

**U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
WEATHERIZATION ANNUAL FILE WORKSHEET**

(Grant Number: EE0006161, State: MI, Program Year: 2015)

IV.1 Subgrantees

Subgrantee (City)	Planned Funds/Units
Alger-Marquette Community Action Board (Marquette)	\$189,169.00 21
Allegan County Resource Development Committee Inc (Allegan)	\$184,243.00 20
Area Community Services Employment and Training Council (Grand Rapids)	\$532,561.00 68
Baraga-Houghton-Keweenaw CAA (Houghton)	\$177,130.00 20
Blue Water Community Action (Port Huron)	\$224,228.00 26
CAA of Jackson, Lenawee, Hillsdale (Jackson)	\$342,143.00 42
Capital Area Community Services Inc (Lansing)	\$503,106.00 64
Chippewa-Luce-Mackinac Community Action and (Sault Ste Marie)	\$180,073.00 20
Community Action Agency of South Central Michigan (Battle Creek)	\$366,455.00 46
Dickinson-Iron Community Services Agency (Iron Mountain)	\$158,428.00 17
Downriver Community Conference (Southgate)	\$392,267.00 50
EightCAP Inc (Greenville)	\$333,663.00 41
EightCAP, Inc. (Greenville)	\$276,836.00 35
FiveCAP Inc (Scottville)	\$221,023.00 26
Genesee County CAA (Flint)	\$479,991.00 61
Gogebic-Ontonagon CAA (Bessemer)	\$154,174.00 17
Human Development Commission (Caro)	\$296,412.00 36
Kalamazoo County Human Services Department (Nazareth)	\$302,073.00 37
Macomb County Community Services Agency (Clinton Township)	\$674,616.00 87
Menominee-Delta-Schoolcraft Community Action Agency and (Escanaba)	\$190,888.00 21
Mid Michigan CAA Inc (Farwell)	\$382,253.00 48
Monroe County Opportunity Program (Monroe)	\$188,598.00 21
Northeast Michigan Community Action Agency (Alpena)	\$336,904.00 42
Northwest Michigan Human Services Agency (Traverse City)	\$362,636.00 45

**U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
WEATHERIZATION ANNUAL FILE WORKSHEET**

(Grant Number: EE0006161, State: MI, Program Year: 2015)

Oakland Livingston Human Services Agency (Pontiac)	\$879,922.00
	115
Ottawa County CAA (Holland)	\$245,661.00
	29
Saginaw County Community Action Committee (Saginaw)	\$293,948.00
	36
Southwest Michigan CAA (Benton Harbor)	\$373,888.00
	47
Washtenaw County Human Services (Ypsilanti)	\$303,805.00
	33
Wayne Metro Community Action Agency (Wyandotte)	\$1,340,438.00
	179
Wayne Metropolitan Community Action Agency (Wyandotte)	\$634,103.00
	82
Total:	\$11,521,635.00 1,432

IV.2 WAP Production Schedule

Weatherization Plans	Units
Total Units (excluding reweatherized)	1,411
Rewatherized Units	21

Note: Planned units by quarter or category are no longer required, no information required for persons.

Average Unit Costs, Units subject to DOE Project Rules		
VEHICLE & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)		
A	Total Vehicles & Equipment (\$5,000 or more) Budget	\$0.00
B	Total Units Weatherized	1,411
C	Total Units Rewatherized	21
D	Total Dwelling Units to be Weatherized and Rewatherized (B + C)	1,432
E	Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D)	\$0.00
AVERAGE COST PER DWELLING UNIT (DOE RULES)		
F	Total Funds for Program Operations	\$8,994,279.00
G	Total Dwelling Units to be Weatherized and Rewatherized (from line D)	1,432
H	Average Program Operations Costs per Unit (F divided by G)	\$6,280.92
I	Average Vehicles & Equipment Acquisition Cost per Unit (from line E)	\$0.00
J	Total Average Cost per Dwelling (H plus I)	\$6,280.92

IV.3 Energy Savings

Method used to calculate savings: WAP algorithm Other (describe below)

Method used to calculate savings description:

The WAP algorithm that Michigan uses is based on the most recent metaevaluation of the national DOE Weatherization Assistance Program. The report indicates the annual energy savings for gas-heated homes nationwide is estimated to be **30.5 million site BTUs**.

**U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
WEATHERIZATION ANNUAL FILE WORKSHEET**

(Grant Number: EE0006161, State: MI, Program Year: 2015)

The Program Year (PY) 2015 estimate of energy savings for the DOE funding is: (1432 homes x 30.5 million site BTUs per home =) 43676 million site BTUs.

Prior year (PY14) savings for DOE base funding estimated at : 1761 x 30.5 million site BTUs per home = 53710.5 million site BTUs

This year estimated energy savings (MBtus):
Prior year estimated energy savings (MBtus): **Actual:**

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

Consumers Energy	Type of organization: Utility Contact Name: Ms. Teri L. VanSumeren Phone: (517)788-2067 Email: tlvansumeren@cmsenergy.com
Macomb County Community Services Agency	Type of organization: Unit of Local Government Contact Name: Mr. Steve Schuster Phone: 5864696329 Email: steve.schuster@macombcountymi.gov
Menominee-Delta-Schoolcraft Community Action Agency and Human Resource Authority	Type of organization: Local agency Contact Name: Mr. Joe Dehlin Phone: 9067867080 Email: jedhlin@mdscaa.org
Michigan Community Action Agency Association Weatherization Committee	Type of organization: Non-profit (not a financial institution) Contact Name: Ms. Kate White Phone: 5173217500 Email: kwhite@mcaaa.org
Mid Michigan CAA Inc	Type of organization: Local agency Contact Name: Ms. Sarah Adkins Phone: 9893863805 Email: madkins@mmcaa.org
Monroe County Opportunity Program	Type of organization: Non-profit (not a financial institution) Contact Name: Ms. Billie Jo Dye Phone: 7342412775 Email: billiejodye@gmail.com
Oakland Livingston Human Services Agency	Type of organization: Local agency Contact Name: Mr. Gary Warsecke Phone: 2482092760 Email: garyw@olhsa.org
SEMCO Energy Gas Company	Type of organization: Utility Contact Name: Christina Beckwith Phone: 8883005064 Email: chrissy.beckwith@semcoenergy.com
State of Michigan	Type of organization: Unit of State Government Contact Name: Tammy Bair Phone: 5173420030 Email: bairt@michigan.gov
	Type of organization: Non-profit (not a financial institution)

**U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
WEATHERIZATION ANNUAL FILE WORKSHEET**

(Grant Number: EE0006161, State: MI, Program Year: 2015)

Wayne Metro Community Action Agency	Contact Name: Mr. Mike Locke Phone: 7342462280 Email: mlocke@waynemetro.org
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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
03/04/2015	Oakland Press (DATE) , Muskegon Chronicle (DATE), Marquette Mining Journal(DATE)

IV.7 Miscellaneous

Recipient Business Officer

Kris Schoenow, Director
Bureau of Community Action & Economic Opportunity
Michigan Department of Human Services
235 S Grand Ave. Ste. 204
Lansing, MI 48933
(517)373-8896
SchoenowK@michigan.gov

Recipient Principal Investigator

Amy Dillon, Weatherization Specialist
Bureau of Community Action & Economic Opportunity
Michigan Department of Human Services
235 S Grand Ave. Ste. 204
Lansing, MI 48933
(517)241-5116
Dillona1@michigan.gov

State Of MI Department Merger

In February 2015, MI Governor signed an Executive Order which merges the Michigan Department of Human Services and the Michigan Department of Community Health to create the Michigan Department of Health and Human Services. The details are still in the planning process but the BCAEO will keep our DOE Project Officer updated on changes as they are released, including where the BCAEO will be placed and the WAP program.
http://www.michigan.gov/documents/snyder/EO_2015-4_480863_7.pdf?20150210080617
http://www.michigan.gov/snyder/0,4668,7-277-57577_57657-347072--,00.html

Average Cost Per Unit

Michigan utilizes the maximum average cost per unit allowable by DOE. Some subgrantees are experiencing high counts of poor housing stock that lead to high cost completions or deferrals.

Program Year 2014 Carry over Fund Distribution to Subgrantees:

MDHS-BCAEO will distribute carry over funds to Subgrantees (LWOs) for the PY14 funding allocation later in the PY15 Year. Michigan uses a reimbursement method with subgrantees. The current budget is based on an estimate and will be updated in October when all final payments have been processed through the Department of Human Services accounting system at the end of the fiscal year.

Policy Advisory Council:

The Policy Advisory Council met at 9:30 a.m. on 3/4/2015 to discuss the State Plan. The PAC meets quarterly, as needed. Per 10 CFR 440.17, PAC members are broadly representative of organizations and agencies, including consumer groups that represent low income persons, elderly and handicapped low income persons and Native Americans in Michigan.

State Plan Public Hearing:

Documentation attached to SF-424 indicates MI is in compliance with posting notice of the public hearing and to inform subgrantees how they can obtain a copy of the State Plan. The notice was publicized in the newspapers across Michigan shown in the attached documentation. Also, MDHS-BCAEO emailed the information to the subgrantees.

Health & Safety Policy - Ventilation

Michigan will use ASHRAE 62.2-2013 for DOE funded units.

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
WEATHERIZATION ANNUAL FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

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

Michigan will use 200 percent of poverty in determining eligibility under section 440.22(a). Michigan uses the most recent federal poverty guidelines.

Applications received must have eligibility determined within 30 calendar days from the date all documents for eligibility determination are received. If the documents needed to determine eligibility are not received within 90 days of the application date, the application is denied and the client notified.

If weatherization activities do not begin within one year from the date of eligibility determination, a new application is required. It should be noted that the date "weatherization activities" start is the date materials are installed.

Income refers to total cash receipts before taxes from all sources, with the exceptions noted below.

