy Manual:**

Community Service Policy Manual 606.3 Technical Weatherization Installation Requirements

Community Services Policy Manual 609 Deferral and WRF Policy

### V.1.3 Definition of Children

Definition of children (below age): **19**

### V.1.4 Approach to Tribal Organizations

☐ Recommend tribal organization(s) be treated as local applicant?

If YES, Recommendation. If NO, Statement that assistance to low-income tribe members and other low-income persons is equal.

In accordance with 10 CFR 440.16(f), lowincome members of a Native American tribe will receive benefits equivalent to the assistance provided to the other low-income persons within the state. All eligible households, including those with Native American tribal members, are served equally without regard to race, color, national origin, gender, or religion.

### V.2 Selection of Areas to Be Served

Michigan serves all 83 counties in the state in order to provide equal access to WAP services for all eligible households. 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.

In 2025, MDHHS-BCAEO conducted statewide procurement for WAP subgrantees with the intention of meeting federal procurement policy by showing fair and competitive bidding procedures. The Grant Funding Opportunity complied with federal and state procurement policy. The next bid will occur in approximately ten years. MDHHSBCAEO reserves the right to schedule a bid sooner to expand statewide weatherization operational capacity, to provide a statewide weatherization solution for contractor shortages, and/or to meet demands of multifamily weatherization jobs.

MDHHS-BCAEO reserves the right to reallocate funding from one subgrantee to another, should any of the current subgrantees be unable, for whatever reason, to fulfill their obligations to implement the program in their service area. The term 'implement' includes maintaining production level goals and meeting work quality standards (SWS and Michigan Field Guide). Additionally, in an event that an area is unserved, the MDHHS-BCAEO reserves the right to designate a provider for the service area until another Grant Funding Opportunity is posted. Carryforward funding, when available, may be allocated by BCAEO to support Multifamily projects or to subgrantees with capacity to maximize weatherized homes in Michigan.

MDHHS-BCAEO completes an annual Risk Assessment. The utilized risk assessment tool at the time of this state plan submission is called the STAR Assessment. The STAR Assessment tool evaluates subgrantees based on administrative, technical, and fiscal management and is used to evaluate performance and to determine if a subgrantee is administering an effective weatherization program. A rating of "high risk" in the weatherization portion of the assessment (scores 1 STAR or 2 STARS) for two consecutive years on the annual STAR Assessment performed by MDHHS-BCAEO, may result in contract termination and a competitive proposal process for

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

the subgrantee's territory after the current contract expires. Should the STAR Assessment rating result in a competitive proposal process for any subgrantee's territory, MDHHS-BCAEO will proceed in accordance with 10 CFR 440.15. MDHHS-BCAEO may, at any time, determine utilization of another risk assessment tool for BCAEO programs. If that does occur, this new tool would be utilized by the Michigan WAP with the purpose of assess risk of compliance issues with subgrantees administering the WAP. MDHHS-BCAEO may also terminate a contract with a subgrantee if MDHHS determines that insufficient progress is being made to: 1) successfully build and implement the program or 2) bring resolution to issues of non-compliance. MDHHS-BCAEO may place the Subgrantee on a Quality Improvement Plan to address deficiencies, or as deemed necessary, move forward with termination of the contract.

**Policy Manual:** Community Services Policy Manual 621 – Termination or Reduction in Funding

### V.3 Priorities

Michigan utilizes a priority point system when delivering services to low-income single-family homes to meet federal regulations in 10CFR 440. Mandatory priority categories are as follows:

- Households with elderly
- Households with disabled
- Households with children
- High Residential Energy User
- High Residential Energy Burden

WAP staff uses the Michigan Energy Appraisal Winter Outlook Report prepared by the Michigan Public Service Commission and to determine thresholds for high energy use/on an annual basis.

In 2022, MDHHSBCAEO did an analysis of its definition of households with a High Energy Burden (HEB). Staff reviewed statistics of average energy burden for the 200% FPL income level, and estimates to define the top 1/3 of potential clients as HEB households. MDHHS-BCAEO determined that changing the definition of HEB from 20% of total income toward energy costs to 15% better aligns with current statistics for the state of Michigan. Due to the particular vulnerability of households with a HEB, MDHHS-BCAEO requires that Subgrantees assign 2 priority points for households meeting this definition.

Subgrantees are required to utilize the statewide priority point system when determining homes to weatherize and are required to have a written policy of their prioritization system. Subgrantees determine how to best serve the eligible population in their service territory. The priority point system does not differentiate between eligible households that rent or own their dwellings and Subgrantees may not discriminate due to housing type. Each category is 1 point with the exception of HEB, which is 2 points. Clients meeting one or more points will be considered Priority Applicants. Subgrantees may choose to use oldest eligibility date for positioning applicants with the same number of priority points. Applicants with no priority points will remain at the end of the waiting list and will be served, oldest eligibility date first, after all "Priority Applicants" with one (1) or more points are served. All applications are required to reverify the household income for the program annually. No applications on the waiting list should be older than one year.

It is permissible to pull a client from the priority list out of order to engage with a leveraging opportunity if the following guidelines are followed:

- Client is part of a group with an equal number of points at or near the top of the list, and;
- Leveraging opportunity is rare, and;
- Subgrantee can defend the selection of the client for leveraging over other clients on the list.

When the Subgrantee's territory covers a large geographical area, it is also permissible to prioritize service based on cost effective scheduling considerations. For example, if a prioritized client lives in a county distant from the main offices, other homes in that area on the waitlist may be served during the same time period if it eliminates costs and travel time to the agency.

Emergencies will take precedence over all other priorities. Emergencies are defined as life-threatening housing conditions. MDHHS-BCAEO will evaluate all emergency waiver requests from subgrantees, results of the review must be kept in the client's file.

Policy Link: <https://www.michigan.gov/mdhhs/doing-business/weatherization/manuals>

Under CSPM 600 Series – Draft PY25 Weatherization Assistance Program.

**Policy Manual:** Community Service Policy Manual 611 Client Priority Selection Criteria

### V.4 Climatic Conditions

Michigan has large seasonal temperature changes and a significant north south temperature variance. There are 10 climate divisions established by the

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

National Oceanic and Atmospheric Administration. The number of Heating degree Days (for a 10 year time span using the most recent available data) for each climate division in Michigan is used to determine the percentage of heating degree days is factored into the funding allocation formula. The heating degree day average was obtained from the Midwest Regional Climate Center data.

The National Energy Audit Tool (NEAT) program is adjusted by area of the state for the heating degree days. When a NEAT audit is completed in the Upper Peninsula, it may call for more insulation than a NEAT audit completed in the southernmost part of the state.

Heating Degree Days by Climate Division (Source: <https://mrcc.purdue.edu/CLIMATE/>) See attachment in SF424 for a breakout of data by climate division in Michigan.

## V.5 Type of Weatherization Work to Be Done

### V.5.1 Technical Guides and Materials

All weatherization work in Michigan is performed in accordance with DOE approved procedures, including the appropriate DOE approved energy audit (single family, multifamily (5+ units), or mobile home) 10 CFR 440 Appendix A, the Michigan Weatherization Field Guide, Energy Auditor Manual, and the Standard Work Specifications (SWS).

All Subgrantee agreements and vendor contracts, active in Program Year 2015 and beyond, contain language which clearly documents the SWS specifications for work quality. Language matches that of WPN 22-4 Section 2. The signature on the contract serves as proof of receipt. The signature also serves as agreement to comply with all Michigan and DOE WAP policies and procedures, including, but not limited to WPNs, WAP Memos, Quality Work Plan, Community Services Policy Manual (CSPM), SWS, Michigan Weatherization Field Guide, Energy Auditor Manual, and other technical guides and manuals as required by CSPM.

Also, beginning in PY15 and as required by WPN 22-4, Subgrantees must include similar language in their contracts with contractors who perform work for WAP. The Subgrantee shall assure that appropriately credentialed or trained staff under its control, including Subgrantee employees and/or subcontractors, shall perform functions under this Agreement. The Subgrantee must provide crews and/or subcontractors with technical requirements for field work including: audits/testing, installation of energy conservation, health and safety and incidental repair measures; and final inspections. The Subgrantee must confirm receipt of those requirements and provide follow up and clarification upon request. A signature on a contract can serve as proof of receipt. The technical requirements must be clearly communicated and the specifications for work to be inspected must be referenced in the subgrantee contracts with contractors. The work on the contract must be consistent with the Subgrantee standards and field guides. All energy auditors, retrofit installers, crew leaders, and quality control inspectors must possess the knowledge, skills, and abilities in the National Renewable Energy Laboratory (NREL) Job Task Analysis (JTAs).

Administrative monitors review contracts for compliance. Field monitors, through monitoring inspections, confirm conformance with the Michigan Weatherization Field Guide and the SWS.

The Michigan SWS aligned Field Guide is available as a web interactive version or a downloadable PDF. Subgrantees can access the field guide on mobile devices in the field and from a hard copy, along with all other policy. The base field guide was purchased from Saturn. MDHHS-BCAEO assembled a group of volunteers from the weatherization network to review and update the base guide. The Michigan Field Guide was approved by DOE in May of 2021. The downloadable PDF version can be found at [Michigan Field Guide PDF](#). The web interactive version can be found at [Michigan Field Guide Web Version](#).

The following program updates, procedures manuals, and standards documents are available on BCAEO website (<https://www.michigan.gov/mdhhs/doing-business/weatherization>) on MDHHS-BCAEO's external SharePoint, the MiTEC website (<https://michigantec.org/>) and via email:

- NREL Standard Work Specifications link: <http://sws.nrel.gov>
- US 10CFR600
- US 2CFR200
- US 10 CFR 440
- U.S. Department of Energy Weatherization Program Notices
- U.S. Department of Energy Weatherization Memorandums
- Community Services Policy Manual <https://www.michigan.gov/mdhhs/doing-business/weatherization/manuals>
- State of Michigan Department of Licensing and Regulatory Affairs (LARA) Policy LARA provides oversight for mechanical, construction, and safety laws. This department houses Michigan Occupational Safety and Health Administration (MIOSHA) which provides worker safety oversight and training.

When updates are made, the network is notified, and all policy is updated online. MDHHS-BCAEO also provides updates in the MDHHSBCAEO Update newsletter that is sent to the network.

