

BUDGET INFORMATION - Non-Construction Programs

1. Program/Project Identification No. NT43133		2. Program/Project Title The Weatherization Assistance Program enables low-income families to permanently reduce their energy bills by making their homes more energy efficient. During the last 32 years, the U.S. Department of Energy's (DOE) Weatherization Assistance Program has provided weatherization services to more than 6.2 million low-income families.	
3. Name and Address Kentucky Housing Corporation 1231 Louisville Road Frankfort KY 40601		4. Program/Project Start Date 07/01/2011	5. Completion Date 06/30/2012

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Federal	81.042	\$ 1,044,102.00		\$ 3,433,159.00		\$ 4,477,261.00
2. STATE			\$ 0.00		\$ 0.00	\$ 0.00
3.						
4.						
5. TOTAL		\$ 1,044,102.00	\$ 0.00	\$ 3,433,159.00	\$ 0.00	\$ 4,477,261.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) GRANTEE ADMINISTRATION	(2) SUBGRANTEE ADMINISTRATION	(3) GRANTEE T&TA	(4) SUBGRANTEE T&TA	
a. Personnel	\$ 62,326.00	\$ 0.00	\$ 90,333.00	\$ 0.00	\$ 152,659.00
b. Benefits	\$ 26,800.00	\$ 0.00	\$ 38,843.00	\$ 0.00	\$ 65,643.00
c. Travel	\$ 6,500.00	\$ 0.00	\$ 26,000.00	\$ 0.00	\$ 32,500.00
d. Equipment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
e. Supplies	\$ 1,750.00	\$ 0.00	\$ 7,000.00	\$ 0.00	\$ 8,750.00
f. Contract	\$ 54,948.00	\$ 343,316.00	\$ 32,235.00	\$ 374,035.00	\$ 4,138,344.00
g. Construction	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
h. Other	\$ 4,211.00	\$ 0.00	\$ 60,030.00	\$ 0.00	\$ 64,241.00
i. Total Direct Charges	\$ 156,535.00	\$ 343,316.00	\$ 254,441.00	\$ 374,035.00	\$ 4,462,137.00
j. Indirect	\$ 15,124.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 15,124.00
k. Totals	\$ 171,659.00	\$ 343,316.00	\$ 254,441.00	\$ 374,035.00	\$ 4,477,261.00
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

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3. Name and Address Kentucky Housing Corporation 1231 Louisville Road Frankfort KY 40601		4. Program/Project Start Date 07/01/2011	5. Completion Date 06/30/2012

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.						
2.						
3.						
4.						
5. TOTAL		\$ 1,044,102.00	\$ 0.00	\$ 3,433,159.00	\$ 0.00	\$ 4,477,261.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) PROGRAM OPERATION S	(2) HEALTH AND SAFETY	(3) VEHICLES AND EQUIPMENT	(4) LIABILITY INSURANCE	
a. Personnel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 152,659.00
b. Benefits	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 65,643.00
c. Travel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 32,500.00
d. Equipment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
e. Supplies	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 8,750.00
f. Contract	\$ 2,537,724.00	\$ 609,050.00	\$ 75,000.00	\$ 86,118.00	\$ 4,138,344.00
g. Construction	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
h. Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 64,241.00
i. Total Direct Charges	\$ 2,537,724.00	\$ 609,050.00	\$ 75,000.00	\$ 86,118.00	\$ 4,462,137.00
j. Indirect	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 15,124.00
k. Totals	\$ 2,537,724.00	\$ 609,050.00	\$ 75,000.00	\$ 86,118.00	\$ 4,477,261.00
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

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SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.						
2.						
3.						
4.						
5. TOTAL		\$ 1,044,102.00	\$ 0.00	\$ 3,433,159.00	\$ 0.00	\$ 4,477,261.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) FINANCIAL AUDITS	(2)	(3)	(4)	
a. Personnel	\$ 0.00				\$ 152,659.00
b. Benefits	\$ 0.00				\$ 65,643.00
c. Travel	\$ 0.00				\$ 32,500.00
d. Equipment	\$ 0.00				\$ 0.00
e. Supplies	\$ 0.00				\$ 8,750.00
f. Contract	\$ 25,918.00				\$ 4,138,344.00
g. Construction	\$ 0.00				\$ 0.00
h. Other	\$ 0.00				\$ 64,241.00
i. Total Direct Charges	\$ 25,918.00				\$ 4,462,137.00
j. Indirect	\$ 0.00				\$ 15,124.00
k. Totals	\$ 25,918.00				\$ 4,477,261.00
7. Program Income	\$ 0.00				\$ 0.00

U.S. DEPARTMENT OF ENERGY
GOLDEN FIELD OFFICE



BUDGET EXPLANATION FOR FORMULA GRANTS

Applicant: Kentucky Housing Corporation
Award number: NT43133

Budget period: 07/01/2011 - 06/30/2012

1. **PERSONNEL** - Prime Applicant only (all other participant costs are listed in 6 below and form DOE F 4600.4, Section B. Line 6.f. Contracts and Sub-Grants).

