

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019

A Bill

HOUSE BILL 1777

4
5 By: Representative Love

For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING THE WEATHERIZATION
9 ASSISTANCE PROGRAM; TO REQUIRE CERTAIN REPORTING
10 REGARDING THE WEATHERIZATION ASSISTANCE PROGRAM; TO
11 MAKE TECHNICAL CORRECTIONS REGARDING THE
12 WEATHERIZATION ASSISTANCE PROGRAM; AND FOR OTHER
13 PURPOSES.

Subtitle

16
17 TO AMEND THE LAW CONCERNING THE
18 WEATHERIZATION ASSISTANCE PROGRAM.

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20
21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

22
23 SECTION 1. Arkansas Code Title 15, Chapter 10, Subchapter 2, is
24 amended to add an additional section to read as follows:

25 15-10-207. Reporting regarding the Weatherization Assistance Program.

26 The Arkansas Energy Office of the Arkansas Department of Environmental
27 Quality shall report to the House Committee on Public Health, Welfare, and
28 Labor and the Senate Committee on Public Health, Welfare, and Labor
29 concerning the Weatherization Assistance Program as transferred to the office
30 under § 25-14-103 and as authorized under § 15-10-205(a):

31 (1) When the office applies to the United States Department of
32 Energy for the funding for the Weatherization Assistance Program as described
33 in the state plan;

34 (2) At the midyear point of the Weatherization Assistance
35 Program to show the statistics relating to budgeting, enrollment, and other
36 information relating to the Weatherization Assistance Program; and





**ARKANSAS DEPARTMENT OF
ENVIRONMENTAL QUALITY**

Arkansas

Weatherization Assistance Program

State Plan

**Program Year (PY)
July 1, 2019 – June 30, 2020**

April 17, 2019

REVISED & FINAL

Arkansas Department of Environmental Quality
Arkansas Energy Office
5301 Northshore Drive
North Little Rock, Arkansas 72118-5317
501-682-7694
www.adeq.state.ar.us/weatherization

Mission Statement

The mission of the Arkansas Energy Office (AEO) is to promote energy efficiency, clean technology, and sustainable strategies that encourage economic development, energy security and the environmental well-being for all citizens of Arkansas.

The State Goals

The policies contained in this plan will enable Arkansas and its subgrantee network to weatherize homes of low-income Arkansans effectively, based on:

- Following priorities from the Department of Energy to serve elderly and disabled persons, households with children, and households experiencing a burden from high energy bills as well as households using a high amount of energy;
- Ensuring that only the most cost effective measures are installed on houses;
- Including client education about energy conservation; and
- Addressing health and safety issues affected by weatherization work on the house.

Executive Summary

The Arkansas Weatherization Assistance Program (WAP) State Plan for Program Year (PY) 2019 (July 1, 2019 – June 30, 2020) is derived from the state's application to the U.S. Department of Energy (U.S. DOE) for Weatherization Assistance Program (WAP) funding. These funds will provide assistance to approximately 241 households across the State. (NOTE: the estimate of 241 households is based on DOE funding and does not include LIHEAP funded assistance.

The purpose of WAP is to install energy conservation measures in the homes of income-eligible persons (up to 200% of federal poverty level). Funds are directed toward the most cost-effective energy efficiency measures, as determined by an on-site, highly technical energy audit of the eligible building. The program helps to:

- reduce energy consumption in Arkansas,
- reduce the cost of energy for low-income families, and
- address health and safety issues in the home affected by weatherization work.

Currently, subgrantees are either a Community Action Agency or other non-profit organization. These entities provide energy efficiency weatherization services by subcontracting work to qualified contractors or by using their own trained weatherization crews. Energy efficiency measures funded through the program include air sealing activities, insulation, and evaluation, repairs, or replacement of heating systems. The program assists all types of housing: single family homes, a category which includes duplexes, triplexes and quadplexes, manufactured housing (mobile homes), and multifamily housing, consisting of small, garden-style apartments, group homes and emergency shelters.

The state will spend DOE funds for PY 2019 in accordance with this plan.

Disclaimer

NOTE: The Department of Energy (DOE), after reviewing Arkansas' application to approve PY 2019 funding, may require changes be made to the information contained in this state plan.

Acronyms

ADEQ	Arkansas Department of Environmental Quality
ADMIN	Administrative
AEO	Arkansas Energy Office
AWAP	Arkansas Weatherization Assistance Program
BCD	Better Community Development, Inc.
BPI	Building Performance Institute
BRAD	Black River Area Development Corporation
CAA	Community Action Agency
CADC	Central Arkansas Development Council
CAPCA	Community Action Program for Central Arkansas, Inc.
CEUs	Continuing Education Units
CFR	Code of Federal Regulations
CRDC	Crowley's Ridge Development Council
CSCDC	Crawford-Sebastian Community Development Council, Inc.
DHHS	U.S. Department of Health and Human Services
DOE	U.S. Department of Energy
ECOS	Energy Conservation Online System
H&S	Health & Safety
HEP	Home Energy Performance
HUD	Department of Housing & Urban Development
HVAC	Heating, Ventilation & Air Conditioning
IREC	Interstate Renewable Energy Council
JTA	Job Task Analysis
KSA	Knowledge, Skills & Abilities
LIHEAP	Low Income Home Energy Assistance Program
NASCSP	National Association for State Community Services Programs
Network	Seven (7) agencies around the state providing Weatherization services
NHPA	National Historic Preservation Act
NREL	National Renewable Energy Laboratory
PAC	Policy Advisory Council
PBJCEOC	Pine Bluff-Jefferson County Economic Opportunities Commission, Inc.

