

U.S. DEPARTMENT OF ENERGY
GOLDEN FIELD OFFICE



BUDGET EXPLANATION FOR FORMULA GRANTS

Applicant: State of Michigan

Budget period: 04/01/2010 - 03/31/2011

Award number: EE00076

Amendment number: A001

1. **PERSONNEL** - Prime Applicant only (all other participant costs are listed in 6 below and form DOE F 4600.4, Section B. Line 6.f. Contracts and Sub-Grants).

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

<u>Position</u>	<u>Description of Duties of Professionals</u>
Bureau Executive Director SAM 17 (1)	As required under Public Act 123, the executive director supervises and coordinates: state activities to reduce poverty, implement community social and economic programs, designate community action agencies pursuant to Section 8 of the Act, provide assistance to units of local governments, contract (with public and private non-profit agencies as well as non-profit organizations) for demonstration programs and other services to necessary to implement the Act, to serve as an advocate within the executive branch to remove administrative barriers to self-sufficiency services and to seek additional resources for anti-poverty strategies.
State Administrative Manager SAM 15 (1)	Provides support to the Community Services Bureau Executive Director. Provides executive direction for and oversees activities of Technical Monitoring Division and Grants Division.
Secretary A	Provides support to the Bureau director and Administrative Manager. Performs secretarial duties. Provides clerical support to bureau staff and commission members.
Secretary B	Provides support to the Bureau staff & Administrative Manager. Performs secretarial duties and tracks and routes all contracts. Provides clerical support to bureau staff.
WAP Division Manager	Provides supervision and management of entire WAP Division
Weatherization Program Specialist 13 (1)	Works with the Policy Advisory Council in recommending policy to the DHS with respect to the development and implementation of our weatherization program. Functions as the liaison to the Weatherization Training Advisory Council (WXTRAC). Develops and prepares the state plan and all subsequent amendments; responsible for federal reporting, policy clarification, and general oversight of the program; oversees the activities of the programmatic compliance; evaluates statutes, program needs, problems and opportunities that would provide a more comprehensive view of the program.
Department Analyst (2) Grant monitor	Conducts comprehensive and annual monitoring on-site visits to each LWO each program year. Provides onsite training and/or recommendations related to monitor visit observations and/or findings. Provides written monitor report for each LWO. Makes recommendations on policy clarifications and trainings that would serve best to address shortfalls observed during monitoring process.
Department Analyst (4) Grant manager	Reviews all budgets/plans for compliance with DOE regs, and DHS policy and procedure for all assigned local weatherization operators. Reviews all billings, plan change requests, and production throughout program year. Provides training related to file maintenance, income eligibility, DHS Community Service Policy Manual upon request and/or upon results of annual monitor report.
CSBG Program Specialist 13 (1)	Develops all CSBG related policies and is responsible for state plan. Is responsible for all NASCSP reporting including the IS survey that collects information about CAA WAPs.

Financial Analyst 12 (1)	Assists with fiscal aspects of monitoring associated with the CSBG statute section 678B(a). Provide support and technical assistance to agencies experiencing financial crisis and/or agencies that have new fiscal staff at the local level. Assists with the review and comment on audit resolutions, and review the Form 990s submitted by the CAAs. Participates in a full on-site review/assessment of CAAs every two years.
Dept. Analyst-Reports/Trainer Coord	Responsible for all programmatic report compilation; technical training calendar maintenance and notices; coordination of all training events for the WAP program
Weatherization Building Code Supervisor (2)	Supervises field activities of the weatherization building code inspectors. Is a key technical training advisor.
Weatherization Building Code Inspectors (2) (Technical Specialists)	Review program compliance, on-site, among assigned local weatherization operators. Provide training and technical assistance in the sphere of weatherization to ensure the maintenance of standards and workmanship.
Rounding Error Adjustment (0)	So totals will match the amount budgeted in the SF-424A Budget

Direct Personnel Compensation:

<u>Position</u>	<u>Salary/Rate</u>	<u>Time</u>	<u>Direct Pay</u>
Bureau Executive Director SAM 17 (1)	\$84,819.00	7.5 % FT	\$6,361.43
State Administrative Manager SAM 15 (1)	\$82,245.00	7.5 % FT	\$6,168.38
Secretary A	\$48,504.00	7.5 % FT	\$3,637.80
Secretary B	\$46,712.00	7.5 % FT	\$3,503.40
WAP Division Manager	\$75,356.00	25 % FT	\$18,839.00
Weatherization Program Specialist 13 (1)	\$69,213.00	25 % FT	\$17,303.25
Department Analyst (2) Grant monitor	\$126,912.00	7.5 % FT	\$9,518.40
Department Analyst (4) Grant manager	\$253,512.00	7.5 % FT	\$19,013.40
CSBG Program Specialist 13 (1)	\$69,213.00	0.25 % FT	\$173.03
Financial Analyst 12 (1)	\$63,143.00	7.5 % FT	\$4,735.73
Dept. Analyst-Reports/Trainer Coord	\$58,732.00	18.75 % FT	\$11,012.25
Weatherization Building Code Supervisor (2)	\$106,625.00	25 % FT	\$26,656.25
Weatherization Building Code Inspectors (2) (Technical Specialists)	\$103,165.00	25 % FT	\$25,791.25
Rounding Error Adjustment (0)	\$-0.57	100 % FT	\$-0.57
		Direct Pay Total	\$152,713.00

2. FRINGE BENEFITS

- a. Are the fringe cost rates approved by a Federal Agency? If so, identify the agency and date of latest rate agreement or audit below, and include a copy of the rate agreement.

Fringe cost rates vary by employee. Actual fringe costs are reflected in this budget.

- b. If a above does not apply, indicate the basis for computation of rates, including the types of benefits to be provided, the rate(s) used, and the cost base for each rate. You may provide the information below or provide the calculations as an attachment.

Group health insurance
 Dental Insurance
 Vision Care
 Longevity Pay
 Long-term disability
 Group Life Insurance
 Retirement
 FICA

Fringe Benefits Calculations

<u>Position</u>	<u>Direct Pay</u>	<u>Rate</u>	<u>Benefits</u>
Bureau Executive Director SAM 17 (1)	\$6,361.43	54.03 %	\$3,437.08
State Administrative Manager SAM 15 (1)	\$6,168.38	53.91 %	\$3,325.37
Secretary A	\$3,637.80	67.79 %	\$2,466.06
Secretary B	\$3,503.40	79.47 %	\$2,784.15
WAP Division Manager	\$18,839.00	55.84 %	\$10,519.70
Weatherization Program Specialist 13 (1)	\$17,303.25	57.95 %	\$10,027.23
Department Analyst (2) Grant monitor	\$9,518.40	60.03 %	\$5,713.90
Department Analyst (4) Grant manager	\$19,013.40	56.68 %	\$10,776.80
CSBG Program Specialist 13 (1)	\$173.03	60.10 %	\$103.99
Financial Analyst 12 (1)	\$4,735.73	51.80 %	\$2,453.11
Dept. Analyst-Reports/Trainer Coord	\$11,012.25	59.01 %	\$6,498.33
Weatherization Building Code Supervisor (2)	\$26,656.25	50.33 %	\$13,416.09
Weatherization Building Code Inspectors (2) (Technical Specialists)	\$25,791.25	45.54 %	\$11,745.34
Rounding Error Adjustment (0)	\$-0.57	906.00 %	\$-5.16
		Fringe Benefits Total	\$83,261.99

3. **TRAVEL** - Identify total foreign and domestic travel as separate items.

a. Proposed travel:

<u>Purpose of Trip</u>	<u>Number of Trips</u>	<u>Cost Per Trip</u>	<u>Total</u>
Technical monitoring visits will be conducted for a minimum of 5% of PY08 and PY09 production. Additional visits will be scheduled when issues are identified, and another 1% of visits will be conducted to ensure all corrective action has been completed. Approximately 9 visits to each of the 32 agencies per annum will be conducted.	299	\$223.72	\$66,892.28
1 2-day fiscal monitoring will be conducted at each of the 32 LWO agencies throughout the year.	32	\$414.06	\$13,249.92
1 2-day program monitor visits will be conducted at each of the 32 LWO agencies throughout the year. It is anticipated that some agencies will require additional visits based on the number of job files, e.g. City of Detroit.	34	\$337.14	\$11,462.76
2 Training and Technical Assistance Visits to each of the 32 LWO agencies throughout the program year will be conducted.	64	\$438.10	\$28,038.40
The Michigan WAP network is divided into four regions. Staff will conduct 3 2-person regional training events throughout the program year.	12	\$607.20	\$7,286.40
Michigan will conduct its annual WAP conference in the fall of PY10. A minimum of 12 staff will attend this 3-day conference and be responsible for several of the training sessions. The conference provides 3 training tracks: Admin, Support and Technical.	12	\$314.90	\$3,778.80
Staff will attend various weatherization conferences including: DOE national/regional conferences; Affordable Comfort, Energy Out West, NCAF Energy Conference; Wisconsin Energy center events; NASCSP, and Lead Renovator Courses.	16	\$1,426.75	\$22,828.00
adjustment	1	\$0.44	\$0.44
		Travel Total	\$153,537.00

b. Basis for computation of travel expenses (e.g., current airline quotes, past trips, federal or organization travel policy, etc.):

The grant provides travel funds for activities associated with the weatherization program. Travel is charged to the grant on a trip basis as identified on the monthly Travel Expense Voucher. All travel costs are consistent with the State of Michigan Standard Travel Regulations. These regulations are available upon request.

