

State of California
Department of Community Services and Development

Weatherization Assistance Program
for Low-Income Persons



DRAFT 2022 State Plan and Application
to the
U.S. Department of Energy

April 15, 2022

Gavin Newsom
Governor
State of California

Mark Ghaly
Secretary
California Health and
Human Services Agency

David Scribner
Director
Department of Community
Services and Development

Table of Contents

Annual File

I.	Application for Federal Assistance Standard Form 424	1
II.	Budget Information	4
III.	Budget Explanation	5
IV.1	Subgrantees	13
IV.2	Production Schedule	14
IV.3	Energy Savings	15
IV.4	Department of Energy (DOE)-Funding Leveraging Activities	16
IV.5	Policy Advisory Council Members	17
IV.6	Public Hearing	18
IV.7	Miscellaneous	19

Master File

V.1	Eligibility	
	V.1.1 Approach to Determining Client Eligibility	20
	V.1.2 Approach to Determining Building Eligibility	22
	V.1.3 Definition of Children	24
	V.1.4 Approach to Tribal Organizations	24
V.2	Selection of Areas to Be Served	25
V.3	Priorities for Service Delivery	26
V.4	Climatic Conditions	27
V.5	Type of Weatherization Work to Be Done	
	V.5.1 Technical Guides and Materials	28
	V.5.2 Energy Audit Procedures	28
	V.5.3 Final Inspections	29
V.6	Weatherization Analysis of Effectiveness	30
V.7	Health and Safety	35
V.8	Program Management	
	V.8.1 Overview and Organization	37
	V.8.2 Administrative Expenditure Limits	38
	V.8.3 Monitoring Activities	38
	V.8.4 Training and Technical Assistance Approach and Activities	51
V.9	Energy Crisis and Disaster Plan	52

Public Comments

Attachments referenced in the State Plan are available upon request by emailing wx@csd.ca.gov.

APPLICATION FOR FEDERAL ASSISTANCE SF-424

Version 02

9. Type of Applicant:

A State Government

10. Name of Federal Agency:

U. S. Department of Energy

11. Catalog of Federal Domestic Assistance Number:

81.042

CFDA Title:

Weatherization Assistance Program

12. Funding Opportunity Number:

DE-WAP-0002022

Title:

2022 Weatherization Assistance Program

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

State of California

15. Descriptive Title of Applicant's Project:

The Weatherization Assistance for Low Income Persons enables low-income families to permanently reduce their energy bills by making their homes more energy efficient.

APPLICATION FOR FEDERAL ASSISTANCE SF-424

Version 02

16. Congressional District Of:

a. Applicant: b. Program/Project: CA-Statewide

Attach an additional list of Program/Project Congressional Districts if needed:

17. Proposed Project:

a. Start Date: 07/01/2022 b. End Date: 06/30/2023

18. Estimated Funding (\$):

a. Federal	8,349,546.00
b. Applicant	0.00
c. State	0.00
d. Local	0.00
e. Other	0.00
f. Program Income	0.00
g. TOTAL	8,349,546.00

19. Is Application subject to Review By State Under Executive Order 12372 Process?:

- a. This application was made available to the State under the Executive Order 12372 Process for review
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372

20. Is the applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation)

No

21. By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to**

I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency

Authorized Representative:

Prefix: Mr First Name: David
Middle Name:
Last Name: Scribner
Suffix:

Title: Director

Telephone Number: (916) 576-7109 Fax Number:

Email: david.scribner@csd.ca.gov

Signature of Authorized Representative: Signed Electronically Date Signed:

II. Budget Information

Program/Project Identification No.		Program/Project Title	
EE0009890		Weatherization Assistance Program	
Name and Address	2389 Gateway Oaks Drive Sacramento, CA 95833	Program/Project Start Date	07/01/2022
		Completion Date	06/30/2023

Section A - Budget Summary

Grant Program	Estimated Unobligated Funds (Federal)	New/Revised Budget (Federal)	Total
DOE WAP 2021	\$0	\$8,349,546	\$8,349,546
Totals		\$8,349,546	\$8,349,546

Section B - Budget Categories

Object Class Categories	Grantee Administration	Subgrantee Administration	Grantee T&TA	Subgrantee T&TA	Total
Personnel	\$38,532		\$32,252		\$70,784
Fringe Benefits	\$18,449		\$15,442		\$33,891
Travel	\$4,201		\$4,200		\$8,401
Equipment					\$0
Supplies	\$0		\$0		\$0
Contractual	\$460,663	\$626,216	\$657,651	\$573,636	\$2,318,166
Construction					\$0
Other Direct Costs	\$0		\$7,500		\$7,500
Total Direct Costs	\$521,845	\$626,216	\$717,045	\$573,636	\$2,438,742
Indirect Costs	\$104,370		\$143,409		\$247,779
Totals	\$626,215	\$626,216	\$860,454	\$573,636	\$2,686,521

Object Class Categories	Program Operations	Health and Safety	Liability Insurance		Total
Personnel					\$0
Fringe Benefits					\$0
Travel					\$0
Equipment					\$0
Supplies					\$0
Contractual	\$3,896,986	\$1,302,039	\$464,000		\$5,663,025
Construction					\$0
Other Direct Costs					\$0
Total Direct Costs	\$3,896,986	\$1,302,039	\$464,000	\$0	\$5,663,025
Indirect Costs					\$0
Totals	\$3,897,577	\$1,301,448	\$464,000	\$0	\$5,663,025

III. Budget Explanation

Personnel

Duties

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

Position	Description of Duties
Staff Services Manager III - Energy and Environmental Services Division	Manager provides staff supervision and oversees the Energy Division.
Staff Services Manager II – Consumer Provider Assistance and Field & Weatherization Services Units	Manager provides staff supervision and oversees the Consumer Provider Assistance and Field & Weatherization Services Units.
Staff Services Manager II - Weatherization & Technical Support and Climate Investment Units	Manager provides staff supervision and oversees the Weatherization & Technical Support and Climate Investment Units
Staff Services Manager I (Specialist) - Weatherization & Technical Support and Climate Investment Units	Specialist provides complex technical and IT coordination services in support of weatherization and utility assistance programs
Assoc. Govt. Program Analyst - Energy and Environmental Services Division (1)	Analysts develop contracts and related reporting forms, develops program policies, provides website support and other projects as assigned for the weatherization programs.
Assoc. Govt. Program Analyst - Energy and Environmental Services Division (2)	Analysts develop contracts and related reporting forms, develops program policies, provides website support and other projects as assigned for the weatherization programs.
Assoc. Govt. Program Analyst - Energy and Environmental Services Division (3)	Analysts develop contracts and related reporting forms, develops program policies, provides website support and other projects as assigned for the weatherization programs.
Staff Services Manager I - Weatherization and Technical Support Unit	Manager provides staff supervision and administers departmental policies and programs. Oversees training development, waivers and energy audit reviews. Primary liaison to DOE.
Data and Research Analyst II - Weatherization and Technical Support Unit	Analyst provides higher level technical and analytical support to departmental staff. Helps in the development of policies, standards, contracts, and program guidance. Produces annual DOE State Plan(s) for CSD management to review and approve.
Assoc. Govt. Program Analyst - Weatherization and Technical Support Unit (1)	Analysts provide technical and analytical support and training to Subgrantees and departmental staff and oversight of weatherization customer complaints and energy audit reviews. Help in the development of policies, standards, contracts, and program guidance.
Assoc. Govt. Program Analyst - Weatherization and Technical Support Unit (2)	Analysts provide technical and analytical support and training to Subgrantees and departmental staff and oversight of weatherization customer complaints and energy audit reviews. Help in the development of policies, standards, contracts, and program guidance.
Staff Services Manager I - Climate Investment Unit	Manager performs oversight of the QA monitoring provided by third-party inspection contractor, oversees separate QA inspections performed by Grantee staff and technical standards development.

Duties - continued

Position	Description of Duties
Research Program Specialist I - Climate Investment Unit	Specialist provides higher level technical and analytical support and training to Subgrantees and departmental staff.
Assoc. Govt. Program Analyst - Climate Investment Unit (1)	Analysts perform field monitoring of the third-party inspection contractor and separate QA inspections of Subgrantees, support of technical hotline and development of technical manuals.
Assoc. Govt. Program Analyst - Climate Investment Unit (2)	Analysts perform field monitoring of the third-party inspection contractor and separate QA inspections of Subgrantees, support of technical hotline and development of technical manuals.
Assoc. Govt. Program Analyst - Climate Investment Unit (3)	Analysts perform field monitoring of the third-party inspection contractor and separate QA inspections of Subgrantees, support of technical hotline and development of technical manuals.
Staff Services Manager I - Field & Weatherization Services Unit	Manager provides staff supervision and oversight of the monitoring of Subgrantees.
Assoc. Govt. Program Analyst - Field & Weatherization Services Unit (1)	Analysts perform day-to-day program administration, review fiscal and programmatic data reports, conducts annual monitoring activities and program analysis for monitoring purposes.
Assoc. Govt. Program Analyst - Field & Weatherization Services Unit (2)	Analysts perform day-to-day program administration, review fiscal and programmatic data reports, conducts annual monitoring activities and program analysis for monitoring purposes.
Assoc. Govt. Program Analyst - Field & Weatherization Services Unit (3)	Analysts perform day-to-day program administration, review fiscal and programmatic data reports, conducts annual monitoring activities and program analysis for monitoring purposes.
Assoc. Govt. Program Analyst - Field & Weatherization Services Unit (4)	Analysts perform day-to-day program administration, review fiscal and programmatic data reports, conducts annual monitoring activities and program analysis for monitoring purposes.
Assoc. Govt. Program Analyst - Field & Weatherization Services Unit (5)	Analysts perform day-to-day program administration, review fiscal and programmatic data reports, conducts annual monitoring activities and program analysis for monitoring purposes.
Staff Services Analyst - Field & Weatherization Services	Analyst provides administrative and programmatic support to the Field & Weatherization Services Unit.
Staff Services Manager I - Consumer Provider Assistance Unit	Manager provides staff supervision and oversight of the support services for CSD staff and Subgrantees.
Assoc. Govt. Program Analyst - Consumer Provider Assistance Unit (1)	Analyst performs reviews of executed DOE contracts, provides weatherization database support, and conducts Subgrantee payment reconciliation.
Staff Services Analyst - Consumer Provider Assistance Unit (2)	Analysts perform DOE contracts, provide weatherization database support, and conduct Subgrantee payment reconciliation.