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

Position	Description of Duties of Professionals
1 Financial Analyst (20%)	Reviews and reconciles internal administrative costs associated with weatherization program. Prepares monthly administrative billing statements. Assist in the reconciliation of DOE monthly and quarterly reports.
3 Homeownership Production Management Staff (45%)	Responsible for reviewing and reconciling monthly invoice documentation from service providers, review section 106 forms and track monthly expenditures and production goals.
1 Weatherization Senior Monitor (100%)	Performs monitoring of agencies which includes an on-site inspection of a representative sample of completed dwellings as well as file review of the dwellings inspected; researches and conducts related weatherization training either in a classroom setting or at individual agencies; provides technical assistance to agencies; represents the State on Demand Side Management (DSM) collaborative; researches new initiatives; performs reviews of agency plans and budgets; performs monthly review of agency expenditures, contractual compliance. Weatherization and Health and Safety averages; assists in the development of program forms; reviews and revises Weatherization Manual.
1 Director, Homeownership Production Management (HPM) (75%)	Responsible for general oversight and management of the weatherization program and HPM weatherization program staff. Provides technical assistance to all service providers and assist in the preparation of necessary reports needed to administer the weatherization program.
NOTE:	For planning purposes, all salaries were calculated at 25% of the percentage of salary each staff directly supports the weatherization program. This will result in charging the 25% calculated salaries to the formula PY2011 budget and the balance of 75% of calculated salaries to the ARRA budget of PY2009-PY2012. Regarding the Weatherization Senior Monitor and Weatherization Trainers/Monitors: 25% reimbursement during ARRA ending 3/12/2012 with remaining 25% from April 1 - June 30, 2012 as a result of not being able to bill time to ARRA after March31.
1.25 Compliance Officer (100%)	Perform overall financial and contractual monitoring for CAK as well as each of the 23 CAA. This function will occur at least once a year or more if determined necessary.
1 Director, Design and Construction Review (75%)	Performs personnel functions: verifying time sheets, approving travel, completing annual evaluations. and so forth. Oversees programmatic activities such as submission of grant application, federal reports, regulation revisions, contract reviews and compliance, correspondences and other communications pertinent to the program. Insures timely submission of plans and reports to funding sources and other related offices.

2 Weatherization Trainers/Monitors (100%)

Performs monitoring of agencies which includes an on-site inspection of a representative sample of completed dwellings as well as file review of the dwellings inspected; researches and conducts related weatherization training either in a classroom setting or at individual agencies; provides technical assistance to agencies; represents the State on Demand Side Management (DSM) collaborative; researches new initiatives; performs reviews of agency plans and budgets; performs monthly review of agency expenditures, contractual compliance. Weatherization and Health and Safety averages; assists in the development of program forms; reviews and revises Weatherization Manual.

1 Senior Director of Programs Administration (75%)

Oversees programmatic activities such as submission of grant application, federal reports, regulation revisions, contract reviews and compliance, correspondences and other communications pertinent to the program. Insures timely submission of plans and reports to funding sources and other related offices.

1 Weatherization Program Analyst (25%)

Weatherization Program Analyst develops Weatherization Assistance Program (WAP) plan; assists in the preparation and submission of grant applications and federal reports to funding sources; tracks Congressional activity for funding; prepares related contract; reviews and approves subcontracts; amends State regulations governing program.; assists as needed in monthly desk reviews of weatherization agencies' progress; develops and interprets policy; provides assistance to the subcontractors in preparation of their annual plans and budgets; allocates funds by fund source to agencies; prepares annual planning and close-out packages; performs reviews of plans and amended budgets; assists in the development of program forms; attends training.

Direct Personnel Compensation:

Position	Salary/Rate	Time	Direct Pay
1 Financial Analyst (20%)		25.0000 % FT	
3 Homeownership Production Management Staff (45%)		25.0000 % FT	
1 Weatherization Senior Monitor (100%)		50.0000 % FT	
1 Director, Homeownership Production Management (HPM) (75%)		25.0000 % FT	
NOTE:		0.0000 % FT	
1.25 Compliance Officer (100%)		25.0000 % FT	
1 Director, Design and Construction Review (75%)		25.0000 % FT	
2 Weatherization Trainers/Monitors (100%)		50.0000 % FT	
1 Senior Director of Programs Administration (75%)		25.0000 % FT	
1 Weatherization Program Analyst (25%)		25.0000 % FT	
		Direct Pay Total	\$152,659.00

2. FRINGE BENEFITS

- a. Are the fringe cost rates approved by a Federal Agency? If so, identify the agency and date of latest rate agreement or audit below, and include a copy of the rate agreement.