4. EQUIPMENT - As defined in 10 CFR 660.202. Definitions are at http://www.access.gpo.gov/nara/cfr/waisidx_00/10cf

a. Basis of cost estimates (e.g., vendor quotes, prior purchases of similar or like items, etc.):

No equipment purchases are budgeted.

b. Equipment to be purchased and justification of need:

<u>Equipment</u>	<u>Unit Cost</u>	<u>Number</u>	<u>Total Cost</u>	<u>Justification of Need</u>
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5. MATERIALS AND SUPPLIES - As defined in 10 CFR 660.202.

a. Basis cost estimates (e.g., vendor quotes, prior purchases of like items, etc.):

historical costs, prior purchase

b. Supplies to be purchased and justification of need:

<u>General Category</u>	<u>Cost</u>	<u>Justification of Need</u>
office supplies, training supplies, maintenance		day-to-day operations, ordinary cost of program operations
combustion appliance testing and diagnostic equipment, ladders, tools, etc.		training, evaluation and materials necessary for weatherization.
Weatherization Calendars/Client Education; Wx brochure		enhanced client education effort
Lap-top computers with docking stations, monitors, Windows XP, DVD & CD-RW		Upgrades and updates for training center including NEAT, MHEA, WinSAGA, Grants.gov and other applications
Subtotal	\$45,000.00	
Materials and Supplies Total	\$45,000.00	

6. CONTRACTS AND SUBGRANTS - All other participant costs including subcontractor sub-grants, and consultants

For ongoing subcontractors and sub recipients described elsewhere in the application, document and item number is listed.

<u>Name of Proposed Sub</u>	<u>Total Cost</u>	<u>Basis of Cost*</u>
LWO Wx Program Funds	\$8,276,232.00	State allocation formula to provide weatherization services by county taking into account census information. Please refer to section II.3 of the annual file for individual agency DOE funding amounts.
LWO Administrative Funds	\$811,503.00	Capped based on program rules and amount of program funds per LWO
LWO Training & Technical Assistance	\$1,184,330.00	Per state plan allocation methodology (\$20,000 base plus 544,330 dist. by formula to 32 agencies)
Liability Insurance	\$60,413.00	Traditional coverage historically provided

LWO Health & Safety	\$929,500.00	To cover energy-related health and safety expenses
Financial Audits	\$27,883.00	Single Audit Act requirement for grantee and subgrantees
Temporary Staff	\$10,000.00	Assist with annual WAP conference providing coordination, scheduling and compiling evaluation reports.
Trainer Contracts for technical training throughout the program year	\$115,000.00	Technical related training to be conducted for LWOs at annual Michigan Wx conference and regionally as needed.
WAP annual conference contract for facility, meals, equipment, etc.	\$25,350.00	To cover conference facility, meeting rooms and meals for 3-day annual Michigan WAP conference with between 250-300 attendees.
Contracts and Subgrants Total	\$11,440,211.00	

*For example, Competitive, Historical, Quote, Catalog

7. **OTHER DIRECT COSTS** - All direct costs not included in above categories

a. Basis for cost estimates (e.g., vendor quotes, prior purchase of similar items, etc.):

Historical pricing.

b. Other direct costs and justification of need:

<u>General Description</u>	<u>Cost</u>	<u>Justification of Need</u>
Telecommunications	\$7,000.00	Costs related to cellular phone service, and conference calls conducted on a bi-monthly basis with the LWO network.
State car usage	\$8,000.00	Costs related to usage of state vehicles for program & technical monitoring, T/TA visits, etc.
Dues/Subscriptions	\$5,401.00	NASCSP dues and weatherization subscription costs
Program Promotional	\$5,000.00	Tied to Wx Day & Public Information Campaign activities
WAP Conf Printing	\$2,500.00	Printing for brochures, session descriptions, and handouts for WAP conf.
Other Direct Costs Total	\$27,901.00	

8. **INDIRECT COSTS**

a. Are the indirect cost rates approved by a Federal agency? If so, identify the agency and date of latest rate agreement or audit and provide a copy of the rate agreement.

b. If the above does not apply, indicate the basis for computation of rates, including the types of benefits to be provided, the rate(s) used, and the cost base for each rate. You may provide the information below or provide the calculations separately.

The DOE weatherization grant, through the cost allocation process, is billed for a share of DHS's administrative costs. The costs cover such things as: accounting, personnel, rent, data processing, contract processing and other central office administrative support services. The following three steps are taken to develop an estimate:

Step One. The non-specific DHS administrative costs which were billed to the DOE weatherization grant for the State fiscal year prior to the applicable DOE weatherization program year are summed (e.g. State fiscal year 2005 costs were used for DOE program year 2006).

Step Two. The value from Step One is divided by the central office FTEs assigned to the program.

Step Three. The value from Step Two is adjusted for inflation to arrive at the indirect cost rate.

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

Name: Jeffrey Wyman

Phone Number: (517)241-0778

Indirect costs calculations:

Indirect Cost Account	Direct Total	Indirect Rate	Total Indirect
Admin: Based on \$15949/FTE for the last 4 quarters-budgeting only 25% to this grant	\$96,656.69	4.13 %	\$3,987.09
T&TA: Based on \$17166.79/FTE for the last 4 quarters-budgeting only 25% to this grant	\$68,667.16	6.25 %	\$4,291.70
adjustment	\$1.21	100.00 %	\$1.21
		Indirect Costs Total	\$8,280.00

Federal Assistance Budget Information

OMB Burden Disclosure Statement

Public reporting burden for this collection of information is estimated to average 1.87 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Office of Information Resources Management Policy, Plans and Oversight, Records Management Division, HR-422 - GTN, Paperwork Reduction Project (1910-0400), U.S. Department of Energy, 1000 Independence Avenue, S.W., Washington, DC 20585; and to the Office of Management and Budget (OMB), Paperwork Reduction Project (1910-0400), Washington, DC 20503.

1. Program/Project Identification No. Amendment number:	EE00076 A001	2. Program/Project Title Weatherization Assistance Program For Low Income Persons
3. Name and Address State of Michigan P.O. Box 30037 Lansing MI 48909-		4. Program/Project Start Date 04/01/2010
		5. Completion Date 03/31/2011

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. DOE	81.042	\$ 0.00		\$ 11,910,904.00		\$ 11,910,904.00
2. STATE			\$ 0.00		\$ 0.00	\$ 0.00
3.						
4.						
5. TOTALS		\$ 0.00	\$ 0.00	\$ 11,910,904.00	\$ 0.00	\$ 11,910,904.00

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	\$ 100,266.00	\$ 0.00	\$ 52,447.00	\$ 0.00	\$ 152,713.00
B. FRINGE BENEFITS	\$ 58,103.00	\$ 0.00	\$ 25,159.00	\$ 0.00	\$ 83,262.00
C. TRAVEL	\$ 35,343.00	\$ 0.00	\$ 118,194.00	\$ 0.00	\$ 153,537.00
D. EQUIPMENT	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
E. SUPPLIES	\$ 15,000.00	\$ 0.00	\$ 30,000.00	\$ 0.00	\$ 45,000.00
F. CONTRACTUAL	\$ 17,500.00	\$ 811,503.00	\$ 132,850.00	\$ 1,184,330.00	\$ 11,440,211.00
G. CONSTRUCTION	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
H. OTHER	\$ 18,401.00	\$ 0.00	\$ 9,500.00	\$ 0.00	\$ 27,901.00
I. TOTAL DIRECT CHARGES	\$ 244,613.00	\$ 811,503.00	\$ 368,150.00	\$ 1,184,330.00	\$ 11,902,624.00
J. INDIRECT CHARGES	\$ 3,988.00	\$ 0.00	\$ 4,292.00	\$ 0.00	\$ 8,280.00
K. TOTALS	\$ 248,601.00	\$ 811,503.00	\$ 372,442.00	\$ 1,184,330.00	\$ 11,910,904.00
7. PROGRAM INCOME	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Federal Assistance Budget Information**OMB Burden Disclosure Statement**

Public reporting burden for this collection of information is estimated to average 1.87 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Office of Information Resources Management Policy, Plans and Oversight, Records Management Division, HR-422 - GTN, Paperwork Reduction Project (1910-0400), U.S. Department of Energy, 1000 Independence Avenue, S.W., Washington, DC 20585; and to the Office of Management and Budget (OMB), Paperwork Reduction Project (1910-0400), Washington, DC 20503.