Acronyms, Continued

PO	Project Officer
PY	Program Year
QA	Quality Assurance
QCI	Quality Control Inspector
SEP	State Energy Program
SIR	Savings-to-Investment Ratio
SWS	Standard Work Specifications
T&TA	Training and Technical Assistance
TBD	To be Determined
USDHHS	Department of Health and Human Services
USDA	United States Department of Agriculture
WAP	Weatherization Program-Weatherization Assistance Program for Low-Income Persons
WPN	Weatherization Program Notice

Budget Information

Subgrantees	Number of Units	Budgeted Amounts
Better Community Development, Inc. (BCD)	20	\$ 127,363
Black River Area Development Corporation (BRAD)	30	\$ 184,883
Central Arkansas Development Council (CADC)	70	\$ 572,597
Community Action Program for Central Arkansas (CAPCA)	12	\$ 121,361
Crawford-Sebastian Community Development Council (CSCDC)	58	\$ 478,889
Crowley's Ridge Development Council (CRDC)	31	\$ 274,091
Pine Bluff-Jefferson County Economic Opportunities Commission (PBJCEOC)	20	\$ 208,035
Sub Total	241	\$1,967,219

AEO	Budgeted Amounts
AEO Administration	\$ 76,453
AEO Training and Technical Assistance (includes statewide training for network)	\$ 275,257
Sub Total	\$ 351,710

Arkansas DOE Allocation for Program Year 2019 (July 1, 2019 – June 30, 2020)	Budgeted Amounts
Subgrantees	\$1,967,219
AEO	\$ 351,710
Total	\$2,318,929

Policy Advisory Council Members

As required by federal regulations, a Policy Advisory Council (PAC) assists in the development and implementation of the WAP and advises the state on a broad range of issues relating to the WAP. The PAC is broadly representative of organizations that provide services to low-income persons in Arkansas.

- At Large – Katie Niebaum, Executive Director, Arkansas Advanced Energy Association
- Electric Cooperatives – Mitch Ross
- Executive Director – Community Action Agency – Tony Thomas
- Federal Housing – HUD – David Blick
- Health Department - Quinyatta Mumford
- Housing - USDA Rural Development – Cheryl Ivy
- Local Government – Victor Turner
- Low Income Home Energy Assistance Program – Lorie Williams
- Other Member – TBD
- Public Service Commission – Wally Nixon
- Public Utility – CenterPoint Energy – Kirk Pierce
- Public Utility – Entergy Arkansas – Denice Jeter
- Weatherization Director – Community Action Agency – Beverly Palmer
- Ex Officio – Mitchell Simpson

Eligibility

Approach to Determining Client Eligibility

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

AEO understands that every dwelling weatherized must meet both the client eligibility and the building eligibility requirements.

As defined in 10 CFR 440.22(a), low-income means that:

1. income in relation to household size is at or below 200 percent of the poverty level determined by DHHS, and published in WPN 19-3, or
2. the household contains a member who has received cash assistance payments at any time during the preceding twelve months under Titles IV or XVI of the Social Security Act, or applicable state or local law, or
3. the household is eligible for assistance based on energy assistance payments that have been paid under the Low Income Home Energy Assistance Act of 1981 (LIHEAP).

Describe what household eligibility basis will be used in the Program:

Basis for household eligibility is WPN 19-3 containing current poverty income guidelines and definition of income. Arkansas will use 200% of poverty levels and categorical eligibility as described in the preceding section. LIHEAP eligibility can also be used because the maximum income allowable for LIHEAP utility assistance is sixty percent (60%) of Arkansas median income which is less than 200% of federal poverty level.

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

U.S. DOE directs grantees to guidance provided by Health and Human Services (HHS) at <http://aspe.hhs.gov/hps/immigration/restrictions-sum.shtml>. Subgrantees must follow this guidance and verify qualified alien status of Weatherization Program applicants. The verification documentation is required as part of the Subgrantee Client Files.

Approach to Determining Building Eligibility

Procedures to determine that units weatherized have eligibility documentation:

AEO acknowledges that all subgrantees must have on file proof of income eligibility for each client served and each client waiting for services and must re-certify eligibility every twelve (12) months after initial determination of eligibility until selected for weatherization.

Documentation will include: all sources of income, such as payroll stubs, social security administration award letter, income tax forms. Subgrantees are required to keep documentation in each client file for review during Program Compliance and Onsite Program monitoring visits by state or federal WAP staff.

All dwelling units certified as eligible for services shall be occupied by an income-eligible household or will become occupied by an income-eligible household within 180 days. Income eligibility was described in the previous section.

Describe Reweathering compliance:

The following is Arkansas's plan to ensure that houses are not reweatherized if weatherization occurred after September 30, 1994:

1. Develop access to the database for non-WAP agencies, if possible.
2. Require that agencies search by address as well as client name.
3. Understand that data prior to circa 2004 is not available in the database, therefore the following steps must be taken:
 - Survey agencies for the existence of paper records of houses weatherized.
 - Require, if newly assigned to serve counties since 2013, to contact the agency which previously served that county for information on a house prior to approving application.
 - Prior to doing the energy audit, require visual inspection at the house for new windows and doors, new HVAC, extensive interior caulking, presence of insulation (check date on attic insulation tag).
4. The least reliable avenue is asking the applicant; this question is asked at the top of the weatherization application and must be discussed further with the client at the time of application.

Homes weatherized on or before September 30, 1994 are eligible to be reweatherized. No more than ten percent (10%) of a subgrantee's DOE completed units may be reweatherized without prior approval from AEO. Priority wait list criteria will be followed in addressing reweatherized units. Arkansas does not expect to have reweatherized units in PY2019.

Describe what structures are eligible for weatherization:

Building Eligibility – Housing Types

Non-traditional dwelling units, such as apartments over businesses or camping trailers, require AEO approval prior to weatherization. AEO will ensure that program regulations for eligibility are met prior to granting approval.

Requirements to establish eligibility of non-stationary campers and trailers that are considered the primary residence by household member must meet the following criteria:

- Axles have been removed.
- Residential electric and water utility service has been established.
- Mail service has been established using street address. (PO Box does not qualify.)

Eligible housing types include owner and renter-occupied single-family site built and manufactured (mobile) homes. Single-family homes include duplexes, triplexes, and quadplexes. Eligible multifamily buildings are defined as garden style buildings with no more than two (2) stories.

