

NC Weatherization State Plan FY20-21

Eligibility

V 1.1 Approach to Determining Client Eligibility

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

As of the 2010 Census, approximately 614,084 North Carolina residents are at or below the federal poverty level. Subgrantees are responsible for determining if a household is eligible for NC Weatherization Assistance Program (WAP) assistance.

The eligible populations for weatherization assistance in North Carolina are families whose total annualized income (of the family residing in the dwelling unit to be weatherized) is at or below 200% of the poverty level in accordance with criteria established by the Director of the United States Office of Management and Budget.

For the intent and purposes of NC WAP, income is defined as cash receipts earned and/or received by the applicant, before taxes, during application tax year(s), except for the cash receipt exclusions listed below.

Cash Receipts – cash receipts include the following: money, wages and salaries before any deductions, net receipts from non-farm or farm self-employment (receipts from a person's own business or from an owned or rented farm after deductions for business or farm expenses); regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds; worker's compensation, veteran's payments, training stipends, alimony, and military family allotments; private pensions; government employee pensions (including military retirement pay), and regular insurance or annuity payments, dividends, interest; net rental income, net royalties; periodic receipts from estates or trusts; and net gambling or lottery winnings.

Cash Receipt Exclusions – the following cash receipts are not considered sources of income for the purposes of determining applicant eligibility: capital gains; any assets drawn down as withdrawals from a bank; money received from the sale of property, a house, or a car; one-time payments from a welfare agency to a family or person who is in temporary financial difficulty; tax refunds; gifts, loans, lump-sum inheritances; college scholarships; one-time insurance payments, or compensation for injury; non-cash benefits, such as the employer-paid or union-paid portion of health insurance; employee fringe benefits, food or housing received in lieu of wages; the value of food and fuel produced and consumed on farms; the imputed value of rent from owner-occupied non-farm or farm housing; federal non-cash benefit programs such as Medicare, Medicaid, food stamps, school lunches, housing assistance and combat zone pay to the military; child support and foster support payments, whether received by the payee or paid by the payer.

To the maximum extent practicable, proof of income eligibility and the associated documentation shall be included in the client file. Bank statements shall not be used to determine eligibility. If income eligibility is determined by an outside agency or program, i.e. LIHEAP (Low Income Home Energy Assistance Program) or the U.S. Department of Housing and Urban Development

(HUD), then copies of the eligibility documentation can be a statement of LIHEAP eligibility or a copy of the Housing and Urban Development building list can be included in the client file. After all avenues of documenting income eligibility are exhausted, self-certification is allowable but evidence of various attempts at proving eligibility must be contained in the client file, including a notarized statement signed by the potential applicant indicating that s/he has no income.

Where an applicant receives income for a portion of the application tax year, their partial income may be annualized to determine eligibility. Pay stubs or pay slips that show gross wages earned year-to-date are the preferred method to annualize income. Where annual income calculated using (weekly, bi-weekly, or monthly) pay stubs and year-to-date information varies, Subgrantees shall use the higher of the two totals. Where year-to-date information is not available, at least six paystubs for clients that get paid weekly, three paystubs for clients that are paid bi-weekly, and two pay stubs for clients that are paid monthly are needed to annualize income (not withstanding length of employment).

An applicant who is deemed ineligible based on income may be recertified if ineligibility is due to the length of time that expired while the applicant was waiting to receive weatherization services.

Applicants must receive written notification of their eligibility/ineligibility status within thirty days of completed application submission to the Subgrantee. A copy of the applicant's notice of eligibility/ineligibility must be maintained in the client files. A notice of ineligibility must include the reason (s) for denial of weatherization services. The application for weatherization services must be processed within 30 days of receipt. Incomplete applications should receive a response with a written request for the missing information immediately following the initial review of the application. If services are denied, the applicant has the right to appeal. All denial of services notifications must be in writing with a copy maintained on file by the Subgrantee.

Recertification of eligibility shall occur at least every 12 months for approved clients on the Subgrantee waitlist. The waitlist is defined as all the approved clients arranged in priority score order that is equal to 200% of the number of units on current fiscal year contract.

Client Eligibility Appeal Process

The Subgrantees' appeals process or procedure must specify: the name and address of the person/persons with whom the appeal should be filed; the time requirements on the applicant for filing the appeal; the method of review to be used, i.e. formal hearing, staff/client interviews, etc., time allowed to request the appeal; the time requirements on the organization for review of the appeal and rendering of a final decision; and the next level of appeal including to whom, time allowed to request the appeal, the method of review to be used, the time requirements on the organization for review of the appeal and rendering a final decision.

