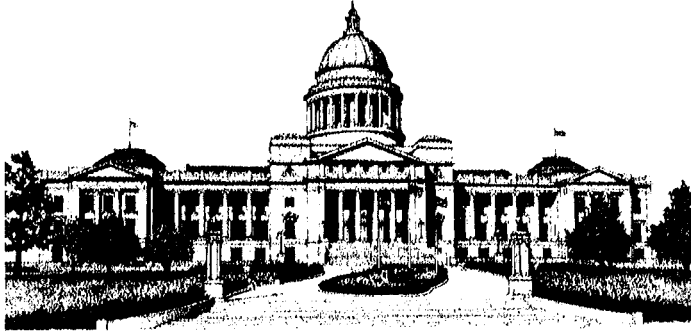


ARKANSAS REGISTER

Transmittal Sheet

* Use only for **FINAL** and **EMERGENCY RULES**



Secretary of State
Mark Martin
State Capitol, Suite 026
Little Rock, Arkansas 72201-1094
(501) 682-3527
www.sos.arkansas.gov



For Office
Use Only:

Effective Date _____ Code Number _____

Name of Agency Arkansas Economic Development Commission

Department Arkansas Energy Office--Weatherization Assistance Program

Contact Mitchell Simpson E-mail msimpson@arkansasedc.com Phone 501-682-1060

Statutory Authority for Promulgating Rules Public Law 94-385 (Federal) A.CA §25-11-209 (State)

Rule Title: Weatherization Assistance Program, Program Year 2016 State Plan, (July 1, 2016-June 30, 2016)

Intended Effective Date
(Check One)

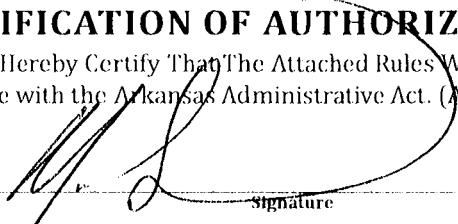
- Emergency (ACA 25-15-204)
- 30 Days After Filing (ACA 25-15-204)
- Other Final
(Must be more than 30 days after filing date.)

	Date
Legal Notice Published	4/12-14, 2016
Final Date for Public Comment	May 5, 2016
Reviewed by Legislative Council	June 14, 2016
Adopted by State Agency	July 1, 2016

Electronic Copy of Rule e-mailed from: (Required under ACA 25-15-218)
 Mitchell Simpson msimpson@arkansasedc.com June 17, 2016
Contact Person E-mail Address Date

CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted
In Compliance with the Arkansas Administrative Act. (ACA 25-15-201 et. seq.)



Signature
 501-682-1060 msimpson@arkansasedc.com
Phone Number E-mail Address
 Director, Arkansas Energy Office

Title
 June 17, 2016

Date

Arkansas

Weatherization Assistance Program Program Year 2016 State Plan July 1, 2016 – June 30, 2017

Final Rule



Arkansas Economic Development Commission – Energy Office
900 West Capitol Avenue, Suite 400
Little Rock, Arkansas 72201
501-682-7390
www.arkansasenergy.org

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Mission Statement

The mission of the Arkansas Energy Office, a division of the Arkansas Economic Development Commission (AEDC), 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 effectively weatherize homes of low-income Arkansans based on:

- Priorities to serve elderly and disabled persons, households with children, and households experiencing a high energy burden as well as households using a high amount of energy,
- Ensuring that only the most cost effective measures are employed,
- Weatherization process including client education on energy conservation and addressing health and safety issues affected by work on the house.

Overview

Executive Summary

The Arkansas Weatherization Assistance Program (WAP) State Plan for Program Year 2016 derives from Arkansas'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 231 households across the State. (NOTE: the estimate of 231 households is based on DOE funding only.)

The purpose of WAP is to install energy conservation measures in the homes of income-eligible persons (up to 200% of poverty level), with priority given to homes occupied by the elderly, persons with disabilities, households with children, households with a high energy burden and households with high energy usage. 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, thereby reducing carbon emissions that contribute to climate change,
- reduce the cost of energy for low-income families, and
- address health and safety issues affected by weatherization work.

Arkansas relies on a network of eight (8) subgrantees; six (6) of the subgrantees are Community Action Agencies (CAAs) and the remaining two (2) are non-profit agencies, one of which is a housing service agency.

Currently, subgrantees provide energy efficiency weatherization services using their own trained crews or by subcontracting work to qualified contractors. Energy efficiency measures funded through the program include air sealing, insulation, and replacement of heating systems. The program assists all types of housing, including single family homes (including duplexes, triplexes and quadplexes), and manufactured housing (mobile homes). Weatherization of multi-family housing focuses on small housing complexes and group homes or emergency shelters.

The state will allocate DOE funds for the Program Year (PY) 2016 in accordance with this plan.

II. Application for Federal Assistance – Standard Form 424

APPLICATION FOR FEDERAL ASSISTANCE

1. TYPE OF SUBMISSION: Pre application
Application

Construction
 Non-Construction
 Non-Construction

B. APPLICANT INFORMATION

Legal Name: Arkansas State of
Organizational OUNS: 784714277

Address: 930 West Capitol Ave, Suite 400
Street: Little Rock
City: Pulaski
County: Arkansas
State: 72207
Country: United States

6. EMPLOYER IDENTIFICATION NUMBER (EIN):

710489145
8. TYPE OF APPLICATION:
 New Continuation Revision
If Revision, enter appropriate letter(s) in box(es)
(See back of form for description of letters.)

Other (specify)

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 81-042

11. TITLE (Name of Program): Title IV, Part A, P.L. 94-385
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc): State of Arkansas

13. PROPOSED PROJECT:
Start Date: 07/01/16 Ending Date: 06/30/17

15. ESTIMATED FUNDING:
a. Federal \$1,868,107
b. Applicant \$
c. State \$
d. Local \$
e. Other (LINEAR) \$3,747,929
f. Program Income \$
g. TOTAL \$5,616,036

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Authorized Representative
Prefix Ms. First Name Kay
Last Name
Corner
b. Title Program Manager
c. Signature of Authorized Representative

2. DATE SUBMITTED
3. DATE RECEIVED BY STATE
4. DATE RECEIVED BY FEDERAL AGENCY
Applicant Identifier #

Organizational Unit: Arkansas Energy Office
Department: Arkansas Economic Development Commission
Division: Arkansas Energy Office
Name and telephone number of person to be contacted on matters involving this application (give area code)
Prefix: Mr.
First Name: Mitchell
Last Name: Simpson
Suffix:

Email: MS.mpson@arkansasedc.com
Phone Number (give area code) (501) 682-1060

7. TYPE OF APPLICANT: (See back of form for Application Types) A

Other (specify)

9. NAME OF FEDERAL AGENCY: U. S. DEPARTMENT OF ENERGY

11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:

Weatherization Assistance Program The program provides energy conservation for the homes of low-income elderly and disabled.