1. Program/Project Identification No. Amendment number:	EE00076 A001	2. Program/Project Title Weatherization Assistance Program For Low Income Persons
3. Name and Address State of Michigan P.O. Box 30037 Lansing MI 48909-		4. Program/Project Start Date 04/01/2010
		5. Completion Date 03/31/2011

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. TOTALS		\$ 0.00	\$ 0.00	\$ 11,910,904.00	\$ 0.00	\$ 11,910,904.00

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	\$ 152,713.00
B. FRINGE BENEFITS	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 83,262.00
C. TRAVEL	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 153,537.00
D. EQUIPMENT	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
E. SUPPLIES	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 45,000.00
F. CONTRACTUAL	\$ 8,276,232.00	\$ 929,500.00	\$ 60,413.00	\$ 27,883.00	\$ 11,440,211.00
G. CONSTRUCTION	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
H. OTHER	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 27,901.00
I. TOTAL DIRECT CHARGES	\$ 8,276,232.00	\$ 929,500.00	\$ 60,413.00	\$ 27,883.00	\$ 11,902,624.00
J. INDIRECT CHARGES	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 8,280.00
K. TOTALS	\$ 8,276,232.00	\$ 929,500.00	\$ 60,413.00	\$ 27,883.00	\$ 11,910,904.00
7. PROGRAM INCOME	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

BUDGET INFORMATION - Non-Construction Programs

1. Program/Project Identification No. EE00076 Amendment number: A001		2. Program/Project Title Weatherization Assistance Program For Low Income Persons	
3. Name and Address State of Michigan P.O. Box 30037 Lansing MI 48909-		4. Program/Project Start Date 04/01/2010	5. Completion Date 03/31/2011

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. DOE	81.042	\$ 0.00		\$ 11,910,904.00		\$ 11,910,904.00
2. STATE			\$ 0.00		\$ 0.00	\$ 0.00
3.						
4.						
5. TOTALS		\$ 0.00	\$ 0.00	\$ 11,910,904.00	\$ 0.00	\$ 11,910,904.00

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	\$ 100,266.00	\$ 0.00	\$ 52,447.00	\$ 0.00	\$ 152,713.00
B. FRINGE BENEFITS	\$ 58,103.00	\$ 0.00	\$ 25,159.00	\$ 0.00	\$ 83,262.00
C. TRAVEL	\$ 35,343.00	\$ 0.00	\$ 118,194.00	\$ 0.00	\$ 153,537.00
D. EQUIPMENT	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
E. SUPPLIES	\$ 15,000.00	\$ 0.00	\$ 30,000.00	\$ 0.00	\$ 45,000.00
F. CONTRACTUAL	\$ 17,500.00	\$ 811,503.00	\$ 132,850.00	\$ 1,184,330.00	\$ 11,440,211.00
G. CONSTRUCTION	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
H. OTHER	\$ 18,401.00	\$ 0.00	\$ 9,500.00	\$ 0.00	\$ 27,901.00
I. TOTAL DIRECT CHARGES	\$ 244,613.00	\$ 811,503.00	\$ 368,150.00	\$ 1,184,330.00	\$ 11,902,624.00
J. INDIRECT CHARGES	\$ 3,988.00	\$ 0.00	\$ 4,292.00	\$ 0.00	\$ 8,280.00
K. TOTALS	\$ 248,601.00	\$ 811,503.00	\$ 372,442.00	\$ 1,184,330.00	\$ 11,910,904.00
7. PROGRAM INCOME	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

BUDGET INFORMATION - Non-Construction Programs

1. Program/Project Identification No. Amendment number:	EE00076 A001	2. Program/Project Title Weatherization Assistance Program For Low Income Persons
3. Name and Address State of Michigan P.O. Box 30037 Lansing MI 48909-		4. Program/Project Start Date 04/01/2010
		5. Completion Date 03/31/2011

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. TOTALS		\$ 0.00	\$ 0.00	\$ 11,910,904.00	\$ 0.00	\$ 11,910,904.00

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	\$ 152,713.00
B. FRINGE BENEFITS	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 83,262.00
C. TRAVEL	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 153,537.00
D. EQUIPMENT	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
E. SUPPLIES	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 45,000.00
F. CONTRACTUAL	\$ 8,276,232.00	\$ 929,500.00	\$ 60,413.00	\$ 27,883.00	\$ 11,440,211.00
G. CONSTRUCTION	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
H. OTHER	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 27,901.00
I. TOTAL DIRECT CHARGES	\$ 8,276,232.00	\$ 929,500.00	\$ 60,413.00	\$ 27,883.00	\$ 11,902,624.00
J. INDIRECT CHARGES	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 8,280.00
K. TOTALS	\$ 8,276,232.00	\$ 929,500.00	\$ 60,413.00	\$ 27,883.00	\$ 11,910,904.00
7. PROGRAM INCOME	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

U.S. Department of Energy

STATE PLAN/MASTER FILE WORKSHEET

Grant Number: EE00076, State: MI, Program Year: 2009

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

III.1 Eligible Population

III.1.1 General Description

Definition of income used to determine eligibility:

Michigan will use 60 percent of state median income in determining eligibility under section 440.22(a). Michigan will also use a look-back period of 90 days to determine income eligibility. This is a change from looking back to the previous 12 months.

Procedures to determine that units weatherized have eligibility documentation:

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 requirements. It also requires that income and home ownership is verified by LWO staff. LWOs are required to maintain records that include documentation of client eligibility. EXCEPTION: An application and eligibility determination are not required for shelters, including emergency homeless shelters and migrant housing units, which share some characteristics of rental units but may lack the traditional landlord-tenant lease relationship, where it can be assumed that occupants are low-income.

The LWOs maintain records of previously weatherized dwelling units by address. 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 9/30/1993 with DOE funds then it is eligible for reweatherization, as defined 10 CFR 440.18. This policy is clarified in item 605 of the CSPM and the house will not be weatherized unless the DOE regulations revise the reweatherization date. If the house is eligible for reweatherization, the subgrantee makes a determination whether or not to reweatherize 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.

Definition of children: Below age 18

Recommend tribal organization(s) be treated as local applicant? No

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

LWOs will be required to designate a Native American service priority target. The statewide service level to Native Americans is projected at 2 percent of the total units to be served. Michigan is not recommending any tribal organization be treated as a local applicant eligible to submit an application pursuant to 440.13(b).

III.1.2 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 Dept of Human Services which serves the city of Detroit only, and the three Wayne County operators which serve portions of out-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.

III.1.3 Priorities

In accordance with section 440.14(2)(ii-iii) DHS has established a statewide goal of 20 percent elderly and 15 percent for persons with disabilities. Each LWO sets an annual goal. LWOs must have an exception (including rationale) approved by DHS to set goals below the statewide goals. Both the statewide and the agencies' goals are monitored.

The state appropriation budget for the DHS weatherization program requires 25% of households weatherized be households of families receiving family independence program, state disability assistance, or supplemental security income.

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In PY06, Michigan added the terms "high residential energy user" and "household with a high energy burden" as two additional priority categories agencies can use at their discretion. **In PY09, DHS will work with each LWO to determine the regional definition of these two priority categories. Incorporating these definitions into each LWO priority policy will be optional for PY09 and mandatory for PY2010. DHS will work with WxTRAC to develop any necessary training needs associated with it.**

III.2 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) 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 the Michigan weatherization service data.

The 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:

ASCET 6973; Alger-Marquette 8953; Allegan County RDC 6650; Baraga-Houghton-Keweenaw 9137; CAA of South Central MI 6749; Capital Area 7209; City of Detroit 6355; Chippewew-Luce-Mackinac 9062; Dickinson-Iron 9242; EightCAP 7247; Five CAP 7239; Genesee County CAA 6979; Gogebic-Ontonagon CAA 9699; Human Development Comm 7256; Kalamazoo County 6353; Macomb County CSA 6777; Menominee-Delta-Schoolcraft 8657; Mid-Michigan CAA 7519; Monroe County Opp 6593; Muskegon-Oceana CAAPE 7220; Northeast MI CSA 8252; Northwest MI HSA 8055; Oakland Livingston HSA 6885; Ottawa County CAA 6624; Region II CAA 6885; Saginaw County CAC 6925; Saint Clair County EOC 6898; Van Cas CAP 6592; Washtenaw County CSA 6423; Wayne Metro CSA 6355; City of Dearborn 5355; Downriver CC 6355; and Wayne County 6355.

III.3 Weatherization Work

III.3.1 Type of Work to Be Done

The weatherization measures most commonly installed in eligible units are health and safety measures, major bypasses, duct sealing, repair, replacement and insulation, and attic and wall insulation. Michigan has also added cost-effective electric baseload measures including refrigerator replacement, compact fluorescent (CFL) light bulbs. Domestic hot water heaters are an electric baseload measure being replaced under Health & Safety only on owner occupied units and as defined in the table below.

Table 8- Health & Safety Hazards Related to Water Heaters

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 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 byproducts 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

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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.

III.3.2 Energy Audit Procedures

Michigan has implemented a policy per the **DHS Technical Weatherization Policy (TWP) manual, Section 2200-Inspection/ Testing/Energy Audit Requirements** and Weatherization Field Manual II.I.A, II.I.B.1 and II.I.B.2. whereby all LWOs will be using the National Energy Audit Tool (NEAT) software package (Version 7.4.3 or newer) on non-standard homes, or the NEAT-generated priority list which was approved by DOE on March 4, 2003 for the weatherization of the primary "typical home" of one to four unit dwellings.

In PY09, Michigan will implement a weatherization measures with a computed savings to investment ratio (SIR) of 1.0 or greater established by a NEAT audit. Measures shall be addressed in descending order (from the highest SIR down to a minimum SIR of 1.0).

In PY09, Michigan shall submit a NEAT generated priority list to DOE (Alex Moore) for approval of the primary "typical home" of one to four unit dwellings. DHS staff will work with designated agencies to conduct independent audits. Designated agencies will represent the diverse geographic locations, climatic conditions, and energy types/cost factors. The objective is to determine synchronization of measures too incorporate into the Priorities Audit. The results of these audits will be submitted to DOE. If results do produce different/additional measures, the state will update its current inspector training curriculum to incorporate these. The current approved priorities will continue to be implemented and enforced until the approved, updated audit is received from DOE.

In PY07, Michigan submitted a manufactured homes priority list to DOE (Alex Moore) for approval. The list was approved November, 2007. The approved Mobile Home Measures Priority List is as follows:

1. Health & Safety measures (includes, but is not limited to smoke detector installation, clothes dryer venting and inoperative heating system replacement)
 2. Air sealing (including Duct Sealing)
 3. Ceiling/roof insulation (if existing R value is less than 11)
 4. Mandatory door-storm door replacement for non repairable units
 5. Wall insulation (if space exists and existing R value is less than 9)
 6. Belly/floor insulation (if existing R value is less than 19)
 7. Storm windows (inside or outside)
 8. Heating system tune-up (replacement if SSE is less than 70%)
 9. Setback (clock) thermostat.
 10. Compact fluorescent light bulb replacement
 11. Refrigerator replacement when SIR for measure is 1.0 or greater
 12. Domestic Hot Water tank insulation (includes insulating supply line)
- Measures 9, 10 & 11 are included as base load reduction measures.