- b. If a above does not apply, indicate the basis for computation of rates, including the types of benefits to be provided, the rate(s) used, and the cost base for each rate. You may provide the information below or provide the calculations as an attachment.

Fringe Benefits Calculations

Position	Direct Pay	Rate	Benefits
1 Financial Analyst (20%)		43.0000 %	
3 Homeownership Production Management Staff (45%)		43.0000 %	
1 Weatherization Senior Monitor (100%)		43.0000 %	
1 Director, Homeownership Production Management (HPM) (75%)		43.0000 %	
NOTE:		0.0000 %	
1.25 Compliance Officer (100%)		43.0000 %	
1 Director, Design and Construction Review (75%)		43.0000 %	
2 Weatherization Trainers/Monitors (100%)		43.0000 %	
1 Senior Director of Programs Administration (75%)		43.0000 %	
1 Weatherization Program Analyst (25%)		43.0000 %	
		Fringe Benefits Total	\$65,643.39

3. TRAVEL - Identify total foreign and domestic travel as separate items.

a. Proposed travel:

Purpose of Trip	Number of Trips	Cost Per Trip	Total
Travel budget of \$20,250 for in-state trips to monitor, provide on-site technical assistance, regional training to the service providers.	100	\$202.50	\$20,250.00
DSM collaborative meetings and to attend related trainings. Travel budget of \$4,000 for out-of-state travel to attend National and Regional Weatherization Training Conference or meetings, such as National Association for State Community Services Programs, Affordable Comfort Training Conference, Weatherization Plus, Next Generation and Department of Energy conferences or meetings.	2	\$2,000.00	\$4,000.00
In state travel budget of \$3,750 for program and administrative staff oversight activities provided to the weatherization network.	25	\$150.00	\$3,750.00
Travel budget of \$4,500 for training and technical assistance activities provided to four weatherization staff.	30	\$150.00	\$4,500.00
		Travel Total	\$32,500.00

- b. Basis for computation of travel expenses (e.g., current airline quotes, past trips, federal or organization travel policy, etc.):

All cost are based on KHC travel policies and past trips of similar nature.

4. EQUIPMENT - As defined in 10 CFR 660.202. Definitions are at http://www.access.gpo.gov/nara/cfr/waisidx_00/10cfr

- a. Basis of cost estimates (e.g., vendor quotes, prior purchases of similar or like items, etc.):

- b. Equipment to be purchased and justification of need:

Equipment	Unit Cost	Number	Total Cost	Justification of Need
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5. MATERIALS AND SUPPLIES - As defined in 10 CFR 660.202.

a. Basis cost estimates (e.g., vendor quotes, prior purchases of like items, etc.):

Cost for the listed supplies are based on vendor web prices and on prior purchases.

b. Supplies to be purchased and justification of need:

<u>General Category</u>	<u>Cost</u>	<u>Justification of Need</u>
Blower Door	\$900.00	Update and/or replace outdated equipment and provide a complete diagnostic battery of equipment for monitoring/training team.
Misc. Equipment	\$1,500.00	
Tools and Equipment	\$500.00	Purchase a "through-the-wall" direct vent space heater for use as a training resource to teach inspections at the training center. Speciality tools will be required to assemble this training resource.
General Office Supplies	\$2,500.00	General office supplies and other needed supplies, small equipment, such as cameras, fax, cell phones, etc. Also, materials, cleaning supplies, tissue, paper towels, etc. are needed at the training center when training classes are held and to keep the center adequately maintained.
Annual cost to service three (3) Combustion analyzers	\$350.00	Annual maintenance of Combustion Analyzers is essential since sensors have a useful life of one (1) year.
Work Stations	\$3,000.00	2 Laptop/Computers workstations, camera, printer/fax/copier, cable and phones.
Materials and Supplies Total	\$8,750.00	

6. CONTRACTS AND SUBGRANTS - All other participant costs including subcontractor sub-grants, and consultants

For ongoing subcontractors and sub recipients described elsewhere in the application, document and item number is listed.