State Historic Preservation Compliance (SHPO)

Arkansas Historic Preservation Program and AEO have not developed a Programmatic Agreement. Therefore, prior to the expenditure of federal funds to alter any structure or site, AEO Subgrantees will comply with Section 106 of the National Historic Preservation Act (NHPA). Section 106 applies to historic properties or sites that are listed on or eligible for listing on the National Register of Historic Places. In order to fulfill the requirements of Section 106, the Subgrantee must contact the Historic Preservation Office to coordinate the Section 106 review as set forth in 36 CFR Part 800 and consistent with DOE's 2009 Letter of Delegation of Authority.

Describe how Rental Units/Multifamily Buildings will be addressed:

Rental Units/Single-family

Arkansas's rental plan, as follows, protects renters' rights as specified in 10 CFR 440.22 (b)(3) and (c)(e).

- The subgrantee obtains written permission from the owner or agent of the rental unit at the time of tenant's application. Such written permission shall be permanently maintained in the file of the client whose unit is weatherized.
- The benefits of weatherization assistance will accrue primarily to low-income tenants.
- No undue or excessive enhancement shall occur to the value of the dwelling units. Each energy audit of a rental unit will be reviewed by the Weatherization Director of the weatherizing agency to ensure that all measures authorized by the energy audit software, Energy Conservation Online System (ECOS), and all Health & Safety measures are provided in compliance with DOE requirements. Any questions in this regard should be asked of AEO prior to the start of weatherization.
- Not less than 66 percent (50 percent for duplexes and four-unit buildings) of the households in a building must be income-eligible for weatherization services.

- The subgrantee must obtain and place in the client file a signed agreement from the landlord (or authorized agent of the landlord) that states that for a minimum of twelve (12) months after weatherization work has been completed on a dwelling, the tenants in that dwelling will not be subjected to rent increases because of the increased value of dwelling units due solely to weatherization assistance provided.
- Subgrantees will provide copies of the signed Landlord Agreements to the tenants to ensure their understanding and provide an avenue for tenant complaints.
- Other Considerations:
 - In the event of a dispute between the tenant and property owner regarding the issues listed above, the subgrantee will attempt to resolve the dispute; if that fails, the tenant will be referred to legal aid by the subgrantee.
 - Units being weatherized must be occupied by a qualified household; the only exception to this requirement is that an applicant household may temporarily move out while work is being performed on the house, if the temporary nature of the move is documented and re-occupation of the house is expected once work is completed.
 - The Arkansas Weatherization Assistance Program does not seek property owner agreements for placement of liens nor does it use other contractual restrictions.
 - Subgrantees do not accept financial participation of the owner in Weatherization costs.

Rental Units/Multifamily Units

Energy Audit

During the selection process for a multifamily project, the energy auditor will complete a walk-through of the property and note the potential for energy savings.

Arkansas uses its approved single-family energy audit software, ECOS, for multifamily garden style, single- or two-story buildings with less than five (5) units in each building and for multifamily complexes comprised solely of duplexes, triplexes, and quadplexes.

Subgrantees do not accept financial participation of the owner of multifamily complexes in Weatherization costs. In particular, owners are encouraged to utilize available maintenance funds to address measure that do not receive an SIR of 1.0 or greater.

Multifamily weatherization has always represented less than twenty percent (20%) of total weatherization production in Arkansas. AEO has an agreement with DOE that all multifamily energy audits for garden style complexes containing buildings with five (5) or more units, will be approved by DOE prior to beginning weatherization work.

Multifamily Units Receiving Cost-effective Measures

The AEO budgets funds specifically for weatherizing multifamily complexes. Better Community Development, Inc. is the provider of multifamily weatherization services throughout the state.

Project Officer Review Prior to Commencing Work

AEO will submit to our DOE Project Officer all pertinent materials to approve the multifamily garden style projects having single- or two-story buildings with five (5) or more units in each building prior to commencing the work of weatherizing the buildings. AEO will submit Auditor's Input Sheets, Recommended Measures Output Report, and any other requested documentation for a case-by-case approval.

AEO is confident that the number of multifamily complexes weatherized during PY 2019 will be less than twenty percent (20%) of Arkansas' total building stock weatherized. Currently, about six percent (6%) of units weatherized are multifamily.

Describing the Approach for Multifamily Service Delivery

Better Community Development, Inc. will work with each multifamily property to utilize its available maintenance resources. In the past, complexes have utilized HUD funds as well as other maintenance resources. A partnership was developed with USDA Rural Development with a goal of weatherizing multifamily complexes throughout Arkansas. Whenever available, the AEO will utilize USDA Rural Development funds for a blended service approach.

AEO's Verifying Statement for Project Approval

The AEO understands the approval process for multifamily complexes. The AEO will maintain compliance to WPN 17-4 when submitting properties for approval. All pertinent material (including Auditor's Input Sheet and Recommended Measures Output Report) will be submitted to the DOE Project Officer for approval prior to the start of weatherization work. The Project Officer will review material and determine approval or denial on a case-by-case basis.

Describe the Deferral Process

There are conditions and situations under which a subgrantee must not or may choose not to weatherize an otherwise eligible dwelling unit. Information for making this determination may become evident during the application process, during the initial inspection process, during the energy audit, or after weatherization work has begun.

The Arkansas WAP Deferral policy is part of the Health & Safety plan found in the Arkansas Subgrantee Operations Manual, Chapter 7 – Technical Standards and Best Practices, VI. Health & Safety.

In addition, the Deferral form (WAP 35) ensures that all information is discussed with the client and provided in writing with both parties' signatures.

Definition of Children

Definition of children (below age): 19

Approach to Tribal Organizations

Since Arkansas has no identified Native American tribes, low-income Native Americans will receive the same weatherization services provided to other low-income persons in Arkansas.

Selection of Areas to Be Served

All seventy-five (75) counties will be served during the PY 2019. Arkansas uses a funding allocation formula for each area (county) based on methodology similar to that used by DOE to allocate state-level funding. This formula is driven primarily by the number of persons living below poverty level, and by climatic conditions – with additional input based on the age of the housing stock.

The factors used in the formula are:

- Population below poverty level, given a weight of 80 percent
- Annual average heating and cooling degree days, given a weight of 10 percent
- Percentage of houses built prior to 1990, given a weight of 10 percent.

