

The American Recovery & Reinvestment Act:  
Understanding the  
Weatherization Assistance Program



*part of*  
A Green Recovery For All: A Green For All Series



## A note from Green For All's CEO

This is an exciting moment in America. Even a year ago, only a few people were calling for a clean energy economy that could fight poverty and pollution at the same time.



But today, that vision is guiding some of the most ambitious and exciting federal policies and investments we've seen in generations. All of America can see the promise and potential of a green economy. Now, we must turn that promise into reality for everyday Americans. We need to turn these ideas and dreams into quality jobs, cleaner and healthier neighborhoods, and reduced energy needs and expenses for American homes and businesses. And we must ensure that our most vulnerable communities get to share in these benefits.

The American Reinvestment and Recovery Act (ARRA) is a chance to start doing that. ARRA invests \$41 billion in clean-energy and energy-efficiency projects. These funds will help "green" America's cities, creating jobs and wealth in the process. But ARRA does not guarantee that low-income communities and communities of color will get to share in those jobs and that wealth.

That is why Green For All is producing this "Green Recovery For All" series of pamphlets: to give practitioners, workers, policymakers, businesses, advocates and everyday Americans the tools to bring the benefits of the green recovery to their communities. These pamphlets will help you understand key

components of ARRA, including what funds are available, how the funds may be used, and how cities, states and other entities can maximize the benefit to the community. They will outline policy models that would maximize the benefits to communities, workers and business. And they will point out opportunities to influence ARRA implementation at the local level.

As helpful as I hope these pamphlets are, they merely provide some tools. The rest is up to us — and I know we are up to the challenge. Together, we can build a green economy strong enough to lift people out of poverty.

Let's get started.

- Phaedra Ellis-Lamkins  
Chief Executive Officer  
Green For All

# ABOUT THIS GUIDE

## Purpose of This Guide

Green For All has prepared this document to help policy advocates, policy makers, community action agencies, energy service providers, employers, and residents understand the Weatherization Assistance Program (WAP). We hope it provides a basic understanding of this program and guidance on how to produce the best results possible.

## Authors of This Guide

Green For All is a national organization dedicated to improving the lives of all Americans through a clean energy economy. Green For All works in collaboration with the business, government, labor, and grassroots communities to create and implement programs that increase quality jobs and opportunities in green industry – all while holding the most vulnerable people at the center of its agenda.

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# PROGRAM BASICS

The Weatherization Assistance Program<sup>1</sup> is a federal program that enables low-income families to permanently reduce their energy bills by making their homes more energy efficient. This year, the American Recovery and Reinvestment Act expanded the Weatherization Assistance Program with a \$5 billion investment. It also expanded eligibility for the program and made some modifications to how it operates.

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<sup>1</sup> For details on the Weatherization Assistance Program, see statute at 42 U.S.C. § 6861, et. seq.; regulations at 10 C.F.R. Part 440; and CFDA 81.042.

## What is the American Recovery and Reinvestment Act?

President Barack Obama signed the American Recovery and Reinvestment Act (ARRA) on February 17, 2009. ARRA is a big, bold, and historic investment intended to kick-start the United States economy and lay the foundation for long-term economic growth and stability. If invested wisely, it can also serve as a down payment on an inclusive green economy strong enough to lift people out of poverty.

All told, ARRA includes \$48 billion in investments in job training and education, nearly \$100 billion in funding for transportation and infrastructure, \$20 billion in tax incentives for renewable energy, and more than \$41 billion for energy-related programs.

Of that money, \$5 billion goes into the Weatherization Assistance Program (WAP).

## What is WAP's purpose?

WAP's goal is to reduce the burden of energy costs on low-income individuals.<sup>2</sup> Specifically, WAP seeks to do three things for low-income people:

1. to either make their homes (owned or lived-in) more energy efficient, or provide them with renewable-energy systems or technologies;
2. to reduce their total residential energy expenditures; and
3. to improve their health and safety – especially those who are particularly vulnerable, such as the elderly, persons with disabilities, families with children, high residential energy users,

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<sup>2</sup> U.S. Department of Energy, Weatherization Assistance Program, "Goals and Metrics." Retrieved from [http://apps1.eere.energy.gov/weatherization/prog\\_goals.cfm](http://apps1.eere.energy.gov/weatherization/prog_goals.cfm) on September 21, 2009.

and households with high energy burden.

## What types of homes are eligible to receive WAP funds?

Under the Recovery Act, **dwellings** occupied by families with income below 200% of the federal poverty level<sup>3</sup> are eligible for WAP-funded improvements.

Some **multi-family buildings** are also eligible. If 66% of the dwelling units in the building are eligible, and certain other requirements are met, a multi-family building may use WAP funds for eligible improvements. For duplexes, four-unit buildings, and certain other buildings, only 50% of the units need be eligible.

WAP funds may also be used to weatherize **shelters**. Shelters are “dwelling units whose principal purpose is to house on a temporary basis, individuals who may or may not be related to one another and who are not living in nursing care facilities.”<sup>4</sup>

### Checking Eligibility

Renters and homeowners can check for eligibility and apply for weatherization services at the WAP website: <http://apps1.eere.energy.gov/weatherization/apply.cfm>.

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<sup>3</sup> The federal poverty level for a family of four is \$22,050; 200% of that is \$44,100. Retrieved from <http://aspe.hhs.gov/poverty/09poverty.shtml> on September 15, 2009.