<u>Name of Proposed Sub</u>	<u>Total Cost</u>	<u>Basis of Cost*</u>
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Sub-Grantee Health and Safety	\$609,050.00	Health and Safety for Sub-Grantees. KHC is changing the percentage of health and safety from 17% to 24%. Originally the plan requested a percentage that reflected our H&S justification amount of \$1,186 as a percentage of the total allowable \$6,572. After the recent conference we now realize that the correct average percentage (per unit) to request should have been a percentage of the average regular weatherization amount (per unit) that we are able to spend in our state. Also the sessions on the ASHREA 62.2 presented at the conference by Michigan demonstrated that 80% of the units needed ventilation. This figure was eye opening especially when they discussed getting around combustion air issues by replacing furnaces and water heaters with seal combustion units. They may use another source of funds, but Kentucky has no other source. Our original estimation, presented in the justification of our plan gave a frequency rate of 14.7% which we now think is grossly underestimated based on the documented studies from Michigan. After reviewing our ARRA data we have an average of \$4,994 per unit spent in our state if you don't include V&E. We do not foresee a significant amount (if any) of V&E to be spent in our upcoming DOE production period. These figures demonstrate a slightly higher H&S rate without the additional costs of ventilation. The original figures when adding in an estimated amount for additional 62.2 ventilation requirements was \$1,186. Using the \$4,994 average this yields 24% without adjusting the ventilation frequency rate that was originally submitted.
Sub-Grantee Insurances	\$86,118.00	Insurances for Sub-Grantees (Liability and Pollution) - Liability Insurance (based on 25% of quoted estimate) and Pollution Insurance (based on 25% of quoted estimate).
Sub-Grantee T&TA	\$374,035.00	T&TA for Sub-grantees.
Financial Audits	\$25,918.00	Financial Audits for Sub-Grantees.
Information can be found on the Sub-grantee Information Form, DOE F540.5 pages 22-31		
Vehicles/Equipment	\$75,000.00	Grantee shall purchase replacement vehicles and/or replace or update equipment over \$5,000 within the sub-grantee weatherization network. The grantee will have administrative oversight and reimbursement approval of vehicles and equipment over \$5,000 to the sub-grantees.
Sub-Grantee Program Operation	\$2,537,724.00	Benefits and program operations for Sub-grantees.
Community Action Kentucky, Inc. (CAK) T & TA	\$32,235.00	Provide technical assistance to the sub-grantee network, update and utilize the CastiNet system for data input.
Sub-Grantee Administration	\$343,316.00	Admin for Sub-grantees.

Community Action Kentucky, Inc. (CAK)	\$54,948.00	KHC will contract with Community Action Kentucky, Inc. (CAK), which will sub-contract with the twenty-three (23) weatherization service providers to operate the program statewide. KHC will retain all administrative oversight for the program, including grant writing, federal reporting, training, technical assistance, and policy writing and interpretation. CAK will be responsible for the following: " Prepare sub-contracts with prior approval from KHC; "" Prepare twenty-three (23) monthly invoices for submittal to the KHC for reimbursement; "" Prepare financial reports and other reports as requested by KHC; "" Assist KHC staff, at the request of KHC to plan and implement activities for the annual Weatherization Day; "" Integrate Demand Side Management (DSM) programs with the weatherization program and represent KHC on DSM collaborative; " Monitor monthly expenditures for each sub-contractor to ensure that line item budget categories are not exceeded by more than 10% of planned and that the allocation by funding source, DOE is not exceeded; and serve as bulk purchasing agent. " Perform activities as approved or directed by KHC and as outlined in the administrative contract.
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Contracts and Subgrants Total	\$4,138,344.00
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*For example, Competitive, Historical, Quote, Catalog

7. **OTHER DIRECT COSTS** - All direct costs not included in above categories

a. Basis for cost estimates (e.g., vendor quotes, prior purchase of similar items, etc.):

Based on prior incurred expenses and prior experience.

b. Other direct costs and justification of need:

<u>General Description</u>	<u>Cost</u>	<u>Justification of Need</u>
Membership dues, subscriptions for energy related publications, software, and other miscellaneous co	\$5,000.00	Dues for membership in advacy organizations, such as, National Association of State Community Services Programs (NASCSP). Cost for posting legal ads in newspapers for notice of a public hearing. Obtain or maintain subscriptions for energy related publications and to purchase updated software. Other misc. cost associated with admin of program: postage, internet, etc.
Compliance Expenditures	\$51,841.00	Funds reserved for compliance with WPN 11-6 requirements such as Occupational Safety and Health Administration (OSHA), Material Safety Data Sheets (MSDS), Asbestos Hazard Emergency response Act of 1986 (AHERA) and ASHRAE 62.2 implementation which includes testing, training and materials or supplies.
Rent for Training and Technical Assistance Training Center	\$2,400.00	Utilities, rent, and telecommunications costs associated with an off-site Weatherization Training Center.
Certifications, Recertifications, Licensures, CE Courses, as needed	\$4,000.00	Other training costs for the Weatherization Assistance Program staff to attend new and innovative training as it relates to weatherization, mold, lead and other health and safety approaches. To obtain certifications in speciality areas. To maintain current certifications or licenses in weatheriation speciality areas. BPI Certification for monitoring staff.