Hands-on and classroom training on the new priorities (wall and attic insulation) installation procedures for attic and sidewall insulation was conducted at the Mid-Michigan CAA main office located in Farwell, Michigan. Eight one-day classes were presented to certified inspectors, crews, contractors and agency technical/administrative/support staff. Additional classroom training was conducted at an MCAAA quarterly session, in Grand Rapids, Michigan.

Training on all priorities will be instructed in both the classroom and on-site. Classroom training will be conducted at the Lansing training center, and at MCAAA meetings. On-site classroom and hands-on training will be conducted on an as-needed basis, regionally throughout PY09.

During 09, Michigan will continue to assess the encapsulated roof insulation measure to determine the feasibility

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and effectiveness of the measure.

Multi-family buildings (with 5 or more units) may use any DOE approved audit for multifamily dwellings.

<u>Unit Types</u>	<u>Audit Procedures and Dates Most Recently Approved by DOE</u>
Single-family	Either NEAT-generated Priority List last approved 3-4-2003 or NEAT software on non-standard homes
Multi-family	Any DOE approved multi-family audit
Mobile Home	Manufactured Homes priority list approved by DOE in 2007

III.3.3 Final Inspection

A complete pre-inspection and post-inspection are required for each home weatherized. Inspections shall include energy audit reviews as well as required testing. Postinspection approval is mandatory for a home to be considered a completion. No dwelling unit may be reported to DOE as completed until all weatherization material is installed and a final inspection is performed. Policies and specifications are provided to each LWO through the **Technical Weatherization Policy (TWP) manual and the Weatherization Field Manual** and are covered during pre/post-inspector training. Weatherization technical monitoring is done a minimum of once a year. This monitoring includes review of selected houses to determine compliance with file documentation, work standard and quality standards. **Pre and Post inspections shall include Indoor Air Quality (IAQ) inspections. IAQ inspection requirements include completion of DHS forms 552 and 552A.**

Attendance and completion of the DHS IAQ training is required by all DHS certified weatherization inspectors, contractors and crew members. IAQ training is provided, at a minimum, quarterly, by DHS staff at the Lansing training center or at MCAA meetings.

Blower door testing of all homes shall be conducted at both the pre and post-inspection of the home by a DHS certified weatherization inspector or crewperson/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 DHS or Manufacturer's certification of training. Note: DHS-certified inspector information is kept up to date at the Bureau of Community Action and Economic Opportunity. No other documentation is necessary for DHS-inspector certification status.

III.3.4 Assessment of Effectiveness

DHS 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. DHS will continue to assess the level of such management controls via staff visits, reports and the audit process and will provide T/TA as needed.

If DHS determines that the LWO's administrative and/or financial organization is 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, DHS may appoint an interim provider until such time that the public process for identification of a permanent provider can be accomplished. 10 CFR 400.15 will be followed in selecting a permanent replacement provider.

Deficiencies found during (compliance and technical monitoring) visits are considered as future training topics.

During PY09, DHS will work with LWOs and utilities to facilitate a dialogue between the entities to work toward the collection of accurate utility usage data on the Michigan homes weatherized. These discussions have begun, and through continued work, DHS, with the assistance and cooperation of the various utilities, will ensure that data

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necessary to accurately assess the reduction in utility usage, as it relates to weatherization activities, becomes a reality in Michigan.

III.4 Health and Safety

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Weatherization funds may be used only for the elimination of energy-related health and safety hazards that are necessary before or because of the installation of weatherization materials. To ensure that program services concentrate on energy efficiency measures and that program funds comply with cost limitations, DHS has a maximum average that LWOs may spend in health and safety-related repairs per dwelling unit.

The costs associated with the necessary elimination of such hazardous conditions shall not be included in the maximum average per dwelling unit cost limitation. Health and safety hazards not to be abated under Michigan's Weatherization Program include hazards presented by asbestos, radon, lead, or toxic chemicals.

GRANTEE, CREW, CONTRACTOR, AND CLIENT HEALTH AND SAFETY:

The health and safety of clients, local weatherization operator staffs, and contractors are of primary concern. It is important that all personnel maintain a high level of awareness concerning the potential hazards associated with the weatherization process. Weatherization program staff who go to clients' homes as part of their work responsibilities will receive necessary training on health and safety issues that may affect them and clients. Weatherization program staff will have equipment, such as personal carbon monoxide detectors, that protect them from health and safety hazards and equipment necessary to test clients' homes for health and safety hazards. The costs of such training and equipment will be charged to state administrative and/or training and technical assistance cost categories.

Crew/Contractor Safety

LWOs must comply with Occupational Health and Safety Administration (OSHA) requirements in all weatherization activities. Allowable costs for LWOs to comply with OSHA requirements may be charged as health and safety, tools and equipment, incidental repairs, etc. To assure that the cost category selected is charged consistently throughout the State, DHS has prepared a Community Services Policy Manual update regarding the appropriate charges. Crews and contractors will utilize personal safety equipment when necessary and receive training on the use of material safety data sheets, first aid techniques, and related safety equipment like ladders, respirator protection, and personal equipment.

Client Health & Safety

Weatherization activities can affect how a home works. As building tightness increases and the infiltration rate decreases, air quality problems can become an unintentional consequence. Low concentrations of pollutants or water vapor may become higher, potentially dangerous concentrations. Combustion and venting characteristics of combustion appliances may be affected, causing the release of unhealthy combustion by-products into the living space. It is crucial that the agency inspector be aware of the interactions between building tightness and potential indoor air quality problems. Ductwork leakage will play a role in this whole formula. An important part of the initial inspection of the home must be a thorough evaluation of potential indoor air quality problems, including blower door testing.

Each home weatherized by an LWO must be assessed to detect the existence of potential hazards to workers or clients. A health and safety evaluation is required on each home prior to any work being started. The health and safety budget category can be charged to complete the evaluation and costs associated with eliminating energy related health and safety hazards prior to installation of weatherization materials will be paid for with DOE or LIHEAP funds. Serious health and safety hazards must be mitigated prior to starting weatherization activities. Consideration must be given to the health concerns of each occupant, the condition of the dwelling, and the possible effect any work performed will have on the health or medical condition of the occupants. When an occupant's health is fragile or the work activities might cause a health hazard, the occupants at risk will be required to leave the home during the work activities. If unsafe conditions exist that would endanger the health and safety of the clients or weatherization workers, and those conditions can not be corrected, no weatherization work shall be started on that home. Work done on homes will be done in a manner that will not subject workers or clients to health and safety risks. The Michigan Weatherization Field Manual, which is provided to all Local Weatherization Operators, describes detailed procedures that will be followed in conducting health and safety inspections and testing.

The preinspection must include a health and safety inspection and discussion with the client relative to Chapter II section III and IV of the weatherization field manual on the following: blower door testing, inspection of all combustion appliances for safety factors including furnace testing for safe operation, carbon monoxide (CO) testing of all combustion appliances,

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evaluation of lead paint, evaluation of the venting system including back-draft testing of all vented appliances, evaluation of the duct system, evaluation of existing and potential moisture problems, review for existence of hazardous substances (asbestos, lead paint, volatile organic compounds), the need for smoke detectors, clothes dryer venting, structural safety, means of egress, electrical hazards, fire hazard, and finally a client interview.

Per CSPM Item 609, subgrantees are required to have a written walk away policy which is in the best interest for its service area. The policy may include language regarding sanitary conditions, structural condition, safety due to animals, benefits to the landlord versus the client, and other areas deemed necessary. The subgrantee's governing board is required to approve the written walk away policy.

Unsafe conditions (e.g. gas leaks, electrical and structural problems) determined during the course of weatherization shall be documented and written notice shall be provided to the client, landlord, and/or his/her agent. In cases where a third party is involved (e.g. utility had work done which resulted in an unsafe condition), the third party shall also be provided a copy of the written notice. Homes whose structural integrity is in question should be referred to a housing rehabilitation program if possible. Incidental repairs necessary for the effective performance or preservation of weatherization materials are allowed.

To ensure the weatherization work that has been completed does not create potential problems, each post-inspection must include a blower door test, inspection of combustion appliances, furnace testing, CO testing, evaluation of moisture conditions in the home and attic, and an evaluation of the venting system of all combustion appliances, and a review of all weatherization work completed with respect to health and safety. Any problems must be corrected prior to submitting the unit as a completion.

POTENTIAL HAZARD CONSIDERATION:

Existing Occupant Health Problems

Before beginning work on a home, LWOs shall take into consideration the health concerns of each occupant, condition of dwelling, and possible effects the work performed will have on the health or medical condition of the occupants. LWOs should establish procedures to identify preexisting health conditions and address problems as they occur.

Indoor Air Quality:

Pre-inspection procedures shall include a visual review and discussion with the client relative to potential indoor air quality (IAQ) problems such as combustion by-products/ carbon monoxide, moisture / biologicals, flaking lead-based paint and friable asbestos.

If IAQ problems are found, the client shall be advised and written notification shall be provided to the client, landlord, owner, and/or his/her agent. A copy of the written notice shall be maintained in the client file.

Where possible, "incidental repairs" or "health and safety" measures may be completed to correct IAQ problems in order to allow weatherization work to take place (e.g. installation of an exhaust fan to eliminate a moisture problem so that air-sealing can be completed). Client education shall be provided where appropriate.

If IAQ problems cannot be corrected, the agency shall make a determination as to whether the house shall be weatherized and, if so, whether air sealing would take place.