<sup>4</sup> U.S. Department of Energy — Weatherization Assistance Program for Low-Income Persons — Title 10, Part 440, Direct Final Rule — Federal Register, June 22, 2006. Retrieved from <http://www.waptac.org/sp.asp?id=1812> on September 21, 2009. See §440.22.

Individuals and families that receive Supplemental Security Income and/or Temporary Assistance for Needy Families are automatically eligible for WAP services.<sup>5</sup>

## What activities can those homes use WAP funds for?

Under ARRA, eligible renters and homeowners (see above) may use WAP funds for energy efficiency services, including:<sup>6</sup>

- Insulation of the attic, walls, floors, water heater, and exposed pipes.
- Tune-ups, repairs, and if necessary, replacement of the furnace or heating unit and the air conditioner.
- Installation of ventilation fans including electric, attic, ceiling, or whole-house fans to increase air circulation.
- Installation of weatherstripping and caulking around doors and windows and replacing broken glass panes.

Energy service providers and WAP administrators will focus on energy-related health and safety issues while performing all work. They will also provide instructions on (a) how to care for the weatherization materials; and (b) tips on how increase energy savings after the weatherization materials are installed.

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<sup>5</sup> *WAP eligibility Fact Sheet*. Retrieved from [http://apps1.eere.energy.gov/weatherization/pdfs/wap\\_eligibility\\_fact\\_sheet.pdf](http://apps1.eere.energy.gov/weatherization/pdfs/wap_eligibility_fact_sheet.pdf) on September 21, 2009.

<sup>6</sup> Ibid.

## How did ARRA change WAP?

ARRA made the following changes to the Weatherization Assistance Program:<sup>7</sup>

- It increased the maximum household income eligibility from 150% to 200% of federal poverty guidelines or 60% of the state's median income.<sup>8</sup>
- It increased the assistance level per dwelling cap on expenditures for labor, weatherization materials, and related matters from \$2,500 to \$6,500.<sup>9</sup>
- It increased the maximum percentage of WAP funds that can be used for training and technical assistance from 10% to 20% of total program funds.<sup>10</sup>
- It mandated that all laborers and mechanics working for contractors and subcontractors on stimulus-funded projects must be paid at local prevailing wage rates as determined under the Davis-Bacon

Act. (For more, see "Reporting Requirements" on page 9.)

Other changes include allowing for second-round improvements on recently weatherized homes (as recently as September 30, 1994), and prioritizing certain cost-effective weatherization activities. DOE has provided a fact sheet that illustrates all the amendments that changed WAP requirements: [http://apps1.eere.energy.gov/weatherization/recovery\\_act.cfm](http://apps1.eere.energy.gov/weatherization/recovery_act.cfm).

<sup>7</sup> Regulations have been amended to reflect the changes made to the Weatherization Assistance Program Act by the American Recovery and Reinvestment Act of 2009. See 10 C.F.R. part 400.

<sup>8</sup> 42 U.S.C. 6862(7)

<sup>9</sup> 42 U.S.C. 6865(c)(1)

<sup>10</sup> Alliance to Save Energy, *Stimulus Guidance Summary: Weatherization Assistance Program*. Retrieved from <http://ase.org/content/article/detail/5489> on September 21, 2009. Note that DOE will retain 3% of overall funding for national Training and Technical Assistance initiatives. DOE can provide technical assistance directly or through entities that develop or implement appropriate technology. 42 U.S.C. 6866. States can determine how and whether to use the maximum of 20% of the training and technical assistance funds.

# TIMELINE & KEY DATES

Here are some key dates and milestones for the Weatherization Assistance Program.

## Application

*March 12, 2009*

The Department of Energy announced the WAP funding opportunity.

*March 23, 2009*

Initial state applications were due to DOE. Applications were required to include the standard form for federal assistance and the preliminary list of additional units to be weatherized. Upon DOE approval, 10% of the funds were allocated to the states.

*May 12, 2009*

Final state applications were due. Applicants had to:

- discuss state plans to meet the challenges of ramping up their services;
- list the subgrantees, project location, production schedule, energy savings, and training activities;
- explain the public hearing process and plan for monitoring the projects; and

- provide the state's budget information and justification.

## Approval

DOE initially disbursed 10% of WAP funds to states to support their planning activities. It followed that by distributing 40% of WAP funds to states on the dates detailed below. Finally, DOE will release the remaining 50% of WAP funds when states meet the reporting, oversight, and accountability milestones required by ARRA. States must show how they will address any challenges with respect to workforce training, monitoring and oversight, quality control, intake and qualification, management information systems, equipment and supplies.

## Disbursement

*June 8, 2009*

Oregon, Kansas, Arizona, and Mississippi received 40% of their WAP funds. This adds to the 10% these states previously received. According to DOE, these states were first to receive funding as a result of their "aggressive and innovative

plans to expand their weatherization programs.”<sup>11</sup>

- Arizona: \$22.8 million
- Kansas: \$22.6 million
- Mississippi: \$19.8 million
- Oregon: \$15.4 million

*June 18, 2009*

The following states received 40% of their total authorized weatherization funding:

- California: \$74.3 million
- Delaware: \$5.5 million
- District of Columbia: \$3.2 million
- Florida: \$70.4 million
- Maryland: \$24.6 million
- Montana: \$10.6 million
- Nebraska: \$16.7 million
- Nevada: \$14.9 million
- North Carolina: \$52.8 million
- North Dakota: \$10.1 million
- Ohio: \$106.7 million
- South Carolina: \$23.6 million
- South Dakota: \$9.8 million
- Utah: \$15.2 million
- West Virginia: \$15 million

*June 26, 2009*

DOE distributed funds to Georgia, Illinois, and New York. These states have now received a total of 50% of their funds.