Duties - continued

Position	Description of Duties
Assoc. Govt. Program Analyst - Consumer Provider Assistance Unit (3)	Analysts perform DOE contracts, provide weatherization database support, and conduct Subgrantee payment reconciliation.
Staff Services Analyst - Consumer Provider Assistance Unit (4)	Analysts perform DOE contracts, provide weatherization database support, and conduct Subgrantee payment reconciliation.
Staff Services Analyst - Consumer Provider Assistance Unit (5)	Analysts perform DOE contracts, provide weatherization database support, and conduct Subgrantee payment reconciliation.

Direct Personnel Compensation

Costs for all personnel expenditures are leveraged with LIHEAP and other state weatherization programs.

Position	Salary	Time	Direct Pay
Staff Services Manager III - Energy and Environmental Services Division	\$ 116,424	2.00%	\$ 2,328
Staff Services Manager II – Consumer Provider Assistance and Field & Weatherization Services Units	104,784	1.00%	1,048
Staff Services Manager II - Weatherization & Technical Support and Climate Investment Units	104,784	0.00%	-
Staff Services Manager I (Specialist) - Weatherization & Technical Support and Climate Investment Units	84,708	1.00%	847
Assoc. Govt. Program Analyst - Energy and Environmental Services Division (1)	80,868	0.00%	-
Assoc. Govt. Program Analyst - Energy and Environmental Services Division (2)	71,220	0.00%	-
Assoc. Govt. Program Analyst - Energy and Environmental Services Division (3)	71,220	0.00%	-
Staff Services Manager I - Weatherization and Technical Support Unit	95,448	36.00%	34,361
Data and Research Analyst II - Weatherization and Technical Support Unit	84,948	10.00%	8,495
Assoc. Govt. Program Analyst - Weatherization and Technical Support Unit (1)	80,868	4.00%	3,235
Assoc. Govt. Program Analyst - Weatherization and Technical Support Unit (2)	80,868	4.00%	3,235
Staff Services Manager I - Climate Investment Unit	95,448	4.00%	3,818

Direct Personnel Compensation - continued

Position	Salary	Time	Direct Pay
Research Program Specialist I - Climate Investment Unit	88,824	2.00%	1,776
Assoc. Govt. Program Analyst - Climate Investment Unit (1)	67,824	4.00%	2,713
Assoc. Govt. Program Analyst - Climate Investment Unit (2)	67,824	0.00%	-
Assoc. Govt. Program Analyst - Climate Investment Unit (3)	67,824	0.00%	-
Staff Services Manager I - Field & Weatherization Services Unit	95,448	1.00%	954
Assoc. Govt. Program Analyst - Field & Weatherization Services Unit (1)	80,868	1.00%	809
Assoc. Govt. Program Analyst - Field & Weatherization Services Unit (2)	80,868	1.00%	809
Assoc. Govt. Program Analyst - Field & Weatherization Services Unit (3)	78,528	1.00%	785
Assoc. Govt. Program Analyst - Field & Weatherization Services Unit (4)	77,028	1.00%	770
Assoc. Govt. Program Analyst - Field & Weatherization Services Unit (5)	71,220	1.00%	712
Staff Services Analyst - Field & Weatherization Services	59,220	0.00%	-
Staff Services Manager I - Consumer Provider Assistance Unit	95,448	1.00%	954
Assoc. Govt. Program Analyst - Consumer Provider Assistance Unit (1)	71,220	1.00%	712
Staff Services Analyst - Consumer Provider Assistance Unit (2)	59,220	1.00%	592
Assoc. Govt. Program Analyst - Consumer Provider Assistance Unit (3)	64,596	1.00%	646
Staff Services Analyst - Consumer Provider Assistance Unit (4)	59,220	1.00%	592
Staff Services Analyst - Consumer Provider Assistance Unit (5)	59,220	1.00%	592
Total Direct Personnel Compensation			\$ 70,784

Fringe Benefits

The fringe benefit rate is based upon actual percentages used to pay for benefits of all State employees. The total amount of fringe benefits is calculated based upon a prorated amount of the annual salary of each classification that is attributable to DOE activities.

Benefit	Rate
Retirement	29.22%
Payroll Taxes – OASDI	6.20%

Fringe Benefits - continued

Benefit	Rate
Payroll Taxes - Medicare	1.45%
Medical Insurances	11.01%
Total Fringe Benefit Rate	47.88%

Position	Benefit
Staff Services Manager III - Energy and Environmental Services Division	\$ 1,115
Staff Services Manager II – Consumer Provider Assistance and Field & Weatherization Services Units	502
Staff Services Manager II - Weatherization & Technical Support and Climate Investment Units	-
Staff Services Manager I (Specialist) - Weatherization & Technical Support and Climate Investment Units	406
Assoc. Govt. Program Analyst - Energy and Environmental Services Division (1)	-
Assoc. Govt. Program Analyst - Energy and Environmental Services Division (2)	-
Assoc. Govt. Program Analyst - Energy and Environmental Services Division (3)	-
Staff Services Manager I - Weatherization and Technical Support Unit	16,451
Data and Research Analyst II - Weatherization and Technical Support Unit	4,067
Assoc. Govt. Program Analyst - Weatherization and Technical Support Unit (1)	1,549
Assoc. Govt. Program Analyst - Weatherization and Technical Support Unit (2)	1,549
Staff Services Manager I - Climate Investment Unit	1,828
Research Program Specialist I - Climate Investment Unit	851
Assoc. Govt. Program Analyst - Climate Investment Unit (1)	1,299
Assoc. Govt. Program Analyst - Climate Investment Unit (2)	-
Assoc. Govt. Program Analyst - Climate Investment Unit (3)	-
Staff Services Manager I - Field & Weatherization Services Unit	457
Assoc. Govt. Program Analyst - Field & Weatherization Services Unit (1)	387
Assoc. Govt. Program Analyst - Field & Weatherization Services Unit (2)	387
Assoc. Govt. Program Analyst - Field & Weatherization Services Unit (3)	376
Assoc. Govt. Program Analyst - Field & Weatherization Services Unit (4)	369
Assoc. Govt. Program Analyst - Field & Weatherization Services Unit (5)	341
Staff Services Analyst - Field & Weatherization Services	-
Staff Services Manager I - Consumer Provider Assistance Unit	457
Assoc. Govt. Program Analyst - Consumer Provider Assistance Unit (1)	341
Staff Services Analyst - Consumer Provider Assistance Unit (2)	284
Assoc. Govt. Program Analyst - Consumer Provider Assistance Unit (3)	309
Staff Services Analyst - Consumer Provider Assistance Unit (4)	284
Staff Services Analyst - Consumer Provider Assistance Unit (5)	284
Total Fringe Benefits	\$ 33,891

Travel

Purpose of Trip	Number of Trips	Average Cost per Trip	Total
EOW Peer Exchange Meeting (Fall 2022)	2	\$ 1,480	\$ 2,960
EOW Peer Exchange Meeting (Winter/Spring 2022)	2	\$ 945	1,890
NASCSP Conferences	2	\$ 945	1,890
National Home Performance Conference & Trade Show (leveraged with LIHEAP)	1	\$ 400	400
CSD Staff Training - PG&E Energy Training Center, EPA Renovator, QCI (leveraged with LIHEAP)	10	\$ 180	1,800
Total Travel			\$ 8,940

1) All budget estimations are based upon historical data incurred under previous grants. Costs for all travel are leveraged with the LIHEAP weatherization program with the exception of the Energy OutWest meetings and QCI training.

Supplies

General Category	Justification and Basis of Cost	Total Cost
QA Diagnostics Tools and Equipment	n/a	\$ -
Total Supplies		\$ -

Contracts and Subgrants

Name of Proposed Sub	Basis of Cost	Total Cost
Weatherization Service Providers	Net allocation after Grantee admin and T&TA. Cost basis – allocated by Subgrantee application process; final allocation approval based on past performance. Refer to Annual File IV.1 Subgrantees for allocation breakdown. Refer to Master File V.8.1 Program Management - Overview and Organization	\$ 6,862,877
Technical Assistance – RHA Inc.	Provide technical assistance and training to CSD and Subgrantees as assigned. Cost basis – competitive bid contract Leveraged with LIHEAP and other state programs	980,414
Third Party Inspections – ConSol	Conduct weatherized unit inspections; Cost basis - competitive bid contract	112,600

Contracts and Subgrants - cont.

Name of Proposed Sub	Basis of Cost	Total Cost
SHPO Review – ICF	Conduct full SHPO reviews of assessed dwellings. Cost basis – competitive bid contract Leveraged with LIHEAP	13,900
Learning Management System - S&P Technology Solutions	Support of LMS system Cost basis - competitive bid contract, month-to- month after implementation Leveraged with LIHEAP	11,400
Total Contracts and Subgrants		\$ 7,981,191

Other Direct Costs

Description	Justification	Total Cost
Conference Fees	CSD Staff attendance at NASCSP weatherization training conferences in Fall 2022 and Winter 2023. 1 attendee per conference. Cost Basis - Established registration fees	\$ 1,400
Conference Fees	CSD Staff attendance at one National Home Performance Conference in Spring 2023. 1 attendee. Cost Basis - Established registration fees	400
Training Fees	New staff attendance at PG&E Energy Training Center for weatherization training - Combustion Appliance Safety and Duct and Shell Sealing. 3 attendees per training. Cost Basis - Established registration fees	3,800
Training Fees	Staff attendance for EPA RRP training from an accredited EPA trainer. 3 attendees. Cost Basis - Established registration fees	700
Training Fee	New inspector attendance for QCI training and certification at accredited BPI Test Center. 1 attendee. Cost Basis - Established registration fees	1,200
Total Contracts and Subgrants		\$ 7,500

Indirect Costs

Refer to Attachment C – Explanation of Indirect Costs.

Carryover

No carryover due to start of a new program.

Note: Other weatherization programs that are administered by CSD are leveraged to fund wages, benefits and other program expenditures.