Fiscal Audit for Weatherization Program	\$1,000.00	Estimated cost for an annual external fiscal audit/review required by KHC
Other Direct Costs Total	\$64,241.00	

8. INDIRECT COSTS

a. Are the indirect cost rates approved by a Federal agency? If so, identify the agency and date of latest rate agreement or audit and provide a copy of the rate agreement.

b. If the above does not apply, indicate the basis for computation of rates, including the types of benefits to be provided, the rate(s) used, and the cost base for each rate. You may provide the information below or provide the calculations separately.

KHC is in the process of determining the need for an indirect cost plan and may include this information in future submissions. This cost center will be used for those persons not included in the Personnel cost center.

The name and phone number of the individual responsible for negotiating the State's indirect cost rates.

Name: _____ Phone Number: _____

Indirect costs calculations:

<u>Indirect Cost Account</u>	<u>Direct Total</u>	<u>Indirect Rate</u>	<u>Total Indirect</u>
Administrative Indirect	\$15,124.00	100.0000 %	<u>\$15,124.00</u>
		Indirect Costs Total	<u>\$15,124.00</u>

**U.S. Department of Energy
WEATHERIZATION ANNUAL FILE WORKSHEET**

Identification: NT43133

State: KY

Program year: 2011

Budget period: 07/01/2011 - 06/30/2012

II.3 Subgrantees

Grantee	City	Tentative	
		Funding	Units
Audubon Area Community Services, Inc	Owensboro	163,941.00	20
Bell-Whitley Community Action Agency, Inc.	Pineville	138,740.00	16
Big Sandy Area Community Action Program, Inc.	Paintsville	255,027.00	31
Blue Grass Community Action Agency, Inc.	Frankfort	158,802.00	19
Central Kentucky Community Action Council, Inc.	Lebanon	198,093.00	24
Community Action Lexington-Fayette/Bourbon/Harrison/Nicholas	Lexington	163,525.00	20
Community Action of Southern Kentucky	Bowling Green	250,875.00	31
Daniel Boone Development Council, Inc.	Manchester	176,933.00	21
Gateway Community Services Organization, Inc.	West Liberty	165,143.00	20
Harlan County Community Action Agency, Inc.	Harlan	93,594.00	11
Kentucky Communities Economic Opportunity Council, Inc.	Barbourville	91,684.00	10
Kentucky River Foothills Development Council, Inc.	Richmond	151,441.00	18
Lake Cumberland Community Services Organization	Jamestown	284,190.00	35
Leslie, Knott, Letcher, Perry Community Action Council	Red Fox	219,215.00	27
Licking Valley Community Action Program, Inc.	Flemingsburg	164,766.00	20
Louisville/Jefferson County Metro Government	Louisville	323,296.00	40
Middle Kentucky River Area Development Council, Inc.	Jackson	102,317.00	12
Multi-Purpose Community Action Agency, Inc.	Shelbyville	95,540.00	11
Northeast Kentucky Area Development Council, Inc.	Olive Hill	207,854.00	25
Northern Kentucky Community Action Commission, Inc.	Covington	245,824.00	30
Pennyrile Allied Community Services, Inc.	Hopkinsville	218,122.00	27
Tri-County Community Action Agency, Inc.	LaGrange	96,664.00	11
West Kentucky Allied Services, Inc.	Mayfield	172,758.00	21
TOTALS		4,138,344.00	500

II.4 WAP Production Schedule

Total Units (excluding reweatherized)	500
Rewatherized Units	0

U.S. Department of Energy

WEATHERIZATION ANNUAL FILE WORKSHEET (cont)

Identification: NT43133

State: KY

Program year: 2011

Budget period: 07/01/2011 - 06/30/2012

Average Unit Costs, including Reweathering, Subject to DOE Program Rules		
VEHICLE & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)		
A	Total Vehicles & Equipment (\$5,000 or more) Budget	\$75,000.00
B	Total Units Weatherized	500
C	Total Units Reweatherized	0
D	Total Dwelling Units to be Weatherized and Reweatherized (B + C)	500
E	Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D)	\$150.00
AVERAGE COST PER DWELLING UNIT (DOE RULES)		
F	Total Funds for Program Operations	\$2,537,724.00
G	Total Dwelling Units to be Weatherized and Reweatherized (from line D)	500
H	Average Program Operations Costs per Unit (F divided by G)	\$5,075.45
I	Average Vehicles & Equipment Acquisition Cost per Unit (from line E)	\$150.00
J	Total Average Cost per Dwelling (H plus I)	\$5,225.45

II.5 Energy Savings

Method used to calculate energy savings: WAP algorithm Other (describe below)

The current Metaevaluation results is considered a reasonable and conservation proxy or average energy savings from households of all types. Meta-evaluation is 30.5 * 500 units = \$15,250.