In addition to asbestos, carbon monoxide, and lead which are addressed in this section, other IAQ concerns include:

Biologicals: Molds, mildews, and spores, primarily caused by excessive moisture levels in a home. These substances can be a significant contributing factor in a number of health problems. Excessive moisture in a home provides an environment that allows mold and mildews to flourish. Homes with serious moisture problems should not be tightened until measures are taken to mitigate the moisture sources.

CSPM Item 617 includes updates on mold protocol including sample mold notification/disclaimer notice and resource

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information agencies can order.

Volatile Organic Compounds (VOC): Cleaning fluids, paints, solvents, herbicides, pesticides, and formaldehyde. VOCs are frequently stored under sinks, in closets, and basements. Recommend moving potentially dangerous material outside of living space into sheds or garages. Remedying VOC problems is not a weatherization responsibility. As part of the health and safety inspection, the presence of new carpet, plywood, and other materials that emit VOCs should be taken into consideration when determining air tightness limits of dwellings and whether installing ventilation may be needed.

Fiberglass: Fibrous glass insulation material known to be an irritant to lungs, eyes, and skin. Workers are advised to wear properly rated respirators and protective clothing when working with or around fiberglass.

Raw Sewage/Methane gas: Workers must take precautions to avoid direct contact with raw sewage or other unsanitary conditions. Clients must be informed of existing conditions and referred to available resources for assistance.

Combustion appliances and Combustion Gases

The Weatherization Field Manual states that the following guidelines for tune-ups and repairs to the various components to the heating system shall be completed as needed/authorized:

Venting System-

- a. Repair or replace sections of the venting system, that are seriously corroded or rusted, are clogged or blocked, contain cracks or holes, and/or are unsealed, loose, or disconnected in accordance with the applicable NFPA code. Clean solid fuel chimneys that contain creosote.
- b. Perform a draft test on all vented combustion-type appliances and correct any draft and venting problems in accordance with the applicable NFPA code.
- c. Ensure all venting materials meet clearances from combustible materials in accordance with the applicable NFPA code. When called for, correct cases where vent clearance requirements are not met. When insufficient vent clearance problems cannot be corrected, written notice shall be provided.

The **TWP, Section 3202** and Weatherization Field Manual includes specific guidelines on venting/maximum distance for clothes dryers in II.I.C.13 and tune-up and repair, venting system and clearances for furnace/boiler/space heaters in II.I.E.4.

The program's health and safety inspection protocol requires that all combustion appliances (including furnaces, boilers, space heaters, water heaters, and cook stoves) be tested for carbon monoxide both prior to the start of any weatherization work and again after the work is completed. Carbon monoxide problems must be corrected before any work is started on dwellings. Furnace heat exchangers are inspected for cracks and leakage. Gas piping on all combustion appliance is checked for leaks. Gas **and electric** clothes dryers are checked to ensure they are vented to the outside.

Unvented combustion appliances must be replaced with properly vented units before weatherization work can begin.

Program funds may be used to repair or replace unsafe heating systems, space heaters, and water heaters in homeowner units. Program funds may only be used for tune-up/repair of inefficient heating systems in rental units. State LIHEAP crisis assistance program funds may also be used to replace unsafe heating systems. Unvented heating units must be replaced with properly vented units before weatherization work can begin. Program funds can be used to repair gas leaks. In the case of rental units, landlords are required to repair or replace unsafe combustion appliances. No weatherization work will be done until the unsafe appliances has been repaired/replaced. Carbon monoxide alarms may be installed whenever a local agency must defer work on a dwelling that contains an unsafe combustion appliance, when a combustion appliance is putting off carbon monoxide at an unacceptable level and can't be immediately remedied, if an appliance has minimal draft and/or spillage and no carbon monoxide is being produced, and when a dwelling contains a fireplace or wood burning stove that draws combustion air from inside the dwelling. Program funds may be used to purchase and install carbon monoxide alarms.

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Extensive training is provided to local agencies on health and safety issues and health and safety inspection procedures.

Asbestos

Asbestos abatement is not an allowable activity under the Weatherization Assistance Program.

Known asbestos containing building components shall not be handled during the course of weatherization work in a way which would cause the transmission of asbestos dust into the air. This means there shall be no mechanical operations, such as sawing, drilling, or sanding of asbestos products which could create a potentially hazardous exposure to airborne asbestos particles.

Asbestos was commonly used as a duct and pipe insulation. Furnace work or other weatherization-related work should in no way disturb existing asbestos insulation. If work can be completed without touching the asbestos, it is allowed. If it is necessary to disturb the asbestos in order to do the work, it must first be abated by a licensed "asbestos abatement" contractor. The only option is to delete the part of the work which could disturb the asbestos. Proper documentation is required.

Friable asbestos is any asbestos containing product which can be crumbled, pulverized, or reduced to powder by hand pressure. Any such products can only be worked on by state licensed "asbestos abatement" contractors. Friable asbestos should not be touched. If friable asbestos is found in the home, written notification shall be provided to the client/owner. A copy of the written notification shall be maintained in the client file.

Weatherization work is not required in areas where asbestos may be disturbed. If a weatherization measure is deleted due to the presence of asbestos, proper documentation shall be provided on the Building Check and Job Order Sheet. This decision would normally be made by the preinspector. If the contractor or crew determine the presence of asbestos which would affect their ability to complete a prescribed weatherization measure in a safe manner without creating/disturbing asbestos dust, the contractor/crewperson shall notify the LWO and the measure shall be deleted.

Radon

The Michigan Weatherization program does not specify requirements beyond what the State of Michigan requires.

Lead Paint Hazard Control:

Lead Safe Weatherization will occur when:

1. The dwelling was constructed pre-1978, and
2. The dwelling has not been determined to be lead-based paint free, and
3. Either, the amount of disturbed lead-based painted surface exceeds the posted EPA standards; or the amount of lead-based paint dust that will be generated by the Weatherization work exceeds the OSHA-defined airborne levels for lead.

Michigan will provide lead paint safe work (LSW) practices training on a monthly basis. All agency crews and contractors are required to complete this training or an equivalent training session within 120 days of the date they are hired or contracted with. Those attending this training will be authorized to inspect, supervise, and/or work on the homes as specified in the Michigan weatherization program. Those individuals who have not attended and successfully completed, one of these trainings will not be permitted to inspect, supervise, and/or work on the homes to be weatherized unless they are accompanied by or in the presence of staff persons who have attended the required training.

Michigan shall implement the U.S. Department of Energy's 2008 Lead-Safe Weatherization Minimum Standards Training, as developed by Montana State University distribution date December 2008.

The LWO shall implement the "Lead;Renovation; Repair and Painting Program (LRRPP) EPA Final Rule minimum standards in all pre-1978 site built homes which contain painted surfaces and have not passed clearance testing to meet Housing and Urban Development (HUD) or EPA lead dust standards. Testing with an XRF device or purchasing

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same is not an allowed cost.

Contractors/crews shall verify compliance with all LRRPP requirements during all worksite activities which include impacting painted surfaces. Clean-up will be undertaken to eliminate any "lead paint" dust, and proper disposal of same.

Contractors and crews shall take all available precautions to eliminate or minimize any hazards to themselves and their co-workers. Identification and isolation of the work areas shall be diligently enforced to protect the occupants and any persons in the immediate area.

The LWO shall include in the sub-contract language the requirement to inspect and identify any questionable work vehicles and equipment which could be a source of "lead paint" hazards. State monitoring shall include a physical assessment of an active worksite which includes not only the weatherization project, but the tools, vehicles and protective garments.

**Failure to comply with all LSW work practices may result in any or all of the following:
Disallowed costs where LSW work practices have been cited, and failing to cease said questionable work practices.
Contractor/crew would be subject to all penalties and fines resulting from inappropriate LSW work practices.
Suspension of future work orders, if cited conducting inappropriate LSW work practices.**

All providers are required to provide a copy of "**Renovate Right. Important Lead Hazard Information for Families, Child Care Providers and Schools**" at least seven (7) days prior to the start of weatherization work in any pre-1978 housing unit where more than two square feet of painted surface may be disturbed. Confirmation of receipt of this pamphlet by the client must be maintained in the job file.

Lead paint removal is not an allowable activity under the Weatherization Assistance Program. To minimize risks to clients and weatherization personnel:

All weatherization contractors, crew persons, and pre/post inspectors are to be trained and certified in "Lead Safe Work Practices".

Do not disturb lead based paint particularly in homes with small children. Staff and contractors should assume that any paint on windows and doors contains lead, unless it has been verified otherwise.

If paint chips/dust results from weatherization work, the area should be vacuumed and/or wiped clean using a detergent and water. The cost of this clean up is an allowed Health and Safety expense. Lead-Safe cleanup and Debris Disposal checklists are included in the required LSW training. Water used for cleanup should be kept to a minimum. If lead-safe weatherization has been practiced, there should be very little waste water. Rags and towels should never be rinsed and reused. Any waste water generated should be filtered and dumped in a toilet. Wastewater should never be dumped down a sink, storm drain, on the ground, or in the shower or bath tub. LWO crews/contractors should be aware of state and local regulations regarding wastewater disposal.

Provide clients and workers with information regarding the dangers of lead poisoning. A notice of Potentially Unsafe Condition should be provided if client safety concerns exist.

In dwellings where there appears or is known to be a danger of lead based paint contamination, as many measures will be completed as possible to ensure energy savings without disturbing the existing paint in the dwelling. If DOE funds or lead paint safe work practices training are insufficient to do the tasks in a lead paint safe work manner, those measures will not be done and if not enough measures can be done to ensure energy savings the "walk away" policy will be invoked.