IV.1 Subgrantees

Subgrantee	Service Area	Planned Funds	Planned Units
Community Action Agency of Butte County, Inc.	Butte	\$ 172,000	18
Central Coast Energy Services	Marin, Monterey, San Benito, San Francisco, San Mateo, Santa Clara , Santa Cruz	\$ 639,766	66
Contra Costa Employment & Human Services Department	Contra Costa	\$ 125,000	13
Community Resource Project, Inc.	Sacramento, Sutter, Yuba	\$ 1,279,533	133
Campesinos Unidos, Inc.	Imperial, San Diego - Area A	\$ 150,000	16
Central Valley Opportunity Center, Inc.	Stanislaus	\$ 350,000	36
Fresno County Economic Opportunities Commission	Fresno	\$ 319,883	33
Glenn County Human Resource Agency	Calusa, Glenn, Trinity	\$ 85,000	9
Kings Community Action Organization, Inc.	Kings	\$ 100,000	10
Metropolitan Area Advisory Committee	San Diego - Area B	\$ 319,883	33
Maravilla Foundation	Los Angeles - Area A	\$ 540,000	56
Merced County Community Action Agency	Madera, Merced	\$ 1,400,000	145
Community Action Partnership of Orange County	Orange	\$ 255,906	27
Pacific Asian Consortium in Employment	Los Angeles - Area B	\$ 500,000	52
Community Action Partnership of San Bernardino County	San Bernardino	\$ 200,000	21
San Joaquin County Department of Aging and Community Services	San Joaquin	\$ 255,906	27
Community Action Partnership of San Luis Obispo County, Inc.	San Luis Obispo	\$ 120,000	12
Self Help Home Improvement Project	Shasta, Tehama	\$ 50,000	5
Total		\$ 6,862,877	712

IV.2 WAP Production Schedule

Weatherization Plans	Annual Total
Total Units (excluding reweatherized)	712
Rewatherized Units	-
Note: Planned units by quarter or category are no longer required , no information required for persons.	

Average Unit Costs, Units subject to DOE Project Rules		
VEHICLE & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)		
A.	Total of Vehicles and Equipment Budget	\$0
B.	Total Units to be Weatherized, from Production Schedule above	712
C.	Units to be Rewatherized, from Production Schedule above	-
D.	Total Units to be Weatherized, plus Planned Rewatherized Units from Production Schedule above (B plus C)	712
E.	Average Vehicles and Equipment cost per Dwelling Unit (A divided by D)	\$0
AVERAGE COST PER DWELLING UNIT (DOE RULES)		
F.	Total of Funds for Program Operations	\$3,897,577
G.	Total Units to be Weatherized, plus Planned Rewatherized Units from Production Schedule above (total from D above)	712
H.	Average Cost per Dwelling Unit, less Vehicles and Equipment (F divided by G)	\$5,474
I.	Average Cost per Dwelling Unit for Vehicles and Equipment (total from E)	\$0
J.	Total Average Cost per Dwelling Unit (H plus I)	\$5,474

IV.3 Energy Savings

Method used to calculate savings: WAP algorithm

	<i>Units</i>	<i>Savings Calculator (Mbtus)</i>	<i>Energy Savings</i>
This Year Estimate	712	29.3	20,862
Prior Year Estimate	1,297	29.3	38,002
Prior Year Actual	512	29.3	15,002

IV.4 DOE-Funded Leveraging Activities

CSD has no planned DOE-funded leveraging activities this year.

IV.5 Policy Advisory Council Members

CSD has targeted providers that administer the Community Services Block Grant to increase participation from non-energy service providers. Membership includes several organizations that are independent from the weatherization Subgrantee network.

Agency	Contact Name
Amador-Tuolumne CAA	Joe Bors
CAB Santa Cruz	Maria De La Garza
Calaveras-Mariposa Community Action Agency	Staci Johnson
California Community Economic Development Association	Roberto Barragan
CAP of Kern	Jeremy Tobias
CAP of San Bernardino	Patricia Nickols-Butler
CAP of San Luis Obispo County, Inc.	Elizabeth Steinberg
CAP of Solano	Vivien Togonon
CAP of Sonoma	Susan Cooper
Calififornia Human Development	Jenalee Dawson
City of Los Angeles, Community Development Department	Jan Perry
City of Oakland DHS	Estelle Clemons
Community Action Napa Valley	Drene Johnson
Community Action of Ventura County, Inc.	Susana Lopez-Garcia
Community Action Partnership of Madera County	Ana Ibanez
Community Action Partnership of Orange County	Christine Baginski
Contra Costa EHSD	Mele Tupou
County of LA Dept of PSS	Hugo Giron
CSET	Lily Rivera-Graves
CUI	Guadalupe Ponce
CVOC	Claudia Guzman
Del Norte Senior Center	Charlaine Mazzei
El Dorado County Health and Human Services Agency	Star Walker
Foothill Unity Center	Tashera Taylor
Fresno Co. Economic Oppourtunities Commission	Joseph Amader
IMACA	Anna Huston
Kings CAO	Jeff Garner
Long Beach Community Action Partnership	Marisa Semense
Nevada County Dept of HCV	Rob Choate
North Coast Oppprtunities	Patty Bruder
Northern California Indian DC	Greg Gehr
Project Go, Inc.	Lynda Timbers
Proteus Inc	Lupe Galvan
Redwood CAA	Val Martinez
Rural Community Assistance Corporation	Eric O'Connor
Sacramento Employment and Training Agency	Pamela Moore
Sacred Heart Community Service	Darren Seaton
San Benito Dept of CSWD	Enrique Arreola
San Mateo Co HSA	Ali Shirkhani
Shasta CAA	Susan Thamvongkham
Tehama Co CAA	David Madrigal
Urban Services, YMCA	Evelyn Daskalakis
Yuba County CSC	Jackie Slade

IV.6 Public Hearings

The public hearing will be conducted virtually via webinar on Thursday, April 28, 2022, at 10:00 a.m. PST by the Department of Community Services and Development. To register for the webinar, go to:

<https://attendee.gotowebinar.com/register/306455203287685646>

Notices for the hearing were posted on the CSD Public Website and social media platforms on April 15, 2022.

Comments and questions may be submitted to wx@csd.ca.gov with “DOE State Plan” in the subject line. Comments will be accepted until 5:00 p.m. PST on Thursday, April 28, 2022.

See Attachment E Public Hearing Public Notice and Proof of Publication and Attachment F Public Hearing Transcripts.

IV.7 Miscellaneous

Recipient Business Officer

Kathy Andry
Deputy Director of Energy and Environmental Services Division
Kathy.Andry@csd.ca.gov
916-203-4999

Recipient Principal Investigator

Adam Gosney
Energy Efficiency Analyst, Weatherization and Technical Support Unit
Adam.Gosney@csd.ca.gov
916-913-7519

Redistribution of Funds

Funds may be redistributed to another Subgrantee(s) who has capacity to spend out for the following reasons:

- A Subgrantee cannot meet their production goals.
- A Subgrantee is not in compliance with program requirement or other extenuating circumstances.
- A Subgrantee has determined that DOE funds are insufficient to administer and maintain the DOE program at the local level.
- A Subgrantee does not maintain the services of a certified Quality Control Inspector for the duration of the contract term.

Considerable efforts will be made to serve the affected service area, but it will be dependent upon the ability to secure an alternate Subgrantee for the remainder of the contract period.

V.1 Eligibility

V.1.1 Approach to Determining Client Eligibility

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

Income is defined as cash receipts earned and/or received by the dwelling occupant(s) before taxes within six weeks of the application intake date and must comply with the stated acceptable forms of income documentation referenced in Attachment F – CSD Eligibility and Verification Guide (rev. 11/01/2021). Certain types of income are excluded from total household income including but not limited to: capital gains, non-cash benefits, employee fringe benefits, reverse mortgage, child support, and money received from the sale of a property, house, or car; tax refunds.

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

Eligibility is based on the household's total monthly gross income, which cannot exceed the DOE income guidelines. CSD uses the federal poverty level of 200 percent as determined by the Office of Management and Budget as follows:

Household Size	DOE Monthly Income 200% Federal Poverty Effective 7/1/22
1	\$2,265.00
2	\$3,051.67
3	\$3,838.33
4	\$4,625.00
5	\$5,411.67
6	\$6,198.33
7	\$6,985.00
8	\$7,771.67
9	\$8,528.33
10	\$9,285.00
11	\$10,041.67
12	\$10,798.33
13	\$11,555.00
14	\$12,311.67
15	\$13,068.33
16	\$13,825.00
17	\$14,581.67
18	\$15,338.33
19	\$16,095.00

Household Size	DOE Monthly Income 200% Federal Poverty Effective 7/1/22
20	\$16,851.67
21	\$17,608.33
22	\$18,365.00
23	\$19,121.67
24	\$19,878.33
25	\$20,635.00

Priority is given to identifying and providing weatherization assistance to elderly persons, persons with disabilities, families with children under 19, and households with high energy burden. Subgrantees will be required to develop a service priority plan that includes energy burden (refer to Attachment U - DOE Weatherization Priority Plan Narrative). CSD will review and approve service priority plans as part of the contract execution process. Refer to Attachment F – CSD Eligibility and Verification Guide (rev. 11/01/2021).

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

The Welfare Reform Act, officially referred to as the Personal Responsibility and Work Opportunity Act of 1996, H.R. 3734, placed specific restrictions on the eligibility of aliens for “federal means-tested public benefits” for a period of five years. As defined in a Federal Register notice dated August 26, 1997 (62 FR 45256) the Department of Health and Human Services (HHS) is interpreting “federal means-tested public benefits” to include only those benefits provided under Federal means-tested, mandatory spending programs. HHS Information Memorandum LIHEAP-IM-25 dated August 28, 1997, states that all qualified clients, regardless of when they entered the U.S., continue to be eligible to receive assistance and services under the Low-Income Home Energy Assistance Program (LIHEAP) if they meet other program requirements.

To ensure program continuity between LIHEAP and DOE weatherization for all Subgrantees operating both programs, the DOE Weatherization Assistance Program will follow the interpretation as adopted by HHS.

The DOE and LIHEAP weatherization are in compliance with LIHEAP-IM-99-10, issued June 15, 1999, which states that weatherization in a multifamily building is not a covered activity for status verification.

V.1.2 Approach to Determining Building Eligibility

Procedures to determine that units weatherized have eligibility documentation.

Subgrantees maintain a client file for each unit weatherized, including documented proof that the dwelling unit is an eligible dwelling unit as defined in 10 CFR Section 440.22.

Describe reweatherization compliance.

Weatherization services for a dwelling unit previously weatherized using DOE funds are not allowable except if:

- A dwelling unit has been damaged by fire, flood, or act of nature and qualifies for disaster relief services in accordance with an approved DOE Disaster Relief Plan; or
- A dwelling unit has not been weatherized using Federal funds (DOE WAP, DOE ARRA, LIHEAP, HUD, or USDA) within fifteen years of the date such previous weatherization was completed.

Each dwelling must receive a new assessment, diagnostic testing and energy audit which will consider any previous energy conservation improvements to the dwelling. Only those energy conservation measures at or above a savings-to-investment ratio (SIR) of 1.0 are allowable.

To confirm a dwelling's eligibility for DOE WAP, Subgrantees must check their historical dwelling service records to confirm there is no prior history of DOE WAP or other federal program weatherization services for the dwelling during the previous 15 years, and verify the household's income is within the program income eligibility guidelines, before committing to provide weatherization services under DOE WAP. CSD also maintains dwelling service records in a weatherization database dating from 2009.