Estimated energy savings: 15,250.00 (MBtu)

Estimated prior year savings: Actual:

If variance is large, explain:

II.6 Training, Technical Assistance, and Monitoring Activities

Training:

Training is an on-going activity which is provided by Kentucky Housing Corporation (KHC), or by outside trainers as designated by KHC. For example, KHC has outsourced some segments of the evaluator training to the Area Technology Centers (ATC) which are part of Kentucky's Workforce Development Cabinet, as well as some technology colleges. These higher education schools are part of the Kentucky Community Technical College System (KCTCS). There are six KCTCS sites across the state equipped to provide this training. There are also five ATC sites equipped to provide a training curriculum to feed weatherization students to KCTCS.

U.S. Department of Energy

WEATHERIZATION ANNUAL FILE WORKSHEET (cont)

Identification: NT43133

State: KY

Program year: 2011

Budget period: 07/01/2011 - 06/30/2012

Building Performance Institute (BPI), Building Analyst (BA) certification is a required piece of the overall training that Weatherization inspectors must complete. While BPI/BA training does not comprise all the areas needed to perform Weatherization inspections, it has significant relevance as a foundation to that endeavor. This adoption of BPI/BA training enhances the existing training curriculum while moving closer to a widely recognized standard certification process for program inspectors.

In general, participation in training activities depends on the type and subject matter being presented. Potentially, anyone working in the Weatherization Program, including private contractors could be required to attend training sessions as they relate to their job duties.

Training needs are assessed in a variety of ways. In some cases, DOE requirements necessitate training projects. Addressing Lead Safe Work Practices, which was accomplished some years back, is a good example of a DOE influenced training project. Addressing Mold and Indoor Air Quality is another. Training needs are also assessed by service provider performance and input. By evaluating annual monitoring reports and other data such as monthly invoices, the training team identifies areas shared by a number of service providers, which may require a training project. This process also yields comparative performance data, whereby training priorities can be identified and assigned on a basis of most need. Other training is built-in to state policies and is conducted as needed. Evaluator training and its related modules fall into this category. Finally, some training is simply ad hoc and originates from service provider requests.

While each service provider is allocated sufficient funds to attend training, as well as legitimate conferences such as Affordable Comfort, KHC reserves the right to approve or deny attendance to training events in order to assure effective use of these limited dollars.

Training curriculum:

Kentucky's courses are on-going and are offered when there are new hires or when there are sufficient people to conduct a class. Training will include:

- 8 hours of Lead Safe Weatherization Work Practices required for all new hires and new contractors.
- Evaluator classes are offered as needed. As personnel staff changes, additional training will be provided. Follow-up will be conducted on site for each person completing the below courses:

1. One two-day class for Heat Pump Evaluations and Duct Sizing
2. Blower Door Diagnostics
3. Base-load Measures
4. Update for National Fuel Gas Code (NFPA) 54
5. Continuing education for electric license
6. Moisture and Mold training

Specialized training is offered by KHC staff at a leased, off site training center, to thoroughly cover heat systems evaluations and baseload measures. The center is completely furnished with functioning gas, electric, oil, solid fuel furnaces and a heat pump with air conditioning as well as various diagnostic tools, furnace components, and video training materials. As previously mentioned, Kentucky is outsourcing certain elements of its evaluator training. However some training is so specialized to the program that it will remain in-house. A two-day session on program policies and procedures is an example. Below are the training requirements per position:

Evaluators/Inspectors

To offset retirement and resignations affecting the work force, service providers are required to have trained and certified staff, including back-up personnel, especially for evaluators. Attendance at training is a requirement. In order for service provider evaluator staff to perform the required weatherization activities, they are mandated to be qualified in the following areas:

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Dwelling Needs Evaluators:

- NEAT/MHEA, EA-QUIP Audits
- Mold/Indoor Air Quality Issues
- Heat Pump Evaluations,
- Heat Systems Evaluation including solid fuel, electric and natural gas/propane systems
- Basic Blower Door
- Lead Safe Weatherization Work Practices
- Certified Lead Renovator
- All new evaluators beginning with April, 2010 must also be BPI/BA certified as described above. This does not apply to existing evaluators prior to this date.
- Southeast Weatherization Field Guide
- CPR
- 30 Hours of OSHA
- Asbestos Awareness

Installer staff:

- Lead Safe Weatherization Work Practices,
- Southeast Weatherization Field Guide
- Mold Awareness, and
- CPR
- Certified Lead Renovator (as applicable, see health and safety in Master File)
- 10 Hours of OSHA
- Asbestos Awareness

Technicians:

All new technicians are required to be licensed in HVAC and electric. Technicians shall maintain their professional licenses in accordance with KRS 227A.010-150 for electric and KRS 198B.650-689 for HVAC, and meet all requirements regarding fees and continuing education.