CSPM = Community Services Policy Manual

Income includes:

1. Money, wages and salaries before any deductions. This includes wages from assistantships, work-study, and stipends. This includes self-employment income. See Self-Employment Income section in CSPM 601.
2. Net receipts from non-farm or farm self-employment (receipts from a person's own business or from an owned or rented farm after deductions for business or farm expenses)
3. Self-Employment Income for each type of self-employment activity or business (see Income Computations: Self-Employment Income and Self-Employment Expenses in CSPM 601).
4. Regular payments from Social Security (gross benefits, including any Medicare premium and/or state supplemental payments), railroad retirement, unemployment compensation, strike benefits from union funds, worker's compensation, veteran's payments, public assistance (including Family Independence Program-FIP, Supplemental Security Income-SSI, and State Disability Assistance-SDA), training stipends, alimony, and military family allotments
Note: Retroactive lump sum payments for Social Security or Railroad Retirement Benefits should be prorated on a 12-month basis so that only benefits covering the three-month calculation period are included.
5. Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments
6. Income from individual retirement accounts (IRAs) received during the three-month calculation period, whether as monthly or lump-sum withdrawals
Note: Lump-sum IRA withdrawals should be prorated on a 12-month basis, and three months of the prorated amount should be included in the calculation.
7. Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings
8. Any lump sum payments received by Native Americans, such as from casino income or other tribal income

Income excludes:

1. Combat zone pay
2. Capital gains
3. Any assets drawn down as withdrawals from a bank, the sale of property, a house, or a car
4. One time payments from a welfare agency to a family or a person who is in temporary financial difficulty
5. Tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury
6. Non-cash benefits such as the employer paid or union paid portion of health insurance or other employee fringe benefits (including the imputed value of health insurance for domestic partners), food or housing received in lieu of wages, the value of food and fuel produced and consumed on farms, the imputed value of rent from owner-occupied non-farm or farm housing, and such federal non-cash benefit programs such as Medicare (Medicare premiums are **not** excluded), Medicaid, food stamps (including cash received in lieu of food stamps), school lunches, and housing assistance
7. College scholarships and grants
8. Foster care payments, child support and adoption subsidies
9. Income earned by a child age 18 and under and attending school

NOTE: "Earnings" do not include program benefits such as Social Security, SSI, etc.; these are included in the total household income.

Re-Certification of Application

An applicant must be re-certified when eligibility lapses due to the length of time the applicant was waiting to receive Weatherization services. Re-certification must occur at least every 12 months from certification date if work on unit (audit) has not been initiated.

Applicants/households that have "roomers" paying rent:

The "roomer" is not considered a member of the "household" and the income of the "roomer" is not counted for income eligibility. However, the rent from the

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

roomer should be included as income. When calculating income, the income from rent payments should be included for the months the rent was received.

Subgrantees are required to notify the applicant in writing of their eligibility status within 30 calendar days from the date of eligibility determination.

Subgrantees are required to keep all eligibility documentation and a signed application for each home weatherized.

Subgrantees are required to keep an electronic copy of the file in the statewide database.

Michigan will also use a look-back period of three months to determine income eligibility.

In addition, any household that 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. 88-452, 42 U.S.C. § 2701 *et seq.* or applicable State or local law, is eligible for WAP Weatherization Assistance Program (WAP) services.

Michigan requires that each client file must contain the following eligibility documents:

- Signed FACSPRO Customer report or standard application form DHS-4283, including social security numbers of all household members.
- Signed FACSPRO Weatherization disclaimer.
- Income eligibility (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
- Bureau of Community Action & Economic Opportunity (BCAEO) approval of self declaration of zero income for the entire household (if applicable)
- Any other documents the Grantee has reason to believe will fully verify the income of the applicant household

Community Services Policy Manual Item 601

http://www.michigan.gov/documents/dhs/CSPM_600_Series_215133_7.pdf?20140325124132

Describe what household Eligibility basis will be used in the Program

Michigan will use 200 percent of poverty in determining eligibility under section 440.22(a). Michigan uses the most recent federal poverty guidelines.

Automatic Income Eligibility

A household is automatically income eligible if any household member received any of the following payments at any time during the 12-month period preceding the determination of eligibility for weatherization assistance:

- Cash assistance payments under Title IV (FIP) or, XVI of the Social Security Act (SSI), or
- SDA

NOTE: The receipt of these benefits in the previous twelve months must be documented in the case file. The State's quarterly SSI payments do not need to be documented, but must be included in the calculation.

No dwelling unit, with the exception noted below, may be weatherized without documentation that the dwelling unit is an eligible unit. A standard weatherization application is used by local weatherization operators (LWOs.) This application requires that all household income be calculated, per DOE (Department of Energy) requirements. It also requires that income and home ownership is verified by LWO staff. Income eligibility is determined using web-based FACSPRO database system.

LWOs are required to maintain a signed weatherization program application or FACSPRO client report. All other documentation of client eligibility is uploaded to FACSPRO.

If weatherization services do not begin within 12 months of the eligibility determination date, the household's eligibility must be re-determined.

Priorities are described in Section V.5.

Community Services Policy Manual (CSPM) 600 Series:

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

http://www.michigan.gov/documents/dhs/CSPM_600_Series_215133_7.pdf?20140325124132

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

Michigan will follow the policies outlined in "Summary of Immigrant Eligibility Restrictions Under Current Law as of 2/25/2009" in the HHS guidelines, when determining eligibility of qualified and nonqualified aliens.

V.1.2 Approach to Determining Building Eligibility

Procedures to determine that units weatherized have eligibility documentation

All references to the CSPM below are in reference to the Community Services Policy Manual.

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 quarters.

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

Eligible Dwelling Units:

Structures eligible for weatherization include single-family, manufactured housing (mobile homes), and both large (five + units) and small multi-family housing (two to four units). All structures must be stationary and have a specific mailing (street) address. Campers and non-stationary 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
2. Which contains a member who has received any one of the following at any time during the 12-month period preceding the date of application for weatherization assistance:

- Cash assistance payments under Title IV (FIP) or, XVI of the Social Security Act, (SSI) or
- State Disability Assistance (SDA)

3. Occupying a qualified rental dwelling unit in accordance with CSPM Item 608.
4. Occupying a shelter, group home or transitional facility in accordance with CSPM Item 608.1.

Eligibility Documentation:

The following documents must be uploaded to FACSPRO using the document link on the customer intake screen:

- Signed FACSPRO Customer Report or Standard Application Form, DHS-4283, including the Social Security numbers of all household members
- Signed FACSPRO weatherization disclaimer
- 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)

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

- Utility usage documentation
- BCAEO approval of self-declaration of zero income for the entire household (if applicable)
- Any other documents the Grantee has reason to believe will fully verify the income of the applicant household.

If energy savings cannot be realized due to the condition of a home, these conditions shall be documented in the electronic 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.

Shelters/Group Homes/Transitional Living

The Grantee may weatherize a shelter, group home or similar facility for long- or short- term residents, provided the owner or organization and residents of the dwelling units meet prescribed building and income eligibility requirements. Prior, written approval by the DHS-BCAEO staff is required for the weatherization of any shelter, group home or transitional facility. The documentation materials included below should be submitted to the DHS-BCAEO email for review and approval. Include in the subject line: “*Shelter, Group Home, Transitional Living facility application approval request*”

Grantees will document individual resident income verification unless there is such a high rate of turnover among residents that documentation of individual resident eligibility is impractical.

When documentation of individual resident income eligibility is impractical, operators of eligible facilities must complete the *Weatherization Assistance Program Application for Shelters, Group Homes and Transitional Facilities, DHS-4284*, with the following supporting documentation:

1. A signed statement from the facility operator attesting that the individuals/households residing in the facility are income eligible.
2. A copy of the organization’s income guidelines or a copy of the organization’s mission statement in lieu of individual resident income verification.
3. Documentation that the facility is a non-profit organization.
4. Proof of benefit accrual to the low-income tenant(s).

Job files must include all applicable client file information required in Items 601 and 612, as well as the following documentation:

1. Verification of individual resident’s income eligibility (if applicable)
2. A copy of the DHS-4284, Weatherization Assistance Program Application for Shelters, Group Homes and Transitional Facilities, with the following supporting documentation:
 1. A signed statement from the facility operator attesting that individuals/households residing in the facility are income eligible.
 2. A copy of the organization’s income guidelines or a copy of the organization’s mission statement in lieu of individual resident income verification.
 3. Written statement providing proof of benefit accrual to the low-income tenant(s).
 4. A copy of the written approval by the DHS BCAEO staff for the weatherization of any shelter, group home or transitional facility.

Michigan does not weatherize commercial properties, i.e. businesses.

Describe Reweathering compliance

Michigan will follow the requirements of CFR 440:

10 CFR Part 440.18(e)(2)(ii) states 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 and repair of the damage to weatherization materials is not paid for by insurance.

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

10 CFR Part 440.18(e)(2)(iii) states that dwelling units partially weatherized under this part or under other Federal programs during the period of September 30, 1975 through September 30, 1994, may receive further financial assistance for weatherization under this part. While DOE will continue to require these homes to be reported separately, States may count these homes 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 takes into account any previous energy conservation improvements to the dwelling.

A record of previously weatherized dwelling units by address is maintained on FACSPRO. The address is checked prior to scheduling a household for service to see whether that the house has been previously weatherized. If the house has been previously weatherized before 9/30/1994 with DOE (Department of Energy) funds then it is eligible for re-weatherization, as defined in 10 CFR 440.18. This policy is clarified in item 605 of the CSPM (Community Services Policy Manual) and the house will not be weatherized unless the DOE regulations revise the re-weatherization date. If the house is eligible for re-weatherization, the subgrantee makes a determination whether or not to re-weatherize the house based on a number of factors including the energy usage of the house as well as the number of other households currently on the waiting list.

A maximum of 50 percent of a grantee's total production each program year may represent reweatherized units that meet the criteria above. Each dwelling to be weatherized is required to receive a new energy audit that takes into account any previous energy conservation improvements to the dwelling.

CSPM 605 for MI Weatherization Policy
http://michigan.gov/documents/dhs/CSPM_600_Series_215133_7.pdf?20150127175211

Describe what structures are eligible for weatherization

Structures eligible for weatherization include single family, manufactured housing, and both large and small multifamily housing. All structures must be stationary and have a specific mailing (street) address. Campers and non-stationary trailers are not eligible. All non-traditional type dwelling units will be reviewed by the Grantee, and if necessary, with the DOE Project officer for approval.