As of 2022, CSD is determining how to update its database system to both streamline and automate dwelling eligibility verification performed by Subgrantees.

Describe what structures are eligible for weatherization.

The following structures are eligible for weatherization services:

Mobile or Manufactured Home – A manufactured home regulated by the California Department of Housing and Community Development (HCD) that is built on a trailer chassis and designed for highway delivery to a permanent location, and it can be a single-, double-, or triple-wide home. A mobile home must be a permanent, full-time residential dwelling with a floor area of at least 330 square feet.

Multi-Family Dwelling Unit – A dwelling structure containing two or more dwelling units.

Shelter – A dwelling unit or units whose principal purpose is to house individuals on a temporary basis who may or may not be related to one another and who are not living in nursing homes, prisons, or similar institutional care facilities.

Single Family Dwellings – A dwelling structure containing no more than one dwelling unit.

Describe how rental units/multifamily buildings will be addressed.

To ensure that the benefits of weatherization to occupants of rental units are protected, CSD's contracts require Subgrantees to assure that owners and renters receive equitable treatment under this program and no undue enhancements to the dwelling occur.

Language is included on all energy service agreement forms that prohibits property owners from raising rents within two years as a result of building improvements from weatherization work, discloses tenant complaint procedures and property resale restrictions, and stipulates permission to enter the property for purposes of this program. The agreements are signed by owner/occupants, tenants and rental property owners prior to the dwelling receiving weatherization services.

CSD has adequate procedures in place to process tenant complaints regarding any property-owner violation of weatherization service agreement terms and conditions.

CSD will abide by 10 CFR Section 440.22, ensuring that not less than 66 percent of the units in multi-family buildings (50 percent for duplexes and four-unit buildings) are eligible units or will become eligible dwelling units within 180 days under a Federal, State, or local government program prior to rehabilitating the building or making similar improvements.

CSD follows guidance offered in WPN 22-5 that streamlines the qualification of certain HUD multi-family properties for weatherization work, including streamlining income eligibility determination and ensuring that benefits accrue primarily to the low-income residents.

Describe the deferral process.

Deferral takes place upon discovery of circumstances giving rise to the feasibility of a given measure or other issue causing the installation of weatherization measures to be deferred or omitted. This can be a full deferral of all services or partial deferral of one or more measures if a condition exists that presents a hazard or unsafe condition affecting the health and safety of workers or clients/occupants, and the condition is unable to be resolved within the service scope of WAP. If a condition is outside the service scope of WAP, the CSD Weatherization Deferral Form, signed by the client, provides an area for Subgrantees to document the deferral condition and refer the client to other programs, agencies or outside assistance, if the Subgrantee can identify appropriate contractors

and/or other entities to assist the client. Only after the issues identified on the deferral form have been corrected to the satisfaction of the Subgrantee shall weatherization work begin. Further detail of deferral conditions is provided in:

- Attachment G: CSD Weatherization Health and Safety Plan
- Attachment H: CSD Technical Reference Manual Deferral Sections

Per DOE Guidance, during the 2022 DOE WAP grant period, CSD will evaluate its current deferral/referral tracking process and pursue any process necessary to ensure compliance with potential new DOE deferral tracking requirement by the 2023-2024 grant cycle.

V.1.3. Definition of Children

"Children" are defined as members of a household who have not attained their nineteenth (19th) birthday.

V.1.4 Approach to Tribal Organizations

The State ensures that low-income members of the American Indian population receive services equivalent to the assistance provided other low-income persons within the State. CSD recommends that a tribal organization not be treated as a local Subgrantee applicant due to the very low amount of funding that would be available to their organization. The funding would not be enough to start-up and sustain a localized program.

V.2 Selection of Areas to Be Served

CSD subcontracts with Subgrantees to provide DOE services throughout the state in their designated service area. A service area may be a portion of a county, an individual county, or a group of counties. The projected funding, goals, and other information for each service area are set forth in Subgrantee Information in the Annual File.

When a Subgrantee cannot serve their assigned area for the DOE program, CSD will attempt to contract with a neighboring (in-network) Subgrantee until services can be resumed by the former Subgrantee. If the Subgrantee cannot resume services, it may be necessary to procure a new Subgrantee.

Fewer California Subgrantees are electing to participate in DOE WAP. As a result, it has become increasingly difficult to achieve statewide coverage by providing services in all fifty-eight counties. To alleviate this issue, CSD is currently evaluating other models to support DOE WAP administration at the local level. Alternative models of administration may necessitate the recruitment of Subgrantees to maximize geographic coverage of DOE WAP grant administration and service delivery.

It should be noted that all WAP Subgrantees currently receive funding under CSD's Low-Income Home Energy Assistance Program (LIHEAP), which provides an array of energy assistance services including weatherization and emergency repairs to heating and cooling appliances. These services are provided throughout the state in every county and at levels significantly higher than WAP.

V.3 Priorities for Service Delivery

CSD will ensure by contract that its Subgrantees develop service priority plans giving priority to weatherizing dwellings owned or occupied by low-income persons who are particularly vulnerable to include: elderly persons, persons with disabilities, families with children under 19 years of age and households with high energy burden. (refer to Attachment U - DOE Weatherization Priority Plan Narrative).

California's network of WAP Subgrantees is made up of nonprofit community-based organizations and public agencies that primarily target services to low-income Californians that have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality. In addition, WAP subgrantees also support the local administration of LIHEAP, offering an array of services to assist low-income households meet their energy needs and overcome energy-related crisis situations. LIHEAP services include financial assistance to offset heating and cooling costs for low-income households, assistance to low-income households in a crisis situation such as utility disconnection or a life-threatening energy-related crisis, and weatherization services that help to reduce heating/cooling costs and improve household energy efficiency. LIHEAP services are prioritized to low-income households with the highest energy burden and those with vulnerable populations, including the elderly, disabled, and households with young children. Given limited DOE WAP grant funding and the much larger scale of LIHEAP service availability and delivery within the state, WAP Subgrantees will prioritize DOE WAP services to low-income households applying for and receiving LIHEAP services as a means of ensuring DOE WAP services are extended to households exhibiting the greatest energy need for assistance and vulnerability characteristics.

Waiting lists may be maintained by Subgrantees when demand for services exceeds capacity. Each Subgrantee determines how they draw applications from their waiting lists in accordance with established service priority considerations.

V.4 Climatic Conditions

California experiences a wide range of climatic conditions ranging from a Mediterranean-like climate with warm, dry summers and mild, wet winters to temperature extremes in the Central Valley, Mountain and Desert areas. CSD currently uses the U.S. Climate Zone Map provided by the California Energy Commission (CEC) which consists of sixteen climate zones. To be more consistent with the applicability of California Title 24 requirements and to remove the subjectivity related to using weather stations, the CEC climate zones replaced the DOE climate zone map. Priority lists were developed for those site-built dwellings, mobile home and multi-family buildings existing in all climate zones.

The Subgrantees use the data included in the Priority List Policy or Single-Family/Small Multi-Family Energy Audit Protocol to customize the energy audit for dwellings to be weatherized. Much of California requires heating and cooling to achieve comfort standards. Refer to Attachment S California Energy Commission Climate Zones by County and City and Attachment T California Building Climate Zone Map.

With such diverse housing stock spanning the whole of California's 16 climate zones, CSD currently does not track energy savings differences between Subgrantees. CSD does, however, take note of Subgrantees that demonstrate improved effectiveness in the installation of weatherization measures and measure cost efficiencies. These components effectively allow CSD to continue to hone training and technical assistance (T&TA) activities and priorities.

V.5 Type of Weatherization Work to Be Done

V.5.1 Technical Guides and Materials

All weatherization work is performed in accordance with DOE-approved audit procedures and 10 CFR 440 Appendix A. CSD has developed manuals in compliance with WPN 22-4 to guide Subgrantees in the proper delivery of weatherization services. The primary field guidance is the Technical Reference Manual (TRM), which serves as the benchmark for quality workmanship and as a tool for measuring quality performance. The TRM incorporates the Standard Work Specifications (SWS) for Home Energy Upgrades pertaining to material and installation specifications, provides guidance on key work procedures, and outlines the field policies for the Subgrantees. The TRM is available electronically for Subgrantees and their contractors on CSD's Local Agency Portal. CSD regularly updates the TRM to reflect recent DOE guidance and releases to Subgrantees prior to contract

CSD issues energy focused Program Notices (CPN-E) to introduce new policies related to subjects such as asbestos removal, callbacks, and audit protocols. Energy focused CSD Program Advisories (CPA-E) are issued to provide clarity on the TRM and other policies, as needed. In addition, CSD has a technical assistance hotline manned by CSD technical staff.

CSD contracts contain language requiring Subgrantees to adhere to the latest version of the TRM, Energy Program Notices, Office of Management and Budget (OMB), and other federal and state guidelines and regulations. When subcontracting, Subgrantees are required to include all program requirements in their subcontractor contracts.

A signature on the contract is confirmation by the Subgrantees and their subcontractors that they understand the work expectations and standards required when utilizing WAP funds. Full detail of these requirements can be obtained by referring to Attachment I: WPN 22-4 Quality Work Plan.

All technical guides and materials are located on CSD's secure Local Agency Portal (LAP) website. The LAP is only accessible to Subgrantees and CSD staff via a login.

V.5.2 Energy Audit Procedures

CSD released the Energy Single-Family/Small Multi-Family Energy Audit Protocol, Priority List Policy and Multi-Family Energy Audit Protocol offering further detail about specific measures and their installation hierarchy. DOE approved CSD's protocols on October 8, 2020. The protocols will remain in effect until April 20, 2026, upon which at the time CSD will submit updated protocols to DOE for approval.

The CSD Priority Lists, which incorporate utility rates for natural gas and electricity, are updated on an annual basis. CSD utilizes REM/Design auditing software for single-family dwellings, mobile homes, and multifamily buildings with 24 or fewer dwelling

units, where each unit is independently heated and cooled, and has its on domestic hot water heater. The Targeted Retrofit Energy Analysis Tool (TREAT) will continue to be used for all multifamily buildings, however REM/Design may be used for those multifamily buildings of 25 or fewer units, as specified above. Large multifamily buildings where the TREAT energy audit is applicable are 100 percent energy audit-driven. Audit protocols coincide with the release of the updated TRM.

For detailed procedures on Energy Audit Requirements for Ancillary Items, Duct Sealing, Heating, Cooling, and Water Heating, Infiltration Reduction, Insulation, Incidental Repairs, and Windows and Doors, consult the TRM and specifically Attachment R: Technical Reference Manual, Section D, Energy Audit/Priority List Protocol.