In no instance should staff that recommended or made the initial decision regarding ineligibility be the individual that the appeal is made to or have the authority to decide the validity of an appeal or be involved in the final disposition of the appeal. It is recommended that the final level of appeal be the Subgrantee's board of directors or committee thereof.

Describe what household eligibility basis will be used in the program

A dwelling unit shall be eligible if it is occupied by eligible applicants and eligible structures as outlined in the V.1.2. Additionally, families that have a member who has received cash assistance payments during the preceding twelve-month period under Titles IV or Title XVI of the Social Security Act or applicable state or local law are eligible populations for weatherization assistance in North Carolina.

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

All members of a household must provide a social security number in order to be approved for services. All social security numbers must be safeguarded and shall not be emailed without encryption. Individual Taxpayer Identification Numbers (ITIN) do not establish eligibility and shall not be used in the AR4CA database. ITIN's are a nine-digit number beginning with the number "9" and are formatted like a Social Security number that allowed individuals to pay taxes.

While Social Security numbers must be collected, NC WAP does not require Subgrantees to verify citizenship or legal status. This is in accordance with the United States Department of Justice's Interim Guidance on Verification of Citizenship, Qualified Alien Status and Eligibility under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 as applied to nonprofit agencies. Assumptions on citizenship or legal status based solely on race, creed, color, ancestry, or national origin are strictly prohibited.

V 1.2 Approach to Determining Building Eligibility

Procedures to determine that units weatherized have eligibility documentation

Residential dwellings including single family homes, manufactured homes, multifamily homes and shelters are eligible to receive services. Subgrantees must establish that dwellings are occupied by clients that are eligible to receive services and that proper authorization has been given to conduct work on the dwelling. Ownership of dwellings must be established by Subgrantees through the review and retention of real estate property tax records (in the case of site-built dwellings) or personal property tax records or title (in the case of manufactured homes).

No client-occupied dwelling shall be weatherized if it is being offered for sale. No renter-occupied dwelling shall be weatherized if it is being offered for sale unless it can be demonstrated that the residence will continue to be occupied by eligible tenants. No dwelling shall be weatherized if it is currently in foreclosure or if it is included in a bankruptcy of a client (bankruptcy does not always include loss of the dwelling).

State Historic Preservation Office Compliance

All grants funded by DOE must comply with Section 106 of the National Historic Preservation Act to ensure that historic properties are taken into consideration and not inadvertently damaged or destroyed by the proposed work. (See 36 CFR 800 for the implementing regulations of the Advisory Council on Historic Preservation at www.achp.gov.) Historic properties are buildings, sites, structures, objects, and districts that are listed in the National Register of Historic Places or that are eligible for listing in the National Register. The State Historic Preservation Office (SHPO) within the Department of Cultural Resources is tasked with identifying historic properties and reviewing undertakings that may affect such properties. To that end, the North Carolina SEO has entered into a programmatic agreement with the State Historic Preservation Office to ensure adequate review of the projects and compliance with the federal preservation law. Please note that this does not apply to mobile homes.

Subgrantees verify that a dwelling is within or adjacent to an historic district at the following website: <http://www.hpo.ncdcr.gov/> (See lower right corner icon labeled “HPOWEB – Map Service”).

Subgrantees will comply with State Historic Preservation Office guidelines as follows:

- 1) If any of the following measures are to be implemented (based on a Subgrantee’s completed work order):
 - a) anything requiring holes in the unit’s weatherboard (siding)
 - b) replacing wood windows
 - c) replacing a wood front door
 - d) solar thermal applications (not a typical WAP measure)
- 2) If any of these measures are applicable, and the dwelling is determined to be historic, then proceed as follows:
 - a) forward an electronic version of the work order form or a scanned Subgrantee AR4CA work order and pictures of the home from all four elevations (if possible) to energy.projects@ncdcr.gov for review.
 - b) the North Carolina State Historic Preservation Office will provide guidance/assistance regarding compliance and proper implementation for weatherization.
- 3) If any of the listed measures are not applicable, then proceed with the weatherization process.

Describe Re-weatherization compliance

Federal rules permit the weatherization of homes previously weatherized from Sept. 30, 1994 and earlier. For re-weatherization, the weatherization file must be closed as complete and reported to DOE as a completion. As a result of the number of homes in North Carolina that have received no weatherization services to date, a low priority shall be placed by Subgrantees in selecting previously weatherized homes to revisit. NC WAP written approval is required prior to Subgrantees re-weatherizing homes that have been weatherized prior to Sept. 30, 1994. Requests to re-weatherize homes that were weatherized *after* Sept. 30, 1994 will be denied.