- Georgia: \$49.9 million
- Illinois: \$97 million
- New York: \$157.9 million

*July 6, 2009*

DOE distributed more than \$288 million for weatherization programs in seven states:

- Arkansas: \$19.2 million
- Iowa: \$32.3 million
- Kentucky: \$28.3 million
- Massachusetts: \$48.8 million
- Michigan: \$97.3 million
- Minnesota: \$52.7 million
- New Hampshire: \$9.3 million

*July 10, 2009*

DOE distributed more than \$448 million for weatherization programs in 13 states:

- Alabama: \$28.7 million
- Idaho: \$12.1 million
- Maine: \$16.8 million
- Missouri: \$51.2 million
- New Jersey: \$47.5 million
- Oklahoma: \$24.4 million
- Rhode Island: \$8 million
- Texas: \$130.8 million
- Vermont: \$6.7 million

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11 U.S. Department of Energy, “DOE Delivers Over \$80 Million in Weatherization Funding to First Four States,” June 8, 2009. Retrieved from <http://www.energy.gov/7447.htm> on September 21, 2009.

- Virginia: \$37.7 million
- Washington State: \$23.8 million
- Wisconsin: \$56.6 million
- Wyoming: \$4 million

*July 21, 2009*

- Indiana: \$52.7 million
- New Mexico: \$10.7 million

*August 13, 2009*

- Alaska: \$7.3 million
- Colorado: \$31.8 million
- Connecticut: \$25.7 million
- Hawaii: \$1.6 million

## Other WAP Timelines

*August 2009*

The Department of Labor begins releasing their determinations of the prevailing wage standards for workers on weatherization projects in each state. See determinations here: [http://apps1.eere.energy.gov/weatherization/dol\\_wage\\_determination.cfm](http://apps1.eere.energy.gov/weatherization/dol_wage_determination.cfm).

*October 10, 2009*

Deadline for ARRA funds recipients, including states, to submit reports to

DOE.<sup>12</sup> Each recipient must report total ARRA funds received, how the funds were spent, details on the projects or activities (including an estimate of the number of jobs created), and information on any subcontracts or subgrants awarded. Agencies must publish this information directly to the agency's Recovery Act website within 30 days.

*Ongoing*

Throughout the grant period, DOE will closely monitor grantee performance through continual communication and monitoring. States must include plans for monitoring the progress of their subgrantees in their applications and follow up documents. The balance of the total funding (50%) will be based on DOE's review of the grantee fund obligation, reporting compliance, and job creation.

*September 30, 2010*

All WAP funds must be obligated. Obligation means funds are committed but monies do not have to have been spent.

*March 2012*

All WAP funds must be spent.

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<sup>12</sup> American Recovery and Reinvestment Act §1512 (2009).

# PROGRAM FUNDING

## How much money is Congress investing in the Weatherization Assistance Program?

In 2009, Congress reauthorized WAP with an allocation of \$250 million. This amount is in addition to the \$5 billion in WAP funds Congress allocated in ARRA. The program will use an allocation formula to calculate state grants.<sup>13</sup>

State agencies will receive WAP funds according to the following schedule (see details in “Timeline & Key Dates” on page 5):

- State agencies will receive 10% of total allocation upon DOE approval of initial state applications.
- State agencies will receive 40% of total allocations upon DOE approval of the final state applications.
- State agencies will receive the remaining 50% upon demonstrating that they are meeting ARRA and DOE requirements.

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<sup>13</sup> U.S. Department of Energy, Weatherization Assistance Program, “Allocation Formula.” Retrieved from [http://apps1.eere.energy.gov/weatherization/allocation\\_formula.cfm](http://apps1.eere.energy.gov/weatherization/allocation_formula.cfm) on September 21, 2009.

## Who is in charge of administering WAP funds?

### Federal

At the federal level, the U.S. Department of Energy’s Office of Energy Efficiency and Renewable Energy (EERE) administers the WAP funds to state agencies, territories, and some tribes using the allocation formula.

The EERE sets the national guidelines for the program, including eligibility, energy efficiency measures, and more. It also documents energy savings, provides technical assistance to weatherization service providers, and monitors the progress of state agencies. EERE also approves both the initial and final state applications and plans for WAP.