14. CONGRESSIONAL DISTRICTS OF:
a. Applicant
Second

16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?

a. Yes THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:
b. No PROGRAM IS NOT COVERED BY P. O. 12372 OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?
 Yes if "Yes" attach an explanation. No

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

Prefix Ms. Middle Name
Last Name
Suffix
c. Telephone Number (give area code) (501) 682-7390
e. Date Signed

STATE CLEARINGHOUSE
APPLICATION SUPPLEMENT

1. IF THIS IS A "NOTIFICATION OF INTENT" TO APPLY OR A PREAPPLICATION, PLEASE CHECK THIS BOX AND INDICATE GRANT I.D. ASSIGNED.
GRANT I.D. _____ X(8)
2. IF THIS IS AN ACTUAL GRANT APPLICATION, PLEASE CHECK THIS BOX , AND INDICATE GRANT I.D. ASSIGNED. Grant I. D. AEO-1301 (8)
*NOTE: IF A NOTIFICATION OF INTENT OR PREAPPLICATION HAS BEEN PREVIOUSLY SUBMITTED, USE THAT I.D. TO COMPLETE ITEM 2 AND INDICATE SAI# THAT WAS ASSIGNED TO THE NOI OR PREAPP. SAI# _____ X(8)
3. IF THIS IS AN APPLICATION FOR SUPPLEMENTAL FUNDS OR IS A REVISION, PLEASE INDICATE ORIGINAL GRANT I.D. AND SAI# TO WHICH IT APPLIES.
GRANT I.D. _____ X(8) SAI# _____ X(8)
4. GRANT YEAR 2016-2017 XX
5. GRANT START DATE 07 / 01 / 16 GRANT END DATE 06 / 30 / 17 (mo/day/yr)
6. APPLICANT (AGENCY) CODE 710H _____ X(7) (see Applicant Code List)
7. GRANTOR CODE DOE _____ X(5) (see Grantor Code List)
8. ORGANIZATION UNIT Department of Energy
9. FUNDING PERCENTAGE REQUIREMENTS:
FEDERAL 100 _____ % STATE _____ % OTHER _____ %
10. TYPE OF ASSISTANCE (A THROUGH P) _____ (see instructions on back)
11. METHOD OF FUNDING 3
1. ADVANCE BY TREASURY CHECK 2. REIMBURSEMENT BY TREASURY CHECK
3. ADVANCE BY LETTER OF CREDIT 4. REIMBURSEMENT BY LETTER OF CREDIT
12. FEDERAL FUNDS FOR THIS GRANT WILL BE RECEIVED DIRECTLY FROM (CHECK ONE)
 A FEDERAL AGENCY ANOTHER STATE AGENCY OTHER SOURCE
**If a source is OTHER please specify _____
13. DO YOU HAVE AN INDIRECT COST RATE? YES NO
14. IF YES, IS THE RATE BEING APPLIED TO THIS PROJECT? YES NO

15.	A. DIRECT COST BASE	B. INDIRECT COST RATE	C. INDIRECT COSTS CLAIMED*
	\$260,648	29.74 %	\$77,516
D. EXPLANATION*			

GRANTS ANALYST _____
Signature
AGENCY _____ Arkansas Energy Office
DATE _____

Budget Summary

Category	DOE
2016 Program Year Allocation	\$ 1,868,107
Training and Technical Assistance (T&TA)	\$ 326,346
AEO Administration	\$ 93,405
Subgrantee Administration	\$ 93,406
Multi-Family Projects	\$ 25,000
Subgrantee Operations*	\$ 1,329,950
Totals	\$ 1,868,107

*Budget categories and amounts for Financial Audits, Liability Insurance, Program Operations, and Health & Safety will be negotiated with each subgrantee from the Subgrantee Operations amount.

Weatherization Projects

DOE Allocation Subgrantee Network PY2016

Better Community Development, Inc.	\$ 63,069
Black River Area Development Corporation	\$ 151,695
Central Arkansas Development Council	\$ 267,306
Community Action Program for Central Arkansas	\$ 94,048
Crawford-Sebastian Community Development Council	\$ 345,037
Crowley's Ridge Development Council	\$ 212,252
Elevate	\$ 269,697
Pine Bluff-Jefferson County Economic Opportunities Commission	\$ 126,839
Total	\$ 1,529,943

Summary of Major Changes from the 2015 Program Year

Realignment

In PY 2016, AEO will reduce the size of the service area assigned to Pine Bluff-Jefferson County Economic Opportunities Commission (PBJCEOC) from fourteen (14) to ten (10) counties. This change will allow PBJCEOC to reduce its travel time to homes, thereby increasing efficiency of scheduling and providing more time to focus on quality of weatherization work in the remaining ten (10) counties. Lee, Monroe, Phillips and Prairie counties will be reassigned.

During PY 2016, Lee, Monroe, Phillips and Prairie counties will be assigned to Better Community Development, Inc. (BCD) for single family weatherization work. In the Spring of 2017, AEO will issue a Request for Qualifications (RFQ) for these four (4) counties. The RFQ will allow all interested parties to submit a plan for providing weatherization in this area of the state.

Certified Quality Control Inspections by AEO.

In PY 2015 AEO established a partnership with Pulaski Technical College Weatherization Training Center (PTC WTC) to provide inspections for ten percent (10%) of homes weatherized and reported as complete. For PY 2016 AEO plans to employ a certified Quality Control Inspector (QCI) on staff or to reissue the RFQ seeking proposals from qualified parties interested in performing this function for AEO.

This requirement of the United States Department of Energy (DOE) to employ certified QCI's went into effect in PY 2015. By July 1, 2015, all agencies in the Arkansas network employed at least one (1) certified QCI. Such inspections by certified QCI's provide oversight of the energy audit to ensure that appropriate measures are installed and opportunities for energy savings and Health and Safety improvements are not missed and ensure that weatherization work meets the DOE Standard Work Specifications (SWS).

Priorities for Service

DOE is requiring that points assigned to eligible applicants be limited to the five (5) categories of priority for service established in 10 CFR 440.16(b): the elderly, disabled persons, families with children, households with a high energy burden, and high energy user households. Time on the waiting list is one significant area where points are no longer assigned.

Applicants with no priority points remain at the end of the waiting list and will be served, oldest application date first, after all applicants with one (1) or more points are served. Applicants with tied points will also be served by oldest application date first.

Arkansas is concerned that people waiting a long time on the list and having no priority points will be waiting indefinitely. However, the program requirements must be correctly implemented in order to avoid disallowances of expenditures.

Budget

SUPPLEMENTARY GRANT INFORMATION

APPLICANT: Arkansas Energy Office
900 West Capitol Ave, Suite 400
Little Rock, Arkansas 72201

PROJECT DURATION:
07/01/16 - 06/30/17

Name of Funding Agency: Arkansas Energy Office

Part I: Project Description: Briefly describe the purpose of the grant, the work to be done and the projected accomplishments:

The Weatherization Assistance Program for Low-Income Persons will weatherize 231 units for the low-income families in program year 2016 using DOE funds.

Part II: Budgetary Information:

	<u>Applicant</u>	<u>DOE Federal</u>
AEO Personnel Services	\$	\$120,371
AEO Travel		\$33,000
AEO Contracts		\$107,277
AEO Subtotal		\$260,648
AEO Indirect Cost (29.74%)		\$77,516
Subgrantees	\$	\$1,529,943
Total		\$1,868,107

Indicate Other
Services:

Indicate "In-Kind" support by an (*) next to amount.

If the project is for more than one year, you should submit a separate budget for each applicable year.

Budget Justification

BUDGET EXPLANATION FOR FORMULA GRANTS

Provide detailed information to support each Cost Category using this form. Cost breakdown estimates may be entered on this form or attach a breakdown of costs using your own format as Attachment A.

1. **PERSONNEL** – Prime Applicant only (all other participant costs must be listed on 6. below and form DOE F 4600.4, Section B. Line 6.f. Contracts and Sub Grants.

- a. Identify, by title, each position to be supported under the proposed award.

Weatherization Program Manager
Budget Specialist
Program Monitor (2)
Administrative Assistant

- b. Briefly specify the duties of professionals to be compensated under this project.

Weatherization Program Manager supervises staff, develops annual grant, develops grant guidance, provides technical assistance to subgrantees, and reviews subgrantee contracts.

Budget Specialist assists in the development and management of the grantee and subgrantee budgets. Processes invoices for payment. Tracks expenditures for AEO and subgrantees compared to approved budgets; processes budget amendments. Completes financial reports. Performs on-site financial monitoring of subgrantees and reports findings.