Describe structures eligible for weatherization

Residential dwellings including single family homes, manufactured homes, and multifamily homes are eligible to receive services. Subgrantees may also weatherize shelters. For the purpose of determining how many dwelling units exist in a shelter, 800 square feet of the shelter or each floor of the shelter will be counted as one unit. Prior to weatherizing a shelter, the Subgrantee is required to submit information to the grantee for review and written approval.

Weatherization of non-stationary campers and trailers that do not have a mailing address associated with the eligible applicants shall not be allowed. The use of a post office box for non-stationary campers or trailers does not meet this requirement.

Describe how Rental Units/Multifamily Buildings will be addressed

Renters are eligible for the weatherization program. Benefits of weatherization shall accrue primarily to the tenant. No rental dwelling unit shall be weatherized without first obtaining the written permission of the owner. Once the Subgrantee has entered into a Landlord Agreement with the owner, with the tenant as the third-party beneficiary, the Subgrantee may perform weatherization services on the unit. The agreement must contain certain restrictions for the owner, such as a negotiable period of not less than two years for raising tenants rent due to weatherization, and not evicting the tenant if they comply with all ongoing obligations to the owner. Lease-to-Own properties shall be treated as rental units until the ownership has been transferred. Vacant units may be counted as eligible units if the owner agrees, in writing, to rent those units to eligible households upon completion of work, or within 180 days, whichever is sooner.

The renters will be provided with a copy of the Landlord Agreement and will be referred to legal services agencies for disputes that cannot be handled through assistance from the Subgrantee. For a one-year period after the weatherization work on the unit is completed, rent cannot be increased, unless the increase is not related to weatherization services performed, as noted in 10CFR440.22(b)(3)(ii).

The Grantee must provide prior written approval for weatherization services on any property within the Grantee weatherization network which is owned or rented by a Subgrantee board member, staff member, subcontractor or family member thereof. Such request to the Grantee shall include a letter of support from the Subgrantee agency board of directors on agency

letterhead and signed by the chair of the board which shall include the name of the subject person, their relationship to the Subgrantee, the address of the property and the fact that the board of directors is in support of the request for weatherization services sought.

Subgrantees are required to solicit landlord contributions for all rental units they intend to weatherize. Owners who are not income eligible for weatherization services shall be solicited to contribute \$275 toward the cost of weatherizing the dwelling. The use of funds contributed by owners will be specified in the required agreement. Although landlord income is not program income, the Subgrantee shall treat such funds in the same manner and list all income on its monthly status report.

Multifamily buildings are those containing five dwelling units or more. For multifamily buildings containing less than 25 units with units that are individually heated or cooled, either the Multifamily Priority List or the Weatherization Assistant shall be used to determine the proper work scope. In order to weatherize an apartment, all units in the affected building must be weatherized. Standalone small multifamily housing (duplexes, triplexes, and quadplexes) does not require prior approval from NC WAP. Groupings of four or more buildings on a single site that are owned by a single owner shall require prior approval from NC WAP. Small multifamily units are eligible for weatherization, provided that they meet the eligible client occupation minimum; 50 percent of a duplex, 66 percent of a triplex, or 50% of a quadplex. Additionally, Subgrantees may only count vacant units towards the 50 percent or 66 percent threshold when the building has been assisted by a state or federal program that restricts occupancy to households with incomes that qualify for the Program and where there is a reasonable expectation that the unit will be occupied by such a household within 180 days following completion of the project. Costs on these properties are limited by the percentage of eligible clients multiplied by the maximum cost-per-unit average. Unlike single-family homes, the maximum cost-per-unit is a hard limit. The cost limitation excludes Health and Safety expenditures.

For non Priority List multi-family buildings, the Subgrantees must contact NC WAP to begin the process of submitting data to DOE. Information submitted shall include:

- 1) Brief narrative with photos describing the building(s), including age, condition, number of units, spatial orientation(s), heating/cooling type (central or distributed) and condition, and any other notable conditions;
- 2) Building assessment sheets, such as lighting inventory; heating/cooling equipment and controls; air leakage determination; water usage information; combustion/CO/CAZ testing; insulation type and levels; base load analysis; windows and doors type and orientation; health and safety concerns, etc.;
- 3) Weatherization work order, project timeline, and projected costs (materials and labor), and any landlord contributions or buy down provisions.
- 4) Complete copy of the audit (if applicable) showing all inputs/outputs (or engineering assessments and report) including a narrative describing the methodology used to assess the

building(s) (i.e. was every building individually audited, or were a sample audited and the others assumed to be the same).

Shelters

Agencies should determine the number of countable completions based on shelter regulations detailing that a weatherization provider may count each 800 square feet of the shelter as a dwelling unit or each floor level as one unit, as noted in 10 CFR 440.22(f).