V.5.3 Final Inspection

Subgrantees are required to review and inspect all dwellings weatherized. A statement on the CSD Post Weatherization Inspection Report certifies that all required measures were installed in accordance with contract and program requirements and shall be signed and dated by the Certified Quality Control Inspector including the QCI's Certification Number.

Subgrantees are required to have 100 percent of their completed units inspected by a Certified Quality Control Inspector who has not performed any of the weatherization work on the inspected unit and has met CSD training and DOE certification requirements. For very small Subgrantees where staffing is limited, it may not be feasible to have a separation of duties between a weatherization installer and inspector. Exemptions may be granted on a case-by-case basis. CSD will conduct a minimum of 5-10 percent third-party quality assurance inspections for all Subgrantees.

If there is not a Certified Quality Control Inspector on staff, the Subgrantee is required to contract with a neighboring Subgrantee or another qualified technical consultant to perform the required inspections. All diagnostic tests are required to be re-performed to ensure that the tests are being properly conducted.

CSD third-party inspections of assessments, energy audits, diagnostics, post inspections, and installed weatherization measures are performed by a contracted third party and CSD QC inspectors. These inspections are comprised of a sampling of weatherized homes. All diagnostic tests will be re-performed to confirm test results. Statewide standards for the installation of weatherization measures and inspections of homes weatherized by Subgrantees will help assure that weatherization measures are being installed properly.

If it is determined during the CSD third-party inspections that work performed by the Subgrantee including QCI inspections is not in accordance with program policy and work quality requirements, then corrective action and special conditions may be applied to address identified work deficiencies. Special conditions may include: Obtaining

training and/or technical assistance; the imposition of special or additional reporting requirements; special or conditional cost reimbursement requirements and procedures; the provision of documentation by Subgrantee; and/or the requirement to amend or modify systems, procedures, and/or policies.

V.6 Weatherization Analysis of Effectiveness

Has the Grantee/Subgrantee effectively integrated diversity, equity, and inclusion objectives into the Program? If so, how? (e.g., fostering a welcoming and inclusive environment, support people from underrepresented groups in weatherization, advance equity, and encourage the inclusion of individuals from these groups as part of the workforce).

California's network of WAP Subgrantees is made up of nonprofit community-based organizations and public agencies that primarily target services to low-income Californians that have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality. All WAP Subgrantees have a longstanding presence in their respective communities and administer LIHEAP services and, in many cases, CSBG services to low-income households and communities. Because DOE WAP Subgrantees offer more than DOE WAP services, Subgrantees embrace and utilize integrated and inclusionary practices to provide the most comprehensive forms of energy and non-energy assistance and service to low-income families and individuals that they serve in order to deliver the greatest service impact to clients. LIHEAP subgrantees encourages utility assistance recipients also be prioritized to receive weatherization services in order to provide the greatest impact on reducing home energy burden. DOE WAP subgrantees often seek to leverage use of DOE WAP funds to comply with this requirement and ensure clients receive services that help reduce the financial burden over both the short- and long-term. CSD does not require reporting from Subgrantees that tracks workforce demographics.

For CSD staff, the California Department of Human Resources strives to make employment with the State of California a diverse and equitable working environment that is free from discrimination and retaliation.

How is the effectiveness of Subgrantee weatherization assessed?

In evaluating the effectiveness of Subgrantees, the following criteria is evaluated:

- The number and type of program compliance findings
- The number and types of measures applied to completed units
- The number and types of inspection findings
- The percentage of contracted funds expended
- Subgrantee staff turnover

CSD's Field Representatives, perform programmatic evaluations. As part of the programmatic evaluations process and monitoring scope, Subgrantees are required to submit various internal policies and procedures, but not limited to, effective internal controls, subcontractor oversight (when applicable) and others pertaining to areas of contractual compliance. The department currently collects individual dwelling data electronically from each Subgrantee in a central database repository maintained at CSD. Information contained in the database repository is used to evaluate the following:

- Cost allowances
- Reasonableness of costs
- Tracking of homes weatherized
- Program compliance

Development of automatic comprehensive analysis and reporting of the data and enhanced reporting is continuing. All changes with respect to CSD's monitoring and inspection protocols, field and programmatic policies and weatherization contracts, are discussed and reviewed with a representative group of Subgrantees before enactment. To help ensure these changes are effectively communicated and implemented, training may be required depending upon the nature of the change(s).

How are training needs being assessed and how are the comparisons used in the development of T&TA activities and priorities?

Training needs are assessed through programmatic monitoring and field inspection visits. Thus, when training needs are identified, one or more of the following actions are taken:

- The issue is discussed with Subgrantees as part of their exit interviews and/or communicated via formal monitoring and inspection reports.
- As needed, a training referral may be issued and training (field-related or programmatic training, or mentoring) will be coordinated accordingly.

More severe training-related problems can result in multiple visits by CSD's field and QA staff to assess improvement, the need for additional training, or conduct comprehensive investigations.

Comparisons between Subgrantees are used in the development of T&TA activities and priorities in the following ways:

- To foster discussion with field staff and, if necessary, executive management concerning barriers whether programmatic or operational.
- To discuss solution options including but not limited to, mentoring and training.
- Assist the identification of best practices supporting strong and effective program administration and service delivery.

Additionally, any deficiencies identified through on-site programmatic and inspection visits could result in training referrals. If issues are widespread, webinars and/or online trainings are developed and delivered on a statewide basis.

CSD's new Training Portal, which will be available to all Subgrantees by the end of 2022, will greatly assist with the assessment of training needs. The Training Portal will track Subgrantee training certifications, need for refresher training, provide access to training information and videos, and a variety of other training related applications.

How is the Grantee incorporating monitoring feedback?

Monitoring feedback is incorporated in the following ways (as applicable):

- Programmatic changes.
- Development and future updates of the department's new field standards (TRM)
- Supplemental trainings, as needed.
- Development of resource material that is archived electronically on the Local Agency Portal website.

What is the Grantee doing to be on a path of continuous improvement?

Every year the field monitoring and quality assurance inspection tools are reviewed and updated as required to improve their effectiveness and to incorporate changes addressing new issues identified throughout the previous year. These tools include:

- Improved data transfer rules have been developed and implemented at the local level to ensure improved data collection.
- Diagnostic forms are provided in two formats: hardcopy and automated (Excel with formulated fields). As another option, the Subgrantees' software vendors have developed electronic versions of CSD's assessment form compatible with their local systems. Subgrantees are encouraged to implement the automated or electronic applications for field use. These forms will help with standardization of data collection and provide added value in the field.
- CSD is currently conducting an electronic forms (eForms) pilot with several Subgrantees. The eForms pilot seeks to ascertain how to overcome obstacles in replacing paper forms with virtual forms. The pilot will conclude by Summer 2022 and CSD hopes to roll out the completed eForms in the Fall of 2022.
- Between 2019 and 2020, CSD convened a Weatherization Improvement Project, whose sole purpose was to update the WIS and Field Guide. Subgrantees provided valuable input that CSD incorporated into the new TRM, which went into effect on February 1, 2021.
- Online training was developed in lieu of the planned regional trainings for the new TRM. Virtual Q&A sessions were held, and a FAQ was created as a result of these session and posted to the Local Agencies Portal.

How is the Grantee tracking Subgrantee performance reviews?

Findings by CSD's Field Representatives and QA team are tracked in spreadsheets to ensure that action plans are completed, and inspection findings are rectified and closed. Significant findings can lead to added compliance monitoring, special contract conditions, or a high-risk designation where more stringent special conditions can be applied and where additional on-site visits and/or desk reviews will occur.

If a Subgrantee has failed final inspections, how are things improving?

COVID-19 continued to have a significant impact on production in 2021 which limited the number of completed units available for inspection by CSD's third-party QA inspector. Inspections performed on completed units did not reveal and significant findings or workmanship issues. While noting final inspections confirm satisfactory workmanship by Subgrantees, CSD will continue to track findings associated with assessments, measure installation, and overall workmanship.

If a Subgrantee has management findings or concerns cited as a result of Grantee monitoring or audit proceedings, how are things improving?

In the past, CSD has placed Subgrantees on high-risk status, and when necessary, removed the Subgrantee temporarily or permanently from the program. CSD monitoring tools have continuously improved, and as a result, CSD is better able to identify and address issues sooner. Significant improvements can be made to enable a return to normal status in some cases. These improvements are due in part to several site visits, consultations, and field training.

What are the management mechanisms being put in place this year to affect improvement?

As part of CSD's reimbursement process, Subgrantees continue to upload data into a centralized weatherization repository system monthly. The weatherization project file uploads are subjected to additional validations which improve the overall quality of electronically reported project records from Subgrantees to CSD. CSD continues to design specific reports to identify compliance issues and provide statistical feedback for administrative purposes. In 2022, CSD will launch its new CSD Training Portal, which will assist in identifying training non-compliance.

Due to the COVID-19 pandemic CSD's field representatives incorporated virtual monitoring to maintain proper and effective oversight of Subgrantees. As California's economy reopens, CSD plans to continue virtual monitoring until such time as the Department reinstates on-site monitoring visits. At such time, CSD may continue to utilize virtual monitoring as part of its desk-reviews.

Are there technical and financial systems that have been reviewed?

CSD provides data transfer rules to the two software vendors who offer reporting software at the Subgrantee network's local level. From a review perspective, the systems must incorporate these rules to validate uploaded data successfully. CSD continues to expand and enhance data transfer rules to validate additional programmatic requirements.

What has the Grantee done in the area of market analysis to ensure particular measures are being costed accurately?

During field monitoring, Subgrantees are asked to provide backup documentation to support specific line items from their summary expenditure reports. Bid documents and subcontracts are also reviewed particularly when costs do not appear to be reasonable. When necessary, an auditor will make an on-site visit to investigate any costs that are deemed inappropriate or inaccurate. Any discrepancies that cannot be explained become a finding and a possible disallowance.

The COVID-19 pandemic severely impacted the supply and cost of weatherization materials. Supply chain disruptions not only caused higher prices and shortages of material goods and appliances used by Subgrantees to deliver DOE WAP services but impacted the ability of Subgrantees to complete the delivery of weatherization services to eligible clients. To mitigate service impacts on clients, CSD works closely with Subgrantees on a case-by-case basis to ensure eligible low-income clients received comprehensive weatherization services.

CSD is evaluating industry labor and material cost data and recent cost data to analyze trends to inform any adjustments or changes to current measure cost maximums. The results of this will help to ensure measure cost maximums are in-line with the current market and present day pricing experienced by Subgrantees.