Each of these factors was multiplied by the weights given and summed to yield a total weight for each county. Each county's weight is then divided by the state's total weight and adjusted so the percentages for the counties sum to 100. The county percentages can be summed as required to generate the allocation appropriate to each administrative entity.

Priorities

Subgrantees are allowed to maintain a priority list for each county in their service area. The Subgrantee's waiting list must be maintained by assigning points for DOE categories priority for service. Priority points are awarded to eligible households based on:

1. At least one member of the household is elderly (age 60 or older). (1 point)
2. At least one member of the household is disabled. A disabled person must be a recipient of Rehabilitation Services, receive Social Security disability, Veterans disability or services under the Developmental Disabilities Act. Disability from a private employer must be in addition to or as a settlement with Federal or state disability. (1 point)
3. At least one member of the household is a child (under the age of 19). (1 point)
4. The household experiences a high energy burden. (1 point)

A household spending more than six percent (6%) of their total income on heating and cooling is defined as having a high energy burden (from DOE Better Buildings/Clean Energy for Low-Income Communities Accelerator fact sheet). To calculate the household's energy burden:

- Add the client's heating and cooling utility bills (gas, electric, fuel oil) for the past twelve (12) months;
 - Use client's annualized income documentation (obtained during the client intake process);
 - Divide the sum of utility bills by the annualized income and multiply by 100 to determine the percent burden.
5. The household is a high energy user. (1 point)

A household whose electricity bill is 10¢ or more per square foot is defined as a high energy user. To calculate, take the highest electric bill, usually from the summer months, divide by conditioned square footage of the house. If result is 10¢ or more, household is a high energy user. (from Entergy Solutions brochure “You have the power to lower your Entergy bill.)

AEO has approved the use of separate priority lists by county to give subgrantees flexibility when scheduling work crews and assigning contractors. This policy minimizes travel distances and maximizes available work hours and worker efficiency. However, a subgrantee serving two (2) or more counties may not work exclusively in one county for more than one (1) month. The Subgrantee’s goal should be to serve each county in proportion to the number of units planned for that county and to prioritize counties based on the number of priority points assigned to top applicants on each county list. The selection of a county in which to provide weatherization work exclusively for a coming month should be based on where the client with the highest number of points among all counties resides.

All applicants are required to re-verify for the program annually and thus the applications are no older than one (1) year. A copy of each county priority list must be printed monthly and kept on file. Each county list should contain notes (e.g., attempts to contact clients and other information pertinent to selection of clients).

Type of Weatherization Work to be Done

Technical Guides and Materials

Arkansas uses the following: (1) “Retrofitting the States – SF Complete, Standard Work Specifications Field Guide for Single-Family Homes” – aka Deck of Cards (approved by DOE for use in Arkansas July 30, 2018), (2) “Retrofitting the States – Manufactured Housing, Standard Work Specifications Field Guide for Manufactured Housing” – aka Deck of Cards (approved by DOE for use in Arkansas May 27, 2016), and (3) Subgrantee Operations Manual. The Subgrantee Operations Manual is a living document and as DOE’s WPNs are released, updates are made to the manual with the appropriate effective dates.

Arkansas has contacted Rebecca Eckman, developer of the Deck of Cards, for the purposes of re-approval of the “Retrofitting the States – Manufactured Housing, Standard Work Specifications Field Guide for Manufactured Housing”. Arkansas has submitted three (3) variances.

1. To reduce the required insulation of water heats from R-11 to R-6.
2. Not to be required to drill a hole in the flue pipe when testing gas appliances for combustion.
3. Not to be required to work on mobile homes with aluminum wiring.

Like the Single Family SWS Field Guide, the Manufactured Housing SWS Field Guide may undergo minor changes (repagination due to NREL’s formatting changes and any SWS numbering changes). Arkansas will be submitting its Field Guide for DOE review in late April 2019.

All three (3) guidance documents are maintained on the AEO website.

Electronic Link <http://www.aeo.org/energy-efficiency/energy-efficiency-wap>
Scroll to bottom of page and click on “WAP Forms & Documents”

Documenting the Process for Distribution

Once revisions are made to the Subgrantee Operations Manual, AEO will send each subgrantee one copy of the Standard Work Specifications Field Guide for Manufactured Housing via certified mail. Each subgrantee must sign for delivery. The US Postal Service will return the signature cards to AEO, providing written verification that each subgrantee received a copy.

Subgrantees require Weatherization contractors to sign an acknowledgement form, verifying that they have received a copy of the Standard Work Specifications Field Guide for Single-Family Homes and for Manufactured housing at the time of their procurement to do weatherization work. During monitoring visits, AEO program monitors will confirm language and compliance to SWSs within the contractor agreements.

AEO's Statement of Assurances

AEO ensures that all subgrantee agreements and subgrantee contracts contain language which clearly specifies that all work performed will be of a quality outlined in WPN 15-4, Section 2.

The language clearly requires and documents the following:

- (1) That subgrantees understand that work quality standards must align with the SWS,
- (2) That each subgrantee's direct hire is aware of these standards, and
- (3) That they all must sign off that they have received a copy of the Standard Work Specifications Field Guide for Single-Family and Manufactured Homes.

AEO ensures that all work will be performed in accordance with our DOE-approved Energy Audit procedures and all materials will be approved materials specified in 10 CFR 440, Appendix A.

Language in Subgrantee Agreement

The following language will be inserted into subgrantee and contractor agreements:

It is the signatory's responsibility to perform all weatherization and health & safety work to the specifications outlined in WPN 15-4 using DOE Standard Work Specifications (SWS) as found in "Retrofitting the States, Standard Work Specifications Field Guide for Single-Family Homes" and in "Retrofitting the States, Standard Work Specifications Field Guide for Manufactured Housing." Work quality standards that align with the SWS must be followed for all work performed on client homes. The signatory acknowledges receipt of the above referenced documents. All contractors of subgrantees must be assigned the same contractual responsibility and acknowledge receipt of the referenced documents. Subgrantees must ensure that every completed home is inspected for compliance with these standards and require reworks when the work is judged not satisfactory by these standards.

