



**Illinois
Department of Commerce**
& Economic Opportunity
OFFICE OF URBAN ASSISTANCE

Bruce Rauner, Governor

December 31, 2018

Dear Governor and Members of the General Assembly:

The Urban Weatherization Initiative Act (UWI) (30 ILCS 738/Article 40) requires the Department of Commerce & Economic Opportunity (Department) to administer a weatherization assistance program designed to promote the State's interest in reducing the impact of high energy costs on low-income households, especially those in urban areas with high rates of unemployment, underemployment and poverty.

Program Model

The UWI program is based on a two-pronged approach: 1) to increase employment opportunities among Illinois residents through training that leads to Building Performance Institute (BPI) certification, and 2) to provide residential weatherization services in urban areas. Training and weatherization services are administered through grants to organizations. All grants are awarded via a competitive selection process.

The training programs are designed to provide both classroom and hands-on training to participants within eligible communities. Upon completion of the training program, participants are expected to achieve BPI certification. BPI is a national standards organization for residential energy efficiency and weatherization retrofit work.

Weatherization services are provided to owner-occupied, single family homes and multi-family (6 units or fewer) buildings. Weatherization activities include:

- Repair/replacement of inefficient heating or cooling units
- Addressing air infiltration issues (e.g. weather stripping, caulking, window/door replacement)
- Repair/replacement of water heaters
- Installation/insulation of pipe duct
- Minor roof repair.

In addition to the employment opportunities and weatherization services provided, the program stimulates local economies by utilizing local contractors, suppliers, distributors and/or manufacturers of equipment and supplies necessary for the weatherization work.

Program Summary

The UWI program has received appropriation in Fiscal Year (FY) 2019, but funds have not been made available for the Program. As of November 30, 2016, all UWI grants have ended. The most recent UWI grant administered by the Department was for the Residential Weatherization Program. Eight grantees were selected to receive up to \$8 million each to perform weatherization work in homes. Due to the temporary suspension of the program in FY16, many grantees were unable to expend their grants. Staff is currently reviewing grantee final reports.

Challenges & Goals

2018 Challenges

- Program suspension in FY16 amid the state budget impasse impacted grantees in a range of ways. At the time, UWI was administering three grants: the Home Energy Auditor training grant, the Weatherization Specialist training grant, and the Residential Weatherization Program grant. Some grantees had to discontinue operations and lay off staff, and once the suspension was lifted, they were unable to recover before the grants ended. Training and weatherization performance metrics suffered because of program suspension.
- Program staff spent 2018 working with the Office of Financial Management and the Office of Accountability to close all open UWI grants, address monitoring findings, and recover unspent grant funds.

2019 Recommendations

- Address prevailing wage restrictions, currently required for public works projects, which will make the program more efficient. This will require legislative action.
- Pursue legislative changes to increase the per-home spending limit (currently \$6,500) and to increase the size of eligible multi-family units. Additional changes may be necessary to maximize program potential.

The Department is committed to supporting the Urban Weatherization Initiative and promoting the energy efficiency needs of our urban communities.

Respectfully submitted,



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Acting Director