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

**Weatherization Work**

All work is performed in accordance with DOE approved audit procedures and 10 CFR 440, Appendix A, Standard Work Specifications, and Michigan Rules and Regulatory policy.

Subgrantee will ensure that all weatherization activities not included in the list of "Allowable Activities" in the NEPA determination are excluded or submit an Environmental Questionnaire (EQ)1 for review per NEPA requirements in 10 CFR Part 1021

The weatherization measures commonly installed in eligible units are air sealing; duct sealing, repair, replacement and insulation; attic and wall insulation; and health and safety measures. Michigan has also added cost effective electric base load measures including refrigerator replacement and LED bulbs.

Domestic water heaters (DWH) are an electric base load measure and are replaced as an Energy Conservation Measure or a Health & Safety measure on eligible dwelling units.

**Special Materials**

LED bulbs: Michigan has been approved by the DOE project officer to use LED bulbs beginning in PY17.

Michigan has been approved by the DOE project officer to use Spray Foam Insulation, Refrigerators (Energy Star) and Replacement Water Heaters in 2019.

Michigan has approval for 'WA SSE to AFUE adjustment for Draft Hooded Furnaces w/o IID' and 'Cost effective repair and re-insulation of belly insulation sections in Mobile Homes'.

**General Heat Waste Reduction Measures**

Subgrantees may install the identified General Heat Waste reduction measures, known as Optional Weatherization Measures, on one to four unit dwellings. Optional Weatherization Measures are intended to be relatively low-cost items that can be quickly and easily installed. Total optional measure costs (including labor) must not exceed \$250.

**Optional Measures Include:**

- Water Heater Tank Insulation
- Water Heater Pipe Insulation
- Low Flow Showerheads

**Field guide types and approval dates:**

- Single-family: 5/26/2021
- Manufactured Housing: 5/26/2021

**Solar & Renewables**

MDHHS-BCAEO anticipates that in upcoming years solar installations may become a common pairing with the WAP. Michigan's Department of Energy, Great Lakes and the Environment (EGLE) will be pursuing the Greenhouse Gas Reduction Fund's Solar for All program and anticipates interest in pairing Solar installations on conjunction with the WAP.

In preparation for this potential change, MDHHS-BCAEO is requesting approval to include solar PV as an optional measure in the list of measures for qualifying households and properties in the WAP. MDHHS-BCAEO understands that solar PV projects might require a NEPA review, especially if they are ground mounted and disturb the ground.

In cases where Subgrantees opt to install solar PV and fund that measure with DOE WAP funds, the energy audit would include solar as a measure and would demonstrate the SIR of 1.0 or greater for the solar PV install, in order it to be integrated into the approved package of measures for the project. MDHHS-BCAEO believes that with the current installed costs of solar PV, it is a financially viable solution that can help some of our low-income families reduce their energy burden through WAP. We also believe that in preparing for a partnership with the EPA's Solar For All program, consideration of solar integration in the WAP is a new priority for the state.

**Braiding and Cofunding Measures**

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

Michigan allows its subgrantees to use multiple funding streams in their WAP. With inflation rates increasing quicker than the ACPU, these strategies are more important than ever. We currently do not use the approach of blending, but braiding and co funding measures are common in the Michigan WAP and buy downs are allowable in multifamily projects. Michigan follows all policies as defined in WPN 229 on allowability with these approaches.

**Policy Manual:**

Community Service Policy Manual 606.1 Program Requirements – WAP Auditing Tools

Community Service Policy Manual 618 and 618.1 Weatherization Assistance Program Training & Certification Requirements

Community Service Policy Manual 622 DOE Savings to Investment Ratio Buy-Down and Leveraging

Field guide types approval dates

Single-Family: 9/8/2021

Manufactured Housing: 9/8/2021

Multi-Family:

**V.5.2 Energy Audit Procedures**

Audit Procedures and Dates Most Recently Approved by DOE

Audit Procedure: Single-Family

Audit Name: Other (specify)

Single Family NEAT software on nonstandard homes. Approved by DOE September 8, 2021.

Approval Date: 9/8/2021

Audit Procedure: Manufactured Housing

Audit Name: Other (specify)

Mobile Home MHEA software on manufactured homes. Approved by DOE September 8, 2021.

Approval Date: 9/8/2021

Audit Procedure: Multi-Family

Audit Name: Priority List

Approval Date:

Comments

Michigan's Energy Audit for single family homes and manufactured homes was approved September 8, 2021. Michigan's Region 3 DOE Sponsored Low Rise Multifamily Priority List was approved January 24, 2023. Michigan will continue to comply with the DOE requirements of energy audit approval, when applicable. BCAEO will submit revised energy audit approval requests and field guide at least 6 months in advance per WPN 23-6 and 22-4.

All dwellings scheduled for weatherization must have a comprehensive energy audit that treats the dwelling as a whole system. For single family site built and mobile homes, data from the audit is entered into the Weatherization Assistant (WA) software which then determines which Energy Conservation Measures (ECMs) are cost effective for the dwelling. For multifamily projects, data from the audit is entered into a Multifamily Audit tool or the priority list is applied to determine the weatherization scope of work. Weatherization measures for a dwelling are considered cost effective if the Savings to Investment Ratio (SIR) is 1 or greater for each measure and the job. In addition to DOE approved ECMs, there is an exception: blower door guided air sealing and/or duct sealing may have an SIR less than 1.0, if the cumulative SIR of the package of measures is equal to or greater than 1.0, not including H&S measures. Michigan also installs health and safety and incidental repair measures as dictated by the audit on each dwelling, and in accordance with WPNs 22-7 & 19-5.

Michigan switched from WA8.9 to WAweb on 7/1/2024.

**Single family housing**

The energy audit tool, NEAT is being used for 1–4 unit buildings. Weatherization measures for a dwelling are considered cost effective if the Savings to

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

Investment Ratio (SIR) is 1 or greater for each measure and the job. Subgrantees are required to follow the policies and procedures in the Community Services Policy Manual, Michigan Field Guide, Health and Safety Plan, and the Energy Auditor Guide.

During PY25, MDHHS-BCAEO may consider adopting the Region 3 Priority List for Single Family Site Built Homes. MDHHS-BCAEO would follow the guidance in WPN 22-8 for the submission process.

**Manufactured Housing**

The energy audit tool, MHEA is being used for 1–4 unit buildings. Weatherization measures for a dwelling are considered cost effective if the Savings to Investment Ratio (SIR) is 1 or greater for each measure and the job. Subgrantees are required to follow the policies and procedures in the Community Services Policy Manual, Michigan Field Guide, Health and Safety Plan, and the Energy Auditor Guide.

During PY25, MDHHS-BCAEO may consider adopting the Region 3 Priority List for Manufactured Homes. MDHHSBCAEO would follow the guidance in WPN 22-8 for the submission process.

**Multifamily**

For energy audit purposes, per 10 CFR 440.22, a multifamily building is any building which contains five or more single family dwelling units as defined in 10 CFR440.3,with the following exception: Row houses and townhomes may be treated as single family dwellings if they have independent mechanical systems and are attached only by vertical walls that contain a continuous pressure boundary (i.e. fire rated assembly) that is not penetrated from the foundation to the highest point of conditioned space. In accordance with WPN 23-6, Michigan will submit any multifamily project details (outside of using the LRMF PL) to our DOE Project Officer for review prior to that project commencing.

Subgrantees planning to complete a multifamily dwelling using an energy audit tool will submit documentation to MDHHS-BCAEO for review. Once approved by the MDHHS-BCAEO Director, the Weatherization Specialist will work with the DOE Project Officer to review material for approval prior to commencing weatherization on the building. MDHHS-BCAEO will also verify that the Subgrantee requesting to weatherize a multifamily dwelling has qualified staff with the required training per WPN 22-4 to complete the unit. Until Michigan receives approval for a multifamily energy audit tool, multifamily dwellings utilizing a traditional energy audit tool will remain less than 20% of Michigan's building type production.

Michigan followed guidance from WPN 22-8 and received approval to utilize the LRMF PL as an optional alternative to a traditional energy audit for appropriate multifamily projects. Michigan allows all subgrantees to use this option if they have access to an EA and a QCI with the multifamily training. As use of the LRMF PL has been approved by DOE, Subgrantee production using the priority list may exceed 20% of building type. Subgrantees will submit documentation for the LRMF PL and project to MDHHS-BCAEO for review and approval prior to the project initiating.

As noted in the section 'What Structures are Eligible for Weatherization' (V.1.2 Box 3) it is anticipated that the statewide multifamily Subgrantee will complete a significant portion of multifamily projects in Michigan. All Subgrantees may opt to do multifamily projects in their territory, but most have not pursued this option. The LRMF PL approach will be the most straightforward way for entities who do not regularly weatherize these types of projects and Michigan anticipates that most Subgrantees will only utilize this option, if any, for multifamily projects. Some Subgrantees (based on current experience) will continue to pursue any multifamily projects (both small multifamily and large multifamily) regardless of audit type.

**Fuel Switching**

Beginning in PY21, MDHHS-BCAEO began Grantee Administered Fuel Switching Approval. Fuel switching is allowable when the site specific energy audit demonstrates the cost effectiveness of the fuel switch over the life of the measure as indicated by the Savings to Investment Ratio (SIR). In accordance with WAP Memo 094, although electrification for the sake of electrification is not allowable, electrification to lower energy burden is allowable and encouraged. Fuel switching (including electrification) is also allowed when justified for Health and Safety (H&S) reasons. If a heat pump or other combined heating and cooling system is to replace a heating only (or cooling only) system, no savings will be attributed to the previously nonexistent cooling (or heating) system, but that all the costs of running the system throughout the year will be included in the audit.

**Fuel Cost Libraries**

BCAEO staff determine and populate statewide fuel costs for Michigan to be used by Subgrantees in WAweb libraries. Subgrantees who wish to calculate their own fuel costs may submit justification for prices to be reviewed by technical staff. BCAEO staff anticipates calculating fuel costs regularly and providing updates as WAweb allows.