### State

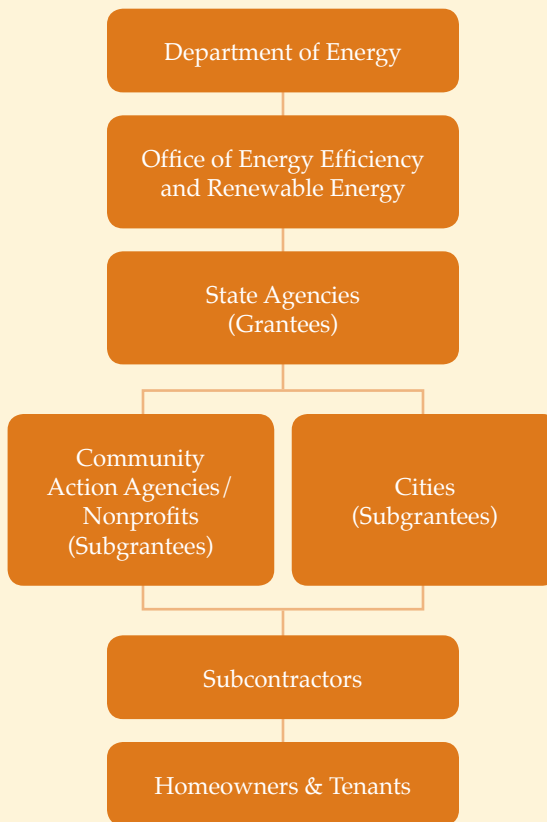
Each state has a different agency that oversees WAP funds. EERE lists the state contacts for the WAP program on its website: [http://apps1.eere.energy.gov/weatherization/state\\_contacts.cfm](http://apps1.eere.energy.gov/weatherization/state_contacts.cfm).

These state agencies set the standards for eligibility in each state, then distribute the funds through subgrants to community action agencies, local governments and other local weatherization agencies. They also monitor the implementation of the program to ensure quality.

State agencies must give public notice and hold a public hearing when preparing their final state application and plan for DOE. State plans must include a training and technical assistance plan. State agencies must give preference to existing, effective WAP subgrantees for the ARRA funds.

### Local

Local community action agencies, public entities or nonprofit entities deliver weatherization services to eligible homeowners. Contact information for the nonprofit or public entities that perform weatherization services is in the final plan that your state submitted to DOE for approval. These entities take applications from households in their service areas, determine eligibility, perform an energy audit of each home, determine the most cost-effective weatherization measures for each home or dwelling, and finally install and inspect all work.<sup>14</sup>



14 U.S. Department of Energy, Weatherization Assistance Program, "The Weatherization Network." Retrieved from [http://apps1.eere.energy.gov/weatherization/wx\\_network.cfm](http://apps1.eere.energy.gov/weatherization/wx_network.cfm) on September 21, 2009.

# REPORTING REQUIREMENTS

ARRA places several obligations upon entities receiving and using WAP funds.

## Prevailing Wage

Under ARRA, contractors and subcontractors must pay laborers and mechanics prevailing wage rates for work on WAP-funded projects. The U.S. Department of Labor (DOL) determines local prevailing wage rates under the Davis-Bacon Act.<sup>15</sup>

## Advance Payment<sup>16</sup>

States must also pay subgrantees (e.g., CAAs or city agencies) in advance as long as:

1. The subgrantees maintain, or demonstrate the willingness and ability to maintain, procedures that will minimize the time between the funds being transferred and disbursed; and
2. The state has not determined subgrantees to be “high risk” and therefore subject to payment on a reimbursement basis.

When the state places the subgrantee on “high risk” status, the state must provide subgrantees with written notice of:

1. the conditions related to the subgrantee’s “high risk” status;
2. what corrective actions the subgrantee must take to remove its “high risk” status;
3. the time allowed for the subgrantee to complete the corrective actions; and
4. the process by which the subgrantee should request reconsideration of its “high risk” status.

## Accountability

### Local Accountability

Contractors and subcontractors are directly accountable to local inspectors

<sup>15</sup> See U.S. Department of Labor, Wage and Hour Division, “Davis-Bacon and Related Acts.” Retrieved from <http://www.dol.gov/esa/whd/contracts/dbra.htm> on September 21, 2009. Wage determinations can be found at Wage Determinations Online: <http://www.wdol.gov>, and on the DOL’s “Prevailing Wage Determinations for Weatherization” page: [http://apps1.eere.energy.gov/weatherization/dol\\_wage\\_determination.cfm](http://apps1.eere.energy.gov/weatherization/dol_wage_determination.cfm). See also *Guidance on Implementation of the Davis-Bacon Act Prevailing Wage Requirements in the American Recovery and Reinvestment Act of 2009*. Retrieved from <http://www.waptac.org/si.asp?id=1392> on September 21, 2009.

<sup>16</sup> See 10 C.F.R. § 600.212.

for the quality of their work. Federal regulations require that all homes receiving weatherization services undergo a quality control inspection to determine workmanship, resource accountability, and adherence to audit protocols and standards.

### State Accountability

Local agencies are accountable to their states. States' annual plans to DOE include a field monitoring and inspection protocol. States must monitor local agencies at least once each year to determine compliance with administrative, fiscal, and field policies and guidelines. States must use a percentage of these inspections to determine whether proper local quality control efforts are in place and to establish the field accountability expected by the governing policies.

### Federal Accountability

States are accountable to the DOE. The federal Project Management Center offices in Morgantown, West Virginia and Golden, Colorado have field staff assigned to conduct oversight monitoring of state operations. Each program grantee receives a thorough administrative, fiscal, and field monitoring at least once every two years. Funding will be released in stages to ensure compliance with requirements, accurate recordkeeping, and reporting. States must demonstrate satisfactory progress in the expansion of the weatherization work force, number of homes weatherized, and worker training, and must demonstrate quality control in the work performed.