Grants Analyst/Program Monitor (2) monitors performance of weatherization subgrantees. The Program Monitor will also assist with the states training center, coordinating hands-on training, develops the statewide training plan, review subgrantees for compliance with policies/procedures

Administrative Assistant provides clerical support to the staff and assists the program manager with subgrantee contracts, typing reports and maintains all records.

Weatherization Positions for 2016

Weatherization Personnel	Basis for computation of fringe benefits (no Federally approved fringe cost rate)		FICA Match 7.65%		Retirement Match 14.5%		Health Match \$420/Month		Unemployment/Workers Comp. 0.43%	
	Salaries (00)	Bonus (00)	FICA (03)	Retirement (03)	Health (03)	Compensation Premium Tax (03)	Total			
Program Manager	\$ 40,311.00	\$ -	\$ 3,084.00	\$ 0	\$ 5,040.00	\$ 173.00	\$ 48,608.00			
Admin. Assistant	\$ 29,543.00	\$ 600.00	\$ 2,260.00	\$ 4,284.00	\$ 5,040.00	\$ 127.00	\$ 41,854.00			
Budget Specialist	\$ 32,249.00	\$ -	\$ 2,467.00	\$ 4,676.00	\$ 5,040.00	\$ 139.00	\$ 44,571.00			
Program Monitor	\$ 43,053.00	\$ 900.00	\$ 3,294.00	\$ 6,243.00	\$ 5,040.00	\$ 185.00	\$ 58,715.00			
Program Monitor	\$ 34,226.00	\$ -	\$ 2,618.00	\$ 4,963.00	\$ 5,040.00	\$ 147.00	\$ 46,994.00			
Adm Total	\$ 179,382.00	\$ 1,500.00	\$ 13,723.00	\$ 20,166.00	\$ 25,200.00	\$ 771.00	\$ 240,742.00			

2. **TRAVEL** - Identify total Foreign and Domestic Travel as separate items.
 - a. Indicate the purpose(s) of proposed travel.
 - (1) Monitoring
 - (2) Training
 - (3) Meetings
 - (4) Conferences
 - b. Specify the basis for computation of travel expenses (e.g., current airline ticket quotes, past trips of a similar nature, federal government or organization travel policy, etc.).
 - (1) (2) (3) (4) Past Experience
3. **CONTRACTS** – Energy Conservation Online Software (ECOS) maintenance, third party QCI, training.
4. **OTHER DIRECT COSTS** - Include all direct costs not included in above categories.
 - a. Provide the basis for the cost estimates (e.g., vendor quotes, prior purchases of similar or like items, etc.).

N/A
 - b. Briefly justify the need for items to be purchased. These expenses are based on prior year experience.
5. **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 below, and include a copy of the rate agreement.

AEDC is requesting Federal approval of indirect cost rate of 29.74%

Carryover Explanation

Carryover funds will be used as originally budgeted and approved in PY 2015 or will be transferred to Program Operations to weatherize additional homes.

SUBGRANTEES

1. Better Community Development, Inc.

3805 West 12th, Suite 203, Little Rock, Arkansas 72204

Contact: Darryl Swinton, Email: dswinton@bedinc.org

Phone: 501-379-1539

Type of Organization: Non-Profit

Tentative Allocation: \$63,069

Number of Units to be Weatherized: 10 units

Source of Labor: Contractor

Congressional District(s): 1

Counties Served: Lee, Monroe, Phillips, Prairie and statewide multi-family

2. Black River Area Development Corporation

1403 Hospital Drive, Pocahontas, Arkansas 72455-3847

Contact: James Jansen - Email: jjansen@bradcorp.org

Phone: 870-892-5219 Fax: 870-892-0707

Type of Organization: Community Action Agency

Tentative Allocation: \$151,695

Number of Units to be Weatherized: 23 units

Source of Labor: Contractor

Congressional District(s): 1, 2, 3, 4

Counties Served: Baxter, Boone, Clay, Fulton, Independence, Izard, Lawrence, Marion, Newton, Randolph, Searcy, Sharp, Stone, Van Buren

3. Central Arkansas Development Council

321 Edison Avenue, Post Office Box 580, Benton, Arkansas 72018-0580

Contact: Larry Cogburn Email: lcogburn@cade.com

Phone: 501-315-1121 Fax: 501-778-9120

Type of Organization: Community Action Agency

Tentative Allocation: \$267,306

Number of Units to be Weatherized: 40 units

Source of Labor: Contractor and Crew

Congressional District(s): 2, 4

Counties Served: Calhoun, Clark, Columbia, Dallas, Garland, Hempstead, Hot Spring, Howard, Lafayette, Little River, Miller, Montgomery, Nevada, Ouachita, Pike, Polk, Saline, Sevier, Union

4. Community Action Program for Central Arkansas

707 Robins Street, Suite 118, Conway, Arkansas 72034-6517

Contact: Jennifer Welter Email: Jennifer.welter@capeaine.org

Phone: 501-329-0977 Fax: 501-712-4039329-9247

Type of Organization: Community Action Agency

Tentative Allocation: \$94,048

Number of Units to be Weatherized: 14 units

Source of Labor: Contractor

Congressional District(s): 1, 2

Counties Served: Cleburne, Faulkner, White

5. Crawford-Sebastian Community Development Council, Inc.

4831 Armour Street, Post Office Box 4069, Fort Smith, Arkansas 72914

Contact: Mark Whitmer Email: mwhitmer@csedcaa.org

Phone: 479-785-2303 Fax: 479-785-2341

Type of Organization: Community Action Agency

Tentative Allocation: \$345,037

Number of Units to be Weatherized: 52 units

Source of Labor: Contractor

Congressional District(s): 3, 4

Counties Served: Benton, Carroll, Crawford, Franklin, Johnson, Logan, Madison, Scott, Sebastian, Washington

6. Crowley's Ridge Development Council

2401 Fox Meadow Lane, Post Office Box 16720, Jonesboro, Arkansas 72403-6711

Contact: Tim Wooldridge Email: twooldridge@erdenea.com

Phone: 870-802-7100 Fax: 870-935-0291

Type of Organization: Community Action Agency

Tentative Allocation: \$212,252

Number of Units to be Weatherized: 32 units

Source of Labor: Crew and Contractor

Congressional District(s): 1

Counties Served: Craighead, Crittenden, Cross, Greene, Jackson, Mississippi, Poinsett, St. Francis, Woodruff

7. Elevate

1701 Moss Street, North Little Rock, Arkansas 72114

Contact: Brannon Runions Email: brannon@elevateus.org

Phone: 1-800-780-4444

Type of Organization: Non-Profit

Tentative Allocation: \$269,697

Number of Units to be Weatherized: 41 units

Source of Labor: Contractor

Congressional District(s): 1, 2, 3, 4

Counties Served: Conway, Lonoke, Perry, Pope, Pulaski, Yell

8. Pine Bluff-Jefferson County Economic Opportunities Commission, Inc.

817 South Cherry Street, Post Office Box 7228, Pine Bluff, Arkansas 71611-7228

Contact: Roger Lutrell Email: rlutrell@pbjccoc.org

Phone: 870-536-0046 Fax: 870-535-7558

Type of Organization: Community Action Agency

Tentative Allocation: \$126,839

Number of Units to be Weatherized: 19 units

Source of Labor: Contractor

Congressional District(s): 1, 4

Counties Served: Arkansas, Ashley, Bradley, Chicot, Cleveland, Desha, Drew, Grant, Jefferson, Lincoln,

WAP Production Schedule PY2016

Total Units (Excluding Re-weatherized)	231
Re-weatherized Units	0
<i>Unit Costs Including Reweathering</i>	231
Total Funds Federal	\$1,868,107
Total Units to Be Weatherized	231
Total Units to Be Re-weatherized	0
Grand Total Units	231
Total Vehicle and Equipment Budget	0
Total Units to Be Weatherized and Re-weatherized	231
Average Vehicle and Acquisition Cost Per Unit	0
Total Funds for Program Operations	\$1,094,122
Cost Per Unit	\$4,736
Average Vehicle and Equipment Acquisition Cost	0
Total Cost Per Unit	\$4,736

Energy Savings & Program Impact

Method Used to Calculate Savings: DOE Algorithm

Estimated Energy Savings: 1,562 kilowatt hours (kWh) of electricity and 106 thousand cubic feet of natural gas usage per housing unit.