**V.5.3 Final Inspection**

**Completed Units**

Per 10 CFR 440.16(g), no dwelling unit will be reported to MDHHS-BCAEO as completed until a Quality Control Inspector (QCI) has performed a final inspection and certifies that all work from the energy audit has been completed in compliance with the NREL SWS and the Michigan Weatherization Field Guide and any required callback work has been completed. No dwelling unit is reported to DOE as complete until all weatherization measures have been installed and the Subgrantee has



**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

performed a final inspection(s). This includes inspecting any mechanical work performed and ensuring that work has been completed in a workmanlike manner and in accordance with the priority determined by the audit procedures required by 10 CFR 440.21.

A complete audit and quality control inspection are required for each home weatherized. Audits include WA8.9/WAweb audit reviews as well as required testing. Quality control inspection approval is mandatory for a home to be considered a completion. Beginning July 1, 2014 all Quality Control Inspectors implemented a quality control checklist which they sign and date confirming that all work from the original audit was completed to required standards. The checklist will confirm that the QCI completed the following: an assessment of the energy audit and accuracy of field site data collection, energy audit software inputs, and that measures called for on the work order were appropriate, and measure installation followed guidance in CSPM, SWS and Michigan Field Guide. An example of the quality control checklist has been uploaded and is available in the SF424. The Quality Control checklist is signed by the energy auditor, crew leader, and the quality control inspector through the various stages of weatherization. The QCI will include printed name, signature, certification number and date. If the state monitor chooses the job to monitor, the client file will also contain the name, signature, certification number and date of the state monitor.

No dwelling unit may be reported to DOE as completed until all weatherization material is installed and a final quality control inspection is performed, however, due to supply chain disruptions, some agencies have experienced extensive delays in refrigerator delivery to a client. In cases where the refrigerator delivery will delay the scheduling of the Quality Control Inspection, subgrantees may opt to cover the cost of the refrigerator out of an alternative funding source (e.g. LIHEAP), and proceed with the final inspection before the refrigerator is installed. In this case, the subgrantee must confirm receipt and installation of the refrigerator and maintain documentation in the client file. Although this has decreased during the past PY, Michigan will continue to extend this allowance so Subgrantees can effectively complete QCI inspections and meet program goals.

#### **WRF and Final Inspection**

Pre and post photographs are required (as reasonable) of all WRF measures addressed under this program. Subgrantees are encouraged to utilize this method, at minimum, to verify work orders and completion. If identified prior to a completed energy audit, Subgrantees may have Auditors review the WRF work completed during the audit confirming that the job is no longer in a state of deferral and weatherization work can proceed. Subgrantees must ensure that their QCI has confirmed that the WRF work was completed as called for in the client file.

#### **Process for Adequate QC Inspections**

All Subgrantee final inspections are performed by a Building Performance Institute (BPI) Certified Quality Control Inspector as outlined in WPN 22-4. As of March 2024, Michigan has 91 certified Energy Auditors and Quality Control inspectors serving subgrantees covering all 83 counties in Michigan. Subgrantees may employ or contract for these services. Final inspection documentation will be placed in the client's file. Subgrantees must keep all EA and QCI Certification documents on file. MDHHS-BCAEO review this documentation during monitoring.

Quality Control Inspections will use the criteria outlined in the Work Quality section of WPN 22-4. The QCI will include the following:

- Assessment of the original energy audit
- Complete the Weatherization audit review checklist
- Confirm measures on work order were appropriate
- Confirm measures on work order were in accordance with policies as approved by DOE (Including: Field guide, SWS standards, and other technical guides)
- Activities and tests as outlined in CSPM

All Subgrantees have contract language which they sign and return stating that all work performed requires the QCI.

Michigan's subgrantees utilize separate Energy Auditor (EA) and Quality Control inspector (QCI) per WPN 22-4 for each Weatherization job, with waivers issued on a case by case basis for exceptions to have the same individual act as the EA and QCI.

If a Subgrantee is not able to find a QCI, MDHHS-BCAEO will help Subgrantees identify QCIs to assist. Subgrantees are encouraged to coordinate with other Subgrantees to share energy auditors and QCIs to ensure compliance as needed.

Subgrantees will provide QCI certified inspections according to the following protocol:

**Independent QCI:** A final inspection on every home will be conducted by a QCI who was not involved in the weatherization work on the home either as the auditor or as a member of the crew. At the inspection, a QCI may correct work or perform other minor adjustments.

**Quality Control Inspection Checklist and State Monitoring Tools:** The QC inspection checklist is placed in the client's file and serves as a recording of all Quality Control Inspections performed on the dwelling unit(s). MDHHS-BCAEO monitors record their observations on monitoring tools for their field notes to ensure work is completed in compliance with the work quality requirements outlined in WPN 22-4.

**QCI Shortage:** To meet production goals in a timely manner, Subgrantees are responsible for maintaining staff and/or contractual relationships with QCI certified inspectors. In the case of a shortage of QCI certified inspectors in the service territory, MDHHS-BCAEO may choose to allow the following, in accordance with WPN 22-4:

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number: SE0001830, State: MI, Program Year: 2025**  
**Recipient: State of Michigan**

**Waiver for same individual to perform audits and QCI:** Subgrantees experiencing a staffing barrier to complete production, may apply for a limited term waiver to the separation of duties for the Energy Auditor and QC Inspector. These waivers will be approved on a case-by-case basis if there is appropriate justification, such as an inability to obtain the qualified staff. In this case, the QCI/Energy Auditor will not be involved in any of the actual work on the home. If MDHHS-BCAEO approves the waiver, MDHHS-BCAEO's state monitors will perform quality assurance site reviews on at least 10% of all completed units and 20% quality assurance file reviews for that program year. In addition, MDHHS-BCAEO may conduct more follow up reviews and require the agency to implement a Corrective Action Plan to resolve the staffing issues within the program year or 6 months from waiver approval. MDHHS-BCAEO may require the Subgrantee to schedule monthly calls with MDHHS-BCAEO to determine the agency's progress to increase staffing capacity. MDHHS-BCAEO may choose to reduce the respective Subgrantee T&T allocation to cover the expense of increased monitoring.

The waiver submission process is outlined in CSPM for subgrantees. Subgrantees email BCAEO Weatherization Staff the waiver request, justification for why the agency is requesting a waiver, and relevant details of the waiver. BCAEO staff will review the details submitted requesting additional information as needed. The decision on the waiver is provided in a letter to the Subgrantee Weatherization Manager and Executive Director.

**State Monitoring Percentage:** MDHHS-BCAEO will monitor and document results in a monitoring report of at least 5% onsite of all completed units and 10% quality assurance file reviews. All Lead Monitors conducting Monitoring for BCAEO will be QCI certified. More details are in the following section.

**Multifamily QCI:** Individuals that hold the BPI EA certification and BPI QCI certification are eligible to complete quality control inspections in multifamily buildings (5+ units and shelters) if they successfully complete training program as outlined in the T&T plan.

**Training and Technical Assistance:** As outlined in section V.5.1 Technical Guides and Materials the Michigan field guide, Energy Auditor Manual and standards are distributed to Subgrantees and their contractors through a link on the state's website, MiTEC website, and through the MDHHSBCAEO External SharePoint. The Michigan Weatherization Field Guide contains links to the SWS which can be accessed through an internet browser or on a mobile device in the field. Subgrantees are responsible for ensuring that all of their contractors and crews have access to and reviewed the Michigan Weatherization Field Guide, SWS, and Energy Auditor Manual.

#### **Disciplinary Actions**

If a QCI Inspector is found to be negligent, either through repeat findings or gross negligence in their duties, MDHHS-BCAEO, with or without the support of a Subgrantee, may institute the following:

- Additional training
- Temporary suspension (e.g., six months)
- Permanent suspension and written notification to BPI

The level of the violation is determined by the nature of the violation and are not necessarily escalating in nature.

#### **Energy Auditor Decertification/QC Inspector Suspension**

**Level One:** Level One violations typically are defined as minor in nature. These types of violations will be reprimanded with a written warning to the certified Energy Auditor/QC Inspector that explains the violation along with the corrective action. Examples of Level One infractions include, but are not limited to, the following:

- Fails or refuses without good cause to exercise reasonable diligence in developing a home inspection report, preparing a report, or communicating a report.

**Level Two:** Level Two violations typically are defined as major in nature or repeated violations and/or the lack of corrective action for minor violations. These types of violations will be reprimanded with a written warning to the certified Energy Auditor/QC Inspector that explains the violation along with the corrective action. The Energy Auditor/QC Inspector is required to submit proof of corrective action in response to the violation. The warning and written response will become part of the record in the person's file. The review of the response and corrective action will be conducted to determine if the person will be suspended or temporarily suspended. Examples of Level Two infractions include, but are not limited to, the following:

- Is responsible for citation of repeated findings in consecutive monitoring reports, fails to correct minor violations as identified in level 1/written warnings/reprimands.
- Commits an act or acts of malpractice, gross negligence, or incompetence in the performance of home inspections.

**Level Three:** Level Three violations are defined as a serious violation. The MDHHS-BCAEO may revoke, modify, condition, refuse to renew, or temporarily suspend, the certification of an Energy Auditor and temporarily suspend a QC Inspector from conducting final inspections for the MDHHS-BCAEO Weatherization program if the Energy Auditor/QC Inspector for a Level Three violation. The violation must be well documented and supported. A written notice of the violation and the appeal date will be given to the certified Energy Auditor/QC Inspector. If appealed, a formal hearing will be conducted within 30 business days of the receipt of the appeal request by a panel who will inform the appeals applicant in writing of its decision.

Examples of Level Three infractions include, but are not limited to, the following:

- Commits fraud or deceit with respect to any required license or permit application or an inspection report submitted to the subgrantee or MDHHS BCAEO.

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Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

- Violates any state or federal law, rule, permit, or order relating to the inspection and/or installation of weatherization measures.
- Makes a false or misleading statement in that portion of a written report that deals with professional qualification or in any testimony concerning professional qualifications.
- Engages in an act or omission involving dishonesty, fraud, or misrepresentation with the intent to substantially benefit a home Energy auditor/QC Inspector or other person or with the intent to substantially injure another person.
- Engages in an act of fraud, misrepresentation, or deceit in the making of a home inspection.
- Pays or is paid a finder's fee or a referral fee to a person in connection with an inspection of or work to be done on a residence.
- Accepts a home inspection assignment when the employment itself is contingent upon the home.
- Energy Auditor/QC Inspector reporting a predetermined estimate, analysis, or opinion or when the fee to be paid is contingent upon the opinion, the conclusions, analysis, or report reached or upon the consequences resulting from the assignment.
- Employs fraud, deceit, or misrepresentation in obtaining or attempting to obtain a license or renewal of a license including builder, mechanical, plumber, electrician, and maintenance and alteration licenses such as mobile home, insulator, window installer, etc.
- Practices as a licensed home Energy auditor/QC Inspector without a current Energy Auditor/QC Inspector certification.