States also must submit regular progress reports. Beginning on October 10, 2009, states must submit quarterly reports

within 10 days of the end of each quarter. Reports must detail the amount of funds received, the list of projects and activities funded, estimates of the jobs created or retained, and details on sub-awards and other payments.<sup>17</sup>

Within 30 days of the end of each quarter, reports must be publicly available on the ARRA website at <http://www.recovery.gov>.

Recipients of ARRA funding shall comply with applicable federal, state, and local requirements, and instructions in DOE's Funding Opportunity Announcement.<sup>18</sup>

### Savings-to-Investment Ratio

Crews may use DOE funds to install only those energy-efficiency measures that meet a savings-to-investment ratio of 1:1 and above. DOE funds can be used to address energy-related health and safety problems, or to perform incidental repairs. This approach ensures the program's cost-effectiveness.<sup>19</sup>

<sup>17</sup> See ARRA, Section 1512. Section 1512(c)(4) requires that grantees' quarterly reports include detailed information on subgrants and subcontracts, including the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L.109-282).

<sup>18</sup> U.S. Department of Energy, *Weatherization Assistance Program Recovery Funding Opportunity Announcement*, at 4. Retrieved from [http://apps1.eere.energy.gov/wip/pdfs/wap\\_recovery\\_act\\_foa.pdf](http://apps1.eere.energy.gov/wip/pdfs/wap_recovery_act_foa.pdf) on September 21, 2009.

<sup>19</sup> Weatherization Assistance Program Technical Assistance Center, "Weatherization Talking Points." Retrieved from <http://www.waptac.org/sp.asp?id=411> on September 21, 2009.

# RECOMMENDATIONS FOR WAP IMPLEMENTATION

This section both summarizes the overall principles Green For All recommends for shaping an equitable and green recovery and provides some best practices with regard to how states, localities and advocates can:

1. insert equity into WAP implementation plans;
2. demand a transparent and accountable public process to shape how WAP funds are being spent;
3. use existing policy levers to push for quality jobs, especially for those who most need them;
4. expand and develop regional partnerships that implement sectoral employment strategies; and
5. advocate for targeted and coordinated approaches to spending ARRA funds.<sup>20</sup>

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<sup>20</sup> Adapted from *Bringing Home the Green Recovery* (Green For All and PolicyLink, 2009), which outlines six recommendations for the equitable ARRA implementation. See *Bringing Home the Green Recovery* at 9-13. For more recommendations, see the California Green Stimulus Coalition's recommendations at <http://californiagreenstimulus.org/> (retrieved on September 14, 2009).

## 1. Insert equity into WAP implementation plans

State and local entities are beginning to implement their WAP plans. Advocates should not lose sight of the opportunity to shape this implementation. Advocates should also keep in mind that DOE will be monitoring states' performance and withholding the remaining 50% of the

WAP funds pending that review. Local implementers and advocates may still have a critical opportunity to bring their expertise and priorities to bear on the second wave of WAP funding.

ARRA's unprecedented expansion of WAP raises a number of questions, including:

- Can enough workers receive quality training to do the work?

- Will the expansion of the program be used to connect short-term training in residential weatherization to career pathways leading to higher-level, often union, jobs in the more skill-intensive commercial building retrofit industry?
- Will some of the increased program funds be used to increase job quality and workers' wages and encourage the participation of contractors who pay family-sustaining wages and benefits?

These are all critical issues that advocates can push DOE to address. At the local level, public officials, community action agencies, building trades unions, and community groups should also collaborate and address these questions with regards to local WAP implementation.

At a state level, advocates can start by reviewing their states' initial and final WAP applications to assess how they plan to meet the challenges of ramping up their services and the public hearing process and plan for monitoring the projects. The applications will also list the subgrantees, project locations, production schedule, energy savings and training activities.

Any standards establishing job quality, labor peace standards, targeted hire, and job training should be spelled out in the obligation agreements between the state agency and local subgrantee.

## 2. Demand a transparent and accountable public process to shape how WAP funds are being spent

The speed with which ARRA monies are flowing to states and localities, coupled with the broad discretion those entities have, creates a significant danger of deal-cutting and pet project funding that will not benefit the communities most in need.

Advocates can help ensure transparency and accountability by pushing for public hearings, citizen oversight boards, and other mechanisms at the local and state level to make decision-making transparent and to create democratic fora where the public can be heard. ARRA requires that states post quarterly reports within 10 days of the end of each quarter, starting on October 10, 2009. States must post these reports on [Recovery.gov](http://Recovery.gov) but should also post them on their own state website; cities should post these reports on their respective websites too.

ARRA requires that states collect and compile some key data, including the number of homes weatherized, the energy cost savings, the overall energy saved, and the number of jobs created. Advocates should also push states and subgrantees to collect and report additional data that are critical to ensuring equity, including:

- the race, ethnicity, socio-economic status and gender of those benefiting from WAP funds (those who received jobs, training, etc.);
- the wages and benefits of the jobs created and supported through WAP funds;

- the environmental benefits and impacts of WAP programs; and
- the geographic areas most directly impacted by WAP programs.