Describe Mechanism Used

The mechanisms AEO uses to verify that subgrantees understand and agree to expectations of weatherization work is the subgrantee's signature on the grant agreement. In addition, third party QCI inspections review weatherization work vis-à-vis the SWS.

Field Guides/Standard Work Specifications (SWS)

The field guide approval dates are currently maintained and updated by the DOE Project Officer. Improvements are expected or AEO will meet with agency administration to review expectations and discuss disciplinary actions.

Inspection and Monitoring of Work Using Guidelines and Standards

For PY 2019 Arkansas will continue to ensure that Quality Control Inspector (QCI) competency is demonstrated by mandating certification as a BPI Home Energy Professional (HEP) QCI. AEO requires that each subgrantee employ or contract with a HEP QCI. Subgrantees must submit to AEO the credentials of all staff employed as a QCI and of any third parties engaged to conduct quality control inspections. AEO will continue to use SEAL Energy Solutions, Incorporated as its third party QCI contractor.

Weatherization Analysis of Effectiveness

The State of Arkansas is concerned that all entities that participate in the program be qualified and have sufficient ability to effectively deliver a quality product to the citizens of Arkansas. The following evaluation system has been developed to analyze current subgrantee performance and to assess viability for continued participation in the weatherization program.

- **On-site Inspections of Weatherized Units:** State/Third Party QCI will inspect a minimum of five percent (5%) of completed units for each subgrantee, unless AEO verifies that the subgrantee has not completely separated the audit and inspection functions in which case a minimum of ten percent (10%) of completed units will be inspected. (See previous Final Inspection section.)
- **Monitoring:** In PY 2019, AEO conducted a risk assessment of each agency, Monitoring will be scheduled more frequently with agencies at increased risk. Higher risk monitoring will be monthly or quarterly. Lower risk monitoring will be semi-annually or annually. Visits will focus on fiscal and administrative compliance with all applicable federal and state WAP rules and regulations. Findings will be tracked with corrective action responses. Any patterns will be noted and addressed.
- **Single Agency Audits:** Each subgrantee must submit a financial audit within nine (9) months of the conclusion of the fiscal year. Audits will be reviewed and be used in the financial risk assessment to be implemented in PY 2019.
- **Productivity:** AEO will track expenditures and average cost per unit to monitor utilization of grant funds.
- **Analyses using ECOS:** With the implementation of ECOS, AEO has expanded capability to track subgrantee progress. In PY 2019, these capabilities include:
 1. Information dashboard: findings by subgrantee, measure, contractor reworks and disallowances; training needs including Tier 1 and Tier 2 based on findings, results and priorities.
 2. Comparison charts that show productivity levels, spending and energy savings between subgrantees.
- **Self-assessments:** AEO implemented self-assessments by WAP staff based on Knowledge, Skills, and Abilities (KSAs) required by the WAP position in which he/she is employed. Weatherization directors use these self-assessments, and other information specific to staff, to develop a training plan.

AEO utilized its Risk Assessment reports to document the effectiveness measures for each subgrantee which will be used to assess each subgrantee and compare among subgrantees. The Risk Assessment tool records administrative/programmatic, technical and fiscal effectiveness.

Improvements will be tracked by programmatic monitoring, comparing state/third party QCI findings with findings from the previous QCI report, and fiscal reviews.

Health and Safety

Arkansas's approved Health and Safety Plan is a part of the Subgrantee Operations Manual. It's found in Chapter 7-Technical Standards and Best Practices, VI. Health and Safety.

Arkansas is updating its approved Health & Safety Plan based on comments from DOE.

Program Management

Overview and Organization

The Arkansas Energy Office (AEO) is a part of the Arkansas Department of Environmental Quality (ADEQ). The organizational chart shows WAP is a unit under the Senior Manager of AEO. Connection to the State Energy Office allows an exchange of ideas beneficial to WAP.

Administrative Expenditure Limits

DOE allows ten percent (10%) of Arkansas's total allocation to be used for administration. Subgrantees receive at least five percent (5%) for administration and AEO receives up to five percent (5%). Up to an additional five percent (5%) of a subgrant is allowed for administration if that subgrant is less than \$350,000. Approval of additional administrative costs up to five percent (5%) is based on each subgrantee's cost allocation plan for overall agency administration.

Monitoring Activities

1) Staff who Monitor in Arkansas

Candy Roman has been employed by Arkansas Weatherization state office since 1994 as a technical and administrative monitor. She achieved her certification as a BPI HEP Quality Control Inspector (QCI) in June 2017.

Sterling Bowers has been employed by Arkansas Weatherization state office since September 2018 as a technical and administrative monitor.

The Budget Specialist position acts as the fiscal monitor. This position is current vacant. Efforts are being made to fill this position.

Subrena McCoy has been employed by Arkansas Weatherization state office since 2010. She serves as the Weatherization Program Manager.

2) Salaries

Salaries of monitors are charged to DOE. Their remaining salaries are fifty percent (50%) of the charge to LIHEAP.

Of the fifty percent (50%) of the monitors' salaries charged to DOE, seventy-five percent (75%) is charged to T&TA and twenty-five percent (25%) is charged to Administration.

Budget Specialist's salary is charged to DOE. The remaining salary is thirty-three percent (33%) charged to LIHEAP and SEP.

Of the thirty-three percent (33%) of the Budget Specialist's salary charged to DOE, twenty-five percent (25%) is charged to T&TA and seventy-five percent (75%) to administration.

Thirty-four percent (34%) of the Administrative Assistant's salary is charged to DOE. The remaining salary is billed to LIHEAP and SEP.

Of the thirty-four percent (34%) of the Administrative Assistant's salary charged to DOE, twenty-five percent (25%) is charged to T&TA and seventy-five percent (75%) is charged to Administration.

Fifty percent (50%) of the Program Manager's salary is charged to DOE. The remaining salary is charged to LIHEAP.

Of the fifty percent (50%) of the Program Manager's salary charged to DOE, fifty percent (50%) is charged to T&TA and fifty percent (50%) is charged to Administration.