V.7 Health and Safety

Subgrantees will be authorized to mitigate health and safety hazards within the scope of the weatherization program pursuant to the CSD Health & Safety Plan, CSD Policies and Procedures, and CSD TRM. Subgrantees shall correct all safety hazards resulting from weatherization measure installation and relating to heating/cooling sources such as combustion appliances (carbon monoxide, back-drafting, etc.) and indoor air quality (adding mechanical ventilation, adding mechanical ventilation, and installing carbon monoxide alarms). A combustion appliance safety check shall be performed on all dwelling units that contain gas appliances. Clients are informed in writing on the CSD 542 Weatherization Deferral Form of any health and safety issues that are found in the dwelling that cannot be remediated within the parameters of the weatherization program and are referred to other available resources. Other full deferral conditions related to health and safety include a client with a health condition that can be exacerbated by weatherization activities, sewage or sanitation problems, severe moisture issues, and extensive lead-based paint deterioration. The full deferral policy can be found in the TRM and Attachment R: Technical Reference Manual, Section 11.3 Deferral and Referral Policy.

As required by contract, Subgrantees are to refer clients to the local Housing and Community Development Department, U.S. Farmers Home Administration Housing Loan Program or other similar organizations or programs when the dwelling unit is ineligible because of the need for extensive repair.

Subgrantees are required to establish a written appeal process to enable clients who are denied any services the right to appeal the decision or performance of the Subgrantee. Subgrantees are required to make a good faith effort to resolve each appeal. If the appeal is denied, the client may request a Fair Hearing with CSD.

The average expenditure for health and safety hazard mitigation is 33.39 percent of program operations. California's older housing stock requires a larger investment of health and safety measures to resolve carbon monoxide hazards and other health and safety concerns as required by California's state and local building codes. Over the last several years, CSD has deferred more of the health and safety services to its LIHEAP emergency heating and cooling program. Anticipating that health and safety services remain constant, CSD expects that the DOE grant will assume its share of health and safety costs consistent with expenditures levels. Additionally, although several Subgrantees leverage their DOE WAP program with utility weatherization programs, the narrowly defined standards of these programs limit the replacement of combustion appliances to owner-occupied units only. Another contributing factor is the temperate climate zones in some parts of the state where the investment in standard weatherization measures is proportionately lower; however, health and safety services remain constant.

Health and safety costs will be tracked on a separate line item in the budget and the expenditure reports and will not be included in the average cost per dwelling. The rate

calculations are included in the CSD Weatherization Health and Safety Plan (Attachment G).

Details related to lead safe weatherization and ASHRAE requirements are also found in Attachment G: CSD Weatherization Health and Safety Plan.

V.8 Program Management

V.8.1 Overview and Organization

CSD is one of several departments under the auspices of the California Health and Human Services Agency (CalHHS). CSD has been serving low-income communities for over 50 years. CSD has traditionally partnered with a network of non-profit and local government organizations, dedicated to reducing poverty by helping low-income individuals and families achieve and maintain self-sufficiency, meet their home energy needs, and reduce their utility costs through energy efficiency upgrades and access to clean renewable energy.

CSD administers the following federal programs intended to reduce poverty and improve the lives of low-income Californians:

- U.S. Department of Energy Weatherization Assistance Program (DOE)
- U.S. Department of Health & Human Services Low Income Household Water Assistance Program (LIHWAP)
- U.S. Department of Health & Human Services Low Income Home Energy Assistance Program (LIHEAP)
- U.S. Department of Health & Human Services Community Services Block Grant

Additionally, California's Low-Income Weatherization Program (LIWP) is the only program of its kind in California that provides low-income households with integrated solar photovoltaic (PV) systems and energy efficiency upgrades at no cost to residents. The program reduces greenhouse gas emissions and household energy costs by saving energy and generating clean renewable power. LIWP currently operates two program components: Multi-Family Energy Efficiency & Renewables, and the Single-Family Energy Efficiency & Solar PV Farmworker Housing component.

All weatherization programs administered by CSD are managed by a team that consists of Program Analysts, Field Representatives, internal QCI staff, Fiscal and Contracts Units, and through the assistance of services provided by third-party consultants for dwelling inspections and training and technical assistance.

CSD subcontracts with a network of Subgrantees that provide DOE and LIHEAP weatherization services. The network is comprised of community action agencies or public or nonprofit entities that have over 45 years of experience in providing public assistance programs to the low-income households in their respective service territories.

For the 2022 DOE WAP grant cycle, local Subgrantees interested in administering 2022 DOE WAP grant funds must complete a brief application outlining the Subgrantee's specific contract allocation request and plans for ensuring the successful expenditure of the contract allocation within the 12-month contract term. Upon submission of all applications CSD will allocate available funding after a review of past performance,

allocation request, and projected Subgrantee capacity and ability to comply with grant objectives and requirements. The application process promotes understanding of policy updates associated with the upcoming grant policies that are in transition. This process enables Subgrantees to make an informed decision on whether to submit an application for new grant funds and encourages greater engagement in the development and review of the annual DOE WAP State Plan.

CSD will continue to administer the DOE program through its Subgrantee network for the 2022 DOE WAP. When CSD determines that an organization is not administering the program satisfactorily, it may take the following action:

- Correction of the problem(s) with training, technical assistance, and/or imposition of special contract conditions; or
- If Subgrantee does not fully expend its allocation by the end of the contract term, the Subgrantee's future allocations may be reduced, including capped budget items; or
- Re-assignment of the service area to an existing Subgrantee; or
- Solicitation or selection of a new or additional Subgrantee in accordance with 10 CFR Section 440.15 provisions.

V.8.2 Administrative Expenditure Limits

CSD will retain one-half (7.5 percent) of the allowable fifteen percent (15 percent) administrative funds; Subgrantees will receive the remaining funds (7.5 percent), per DOE guidelines. Due to limited funding, Subgrantees allocated \$350,000 or less will not be provided the opportunity to apply to CSD for approval to use up to an additional five percent (5 percent) of their funding for administration.

V.8.3 Monitoring Activities

Monitoring Approach

CSD conducts on-site inspections and desk reviews to ensure Subgrantees meet the performance goals, administrative standards, financial management requirement, and other requirements of the DOE WAP program and CSD contracts and weatherization standards. In addition to the onsite visits by QA personnel (detailed below under the QA section), Field Representatives will conduct annual program and fiscal monitoring to determine the program and operational effectiveness of Subgrantees through desk reviews and onsite visits. Subgrantees determined to be at a higher risk will receive onsite program monitoring in addition to the onsite monitoring by QA. An annual comprehensive desk review will be conducted on all Subgrantees and the scope will be the equivalent of an onsite visit. To facilitate this process, Subgrantees will be instructed to submit necessary documents and client files for review purposes. Findings based upon unauthorized measure installation, billing discrepancies, client and dwelling ineligibility may result in disallowed costs.

CSD has fifteen (15) full-time staff within three Energy Division units who perform monitoring functions in various capacities: QAI, Field Operations and Weatherization Technical Support. There are also three (3) staff with third-party independence who perform unit inspections. All staff who perform unit inspections are QCI certified as required by DOE WAP. Fourteen percent of the Grantee T&TA allocation (or 7 percent of the total T&TA allocation) is dedicated to field monitoring and inspection purposes including travel. These activities are leveraged with LIHEAP.

CSD's monitoring program consists of the following strategies:

Programmatic and Management Monitoring:

- Subgrantee Review:
 - Monitoring tools are reviewed and updated annually. The tool addresses but is not limited to administrative review, conflict of interest, inventory management, record retention, complaint management and procurement; fiscal review (billing process, line-item reconciliation, expenditure status and benchmarks); and programmatic review (prior monitoring issues, eligibility, client file review, diagnostic testing, reweatherization, SHPO).
 - Field representatives conduct annual comprehensive desk reviews equivalent to an onsite visit. These reviews include but are not limited to, an evaluation of the Subgrantee's expenditure performance, financial evaluation, adherence to budget restrictions, client file reviews, and operational deficiencies.
 - For Subgrantees that received 2020 DOE WAP funding and exhibited no performance issues, third-party quality assurance inspections will be limited to five percent of total completed projects; and client file reviews limited to five percent of client files or five client files (whichever is greater) associated with assisted households over the course of the 2022 DOE WAP contract term.
 - For Subgrantees that did NOT receive 2020 DOE WAP funding and received funding under the 2022 DOE WAP, third-party quality assurance inspection percentage will be increased to 10 percent of total completed projects; and will review a minimum of 10 percent of client files or 10 client files (whichever is greater) associated with assisted households over the course of the 2022 DOE WAP contract term.
 - Noted concerns are brought to the attention of the Executive Director and/or Board Chair for resolution that may result in an onsite visit or increased reporting, such as additional comprehensive evaluations. Subgrantees determined to be at a higher risk will receive onsite visit. If an on-site visit is not feasible given the nature of the COVID-19 pandemic a virtual monitoring visit is planned. CSD Quality Assurance Inspectors conduct inspections on a

minimum of five percent and up to 10 percent of completed units. The inspection percentages may be increased when warranted.

- All contracts, program notices, policies, audit protocols and installation standards are available electronically through the CSD provider website. Installation standards can be downloaded for easy access in the field.
- There is a separate web-based system that tracks and facilitates approval of work to be performed on homes who meet the SHPO criteria.

Financial/Administrative:

- Accounting systems and weatherization reporting software are noted in the Subgrantee working files. A consolidated list is maintained of the software used for reporting weatherization activities and expenditures.
- Program notices have been issued for procurement, capped budgetary line items, program income and contract Implementation options (in-house crews vs. subcontractors) as guidelines for Subgrantees to meet OMB and contract requirements.
- Monthly and quarterly reviews are conducted to track expending of capped line items and other program requirements including inspections. CSD reviews for disproportionate spending to other activities or the proper number of inspections has not been completed annually during close-out procedures as part of a final inspection process. Subgrantees are required to submit proof of liability insurance before contract execution.

Eligibility:

- CSD issues an annual eligibility guide that outlines eligibility criteria, income verification, energy cost verification and appeal processes. An intake form (automated and/or hard copy) is completed by Subgrantees that includes all the necessary requirements to qualify clients.
- Client data maintained in CSD's repository includes client demographics, household income and energy costs for federal reporting and monitoring purposes.
- Costs are disallowed for any work performed for ineligible clients.

Rental:

- By contract, rental service agreements signed by occupants and property owners include language protecting occupants from rent increases because of the weatherization services provided.

- For large multi-unit projects, CSD staff evaluates whether any undue enhancement might occur in the value of the dwelling units and confirms that the benefits of weatherization accrue primarily to the residents.
- CSD Inspectors give special attention to inappropriate or unnecessary enhancements for any rental files and/or dwellings inspected. If there are reports of improprieties, the inspectors would do the follow-up investigation and address remedial action with the Subgrantee as deemed appropriate.