Eligible Dwelling Units

Structures eligible for weatherization include single-family, manufactured housing (mobile homes), and both large (five + units) and small multi-family housing (two to four units). All structures must be stationary and have a specific mailing (street) address. Campers and non-stationary trailers are not eligible.

All dwellings to be weatherized must be owner or renter occupied, and occupied by a household:

- Whose income is at or below 200 % of the poverty level established by the U.S. Department of Health and Human Services, or which contains a member who has received any one of the following at any time during the 12-month period preceding the date of application for weatherization assistance: FIP, or, SSI, or SDA.
- Occupying a qualified rental dwelling unit in accordance with Community Services Policy Manual (CSPM) Item 608.
- Occupying a shelter, group home or transitional facility in accordance with CSPM Item 608.1.

State Historic Preservation Office Review (SHPO)

MDHS-BCAEO and the Michigan State Housing Development Authority (MSHDA), have in place a programmatic agreement in place to ensure National Historic Act compliance with DOE funded activities, originally signed April 2010. Per 36 CFR 800.14 the agreement was extended along with 43 other state agreements for 10 years. CSPM 619 outlines the SHPO policy for Michigan sub-grantees. This can be viewed at the CSPM link located at the bottom of this section. See agreement at this link:

<http://energy.gov/eere/wipo/downloads/michigan-state-historic-preservation-programmatic-agreement>

Multi Unit Buildings:

The Grantee may weatherize rental dwelling units in a multi-unit building when the property owner has signed a landlord agreement authorizing the weatherization work, accepting conditions protecting the interests of low-income tenants and for those units where the tenant does not pay for energy directly, the property owner agrees to specifically demonstrate that the benefits of the weatherization accrue primarily to the tenant.

Not less than 66 percent (50 percent for duplexes and four-plexes, and certain eligible types of multi-unit buildings) of the resident households of the building meet the eligibility requirements cited in 10 CFR Part 22(b)(2) and (3) above. The 66 percent/50 percent rule applies to multi-unit buildings. If the building is located 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 multi-unit 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

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

A vacant unit is considered an ineligible unit in the 66 percent/50 percent calculation, unless the vacant unit(s) is a part of a Federal, State, or local government program for rehabilitation and will be occupied by eligible families within 180 days.

A vacant building may be weatherized only if the building is part of a Federal, State, or local government rehabilitation program. The units must be occupied within

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

180 days with eligible families. A notation will be made in the file regarding the date(s) of occupancy.

Rehabbed Multi-Unit Buildings

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

1. the households have been determined eligible; and
2. the grantee is meeting or exceeding all the goals for elderly, disabled, and Native Americans (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 grantee. These units can not be given a priority just because they are a part of a rehab program.

Multi-Unit Restrictions

If a multi-unit building is not determined eligible, no single unit may be weatherized. Example: In a 10-unit building there are four eligible units and six ineligible units weatherization cannot be performed in any of the ten units.

Building Eligibility Policy can be found in CSPM 600 Series

http://michigan.gov/documents/dhs/CSPM_600_Series_215133_7.pdf?20150127172723

Describe how Rental Units/Multifamily Buildings will be addressed

Rental Units:

In order to ensure the benefits of weatherization accrue primarily to the low-income tenants, subgrantees are required to have a Landlord Tenant Agreement (consistent with Community Services Policy Manual) and may have a written landlord contribution policy. Further, each subgrantee is required to 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. A Tenant Synopsis must be signed by the tenant receiving weatherization services.

The Landlord Agreement must state:

- In consideration for the weatherization improvements, The Owner does covenant and agree that the monthly rental fee of the premises, as shown on Exhibit A, shall not be increased for a period of two years from the commencement date, unless such rental increase can be fully justified due to significant increases in actual operating costs.
- The Owner agrees to maintain the weatherization materials installed under this Agreement, in accordance with all relevant codes regarding maintenance.
- The Owner agrees not to evict, terminate, or institute any court action for possession against any eligible dwelling unit tenant for the 12 months following the commencement date, except for: failure to pay rent; violating the terms of the lease (other than to surrender possession upon proper notice); causing substantial damage to the premises; permitting a nuisance; carrying on unlawful business.
- The Owner agrees that the terms, premises, and obligations of the Agreement shall supersede and be superior to any inconsistent provision of any oral or written lease agreement affecting the rent collected for the eligible dwelling units identified in Exhibit A."
- The Tenant's Synopsis lists the stipulations in the Landlord Agreement and includes the landlord's name and the date the landlord signed the Landlord Agreement.
- The landlord agreement language has been clarified as follows: "...shall not be increased for a period of two years from the date weatherization activities were completed on said unit."

The CSPM item also includes the following language: "Subgrantees are advised to inform the clients of the terms of the landlord agreement. Subgrantees are advised to call upon the assistance of available service organizations (legal aid; nonprofit tenant-landlord mediation services, etc.) when complaints are received."

Multi Unit Rental Units:

Per, 10 CFR Part 440.22(b)(3), a subgrantee may weatherize a building containing rental dwelling units...where:

- (i) The benefits of weatherization assistance in connection with such rental units where the tenants pay for their energy through their rent, will accrue primarily to the low-income tenants residing in such units;
- (ii) Rents shall not be raised because of the increased value of dwelling units due solely to weatherization assistance provided under this part; and
- (iii) No undue or excessive enhancement shall occur to the value of the dwelling unit.

The property owner has signed a landlord agreement authorizing the weatherization work, accepting conditions protecting the interests of low-income tenants and for those units where the tenant does not pay for energy directly, the property owner agrees to specifically demonstrate that the benefits of the weatherization accrue primarily to the tenant.

Not less than 66 percent (50 percent for duplexes and four-plexes, and certain eligible types of multi-unit buildings) of the resident households of the building meet the eligibility requirements cited in 10 CFR Part 22(b)(2) and (3) above. The 66 percent/50 percent rule applies to multi-unit buildings. If the building is located in a

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

complex, each building is to be considered separately when determining the 66 percent/50 percent eligibility.

A vacant unit may be weatherized in a multi-unit 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 not less than 66 percent of the dwelling units in the building are eligible dwelling units for five-unit or more buildings.

A vacant unit is considered an ineligible unit in the 66 percent/50 percent calculation, unless the vacant unit(s) is a part of a Federal, State, or local government program for rehabilitation and will be occupied by eligible families within 180 days.

A vacant building may be weatherized only if the building is part of a Federal, State, or local government rehabilitation program. The units must be occupied within 180 days with eligible families. A notation will be made in the file regarding the date(s) of occupancy.

Multi-unit Buildings as identified by the Department of Housing and Urban Development (HUD) and the Department of Agriculture (USDA)
DOE has posted three lists of properties supplied by HUD and USDA. Properties identified on these lists have been determined to meet certain eligibility criteria under WAP. The lists will reduce the review and verification necessary to weatherize the identified buildings through WAP.

List #1: Properties identified on list #1 have been determined to comply with the requirements that:

- A minimum of 66 percent of the dwelling units in the building are occupied by a family unit that meets the income requirement (as required under 10 CFR 440.22(b)(2));
- For a reasonable period of time after weatherization work has been completed, the eligible dwelling unit will not be subject to rent increases as a result of the weatherization (as required under 10 CFR 440.22(b)(3)(i)); and
- No undue or excessive enhancement has occurred to the value of the dwelling unit (as required under 10 CFR 440.22(b)(3)(i)).

For list #1, see Website at: http://www.eere.energy.gov/wip/docs/10_cfr_440_22_b_4_i_list.xls

List #2:

Properties identified on list #2 have been determined to comply with the requirements that:

- A minimum of 66 percent of the dwelling units in the building are occupied by a family unit that meets the income requirement (as required under 10 CFR 440.22(b)(2)); and
- No undue or excessive enhancement has occurred to the value of the dwelling unit (as required under 10 CFR 440.22(b)(3)(i)).

For List #2, see Website at: http://www.eere.energy.gov/wip/docs/10_cfr_440_22_b_4_ii_list.xls

List #3:

(USDA List of Multifamily Units) Properties identified on List #3 have been determined to comply with the requirement that:

- A minimum of 66 percent of the dwelling units in the building are occupied by a family unit that meets the income requirement (as required under 10 CFR 440.22(b)(2))

For List #, see Website at: http://www1.eere.energy.gov/wip/docs/rd_mfh_low_and_very_low.xls

The buildings identified on the lists must still meet all other applicable eligibility requirements.

Note: The final DOE rule (WPN 10-15) does not:

- Result in automatic eligibility for identified buildings, but rather, it only addresses a subset of eligibility requirements, or
- Establish a priority for the weatherization of the identified buildings. States are not required to establish a particular prioritization with regard to the weatherization of multi-unit buildings.

Benefit Accrual to the Tenant

In instances in which a tenant does not pay for energy directly, LWOs must ensure the weatherization benefits accrue to the low-income tenant. To ensure this, LWOs have the option of:

- Requiring a landlord agreement for a minimum period of five years, or
- Developing an agency 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:

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

- 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.

LWOs wishing to use their own policy(ies) must submit the draft policy to the MDHS-BCAEO for approval prior to implementation. Draft policy review requests should be emailed to: DHS-BCAEO@michigan.gov with a copy to the grant manager.

Multi-Unit Application Process

A client file must be retained for every unit in the building. See CSPM Item 612 for Client File requirements. An application must be completed for every unit in the building.

Exception: For units in a building(s) included in one of the three DOE posted listings of eligible properties, individual household applications (DHS-4283) are not required. In lieu of this application, completion of the Michigan Department of Human Services BCAEO Multi-Family Property Intake Form, DHS-4283-M, is required. A client file is not required for these units. A building file must be retained for each building and must include required documents as described in CSPM Item 612.

Income Verification - Units on DOE Listing

For multi-unit buildings included on one of the three DOE posted listings of eligible properties, income eligibility is satisfied for 66 percent in each multi-unit building. To ensure as much DOE funding as possible is available for each project, LWOs can opt to document income eligibility for all units in the building. The required documentation can be obtained from the property management office and should include verification of the annual household income for each unit. This information must be included in all client files.

Note: The income eligibility determination must have been made within the last 12 months.

This information must be included in all building files. See CSPM Item 601 for Income Eligibility Guidelines. See CSPM Item 612 for building file requirements.