3) Grantee assurance that final inspections and technical monitoring are conducted by certified QCIs: AEO assures DOE that all subgrantee final inspections are performed by certified QCIs. Each subgrantee has had at least one (1) certified QCI since July 1, 2015. AEO has one (1) certified QCI on staff. In addition, AEO currently procures certified QCI services from a third-party for technical monitoring. Subgrantees are encouraged to certify more than one of its employees as QCI. In the event that a subgrantee has only one QCI and loses him/her they may elicit the assistance of one of the other subgrantee's QCI until such time that they have filled that role.

The state's QCI, Candy Roman, performs in-progress inspections on an as-needed basis.

4) All weatherization activities, including but not limited to, energy audits; energy conservation measures; incidental repair measures; and health and safety measures, are performed by properly trained Retrofit Installer/Technicians, Crew Leaders, and Energy Auditors. Tier 1 and Tier 2 training is provided to all subgrantees during the annual AWAP conference and at other times during the year. In addition to subgrantees utilizing T&TA to improve staff capacities, subgrantees may also train contractors employed in WAP using T&TA funds.

Every year, subgrantees are encouraged to assess the needs of staff, conduct self-assessments, and review past monitoring reports to determine what training is needed for each WAP employee. Individual training is determined for each employee that aligns with DOE's JTA for his/her job functions. Based on these assessments, subgrantees must complete a program-wide T&TA plan (WAP 40) for the up-coming program year.

5) PY 2019 monitoring schedule:

a) Administrative Monitoring: Annually, in the first quarter of the program year, each subgrantee will be visited by an administrative and a fiscal monitor. The fiscal monitor and administrative monitor will conduct initial on-site monitoring visits at the same time whenever possible. Separate visits may be necessary in some instances.

The following potential schedule for visits to existing subgrantees is subject to change (specifically the listed dates and subgrantee order), but this first round of visits will be completed by the second week of October 2019:

Week of July 8 – 12: PBJCEOC, Pine Bluff

Week of July 22 – 26: BRAD, Pocahontas

Week of August 5 – 9: CSCDC, Ft. Smith

Week of August 19 – 23: CAPCA, Conway

Week of September 9 – 13: CRDC, Jonesboro

Week of September 16 – 20: BCD, Little Rock

Week of October 7 – 11: CADC, Benton

Content of Monitoring

a. Administrative review:

- Subgrantee monitoring analysis overview/risk assessment – review status based on performance during previous year;
- Client files – sample files from most recent quarter (minimum 10% with increased numbers reviewed if deficiencies are found) with review of eligibility, rental agreement, energy audit, work orders/SWS, health & safety, final inspection by QCI, separation of audit and final inspection (different staff, certified QCI); required forms present, complete, signed and dated;
- ECOS management – fuel prices updated, prices in ECOS match procured prices; complete entry of information reviewed;
- Procurement – process and documentation;
- Contractors – agreements signed and citing SWS standards and work required to these standards; plan for evaluating contractor work/dismissing contractors for poor performance;
- Training – training plan being followed for persons employed by weatherization and contractors, including training necessary to maintain staff certifications; developing plans for additional staff certifications;
- Priority lists – how clients are pulled from list; how priorities are entered in ECOS, are all five (5) priorities being calculated, is subgrantee re-determining client eligibility every twelve (12) months;
- Inventory – equipment and materials;
- Management system relating to production;
- Policies and procedures, including records retention.

b. **Fiscal review:**

- Subgrantee monitoring analysis overview/risk assessment – review status based on performance during previous year, including follow-up on any findings from last single agency audit;
- Subgrantee monthly general ledger is compared to invoices, client files, and weatherization payroll;
- Personnel and other expenses charged to weatherization administration;
- Policies and procedures for financial management and separation of duties;
- Subgrantee Monthly Billing Groups/Invoices are compared to submitted support documents (per line item category); this monthly procedure will also inform the on-site fiscal review.

Exit conference will include discussion of findings with subgrantee's executive director, financial director, and weatherization director, as available. AEO will send Subgrantee a written report within thirty (30) calendar days of the monitoring visit. A combined report for the program, including Administrative and Fiscal reviews, will be provided when the administrative monitor and fiscal monitor visit during the same time. Each report will require a response from the subgrantee with a corrective action plan which AEO will accept or reject, in whole or in part, in a written response.

b) **Technical monitoring:** AEO will use third-party QCI services during PY2019. Through the third-party QCI, AEO will monitor a minimum of five percent (5%) of units reported as complete. If the subgrantee certifies that its program operates with complete separation with respect to auditing houses and inspecting weatherized units, **and** AEO verifies from knowledge of the process used by the subgrantee that separation does exist. For subgrantees that cannot document separation, a minimum of ten percent (10%) of completed units will be inspected.

The frequency of technical monitoring is as follows:

At the end of each quarter, AEO will provide the number of units to be inspected for each subgrantee. For example, the required number of inspections for weatherization work reported complete during July – September, 2019 will be given to the QCI by October 10, 2019. The QCI inspections must start the next week and continue during successive weeks until completed, with a maximum of one (1) week spent inspecting each subgrantee's weatherization work. Final reports for each subgrantee must be submitted to AEO prior to beginning inspections for another subgrantee.

The third-party inspection includes a file review and in-home inspection. The third-party QCI is accompanied by an AEO administrative monitor and the subgrantee QCI or other staff.

A typical inspection averages seven (7) hours based on the following requirements:

- 1 hour – review client file (energy audit, work orders, and agency QCI inspection report);
- 2 hours – on-site inspection;
- 1 hour – follow-up discussion of findings with agency and state staff (may be in the field after the inspection or back at the subgrantee office);
- 2 hours – complete required written report; and
- 1 hour – review and discuss documentation of corrective actions, if any; approve or deny.

If issues are identified, the resolution strategy starts with AEO sending a letter to the subgrantee containing the findings and corrective actions required by the third-party QCI and conveying the original QCI reports to be filed in the client files. This letter requires that the subgrantee submit corrective actions taken and photographic documentation of such to AEO within fifteen (15) working days of the receipt of the letter. The letter also states that corrective work must be completed with non-federal funds. Corrective action documentation will be sent to QCI for approval.