**Formal Hearing**

Panel Review Process: The review process will include the following elements:

- Convening of the panel.
- Panel members will select a panel spokesperson.
- Panel will review any written documents submitted to date.

The panel will include the MDHHS-BCAEO Executive Director, the MiTEC Representative, a member from the DOE PAC, and two members from the Weatherization Network.

Presentation: MDHHSBCAEO staff will present a summary regarding reason(s) for the recommended action. This summary may be presented to the panel in writing, in person, or via electronic communication. Panel members will communicate any points of clarification needed with the parties.

Deliberation and Decision: The panel will review summary presentations, documentation and clarifications provided and render a decision.

- A decision based on simple majority will prevail.
- The panel spokesperson will communicate the panel's decision to the appellant and the MDHHSBCAEO Director in writing.

**Decertification Period**

Revocation of a SOM Energy Auditor or suspension of Building Analyst, BPI EA/QC Inspector from performing audits for the Michigan Weatherization Assistance program shall be for a minimum of 6 months from the date of notice of decertification, suspension, or of the appeals panel notice, whichever is later.

Decertified SOM Energy Auditor or suspended BPI BA, BPI EA / QC Inspectors may request renewal of certification at the end of the decertification period. The decertified Energy Auditor/QC Inspector must have a network Subgrantee agency sponsor this request. The suspended Energy Auditor or QC Inspector must attend IREC accredited Energy Auditor or QC Inspector training and recertification training and testing prior to reinstatement of work.

In the event of a QC Inspector suspension, a letter outlining the suspension will be provided to Michigan Weatherization Policy Advisory Council, Department of Energy, and Michigan Community Action.

Policy Link: <https://www.michigan.gov/mdhhs/doing-business/weatherization/manuals>

Under CSPM 600 Series – Draft PY25 Weatherization Assistance Program.

Policy Manual:

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number: SE0001830, State: MI, Program Year: 2025**  
**Recipient: State of Michigan**

Community Service Policy Manual 603

Community Service Policy Manual 618 & 618.1

## V.6 Weatherization Analysis of Effectiveness

Michigan's population estimates are 10,077,331 with approximately 13.4% living in poverty according to the 2022 American Community Survey. According to the release of the United Way's ALICE Report, 39% working in Michigan households struggle to afford the necessities like housing, childcare, food, technology, health care, and transportation. The National Low Income Housing Coalition states that across Michigan there is a shortage of affordable rental homes for people with incomes at or below the Federal Poverty Level. Many households are spending more than half of their income on housing.

### Key Facts:

- 312, 660 Renter households that are for extremely low-income households
- \$25,750 Maximum income for 4person extremely low-income households
- 204,728 Shortage of affordable rental homes for extremely low-income households

### Low-Income Energy Affordability Data:

The Low-Income Energy Affordability Data ([LEAD](#)) Tool shows the following by Federal Poverty Level:

Federal Poverty Level	Average Energy Burden (% income)	Average Annual Energy Cost (\$)	Housing Counts
150% 200%	5%	\$2,140	353,636
100% 150%	7%	\$2,095	325,574
0 – 100%	16%	\$2,052	468,727

### MDHHS-BCAEO Effectiveness Analysis

MDHHS-BCAEO will utilize all tools listed below to analyze the effectiveness of subgrantee weatherization, productivity, expenditure, and energy savings goals. This information drives the development of Training & Technical Assistance (T&TA) activities, priorities for the network, focus of monitoring of the program and each subgrantee.

Some of the listed items are detailed further below, as they are not outlined in other parts of this plan.

### Production and Expenditures

Each Subgrantee must maintain a production and expenditures rate to ensure that annual DOE WAP funds are expended in a timely manner. Production is monitored and quarterly letters may be sent to Subgrantees. The letters outline the agency's success towards achieving their production goals and a comparison to statewide targets. MDHHS-BCAEO has production and expenditure dashboards so that Subgrantees can see statewide production results in real time and compare themselves to other local Weatherization operators. It should be noted that when necessary, MDHHS-BCAEO may reallocate WAP funding from underperforming Subgrantees to Subgrantees that are meeting or exceeding performance and have capacity to spend the funding out that program year. At year end, MDHHS-BCAEO issues a program year summary letter to each agency, outlining their success in production and expenditures, proportional spending in capped cost categories, such as Admin and Health & Safety, and adherence to the ACPU. Annually, MDHHS-BCAEO will assess which agencies are behind in goals and may require progress plans.

In PY23, Michigan Weatherization Leadership began meeting with Subgrantee Weatherization Leadership for brief meetings to discuss expansion efforts, challenges, and successes for the specific Subgrantee. The meetings are intended to identify additional support MDHHS-BCAEO can offer each Subgrantee (T/TA) and identify strengths within the network. These meetings are anticipated to happen 13 times annually with Subgrantees.

### Performance Evaluation and Monitoring

MDHHS-BCAEO shall perform grant monitoring through activities such as:

- Conducting onsite monitoring.
- Current level of expenditures for all active weatherization related programs.
- Depth of existing waiting list.
- Financial and program management capacity.

Monitoring feedback is the basis for updating all monitoring tools. MDHHS-BCAEO reviews the following items to assess the weatherization program and requirements.

**U.S. Department of Energy**  
**Weatherization Assistance Program (WAP)**  
**STATE PLAN / MASTER FILE WORKSHEET**  
**Grant Number: SE0001830, State: MI, Program Year: 2025**  
**Recipient: State of Michigan**

- Low or no citations during onsite inspections of weatherized and in progress units
- Ability to achieve and maintain Quality Control Inspector certification
- Successful programmatic & financial monitoring with no or low amounts of citations, specifically around the WAP
- Clean agency audit
- Ability to meet and/or exceed production and expenditure goals
- Positive trend analysis/performance reviews
- Low risk agency and WAP as determined by the BCAEO STAR risk assessment, or other risk assessment tool utilized by BCAEO
- Quick response and thorough corrections to issued corrective action

If carryover funds are available, funds will be distributed to eligible Subgrantees based upon their capacity to take additional funds.

Subgrantees on a 1.) Quality Improvement Plan (QIP) or Technical Assistance Plan (TAP), 2.) who fail to utilize 90% of their award based on the Subgrantees original allocation at closeout, 3.) or are identified as a high risk in the STAR Assessment, will not be eligible to receive carryover funding unless approved by MDHHS-BCAEO. If a Subgrantee has the willingness and capacity to complete a multifamily project in conjunction with MDHHS-BCAEO and DOE, carryover funds may be made available for this project depending on the amount of funds available and the capacity of all entities involved.

#### **Trend Analysis/Performance Reviews**

All technical monitoring citations are entered into a database with the associated monitoring details listed under a Monitoring Visit Identification (MVID). Monitors review prior year's reports and corrective action plans to prepare for each monitoring. The monitor will then provide narrative on Subgrantee progress. The MDHHS-BCAEO technical staff develop and maintain trend analysis for each Subgrantee which includes a collection of citations, observations, questioned costs, and/or best practices identified during monitoring visits. This data is used to identify training and technical assistance needs, to identify and inform Subgrantees of repeated performance issues with specific staff/contractors, and summarize network trends. Technical citation trends are used to develop targeted training plans and develop focus areas for the next program year's onsite monitoring engagements. The MDHHSBCAEO staff use this information to guide policy and procedure changes.

#### **Technical and Financial Systems**

MDHHS-BCAEO leadership for the technical, financial, and programmatic teams work closely to review monitoring tools and identify improvements. Monitoring policy and technical monitoring tools are revised to continue to mitigate bias and increase consistency in monitoring. Monitoring report formats and language is also being improved to ensure all stakeholders can clearly identify performance deficiencies.

#### **Path of Continuous Improvements**

MDHHS-BCAEO conducts the STAR Assessment to develop a risk based monitoring approach and to develop a comprehensive training plan. STAR Assessment reports are sent to the agencies provide them feedback on performance improvements and training options to ensure continuous improvements in the field.

Monitoring is conducted and feedback shared in a monitoring report with the agency to assist in improving performance.

When a Subgrantee extensively fails work quality, SWS, and field guide compliance as identified in technical monitoring or fails a financial/programmatic monitoring (large, disallowed costs/improper financial accounting for federal funds), the subgrantee will be placed on a Quality Improvement Plan. Frequency of subgrantee monitoring is increased, and technical assistance or training may be required. Subgrantees Quality Improvement Plans (from final inspections and monitoring findings) are evaluated for performance improvements with additional oversight, regular meetings and feedback reports, full monthly financial report reviews prior to payment, and/or regular review of support documentation received in the MDHHS-BCAEO SharePoint site.

#### **STAR Risk Assessments**

MDHHS-BCAEO will conduct risk assessments, STAR Assessment, for each subgrantee annually (at minimum). The STAR Assessment identifies areas of high risk in key areas that are not limited to but including financial internal controls, financial procedures, single audit findings, technical performance, ability to: meet production and expenditure goals, maintain allowable average cost per unit, submit reports timely, report accurately, properly administer health and safety standards, ensure staff qualifications are current, ensure quality work and compliance through contractor/crew management. The STAR Assessment is used to develop a risk based monitoring approach and training/technical assistance plan. During monitoring, any key areas that have a high risk score is focused on during monitoring.