Describe the Deferral Process

Certain conditions may exist which make weatherization of certain dwellings unfeasible. In such cases, work for eligible households shall be deferred until the conditions can be adequately mitigated or corrected entirely. Prior to deferral, agencies shall evaluate utility, state, federal, or other programs for possible means which could help prevent the property from being deferred. When deferral conditions exist and can't be mitigated, Subgrantees shall notify the clients and attempt to pursue reasonable alternatives on behalf of the client, including making referrals.

Conditions requiring that a dwelling be placed on deferral status shall include but, shall not be limited to: The dwelling has been condemned or major dwelling mechanical systems have been "red tagged" by local or state code enforcement officials or utility providers. The dwelling structure or its mechanical systems, including electrical and plumbing, are in such a state of disrepair that failure is imminent and the conditions cannot be resolved cost effectively. The primary heating system at the dwelling is non-functioning or is functioning improperly and is deemed unsafe and must be replaced, or major repairs are needed and there are insufficient resources available. Dangerous conditions exist due to high CO levels in combustion appliances which cannot be resolved within weatherization program guidelines. Moisture problems are so severe they cannot be resolved within program guidelines. Unsanitary conditions are present in the dwelling that may endanger the health and safety of dwelling occupants or weatherization personnel should weatherization work be performed. Household members report documented health conditions that prohibit the installation of insulation and other weatherization materials. Household members, guests, or pets maintained at the dwelling are uncooperative, abusive, or threatening to weatherization staff or contractors. The extent and condition of lead- based paint or similar hazards in the dwelling may potentially create health and safety risks if weatherization work is performed. Illegal activities are being conducted in the dwelling unit.

V.1.3 Definition of Children

Definition of children (below age): **6**

V.1.4 Approach to Tribal Organizations

Assistance is made available to all low-income residents of the State without regard to tribal organization status, to the extent that funding is available.

V.2 Selection of Areas to Be Served

NC WAP ensures that all areas of the State will have a Subgrantee assigned to provide weatherization services to the eligible population. The majority of Subgrantees provide services in multiple counties that generally conform to the traditional service areas of the selected community action agency or other nonprofit or public organization designated to provide services.

Currently, weatherization is administered through 20 Subgrantees comprised of 16 community action agencies, one regional council of government, two units of local government and one non-profit entity. Weatherization services will continue to be provided in each area by existing Subgrantees from year-to-year based on the successful performance of the Subgrantee on the previous year's contract. The public is provided an opportunity to comment on the performance of an existing Subgrantee's service level during the public comment period held prior to the annual public hearing and during the public hearing. A list of proposed Subgrantees along with the areas that they will serve, projected funding amounts and units to be completed is a part of the annual State Plan.

Pursuant to 10 CFR 440.14(c)(6)(ii) a funding allocation formula has been devised to distribute funds throughout the state. Fifty-one percent of the annual allocation of funds made available to North Carolina for weatherization services by the US Department of Energy are allocated to Subgrantees based on the number of low-income persons in their service area compared to the total number of low-income families in all areas served in the state. The number of low-income persons in the service area is based on the most recently completed census count. The remaining amount is allocated to Subgrantees based on the number of units produced by the Subgrantee in the previous year. This number will be reset when the number of people in poverty is revised during the census. The grantee reserves the right to temporarily re-allocate service territories for the remainder of the fiscal year of underperforming Subgrantees to another subcontractor currently under contract. The grantee reserves the right to re-allocate unused or underused funds from an underperforming Subgrantee to another subcontractor currently under contract.

Subgrantees may use DOE-purchased equipment (vehicles, insulation machines, infra-red camera, etc.) for non-federally programs that are similar to weatherization as long as the following criteria are met:

- 1) The program is not set up as a fee for service for non-income qualified weatherization households with the intent of generating unrestricted income; and
- 2) The clients served are similar to the clients served under the weatherization program.

V.3 Priorities

The number of occupied dwellings in North Carolina based on these eligibility criteria far exceeds the limited funding available to provide weatherization services. Subgrantees are required to provide priority for weatherization services for persons in certain categories. Priority is given to weatherizing dwelling units that contain a family unit which includes one or more elderly persons (60 or more), persons with disabilities, a child (under the age of 18); households that have a high energy burden (over 15% of annual income expended on energy costs), energy intensity (energy usage per square foot), and households that are high residential energy users (use electric strip heat as the primary heat source).

A priority waiting list of households to be served is required to be maintained by each Subgrantee using a statewide priority rating tool that assigns a greater number of points to households containing priority populations. The Subgrantee will be required to review and prioritize applicants on a regular basis, at least every year and no more often than once a month, in order that those applicants with the highest priority ranking will be served. Applicants not receiving sufficient priority ratings for the period reviewed will remain eligible for the following fiscal period.