All local agencies are required to obtain sufficient general liability insurance for DOE funded activities. Most, if not all, regular liability insurance policies do not provide coverage for many health and safety measures such as lead, and other pollution occurrence items. Local agencies must review their existing policies to ensure that measures are covered and, if not, secure adequate coverage. Local agencies that employ contractor labor to perform Weatherization services must ensure that each

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private contractor is adequately insured as well. **Beginning in PY09, DOE no longer requires Pollution Occurrence Insurance (POI) but still strongly recommends POI. The costs of POI can be charged to the grant as part of the liability insurance. If a state or local agency chooses to NOT hold POI coverage and damage occurs because of not following all aspects of Lead Safe Weatherization or there is a disturbance to any other environmental pollutants, the cost to do remediation, clean up, relocation, medical expenses or any other resulting costs may not be charged to the DOE contract and must be covered by another funding mechanism.**

Electrical Issues

To minimize risk, workers must demonstrate caution when working around wiring, verify proper wiring connections and proper fusing, and verify proper blocking out of insulation around heat-producing sources.

Inspection prior to installing insulation is critical to insure there are no potential hazards relative to the wiring.

In cases where insulation would cover knob and tube wiring, the following is required:

An inspection to ensure wiring to be covered is safe and in good condition

Protective devices matched to the wire sizes which discontinue the flow of electrical current when the circuits are overlooked.

New insulation installed in attic areas containing knob and tube wiring shall not be in contact with the wiring. Blanket insulation should be installed under knob and tube wiring, and permanent barriers shall be provided to separate knob and tube wiring from loose fill insulation.

Work in areas containing knob and tube wiring shall be in compliance with requirements of the governing code.

Fire Hazards

Installation of smoke detectors are mandatory health and safety measures. A smoke detector is required outside each bedroom area (i.e., in the hall/room leading to the bedrooms; if there are bedrooms located in separate areas of the home, a smoke detector shall be located in the hall/room leading to each separate bedroom area) and on each additional story of the dwelling (including basements and cellars but not including crawl spaces and uninhabitable attics). Clients shall be instructed on testing procedures for smoke detectors and replacement of the batteries.

As part of each preinspection, the health and safety inspection requires discussion with the client relative to the need for smoke detectors, any observed electrical hazards and any observed fire hazards. Potential hazards include fuel/gas leaks, unsafe or inadequate venting systems, combustion appliances failing to meet code standards, frayed electrical wiring, and overloaded or misused wiring. Michigan Public Service Commission funds have been used to perform limited electrical repairs to eliminate fire and safety hazards.

Refrigerant Issues

The Weatherization Field Manual provides for Disposal Requirements for refrigerators as follows:

Disposal requirements will include, removing the existing appliance(s) identified for replacement from the client's home and certified destruction (including recapture of CFC's as required by section 608 of the "Clean Air Act", as amended by final Rule, 40 CFR 82, May 14, 1993).

Notes: A Certificate of Disposal from the scrap yard/recycler shall be available for all appliances removed from service.

If the appliance(s) identified for replacement are not available/present at the time of delivery, the new refrigerator shall not be delivered. This should be documented on the BCJO and the refrigerator replacement shall be eliminated as a Wx measure

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for this dwelling unit. The local agency, appliance vendor, demanufacturing center or other entity recovering the refrigerant must possess an EPA-approved section 608 type I license or an approved universal certification.

Other Code Compliance

Local agencies must ensure that weatherization related work complies with all applicable codes.

Deferral Standards

The Community Services Policy Manual, Item 609, states:

The (Sub) Grantee is required to have a written walk away policy which is in the best interest for its service area. The policy may include language regarding sanitary condition, structural condition, safety due to animals, benefits to the landlord versus the client, and other areas deemed necessary. **DHS will be distributing a revised CSPM policy to provide further clarification regarding standards for when deferral takes place and the development of an appeal process to allow customers to respond to deferral if the cause is questioned.**

The walk away policy will include an item addressing the condition of the building structure. If it is in such poor condition that weatherization measures are not appropriate, then the client may be provided with referrals and resources to address the structural issues. The unit will not be weatherized until it is considered safe and habitable.

If the LWO determine that conditions exist which make safe, effective and meaningful weatherization services impossible to perform, the local provider may deny services to the household until such time that the conditions are remedied. The following steps must be followed:

Make a written determination of exactly what repairs or changes must be made to allow weatherization to continue. Provide the customer with the list of repairs or changes along with a copy of the LWO's appeals procedure. Ensure that the customer is aware that when the repairs or changes are completed, the customer may request that weatherization resume under the original application- if the application is not over 1 year old. By virtue of its advocacy role for low-income persons, the LWO shall make a good faith effort to secure other resources on the customer's behalf to complete any repairs.

DHS monitor staff reviewed these policies in the 01-02 monitoring activities and each of the Michigan LWOs has a policy in place.

III.5 Rental Procedures

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 (per CSPM Item 610.1) states: "2. 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. 3. The Owner agrees to maintain the weatherization materials installed under this Agreement, in accordance with all relevant codes regarding maintenance. 4. 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. 5. 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.

In PY09, the landlord agreement language will be clarified as follows: "...shall not be increased for a period of two

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years from the date weatherization activities were completed on said unit."

III.6 Program Management

III.6.1 Overview

The Weatherization Program is managed by Department of Human Services (DHS), 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. 30 CAAs and two limited purpose agencies provide weatherization services to the state's low-income population.

Bureau 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. Bureau staff conduct annual monitoring visits to each CAA and LPA. Comprehensive monitoring visits are done every other year and utilize a longer monitoring tool as well as a fiscal component review. Annual monitoring visits are conducted at all agencies not receiving comprehensive visits.

III.6.2 Administrative Expenditure Limits

Standard allowed administrative allocation is 5% of subgrantees total allocation. Subgrantees whose allocation is below \$350,000 may request up to an additional 5% of their total allocation for administrative purposes.

III.6.3 Monitoring Approach

Technical monitors and program compliance monitors will monitor the weatherization program. DHS monitoring policy requires an exit interview after each monitoring visit. A weatherization monitoring report, including corrective action requirements is completed by the monitor, reviewed by supervisory staff and forwarded with a cover letter 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 **60** days after each monitoring visit. A written response to corrective action will be required of agencies within **60** days of receipt of the monitoring report.

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.

Technical and programmatic monitoring will be conducted as described in the annual file.

Weatherization technical monitoring will be conducted at each LWO a minimum of once a year for the following: review of materials for compliance with 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, and mandatory training requirements.

Weatherization compliance monitoring will be conducted at each LWO a minimum of once a year. The monitor prepares for the field visit by reviewing contract files to determine the reporting and financial status of the agency. Previous monitoring reports, including corrective action requirements, correspondence, and new items are reviewed. At the agency, the monitor reviews files for completeness and accuracy of eligibility documentation.

LWOs are required to have a single audit performed in accordance with OMB Circular A-133 as applicable. The LWOs are responsible for obtaining their own audit services. DHS receives a copy of the audit report and performs audit resolution.

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III.6.4 Training and Technical Assistance Approach

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.

DHS will provide direct T/TA funds to the LWOs. This allows LWOs to attend weatherization/energy-related training sponsored by DHS or DOE. These funds may also be used by the LWOs to provide local training regarding weatherization/energy-related programs. The remainder of T/TA funds are retained by the DHS for T/TA activities including monitoring, technical assistance and training.

DHS allows T/TA funds to be used for the cost of printing client education materials.

DHS utilizes several methods to assess the training needs of its subgrantees, including but not limited to: Recommendations by state monitoring staff and Weatherization Training Advisory Council (WXTRAC).

Review of subgrantee deficiencies related to reports and other materials.

Subgrantee direct training requests.

Involvement of T/TA subcontractor

Formal and informal training needs surveys.

Recommendations resulting from external entities (DOE staff, contractors, auditors, etc.).

Changes in DOE requirements.

Inspector training is conducted a minimum of four times each year. Agency pre/post inspectors must pass an inspector competency assessment which includes completing actual inspections approved by a certified inspector within 12 months of training course completion.

DHS may require some subgrantee staff to attend a particular training session if DHS feels the training is particularly needed by the subgrantee.

The technical monitoring staff are available to provide training and technical assistance to all LWOs on an as needed basis. Routinely technical monitors and compliance monitors provide one on one training to people newly hired by LWOs.

T/TA funds will be used for upkeep of and supplies and equipment for the DHS Weatherization Training Center.

III.6.5 Energy Crisis Plan

Declaration of a disaster for WAP purposes is determined by a Presidential or Gubernatorial order declaring either a Federal or State emergency. It may be the result of natural or man-made factors. It is the responsibility of the Michigan Department of Human Services (DHS) Bureau of Community Action and Economic Opportunity (BCAEO) Weatherization Assistance Program, through its subgrantee network, to assist state and community authorities in normalizing areas affected by a disaster by providing WAP resources to assist Michigan low-income citizens in recovering and rebuilding after the disaster. The Weatherization Program will adhere to the following guidelines when responding to any disasters in which the low-income population has been affected. These guidelines are intended to maximize the assistance we are able to provide while protecting the limited resources of the program.

Disaster-mitigation planning activities shall be implemented as soon as practical after the declaration of a disaster. A WAP subgrantee shall not commit WAP resources (labor or financial) until it receives approval from the BCAEO.