Advocates can make WAP implementation more equitable by encouraging states to strengthen oversight. State agencies should require an independent third party to verify the quality of services and to maximize energy savings. They can do this, for example, by requiring third-party verification before paying subgrantees, contractors and other implementers. In addition to the existing ARRA and WAP requirements, third-party evaluators may look at how the state's WAP programs perform in the following areas:

- **HERS rating:** Evaluators may require all energy-efficiency retrofit projects to comply with the Home Energy Rating System (HERS) rating to evaluate performance of services.
- **Wages:** Evaluators may insist that all laborers and mechanics implementing WAP projects receive wages and benefits in accordance with prevailing wage law.
- **Coordination:** Evaluators may require all weatherization projects to demonstrate how they are leveraging and coordinating with similar programs to ensure WAP projects are as impactful as possible.

### 3. Use existing policy levers to push for quality jobs, especially for those who most need them

Contractors and subcontractors must pay Davis-Bacon prevailing wage rates for

weatherization work on WAP projects. States should use these federal prevailing wage standards as a floor, rather than a ceiling. While the prevailing wage for weatherization workers reaches \$50 per hour in some places, in others it can be as low as \$6.50 per hour.<sup>21</sup> States should work to increase the wages and pay workers, at a minimum, a living wage.

A living wage, by itself, is not enough to ensure a pathway out of poverty. Low-income workers also need steady work; they need careers, not just jobs. Many weatherization programs create only short-term jobs for workers. These programs should serve as entry points to higher-wage, higher-skill careers in construction and green building. States should work to ensure that workers have a career path beyond the limited life cycle of individual WAP projects.

Strong community-labor coalitions have developed a set of finely honed and proven tools for maximizing the benefit of construction projects to the surrounding communities. These tools link job quality standards to job access requirements in an effort to lift up low-income workers and build the middle class. Broadly speaking, these tools include:

- Standards that establish job-quality and labor-peace standards that guard against low-road employer practices and union busting — including living wages<sup>22</sup> (on non-

21 Stacy Ho and Satya Conway-Rhodes, *A Short Guide to Setting Up a City-Scale Retrofit Program* (2009) at 7. Retrieved from <http://www.greenforall.org/resources/a-short-guide-to-setting-up-a-city-scale-retrofit> on September 21, 2009.

22 Living wages are determined by workers' costs of living. A living wage is the hourly rate that an

construction projects) or prevailing wages<sup>23</sup> (on construction projects), and Project Labor Agreements.

- Standards that require targeted hiring — including policies requiring that a portion (e.g., 30% or more) of total project work hours be performed by local workers, low-income residents, apprentices, or residents with barriers to employment.
- Policies that designate resources for pre-apprenticeship and non-traditional employment programs that provide pathways into jobs and careers for African-Americans, women, and other populations underrepresented in building trades occupations. The most successful “pathways out of poverty” training programs provide access to a range of services, including basic education, soft skills, on-the-job training, and wrap-around social support services.

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individual must earn to support his or her family if he or she is the sole provider and is working full-time (2080 hours per year). For the minimum estimate of the cost of living for low low-wage families, see Penn State University’s Poverty in America Living Wage Calculator at <http://www.livingwage.geog.psu.edu>.

<sup>23</sup> The Davis-Bacon Act defines prevailing wage as the hourly wage, usual benefits, and overtime paid in the largest city in each county to the majority of laborers and mechanics performing work in the same trade or occupation. The Act applies to laborers and mechanics working on construction projects. For wage determinations—which include wage rates and fringe benefit rates—for each classification of laborers and mechanics that the U.S. Department of Labor has determined to be prevailing in a given area for a particular type of construction (e.g., building, heavy, highway, or residential), see <http://www.wdol.gov/index.aspx>.

- Standards that establish responsible contractor policies. Responsible contractor policies typically require contractors to provide OSHA safety training, have three consecutive prior years without wage or hour violations, pay workers prevailing wages, offer health insurance, employ workers (rather than classifying workers as independent contractors), participate in labor-management certified training programs, and ensure labor peace.

#### 4. Expand and develop regional partnerships that implement sectoral employment strategies

Stakeholders can leverage WAP funds to create good, green jobs — especially for the low-income residents whom community action agencies serve. One easy way for local energy service providers to do this is to work with regional partnerships that implement employment strategies on a sectoral basis.

In workforce development terms, a “sector strategy” targets a specific industry and links worker training and education to the demand in a regional labor market.<sup>24</sup> Industry partnerships should be organized by sectors and consist of key relevant public and private stakeholders, including employers, unions, community and technical

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<sup>24</sup> Jason Walsh and Sarah White, *Greener Pathways: Jobs and Workforce Development in the Clean Energy Economy* at 3. Retrieved from <http://www.greenforall.org/resources/greener-pathways-jobs-and-workforce-development-in> on September 21, 2009.

colleges, community organizations, and workforce development agencies.<sup>25</sup> As noted in *A Short Guide to Setting Up a City-Scale Retrofit Program*, these partnerships can provide an important assessment of the current state of the workforce, including the availability of jobs, current levels of training, and availability of training programs. This information is critical to determining what kind of new training programs, or improvements to existing training programs, are needed.

WAP-funded programs should build on and work with existing training programs, such as those provided by community and technical colleges, labor union and labor management apprenticeship programs, and community-based organizations. Partnerships can be an important way to ensure that WAP funds are used efficiently to create good jobs for state residents.