Technical Assistance:

KHC will retain funds to use for training, technical assistance and travel for monitoring purposes. KHC will allocate funds to the service providers to attend required state training, regional and national conferences and other training opportunities that may be available or required.

Technical assistance is an on-going daily activity provided to ensure compliance with program requirements and to improve the quality of Kentucky's Weatherization program. On-going technical assistance visits to the field are scheduled and conducted as needed by KHC weatherization program specialists.

Monitoring:

KHC will conduct two primary types of monitoring: (1) annual dwelling inspections and (2) annual on-site contractual monitoring. Other technical assistance and oversight measures will be conducted by the Community Action Kentucky, Inc. (CAK).

(1) On -Site Monitoring:

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KHC weatherization staff will perform program and on-site monitoring. The staff consists of three full-time employees that will review the quality of field work, materials installed, program performance, and compliance with policies and procedures. Each service provider will be monitored bi-annually for program compliance, with subsequent monitoring scheduled as needed.

An on-site dwelling review will be conducted bi-annually by the KHC weatherization monitoring staff on a representative sample of each service provider's completed dwellings in addition to in-progress monitoring during technical assistance to ensure that all work meets WAP standards. KHC has established a goal of 5%, of completed units to be visited each year based on the total funding for production.

A sample of completed dwellings will receive an on-site dwelling review including a Blower Door test to ensure that all work performed meets Kentucky's Weatherization Assistance Program standards for quality, workmanship, and that materials installed meet the Materials Specifications Standards.

During the visit, field work will be monitored for:

- Completeness of work;
- Compliance with NEAT/MHEA and EA-Quip audit priorities;
- Work quality;
- Dwelling averages; and
- Diagnostic procedures.

If a monitor identifies a problem while on a monitoring visit, technical assistance will be provided at the time with follow-up or more intensive technical assistance or training to be scheduled in the immediate future. Technical assistance related to the actual installation of weatherization measures, energy systems evaluations, and the National Energy Audit (NEAT) and Manufactured Home Energy Audit Tool (MHEA) will be provided as needed. In addition to the field work, a sampling of client files of the dwellings inspected will be reviewed to determine that all required forms with proper signatures are included and that the forms are accurate and complete. Any previous monitoring findings will be evaluated and determined if corrections have been made.

Previous monitoring findings and recommendations will be reviewed to evaluate the success and appropriateness of all corrective actions implemented by the service provider. Upon completion of the on-site review, the monitor will hold an exit conference with the service provider's Executive Director, if available, the Weatherization Director and other appropriate staff to review all findings, conclusions, and recommendations. Upon completion of a written report, any actions warranted by the monitor's findings will be determined. A copy of all reports, with a cover letter, describing the findings and/or necessary actions to be taken will be sent to the service provider's Executive Director, with a response on any corrective actions due within 30 days. A copy of the report will be filed for future use in evaluating the program.

Program Compliance Monitoring:

On a monthly basis, KHC weatherization staff will monitor all service providers by reviewing the price they have paid for common weatherization materials. If a service provider in a geographical area is paying substantially more for materials than others, the agency may be required to identify other service providers that have less expensive materials and begin purchasing from those vendors.

KHC will evaluate the service provider's monthly reports and invoices to determine improvements in any of the areas where the service provider has deficiencies. If the service provider does not show satisfactory improvements, an on-site visit may be made to analyze the efficiency and operation of the program.

The areas to be reviewed are:

- Actual completions vs. planned;
- Average weatherization costs not exceeding the limitation of \$6,572;
- Average health and safety costs is limited to 24% of the actual average cost per unit, not exceeding a

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maximum of \$2,500 per unit, without written approval from KHC;

Average overhead not greater than 40 percent;

- Monitoring reports for quality of work performed on completions which were inspected during the on-site monitoring visit; and
- Maintain a minimum annual average of 30 percent or greater of all DOE Weatherization Assistance Program expenditures for installed materials.

Those service providers identified as having problems in one or more of the above areas will be sent a letter identifying the problem areas and instructing the service provider to submit plans to correct the problem. The service provider will have thirty (30) days in which to respond. KHC staff will review the corrective action plan and accept it, deny it, or ask for clarification within fifteen (15) days of receipt of the plan; and notify the service provider of the result.