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Any additional disaster-related funds will be allocated based on the extent of the disaster in each subgrantee area. Funds must supplement, not supplant, other funds available for disaster assistance. All funds received by the client to cover damages must be considered prior to the allocation of the WAP resources. **The Disaster Certification form will be developed in PY09 and located in a new CSPM Item. The form will be completed for each client requesting disaster assistance.**

Safety measures, such as dams or other protections, should be in place prior to mitigation activities. Agency staff should consult with local utilities to ensure electric, gas and sewer hazards have been corrected or repaired.

Allowable disaster activities, eligibility requirements, equipment procurement, additional funding, disaster expenditures accountability and reporting and all related forms **will be included in a new CSPM Item to be distributed during PY09.**

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Supplemental Schedule #1 - Details of DOE F 4600.4 line 6 of Section B
(Budget Category by Funding Sources)

Grant number: EE00076

Amendment: A001

Application period: 04/01/2010 - 03/31/2011

SOURCE	Grant Program, Function, or Activity				Total (all columns)
TOTALS					

SOURCE	Grant Program, Function, or Activity				
TOTALS					

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II.3 Subgrantees

Grantee	City	Tentative	
		Funding	Units
Allegan County Resource Development Committee Inc	Allegan	1,105,484.00	334
Area Community Services Employment and Training Council	Grand Rapids	3,116,246.00	957
Baraga-Houghton-Keweenaw CAA	Houghton	1,392,736.00	423
CAA of Jackson, Lenawee, Hillsdale	Jackson	2,524,334.00	774
Capital Area Community Services Inc	Lansing	3,507,953.00	1,078
Chippewa-Luce-Mackinac Community Action and City of Detroit	Sault Ste Marie	1,288,281.00	391
	Detroit	14,823,931.00	4,584
Community Action Agency of South Central Michigan	Battle Creek	2,741,948.00	841
Dickinson-Iron Community Services Agency	Iron Mountain	1,279,576.00	388
Downriver Community Conference	Southgate	2,132,627.00	652
Economic Opportunity Committee of St Clair Inc	Port Huron	1,566,828.00	477
EightCAP Inc	Greenville	2,315,423.00	709
FiveCAP Inc	Scottville	1,758,329.00	536
Genesee County CAA	Flint	3,908,365.00	1,202
Gogebic-Ontonagon CAA	Bessemer	1,166,416.00	353
Human Development Commission	Caro	2,228,377.00	682
Kalamazoo County Human Services Department	Nazareth	1,923,716.00	588
Macomb County Community Services Agency	Clinton Township	3,568,885.00	1,097
Menominee-Delta-Schoolcraft Community Action Agency and	Escanaba	1,505,896.00	458
Mid Michigan CAA Inc	Farwell	3,368,680.00	1,035
Monroe County Opportunity Program	Monroe	1,227,348.00	372
Muskegon-Oceana Community Action Partnership, Inc	Muskegon	2,219,673.00	679
Northeast Michigan Community Action Agency	Alpena	2,916,040.00	895
Northwest Michigan Human Services Agency	Traverse City	2,681,016.00	822
Oakland Livingston Human services Agency	Pontiac	5,144,418.00	1,585
Ottawa County CAA	Holland	1,209,939.00	366
Saginaw County Community Action Committee	Saginaw	2,428,583.00	744
Southwest Michigan CAA	Benton Harbor	2,933,450.00	900
Washtenaw County Human Services	Ypsilanti	1,871,489.00	571
Wayne County	Wayne	3,272,929.00	1,006
Wayne Metropolitan Community Action Agency	Wyandotte	2,524,334.00	774
TOTALS		85,653,250.00	26,273

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II.4 WAP Production Schedule

Total Units (excluding reweatherized)	26,498

Units by type (excluding reweatherized):	
Owner-occupied single-family site-built	
Single-family rental site-built	
Multi-family	
Owner-occupied mobile home	
Renter-occupied mobile home	
Shelter	
Units by occupancy:	
Elderly	
Persons with disabilities	
Native American	
Children	
High residential energy user	
Household with a high energy burden	
Other unit types:	
Rewatherized Units	200

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Average Unit Costs, including Reweathering, Subject to DOE Program Rules		
VEHICLES & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)		
A	Total Vehicles & Equipment (\$5,000 or more) Budget	\$100,000.00
B	Total Units Weatherized	26,498
C	Total Units Reweatherized	200
D	Total Dwelling Units to be Weatherized and Reweatherized (B + C)	26,698
E	Average Vehicle & Equipment Acquisition Cost per Unit (A divided by D)	\$3.75
AVERAGE COST PER DWELLING UNIT (DOE RULES)		
F	Total Funds for Program Operations	\$14,099,070.00
G	Total Dwelling Units to be Weatherized and Reweatherized (from line D)	26,698
H	Average Program Operations Cost per Unit (F divided by G)	\$528.09
I	Average Vehicle & Equipment Acquisition Cost per Unit (from line E)	\$3.75
J	Total Average Cost per Dwelling (H plus I)	\$531.84

II.5 Energy Savings

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

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.**

The Program Year (PY) 2009 - 2011 estimate of first year energy savings for the DOE funding is: (homes x 30.5 million site BTUs per home =) 814,289 million site BTUs.

The total PY 2008 estimate of first year energy savings including all fund sources used by Michigan to weatherize homes is: (8323 homes x 30.5 million site BTUs per home =) 253,852 million site BTUs.

DHS was not able to determine the revised estimate for actual energy savings at the time of grant application because PY 2008 was not finished and the total number of completed homes was not known.

Estimated energy savings: (MBtu)

Estimated prior year savings: Actual: 0

If variance is large, explain:

II.6 Training, Technical Assistance, and Monitoring Activities

T&TA ACTIVITIES:

Technical specialists are available following monitor visits and upon LWO requests outside these visits, to provide training and technical assistance for areas cited in the monitor report or to address other LWO training needs. Agencies have consistently reported to Bureau staff that offering more onsite T/TA offers greater and more thorough training opportunities. We plan to continue to support the network with this training throughout **the next three program years.** This will allow us to deliver targeted training on a consistent basis to the entire network.

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DHS staff will be responsible for all DOE program training. DHS staff will provide training at the Lansing Training Center throughout the program year. T & TA visits to agencies will also be conducted to allow on-site agency-specific training and technical assistance. The Wx Training curriculum continues to be under development. However, in PY07, significant improvements were made to the Basic and Intermediate Inspector training offered. Inspector certification training will be offered quarterly. If more sessions are necessary, we will schedule those on an as-needed basis. Lead-safe work practices and Mold Awareness training will also be held quarterly as well as any requested regional training necessary.

During PY08, DHS staff initiated discussion with a local community college to determine the likelihood of contracting with this entity and others to offer the Basic/Intermediate inspector course curriculum, thus providing college accreditation to candidates. **Throughout PY09, DHS will work with the community college network, with the assistance of the Michigan Department of Energy, Labor and Economic Growth to facilitate getting a curriculum developed for delivery statewide. The curriculum will minimally provide for Basic and Intermediate Inspector training. If possible, it will also include some basic weatherization training for crew/contractors. There will also be an online training component developed to allow for the most flexibility possible in the training delivery system.**

In PY07, DHS staff worked with Alex Moore and pilot project agencies on the mobile home audit process. The approved priorities list identified different/additional measures for this portion of the housing stock. **DHS contracted with COAD trainers for two three-day trainings on sidewall and attic insulation in manufactured housing. The training was held at the Mid Michigan Community Action Agency in Farwell, Michigan offering a central location. An on-site mobile home was used to demonstrate the installation process most effectively. We will continue to offer this training to LWO staff and contractors on an as-needed basis.**

Training on all priorities will be instructed in both the classroom and on-site. Classroom training will be conducted at the Lansing training center and at MCAAA meetings. On-site classroom and hands-on training will be conducted on an as-needed basis, regionally throughout PY09.

During PY09, we will continue to assess another specific measure on mobile homes- the encapsulated roof insulation to determine the feasibility and effectiveness. We will be compiling energy savings data specific to this measure.

Staff continues to work with the assistance of WxTRAC, on a Training Curriculum that will eventually have three tracks- program administration, technical and program support. DHS plans to transition into a Continuing Education Unit requirement over the next three program years for these tracks. We are also expanding training opportunities to include agency contractor training.

Weatherization Training Advisory Committee (WxTRAC) was redesigned during PY08. The Michigan WxTRAC is a 17-member committee. The composition of the group is as follows: Chair; DHS Wx Program Specialist (serves as Co-Chair), Wx Technical Supervisor; MCAAA staff person; Chair of MCAAA Wx Committee; and 12 local weatherization program representatives consisting of 4 Administrative; 4 Support & 4 Technical representatives. These representatives are elected 1 per track by each of Michigan's four weatherization regions.

DHS staff will continue to work with WxTrac members to develop training to be offered at various forums including the MCAAA meetings, regional trainings, on-site T/TA and the state Wx training conference. We will develop a course listing that will be delivered either on a quarterly basis at our training center, at our annual weatherization conference, or at national and/or regional Wx conferences, that will fulfill CEU requirements. The curriculum will include courses for inspector certification, contractor training, and program management and support training. **DHS staff is working with DELEG to begin the development of an Inspector training delivered via the community college network.**

DHS staff and WxTrack will work together to develop the training curriculum for the Michigan Weatherization conference held each year. This conference typically offers much more technical training than is available at the quarterly meetings, as well as program and management-related sessions.

DHS will continue to encourage local agencies to use T&TA funds to attend various weatherization technical workshops and conferences (including the National DOE Wx Training Conference, regional DOE trainings, Affordable Comfort). **DHS will**

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distribute a base T/TA allocation of \$26,000 to each LWO, as well as an additional \$300,000 allocated to each by formula over the next three program years.

The Michigan WxTrac Committee will continue to meet to develop and restructure training for the upcoming program year. Members of the WxTrac Committee include a number of Local weatherization Operators (LWOs), and the program manager and technical manager and technical specialists from State staff.