Units with Rent Based on Income

For multi-unit buildings not on one the three DOE listings, where tenant rent is based on household income, income eligibility verification documentation may be collected from the property management office if the following information is verified and documented:

1. Rental fees are based on household income.
2. An annual income verification process is conducted for every unit.
3. The annual income verification has occurred within the last 12 months. The look back period starts with the application date and back 12 months.
4. The management office collects verification documents for all income sources reported. Self-certification statements will not satisfy this requirement.

This information must be included in all building files. See CSPM Item 601 for Income Eligibility Guidelines. See CSPM Item 612 for building file requirements.

All Other Units

For multi-unit buildings that do not fall under the two categories above, individual applications and income eligibility verifications must be obtained for each unit. This information must be included in all client files. See CSPM Item 601 for Income Eligibility Guidelines. See CSPM Item 612 for client file requirements.

Rehabbed Multi-Unit Buildings:

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

1. the households have been determined eligible; and
2. the grantee is meeting or exceeding all the goals for elderly, disabled, and Native Americans (or the household falls into one of these categories); and

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

3. the waiting list of eligible applicants is followed based on the priorities established by the grantee. These units can not be given a priority just because they are a part of a rehab program.

Multi-Unit DOE Funding:

Per DOE WPN 10-01, when addressing multi-unit buildings with DOE funds, multiply the total number of income-eligible units in the multi-unit buildings by the current statewide average cost per unit to determine the amount of DOE funding available for weatherizing the building. All units in the building can be served and all units should be reported to DOE.

The maximum amount of DOE funds that can be used will be the lesser of either one of the following:

The percentage of low-income eligible units times the total allowable weatherization costs (estimated in the initial audit).

The number of eligible units multiplied by the maximum average allowable cost per unit.

All units in the building MUST be similarly served and all units separately reported to DOE. All units, whether having income eligible occupants or not, must be weatherized, along with common areas, and tenants (eligible or not, having applied or not) cannot opt out of audit determined energy savings measures.

Multi-Unit Restrictions

If a multi-unit building is not determined eligible, no single unit may be weatherized. Example: In a 10-unit building there are four eligible units and six ineligible units. Weatherization cannot be performed in any of the ten units.

CSPM 608, 608.1, 610.1 and 610.2:

http://michigan.gov/documents/dhs/CSPM_600_Series_215133_7.pdf?20150127175211

Describe the deferral Process

Each sub grantee is required to have a written walk-away (deferral) policy which is in the best interest for its service area. Examples of reasons to walk away from a unit scheduled to be weatherized include:

- Standing water, mold, friable asbestos, deteriorated lead-based paint surfaces or other hazardous materials that cannot be addressed by the weatherization work.
- Evidence of infestations of rodents, insects, and/or other vermin.
- Unvented space heater(s) that may have a harmful effect on the air quality of the home.
- Unsecured pets that may prevent workers from safely completing their work.
- The presence of sewage or animal feces in or around the home.
- Improperly stored chemicals, combustible materials, or other fire hazards that present a danger to the occupants or the workers.
- Maintenance or housekeeping practices that limit the access of workers to the dwelling or create an unhealthy work environment.
- Major remodeling is in progress, which limits the proper completion of weatherization measures.
- The home receives HUD funding and at the time of completion, the unit will not meet applicable HUD Lead-Based Paint standards.
- Electrical or plumbing hazards or structural failures that cannot be addressed/completed within Incidental Repair or Health and Safety (H&S) cost limitations.
- Threat(s) of violence or abusive behavior to worker(s) or household member(s) during the weatherization process.
- The illegal presence or use of any controlled substance in the home during the weatherization process. This includes marijuana.
- Occupant has known health conditions that prohibit and/or limit the installation of insulation or other weatherization materials.
- The building or dwelling unit is for sale or in foreclosure.
- Ownership cannot be confirmed due to a legal dispute. Clear title must be established before services can be provided.
- The building or dwelling unit is scheduled for demolition/redevelopment.
- Buildings that cannot be weatherized without exceeding the H&S per building limit or buildings where the SIR is less than 1.0 or in buildings where the H&S measures cannot be performed. **Note: 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. Although Michigan has acknowledged marijuana as a legal substance, federal law does not recognize marijuana as legal. Therefore, federal law will prevail as the program is federally funded. Grantees are required to have a written deferral policy that outlines the procedures to be followed when making a deferral decision and notifying the customer. It should include guidelines for establishing a time period for correction and an identification of resources and options to assist the applicant.**

When service is deferred, the owner or occupant should be given a reasonable timeframe to correct/eliminate the problem. Examples of reasonable timeframes would be 30 days for housekeeping concerns or 90 days for major remodeling work.

Walk-away (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. The requirements for rectifying

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

the deferral must be reasonable and appropriate to the severity of the situation being addressed. Any eligible applicant that complies fully with these requirements shall be reinstated in the Grantee'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. On a deferred unit, photographs documenting the reason for deferral (mold or other problems) are required and shall be part of the client file. If photographs are unobtainable, the reason(s) must be documented in the client file.

CSPM 609

http://michigan.gov/documents/dhs/CSPM_600_Series_215133_7.pdf?20150127175211

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), low-income members of an Indian tribe will receive benefits equivalent to the assistance provided to other low-income persons within the state.

V.2 Selection of Areas to Be Served

All 83 counties are served. The state contracts with primarily Community Action Agencies (CAAs) to provide services throughout the state. Each CAA or local subgrantee serves one or more counties (except Wayne Metropolitan Community Action Agency and Downriver Community Conference as each service parts of Wayne County). Services are based largely on 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. Each State of Michigan local weatherization subgrantee is a CAA or other public or nonprofit entity.

As mentioned in the annual file, misc. section: MDHS-BCAEO will hold a statewide procurement for WAP operators with the intention of meeting federal procurement policy by showing fair and competitive bidding procedures. The Invitation to Bid (ITB) posting will go through the State of MI Department of Technology, Management, and Budget on the Buy 4 Michigan website <https://www.buy4michigan.com/bsa/> and will comply with all federal and state procurement policy. BCAEO is currently working with upper management and will work with our DOE Project Officer to determine the best way to implement the ITB.

The state reserves the right to re-allocate 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 low production levels.

V.3 Priorities for Service Delivery

Michigan utilizes a priority point system when delivering services to low income homes to meet 10 CFR 440.16(b) (1-5).

Mandatory priority categories are as follows:

- Families with Children: Family Independence Program (FIP)
- Disabled Adults: State Disability Assistance (SDA), Supplemental Security Income (SSI)
- Elderly
- High Residential Energy Users –The Michigan Department of Licensing and Regulatory Affairs Public Service Commission, publishes an annual report titled "Michigan Energy Appraisal." High Residential Energy User households are defined as meeting or exceeding the normalized heating fuel consumption identified in the Michigan Energy Appraisal by ten percent or more.
- Households with a High Energy Burden- defined as follows: any household that pays more than 20% of its total annual household income toward annual energy costs.

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

FIP, and SDA are low income programs in Michigan. The FIP is the state federally funded cash assistance program which is for low income families with children or pregnant. This is an eligible priority point, per 10 CFR 440.16, stating priority is given to families with children. The State Disability Assistance (SDA) program is disability program that provides cash assistance to eligible low income disabled adults, and SSI is the federal Supplemental Security Income program which provides income to disabled adults and children. Per 10 CFR 440.16, SDA and SSI are eligible priority points as they are persons with disabilities. These priorities are used pursuant to CSPM 611.

LWOs utilize a statewide database which determines eligibility. Each agency has set up priority points for the WAP which aligns with the categories identified in this section.

CSPM 611 can be viewed at:

http://www.michigan.gov/dhs/0,4562,7-124-5455_7199_45583_45584---,00.html

V.4 Climatic Conditions

Michigan has large seasonal temperature changes and a significant north south temperature variance. The number of Heating Degree Days (for a 30 year time span using the most recent available data) for each LWO is listed below. The percentage of heating degree days is factored into the funding allocation formula. The heating degree days percentage was obtained from weatherization service 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 AGENCY (Source: http://www.wrcc.dri.edu/htmlfiles/mi/mi_hdd.html):

ASCET 6834; Alger Marquette 8650; Allegan County RDC 6759; Baraga Houghton Keweenaw 9195; CAA of South Central MI 66694; Capital Area 7014; City of Detroit 6427; Chippewa Luce Mackinac 9117; Dickinson Iron 8699; EightCAP 7020; Five CAP 7087; Genesee County CAA 6975; Gogebic Ontonagon CAA 9202; Human Development Comm 7057; Kalamazoo County 6292; Macomb County CSA 6633; Menominee Delta Schoolcraft 8524; Mid-Michigan CAA 6945; Monroe County Opp 6281; Muskegon Oceana Counties 6852; Northeast MI CSA 8195; Northwest MI HSA 7688; Oakland Livingston HSA 6670; Ottawa County CAA 6491; CAA of JLH 6774; Saginaw County CAC 7156; Blue Water Community Action Agency 6652; Southwest CAA 6592; Washtenaw County CSA 6555; Wayne Metro CSA 6427; Downriver CC 6355.

V.5 Type of Weatherization Work to Be Done

V.5.1 Technical Guides and Materials

Technical Guides include:

SOM Technical Weatherization Policies Manual

http://www.michigan.gov/documents/dhs/Technical_Weatherization_Policies_Manual_215832_7.pdf?20130911094855

The Standard Work Specifications for Home Energy Upgrades for Single Family, Manufactured Housing, and Multifamily Homes

<http://sws.nrel.gov>

US 10-CFR-440

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

US 10-CFR-600

US DOE Program Notices

www.waptac.org

Community Services Policy Manual

http://www.michigan.gov/dhs/0,4562,7-124-5455_7199_45583_45584---,00.html

Retrofitting Michigan: Weatherization Field Guide

Michigan has purchased the field guide, along with other states, from Santa Fe Community College. DOE is currently reviewing the document for all states for approval. Once approved, MDHS-BCAEO will release the document to the network and make it available on our website. A draft has been made available to sub grantees and final will be posted on the MDHS-BCAEO website and in the statewide database for sub grantees to access. This field guide is a comprehensive field guide which outlines expectations of work scope and quality in accordance with the Standard Work Specifications (SWS) and meets the requirements of WPN15-4, Section 1. The field guide will be available to the MI network upon DOE approval.