Energy Audits:

- CSD has established audit protocols for single family and multi-family dwellings.
- For new auditors (Tier 1), all electronic audit files and supporting pictures are required to be submitted to CSD for review and approval before work commences. Experienced auditors (Tier 2) are required to submit all audits for CSD review, however work can commence before the auditor receives an approval. Audits are rejected when anomalies are found and Subgrantees are asked to correct and resubmit. Any serious misuse of audits can lead to disallowances and high-risk designation
- Although photos are not required from Tier 2 auditors, CSD reserves the right to request photos at any time.
- For large multi-family building projects where the TREAT audit software is used, CSD and CSD's technical consultant review the projects before forwarding to DOE for approval.
- As part of the annual application process, CSD informs Subgrantees of mandatory energy audit protocols required by DOE. Auditors are required to take bridge and/or refresher REM Design training(s).

Field Work:

- CSD contracts contain an extensive list of required documentation to be maintained in each client file.
- CSD contracts require that completed units can only be billed after they have been inspected. CSD staff review monthly activity reports to confirm that inspections have been performed. Per CSD's data transfer rules, Subgrantees must report if any measure is to be billed to DOE. Entering Subprogram Code "DOE" code triggers a business rule that ensures inspections are billed.

- Inspections are required to be performed by a Certified Quality Control Inspector and are confirmed through client file review. Quality Control Inspector certificates are required to be on file at CSD.
- All Subgrantees are required to use a standardized inspection form that includes the inspector's name and signature, BPI QCI certification number, inspection date and time, and client's signature.
- Subgrantees are required to correct any deficient work identified by their internal inspectors before the work is submitted for reimbursement. Because of CSD inspections, Subgrantees with incomplete work and workmanship issues are asked to rectify the problem before disallowances are levied. Subgrantees will be asked to reverse or repay costs that are determined to be unallowable. If questioned costs are significant, an investigation may be performed, and inspection percentages may increase.
- When necessary, communication between the Subgrantee and client may be overseen or initiated by CSD staff to help resolve the complaint. If not resolved, the client is made aware of the appeal and fair hearing processes.
- Policy changes are derived from input from the Subgrantee network, CSD staff, CSD's technical consultant and Federal partners.

Health & Safety:

- CSD's Health & Safety Plan is incorporated into the contract by reference and training is readily available to Subgrantees through CSD's Local Agency Portal.
- Subgrantees are required to maintain, and have available for review, all training records, and certifications. CSD technical staff maintains a list of certified firms, renovators, OSHA, contractors licensing, and completion of required training. Copies of certificates are required to be submitted to CSD.
- Field monitoring guidelines include the quarterly verification of the Injury and Illness Prevention Plans (IIPP), Respirator Programs and Safety Data Sheets (SDS) binders.

Equipment/Inventory/Materials:

- Subgrantees are required to have inventory policy and procedures that include processes to ensure adequate safeguards to prevent loss, damage and theft, and proper accounting. Records are to be maintained of all equipment purchased with Federal grant funds and utilization and continued need for the equipment.

- Subgrantees are required to have a written procurement policy in place that follows OMB requirements, demonstrates a competitive bid process is conducted when applicable, and that purchases over \$5,000 receive CSD and DOE approval prior to purchase.
- Subgrantees are required to have a written conflict of interest policy in place to prevent and deter any occurrence of organizational conflicts of interest or noncompetitive practices that may restrict or eliminate fair competitive advantage or otherwise restrain trade.
- Subgrantees are required to follow the vehicle and equipment disposition policies set forth in WPN 17-6: Property Acquired Under the Weatherization Assistance Program Including Vehicle and Equipment Purchases.

Quality Assurance:

- During annual monitoring, Field Representatives conduct client file reviews for inclusion of all required documentation including eligibility, completeness of forms, and adherence to other contract requirements.
- At a minimum, twice per year quality assurance of Subgrantees' field work is conducted by third-party inspectors, all of whom are QCI certified. Consolidated pass/fail inspection rates are maintained by CSD staff. Programmatic findings and resolution to findings are maintained for tracking purposes as well as identification of trends. CSD conducts on-site monitoring of the third-party inspectors. CSD QAI reviews all third-party QCI inspection reports each month for compliance and to monitor third-party QCI inspection performance, including review and approval of invoices from third-party QCI.
- CSD has developed a Quality Work Plan in accordance with WPN 22-4 Quality Work Plan Requirement. Refer to Attachment K WPN 22-4 Quality Work Plan Requirements.

Training & Technical Assistance:

- Through monitoring and inspection processes, the need for training may be identified. When the need arises, a referral is made to the technical support unit to arrange for training through the CSD-approved training centers, CSD's technical consultant or CSD internal technical staff. Additionally, Subgrantees can initiate training themselves by submitting a request to the technical support unit.
- CSD contract has specific training requirements that must be met within certain time frames for Subgrantee staff to continue working within the program. Training records for the required online, classroom and field training are maintained by the

Subgrantee and CSD. CSD's new Training Portal (CTP) was launched as a pilot in 2021. CSD anticipates a full online launch of the CTP in late 2022.

Feedback and Reporting:

- CSD holds quarterly meetings with the Subgrantee network. A subcommittee comprised of a representative group of Subgrantees generally meets once a month to discuss policy development for all CSD-administered energy programs.
- Subgrantees are required to submit monthly activities and expenditure reports. CSD Staff review the reports and contact Subgrantees about any anomalies found.
- All findings through monitoring and technical investigations culminate in reports provided to the Subgrantees and their respective Board of Directors. Inspection reports are provided to Subgrantees at the exit interview.

Required Follow-Up Procedures:

- Both Field Representatives and Quality Assurance Inspection teams issue reports following their visits/reviews. Field Representatives submit reports within 30 days of their monitoring. Third-party inspectors issue inspection reports at the completion of inspection visits. All findings are tracked and followed through resolution. Depending upon the severity of the finding, a return visit or review to verify resolution may be necessary and/or the frequency of inspections may increase.

Subgrantee Monitoring

Program Overview (Client File Review, Work Orders, etc.):

- Field Representatives confirm that Subgrantees have the necessary information and forms to administer the weatherization program effectively and meet program requirements.
- Through client file reviews, Field Representatives confirm all documentation is present as required by contract, including but not limited to: eligibility, SHPO reviews, priority list and energy audits, prioritization of services, completed work is documented and justified, and reweatherized dwellings handled appropriately.
- CSD Inspectors review the more technical aspects of the client file including combustion appliance safety testing, blower door, and duct leakage diagnostics. Assessments, energy audits, work orders, work justification, permits, Home Energy Rating System (HERS) ratings, file notes, and Subgrantee inspections are also reviewed.

Financial/Administration:

- The fiscal and performance review conducted by Field Representatives ensures that the Subgrantee is on track with their expenditures, and performance and benchmarks. This review includes validating claims submitted for reimbursement, line-item reconciliation, verification of the Subgrantee's billing process, and verification of internal controls, and verification of procurement procedures.

Inventory:

- Field Representatives ensure that Subgrantees have written inventory policy and procedures in place, review Subgrantees' tracking procedures, and review vehicle tracking logs.
- A third-party inspector reviews equipment and calibration tracking logs.

Energy Audits:

- Technical Support Unit and CSD's third-party technical consultant are responsible for evaluating the integrity of the energy audits for all dwelling types.
- Field Representatives and CSD Quality Assurance Inspectors review files for inclusion of the Priority List Checklist and energy audit reports. CSD Quality Assurance Inspectors verify the application of the priority list and energy audit.

Qualifications & Training:

- Field Representatives and Technical Support staff follow up with Subgrantees when required training has not been taken, training discrepancies are found or Subgrantee staff is found to be working in areas they are not qualified to perform.
- The Technical Support Unit will verify any training referred by Field Representatives and CSD Quality Assurance Inspectors was completed.

Weatherization of Units:

- When CSD Quality Assurance Inspectors find work that needs to be addressed, an evaluation will take place to determine and document why it was not identified through the Subgrantee's own inspection process and if any trends are present. Subgrantee Inspectors, crews, and field supervisors may be referred for additional training or have disallowances levied.

Health & Safety:

- The implementation and continual application of health & safety guidelines are monitored through the quality assurance inspection and field monitoring processes, which includes client file reviews and client and Subgrantee staff interviews. Deficiencies are reported and must be addressed.
- Field Representatives and CSD Quality Assurance Inspectors review client files for the resolution of identified health and safety issues, required client education, and RRP documentation. A finding is issued and Subgrantees are required to resolve any issue left unresolved.
- CSD inspections currently include questions related to the application of lead-safe practices, the applied use of LSW during weatherization services and renovator records.

Final Inspections:

- CSD third-party inspectors and/or CSD Quality Assurance Inspectors will conduct inspections to monitor feasibility of weatherization measures, quality of workmanship, material standards, review of client files, proper application of the DOE Priority List, energy audit protocols and installation standards. Inspections are conducted at a rate of a minimum of five percent up to 10 percent of all completed units for each Subgrantee, CSD Inspectors use a standardized form to record measures installed and billed, feasibility, and workmanship. This process ensures dwelling units reported to DOE have had all weatherization measures installed and a QCI has been completed.
- Any identified inspection findings and trends are discussed with the Subgrantee and training may be recommended.

Required Follow-Up Procedures:

- Both Field Representatives and the Quality Assurance Inspection team issue reports following their visits. All findings are tracked and followed through resolution.

Corrective Action Plan:

Once CSD Monitoring Reports are finalized, Subgrantees have 30 calendar days to provide CSD with a Corrective Action Plan (CAP) for all Findings identified in the report. The following items must be included within their CAP:

- Detail the action(s) that will be taken to resolve the finding(s);
- Describe the internal control mechanism that will prevent and detect the issue(s) of noncompliance from future occurrence; and

- The implementation date of the CAP, which is to be no later than 90 calendar days from the date of the finalized report.

The CAP is reviewed to ensure Subgrantees have addressed all aspects and once confirmed, the monitoring report is closed. Follow-up is then conducted during the next monitoring cycle to determine if they are indeed following their CAP and if the issue can be considered fully resolved.

Financial Monitoring

Financial Management/Accounting Systems and Operations:

- Field Representatives review accounting operations by tracing a sampling of expenditures from source documentation through payment including bank statements.
- Enhanced monitoring and investigative audit visits will be conducted, as needed, to evaluate Subgrantees' accounting systems and fiscal integrity.
- Special investigations may be conducted by the CSD Technical Support Unit if deemed necessary.
- Field Representatives determine if internal controls are present with written policies in place. Audit staff will also review separation of duties and internal controls as part of their fiscal audit.