#### **How are the comparisons used to develop training opportunities and priorities?**

Statewide training opportunities and priorities are developed through several assessment tools. The STAR Assessment provides MDHHS-BCAEO and MiTEC (Michigan Training and Education Center) the top key areas of high risk in the network. Michigan plans to focus specific onsite technical training with MiTEC as the network brings on new contractors in expansion efforts. Additional details are located in the T&TA plan. Monitoring results, as outlined in the monitoring report, also identify training needs in the network that MiTEC incorporates into training classes. Priorities for increased training and onsite technical assistance is generated by a high percentage of agencies demonstrating deficiencies. Michigan's Weatherization Technical Team (Monitors, MiTEC Instructors, Coordinators and Wx Leadership) have regular meetings to share feedback with the team to strengthen the connection between training provided and deficiencies seen through monitoring. MiTEC will also provide onsite technical training for a region or agency to address training needs. Additionally, focus areas for training are identified throughout the year and considered as topics for the Michigan Annual Technical Conference.

#### **Action Around Ineffective Subgrantees**

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number: SE0001830, State: MI, Program Year: 2025**  
**Recipient: State of Michigan**

If an agency significantly underproduces or underspends, MDHHS-BCAEO may reduce the agency's allocation in the next Program Year. If MDHHS-BCAEO determines that the Subgrantee was identified as high risk in two consecutive years and/or the Subgrantee is not meeting the goals in the agreed upon plan, the Subgrantee grant may be terminated in accordance with 10 CFR 440.15(e).

In order to ensure that there are not extended periods without service to any area, MDHHS-BCAEO may appoint an interim provider until such time that the public process for identification of a permanent provider can be accomplished or corrections identified by the Subgrantee have been made. 10 CFR 440.15 will be followed in selecting a permanent replacement provider.

In the event the statewide Request for Weatherization Subgrantees results in some areas not being served, or if a provider of an area rescinds its selection as the local Weatherization provider, MDHHS-BCAEO may appoint a provider for those areas until another competitive bidding process is scheduled for the WAP.

MDHHS-BCAEO reserves the right to redistribute funds if a Subgrantee is not able to meet production goals outlined in the Subgrantee approved serviced plan or displays significant work quality deficiencies. Any reallocation will be to ensure proper utilization of WAP funds. Subgrantees eligible for redistributed funds will be determined based on, but not limited to, the following criteria:

- Current level of expenditures for all active weatherization related programs
- Timely and accurate submission of reports and Statement of Expenditures
- Depth of existing wait list (in progress jobs)
- Meeting of self-imposed benchmarks (identified in Subgrantee production plan)
- Financial and program management capacity

**Management Mechanisms for improvement**

Planned activities include:

- DOE State Plan development feedback from network, BCAEO staff and PAC
- Regular updates in the BCAEO Update
- In Person Weatherization Manager Meetings (as needed)
- Regular Weatherization Manager Webinars (as needed)
- 1 Conference (as needed and approved by the State of Michigan)
- Training on Field Guide
- Timely Monitoring Reports
- Streamlined and updated tools for weatherization in the Statewide Database
- Diverse PAC stakeholders
- MiTEC Training Board
- Weatherization Leadership Committee Strategic Planning
- Multifamily Project Coordination

Policy Link: <https://www.michigan.gov/mdhhs/doing-business/weatherization/manuals>

Under CSPM 600 Series – Draft PY25 Weatherization Assistance Program.

**Policy Manual:**

Community Service Policy Manual 603

Community Service Policy Manual 618.1

**V.7 Health and Safety**

Per sections 10 CFR 440.16, 10 CFR 440.18 and 10 CFR 440.21, WAP is tasked with improving the health and safety of the clients it serves. The cost of eliminating health and safety hazards, elimination of which is necessary before, or because of, installation of weatherization materials is allowable. H&S measures are not considered as part of the cumulative SIR and do not need an SIR to install. Health and Safety measures are billed to their own cost category.

Buildings that cannot be weatherized without the H&S measures shall be deferred if the H&S costs cannot be completed within the H&S thresholds or under a case by case waiver. For that reason, agencies may justify using deferral reduction funds (WRF or other funding sources as available) in instances where waivers are not approved or where agency funds are documented as depleted or trending to be depleted before the end of the PY.

Subgrantees ask a series of questions during intake and energy audit related to occupant health conditions to capture any preexisting conditions. Some Subgrantees

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

have implemented a preassessment visit to homes which allow a trained Weatherization staff to look for common issues for health and safety issues or deferral. Subgrantees provide clients with required Health and Safety forms including a Hazard Identification Notification Form and Radon Informed Consent Form.

**Health and Safety funds may be used for:**

- The elimination of energy related H&S hazards that are necessary before or because of the installation of weatherization measures.
- Items as identified as allowable for H&S spending in the Michigan Health & Safety Plan (CSPM 614)
- DOE funds shall not be used to meet code compliance.

The Health and Safety plan and policy can be found in the CSPM 600 Series. Please see the Michigan H&S Plan attached to the SF 424 for all H&S details.

Policy Link: <https://www.michigan.gov/mdhhs/doing-business/weatherization/manuals>

Under CSPM 600 Series – Draft PY25 Weatherization Assistance Program.

**Policy Manual:**

Community Service Policy Manual 606 Program Requirements

Community Service Policy Manual 614 Health and Safety and Health and Safety Plan Attachment

## V.8 Program Management

### V.8.1 Overview and Organization

The MDHHS-BCAEO was created by the state legislature to oversee activities of Michigan Community Action Agencies (CAAs) and administer the U.S. Department of Energy Weatherization Assistance Program and the U.S. Department of Health and Human Services Community Services Block Grant. CAA services include programs that address education, emergency services, employment, health, housing, income management, linkages, nutrition, and self-sufficiency. CAAs are the primary subgrantees for the Weatherization Assistance Program in Michigan. MDHHS-BCAEO is responsible for the administration and oversight of the WAP in accordance with the conditions set forth in the approved DOE State Plan. In addition to WAP, MDHHS-BCAEO administers LIHEAP Weatherization funds and additional grants administered by CAAs. Responsibilities include statewide programmatic and fiscal planning and development, training and technical assistance (T&TA), monitoring, evaluation, and reporting. MDHHS-BCAEO annually contracts for program delivery activities with approximately twenty-seven local CAAs. Twenty-three of the twenty-seven CAAs were weatherization subgrantees in PY24.

MDHHS-BCAEO staff oversee several contracts and provide written policy and procedures for these various program areas. They also provide training to CAA staff on contract related policy, eligibility issues, etc. and technical weatherization staff deliver training and conduct review for state inspector certification. MDHHS-BCAEO staff conduct annual programmatic, technical, and financial monitoring reviews for each subgrantee. The MDHHS-BCAEO Executive Director and MDHHS-BCAEO Deputy Director oversee all personnel within the MDHHS-BCAEO and MiTEC. Personnel include grant managers, financial monitors, programmatic monitors, technical weatherization monitors, a CSBG specialist, a weatherization manager, two weatherization specialists, admissions training specialist and administrative support staff. The MDHHS-BCAEO Executive Director also oversees the MPHI affiliates who staff MiTEC, the Michigan Training Center. The MPHI affiliates are a Manager, Technical Instructors, Weatherization Coordinators, Weatherization Analysts, Program Assistants, Data Reporting Specialist, and a ROMA Data Integration Coordinator.

In PY23, MDHHS-BCAEO expanded the weatherization leadership team by adding a weatherization manager and a technical weatherization specialist. This expansion of the weatherization leadership provides Michigan the support at the state level to administer the program at a high level and support the Michigan network in weatherization efforts. The MDHHS-BCAEO Organizational Chart has been attached to SF424.

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 2020 census. The formula includes a population factor, a territory size factor, and a heating degree day factor.

MDHHS-BCAEO conducted a competitive bidding for the Michigan Weatherization Network starting in spring 2025. Selection is anticipated to be complete by the start of PY25. The competitive bid process was developed using MDHHS's internal procurement of services rules and regulations.

Per 10 CFR 440.15, preference is given to any CAA or other public or nonprofit entity which has, or is currently administering, an effective program under 10 CFR 440 or under title II of the Economic Opportunity Act of 1964, with program effectiveness evaluated by consideration of factors including, but not necessarily limited to, the following:

- The extent to which the past or current program achieved or is achieving weatherization goals in a timely fashion;
- The quality of work performed by the applicant;

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number: SE0001830, State: MI, Program Year: 2025**  
**Recipient: State of Michigan**

- The number, qualifications, and experience of the staff members of the applicant; and
- The ability of the applicant to secure volunteers, training participants, public service employment workers, and other Federal or State training programs.

MDHHS-BCAEO may consider additional competitive processes to select additional subgrantees to address capacity issues and to address statewide contractors for multifamily work, statewide energy auditors/quality control inspectors, and statewide contractors for single family work. If conducted the competitive bid process will be developed using MDHHS's internal procurement of services rules and regulations.

### V.8.2 Administrative Expenditure Limits

Not more than 7.5% of the grant can be used for administrative purposes by the state (MDHHS-BCAEO). Subgrantees receive an allocation of 7.5% of the total DOE WAP allocation for administrative costs. This 7.5% is allocated across all Subgrantees by the allocation formula.

### V.8.3 Monitoring Activities

The overall goals of monitoring are to assure compliance with federal and state rules and policies, as well as examine the efficiency, quality and effectiveness of Subgrantee operations. An additional goal is to identify and correct issues and improve performance that have the potential to cause major program deficiencies. Because work with Subgrantees has a broader focus than compliance, T&TA dollars may fund activities in this area.

General monitoring strategies include the following:

**Desk monitoring:** Desk monitoring includes ongoing reviews of monthly programmatic and financial data submitted by subgrantees. Programmatic data from each household served is available and reviewed from the statewide database system. Examples of data include estimated and final cost data by measure and by job, mechanical test results, and blower door readings. A sample of the Subgrantee's monthly expenses and invoices are reviewed as well as allocations. Fiscal review includes single audit review, examining expenses for compliance, performing a limited review of internal controls, and financial reconciliation.

**Subgrantee visits:** Each Subgrantee receives at least one onsite field visit per year. In addition, each Subgrantee receives a minimum of one administrative (programmatic and/or financial) monitoring onsite visit per grant cycle (typically once every three years with desk reviews in between onsite visits). In the case that a Subgrantee does not have an office location in Michigan, programmatic and financial monitoring will be completed virtually.

**Risk Assessment:** A risk assessment called STAR (State Technical Assessment Report) is conducted at the start of the program year or prior to the start of a new grant contract (and modified throughout the year as needed), as a risk based approach to monitoring; to determine priority in monitoring, to setup a monitoring schedule, to prepare the monitoring plan, and to establish custom subgrantee training and technical assistance. For both field and administrative monitoring, additional visits are scheduled, as needed, to address specific Subgrantee issues as they arise.