In 2012, the state contracted with the University of Arkansas at Little Rock to conduct an analysis of the impact of the Weatherization Program and to develop a tool to measure economic and environmental impact of weatherization activities. The results are discussed below.

Program Impact

The Institute for Economic Advancement (IEA) at the University of Arkansas at Little Rock (UALR) has worked in cooperation with the Arkansas WAP to evaluate the statewide effects of WAP's efforts. This evaluation consisted of several parts, including a series of surveys to determine customer experience. The surveys gathered demographic information as well as characteristics of housing in Arkansas. Economic benefits were evaluated by gathering energy usage data for actual WAP customers and comparing the prior year's usage to that of the year following completion of the weatherization measures. Savings from the customer records were used to compute the average energy savings per unit. This average was applied to the total number of units weatherized from the beginning of the program in 2009 through projects completed by December 31, 2010 to generate the total energy savings of the program.

The initial study included analysis of weatherization measures that were implemented in FY2009, 2010, and 2011. The sample of houses evaluated in the analysis yielded an average annual reduction in electricity usage of 13.6 percent and a reduction in natural gas usage of 17.1 percent due to the weatherization measures undertaken. Approximately, forty-nine percent (49%) of the housing units in the weatherization program used natural gas for water and/or space heating. These reductions in energy usage resulted in a total estimated average annual savings of \$2,409,458 for all recipients of the weatherization services. Over the life of the weatherization measures, it is expected that the weatherization measures will save the recipients \$1.94 for every \$1.00 invested.

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 WAP. The PAC is broadly representative of organizations that provide services to low-income persons in Arkansas.

Member Representing:

Aging/Adult Services - Gwen McLarty
Banking - At Large - Keith Fountain
Electric Cooperatives - Brett Curry
Energy Trade Association - At Large - Ken Smith
Environmental and Occupational Health - Morris F. Cranmer
Executive Director Community Action Agency - Mark Whitmer
Federal Housing - HUD - Steve Coop
Health Department - Quinyatta Mumford
Housing - USDA Rural Development - Lawrence McCullough
Local Government - Andre Bernard
Low Income Home Energy Assistance Program - Shirley Mason
Public Service Commission - Wally Nixon
Public Utility - CenterPoint Energy - Kirk Pierce
Public Utility - Entergy Arkansas - Denise Jeter
Pulaski Technical College - Roger Smith
Weatherization Director - Community Action Agency - Beverly Palmer
Ex Officio - Mitchell Simpson

State Plan Hearings and Transcripts

AEO conducted a public hearing to receive public input on the State Plan. For PY 2016 the hearing was conducted at 10:00 a.m. at the Arkansas Economic Development Commission Building, Bessie Moore Room (2nd Floor), 900 West Capitol Avenue, Little Rock, Arkansas.

Notice of the meeting was published in the statewide daily publication the *Arkansas Democrat-Gazette* April 12 - April 14, 2016. The plan was also posted on the Arkansas Energy Office website at www.arkansasenergy.org/weatherization-assistance-program click on “WAP Forms & Documents” then “2016 State Plan”) on April 6, 2016.

An official transcript of the public hearing was recorded and the transcript will be made available on May 9, 2016. All comments received during the 30 day period from April 6, 2016 (date of meeting notice on Arkansas Energy Office website May 5, 2016) will be considered.

All comments will be answered and posted on the AEO website.

This time line was sent by email to executive directors and weatherization directors of the Arkansas Weatherization network on April 6, 2016 to ensure their awareness and invite their participation.

Miscellaneous –

Recipient Business Officer:

Mitchell Simpson
msimpson@arkansasedc.com
501-682-1060

Recipient Principal Investigator:

Kay Joiner
KJoiner@arkansasedc.com
501-682-7390

Other Funding Sources

Low Income Home Energy Assistance Program (LIHEAP) funds have been directed toward the weatherization program since 1982. The amount of LIHEAP funds available for weatherization during the 2015 program year is \$3,747,929.00; which represents fifteen percent (15%) of the state's LIHEAP allocation. LIHEAP funds are received October 1 of each year and must be expended by September 30 of the following year. LIHEAP funds for Program Year 2016 will become available to the WAP October 1, 2016. LIHEAP funds are used in accordance with all applicable U.S. DOI and Arkansas State Plan rules and regulations except as follows:

Other Funding Sources: Capital Intensive

LIHEAP funds are allocated for Capital Intensive measures. These measures include:

- Primary use is to replace an unvented space heater with a vented one if it is the primary source of heat.
- Removal of secondary space heaters that are not ANSI Z21.11.2 compliant.
- Replacement of secondary heaters with models meeting ANSI Z21.11.2.
- Cleaning, tuning and/or evaluating an existing heating system.
- If after a clean and tune up of a furnace, it is found not to be repairable, a request can be made to AEO to replace the furnace. On any amount over \$2,500 a waiver must be approved with justification provided for the request. The justification should include pictures, testing results and analysis by a licensed HVAC contractor. If readings and/or pictures were not taken, an explanation is required. The form: Evaluating HVAC Systems (WAP 50) must be completed or an HVAC contractor equivalent used.
- The cost of testing, pictures and evaluation of the system by an HVAC contractor can be paid for with capital intensive funds.

Subgrantees Involved in the Leveraging and Collaboration Process

Leveraging Activities

- (1) AEO has signed an Inter-Local Agreement with the United States Department of Agriculture (USDA) Rural Development Program to work on blended homes that qualify for both programs. Subgrantees are asked to utilize USDA Rural Development 504 loan and 504 grant funds on health and safety measures. This agreement allows WAP dollars to be better utilized on energy conservations measures.

Collaborative Efforts:

- (2) The state has entered into a Memorandum of Understanding (MOU) with the United States Department of Agriculture (USDA) Rural Development. This MOU will allow the state to reduce the number of deferrals and assist the Secretary of Agriculture's Poverty Initiative as well as to advance the cause of healthy and sustainable, affordable housing in rural communities by enabling both parties to serve more families in more ways in rural areas.
- (3) The state is also collaborating with the United States Department of Housing and Urban Development (HUD) and USDA on multi-family weatherization. The state will set aside funding to address multi-family developments in the state's four (4) Congressional Districts.
- (4) Healthy Homes is a comprehensive approach to combat disease and injury in the home driven by scientific evidence that links substandard housing and poor health. Healthy Homes interventions take a holistic approach to coordinated mitigation of housing-related hazards, rather than addressing a single hazard at a time. This method allows Healthy Homes practitioners to address a wide array of health and safety issues, including lead poisoning, asthma (exacerbated by moisture, mold, and pests), exposure to radon and other toxic chemicals, and injury caused by old or dilapidated housing among myriad others. Healthy Homes funding is provided by several federal agencies including the U.S. Department of Housing and Urban Development (HUD), the Centers for Disease Control and Prevention (CDC), and the U.S. Environmental Protection Agency (EPA).

Weatherization Plus Health: A National Effort for Local Healthy Homes Collaboration

The U.S. Department of Energy (DOE) Weatherization Plus Health initiative is a national effort to enable the comprehensive, strategic coordination of resources for energy, health, and safety in low-income homes. The National Association of State Community Services Programs (NASCSPP) is implementing the project on behalf of DOE. Weatherization Plus Health will ensure energy efficient and healthy indoor environments by facilitating the establishment of strong, effective partnerships between grantees of the Weatherization Assistance Program (WAP) and providers of healthy homes services. Arkansas will work with the Policy Advisory Council (PAC) to establish a Healthy Homes Initiative.