State of Michigan Department of Licensing and Regulatory Affairs (LARA) Policy

The State of Michigan 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.

All manuals and policy are provided to the network via the MDHS website, the statewide database document center, and via email. When updates are made, the network is notified and all policy is updated online and in the database. MDHS-BCAEO also provides updates in the BCAEO Update newsletter that is sent to the network.

All subgrantee agreements and vendor contracts, active in Program Year 2015 and beyond, will contain language which clearly documents the SWS specifications for work quality outlined in WPN 15-4, Section 2. Subgrantee contracts and their contracts with vendors and contractors have been updated to outline the expectations of work quality. This is confirmed by the agency via their annual planning documentation submitted to MDHS-BCAEO for approval. They will also confirm this in the contract amendment with MDHS-BCAEO. By signing the contract, agencies agree they are in compliance with all program requirements including work quality.

WPN 15-4 Update

Section 1: MDHS-BCAEO has purchased a comprehensive field guide for sub grantees from Santa Fe Community College. Many states have purchased the same field guide. Per MI DOE Project officer, DOE is reviewing the document for all states. A draft has been provided to sub grantees. Once approved, the field guide will be distributed via website and statewide database. WAP policy has also been updated to include field guide language along with contracts.

Section 2: BCAEO has updated contracts and policy with sub grantees to include the technical requirements for field work per WPN15-4. All MDHS-BCAEO policy has been updated to align with the Standard Work Specifications and has been used for Program Year 2014. All sub grantees have provided this information and updated contracts to crews and contractors. They indicate this on their sub grantee planning documents and also by signing the contract. MDHS-BCAEO has created a Quality Control Checklist in FACSPRO which is generated by the Energy Auditor based on the measures required after using the DOE approved auditing tool. The checklist includes the SWS items for each measure and relevant MDHS-BCAEO policy. The Energy Auditor signs off once completed and it then is given to the Crew Leader for the crew to follow. Once completed, the crew leader signs the checklist and it is then given to the Quality Control Inspector (QCI). The inspector checks off each item confirming that the job has been completed to specification and then signs off on the checklist. All site visits by MDHS-BCAEO Monitoring staff will also have a signature by the QCI certified state monitoring stating they agree work was completed correctly.

Section 3: Beginning PY2015 all homes weatherized will have an Energy Auditor and Independent QCI. The QCI must have a Home Energy Professional Quality Control Inspector certification for single family homes. Multi units weatherization is rare in MI, but if completed the QCI must have received training from a program delivering National Renewable Energy Laboratory (NREL) Multi Family QCI training that aligns with the NREL Job Task Analysis (JTAs). Sub grantees are required to keep all certifications in FACSPRO. CSPM 618.1 addresses procedures of disciplinary action if inspection protocols are not followed. MDHS-BCAEO currently has approximately 14 certified QCIs. There are at least 5-10 potential QCIs scheduled for testing prior to the PY15 start date. Agencies have been encouraged to register for the test early as many states are trying to have QCIs certified prior to their PY15 start date. MDHS-BCAEO will continue to schedule QCI training for QCIs in the weatherization network to assist in meeting the PY15 requirement. Every client file will have a Quality Control inspection with signatures confirming work from the Energy Auditor, Crew Leader, QCI, and if applicable, the state QCI. Contracts and policy have been updated to describe the relationship between the individuals performing the quality control inspections and energy audits. BCAEO technical weatherization monitors will monitor in progress jobs and completed jobs to ensure success in policies. BCAEO technical weatherization monitors, unless additional guidance is provided from DOE, will provide a full final inspection on any home monitored as part of the 5% site visit requirement. This will include all diagnostic testing.

Section 4: BCAEO has a training plan for PY15 which includes contracting with a DOE approved accreditation organization to come to Michigan and provide training or to send MI WAP workers out of state for training to meet Tier 1 requirements. MI does not have an accredited training center available in the state. Out of state travel is required. BCAEO will provide training to the network based on survey results, agency requests, and monitoring findings which will meet Tier 2 requirements. These trainings are outlined in section V.8.4.

Weatherization Work

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

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

Regulatory policy.

The weatherization measures most commonly installed in eligible units are major bypasses; 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 compact fluorescent (CFL) light bulbs. Domestic water heaters (DWH) are an electric base load measure being replaced under Energy Savings and/or Health & Safety on eligible dwelling units.

Standards for DWH Replacement

Requires Water Heater Replacement

- Excessive tank corrosion has caused irreparable water leaks.
- Prolonged water leaks have caused floor damage that requires repair.
- Missing parts are no longer available. For example, an original equipment replacement cannot be located for a draft hood and the carbon monoxide level cannot be adjusted to acceptable levels with a generic draft hood.
- Water heater tank is full of corrosion and sediment that cannot be flushed . As a result, the water heater cannot provide an adequate amount of hot water for the household. Upon inspection, the sacrificial anode has corroded away.
- When venting into approved chimney cannot emit gases safely from dwelling area.

Does Not Require Water Heater Replacement:

Carbon monoxide readings exceed the threshold because:

- Combustion by-products are not venting to the outside properly.
- Blocked chimneys, vents terminating inside the living space, and back-drafting can be identified and remedied without having to replace the existing water heater. The flame is being impinged. The baffle or other parts may have been knocked out of position. These can be adjusted so that the flame is no longer impinged.
- The water heater has the wrong burner nozzle for the fuel type. The nozzle can be replaced with one appropriate for the current fuel type.
- Combustion air and gas pressure settings are out of adjustment. Air and pressure settings are out of adjustment. Air and pressure can be adjusted to reduce carbon monoxide to acceptable levels.
- Atmospherically vented natural gas, propane, or oil water heater is located in a bedroom, which violates the building code. If the water heater location prohibits the ability to weatherize a dwelling, the crew or contractor could move the existing water heater for a fairly modest cost.

Optional Measures

The Furnace Clean/Tune/Repair, Programmable Thermostat, DWH tank insulation, and Low-flow showerhead measures shall be evaluated on each dwelling when the auditor determines them to benefit the occupants' energy savings.

Optional Weatherization Measures shall be evaluated on each home based upon the following conditions:

- Furnace Clean/Tune/Repair
- With the current mechanical licensing requirement that all mechanical air handling appliances are to be evaluated by a licensed technician, a certified weatherization auditor/pre-inspector can request all mechanical equipment be evaluated for energy efficiency & safe operation

Programmable Thermostat: Based upon client lifestyle and capacity to understand technical operation instructions a programmable thermostat, the certified weatherization auditor may recommend that a programmable thermostat be installed.

DHW tank insulation including insulating the first 6 feet of both supply lines When the manufacturers' instructions prohibit the installation of fiberglass insulation blanket , and/or the appliance would be placed in an area of the home and the material would be compromised by the occupants (children). The auditor has the responsibility to identify whether to install or not install the measure.

Low-flow showerhead: When the occupants have a very low water pressure, the low-flow showerhead would further impede the water flow. The auditor has the responsibility to identify whether to install or not install the measure.

**Optional Weatherization Measure -can be turned on as an agency option to measure its Savings Investment Ratio (SIR) in relation to the other measures the agency is utilizing. Optional measures turned on by a LWO must be performed if justified by SIR.

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

V.5.2 Energy Audit Procedures

Audit Procedures and Dates Most Recently Approved by DOE

Single-Family :	Single-Family NEAT software on non-standard homes. Approved by DOE November 17, 2011.
Manufactured Housing :	Mobile Home MHEA software on manufactured homes. Approved by DOE November 17, 2011.
Multi-Family :	Multi-Family (5 + unit or more) TREAT or any DOE-approved multi-family audit. Approved by DOE November 17, 2011.

Comments

Michigan has implemented a policy per the DHS Community Services Policy Manual whereby all LWOs will be using the National Energy Audit Tool (NEAT) and Manufactured Home Energy Audit (MHEA) software package (Version 8.6.0.4 or newer) on all homes of one to four unit dwellings.

The DOE approved audit Targeted Retrofit Energy Analysis Tool (TREAT) may be used for auditing multifamily buildings (with five or more units).

Due to the length of time it may take DOE to review and approve auditing tools, BCAEO will begin work with DOE in early calendar year 2016 (11 months before current expiration) to ensure there is not a lapse in expiration. Michigan is committed to complying with this requirement and will submit early to ensure approval before Program Year 2016.

V.5.3 Final Inspection

Michigan will utilize a separate energy auditor and QCI per WPN15-4 for Program Year 2015. There will be separate Energy Auditors and Quality Control inspectors for each weatherization job. State monitors will perform quality assurance reviews on at least 5% of all completed units. If it is found that an agency did not use separate energy auditors and QCIs, state monitors will increase their monitoring to meet the 10% site visit requirement. MI has 31 contracts for WAP and 29 agencies. 2 agencies, WMCAA and EightCAP, have two contracts each as Michigan held RFPs for service areas of City of Detroit and MOCAP. Agencies are currently preparing RFPs to contract with QCIs directly or with other agencies for QCIs. The highest production agencies have QCIs for PY15. In the event that an agency is not able to find a QCI, BCAEO will identify QCIs from neighboring agencies to assist.

A complete audit and quality control inspection is required for each home weatherized. Audits include NEAT 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 is created by the energy auditor based on the energy audit results. No dwelling unit may be reported to DOE as completed until all weatherization material is installed and a final quality control inspection is performed. Policies and specifications are provided to each LWO through the Technical Weatherization Policy (TWP) manual and the CSPM. An example of the quality control checklist has been uploaded and is available in the SF-424.

As of January 2015, Michigan has approximately 14 people with QCI certifications. Agencies have confirmed they have sent people to training and there are about 15 people waiting for availability to test at an accredited training center. Michigan does not have an accredited training center, so out of state travel is required for all JTA training and certifications. Agencies are also working together to share energy auditors and QCIs for the Program Year 2015 to ensure compliance.

Weatherization technical monitoring is done a minimum of once a year. This monitoring includes review of selected units to determine compliance with file documentation, work standard and quality standards. Audits and quality control inspections include Indoor Air Quality (IAQ) inspections. IAQ inspection requirements include completion of DHS forms 552 and 552A and ASHRAE 62.2 ventilation standard.