Subgrantees have some flexibility in prioritizing applications by county or within the entire service area, whichever helps the Subgrantee use the work crews or contractors in the most cost-effective and operationally efficient manner. This system was developed to assure that households meeting priority status receive weatherization services in a timely manner. Each Subgrantee will be responsible for ensuring that major political subdivisions of its service area receive the same outreach, intake opportunities and weatherization services relative to their share of eligible household population. Each Subgrantee must demonstrate the capacity to locate, identify and provide services to eligible households throughout its service area.

Finally, North Carolina will encourage Subgrantees to prioritize assistance to properties where other housing resources can be leveraged, particularly those that also meet one or more of the other priorities such as increasing energy efficiency, minimizing the impact of high energy costs, reducing utility bills and providing for the comfort and safety to low- income households throughout North Carolina.

V.4 Type of Weatherization Work to be Done

V.4.1 Technical Guides and Materials

All energy efficiency work is being performed in accordance to the DOE approved energy audit procedures and 10 CFR 440 Appendix A. The following is the official guide for NC WAP: North Carolina Weatherization Installation Standard Work Specifications (NC WISWS) and is incorporated by reference in the Subgrantee contracts and subcontractor agreements respectively:

Subgrantee Contract Language

The purpose of this Grant Agreement is to provide the Subgrantee with funds to operate (1) a Weatherization Assistance Program to provide weatherization services for low income families

to help reduce household energy costs pursuant to 10 CFR Part 440 (“Weatherization Services”) and (2) a Heating and Air Repair and Replacement Program to provide for the inspection, repair and replacement of heating and air systems for low income residents pursuant to 45 CFR Part 96, Subpart H (“HARRP Services”) in accordance with the most recent version of the *North Carolina Weatherization Assistance Program & Heating and Air Repair and Replacement Program Budget and Program Guidance, North Carolina DOE State Plan, and North Carolina Weatherization Installation Standard Work Specifications* issued by the Department, and any subsequent revisions (the “Program Guidance”), WPN 15-4, applicable sections of 2 CFR 200, and this Grant Agreement.

The undersigned represent and warrant that they are authorized to bind their principals to the terms of this Contract.

Subcontractor Contract Language

The Subcontractor agrees to provide the services and materials referenced below. The price listed in Schedule B for these services must include all standard support and finishing materials referenced in the descriptions. All services must be in accordance with the *North Carolina Weatherization Installation Standard Work Specifications* (NC WISWS). The undersigned represent and warrant that they are authorized to bind their principals to the terms of this Contract.

The NC WISWS was approved by DOE in January 2019 and has been made available electronically to all Subgrantees. Administrative guidelines are found in the NC Weatherization Assistance Program and Budget Guidance. By signing their contracts to perform weatherization services, Subgrantees acknowledge that they, and their applicable subcontractors, will abide by the details in these Program Guidance documents and any subsequent revisions made thereto.

The Deck of Cards is a visual based reference system for installation standards. The Grantee will evaluate, and potentially secure the Deck of Cards for use by the Grantee, Subgrantees, and their contractors. If secured, the Deck of Cards will be aligned specifically for North Carolina to meet or exceed the minimum standards in the SWS. This customized Deck of Cards would reference the appropriate SWS for the procedure being described and clearly state the required specifications for the procedure. An electronic copy will be posted on-line and will be electronically delivered to all Subgrantees for them to use and to distribute to their subcontractors. All Subgrantees and contractors will be required to acknowledge receipt of the document and that they will follow the specification contained therein.

V.4.2 Energy Audit Procedures

Audit Procedures and Dates Most Recently Approved by DOE.

On January 29, 2019 the field guide was approved for costs of weatherization materials, average labor costs, and fuel prices, in the Weatherization Assistant library of measures for single family homes and manufactured housing, verifying the placement of each measure on the priority list, making any needed changes to the priority list, and submitting the results to DOE for review.

Multi-Family units containing five or more units make up less than 20% of the Grantee's weatherized units. If any such multi-family units are expected to be initiated, the Grantee, per WPN 11-1, 5.5.2, will submit necessary materials to the DOE Project Officer for approval prior to commencing work on the units. Starting July 1, 2020, NC WAP will implement the Building Performance Institute (“BPI”) Energy Auditor Certification requirement for the network. We will allow the agencies through June 30, 2021 to have their auditors complete this certification. This requirement will increase the quality of energy audits for the network.