Eligibility

Arkansas response to DOE Weatherization Program Requirements:

Every dwelling weatherized will meet both client eligibility and building eligibility requirements, as follows:

Determining Client Eligibility

In accordance with 10 CFR 440.16(a), AEO understands that no dwelling unit may be weatherized without documentation that the unit is an eligible dwelling unit as provided in 440.22.

Income Verification

- A dwelling unit shall be eligible for weatherization assistance under this part if it is occupied by a family unit;
 - (1) whose income is at or below 200 percent of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget, or
 - (2) which contains a member who has received cash assistance payments have been paid at any time during the preceding twelve months under Titles IV and XVI of the Social Security Act, or
 - (3) that is eligible for assistance based on energy assistance payments that have been paid under the Low Income Home Energy Assistance Program (LIHEAP) at any time during the preceding twelve months.
- AEO will follow DOE's Poverty Income Guidelines and Definition of Income found in WPN 16-3. AEO and its subgrantees will use the revised definition of income to determine how to define income, cash receipts, exclusions, proving eligibility, child support, annualizing income, and re-certification.
- AEO acknowledges that all supporting documentation for applicants who are on a waiting list must contain eligibility verification that has been updated once a year following date of verification at time of application.

Procedures to Determine That Units Weatherized Have Eligibility Documentation (Household Eligibility)

All dwelling units certified as eligible for services shall be occupied by an income-eligible household with income at or below 200 percent of the poverty level, or

- which contains a member who receives cash assistance payments under Title IV or XVI of the Social Security Act or has received such payments during the twelve (12) month period preceding the determination of eligibility for weatherization assistance," or
- which contains a member which has received energy assistance payments under the Low Income Home Energy Assistance Program during the twelve (12) month period preceding the determination of eligibility for weatherization assistance, provided household income does not exceed 200% of poverty level.

Non-traditional dwelling units such as apartments over businesses, 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 are:

- Residential electric services established.
- Mail service established using street address.
- Other proof that permanent residence has been established for 12 months or more.

Such 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 WAP staff.

Qualified Aliens Receiving Weatherization Benefits:

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

Determining Building Eligibility

Reweatherization Compliance

The following is Arkansas' plan to ensure that houses are not re-weatherized if weatherization occurred after 9/30/1994:

- 1) Develop access to the database for non-CAP agencies, if possible.
- 2) Require that agencies search by address as well as client name.
- 3) Understanding that data prior to circa 2004 is not available in the database:
 - 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 will continue to be explored with the client.

This process will be completed prior to the Grants Guidance Workshop (March 23 - 24) where review of the process to prevent unallowable re-weatherization will be addressed with the network.

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. The priority wait list will be followed in addressing reweatherized units.

Eligible Structures

Eligible housing types include owner and renter-occupied single-family homes, manufactured (mobile) homes, and multifamily buildings. Multi-family is defined as small multi-family complexes. Single-family homes include duplexes, triplexes, and quadplexes.

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.

Subgrantees are required to obtain/verify the year a home was built (typically records are located with the county assessor's office). Prior to weatherizing a home that is 50 years old or older, the subgrantee must follow this protocol:

- Take a picture of the front and rear of the home;
- Draft a letter that:
 - states the address of the home,
 - includes an energy audit printout, work order, and the pictures as enclosures, and
 - requests approval to complete weatherization measures.
- Letters should be mailed to: Robert W. Scoggin, Section 104 Program Manager, Arkansas Historic Preservation Program, Tower Building, 323 Center Street, Suite 1500, Little Rock, AR 72201.

The SHPO will notify the subgrantee within thirty (30) days whether or not permission is granted to proceed with weatherization.

Rental Units

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. 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. An energy audit of a rental unit will be reviewed to determine if work authorized by the audit software is more costly than the average cost per unit (ACPU) for the agency providing the weatherization services. If the cost of work on the rental unit exceeds the agency's ACPU, agency will negotiate with the property owner to pay all or part of the cost exceeding the ACPU prior to any work being done on the unit. If the owner's household income is 200% of poverty level or less, then the rental unit may be weatherized without owner/landlord contribution.
- Not less than 66 percent (50 percent for duplexes and four-unit buildings) of the dwelling units in the building are eligible dwelling units or will become eligible dwelling units within 180

- days under a Federal, State, or local program for rehabilitating the building or making similar improvements to the building.
- 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.

Arkansas requires financial participation from owners when feasible.

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 either the eligibility process or during the initial inspection process. 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.

Definition of Children

Children are defined as those individuals under the age of 19.

Approach to Tribal Organizations

Low-income members of Indian tribes will receive benefits equivalent to the assistance provided to other low-income persons within Arkansas. Arkansas has no identified Indian Tribes.

Selection of Areas to be Served

In 2013, Arkansas issued Requests for Qualifications (RFQ) and changed the traditional service areas from those served by Community Action Agencies (15) to larger areas served by seven (7) agencies. Serving larger areas of the state has provided challenges for the Arkansas network.

AEO reserves the right to:

- Change any service delivery areas should production of homes or service to eligible clients not meet standards of quality work.
- Reassign on a temporary basis, responsibility for the Weatherization Program in a service area or part of a service area in order to ensure quality of service.
- Issue a Request for Qualifications (RFQ) at any time for part or all of the Weatherization Program and its service areas.

At the beginning of PY 2016, four (4) counties: Lee, Monroe, Phillips and Prairie will be re-assigned for one (1) year from PBJCFC to BCD. This action has been approved by DOE in order to provide a more manageable area for PBJCFC. These four counties will be subject to an RFQ for PY 2017 where any interested party may apply to provide Weatherization services.

Priorities For Service Delivery

Subgrantees are allowed to maintain a priority list for each county in their service area. The AEO has elected to use the same Client waiting list for DOE and LIHEAP programs. In the event of the death of the head of household, the household will maintain its eligibility and status on the waiting list.

The Subgrantee's waiting list must be maintained by assigning priority points for DOE categories of 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 14% or more of their income on heating and cooling is defined as having a high energy burden. To calculate the household's energy burden:

- a. Add the client's heating and cooling utility bills (gas, electric, fuel oil) for the past 12 months;
- b. Use client's annualized income documentation (obtained during the client intake process);

- c. 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 summer electric bill. Divide by conditioned square footage of the house. If result is 10¢ or more, household is a high energy user. 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 or more counties may **not** work exclusively in one county for more than one 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 applicant with the highest number of points among all counties resides.

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.

Clients with equal number of priority points or no priority points must be selected on the basis of application dates with clients waiting the longest on the list being selected first.

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

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

Climatic Conditions

Total heating degree-days (dd) in Arkansas range from a high of 5,708 in the northwestern corner of the State to a low of 4,555 in southeastern Arkansas. The average heating degree-days are thirty (30) year averages that have been supplied by the National Oceanic and Atmospheric Administration. In counties without reporting stations and some without complete data for thirty (30) years, data from nearby stations was utilized.

Provider	DD
Black River Area Development Council	5,458
Central Arkansas Development Council	4,961
Community Action Program for Central Arkansas	5,276
Crowley's Ridge Development Council	5,291
Crawford-Sebastian Community Development Council	5,331
Pine Bluff-Jefferson County Economic Opportunities Commission	5,064
Elevate	5,182

Types of Weatherization Work to be Implemented

Technical Guides and Materials

Arkansas uses the following: (1) The Standard Work Specifications Field Guide for Single-Family Homes (issued 2014), (2) Arkansas Weatherization Assistance Program Field Guide (mobile homes only), and (3) Subgrantee Operations Manual (under revision).

The Standard Work Specifications Field Guide for Single-Family Homes will be mailed to subgrantees with certified return receipt requested in April 2016. DOE approval to use this guidance document must be obtained first.