MDHHS-BCAEO has developed a field/technical, a programmatic, and financial monitoring tools. The field/technical, programmatic, and financial tools are reviewed annually. These tools are used to ensure that planned monitoring reviews are completed consistently in the field and to appropriately document the results. The tools are available for the Project Officer to review during DOE monitoring visits.

**Technical Monitoring:** Technical monitoring will be performed to ensure compliance with all DOE WAP, U.S. Health and Human Services (HHS) regulations and guidance, and SOM and MDHHS-BCAEO policies.

Weatherization technical monitoring is conducted at minimum of once a year. This monitoring may include a review of selected units to determine compliance with file documentation, work standards, program compliance, and quality standards. State monitors will perform onsite quality assurance site reviews on at least 5% of all completed units and 10% quality assurance file reviews. MDHHS-BCAEO makes every effort to have an accurate estimated production count for each agency in order to meet the 5% requirement for onsite monitoring. In cases where it is revealed through the final production count that an agency has exceed production to a point where an additional onsite monitoring would have been required to meet 5%, the MDHHS-BCAEO technical monitor will add an additional job to their onsite monitoring in the following program year. MDHHS-BCAEO may also monitor at a higher rate if a same EA/QCI waiver has been approved for the subgrantee (see final inspection section above), for subgrantees using the QCI mentor/mentee option, or if deemed necessary through risk assessments or agencies on quality improvement plans.

Technical monitoring may include, but is not limited to, a review of the following areas:

- Any outstanding findings, previous year's findings, and required corrective actions
- Program requirements for all funding sources
- Materials standards and specifications



**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

- NEAT/MHEA libraries (to be reviewed on a regular basis)
- Fuel Costs (reviewed as appropriate)
- Audit Runs, Input report and recommended measures report
- Contractor licensing, certifications, and insurance requirements
- Work specifications
- Quality control procedures
- Approved Audit Inspection, Work Order, Cost Center completeness and storage
- Financial reconciliation for all job cost and invoicing reported on the Cost Center
- Compliance with blower door testing requirements
- Combustion appliance testing protocol
- Correct audit selection & completion
- Health and Safety Measure Installation and Assessment
- Trend analysis of best practices, observations, questioned costs, or findings
- Compliance with Lead Safe Work practices
- Compliance with Standard Work Specifications (SWS)
- Training & Technical Assistance activities and needs
- Final inspections and verification that all inspections are performed by a QCI
- Handling of monitoring results and follow up
- Optional: In-progress site visit with the contractor/crew (working)

In cases of no/low production during a program year due to a new subgrantee or subgrantee transition period, onsite field monitoring will occur upon completion of units. Administrative monitoring (programmatic or financial) and other technical review will occur.

**Household file reviews:** MDHHS-BCAEO staff reviews data and household files for compliance including subgrantee data, forms, signatures, bids, invoices, and other documentation. The file review sample may include those dwellings that are selected for onsite inspection. In depth household file reviews are conducted by field monitors during the monitoring engagement. Programmatic and financial monitors randomly sample files during onsite visits to demonstrate compliance with DOE, MDHHS-BCAEO, and local Subgrantee policy.

Subgrantees are required to upload files of dwellings to be inspected by MDHHS-BCAEO field monitors to the secure database system.

Audits and quality control inspections include Indoor Air Quality (IAQ) inspections. IAQ inspection requirements include completion of MDHHSBCAEO forms 552 and 552A and ASHRAE 62.2 ventilation standard. Blower door testing of all homes is conducted during both the audit and inspection of the home by a MDHHS BCAEO certified weatherization monitor/QCI or crew person/contractor.

**Certification/Licensing Monitoring (Previously called Annual Monitoring):** All Weatherization Subgrantees must maintain information on the workers in their JTAs and provide information to BCAEO upon request. Weatherization technical monitors, coordinators and specialist review the documentations supporting the trainings, certifications, insurance, and licenses held by individuals/companies in the WAP. This includes LRRP EPA compliance. Monitoring may include a selected focus area or a sampling of contractors/individuals during each cycle.

Individuals conducting onsite state technical monitoring for MDHHS-BCAEO as the lead monitor will have active QCI certifications and possess the skills outlined in NREL JTA for QCIs. They have also attended Comprehensive and Specific training for other Home Energy Professional (HEP) categories and possess the skills outlined in the NREL Job Task Analysis. Multifamily (5+ units) monitoring will be completed by state monitors with the BPI QCI certification who have completed multifamily QCI training. Michigan technical monitoring of Subgrantee dwelling units will not be completed by the same QCI certified individual that had completed the Subgrantee's Energy Audit or Final Inspection of the same dwelling unit.

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

MDHHS-BCAEO will contract QCI work as needed. As of March 14, 2025, MDHHS-BCAEO/MiTEC has six staff who have obtained QCI certification and are monitoring, and one additional staff preparing for their QCI certification. Additionally, MDHHS-BCAEO has a Technical Weatherization Specialist who has a QCI certification.

**Programmatic and Financial Monitoring:** These reviews include follow up on issues raised in the pre-monitoring planning, in the STAR Assessment, or other selected risk based monitoring plan as well as any other administrative and/or financial issues as needed, including but not limited to:

- 0 Program overview
- 0 Equipment/Inventory/Materials
- 0 Client/Household eligibility
- 0 Distribution of services between renters and owners
- 0 Distribution between counties within the Subgrantee service territory
- 0 Reporting compliance
- 0 Internal controls related to financial management and operations
- 0 Fiscal Audits
- 0 Payroll/Personnel
- 0 Vehicles and equipment
- 0 Subawards/Subgrantee monitoring
- 0 Invoicing
- 0 Records retention
- 0 Staff qualifications and training
- 0 Handling of monitoring results and follow up
- 0 Inventory records
- 0 Contractor/crew qualifications
- 0 Procurement procedures
- 0 Outreach efforts to incorporate minority and disadvantaged contractors

All monitoring is conducted in accordance with the guidance in WPN (Weatherization Program Notice) 20-4. All monitoring tools have been updated to reflect DOE program requirements. The combined programmatic/financial compliance monitoring and technical monitoring will satisfy the DOE monitoring requirements. MDHHS-BCAEO Technical staff is required to perform all diagnostic testing along with monitoring all installed measures to ensure they have been correctly installed. The technical staff takes photographs during monitoring.

Monitoring reviews are coordinated through Subgrantee staff. Tentative monitoring schedules are set early in the program year. Monitoring schedules may be adjusted based on the needs of the agency and BCAEO Weatherization staff. Depending on the type of monitoring (programmatic, technical, financial), the Subgrantee has a specified number of days to complete the corrective action and provide proof of correction to the monitor. The number of days for response varies depending on the type of monitoring. Upon response from the agency, the monitor has so many days to ensure the corrective action has been made and to respond as to whether they accept the actions or not, and if any further/additional assistance or information is needed. If it is found that a subgrantee has significant deficiencies, MDHHS-BCAEO will establish a Quality Improvement Plan (QIP) for the subgrantee and increase monitoring to address said deficiencies until the MDHHS-BCAEO determines the agency has improved. It is expected that with the implementation of the in-progress monitoring, that MDHHS-BCAEO will be able to identify deficiencies earlier, rather than later if they exist. MDHHS-BCAEO monitors also utilize Technical Assistance Plans (TAP) and Corrective Action Plans (CAP) as part of monitoring to improve Subgrantee performance. The CSPM 1300 provides a policy for monitoring.

**Increased onsite monitoring for Subgrantees with significant deficiencies:** For subgrantees on a TAP/QIP, or when significant or repeat deficiencies are identified, BCAEO will increase the frequency and percentage of units monitored for these Subgrantees. BCAEO considers the time in the Program Year that the deficiencies are discovered, the amount of production the agency does, and the specific role of the program where those deficiencies are noticed to determine the number, and which portions, of the jobs to be reviewed in the increased monitoring. Increased monitoring could also include additional meetings with BCAEO program staff.

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number: SE0001830, State: MI, Program Year: 2025**  
**Recipient: State of Michigan**

**Monitoring Sample:** MDHHS -BCAEO may conduct a randomized pull of completed jobs as a base for technical monitoring visits. BCAEO may also prioritize specific jobs for any reason, including, but not limited to: concern due to previous interaction with the Subgrantee or client; concern about a specific energy auditor, contractor/crew or QCI; specific interest in reviewing an identified housing type, interest in monitoring specific measure installation.

**WRF Monitoring:** WRF monitoring is included in technical monitoring reviews. At the beginning of the monitoring engagement, monitors confirm if any jobs closed have WRF expenditures. If so, the monitoring sample will include a job with WRF for file review and onsite review when possible. MDHHS-BCAEO will ensure that the monitoring pulls for the majority of subgrantees will include at least one job with WRF funds expended. When the technical monitor pulls the 10% files, they determine if WRF funds were spent on the job and if so, on what activities. If a job included in the 5% onsite review includes WRF spending, the technical monitor will confirm those expenditures were conducted as billed. Monitoring of WRF will include reviewing pre and post photographs will be included in the client file for WRF measures and that the Subgrantee's QCI must sign off that WRF work was conducted as called for in the client file. To ensure that WRF work is monitored, MDHHS-BCAEO may monitor the WRF activities only for units.

**Monitoring Reports (Technical, Programmatic, and Financial)**

MDHHS-BCAEO monitoring policy requires monitors offer an entrance and exit interview with the Executive Director and/or designated staff for each monitoring review. MDHHS-BCAEO will issue monitoring reports within 30 days after the exit conference. A written response to corrective action will be required within 30-60 days of receipt of the monitoring report unless otherwise noted. MDHHS-BCAEO also has a custom Grants Management and Monitoring Database that tracks all monitoring activities and follow up until closeout.