V.4.3 Final Inspection

A final inspection of the installed measures must be conducted by Quality Control Inspectors (QCI) and documented on the Grantee prescribed final inspection sheet for each completed unit prior to close out of the unit and the reporting of it as complete in the Grantee supported data reporting system. The final inspections shall be aligned with the SWS and the Subgrantee contracts and subcontractor agreements cite that work must align with the SWS (Standard Work Specifications). QCI’s shall possess the knowledge, skills and abilities in the National Renewable Energy Laboratory (NREL) Job Task Analysis for Quality Control Inspectors. All QCI’s must be certified as a Home Energy Professional Quality Control Inspector. During periods the Subgrantee does not employ a QCI on staff; it will contract with a private QCI or will utilize QCI from another Subgrantee to perform required QCI services.

The Grantee shall require that certified QCI are identified in the Subgrantee yearly application and this certification shall be verified on the Building Performance Institute Website. Monitoring shall confirm that only certified QCI are performing final inspections. If monitoring reveals the QCI are not adhering to the alignment with the SWS or the certification requirements, a programmatic finding shall be issued to the Subgrantee which will require a Corrective Action Work Plan. Additionally, training will be identified to remedy the deficiency with the QCI in question and additional Grantee monitoring will be required.

The final inspection must include the certification that any mechanical work performed and that installed weatherization work has been completed in a workmanlike manner and in accordance with the priority determined by the audit procedures required by 10 CFR 440.21. The original energy audit, work order (and subsequent change orders), and all invoices previously submitted to the Subgrantee must be available during the final inspection to ensure all planned measures were performed and completed. All invoices must be reconciled with the work orders and must be paid by the Subgrantee before the job can be submitted for reimbursement. The Grantee reserves the right to require a Subgrantee to produce all invoices at final inspection if not doing so has previously been shown to be problematic for that Subgrantee. Final inspections must be performed by someone other than the person who installed the primary weatherization measures. The Quality Control Inspector is encouraged not to also serve as the Energy Auditor for the same dwelling. If this is not possible, the Subgrantee shall be subjected to additional monitoring by the Grantee.

Subgrantee and contractor work quality expectations are outlined in our SWS and incorporated by reference in the Subgrantee contracts and subcontractor contracts.

V.5 Weatherization Analysis of Effectiveness

An annual risk assessment is performed before contracting with the Subgrantees. This assessment is used to assess effectiveness in final inspections, finance, and staffing. Blower door reductions percentages are used as a proxy for energy savings and risk is assessed in blower door numbers averaging under 20 percent. If a Subgrantee is determined to be medium or high risk, they must complete a Corrective Action Plan (CAP). The CAP must address the root cause of the deficiency and the specific steps that shall be taken to ensure improvement. These steps may include additional oversight by agency management, additional training, or staff reorganization. The Grantee approves the CAP and follows up on any issues during monitoring.

All Subgrantees' production is tracked in the AR4CA database and compared at mid-year. Those not meeting expectations are contacted and receive additional guidance to assist them in meeting production goals. NC WAP uses these interactions and monitoring visits of multiple agencies to assist in determining and prioritizing training needs for the network.

All Subgrantees' financial performance is tracked monthly and compared monthly as a part of the monthly reimbursement process. Those not meeting expectations are contacted and receive additional guidance to assist them in meeting goals. NC WAP uses these interactions and financial monitoring visits of multiple agencies to assist in determining and prioritizing training needs for the network.

All Subgrantees' effectiveness is evaluated in more detail through their performance in both financial and programmatic monitoring where deficiencies and/or concerns are noted and addressed with guidance. Grantee financial and programmatic analysts follow-up with Subgrantees to ensure implementation of guidance is effective and progressing.

Our program will review the NC WAP Energy Efficiency Pilot results and determine how to proceed in FY21. This pilot evaluates weatherization work installed by three Subgrantees and helps us determine a strategy to increase program efficiencies.

V.6 Health and Safety

See attachment in SF-424.

NC WAP may utilize non-DOE sources of funding for health and safety measures.

V.7.1 Overview and Organization

The North Carolina Weatherization Assistance Program is administered by the North Carolina Department of Environmental Quality. The Weatherization Manager oversees the work of the Weatherization Assistance Program. Reporting to the Weatherization Program Manager are an Administrative Assistant, two Fiscal Analysts, two Programmatic Analysts, one Lead Programmatic Analyst, one part-time QCI floating Energy Conservation Representative, and one Fiscal Technician/Program Assistant. The North Carolina Weatherization Assistance Program is administered by the North Carolina Department of Environmental Quality (DEQ) Energy Group.