## 5. Advocate for targeted and coordinated approaches to spending ARRA funds

ARRA uses a variety of public agencies and programs to create green jobs. Under normal circumstances, state and local governments often implement programs in silos, with too little of the coordination and alignment that could maximize effectiveness and avoid duplication. The influx of millions of Recovery Act dollars into programs, and the pressure to spend these funds quickly, increases the risk of

fragmented work. State agencies that work with other agencies, however, will discover that they can maximize the effectiveness of each of their programs, avoid duplication, and take advantage of these new opportunities.

States can make the most of WAP investments by coordinating them with other public and private investments, including other ARRA programs. Some local areas have leveraged other funds to provide additional training curricula, hire trainers, or to provide significant prerequisite home repairs to prepare for weatherization work. Other ARRA and public funds available for energy efficiency work include the State Energy Program, Energy Efficiency and Conservation Block Grants, and Low-Income Home Energy Assistance Program Funds.

Partnerships with public, private and nonprofit partners (e.g., local housing authorities and low-income housing developers) are ideal for increasing demand for weatherization services and reaching more low-income residents with weatherization services. Having a one-stop shop frees residents from needing to figure out the various players, understand the programs, or hire contractors on their own. Removing these obstacles makes it more likely that they will demand and use weatherization services.

25 Ibid. at 47. See also Stacy Ho and Satya Conway-Rhodes, *A Short Guide to Setting Up a City-Scale Retrofit Program* (2009) at 7.

# CASE STUDIES

In this section, we look at two different implementations of the Weatherization Assistance Program. At the state level, New Jersey will use WAP investments to create quality green jobs that all New Jersey residents can access. At the local level, Kansas City is leveraging WAP funds with other ARRA funds to turn one of its struggling neighborhoods into a “green impact zone.” These two examples show how state and local entities are using WAP funds in combination with other ARRA funds to create environmental, economic, and employment benefits.

## State Level: New Jersey

New Jersey carefully designed its WAP plan both to ensure the effective delivery of weatherization services and to create career pipelines for the state’s low-income residents. Benefiting from the effective and determined advocacy of Laborers International Union of North America’s Local 55, the Garden State Alliance for a New Economy, and other community-based organizations, New Jersey has produced an exemplary plan that other states can look to as a model.

New Jersey’s WAP plan contains explicit job-quality standards designed to complement those in ARRA. The state requires that any contractor hired through this program pay its employees a living wage (from \$17 to \$19 per hour) and provide a benefits package that includes health insurance. To implement these job quality standards, New Jersey will amend its “existing bidding and contractor policies...to incorporate the living wage requirements of the ARRA of all contractors hired by sub grantees.”

Additionally, weatherization contractors must meet basic responsibility criteria such as licensing, bonding, and legal compliance.

New Jersey makes sure not only that WAP investments create good jobs, but that those jobs are accessible to low-income workers. Its WAP plan requires that contractors (1) comply with “any applicable local hiring or first source policy,” and (2) perform 50% of the work hours of their weatherization projects using graduates of state-approved training programs that serve low-income communities. All weatherization workers must receive a minimal level of training from a state-approved program. This ensures the quality of the work, while also equipping workers with the skills for long-term success.

New Jersey’s WAP plan also protects workers’ right to organize and bargain collectively. All contractors must sign labor-peace agreements prohibiting employers from retaliating in any way against employees for selecting a

collective bargaining representative. As long as a majority of employees sign authorization cards indicating that they want to be represented by a labor organization, New Jersey will recognize that labor organization as the workers' exclusive collective bargaining representative.

New Jersey also intends to expand its capacity to train weatherization workers using the 20% of WAP funds that ARRA allows for this purpose. The state plans to designate and fund a training provider for the contractor workforce.

## Local Level: Kansas City

After the passage of ARRA, Congressman Emanuel Cleaver II (Missouri) met with community leaders, local officials, and members of the Obama administration. From those meetings, he developed a plan to turn one of Kansas City's struggling areas into a "Green Impact Zone." The City Council voted unanimously to pass a resolution recognizing the Zone, committing \$200 million in ARRA funds to the 150-block area. The resolution declares that the City will coordinate operations and funding with the Mid-America Regional Council (MARC), a non-profit regional planning organization.

The plan for the Green Impact Zone includes:

- weatherizing homes;
- deconstructing hazardous buildings;
- repaving streets;
- training unemployed residents to do weatherizing work;

- developing a sustainable land-use plan for the area;
- locating a green sewer demonstration project;
- developing a smart grid energy project with local electric utility partner Kansas City Power and Light;
- increasing bus services and purchasing 15 buses;
- replacing the current bridge; and
- building 25 new bus stations.

Kansas City will use 23 different recovery grants, including the Weatherization Assistance Program grant, to weatherize all 2,500 homes in the Green Impact Zone. MARC will coordinate the city's grant applications for the Zone.