**Technical Monitoring Report:** A weatherization monitoring report, including observations, findings, concerns, recommendations and corrective action requirements, is completed by the technical staff. After subgrantee technical responses have been received, a management decision letter is sent that includes all accepted corrections and notes outstanding issues. The Subgrantee and BCAEO technical staff repeat this process until the BCAEO technical staff determine that the monitoring is resolved. Any emergent Health and Safety issues that are identified during onsite monitoring, particularly if they present an imminent danger to occupants, will be addressed immediately. Monitoring Reports and Management Decision letters are reviewed by supervisory staff, approved by the MDHHS-BCAEO Executive Director, and then forwarded to the Subgrantee Executive Director with a copy to the weatherization manager/coordinator.

**Programmatic and Financial Monitoring**

The programmatic and financial monitors will compose a monitoring report, including recommendations, findings, and best practices that is also shared with the Subgrantee Executive Director, Weatherization Manager/Coordinator and Board Chair. This document is reviewed by supervisory staff and approved by the MDHHS-BCAEO Executive Director.

Weatherization programmatic compliance and financial monitoring will be conducted with the Subgrantee a minimum of once a year. The monitor prepares for the monitoring by reviewing monitoring reports, corrective action requirements, and correspondence. The monitor reviews files for completeness and accuracy of eligibility documentation, programmatic compliance, and financial compliance. Subgrantees are required to have a single audit performed in accordance with OMB Uniform Guidance, as applicable. In accordance with 2 CFR 200.425(a)(2), only those Subgrantees expending more than \$1 million in total Federal Funding annually will receive FINANCIAL AUDITS funding identified in the Grantee's SF424a Budget. This is typically all Subgrantees in Michigan's program. The Subgrantees are responsible for obtaining their own audit services. MDHHS-BCAEO receives a copy of the audit report and prepares management decisions as needed.

**Training and Technical Assistance**

A system has been setup in the Monitoring Access Database to track Subgrantee and MDHHS-BCAEO monitoring findings, concerns and recommendations by auditor/inspector, contractor, and/or worker to assist in planning training and technical assistance activities. Additional days may be added to the agency visit if monitoring results identifying a need for additional T&TA for the agency.

To provide adequate oversight, it is the Subgrantee's responsibility to train and provide information to the subcontractors on the WAP policies to ensure that subcontractors perform in accordance with weatherization standards and comply with all rules and regulations. To provide oversight, the Subgrantee is required to have at a minimum:

- Procedures to ensure that agreements are entered into only with competent subcontractors.
- A system for monitoring subcontractors and dwelling units.
- A system to provide technical assistance to subcontractors as needed.
- Documentation of all monitoring and technical assistance provided to include at a minimum, who was trained, on what subject, and on what date.
- Subgrantees are responsible to ensure that their contractors and staff participate in all required trainings.

Process for reviewing the success of the monitoring policies and resolving any issues that affect the quality and impartiality of the inspection process.

- MDHHS-BCAEO Weatherization staff meet on a weekly basis for a regular check in on the monitoring process and any difficulties in accomplishing monitoring.
- The team identifies common issues that occur more commonly and determine the best way to address any of those challenges with the network as a whole.
- The group of technical monitors rotates agencies that they monitor approximately every 3-5 years to ensure that each agency receives diverse perspectives from the technical monitoring team.

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

- The monitoring schedule is built to avoid any potential or perceived conflicts of interest. For example, one of BCAEO's technical monitors came to the State from an agency, so he has not been assigned to monitor that agency as that would mean monitoring previous coworkers and colleagues.

**Attachments:**

Financial Monitoring Tool

Programmatic Monitoring\_ WAP Manager Interview

Programmatic Monitoring\_ Weatherization Questionnaire

Quality Assurance Monitoring\_ Wx Technical Monitoring Workbook

Technical Monitoring\_QCI Checklist

Draft Tentative Monitoring Schedule

Policy Link: <https://www.michigan.gov/mdhhs/doing-business/weatherization/manuals>

Under CSPM 600 Series – Draft PY25 Weatherization Assistance Program.

**Policy Manual:**

Community Service Policy Manual 603

Community Service Policy Manual 1300

**V.8.4 Training and Technical Assistance Approach and Activities**

The PY25 Training and Technical Assistance Plan is in the new DOE Training and Technical Assistance Plan template see attached to the SF424.

Training and Technical Assistance activities (T&TA) for both Subgrantee and MDHHS-BCAEO WAP staff are instrumental in the provision of weatherization services to low income households in Michigan. All MDHHS-BCAEO and MiTEC T&TA activities will have one of the following objectives:

- Maintain and increase the efficiency, quality and effectiveness of the WAP at all levels
- Maximize energy savings within Michigan's WAP
- Ensure the Health and Safety of lowincome households and WAP workers
- Increase the effectiveness of client education
- Improve the quality of weatherization work performed on dwellings
- Improve program management and administrative procedures within Michigan's WAP

Policy Link: <https://www.michigan.gov/mdhhs/doing-business/weatherization/manuals>

Under CSPM 600 Series – Draft PY25 Weatherization Assistance Program.

Community Service Policy Manual 612.4 Applicant File Documentation Client Energy Education

Community Service Policy Manual 618 Training and Certification Requirements

Community Service Policy Manual 618.1 Energy Auditor Decertification/QC Inspector Suspension

**Percent of overall trainings**

Comprehensive Trainings: 70.0

Specific Trainings: 30.0

**Breakdown of T&TA training budget**

Percent of budget allocated to Auditor/QCI trainings: 66.0

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
STATE PLAN / MASTER FILE WORKSHEET  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

Percent of budget allocated to Crew/Installer trainings: 28.0

Percent of budget allocated to Management/Financial trainings: 6.0

## V.9 Energy Crisis and Disaster Plan

In an event of a declared natural or manmade disaster or a declared emergency at the state or federal level, MDHHS-BCAEO will allow Subgrantees to assist their eligible clients with weatherization funds to the extent that the services are in support of eligible weatherization work.

All Subgrantees of the Weatherization Assistance Program (WAP) must adhere to the following policy if considering requesting weatherization funding toward disaster planning and relief. Disaster relief funds are to be used only in the event of a declared emergency at the state or federal level and shall be used only to provide emergency services to low-income individuals and families in the designated disaster area. WAP has a very limited role in any disaster response plan. DOE funds are very limited to eligible weatherization activities and the purchase and delivery of weatherization materials. To the extent services are in support of eligible weatherization (or permissible reweatherization) work for eligible households, such expenditure is allowable.

Allowable expenditures under WAP include:

- The cost of incidental repairs to an eligible dwelling unit if such repairs are necessary to make the installation of weatherization materials effective.
- The cost of eliminating health and safety hazards, elimination of which is necessary before the installation of weatherization materials.
- Services are in support of eligible weatherization (or permissible reweatherization) work, such expenditure would be allowable. For example, debris removal at a dwelling unit so that the unit can be weatherized would be an allowable cost. Debris removal from a dwelling unit that is not to be weatherized would not be an allowable cost.
- Weatherization personnel can be paid from DOE funds to perform functions related to protecting the DOE investment. Such activities include securing weatherization materials, tools, equipment, weatherization vehicles, or protection of local agency weatherization files, records and the like during the initial phase of the disaster response.
- Local agencies may use weatherization vehicles and/or equipment to help assist in disaster relief provided the WAP is reimbursed according to the DOE regulations. Costs to help assist in disaster relief must be appropriately allocated according to the Uniform Guidance of 2 CFR 200.405.

The following applies to DOE Expenditures:

- Per WPN 24-1, ACPU limits still apply.
- Allowable uses for Weatherization Readiness Funds (WRF), as outlined in the MDHHS-BCAEO WRF Plan and CSPM
- The total allowance for incidental repairs in support of installation of weatherization materials is limited to the current maximum reimbursement for minor envelope repairs per contract and policy language.
- The total allowance for installation of each weatherization measure is limited to the current maximum reimbursement Subgrantee contract.

### Reprioritization of Weatherization requests

For reprioritization of weatherization requests coming from the disaster area, WAP rules require that priority be given to identifying and providing weatherization assistance to elderly persons, persons with disabilities, families with children, high residential energy users, and households with high energy burdens (10 CFR 440.16 (b)). However, it would be permissible to consider households located in the disaster area a priority if the households are eligible and meet one of the priorities established in regulation and are free and clear of any insurance claim or other form of compensation resulting from damage incurred from the disaster.

### Reweatherization work

Michigan will follow the requirements of CFR 440 10 CFR Part 440.18 stating that a dwelling unit that has been previously weatherized under the Weatherization Assistance Program may receive additional weatherization services if such dwelling unit has been damaged by fire, flood, or act of God, local authorities have deemed that the dwelling unit(s) are salvageable and habitable and repair of the damage to weatherization materials is not paid for by insurance or other forms of compensation.

If the Disaster Plan is enacted, MDHHS-BCAEO will seek approval from the DOE Project Officer for permission to proceed with a determination of homes available for reweatherization. These homes will be reported separately as required by DOE. MDHHS-BCAEO and subgrantees will count these jobs as completions for the purposes of compliance with the per home expenditure limit in §440.18.

Each dwelling unit must receive a new energy audit which considers any previous energy conservation improvements to the dwelling. In compliance with WPN 127, should Michigan's WAP need to utilize the Disaster Planning and Relief plan, homes which have been weatherized before the 15 year "rolling" date can be weatherized

U.S. Department of Energy

Weatherization Assistance Program (WAP)

STATE PLAN / MASTER FILE WORKSHEET

Grant Number: SE0001830, State: MI, Program Year: 2025

Recipient: State of Michigan

due to natural disasters. Details of the MI Disaster Plan are in CSPM 624.

If funding is available, MDHHS-BCAEO will consider all requests from Subgrantees for disaster relief funds that meet the outlined criteria. The requests must include the following components:

- Overview of disaster
- Date disaster was declared a federal or state disaster
- Additional funding requested, if applicable
- How weatherization funds/weatherization work will be utilized to enhance disaster relief funds in the federal or state defined disaster area.

**Funding for Disaster Planning and Relief**

If MDHHS-BCAEO approves a Subgrantee disaster relief plan, an agency can dedicate current year allocation and funding to the identified disaster area and serve that area as priority over other areas. In the event the Subgrantee requests additional funding for the disaster relief efforts, MDHHS-BCAEO, with the approval of DOE via the state plan, can allocate additional funds to a designated disaster site during a reallocation process throughout the year.