In-progress inspections will be included for subgrantees who have repeated major deficiencies from one technical monitoring visit to the next. On an as-needed basis, Candy Roman will conduct in-progress inspections following recommended assessments as outlined in WPN 16-4.

Every month, monitors conduct desk audits. Typically desk audits are performed during the billing review. Desk audit details will be sent to each subgrantee. In addition, monitors may conduct desk audits while the auditor/inspector is still in the audit/job. The objective is to look at audits and jobs in progress in ECOS before they are completed and placed in a billing group; in this way compliance issues or better ways to evaluate/analyze a unit can be discussed before the job is completed, thus minimizing noncompliance and disallowances. Auditors/inspectors can see the state monitor's notes on each page of the audit as well as in the job analysis; this feedback enables subgrantee staff to consider alternative procedures in what might be complex weatherization situations before conducting final calculations, the goal being to prevent compliance issues after job completion.

Significant deficiencies are defined as: health & safety violations, poor quality installation of materials, and major measures missed. If any of these same deficiencies are repeated in the next QCI monitoring of completed units, the following steps will be taken:

- Monitoring of the subgrantee will increase so that an additional visit will be made prior to the next regularly scheduled visit;
- A percentage of the units completed since the last regularly scheduled monitoring visit will be inspected; the number of additional units inspected will be two (2) or 100% if less than two (2);
- One (1) in-progress unit will be inspected during this extra visit;
- AEO, the third-party QCI, and subgrantee will discuss: 1) contractor deficiencies, 2) quality of auditor assessments, and 3) subgrantee QCI giving a pass to substandard work and missed opportunities;
- Training needs relative to findings will be discussed and provided to agency staff and its contractors.

Subgrantee noncompliance or repeated unresolved findings (based on a minimum of two [2] monitoring visits to a subgrantee without improvement) will be reported promptly to the DOE project officer.

AEO will submit a T&TA, Monitoring, and Leveraging Report thirty (30) days after the end of the reporting period. This report will include subgrantees monitored; major findings (fraud, waste, and abuse) and resolutions; trends with respect to findings, concerns or other issues; needed T&TA (programmatic/administrative, technical, financial); subgrantees considered high risk for other programs or program management; and outcome activities involving T&TA and monitoring training.

c) Process for discipline and/or removal of a subgrantee from the program.

The “AEO General Terms and Conditions” and “Scope of Services” in the “Administrative Grant Agreement” specify the criteria necessary for a Subgrantee to be considered in compliance. Failure to maintain fiscal control, comply with federal regulations, or fulfill contract obligations will lead to probation.

The terms of probation will begin with monthly on-site monitoring to review problematic areas of the program with a frequency designed to assess training and improvements or non-improvement. Probation will be initiated for six (6) months with the option to extend for another six (6) months with the option to extend for another six (6) months if sufficient progress is not deemed to have occurred but some improvement has been shown. Areas of required improvement will be specified in a written probation document and be under continual review during monthly monitoring visits. At the end of the probation period, AEO will either 1) release the subgrantee from probation; 2) take steps to bring the program into compliance by reducing the workload to a more manageable level; in this regard, AEO may reallocate part of the unobligated WAP funds and part of the subgrantee’s service territory to a suitable replacement subgrantee on a temporary basis; or 3) terminate the subgrantee grant agreement.

Resolution strategy

Monitors will follow-up to ensure that corrective actions are carried out by each subgrantee according to the approved plan. Based on required corrective actions and the risk assessments from the previous year, each subgrantee will be placed on a monthly, quarterly, semi-annual, or annual schedule of on-site monitoring visits. These scheduled monitoring visits will include a review of areas cited for corrective actions and any changes that have taken place with the subgrantee. Progress with production, staff training, and contractor performance will be reviewed. Any subgrantee placed on a monthly monitoring schedule will be deemed to be on probation.

Training and Technical Assistance Approach and Activities

During PY 2019, AEO will take the same approach used in PY 2018 to train network staff. The approach consisted of developing a training agenda based on: (1) aggregating statewide findings/concerns; (2) incorporating self-assessment results; (3) including the DOE findings and concerns, and (4) identified needs by the network. During PY 2018, Healthy Homes and Mobile Home Retrofitting was covered during conference training. In addition, Energy Modeling was provided as a stand alone training separate from the conference.

AEO will allow Subgrantees to pay for contractor training using T&TA funds if the contractor signs an agreement that he/she intends to work for WAP for the duration of his/her contract with the subgrantee (Retention Agreement WAP 24). Contractors sometimes participate in the annual training conference as well as in Tier 2 training when topics are relevant to their work.

All Tier 1 training will be provided by an IREC-accredited training center. Tier 1 training will count toward certification in the DOE required BPI certification (QCI) or in one of the DOE recommended certifications (Energy Auditor, Crew Leader, Weatherization Worker). The Building Analyst and Manufactured Housing credentials will be included in the allowable Tier 1 training.

AEO requires that each Subgrantee has at least one (1) certified QCI on staff. This requirement has been met since July 1, 2015. Currently, there are eleven (11) certified QCI employed by the weatherization network.

AEO encourages QCI staff to become certified energy auditors; currently four (4) QCIs are also certified energy auditors. The network also employs two (2) energy auditors who are certified.

In preparation for the upcoming changes in QCI certification, the network also employs two (2) energy auditors who are certified. AEO recommends that staff identified by a Subgrantee as a potential QCI first pursue certification as an Energy Auditor. AEO recommends that new staff hired by Subgrantees pursue the Building Analyst and Manufactured Housing credentials to establish a solid foundation for going on to certification as an Energy Auditor and QCI.

AEO requires that subgrantee weatherization directors and field staff (auditors and inspectors) as well as contractors have active certification in lead-safe practices through the Environmental Protection Agency's Renovation, Repair, and Painting program.

AEO considers all sources of information about subgrantees when planning the annual Weatherization Conference that is always held for two and a half (2 1/2) days. This year, the conference will be July 23 – 25, 2019, in North Little Rock at the Hilton Garden Inn.

Sources used to identify training needs include Subgrantee training plans, DOE and AEO monitoring visits, QA review visits and subgrantee single agency financial auditor reports. If the needed training areas exceed the time available during the conference, additional statewide training will be scheduled in Arkansas around specific topics.