For more information, see the following resources:

- "Millions in stimulus money to pour into poor KC neighborhoods":  
<http://www.greenforall.org/blog/millions-in-stimulus-money-to-pour-into-poor-kc-neighborhoods>
- "Weatherization with Stimulus Funds"  
<http://www.kcmo.org/neighbor/PropPreserv/WeatherizationInformation.pdf>
- Kansas City Resolution No. 090254:  
<http://cityclerk.kcmo.org/liveweb/Documents/Document.aspx?q=sXNc4qdUzvkC7LP8dSifRsJbBtT7aGS62IkDqo1bw1SVZjdhFdJrCRV4ExexttVK>

# RESOURCES

## National Resources

### White House Guidance

- *Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009*

(April 3, 2009)

<http://www.recovery.gov/sites/default/files/m09-15.pdf>

- *Ensuring Responsible Spending of Recovery Act Funds*

(March 20, 2009)

[http://www.whitehouse.gov/the\\_press\\_office/Memorandum-for-the-Heads-of-Executive-Departments-and-Agencies-3-20-09](http://www.whitehouse.gov/the_press_office/Memorandum-for-the-Heads-of-Executive-Departments-and-Agencies-3-20-09)

### Department of Energy (DOE) and WAP Information

- Weatherization Assistance Program Homepage  
<http://apps1.eere.energy.gov/weatherization>
- Weatherization Assistance Program: ARRA Funding Opportunity  
(March 12, 2009)  
[http://apps1.eere.energy.gov/wip/pdfs/wap\\_recovery\\_act\\_foa.pdf](http://apps1.eere.energy.gov/wip/pdfs/wap_recovery_act_foa.pdf)

## National Organizations

- Oak Ridge National Laboratory's Weatherization and SEP Support Program

<http://weatherization.ornl.gov/>

This weatherization support program has provided scientific and technical support for the program from its outset. The Weatherization Library has a searchable database of more than 500 reports and assessments.

- National Community Action Foundation

<http://www.ncaf.org/>

This Washington-based organization is a leading advocate for the nation's community action agencies.

## State Resources

- Weatherization Activities in the States

[http://apps1.eere.energy.gov/weatherization/state\\_activities.cfm](http://apps1.eere.energy.gov/weatherization/state_activities.cfm)

This interactive website from EERE helps you find the exact agencies that administer state programs. It allows you to select a state on the map or from the pull-down

menu for lists of DOE- and state-sponsored weatherization projects in that state.

- Weatherization Assistance Program Technical Assistance Center

<http://www.waptac.org/>

This site provides information related to WAP, its on-going operations, and its partnerships with stakeholders. It includes lessons from several states' and non-profit entities' experiences with the expedited ramp-ups in WAP funding.

- States for a Transparent and Accountable Recovery (STAR)

<http://accountablerecovery.org/>

STAR Coalition is a network of groups working at the state and local levels to ensure that the ARRA implementation is transparent, accountable, fair and effective.

- National Association for State Community Service Programs Blog

<http://wxprogram.blogspot.com/>

Latest developments in funding, partnerships, administration, success stories, best practices, and other issues concerning your state, and district.

## Local Resources

### Community Action Partnership

- Community Action Partnership Homepage

<http://www.communityactionpartnership.com/>

Community Action Partnership is a network of more than 1,000 community action agencies<sup>26</sup> (CAAs).

- "Find a CAA" Tool

[http://www.communityactionpartnership.com/index.php?option=com\\_spreadsheet&view=search&spreadsheet=cap&Itemid=188](http://www.communityactionpartnership.com/index.php?option=com_spreadsheet&view=search&spreadsheet=cap&Itemid=188)

This page on its website can help you find a CAA near you.

### League of California Cities

- League of California Cities Homepage

<http://www.cacities.org/>

This network of local government officials throughout the state provides some helpful resources to understanding the local impacts of the ARRA (see below).

- *American Recovery and Reinvestment Act of 2009: City Funding Book*

[http://www.cacities.org/resource\\_files/28053.ARRA%205.21.09.pdf](http://www.cacities.org/resource_files/28053.ARRA%205.21.09.pdf)

- *Federal Economic Stimulus Updates*

<http://www.cacities.org/federalstimulus>

- *American Recovery and Reinvestment Act: A Guide to Entry-Level Jobs and Training and Education Opportunities for Making Connections Communities* (2009)

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<sup>26</sup> CAAs connect low-income people with information about weatherization, housing or self-sufficiency needs.

by Sarah Griffen (Making Connections) and Judy Herbstman (Center for the Study of Social Policy)

<http://www.cssp.org/uploadFiles/ARRA%20Entry%20Level%20Jobs%20Training%20and%20Education%20Guide%20-%20Final%204-22-09.pdf>

## Other Resources

- Community Action Associations Guidance

<http://www.capl原因.org/StimulusPackageLegalNews.html#weatherize>

Community Action Program Legal Services, Inc. (CAPLAW) has posted this informative resource for community action groups involved in WAP.

- *Implications of ARRA for Low-Income Californians*

(April 27, 2009)

<http://foundationcenter.org/events/archive/webinars.html>

This webinar, produced in conjunction with Northern California Grantmakers, provides an overview of the ARRA and its implications for low-income Californians.

- *Weatherization: A Test Case* (Carnegie Endowment for International Peace)

[http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=22782&prog=zgp&proj=zec&zoom\\_highlight=weatherization](http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=22782&prog=zgp&proj=zec&zoom_highlight=weatherization)

This report looks at how we can meet President Obama's goal of weatherizing 2 million homes.

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Green For All is a national organization dedicated to improving the lives of all Americans through a clean energy economy. Green For All works in collaboration with the business, government, labor, and grassroots communities to create and implement programs that increase quality jobs and opportunities in green industry – all while holding the most vulnerable people at the center of its agenda.

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