Electronic Link <http://arkansasenergy.org/>

Click on "Incentives & Programs" on the left side of screen, then
Click on "Weatherization Assistance Program (WAP)" and scroll down to
Select "WAP Forms & Documents"

Access all WAP documents available on the Arkansas Energy website.

Documentation of Distribution

Standard Work Specifications Field Guide for Single-Family Homes: mailed with certified return receipt to all subgrantees by July 2015.

Arkansas Subgrantee Operations Manual 2014

All documents will be maintained on the website.

Documenting the Process for Distribution

AEO sent each subgrantee one copy of the Standard Work Specifications Field Guide for Single-Family Homes via certified mail. Each subgrantee signed for delivery. The US Postal Service sent us copies of the signature cards which is our written verification that the subgrantees have received a copy. As a reminder, the Standard Work Specifications Field Guide for Single-Family Homes is available on the AEO website referenced above.

Likewise, subgrantees have their direct hires sign-off that they have received a copy of the Standard Work Specifications Field Guide for Single-Family Homes at the time of their contract signing. AEO receives a copy of the sign-offs from the Subgrantees for each of its direct hires.

AEO's Statements of Assurances

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

The language will clearly require and document 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 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**

Subgrantee agreements incorporate language which states the expectations for work quality and how the subgrantee's direct hire contracts must specify the same.

- **Describe Mechanism Used**

The mechanism AEO will utilize to verify that subgrantees understand and agree to expectations of work to be performed will be via the subgrantee's signature on the contract documents.

Energy Audit Procedures

Arkansas is committed to resubmitting energy audit procedures to DOE for approval every five (5) years, with the understanding that sufficient lead time is required for the approval process.

Single Family Energy Audit

Energy Conservation Online Software (ECOS) is utilized to audit single family homes. Site specific audits must be run on all single family homes weatherized with Arkansas Weatherization Assistance Program funds. DOE approval of ECOS was granted December 22, 2014.

Manufactured Housing Energy Audit

Energy Conservation Online Software (ECOS) is utilized to audit manufactured housing. Site specific audits must be run on all mobile homes weatherized with Arkansas Weatherization Assistance Program funds. DOE approval of ECOS was granted December 22, 2014.

Multi-family Energy Audit

Arkansas received approval to use the National Energy Audit Tool (NEAT) for single family and manufactured housing. This approval expired on October 4, 2015. Since Arkansas weatherized only small multi-family housing and this building type constituted less than twenty percent (20%) of total weatherization in the state, Arkansas did not seek approval to use NEAT for multi-family weatherization. Under Arkansas' current agreement with DOE, the project officer must approve audit of each multi-family project prior to weatherization. Arkansas will submit necessary materials from the audit to DOE on a case-by-case basis.

AEO has signed MOUs with both the local-level HUD Office and the USDA Rural Development Office to develop partnerships with a goal of weatherizing multi-family complexes throughout the state of Arkansas. The AEO will utilize HUD's pre-approved list for multi-family complexes and USDA Rural Development is offering funds for a blended service approach. Arkansas will give top priority to properties on the HUD pre-approved list and will screen any potential multi-family project for energy savings potential prior to conducting a full audit.

Final Inspection

Inspection and Monitoring of Work Using Guidelines and Standards

DOE requires that Quality Control Inspectors possess the knowledge, skills and abilities outlined in the National Renewable Energy Laboratory (NREL) Job Task Analysis for Quality Control Inspectors. This requirement applies to all individuals who perform a final inspection on and sign off on work performed in homes including final inspectors and state monitoring staff.

For PY 2016 Arkansas will continue to ensure that Quality Control Inspector (QCI) competency is demonstrated by mandating certification as a Home Energy Professional (HEP) QCI. The state 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 party organizations engaged to conduct quality control inspections. AEO will employ a certified QCI on staff or issue a Request for Qualifications to secure services of a third party certified QCI.

AEO's Final Inspection & Assurance Statement

Beginning in Program Year 2015, AEO has required that every DOE WAP unit reported as a "completed unit" undergo a final inspection by a certified QCI ensuring that all work meets the minimum specifications outlined in the Standard Work Specifications developed by DOE/NREL.

- Every client file will have a form that certifies that the unit had a final inspection and that all work met the required standards. The certification will be signed by a certified QCI. Signatures will be accepted to demonstrate compliance. If a unit, inspected by the subgrantee QCI, is also

inspected by the state, two certification forms will be available in the client file - one for each inspection.

- The Quality Control Inspection includes an assessment of the original audit to confirm that the measures called for on the work order are appropriate and compliant with the state audit procedures and protocols approved by DOI and that there are no “missed measures” which should have been considered.

The Use of Quality Control Inspectors

Arkansas Subgrantees have one (1) or two (2) certified QCIs on staff as of July 1, 2015. AEO has monitored at least ten percent (10%) of all units reported as complete in PY 2015. This practice will continue in PY 2016 until AEO can verify that each agency has a completely independent QCI process from its energy auditing function.

Policy & Procedures for Inadequate Inspection Practices

- Agency QCI accompanies state/third party QCI to learn first hand of any deficiencies in the agency inspection and audit.
- State/third party QCI provides feedback during the inspection.
- QCI addresses incomplete and poor workmanship as well as missed opportunities on site and in reports. Needed Tier 2 training delivered in the field as soon as possible.
- QCI identifies call backs and missed opportunities and request corrective actions at agency’s expense.

Improvements are expected or AEO will meet with agency administration to review expectation and discuss corrective action plans.

Quality Assurance Inspection Form: WAP 08

Weatherization Analysis of Effectiveness

The State of Arkansas is concerned that all entities that participate in the program be qualified and has 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:** A QCI will inspect a minimum of ten percent (10%) of completed units for each subgrantee. (See previous Final Inspection section).
- **Monitoring:** At the beginning of PY 2016, AEO will conduct a risk assessment of each agency. Monitoring will be scheduled, with agencies at increased risk monitored more frequently. Higher risk monitoring scheduled will be monthly or quarterly. Lower risk scheduled will be semi-annual or annual. 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.
- **CPA Audits:** Each subgrantee must submit a financial audit within three (3) months of the end of their fiscal year. Audits will be reviewed.

- **Productivity:** Charting of actual production compared to each subgrantee's weatherization plan will be reviewed monthly.
- **Analyses using ECOS:** With the implementation of ECOS in PY 2015, AEO has expanded capability to track subgrantee progress. Due to the learning curve for implementation, evaluative capabilities have not yet been explored. In PY 2016, these capabilities will be explored:
 - Information dashboard: findings by subgrantee, measure, contractor reworks and disallowances; training needs including Tier 1 and Tier 2 based on findings, results and priorities.
 - ECOS allows for the development of comparison charts to show productivity levels, spending and energy savings between subgrantees.
- AEO implemented self-assessment of employees based on KSAs required by the WAP position in which they are employed. Weatherization directors use these self-assessments to build their training plan.
- Competitive procurement of labor and materials for PY 2016 is required prior to July 1, 2016. AEO oversight of this process will be especially focused on agencies cited for poor workmanship.

Health and Safety Plans

Please see 2014 Arkansas Operations Manual, Chapter 7, Technical Standards and Best Practices for Arkansas's WAP Health and Safety plan. Historically, Arkansas has limited Health and Safety investment to fifteen percent (15%) of the average cost per unit (ACPU). However, implementation of ASHRAE 62.2 is increasing Health and Safety expenditures.

Program Management

Overview and Organization

Since 2013, the weatherization program has been administered by the Arkansas Economic Development Commission - Arkansas Energy Office (AEO), an independent state agency. The organizational chart shows WAP as a unit under the Director of AEO. Connection to the State Energy Program allows for the exchange of ideas beneficial to WAP.