V.7.2 Administrative Expenditure Limits

Administrative costs for local Subgrantees are limited to five percent of their allocation of funds made available to the grantee by the US Department of Energy (DOE); however in accordance with federal rules, up to an additional 5% will be made available to Subgrantees funded at less than \$350,000 in DOE funds who demonstrate an additional need for administrative funds above the initial 5% allocation. This need shall be demonstrated through the application of a federal, cognizant approved indirect cost rate that results in an additional amount above 5% shall allow a Subgrantee to exceed the 5% limitation. A copy of the Subgrantee's federal cognizant approved indirect cost rate agreement must accompany annual application to document the need to exceed the limitation and to support the additional requested amount.

At the Grantee's discretion and after Subgrantee approval, the Grantee may make payments on behalf of the Subgrantee for administrative expenditures from the Subgrantee's portion of administrative funds which exceed the 5% allocation limit. In no instance can the additional amount of administrative costs exceed a total of 10% for the DOE funds made available to the Subgrantee, unless the grantee donates its administration to the Subgrantee.

V.7.3 Monitoring Activities

The Grantee maintains qualified personnel to monitor the fiscal and programmatic activities of the Subgrantees. A comprehensive monitoring plan has been developed that requires the evaluation of all aspects of the program at the Subgrantee level and allows the Grantee to accurately track Subgrantee performance levels throughout the contract period. This plan allows the grantee to continuously track Subgrantee performance and provides for the tailoring of monitoring activities so that all agencies will receive the level of training and technical assistance appropriate to their level of performance.

NC WAP's Fiscal Analysts conduct desktop monitoring for each Subgrantee annually and onsite monitoring on select Subgrantees as needed. Monitoring focuses on fiscal and administrative compliance with all applicable federal and state WAP rules, regulations and laws. The Fiscal Analysts review Subgrantee financial audits yearly and issue Auditing Financial Findings letter on any relevant findings.

The QCI certified Programmatic Analysts conduct onsite evaluations at least once during the contract year. The number of QCI certified staff at the Grantee level is sufficient to monitor DOE funded weatherization jobs. The grantee will inspect 5-15% of the houses weatherized in the state each year. Per year, NC WAP will monitor and review five percent of units per Subgrantee. The financial analysts have received training in 2 CFR 200 and related OMB guidance to ensure that they can provide adequate monitoring.

The analysts perform required monitoring activities in the office and conduct onsite assessments to ensure Subgrantee contract compliance during the period of the contract. Onsite monitoring activities include, but are not limited to: an examination of financial records to determine compliance with federal, state and local policies; a review of programmatic documents to

determine client eligibility, (income, age, need, etc.); an evaluation of the quality of work performed on completed dwelling units, and confirmation that proper final inspections are being performed.

When problems or weaknesses are discovered as a result of a monitoring visit, they shall be outlined in a monitoring letter to the Subgrantee with a list of findings, recommendations for resolving the problem, and an appropriate timetable for taking corrective action. This letter shall be issued within 30 days after the monitoring visit. The Subgrantee is required to respond to the findings letter with written corrective action plans to resolve the noted findings. When observations are made that suggest training or technical assistance is needed, the monitor will recommend appropriate actions that must be taken to assist the Subgrantee in resolving the problem. Assistance will be provided by grantee staff or other training and technical assistance resources. These processes shall also apply to QCI certified personnel if they fail to adequately inspect to the most recently approved DOE field guide. If the failings are technical in nature, the deficiencies may be reported the Building Performance Institute for additional remediation.

Any problems or weaknesses identified in a Subgrantee's program and outlined in a monitoring report will remain in an active status until satisfactorily resolved by the Subgrantee and a written response submitted to the Grantee. A subgrantee with an active status monitoring report will be subject to additional and more frequent monitoring visits until problems and weaknesses are resolved. Noncompliance findings, if not resolved within forty-five days, shall be reported to the DOE project officer. Sensitive or significant noncompliance findings will be reported to the DOE project officer immediately. Subgrantees unable or unwilling to meet federal and state contracts and performance requirements will be suspended or terminated in accordance with federal and state regulations.

Monitoring results will be analyzed annually, and the results used in planning for training and technical assistance activities, determining the future status of the Subgrantee as an approved service provider and developing a monitoring plan for the subsequent contract year.