Audits:

- Auditors perform annual reviews of Subgrantees' OMB A-133 audits for compliance with OMB requirements, follow up on findings identified in the Single Audit, and issue transmittal letters to Subgrantees that include findings.
- Investigative audits will be conducted, as needed, to evaluate Subgrantees' accounting systems and fiscal integrity.

Payroll/Personnel:

- Annual monitoring by Field Representatives may include reviews of payroll records, timesheets, and organizational charts. During onsite visits, Subgrantee staff is interviewed to determine job responsibilities, work performed under CSD programs and any reporting irregularities.
- Testing of payroll records may be reviewed by Auditors dependent upon their audit work scope.

Vehicles and Equipment:

- Field Representatives determine if vehicles and equipment are properly tracked and maintained, are currently being utilized, costs are shared between programs (if applicable), and disposition.
- Testing of vehicle records may be reviewed by Auditors dependent upon their audit work scope.

Procurement:

- Field Representatives review Subgrantees' written procurement policies and procedures to verify that the policies have been followed, a competitive bid process is in place, items are cost allocated appropriately between different programs (if applicable), and that OMB requirements are being met.
- Testing of procurement processes may be reviewed by auditors dependent upon their audit work scope.

Invoicing:

- Field Representatives verify the Subgrantee's billing process from intake through inspection for accuracy, review submittal of budget line items (on-site and desk reviews), test reasonableness and conformity of billed measures and trace costs to the general ledger.
- The Technical Support Unit may conduct special investigations in this area when deemed necessary.
- Testing of invoices may be reviewed by Auditors dependent upon their audit work scope.

Records Retention:

- Subgrantees are required to retain records for a minimum of three years after the close of the audit review and resolution of any findings or disallowances. Data related to the weatherization of dwellings is uploaded and maintained in CSD's central repository. CSD Field Representatives confirm Subgrantees' retention policies are following these requirements.

Required Follow-Up Procedures:

- Both Field Representatives and Quality Assurance Inspection team issue reports following their visits and/or in-house reviews. All findings are tracked and

followed through resolution. Depending upon the severity of the finding, a return visit or follow-up review to verify resolution may be necessary.

- CSD's Audit Unit issues an Audit Transmittal Report after a desk review of single audit reports submitted by Subgrantees. Reports are issued as a result of any standard or investigative audit. Disallowances identified through these processes that are not repaid to the department could delay execution of subsequent contracts.

Expanded Monitoring Scope – Automation:

- CSD required all Subgrantees to convert to fully automated data systems at the local level since the current reporting software originally provided by CSD has been abandoned. Subgrantees have the discretion of choosing the electronic solution that best fits their needs and meets the state's reporting requirements.
- CSD currently requires Subgrantees to transfer electronic client file data to CSD in a central depository monthly. It is currently limited to client information, demographics, and measure installation and related costs. The data can be accessed and evaluated for programmatic inconsistencies. For the current program year, Subgrantees will continue to enter summary level data for reimbursement purposes into CSD's web-based reporting system based upon reports generated from their databases.

Monitoring Reports

Monitoring reports are provided to the Subgrantee in the following manner:

- Dwelling inspection reports are provided during exit conferences. If it is determined that training and technical assistance is necessary to resolve any workmanship and/or paperwork issues, the Subgrantee shall be referred to the third-party Technical Consultant or CSD Technical Support staff.
- Subgrantees are briefed on observations and potential findings generated by the monitoring visit and/or in-house review, usually through an exit conference. Within 30 calendar days after each visit and/or in-house review, the State will prepare a draft written report on its findings and/or observations; and send it to the Subgrantee to review. CSD addresses any findings, observations, and/or recommendations a Subgrantee may contest and/or need clarification on. After CSD finalizes the written report it is provided to the Subgrantee. If corrective action is applicable, Subgrantees must submit a corrective action plan.

Monitoring Schedule

The monitoring season for Field Representatives typically runs from March through the end of October. CSD monitors all Subgrantees annually through on-site visits or

comprehensive desk reviews. Subgrantees with programmatic concerns or at high-risk may receive a comprehensive desk review and an onsite visit.

Frequency of inspection visits by CSD and third-party inspectors are dependent upon each Subgrantee's level of production. For Subgrantees that received 2020 DOE WAP funding and exhibited no performance issues, CSD will conduct third-party quality assurance inspections on five percent of total completed dwellings; and perform client file reviews five percent of client files or review five client files (whichever is greater) associated with assisted households over the course of the 2022 DOE WAP contract term. For Subgrantees that did not receive 2020 DOE WAP funding and are receiving funding under the 2022 DOE WAP, third-party quality assurance inspection percentage will be increased to 10 percent of total completed projects and will include review of 10 percent of client files or 10 client files (whichever is greater) associated with assisted households over the course of the DOE WAP contract term.

If program compliance issues are identified through third-party inspections or client file reviews or where Subgrantee QCI is approving work not consistent with program standards, CSD reserves the right to impose additional QA inspections and client file reviews.

All Subgrantees will be visited at least once by CSD Quality Assurance Inspectors, but several will need multiple visits to meet quotas for all energy programs. The same inspection criteria (excluding QCI certification) are applicable to the LIHEAP weatherization.

Recordkeeping

All records maintained by Subgrantees must meet the OMB Super Circular requirements contained in 2 CFR Chapter 1, and Chapter II, Parts 200, 215, 220, 225, and 230, "Uniform Administrative Requirements for Cost Principles, and Audit Requirements for Federal Awards." Subgrantees are required to maintain all records pertaining to this program for a minimum period of three years after submission of the close-out report. Subgrantees must maintain all applicable records until resolution of all related audit and monitoring findings are completed. Addresses and installed measures of all completed units are required to be submitted to CSD. Employee and applicant records are required to be maintained in a confidential manner to assure compliance with the Information Practices Act of 1977, as amended, and the Federal Privacy Act of 1974, as amended.

Regarding re-weatherization policy changes made by DOE in 2021, CSD directed Subgrantees to maintain historical data from dwellings receiving weatherization services from a federal weatherization program within the last 15-years, and to use this information to verify the eligibility of a dwelling for DOE WAP services. Dwellings that received federal weatherization program services are prohibited from receiving additional DOE WAP services. This method of eligibility verification is essential to meet

DOE WAP re-weatherization rules and will remain in effect until additional information regarding HUD and USDA weatherization data is provided by DOE.

Noncompliance

If it has been determined that a Subgrantee cannot fulfill their contractual obligations, steps may be implemented to redistribute any remaining allocated funds to other Subgrantees. These funds will be redistributed to the nearest Subgrantee, if feasible, to provide services in the same general geographical area. For designated high-risk Subgrantees, an independent financial audit may be performed.

Termination Procedures

CSD may commence suspension or terminations proceedings based on non-performance or material breach of Subgrantee contract. CSD may impose sanctions as provided in 2 CFR 200.338 which may include temporarily withholding cash payments, disallowing payment, suspending or terminating the federal award, recommending suspension or debarment proceedings, withholding further federal awards, or taking other remedies that may be legally available.

Should it become necessary to terminate any Subgrantee, or select new ones, the regulations governing such actions, i.e. sections Code of Federal Regulations sections 440.15 (c) and (d), will be followed. Should termination of a Subgrantee during the current grant cycle become necessary, CSD will redistribute the allocations and/or unexpended balances to Subgrantees operating efficient programs to ensure that the services continue in the areas served by the Subgrantee being terminated.

V.8.4 Training and Technical Assistance Activities

Overview

One of the goals of program monitoring and report and records evaluation is to assess the need for training. CSD QA Inspectors conduct inspections throughout the program year. CSD field representatives will conduct desk reviews and report evaluations on an ongoing basis in accordance with Section V.7.3 Monitoring Activities. Problems that qualify to be resolved through training and technical assistance will be addressed by the Field Representatives and/or other CSD staff, outside consultants, and occasionally by staff brought in from other Subgrantees.

For a full description of CSD's training and technical assistance activities refer to Attachment P: DOE WAP Training and Technical Assistance Plan.

V.9 Energy Crisis and Disaster Response Plan

The purpose of California's Department of Energy (DOE) disaster planning and relief is to provide emergency services to low-income individuals and families affected by a disaster as determined by a Presidential or Gubernatorial order declaring either a Federal or State Emergency. DOE WAP has a very limited role in any disaster response. Funds are limited to eligible weatherization activities and the purchase and delivery of weatherization materials.

To the extent that services are in support of eligible weatherization (or permissible re-weatherization) work for eligible households, such expenditure is allowable. Allowable expenditures include:

- The cost of incidental repairs to an eligible dwelling unit if such repairs are necessary to make the installation of weatherization materials effective.
- The cost of eliminating health and safety hazards, elimination of which is necessary before the installation of weatherization materials.
- The cost to perform functions related to protecting the DOE investment such as: weatherization materials, tools, equipment, weatherization vehicles, or protection of local Subgrantee weatherization files, and records during the initial phase of the disaster response.
- The cost to use weatherization vehicles and/or equipment to help assist in the disaster relief provided DOE is reimbursed per 2 CFR 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

The use of DOE funds for relief efforts is limited by the following:

- The total allowance for relief efforts is limited to a maximum allowance of \$8,009 per dwelling unit.
- The total allowance for incidental repairs in support of the installation of weatherization materials is limited to the current maximum reimbursement for limited home repairs per Subgrantee contract.
- The total allowance for the installation of each weatherization measure is limited to the current maximum reimbursement per Subgrantee contract.
- The cost to pay for weatherization personnel to perform relief work in the community because of a disaster is not allowable.

Prioritization of weatherization requests within disaster include:

- Disaster relief services are only available to qualified low-income households directly affected by the declared disaster. DOE requires that priority be given to identifying and providing weatherization services to the elderly, disabled, families with children, high residential energy users, and households with high energy burdens.

- However, it is permissible to consider households located in the disaster area as a priority if the households are eligible and meet one of the priorities above and are free and clear of any insurance claim or other form of compensation resulting from damage incurred from the disaster.
- In the event of a declared Federal or State disaster, weatherization crews may return to a unit reported as a completion to CSD that has been “damaged by fire, flood or act of God to be re-weatherized, without regard to date of weatherization”. Local authorities must deem the dwelling unit(s) salvageable as well as habitable and if the damage to materials is not covered by insurance or other form of compensation.

Prior to initiating disaster relief services, Subgrantees are required to submit a written plan to the CSD for approval outlining the specific services to be provided and the estimated costs necessary to support each type of activity. Activities are required to be reported monthly describing all relief efforts, expenditures, and demographics. Approved plans will be in effect for a maximum of six months but could be extended dependent upon the anticipated recovery period and the type of disaster involved.