Administrative Expenditure Limits

In PY 2015, AEO granted small increases in administration funds to subgrantees receiving less than \$350,000; these increases were provided with PY 2014 carry over funds. For PY 2016, AEO is assessing the needs of smaller subgrantees by looking at approved Federal indirect cost rates, if any, and specific personnel needs. However, AEO does not anticipate granting ten percent (10%) in administration funds to the network but rather smaller increases where needed.

Monitoring Activities

To ensure quality workmanship throughout the State, the AEO implements a comprehensive project and program compliance monitoring strategy. The WAP Network of subgrantees provides access to weatherization services in each of the state's seventy-five (75) counties based on the relative need of the low-income population residing in each county of their service area.

Monitoring consists of onsite visits to subgrantees to review program administration and compliance functions as well as field visits to inspect weatherized homes. The state performs annual Program Compliance Monitoring, including a review of fiscal and administrative systems to assure compliance with all applicable rules and regulations. Program Monitors/Quality Control Inspectors conduct monitoring and technical assistance centered on monthly site visits to work sites and completed weatherized homes during several phases of project implementation.

AEO's Final Inspection & Assurance Statement

Beginning in Program Year 2016, the Arkansas Energy Office will require that every DOE WAP unit reported as a "completed unit" undergoes a final inspection by a certified QCI ensuring that all work meets the minimum specifications outlined in the SWS in accordance with 10 CFR 440.

Monitoring Activity	Monitoring Goal
Onsite Inspection of Completed Units	A minimum of 10% of all completed units for each subgrantee
Quality Control Inspections	Minimum of 4 per quarter
Onsite File Review	File review for each completed project that receives an onsite inspection during annual Program Compliance Monitoring
Program Compliance Monitoring	Annually - Program compliance monitoring consists of a financial review and a systems monitoring.
Lead Safe Weatherization	Minimum 1 per quarter/per contractor or crew
Desktop Energy Audit Review	A minimum of 10% of units submitted for reimbursement

AEO Program Monitoring and Compliance Strategy

Type of Monitoring/ Review	Purpose	Conducted by:	# of Units	Frequency
Onsite Inspection of Weatherized Homes	Inspection of completed projects that are submitted to the AEO for reimbursement	WAP Program Monitors	10% of all completed units for each subgrantee	Quarterly or as needed to reach targeted number of units per subgrantee. Monitoring will occur tentatively in Sep., Dec., Mar., early Jun.
Quality Control Monitoring	Accompany subgrantee Quality Control Program Inspector on final diagnostic testing and monitoring of unit prior to submittal for reimbursement to the AEO	WAP Program Monitors	A minimum of four (4) per subgrantee	Quarterly or as needed to reach targeted number of units. Monitoring will occur tentatively in Sep., Dec., Mar., early Jun.
File Review Monitoring	On-site review of subgrantees' reviews	WAP Program Monitors	100% of weatherized homes that receive an onsite inspection	Desk monitoring will be done monthly and during on-site monitoring as scheduled based on risk assessment.
Lead Safe Weatherization	Assure that lead-safe procedures are implemented as required	WAP Program Monitors	At least one (1) per quarter, per contractor or crew.	At least once per quarter/per subgrantee and per crew/contractor. Monitoring will occur tentatively in Sep., Dec., Mar., early Jun.
Program Compliance Monitoring	Comprehensive review of subgrantee program administration	Budget Specialist	Ensure 5% of all completed units are monitored.	At least once annually beginning in Mar - Jun.
Energy Audit Review	Review energy audits submitted with reimbursement requests to ensure all energy efficiency measures are identified and implemented and SIRs for appropriate measures	JAI Software Management Team	10% of all completed units	Monthly sample from Reimbursement Requests

Inspection of Weatherized Homes

Program monitoring consists of the inspection of recently weatherized houses. Some subgrantees will be monitored each quarter, while others are monitored more (or less) frequently depending on production and identified needs to address quality and/or health and safety concerns. The goal will be to inspect ten percent (10%) of weatherized homes for each subgrantee; however, AEO will monitor additional units in progress to ensure work quality; therefore, if deficiencies are noted, the percentage could increase.

Quality Control Monitoring

AEO Program Monitors and Quality Control Inspectors will accompany subgrantee crews and contractors as they conduct final quality control inspections. This provides the opportunity for the AEO to provide technical assistance with weatherization techniques such as CAZ (combustion appliance zone) and air sealing.

File Review Monitoring

AEO Program Monitors complete an onsite file review for every weatherized home that is inspected.

Lead Safe Weatherization Site Visits

AEO Program Monitors will make periodic unannounced site visits to homes that are being weatherized to observe that the required lead-safe work practices are being used by crews and contractors. This is an opportunity to clarify and demonstrate best practices related to lead-safe weatherization.

Program Compliance Monitoring

The AEO believes monitoring is an extremely important aspect of weatherization program management. A successful monitoring program improves subgrantee operations, identifies problems early enough for corrective action, and promotes quality work. The AEO considers monitoring to be an assessment of subgrantee performance in fulfilling program objectives.

A Program Compliance Monitoring will be conducted annually with each subgrantee. Program compliance monitoring consists of a review of financial and administrative policies and practices.

The financial review will include a(n):

1. Comparison of the contract files against contract procedures
2. Sampling of journal entries
3. Inventory reconciliation
4. Review of cost categories
5. Assessment of administrative expenses

The program administration review will include a(n):

1. Assessment of how the outreach support level affects the client application process
2. Review of client files for compliance with all federal and state Weatherization Assistance Program rules and regulations regarding mandated documentation of: household income, client certification of eligibility, owner/landlord permission for weatherization, rent declaration, fuel release statement, inspection statement, a complete Building Check & Job Order form, site-specific audit, complete material cost information, funding source designation, final quality control inspection and client release

3. Review of client certification and prioritization system
4. Review of inspection/quality control systems
5. Review of subcontracting system
6. Review of goals for serving elderly, disabled, Native Americans, and renters
7. Review of procurement systems

A minimum of ten percent (10%) of the client files of all DOE units completed in the twelve (12) months prior to the program compliance monitoring visit will be examined. The AEO staff will review subgrantee management systems to ensure compliance with rules, regulations, and mandated file documentation. Material records shall be examined and inventory will be inspected to verify adherence to federal specifications. The financial review will encompass the examination of all completed programs not previously reviewed.

AEO will issue a report to the Agency Executive Director and the Weatherization Program Director detailing the monitoring findings if any, along with recommendations for subgrantee improvement. The subgrantee is required to respond within fifteen (15) working days with a corrective action plan that includes steps to be taken to address findings identified during the onsite monitoring. AEO Program Monitors and Budget Specialist will follow-up during onsite visits to ensure that the corrective actions are implemented as directed.

Resolution Strategies

Monitoring reports list recommendations and/or required actions when deficiencies, issues, and/or concerns are found. Each recommendation and required action is based on policies, procedures and/or regulations which are quoted in the left column of the monitoring letter.

Please see Subgrantee Operations Manual (pages 91-101) for how agencies receive ratings based on performance. The Subgrantees Operations Manual also outlines the steps to be taken for disciplinary action and/or removal of a subgrantee on page 104.

Training and Technical Assistance

Continuing in PY 2016, the state Training Plan will require comprehensive training for all WAP workers. Training is aligned with the National Renewable Energy Lab (NREL) Job Task Analysis (JTA) for the position in which the worker is employed.

The Training Plan will address two distinct categories: Tier 1 and Tier 2 Training. The plan reflects feedback from the DOE field visits, Arkansas monitoring visits, and contractor analysis.

Tier 1 Training: Comprehensive, occupation-specific training which follows a curriculum aligned with the JTA for the occupation. The Tier 1 training will be administered by the Interstate Renewable Energy Council (IREC) training provider for the JTA being taught. All Weatherization staff will receive Tier 1 training.