If, the service provider fails to immediately implement the approved corrective plan and significant improvements have not been made, KHC will notify the service provider that it may be in jeopardy of losing all or a portion of its funding. Clarification on averaging materials:

- Materials installed out of regular program funds are a straightforward average and are tracked monthly through the reporting process on the WX-702, Monthly Statistical Report.
- Materials purchased and installed through DSM projects are also tracked by the WX-702, Monthly Statistical Report, and shall be calculated into the percent of materials installed.
- Donated materials, for the purpose of averaging, shall be assigned the same value as if they had been purchased through the agency's normal acquisition process. For example, if Agency A pays \$3.00 for a tube of silicone caulk, then a value of \$3.00 shall be assigned to a donated tube of silicone caulk. Donated materials are also tracked by the WX-702, Monthly Statistical Report, and shall be calculated into the percent of materials installed.
- Percent of materials installed shall be calculated on Actual Operating Dollars only. Therefore, fixed costs: administration, vehicles and equipment over \$5,000.00, in-house agency audit, training dollars, and liability insurance, shall be excluded from the calculation of actual percent of materials installed.
- On partnering ventures such as rehab projects, only the cost of energy saving materials can be counted when calculating percent of materials installed, not the total cost of the rehab project.

(2) Financial Management Monitoring

KHC is responsible for monitoring all personal service contracts and master agreements through which weatherization funds are allotted and program initiative implemented. The staff consists of two full-time compliance officers. Responsibilities for monitoring contracts include:

Development and updates of KHC monitoring tools that will be used to ensure CAK and sub-grantees (CAA) are meeting or exceeding programmatic, administrative and fiscal review expectations.

Evaluation of CAK's monitoring tools that will be used to ensure sub-grantee's are meeting programmatic, administrative and fiscal review expectations.

Collect and examine work papers and any documentation generated as a result of CAK's review of sub-grantees or sub-contractors to ensure monitoring objectives are met.

Review and monitor CAK's plans of correction with the sub-grantee or sub-contractors and provide guidance as necessary.

Assessment of CAK's final monitoring report.

Conduct bi-annual on-site monitoring review of CAK for their adherence to weatherization contracts and agreements

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to ensure program objectives and goals are met.

Select CAAs, utilizing the selection criteria below, for additional monitoring by KHC's Compliance staff

Selection Criteria:

- Agencies that are high-risk as determined by KHC's WX or Compliance staff. For example, they have high staff turnover or significant findings from previous reviews.
- Agencies that do not provide adequate supporting documentation for monthly invoices upon request by KHC.
- Agencies receiving large allocations of funds (both formula WX and ARRA).
- Agencies expending funds at a faster rate than the projected completion rate average.
- Agencies expending funds at a slower rate than the projected completion rate, which could possibly flag underperformance.
- Agencies that have requested unusual or numerous budget category changes.
- Agencies whose single audits reflect areas of concern.

Contract Compliance Monitoring:

Annually, each service provider will be monitored for fiscal and contractual compliance.

For fiscal monitoring, the monitor will verify compliance with and documentation of these fiscal requirements:

- expenditures,
- source and application of funds for expenditures,
- access to and retention of fiscal records,
- procurement standards,
- previous contract audit,
- allowable and disallowable costs for reimbursement,
- other resources used for weatherization,
- invoicing,
- equipment,
- property
- material inventory maintenance.

For contractual monitoring, the monitor will verify compliance with documentation of these contract requirements:

- reporting
- personnel policies,
- record confidentiality,
- conflict of interest policy and nepotism,
- client and dwelling eligibility,
- availability for required training,

II.7 DOE-Funded Leveraging Activities

No DOE funds will be diverted to leveraging activities.

II.8 Policy Advisory Council Members (names, groups, agencies)

Kentucky Rivers Foothills Development Council Inc /	Vicki Jozefowicz
E. ON U.S. LLC /	Michael Hornung
Department for Aging and Independent Living /	Bill Cooper
Daniel Boone Community Action Agency Inc /	Mike Buckles
H.O.M.E.S. Inc /	Seth Long
City of Louisville /	Adria Johnson
Housing Authority of Bowling Green /	Abrahams Williams

II.9 State Plan Hearings (send notes, minutes, or transcript to the DOE office)

Hearing Date	Newspapers that publicized the hearings and the dates that the notice ran.
04/26/2011	Public hearing notices were placed in The Louisville Courier Journal and Lexington Herald-Leader on Saturday, April 16, 2011. Copies of the Annual State Plan will be made available. The public hearing will be held at the KY Housing Corp.

II.10 Adjustments to On-File Information

The annual allocation of Program Year (PY) 2011 will be allocated to each of the 23 service providers through the existing allocation formula. The carry-over funds from PY10 will be allocated to service providers that are 95% or more expended with their wx ARRA allocation by March 31, 2012. All service providers eligible to receive carry-over funds will receive their allocation based on the existing formula allocation in relation to the number of total service providers participating in the carry-over allocation. It is KHC's goal to make the additional award of carry-over funds in early April with the intention of continuing wx services for eligible agencies through June 30, 2012.

II.11 Miscellaneous

See attachment.