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
**WEATHERIZATION ANNUAL FILE WORKSHEET**  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

**IV.1 Subgrantees**

Subgrantee (City)	Planned Funds/Units
Baraga-Houghton-Keweenaw CAA (Houghton)	\$442,882.00 25
Blue Water Community Action (Port Huron)	\$451,829.00 25
Chippewa-Luce-Mackinac Community Action and (Sault Ste Marie)	\$430,366.00 24
Community Action Agency of South Central Michigan (Battle Creek)	\$1,011,982.00 59
Community Action of Allegan County (Allegan)	\$395,443.00 22
Dickinson-Iron Community Services Agency (Iron Mountain)	\$510,523.00 29
EightCAP Inc (Orleans)	\$1,596,981.00 93
Genesee County Metropolitan Planning Commission (Flint)	\$508,661.00 29
Gogebic-Ontonagon CAA (Bessemer)	\$407,335.00 23
Human Development Commission (Caro)	\$927,510.00 54
Macomb Community Action (Clinton Township)	\$1,174,311.00 69
Menominee-Delta-Schoolcraft Community Action Agency and (Escanaba)	\$455,256.00 26
Mid Michigan CAA Inc (Farwell)	\$2,827,297.00 166
Monroe County Opportunity Program (Monroe)	\$818,568.00 47
Northeast Michigan Community Action Agency (Alpena)	\$1,554,331.00 89
Northwest Michigan Community Action Agency (Traverse City)	\$682,655.00 39
Ottawa County CAA (Holland)	\$520,280.00 30
Southwest Michigan CAA (Benton Harbor)	\$668,229.00 38
Washtenaw County (Ypsilanti)	\$703,237.00 40
Wayne Metropolitan Community Action Agency (Detroit)	\$3,514,617.00 209
<b>Total:</b>	<b>\$19,602,293.00</b> <b>1,136</b>

**IV.2 WAP Production Schedule**

Weatherization Plans	Units
Total Units (excluding reweatherized)	1,126

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
**WEATHERIZATION ANNUAL FILE WORKSHEET**  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

Reweatherized Units		10
Average Unit Costs, Units subject to DOE Project Rules		
<b>VEHICLE &amp; EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)</b>		
A	Total Vehicles & Equipment (\$5,000 or more) Budget	\$50,000.00
B	Total Units Weatherized	1,126
C	Total Units Reweatherized	10
D	Total Dwelling Units to be Weatherized and Reweatherized (B + C)	1,136
E	Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D)	\$44.01
<b>AVERAGE COST PER DWELLING UNIT (DOE RULES)</b>		
F	Total Funds for Program Operations	\$9,620,245.00
G	Total Dwelling Units to be Weatherized and Reweatherized (from line D)	1,136
H	Average Program Operations Costs per Unit (F divided by G)	\$8,468.53
I	Average Vehicles & Equipment Acquisition Cost per Unit (from line E)	\$44.01
J	Total Average Cost per Dwelling (H plus I)	\$8,512.54

#### IV.3 Energy Savings

Method used to calculate savings: <input checked="" type="checkbox"/> WAP algorithm <input type="checkbox"/> Other (describe below)				
		Units	Savings Calculator (MBtus)	Energy Savings
	This Year Estimate	1136	29.3	33285
	Prior Year Estimate	1393	29.3	40815
	Prior Year Actual	1318	29.3	38617

**Method used to calculate savings description:**

The WAP algorithm that Michigan uses is based on the most recent meta evaluation of the national DOE Weatherization Assistance Program. The report indicates the annual energy savings for gas-heated homes nationwide is estimated to be 29.3 **million site BTUs**.

The Program Year (PY) 2025 estimate of energy savings for the DOE funding (PY25 funding) is: 1,041 homes x 29.3 million site BTUs per home = 30,501 million site BTUs.

#### IV.4 DOE-Funded Leveraging Activities

#### IV.5 Policy Advisory Council Members

☒ Check if an existing state council or commission serves in this category and add name below

Community Action Agency of South Central Michigan	Type of organization: Non-profit (not a financial institution) Contact Name: Mr. Jeffrey Short Phone: 2694411634 Email: <a href="mailto:jeffreys@caascsm.org">jeffreys@caascsm.org</a>
Michigan Community Action Agency Association Weatherization Committee	Type of organization: Non-profit (not a financial institution) Contact Name: Mr. Brian McGrain Phone: 5176796400 Email: <a href="mailto:bmcgrain@micommunityaction.org">bmcgrain@micommunityaction.org</a>
Michigan League for Public Policy	Type of organization: Non-profit (not a financial institution) Contact Name: Ms. Julie Cassidy Phone: 5172146006



**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
**WEATHERIZATION ANNUAL FILE WORKSHEET**  
**Grant Number: SE0001830, State: MI, Program Year: 2025**  
**Recipient: State of Michigan**

Monroe County Opportunity Program	Email: <a href="mailto:jcassidy@mlpp.org">jcassidy@mlpp.org</a> Type of organization: Non-profit (not a financial institution) Contact Name: Ms. Sandra Wilson Phone: 7342412775 Email: <a href="mailto:swilson@monroecountyop.org">swilson@monroecountyop.org</a>
State of Michigan	Type of organization: Unit of State Government Contact Name: Kris Schoenow Phone: 5173738896 Email: <a href="mailto:Schoenowk@Michigan.gov">Schoenowk@Michigan.gov</a>
State of Michigan	Type of organization: Unit of State Government Contact Name: Brad Banks Phone: 5172848118 Email: <a href="mailto:BanksB1@michigan.gov">BanksB1@michigan.gov</a>
State of Michigan	Type of organization: Unit of State Government Contact Name: Ms. Nicole Denson-Sogbaka Phone: 5178973345 Email: <a href="mailto:denonsogbakan@michigan.gov">denonsogbakan@michigan.gov</a>
State of Michigan	Type of organization: Unit of State Government Contact Name: Julie McLaughlin Phone: 2317333753 Email: <a href="mailto:mclaughlinj@michigan.gov">mclaughlinj@michigan.gov</a>
The Upper Peninsula Power Company	Type of organization: Utility Contact Name: Mr. Andrew McNeally Phone: 9064492013 Email: <a href="mailto:amcneally@uppc.com">amcneally@uppc.com</a>
Walker Miller Energy Services	Type of organization: For-profit or Corporate (not a financial institution or utility) Contact Name: Mr. Ben Dueweke Phone: 3133668535 Email: <a href="mailto:dueweke@wmenergy.com">dueweke@wmenergy.com</a>
Wayne Metro Community Action Agency	Type of organization: Non-profit (not a financial institution) Contact Name: Mr. John Carmody Phone: 7342462280 Email: <a href="mailto:jcarmody@waynemetro.org">jcarmody@waynemetro.org</a>

**IV.6 State Plan Hearings (Note: attach notes and transcripts to the SF-424)**

Date Held	Newspapers that publicized the hearings and the dates the notice ran
04/08/2025	Lansing State Journal: 3/16/25 Marquette Mining Journal: 3/15/25 Pontiac Oakland Press: 3/16/25 Royal Oak Tribune: 3/16/25
06/10/2025	Lansing State Journal: 5/25; Marquette Mining Journal: 5/24/2025; Pontiac Oakland Press: 5/25/2025; MDHHS Website Posted 5/16/2025

**IV.7 Miscellaneous**

**Recipient Business Officer**

Kris Schoenow, Executive Director  
Bureau of Community Action and Economic Opportunity  
Michigan Department of Human Services  
235 S Grand Ave. Ste. 1105  
Lansing, MI 48933  
(517)388-3085  
[SchoenowK@michigan.gov](mailto:SchoenowK@michigan.gov)

**Recipient Principal Investigator**

Alexandria Mehls, Weatherization Specialist  
Bureau of Community Action and Economic Opportunity  
Michigan Department of Human Services  
235 S Grand Ave. Ste. 1105  
Lansing, MI 48933

**U.S. Department of Energy**  
Weatherization Assistance Program (WAP)  
**WEATHERIZATION ANNUAL FILE WORKSHEET**  
**Grant Number:** SE0001830, **State:** MI, **Program Year:** 2025  
**Recipient:** State of Michigan

517-898-2098

**MehlsA@michigan.gov**

**Subgrantee Allocation / Territory Notes:**

GCCARD is currently in transition to move to an outreach and intake program model while the job management and wx services will be completed by a neighboring CAA for an interim period. This interim plan will likely be in place for 3 years in order to determine what the long term plan will be for the WAP in Genesee County.

Michigan is currently running a Grant Funding Opportunity (GFO) for all Weatherization subgrantees. The awarded entities from this GFO will be the updated roster of WAP subgrantees.

**Average Cost Per Unit (ACPU)**

Michigan utilizes the maximum average cost per unit allowable by DOE. A few Subgrantees experience high counts of poor housing stock that lead to high cost completions or deferrals which results in a higher ACPU. As inflation has increased, more and more agencies have struggled to balance their maximum allowable ACPU. Recently we have heard anecdotally that they have to place more homes on hold than in the past to maintain their ACPU in hopes of addressing the higher cost jobs next year.

**Other Funding Sources for WAP**

Low Income Energy Assistance Program (LIHEAP) funds are not allocated at the level they are in most other states to the MI WAP. The funding period for LIHEAP is different than DOE. DOE grant period is 7/1 - 6/30. The LIHEAP grant period is 10/1 - 9/30. At the time of plan submission, there is a floor amount of \$6,000,000 annually to be allocated to the Michigan WAP for FY26 (10/1/2025 - 9/30/2026). In FY25, there was a one time increase of LIHEAP funds of \$11.28M for a total of \$17.28M in the Michigan WAP. Still this is a much lower level of braided funds than most states' WAPs and our state feels the limitations heavily with the ACPU and SIR restrictions.

**Health & Safety Policy - Ventilation**

Michigan will use ASHRAE 62.2 2016 for DOE funded units and will comply with WPN 22-7 for Health and Safety policy.

**DOE Extended Measure Lifetimes**

Michigan has received approval from DOE on extended measure lifetimes as guided in WPN 23-6. Michigan implemented these extended lifetimes in PY19 and continues to utilize them.

**DOE WAP Materials**

As outlined in WPN 23-6, Michigan has received approval from DOE to utilize LED bulbs, two part sprayfoam as insulation, refrigerators and water heaters in WAP dwellings.