Installers

Tier 1

- Site Built (Retrofit Installer) Feb. 2016
- Weatherization Health & Safety
- Mobile Home
- Air-sealing & Insulating the Attic/Crawl Space

Tier 2 (Focus areas identified via DOI and State monitoring visits)

- Codes and Standards
- Air-sealing & Insulating the Attic/Crawl Space

Crew Leaders

Tier 1

- Reviewing the Workplan
- Strategies for Corrective Actions
- Client Relations & Communication Skills
- Advanced CAZ Testing
- Blower Door Resting

Tier 2

- Lead & Proper Containment
- Photographic Documentation (lead and attic/crawl space air-sealing)
- Test Out

Auditors

Tier 1

- Modeling the Building
- Testing the Building (CAZ, IR, Zonal, etc.)
- EA Training
- ECOS Data Collection (Input Forms) & Avoiding Missed Opportunities
- Evaluating Data Collection
- ECOS EA Training
- ASHRAE 62.2 2016
- Identifying the HVAC pre-conditions
- Manual J, S, & D
- Identifying H & S needs
- Fan Flow Metering
- Mobile Home Insulation
- SWS & Local Codes
- QCI Training
- Duct Sealing
- Developing a Good Workplan (using the floorplan)

Tier 2

- ASHRAE 62.2 2016
- Zonal Pressure Diagnostics and Air Sealing
- IR Camera and Insulation assessment techniques
- OSHA 10 and EPA lead certification
- Duct Sealing
- QCI Training
- Beware of the Bypass

Quality Control Inspector

Tier 1

- Crew Leader
- Mobile Home Insulation
- Air-sealing and Insulating the Crawl Space
- Conducting Quality Checks
- Identifying Pass/Fair Installations
- Duct Sealing
- Air-sealing & Insulating the Crawl Space
- BPI CEU's
- Radon
- Auditor
- Advanced CAZ
- Quality Control Inspector
- ASHRAE 62.2 2016

Tier 2

- ASHRAE 62.2 2016
- Zonal Pressure Diagnostics and Air Sealing
- IR camera and Insulation assessment techniques
- Air-sealing and Insulating the Crawl Space
- Conducting Quality Checks
- Identifying Pass/Fail Installations
- Duct Sealing
- Air-sealing & Insulating the Crawl Space

Quality Control Inspectors completed the required continuing education units to maintain BPI certification during Arkansas Weatherization Training Conference October, 2015, and Grants Guidance, March, 2016.

Weatherization Directors or Financial Managers

Although there are no Tier 1 or Tier 2 requirements as stated in WPN 15-4 for Weatherization Directors or Financial Managers, Arkansas developed training for these positions. Arkansas identified specific duties for each position and corresponding KSAs.

Weatherization Directors

- Procurement & 2 CFR 200
- Evaluating Contractor Performance
- Reporting/File Maintenance
- Quality Work Plan
- Client Education Strategy
- Coding Tasks for Billing
- Rules, Regulations & WPNs
- Specialized Contractor (HVAC): Repair or Replace

Tier 2

- WAP Administrative Training
- OMB Circular training
- Field Inspections
- Accompanying the Auditor
- Quality Checks with the QCI

Financial Managers

- 2 CFR 200 Training
- JAI Billing
- ECOS Budget Amendments
- Minimizing Budgetary Errors

The actual training offerings for PY 2016 will be discussed with Weatherization Directors and PTC WTC staff and scheduled at the beginning of PY 2016. The agencies will pre-register their staff at the time the training schedule is developed. At the present time, there are no certifications required prior to subgrantees hiring staff. Agencies are encouraged to hire the best trained personnel available and to grant a salary increase upon successful completion of a required certification. Arkansas is preparing to focus on developing certified energy auditors for each subgrantee.

Subgrantee Monitoring

Two Program Monitors and a Budget Specialist are responsible for monitoring and evaluating the operation of the WAP program at the subgrantee level as outlined in the State Plan.

Technical Assistance

Each weatherization subgrantee is assigned a WAP Program Monitor who accompanies the state's certified QCI. The certified QCI completes the inspection and technical assistance activities which are a part of the Program Monitoring and Compliance Strategy. Technical assistance provided may include but is not limited to: staff training, policy interpretation, state plan clarification, working with subgrantees to address deficiencies in the energy audit and workmanship, and training subgrantees on weatherization techniques.

AEO Staff Training

Training is essential for staff development and is provided on an ongoing basis to upgrade the quality of service delivered by the WAP Program Monitors. One monitor is working to complete the QCI training and become a Certified Home Energy Professional QCI. Monitors are also expected to

research and attend training opportunities offered through the Arkansas WAP Training Center, which will enable them to gain additional knowledge and skills in weatherization technology, HVAC technology, and diagnostic equipment. AEO staff attend the semi-annual conferences provided by NASCSP which includes DOE staff

Lead Safe Weatherization Training

Subgrantee staff and contractors are required to have and to update Lead Safe Certification. This training is readily available in the community.

State Technical Working Group

The Weatherization Director or designee from each subgrantee will attend meetings with the AEO WAP staff to discuss technical issues, specific problems, innovative solutions, and program direction. The Weatherization Training Center, WAP Directors and Technical Program Monitor will make up the State Technical Working Group which will continue to meet at least quarterly. Current projects are 1) updating the task codes in ECOS preparatory to subgrantee procurement for PY 2016 and 2) reviewing the SWS to identify Arkansas variances which will be submitted to DOE for approval.

Arkansas's WAP Training Center

The accredited training component of the DOE Guidelines for Home Energy Professionals project guarantees the existence and availability of high quality standardized training programs within the home energy upgrade industry. To ensure that Arkansas is in compliance with these guidelines, the state has contracted with the Center for Applied Building Science at Pulaski Technical College to provide certified Tier 1 classes and Tier 2 training in the field and classroom that has been identified as needed through DOE and state monitoring.

The Center for Applied Building Science at Pulaski Technical College is accredited by the Interstate Renewable Energy Council (IREC). The accredited training program ensures that individuals receive the proper training to become certified Home Energy Professionals and to do the quality work that is defined in the standard work specifications. The Center for Applied Building Science at Pulaski Technical College has provided weatherization training classes including: Installer Fundamentals, Installer Intermediate, Crew Chief, Energy Auditor, Mobile Home Weatherization, Home Energy Auditing, CAZ, Lead-safe Weatherization, and Renovate Right Protocol (RRP).

Ongoing training and direct technical assistance will be provided on subjects such as Combustion Appliance Zone (CAZ) testing, air sealing techniques, implementation of ASHRAE 62.2, identification of health and safety conditions such as mold and moisture, and the OSHA 10 and 30 hour training courses. These trainings will be provided at least once to each subgrantee in the PY 2016.

First priority to attend the trainings is reserved for the Arkansas WAP subgrantee staff and contractors. Training is delivered through a site-based center in North Little Rock, Arkansas and a mobile training lab. The schedule through June 30, 2017 is not finalized but will include testing for the Home Energy Professional Quality Control Inspector and Energy Auditor.

Subgrantee Training and Technical Assistance (T&TA)

Each subgrantee will receive an allocation of T&TA funds to provide training for their weatherization staff and/or contractors or to pay for travel to training and any registration fees incurred. Arkansas

uses a retention agreement that contractors must sign if Subgrantees pay for them to attend WAP training.

Consumer Education and Outreach

The educational component has been designed to enhance program participants' understanding of home energy efficiency improvements, to increase energy savings, and to contribute to the ongoing effectiveness of installed weatherization measures. Educational materials have been prepared and distributed by AEO (e.g., a calendar with tips to save energy, various publications) and training has been provided to our subgrantees. AEO will continue to require WAP subgrantees to provide client education to each WAP client. Subgrantees will be required to provide, at a minimum, education verbally to the client along with any leave-behind materials the Subgrantee finds helpful to their clients.

Energy Crisis and Disaster Plan

Arkansas will not use any grant funds for energy crisis relief during the 2016 Program Year.