Maintaining workforce credentials: AEO stays abreast of credentials and renewal requirements by maintaining a spreadsheet tracker based on the staff certifications submitted by subgrantees. The annual conference provides CEUs for certified staff toward the annual continuing education requirement; in PY 2016, fifteen (15) CEUs were provided, exceeding the annual requirements of eight (8) (24 in three years). In PY 2017, six (6) CEUs were provided. In PY 2018, eight (8) CEUs were provided.

In PY 2019, no QCI or energy auditor staff is required to renew his/her certification. However, staff will continue to earn CEUs.

Attendance at training: Training provided by AEO in Arkansas is considered mandatory. Subgrantees have consistently attended available training, and, therefore, AEO has not needed to establish ramifications for non-compliance. In the cases of non-attendance at training, AEO would require absent subgrantee staff to find and attend equivalent training elsewhere.

Statement regarding training staff: AEO requires that weatherization field staff new to the job are supervised by trained and certified staff until such time that skills are demonstrated satisfactorily and any required certifications are completed (see AEO requirements and recommendations for certifications above).

Planning for industry-wide initiatives and future program requirements: AEO will continue to attend NASCSP conference each year as well as DOE sponsored technical conferences to keep

abreast of industry standards and to bring relevant training to Arkansas. AEO will continue to encourage certification for energy auditors. During PY 2019, AEO will explore the possibility of initiating pursuit of certification for weatherization worker and crew leader.

Partnering with statewide home performance industry on training issues: AEO is linked to the home performance industry. Last year, AEO secured a conference trainer for Healthy Homes. During the planning for the 2019 conference, AEO will reach out to home industry trainers, both in-state and those on the national conference circuit, as needs are identified.

Use of effectiveness and energy savings evaluations to develop training: AEO has the capacity to create reports from data in ECOS that show the energy savings achieved from each job and aggregates the savings by different variables. This report was introduced to the subgrantees during Grants Guidance with weatherization directors in August 2016. In PY 2019, aggregated reports will be created on a semi-annual basis to share with each subgrantee. AEO will seek consultation from state and national industry experts on using this report to guide development of specific T&TA activities and priorities. In addition, AEO intends to use as measures of effectiveness the timeliness of completion rates for houses audited and an analysis of reasons for deferral. Measures of effectiveness and energy savings will be fully integrated into the planning process for PY 2019.

Grantee effectiveness: AEO uses the resources of NASCSP for training and information relevant to implementing and administering the grant. During PY 2018, AEO staff attended the NASCSP fall and spring conferences and the Energy Outwest, Inc. conference. AEO generally budgets for attendance at NASCSP and other conferences. AEO was monitored on-site by DOE during PY 2018 and received guidance on effective management. The need to finalize updating the Subgrantee Operations manual and the need for a financial policies and procedures manual were identified by our DOE PO.

Arkansas Health & Safety Plan: In 2018, AEO utilized the Health & Safety template as its guide in developing the Arkansas H&S Plan. We pre-populated the template with DOE and Arkansas H&S Guidance and provided a copy to the network's Technical Committee for review. AEO conducted a webinar (with shared-desk viewing) which allowed the Technical Committee members to discuss the acceptance, revision or deferral of each measure. The first H&S Plan webinar was conducted on February 22, 2018 and the follow-up meeting was held on March 15, 2018. Glenn Salas and Katherine Foote made themselves available for guidance at the March 15, 2018 session. During the 2018 Annual WAP Conference, AEO covered revisions to the H&S Plan with the network. In addition to the conference, technical training is also provided in the Spring during our Annual Grants Guidance. AEO will reach out to industry experts to assist in providing the identified training needs.

Client Education: Client education is built into auditing and inspecting and is considered an important part of the weatherization process. There are specific forms to document the information given to and discussed with the client in the home. AEO encourages subgrantees to budget for materials that each agency considers useful in educating clients. In addition, AEO has free materials on energy efficiency provided through our outreach program that are distributed on an annual basis to subgrantees at the Arkansas conference, based on orders placed by the subgrantees. For the past four (4) years at the conference, AEO has provided a training session on Communications which is designed for weatherization staff in the office and in client homes to learn to communicate more effectively with clients. Subgrantees are encouraged to respond to speaking requests and most participate in the LIHEAP Assurance 16 program to provide information about energy efficiency practices to LIHEAP clients.

Each subgrantee will prepare a training plan for weatherization staff to be included in the DOE subgrant for PY 2019. These training plans will substantiate the allocation of T&TA funds to each subgrantee and will inform the selection of training topics for the annual conference and other training offered in Arkansas.

AEO will provide T&TA funds to subgrantees to certify QCIs and energy auditors in PY 2019 based on each subgrantee's approved training plan. AEO will also make T&TA funds available through subgrantee training plans for staff to:

- Pursue Building Analyst and Manufactured Housing credentials.
- Attend the DOE-sponsored annual national technical conference.

Grants Guidance administrative training will be held at least annually to gather weatherization directors for discussion on topics involving grant implementation and administration.

AEO will strongly encourage and provide T&TA funding for subgrantees to include Building Analyst and Mobile Home certification for inexperienced, uncredentialed staff in their training plans.

AEO will strongly encourage subgrantees to attend the annual DOE-sponsored national technical training conference and provide T&TA funds for this purpose.

AEO staff will attend the fall and spring NASCSP conferences and the annual DOE sponsored national technical conference. AEO staff will attend one (1) additional conference if identified as specifically applicable to weatherization and job duties.

Percent of overall trainings

Comprehensive Trainings:	70.0	70	70	*
Specific Trainings:	30.0	30	30	*

Breakdown of T&TA training budget

Percent of budget allocated to Auditor/QCI trainings:	80.0	80	80	*
Percent of budget allocated to Crew/Installer trainings:	5.0	5	5	*
Percent of budget allocated to Management/Financial trainings:	15.0	15	15	

Energy Crisis and Disaster Plan

Arkansas will not use any grant funds for energy crisis relief during the 2019 Program Year.