Attendance and completion of the DHS IAQ (Indoor Air Quality) and LSW (Lead Safe Work Practices) training and testing is required for all DHS-certified weatherization auditors/inspectors, contractors and crew members as Tier 2 training. In PY14, training and testing has been administered using an on-line DHS training/testing program. Training is given via webinars using Go to Webinar program and the testing is done by using the MDHS online training/testing website. Beginning July 1, 2015 all Quality Control Inspectors must be certified by an IREC (International Renewable Energy Council) certified training center.

Blower door testing of all homes is conducted during both the audit and inspection of the home by a DHS-certified weatherization auditor/ QCI or crew person/contractor who has successfully completed a blower door manufacturer's training. Certification of the completion of this training is required. The blower door test will be considered invalid without proof of manufacturer's certification of training. No other documentation is necessary for DHS- auditor/QCI certification status.

V.6 Weatherization Analysis of Effectiveness

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

MDHS-BCAEO expects all LWOs to achieve 100% of their planned operational goals for fiscal expenditure, unit production and client priorities. It is also expected that each LWO will demonstrate adequate financial management controls to assure the accountability of its program effort. The following evaluation system has been developed to analyze current subgrantee performance and to assess viability for continued participation in the program.

BCAEO will utilize all tools below to analyze the effectiveness of subgrantee weatherization, productivity and energy savings between subgrantees, developing Training & Technical Assistance(T&TA) activities and priorities for the network, continuously strengthening the MI WAP, tracking performance, and managing and monitoring of the program and each subgrantee. All monitoring tools have been updated to reflect any program changes or requirements.

On-site Inspections of Weatherized and In-Progress Units

MDHS-BCAEO technical monitors inspect between 5%-10% of completed units for each subgrantee. In addition to monitoring completed units, monitors inspect units in progress to identify best practices and/or shortfalls early in the process and to allow for onsite training and technical assistance opportunities in lieu of potential disallowed costs. Michigan monitors the effectiveness of Quality control inspectors by keeping a trend analysis for each agency. CSPM 618,1 has language stating that if it is found that an QCI is not performing to DOE program standards that the state has the right to suspend them from working in the program. There is also language as to how an inspector can appeal the process.

Inspector Certification

MDHS-BCAEO will make available training opportunities for the LWO network to provide IREC accredited inspector certification opportunities. Language has also been added to the contracts requiring that in PY15 all LWO's use a QCI.

Program & Financial Monitoring

An annual monitoring review is conducted with each subgrantee to evaluate the subgrantee's ability in the area of fiscal, administrative and programmatic compliance with all applicable federal and MDHS-BCAEO WAP rules and regulations. The monitoring reviews are a combination of onsite visits and desk reviews.

Audits

Each subgrantee required by the OMB Super Circular to have a single audit performed must submit the reporting package and an audit transmittal letter to the Michigan Department of Human Services Office of Quality Control and Internal Controls in accordance with the time frame established in the OMB Circular. When findings are identified in the single audit, they are referred to the WAP office. MDHS-BCAEO WAP fiscal staff then reviews the proposed corrective action for the finding and issues a management decision. Additionally, MDHS-BCAEO WAP fiscal staff reviews the single audits as a part of the fiscal monitoring process.

Productivity

Each subgrantee must maintain a rate of production to ensure that all DOE WAP funds are expended in a timely manner each program year.

Trend Analysis/Performance Reviews

The MDHS-BCAEO technical monitors are responsible for the development and maintenance of a trend analysis for each subgrantee. This information includes a collection of all observations, questioned costs, and/or best practices identified during monitoring visits and the staff and/or contractors directly responsible. This information is used to identify training and technical assistance needs, to identify and inform subgrantees of repeated performance issues with specific staff/contractors, and to identify and inform the network of trends that must be addressed. The WAP BCAEO staff use this information to make policy and procedure changes as appropriate and to assess network training needs throughout the program year. All technical monitoring is done within our statewide database and will allow the ability to track past years findings and Training and technical assistance provided to the agency. This was implemented in Program Year 2014.

Monitors prepare for each monitoring review by reviewing prior year's reports and corrective action plans. The reports contain problem areas (corrective action plans) that must be reviewed during the current monitoring evaluation. Monitoring reports will identify past monitoring findings in the prior findings section of the report for any previous findings. The monitor will then provide narrative on progress.

Corrective Action

If MDHS-BCAEO determines that the LWO's administrative and/or financial operations are consistently out of compliance with program requirements and/or the LWO is not improving at an agreed upon plan, the LWO's grant may be terminated in accordance with 10 CFR 440.15(3)(e).

In order to ensure that there are not extended periods without service to any area, 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 LWO have been made. 10 CFR 400.15 will be followed in selecting a permanent replacement provider.

Utility Usage Data

BCAEO will work with the Michigan Public Service Commission (MPSC), utilities, and the FACSPRO system administrator to facilitate a dialogue between the entities to develop the process for collection of accurate utility usage data on the Michigan homes weatherized. These discussions have begun, and through continued work, MDHS-BCAEO will ensure that data necessary to accurately assess the reduction in utility usage, as it relates to weatherization activities, becomes a reality in Michigan.

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

The Michigan Health & Safety plan is estimated to under 15% percent of program operations budget. Health and Safety (H&S) per unit maximum shall not exceed \$2000.00 and cannot exceed 50 percent of the total job costs. The Health and Safety plan and policy can be found in the TWP and the CSPM 600 Series which have been uploaded under SF-424. The Health and Safety Plan is also attached in SF-424.

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 and,
- Lead Safe Weatherization (LSW).

To ensure that program services concentrate on energy efficient measures, any H&S measures must be modeled with a NEAT/MHEA energy audit, and not exceed \$2000.00 and cannot exceed 50 percent of the total job cost. If the costs exceed these limits, the job must be reviewed by MDHS-BCAEO technical staff and approval must be given. Those costs must be included in the building's Savings to Investment Ratio (SIR), and the building SIR must be 1.0 or greater. Ventilation costs for indoor air quality are exempt when calculating the \$2,000. Buildings that cannot be weatherized without the H&S measures shall be deferred. Carbon monoxide alarms, smoke alarms, and dryer vents are exempt from the SIR requirement.

The Grantee may submit a waiver request to technical staff on a case by case basis for the following:

- H&S costs that exceed the \$2,000 per building limit.
- Any job that exceeds 50 percent per unit cost of the job cost.
- Building SIR less than 1.0

Waiver requests for SIR less than 1.0 that consist exclusively of baseload measure costs shall not be approved.

It should be noted that incidental repairs are determined by the SIR. Costs are monitored using the DOE approved auditing tools and are capped when using the SIR. When the incidental repair exceeds the value of the SIR, a non DOE fund can be used to buy into the incidental repair costs leaving the energy conservation measured value at 1 or greater. The incidental costs are used toward the average unit cost of the job.

Each agency determines intake procedures that assist in capturing pre-existing health conditions if warranted. H&S deferral issues are noted in the CSPM 619.

It should also be noted that Michigan climate does not warrant air conditioning replacement/installation, or repair.

Door and window replacement shall not be paid with DOE funds.

If energy savings cannot be realized due to the condition of a home, these conditions shall be documented in the electronic 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.

ASHRAE 2013 compliance is outlined in the TWP and the CSPM (606 and 614) and on the H&S document uploaded in SF-424. MDS-BCAEO provides ASHRAE training as a Tier 2 training to the network annually and as needed.

A memo has been sent to grantees informing them of the OSHA Hazard Communication Plan along with links and information. All OSHA issues are enforced by MI OSHA.

Sources:

http://www.michigan.gov/documents/dhs/Technical_Weatherization_Policies_Manual_215832_7.pdf?20130911094855
http://www.michigan.gov/dhs/0,4562,7-124-5455_7199_45583_45584---,00.html

V.8 Program Management

V.8.1 Overview and Organization

The Weatherization Program is managed by the MDHS-BCAEO. Within DHS, the program administration falls under the Bureau of Community Action and Economic Opportunity (BCAEO). The BCAEO was created by the state legislature to oversee many of the activities of the Michigan Community Action Agencies (CAAs). CAA services include programs that address education, emergency services, employment, health, housing, income management, linkages, nutrition, and self sufficiency. 29 CAAs and one limited purpose agency provide weatherization services to the state's low-income population.

MDHS-BCAEO staff oversee several federal contracts with CAAs and provide written policy and procedures for these various program areas. Staff 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. MDHS_BCAEO staff conduct annual monitoring visits to each LWO.

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

The MDHS-BCAEO Director, Kris Schoenow, oversees all personnel within the Bureau. Personnel include grant managers, financial monitors, programmatic monitors, technical weatherization monitors, a CSBG specialist, and a weatherization specialist, along with clerical staff.

The BCAEO Organizational Chart has been attached to SF-424.

V.8.2 Administrative Expenditure Limits

Per 10 CFR 440.1818(d), not more than 5% of the grant can be used for administrative purposes by the state.

Standard allowed administrative allocation is 5% of subgrantees total allocation. Subgrantees receiving less than \$350,000 receive additional administrative dollars based on the limits below:

Grant of \$200,000 or less - 5%

Grant of \$200,000 to \$249,000 - 3%

Grant of \$250,000 to \$299,000 - 2%

Grant of \$300,000 to \$349,000 - 1%

CSPM 402.2 provides subgrantee policy regarding administrative expenditure limits.

V.8.3 Monitoring Activities

Attached to the SF-424 are the following:

Fiscal Monitoring Tool
Programmatic Monitoring Tool
Sample Technical Monitoring Tool
Bureau Technical Monitoring Plan
Bureau Programmatic and Financial Monitoring Plan

All monitoring is conducted in accordance with the guidance in WPN (Weatherization Program Notice) 12-5. The combined program compliance monitoring and technical monitoring will satisfy the DOE monitoring requirements. For PY15 it is estimate that a minimum of 30% of T&TA funds will be spent on monitoring. All monitoring tools have been updated to reflect DOE program requirements.