WxTRAC subgroups will meet throughout the program year to develop training curriculums and associated continuing education units for the three tracks- management, technical and support. These groups will also assist in developing a list of alternative training sessions available through a variety of other weatherization training forums that will provide CEUs for attendees.

DHS will solicit bids for a state specific weatherization program evaluation in PY09. This task was not completed in PY08. The evaluation will include a training component. Results from the evaluation will be shared with the LWOs and WxTRAC, and will be used over the next two program years to identify and prioritize program training needs.

WxTRAC will also discuss how the State will compare productivity and energy savings between subgrantees and how these comparisons can be used in the developments of T&TA activities or priorities.

The Technical Weatherization Policy (TWP) Manual, states: "Weatherization inspector training/testing will be offered quarterly at the weatherization training center in Lansing. New inspectors must attend one of these training sessions within the first six months of assuming such positions. On-the-job training is recommended for new inspectors prior to attending the training. New inspectors should receive on-the-job training from certified inspectors in all aspects of pre-inspection, post-inspection, testing and job documentation. Michigan offers a two-phase inspector training course. This course schedule allows more on the job time T/TA before certification testing. Those who qualify for certification by passing the required testing and satisfactorily completing on-the-job training subsequent to the testing will be issued a certificate. Documentation relative to inspector certification shall be maintained at the agency. The State Weatherization Office may offer special testing relative to inspector certification as deemed appropriate. The State Weatherization Office also reserves the right to withdraw inspector certification at any time. Each LWO must have at least one person certified to complete weatherization inspections. New inspectors and/or conditionally certified inspectors must complete inspections accompanied by or in the presence of a certified inspector. The State Weatherization Office may establish additional training/testing requirements as needed."

Training alternatives being explored for ramp-up needs include:
BPI certification;
Community college training- including online course delivery;
Contractor training; and
Testing out for both the basic and intermediate inspector training.

Formal DHS communications will be distributed to the LWO network to advise everyone of all acceptable training venues.

The Inspector training will continue to be scheduled quarterly, **at a minimum**, but depending on potential changes to the Michigan training site, **and ramp-up training needs identified**, the location of said training may vary.

During PY08, DHS developed draft written policy on inspector certification, recertification and decertification. The draft policy was shared with DHS legal staff and staff continues to work on some suggested changes. Once this internal review process is complete, the policy will be shared with each LWO and agency executive director for comment. A final state policy will be issued following the comment period.

DHS staff will also provide blower door training, Infrared Scanner Training, and lead-safe work practices training, as needed.

Client education is an ongoing T/TA activity. Training around various client education activities, best practices, resources, etc. is offered at MCAAA quarterly sessions and/or the annual state weatherization conference on a regular basis.

MONITORING ACTIVITIES:

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Monitoring Activities: The Bureau monitors each agency each year. Bureau monitors alternate between a comprehensive monitoring tool and an annual monitoring tool each year.

Comprehensive Monitoring: The comprehensive monitoring team includes a program monitor, a financial monitor and a technical wx monitor. Each year, approximately half the 32 agencies are selected for a comprehensive monitoring visit. This visit is more extensive than the alternative annual monitoring visits. A monitoring team visits the agency about a week and does a thorough review of all DHS-administered programs, including a complete fiscal review, interviews staff and board members, visits Wx job sites and conducts client/job file reviews.

Annual Monitoring: The agencies not selected for a comprehensive monitoring visit have an annual monitor visit and this is conducted by a program monitor and a technical specialist. This monitor visit is shorter, doesn't include the staff/board interviews, the complete fiscal review, and the guide used is condensed.

This **monitoring approach** ensures each LWO is monitored at least once during a program year to meet DOE requirements.

Technical staff reviews the technical monitor guide each year and the product is updated and/or changed based on monitoring priorities identified in the previous program year and/or any DOE program requirements related to monitoring. **During the next three program years, the technical unit supervisor will conduct all Comprehensive monitor visits. This will consist of a thorough file review, as well as job site visits. The agencies not receiving a comprehensive visit will have an annual visit using the Annual Monitor tool, which results in a shorter visit with fewer file/job reviews.**

Annual technical monitoring visits will be conducted by Technical Weatherization Specialist staff. 5% of the proposed production units will determine the number of files to be reviewed for any agencies that did not have any findings in the previous year's technical monitoring review. 10% will be used at all other agencies.

Monitoring results will assist in scheduling needed T/TA visits at each agency throughout the **grant period**. Priorities identified in the WxTRAC or resulting from DOE program changes, will also be considered in developing the **next three year's** T/TA priorities. The goal continues to be to provide hands-on training and technical assistance to each agency. Technical specialists will make a minimum of one visit to each agency but will most likely make several visits to the majority of agencies to provide on site training and technical assistance to assure that all areas of weakness addressed in the **previous** monitoring are thoroughly trained for all appropriate agency staff. The technical specialists will compose reports regarding these visits, including staff and technical areas trained, agency staff progress, and any additional training necessary.

II.7 DOE-Funded Leveraging Activities

DHS will use \$85,851 funding for leveraging activity in PYs **2009-1011**. DHS plans to contract with an entity to research funding and partnership opportunities with Michigan utilities.

II.8 Policy Advisory Council Members (names, groups, agencies)

Community Action Agency	Ms Marsha Kreucher
Northeast Michigan Community Service Agency	Mr John Swise
Area Community Services / Employment and Training Council	Ms Beverly Drake
DTE Energy	Mr. Winston Feecheley
Oakland Livingston Human services Agency	Mr. Don Jones
Human Development Commission	Wendy Falls
City of Detroit / Department of Human Services	Mr. William Warren
American Council for an Energy Efficient Economy	Dr. Martin Kushler
Consumers Energy	Ms. Debra Harmon

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II.9 State Plan Hearings (send notes, minutes, or transcript to the DOE office)

Hearing Date
02/12/2009

Newspapers that publicized the hearings and the dates that the notice ran.

- Detroit Free Press- 1/30/09
- Grand Rapids Press- 1/30/09
- Lansing State Journal- 1/30/09
- Michigan Chronicle- 1/28/09
- Marquette Mining Journal- 1/30/09

II.10 Adjustments to On-File Information

Redistribution of funds:

Throughout each program year, DHS will review each agency's spending and production and may adjust agency allocations to maximize the number of homes weatherized in Michigan.

Carryover Policy:

It is planned that all unexpended DOE funds will be retrieved. These unexpended funds will then be distributed by allocation formula, in the new program year to all LWOs.

Weatherizing shelters:

In accordance with 10 CFR 440.22, subgrantees will be allowed to weatherize shelters. Homeless shelters may be weatherized only after a written request by the subgrantee has been approved by the program office in writing. The approval will be based on an evaluation of the continued use of the building as a homeless shelter, and the structural integrity of the building. Subgrantees will have the option to count the dwelling units under the option that is most beneficial to the subgrantee.

Pollution Occurance Insurance:

Beginning in PY09, DOE no longer requires Pollution Occurrence Insurance (POI) but still strongly recommends POI. The costs of POI can be charged to the grant as part of the Liability Insurance. However, if a state or local agency chooses NOT to hold POI coverage and damage occurs because of not following all aspects of Lead Safe Weatherization, or there is a disturbance to any other environmental pollutants, the cost to do remediation, clean up, relocation, medical expenses or any other resulting costs may not be charged to the contract and must be covered by another funding mechanism.

Mold Protocol

In PY05, Michigan subgrantees were provided a Mold information/disclaimer form to be shared with households with potential mold problems. In PY06 several agency directors expressed concern with the Mold Information/disclaimer form issued. DHS has revised the form based on agency input. In PY07, the Community Services Policy Manual, was updated to include a new Item 617 and the Technical Weatherization Policy (TWP) Manual was updated to reflect the revised mold protocol guidelines, sample information/disclaimer notice and training requirements. Mold training will be conducted on a quarterly schedule and more often if requested.

Priorities:

During PY09, DHS staff will work with each LWO to developing local criteria for high energy use and high energy burden households designation. These priorities will continue to be optional for use at the local level for PY 09, but will become mandatory for PY2010.

Leveraging: DHS plans to post an RFP for the purpose of retaining a consultant to assist the Bureau with developing and delivering a leveraging activity plan.

U.S. Department of Energy

WEATHERIZATION ANNUAL FILE WORKSHEET (continued)**Grant: EE00076****Amendment: 000****State: MI****Program year: 2009****Budget period: 04/01/2009 - 03/31/2010**

II.11 Miscellaneous

Amortization:

Michigan continues to allow agencies to spread the cost of vehicles or equipment with a cost over \$5,000.00 over the useful life of the vehicle or equipment for the purpose of calculating the average cost per unit. The full purchase price is still reported as an expenditure in the year in which it occurs.

In PY06 the City of Dearborn indicated that the agency was downsizing and the city had decided not to continue to administer the Weatherization program. DHS contacted a neighboring agency, Wayne Metro, and this agency agreed to provide weatherization services for PY06 on a temporary basis. DOE funding was adjusted accordingly at the time DHS was officially notified that the City of Dearborn no longer intends to provide program services. During PY06, DHS posted an RFQ for Community Action Agencies to bid on providing WAP services to the city of Dearborn residents. DHS received one RFQ as a result. The City of Dearborn will be serviced by the Wayne-Metropolitan Community Action Agency.

Policy Advisory Council: The Policy Advisory Council will meet at 10:30 a.m. on 2/12/09. Policy members will be sent proposed state plan prior to the meeting for their review. Any resolutions or other orders of business discussed at this meeting will be included in this section in the final version.