Accountable Results for Community Action (AR4CA)

Accountable Results for Community Action (AR4CA) is the weatherization management tool used by NC WAP and its Subgrantees. AR4CA is a comprehensive, web-based system that allows Subgrantees to track job progress, monitor job spending, and supply information used in federal reporting. Subgrantees should use AR4CA to assist in establishing eligibility, identifying clients with high energy burdens, determining a priority list, and collecting energy use data. At their discretion, Subgrantees may use AR4CA to generate work orders. Subgrantees must enter client information into the database timely as events occur and progress. Local procedures must be developed and implemented to ensure integrity of the data. In order to status a job as complete in AR4CA, all related work must have been completed, the final inspection conducted, all found defects and omissions corrected and all invoices paid and reconciled. Completed jobs in the database will be locked from further editing on the fifth day (database freeze date) of the next month following the end of the quarter. All work and entries in AR4CA for the past quarter must have been entered before the database freeze date. After the freeze date further reporting and editing on completed jobs or to status additional jobs as complete will be prohibited. After the

quarterly freeze, Subgrantees must submit a Change of AR4CA Request form signed by the executive director in order to edit a job previously reported complete. NC WAP is continuing to work with the North Carolina Department of Health & Human Services on the procurement process for new client software. The target date at this time for new software implementation is October 2021.

V.7.4 Training and Technical Assistance Approach and Activities

Training and technical assistance is provided to Subgrantees using two major strategies:

Tier 1 Training that includes comprehensive, occupation specific training which follows a curriculum aligned with the JTA (Job Task Analyses) for that position and is administered by a training program that is accredited by the Interstate Renewable Energy Council (IREC).

Tier 2 Training that includes single issue, short-term, training to address deficiencies at annual training conferences, conference calls, and during and following on-site assessment visits.

The Grantee engages an IREC accredited training center to administer JTA aligned training. In addition to providing training to prepare the Subgrantee to get Home Energy Professional certifications, the training shall include ongoing refresher requirements. Training and technical assistance needs are determined annually based on the results of the review of programmatic and financial reports submitted during the year, on-site monitoring visits, DOE Project Officer Monitoring visits, internal state audits, IG (Inspector General) Reports, request from Subgrantees, and financial audit findings. Additionally, training and technical assistance needs are identified during Policy Advisory Council meetings and Grantee sponsored training sessions. These sessions are also used to assess state training and technical assistance activities.

The Grantee engages an IREC accredited training center to administer JTA aligned training. In addition to providing training to prepare the Subgrantee to get Home Energy Professional certifications, the training shall include ongoing refresher requirements. Training and technical assistance needs are determined annually based on the results of the review of programmatic and financial reports submitted during the year, onsite monitoring visits, DOE Project Officer Monitoring visits, internal state audits, IG (Inspector General) Reports, request from Subgrantees, and financial audit findings. Additionally, training and technical assistance needs are identified during Policy Advisory Council meetings and Grantee sponsored training sessions. These sessions are also used to assess state training and technical assistance activities. Any staff position which requires, but does not yet have, certification shall be directly supervised by a person who holds such certification until the time that the required certification is acquired.

Client education is an important part of efforts to reduce energy consumption by families occupying units that are weatherized. The Grantee requires the Subgrantee to provide energy and health and safety information (brochures, pamphlets, etc.) that are used as a part of local energy education activities. Subgrantees provide energy education information during the application process, during the initial assessment of dwellings, during the actual weatherization of the home and during the final inspection. A Grantee-developed energy education presentation is required to be presented during the initial intake or at the initial audit of the dwelling by a designated

Subgrantee staff member that has participated in grantee-sponsored energy education training. A copy of the Energy Education Certification form provided by the Grantee must be completed by the staff member conducting the energy education session and maintained in the client file. Information on the utilization of any special equipment installed, including smoke detectors and carbon monoxide detectors that will be installed as a part of the health and safety program, will be explained in detail to clients during the final inspection.

Due to the technical and changing nature of the Weatherization Assistance Program, a high priority is placed on the training aspect of the program. The Grantee has and will continue to arrange appropriate technical and health and safety training opportunities for weatherization service providers. The Grantee shall make all T&TA allocated by DOE available to the Subgrantee in order to support QCI training and multiple testing for certificates (if needed). Subgrantees are required to regularly evaluate the technical skill levels of staff and subcontractors, develop yearly training plans for staff and subcontractors and to provide training opportunities.

Conferences serve to expand the base knowledge of staff and in some cases provide a different training perspective. Participation at DOE and NASCSP regional and national conferences as well as conferences and training sponsored by other professional energy organizations will count as training hours. The formula used to determine the number of hours that will be applied for attending conferences is based on the number of hours for the core conference, the number of sessions available, and the level of technical information provided. Subgrantees may submit verification of training received outside the scope of the Grantee and DOE to NC WAP for review as acceptable training. These classes will be included as training hours, if appropriate.

It will be the Subgrantee's responsibility to ensure that subcontractors meet the training/certification requirements, and that subcontractors are advised of these requirements prior to procuring services with them. Further details on Health and Safety Training are located in the Health and Safety Plan & the Training Plan.

V.8 Energy Crisis and Disaster Plan

The Grantee does not have a separate energy crisis and disaster plan.