The MDHS-BCAEO has three technical monitors, two programmatic monitors (one programmatic is currently vacant) and two fiscal monitors (one fiscal is currently vacant). Technical monitors and program compliance monitors will monitor the weatherization program. MDHS-BCAEO monitoring policy requires the offer of an exit interview with the executive director and/ or designated staff after each monitoring visit. For technical monitoring, a weatherization monitoring report, including observations and corrective action requirements, is completed by the technical staff. After agency technical responses have been received, a quality control Letter is composed and includes all outstanding observations and findings. This document is reviewed by supervisory staff and forwarded to the agency's executive director with a copy to the weatherization coordinator. (A copy of the program compliance monitoring report is also shared with the Agency Board Chair.) DHS will issue a report within 30 days after each monitoring visit. A written response to corrective action will be required of agencies within 45 days of receipt of the monitoring report. MDHS-BCAEO purchased an update in the statewide database which added a monitoring module. This process should expedite monitoring visits and also provide better tracking for MDHS-BCAEO staff and for subgrantees. As of July 1, 2015, all technical monitors providing monitoring for WAP file and site visits much have a QCI certification. Two of the three technical monitoring staff have been certified. The third monitor will monitor in progress jobs until he is eligible to test for QCI which is expected in early 2016. If it is found the MDHS-BCAEO is not able to complete monitoring, the MDHS-BCAEO will contract a QCI to meet federal requirements for the program year.

The combined program compliance monitoring and technical monitoring will satisfy the DOE monitoring requirements.

The agency to be monitored is normally, but not always, informed prior to the visit by contacting the executive director or his/her designee.

Weatherization technical monitoring will be conducted at each LWO a minimum of once a year for the following: review of materials for compliance with audit specifications, review of quality control system and procedures, inspection of selected houses to determine compliance with file documentation work standards and quality standards, check of jobs in progress, safe work practices and mandatory training requirements. Contractor licensing, insurance and training requirements are also reviewed. Additional visits will be conducted for LWOs that are determined to have significant deficiencies. Additional days may be added to the agency visit if monitoring results in a need for additional T&T/A for the agency. Reviews will be completed on-site for at least 5% of the completed units.

Weatherization compliance and financial monitoring will be conducted with the LWO a minimum of once a year. Additional reviews will be conducted for LWOs that are determined to have significant deficiencies. The monitor prepares for the field visit by reviewing contract files to determine the reporting and financial

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

status of the agency. Previous monitoring reports, including corrective action requirements, correspondence, and new items are reviewed. The monitor reviews files for completeness and accuracy of eligibility documentation, programmatic compliance, and financial compliance.

To the extent possible, some monitoring activities will be done by desk review using the statewide FACSPRO database.

LWOs are required to have a single audit performed in accordance with OMB Super Circular, as applicable. The LWOs are responsible for obtaining their own audit services. MDHS-BCAEO receives a copy of the audit report and performs audit resolution.

The agency to be monitored is normally, but not always, informed prior to the visit by contacting the executive director or his/her designee. Site visits are coordinated through agency staff. Tentative monitoring schedules are set early in the program year.

Monitors may leave an unofficial copy of the report with the agency executive director with any observations they have found and suggested corrective action. Depending on the type of monitoring (programmatic, technical, fiscal) the agency has a specified amount of days to complete the corrective action and provide proof to the monitor. The amount 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 an agency has significant deficiencies, MDHS-BCAEO will increase monitoring to address said deficiencies until the MDHS-BCAEO feels the agency has improved. It is expected that with the implementation of the in-progress monitoring, that MDHS-BCAEO will be able to identify deficiencies earlier, rather than later for each agency, if they exist.

The CSPM provides policy for monitoring.

Technical monitoring will be performed to ensure compliance with all DOE WAP, Health and Human Services (HHS) regulations and guidance, and MDHS-BCAEO policies. Technical monitoring will 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
- NEAT/MHEA setup libraries (copies of each shall be provided by Grantee)

NEAT/MHEA mdb production shall be provided by Grantee (wdz files may be submitted subsequently on a quarterly basis)

- Contractor licensing, certifications, and insurance requirements
- Work specifications (e.g. FACSPRO SIR generated IWC Work Order(s) including change orders)
- Quality control procedures
- Approved audit Inspection, Work Order, Cost Center (IWC) completeness and storage in the BCAEO Excel format using FACSPRO
- Financial reconciliation for all job cost and invoicing reported on IWC document Cost Center tab
- Compliance with blower door testing requirements
- Combustion appliance testing protocol
- Correct audit selection & completion
- Optional: An in progress site visit with the contractor/crew (working)
- Trend analysis of best practices, observations, questioned costs or findings

File selection and review will be via FACSPRO and based upon 10% of scheduled production. Site review will be based upon 5% or more if appropriate, of scheduled production and/or one completed site visit per contractor/crew

To provide adequate oversight, it is the Grantee'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 Grantee is required to have, at a minimum:

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

- 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 on what date.
- A system to track grantee and BCAEO monitoring findings and observations by auditor/inspector, contractor, and/or worker to ensure that repeated program deficiencies observed are addressed appropriately and swiftly.

Technical monitor positions are funded 100% with T&TA funding. All travel is 100% DOE funding unless other funding is available such as LIHEAP. If LIHEAP is available during the program year, the expenses are shared depending on the activity. This is tracked by Personal Activity Reports submitted by staff.

Program and financial monitor positions are funded approximately 25% of their salary with DOE Admin funds. Travel for monitoring purposes is shared between all active grants which can include LIHEAP, CSBG, and DOE.

Grant managers positions are funded with approximately 30% of their salary with DOE Admin funding. This amount can change yearly depending on funding awarded to the MDHS-BCAEO from other funding sources. The rest of their salary is compensated with Community Services Block Grant (CSBG) and LIHEAP funding.

The weatherization program specialist position is funded with approximately 80% DOE admin and 20% DOE T/TA for the monitoring oversight.

The MDHS-BCAEO director position salary is funded by 30% of total salary with DOE admin and 20% DOE T&TA.

The MDHS-BCAEO monitoring schedule is available in SF-424.

Community Services Policy Manual 600 Series

http://www.michigan.gov/dhs/0,4562,7-124-5455_7199_45583_45584---,00.html

V.8.4 Training and Technical Assistance Approach and Activities

WPN 15-4 Section 4: Provide Training to Implement and Maintain Guidelines/Standards

MDHS-BCAEO has created the following comprehensive training plan for PY15 which include both Tier 1 and Tier 2 identified training. This training plan will ensure that all Tier 1 training paid for with WAP T&TA funds must meet requirements of this section. Dates are subject to change based on trainer availability and network need.

Tier 1 Training Efforts:

September/October 2015 (Tier 1): MDHS-BCAEO will pay tuition for a 2 groups of up to 8 volunteers, each from different LWOs, for QCI training at an IREC accredited training facility. LWO's are responsible for travel fees and have committed to pay travel and testing expenses for the return trip to take the QCI test.

August 2015 (Tier 1): BCAEO will hold the annual MI Weatherization conference. MDHS-BCAEO will contract with an accredited, DOE approved, training facility to provide Tier 1 training which includes a comprehensive, occupation specific training which follows a curriculum aligned with the JTAs and any other Tier 1 training necessary to strengthen the Michigan WAP. Training needs will be identified through the trend analysis created by each technical monitor and quarterly training survey results. Federal and state procurement policy will be followed.

October/November 2015 (Tier 1): MDHS-BCAEO will contract with an IREC accredited training center to provide home energy auditor training/testing for the LWO network. It is possible MDHS-BCAEO will provide 2 training sessions, this will be determined by network need. Federal and state procurement policy will be followed. In state/out of state will be determined closer to the date.

March 2016 (Tier 1): MDHS-BCAEO will contact with IREC accredited training center to provide crew leader training/testing for the LWO network. It is possible MDHS-BCAEO will provide 2 training sessions, this will be determined by network need. Federal and state procurement policy will be followed. In state/out of state will be determined closer to the date.

Tier 2 Training:

MDHS-BCAEO will also provide Tier 2 training not only at the conference, but throughout the year as needed. Technical monitors will continue to provide quarterly LSW training and IAQ training to the network. They will also provide statewide database training, NEAT/MHEA training, Policy update training and monitoring update training. Technical monitors will utilize trend analysis to identify areas of training an agency may need.

MDHS-BCAEO will work with training centers within the state that are qualified to provide SWS, blower door, combustion appliance zone (CAZ), JTAs, ASHRAE 62.2 - 2013, Health & Safety, FACSPRO, and any other training identified as needed by the network in quarterly training surveys.

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

Additionally, MDHS-BCAEO staff will provide training such as MDHS-BCAEO financial, MDHS policy, fiscal/grant monitoring training, income eligibility training, and any other training that is identified by the network including T&TA through monitoring. MDHS-BCAEO will also contract with a company to provide customer service/customer interaction based training to strengthen client relations. Federal and state procurement policy will be followed.

MDHS-BCAEO provides training in many formats including online, on-site, teleconference, and webinar.

All training needs are determined by several methods including but not limited to:

- Review of subgrantee deficiencies
- Subgrantee direct training requests
- Involvement of T/TA subcontractor
- Formal and Informal quarterly training survey needs
- Recommendations resulting from external entities (DOE staff, contractors, auditors, etc.)
- Changes in DOE Requirements.

Attendance at state-sponsored training may be required on a case-by-case basis to help correct program deficiencies or to ensure competence in specific areas. In such cases, subgrantee and delegate attendance will be required as a matter of program compliance.

Additionally, Michigan will provide T&T/A funds for each LWO directly in the amount of \$15,000 to assist with additional training costs to meet certification requirements. Also, to ensure funding so that staff can attend the national weatherization conference planned by DOE for PY15.

MDHS-BCAEO will encourage all LWOs to attend in an effort to continue to strengthen the WAP in MI.

All contracted training will comply with federal and state procurement guidance and policy. MDHS-BCAEO intends to release a Invitation to Bid (ITB) which will allow training facilities to bid to be the designated training center for Michigan for a timeframe.

Client Education

T&T/A is also used to provide Client Education to the WAP client. The Client Education is outlined in the Community Services Policy Manual 600 Series and guides subgrantees as to the proper methods of Client Education. Below is an excerpt:

Client energy education begins with intake. This is where the applicant is initially introduced to the weatherization assistance program, the goal statement, the partnership concept, and the applicant is advised of his/her role.

The following minimum steps related to intake must be included in the grantee's energy education plan.

1. Introduce the WAP. Explain the concept of the program, what work may be done, and expectations for the applicant's participation.
2. Complete the application in FACSPRO or the paper Application for Weatherization Assistance, DHS4283.
3. Retain the signed WAP application or signed FACSPRO client intake report with the Weatherization disclaimer in the client file.
4. Determine eligibility and prioritize the applicant. See CSPM Item 611 regarding the client priority system.
5. Notify the applicant of the eligibility determination.
6. Ask the applicant to prepare for the audit by:
 - Making a list of energy questions and concern
 - Making the attic, basement, and crawl space accessible
 - Making the perimeter accessible
 - Securing pets
 - Planning to be home and ready to participate

Home Energy Audit

It is important that the client be involved in the home energy audit process. Client involvement is encouraged through commitment in writing to the goal statement

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

and a minimum of *three energy action steps*. These energy action steps are to be placed in the client file and to be included with all documentation given to anyone who goes to the client's home.

The following minimum steps related to the audit process must be included in the grantee's energy education plan.

1. Explain the WAP, stressing what each partner will do during each step.
2. Explain the agenda of the audit and what the client will need to do.
3. Explain how the house loses heat. Inquire about the heating system. Talk with the client about whether some rooms seem warmer while others are cooler. Show the client how to adjust heat flow to different areas to save energy and provide more comfort. Point out areas where the client could take action to save energy and money.
4. Complete the audit.
5. Summarize the results of the audit for the client. 1) Explain the nature of the work that may be done on the home. 2) If the client is actively participating, agree on three energy action steps for the client to do. 3) If the client is actively participating, the client plan of action should be signed by the client and auditor. A copy is to be provided to the client and the original must be uploaded to the FACSPRO weatherization module under the weatherization application documents tab.

Weatherization Work

When the crew or contractor is at the client's home, he/she should take advantage of every opportunity to reinforce the client's Energy Action Plan (E.A.P.). The theme of partnership and the goal statement need to be a part of the crew or contractor's interaction with the client for continued success.

The following minimum steps must be included in the grantee's energy education plan.

1. Introduce the contractor or crew to the client.
2. Complete a quick survey of the home, accompanied by the client. Reinforce the energy conservation work already done by the client.
3. Discuss the work plan for the day and proposed work for the client. Reinforce the three energy action steps to which the client committed.
4. Complete the work. Summarize the day's work for the client.
5. Explain the next step inspection.

Inspection

Reinforce the partnership between the Grantee and the client. Stress the importance of both the weatherization work and the client's action steps, and explain that a breakdown of either could result in less than adequate comfort and savings to the client.

The following minimum steps must be included in the Grantee's Energy Education Plan.

1. Ask the client about the weatherization work.
2. If appropriate, ask about the client's three energy action steps.
3. Inspect the work.
4. Follow up on referrals.
5. If follow up is provided, explain the next step.

The Grantee may wish to develop a Client Education Package to include the following items.

1. A generic letter introducing the Weatherization Assistance Program. See page 5.
2. An illustrated step by step energy savings guide. This could be distributed with the letter of introduction.
3. The client plan of action (required to be retained in the client file) and examples of energy action steps and the potential savings. See page 6 and 7.
4. A list of weatherization measures, which includes information relative to the contractor, if applicable.
5. A generic letter to be provided to the client after the weatherization measures are completed.

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0006161, State: MI, Program Year: 2015)

6. An illustrated guide for maintaining the weatherization measures installed.

7. A follow up survey.

V.9 Energy Crisis and Disaster Plan

Michigan will not use any grant funds for energy crisis relief during the 2015 Program Year.

BUDGET INFORMATION - Non-Construction Programs

1. Program/Project Identification No. EE0006161		2. Program/Project Title Weatherization Assistance Program	
3. Name and Address State of Michigan P.O. Box 30037 Lansing, MI 48933		4. Program/Project Start Date 07/01/2015	5. Completion Date 06/30/2016

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	\$ 1,000,000.00		\$ 12,862,926.00		\$ 13,862,926.00
2.						
3.						
4.						
5. TOTAL		\$ 1,000,000.00	\$ 0.00	\$ 12,862,926.00	\$ 0.00	\$ 13,862,926.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) GRANTEE ADMINISTR ATION	(2) SUBGRANTE E ADMINISTR	(3) GRANTEE T&TA	(4) SUBGRANT EE T&TA	
a. Personnel	\$ 268,541.00	\$ 0.00	\$ 113,560.00	\$ 0.00	\$ 382,101.00
b. Benefits	\$ 268,117.00	\$ 0.00	\$ 85,170.00	\$ 0.00	\$ 353,287.00
c. Travel	\$ 15,612.00	\$ 0.00	\$ 56,904.00	\$ 0.00	\$ 72,516.00
d. Equipment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
e. Supplies	\$ 7,100.00	\$ 0.00	\$ 2,919.00	\$ 0.00	\$ 10,019.00
f. Contract	\$ 0.00	\$ 660,041.00	\$ 1,398,271.00	\$ 435,000.00	\$ 12,919,905.00
g. Construction	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
h. Other	\$ 8,289.00	\$ 0.00	\$ 9,400.00	\$ 0.00	\$ 17,689.00
i. Total Direct Charges	\$ 567,659.00	\$ 660,041.00	\$ 1,666,224.00	\$ 435,000.00	\$ 13,755,517.00
j. Indirect	\$ 75,487.00	\$ 0.00	\$ 31,922.00	\$ 0.00	\$ 107,409.00
k. Totals	\$ 643,146.00	\$ 660,041.00	\$ 1,698,146.00	\$ 435,000.00	\$ 13,862,926.00
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

BUDGET INFORMATION - Non-Construction Programs

1. Program/Project Identification No. EE0006161		2. Program/Project Title Weatherization Assistance Program	
3. Name and Address State of Michigan P.O. Box 30037 Lansing, MI 48933	4. Program/Project Start Date 07/01/2015		
	5. Completion Date 06/30/2016		

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		\$ 1,000,000.00	\$ 0.00	\$ 12,862,926.00	\$ 0.00	\$ 13,862,926.00

SECTION B - BUDGET CATEGORIES						
6. Object Class Categories	Grant Program, Function or Activity				Total (5)	
	(1) PROGRAM OPERATION S	(2) HEALTH AND SAFETY	(3) LIABILITY INSURANCE	(4) FINANCIAL AUDITS		
a. Personnel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 382,101.00	
b. Benefits	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 353,287.00	
c. Travel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 72,516.00	
d. Equipment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
e. Supplies	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 10,019.00	
f. Contract	\$ 8,994,279.00	\$ 1,337,314.00	\$ 60,000.00	\$ 35,000.00	\$ 12,919,905.00	
g. Construction	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
h. Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 17,689.00	
i. Total Direct Charges	\$ 8,994,279.00	\$ 1,337,314.00	\$ 60,000.00	\$ 35,000.00	\$ 13,755,517.00	
j. Indirect	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 107,409.00	
k. Totals	\$ 8,994,279.00	\$ 1,337,314.00	\$ 60,000.00	\$ 35,000.00	\$ 13,862,926.00	
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	

BUDGET INFORMATION - Non-Construction Programs

1. Program/Project Identification No. EE0006161		2. Program/Project Title Weatherization Assistance Program	
3. Name and Address State of Michigan P.O. Box 30037 Lansing, MI 48933		4. Program/Project Start Date 07/01/2015	5. Completion Date 06/30/2016

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		\$ 1,000,000.00	\$ 0.00	\$ 12,862,926.00	\$ 0.00	\$ 13,862,926.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) VEHICLES AND EQUIPMENT	(2)	(3)	(4)	
a. Personnel	\$ 0.00				\$ 382,101.00
b. Benefits	\$ 0.00				\$ 353,287.00
c. Travel	\$ 0.00				\$ 72,516.00
d. Equipment	\$ 0.00				\$ 0.00
e. Supplies	\$ 0.00				\$ 10,019.00
f. Contract	\$ 0.00				\$ 12,919,905.00
g. Construction	\$ 0.00				\$ 0.00
h. Other	\$ 0.00				\$ 17,689.00
i. Total Direct Charges	\$ 0.00				\$ 13,755,517.00
j. Indirect	\$ 0.00				\$ 107,409.00
k. Totals	\$ 0.00				\$ 13,862,926.00
7. Program Income	\$ 0.00				\$ 0.00

U.S. Department of Energy
BUDGET INFORMATION REMARKS

(Grant Number: EE0006161)

Remarks

The Grantee admin will be utilized although the cost allocation method may be altered by the start date of PY15. Currently, the Michigan Department of Human Services and the Michigan Department of Community Health are merging into one state department. The details of the merger (i.e. staffing, location of MDHS-BCAEO in state government, etc.) have not been released. MDHS BCAEO is submitting this budget which is already approved for the PY14 plan by DOE. Details are expected to become available beginning April 20, 2015.

Per DOE, Entries were added to "true up" the Salaries, Benefits, and Indirect cost to whole dollars.
Grantee salaries, fringe, and monitoring (travel) is split between three programs (WAP, LIHEAP, and CSBG). PARS are kept by MDHS accounting.

MI MDHS Cost Allocation Plan has been submitted to HHS for approval. A revised plan was sent 1/2015. This is attached in SF-424. MDHS is required to and does submit an updated plan by the first day of each quarter. The merger of the two Michigan Departments will then combine the MI Department of Human Services and MI Department of Community Health cost allocation plans. Currently, an organizational structure for the merger has not been decided. MI DHS continues to operate under a PACAP that is thoroughly reviewed and updated quarterly while HHS approval is pending. HHS has experienced delays in their review process.

The "Supplies" category were estimated using historical supply costs.

The "Travel" category was determined by using historical travel costs/trips.

The "Other" category was determined using historical data.

Direct costs are not included in the Indirect costs.

Estimated Carryover breakdown is available in SF-424 uploaded documents. This is an estimate as MI uses a reimbursement method for Grantees. Actual amounts will be updated at a later date if necessary.