

## Best Practice – Client Denials, Deferrals, and Referrals

**Date:** Revised September 2016

**Subject:** Weatherization Client Deferrals and Referrals for “Beyond the Scope” Reasons

**Problem or Question #1:** Subrecipients have to turn down quite a few WAP weatherization applicants that were qualified on paper, but after the first visit the applicant had to be denied for home related reasons (for example, home was not structurally sound causing any weatherization to be ineffectual) that are beyond the scope of weatherization. The denied clients, however, remain in need; needs for which the Subrecipients have no programs. What can be done?

**Discussion:** Our governments’ structures and our philanthropic Texan society together provide a myriad of services and assistance programs helping people in need statewide. There may be home-related situations that cannot be addressed by an existing Federal, State of Texas, county, city, or non-profit community organizations. But such un-addressable situations are usually the exception and not the rule. Most cases of need can be addressed, at least in part, via existing programs. The Department has a searchable Help for Texans <http://www.tdhca.state.tx.us/texans.htm> database available for Subrecipient and client use. Partnering with other agencies and organizations, required for CSBG Subrecipients but highly encouraged for other program Subrecipients, allows for more comprehensive help to be provided to the clients in the local service area.

The biggest challenge is usually finding a match between those in need and those organizations capable of assisting those people. In light of that, it is recommended that “deferred files” (based on physical challenges) not be “dead-ended” at the program that denied them. Instead, the essential aspects of the file, and reason for denial, be made into a PDF file and emailed (along with a few photos, if appropriate) to members of the established support network (city, county, non-profits) who may be able to assist the potential client. Additionally, when the client is informed of their deferral status from the weatherization program, the deferral notice must comply with TAC §5.505, but the client should be given referral information to the same established support network you will be providing the PDF file to. This streamlined communication allows the support network and the client to get started further into the process, saving duplication of submission for the client, and gathering of data for the referral network.

The existing community support network can evaluate the case and determine what action is possible and appropriate. This process may also strengthen and reinforce the existing communication paths between these offices and agencies.

Subrecipients need to keep in mind that the goal of the WAP program is to provide long term energy savings by installing sustainable energy efficient measures. If a qualified house on paper is not in a condition where those weatherization measures will be able to sustain for the estimated life of the measure, then Subrecipients need to take that into consideration before determining whether or not it is a good long term decision to weatherize that unit. Subrecipients are expected to increase cost-effective energy efficiency measures. Putting insulation in an attic in a house with a consistently leaky roof, or air-sealing a pier and beam house with evidence of consistent significant shifting, are situations that need to be weighed on whether or not that is a cost effective commitment, and deferrals might be warranted.

**Recommendation Summary:** Obtain client permission to refer deferred files to sister agencies and other non-profit organizations that possibly may be able to assist. Subrecipients who determine that a home is beyond the scope of the program should document their decision by providing descriptions of

the repairs needed, photographic evidence to support the repairs needed, and costs estimates. For any house that is deferred, a deferral notice must be provided to the client and the client must be informed of their right to appeal the deferral. A copy must be kept with the Subrecipient.

**Subject:** Weatherization Client Deferrals and Referrals for Health & Safety (H&S) Reasons

**Problem or Question #2:** Subrecipients have denied several homes for H&S reasons. What type of documentation is needed to assure that the right decision was made?

**Discussion:** Under the WAP program there are many reasons to deny a home for H&S reasons. H&S Guidance can be found in the current program year's DOE and LIHEAP State Plan. Additional H&S Guidance can be found at:

<http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm#healthsafety>.

The Health and Safety Plan provides guidance on how to perform the mechanical, visual, and sensory inspections. When WAP funding cannot alleviate the Health and Safety hazards prior to the installation of Energy Conservation Measures (ECM) the home should be deferred. Documentation for the deferrals may include but are not limited to the following:

Appliances: LIHEAP funds may be used to replace a cook stove. DOE funds may not be used to replace a cook stove. If a cook stove is deemed a health and safety hazard (i.e. fire hazard or excess carbon monoxide) the cook stove may be cleaned and tuned with LIHEAP or DOE funds. If a stove cannot be cleaned and tuned a unit may only be replaced with LIHEAP funds. If the hazard cannot be resolved, the home should be deferred. The primary method of inspection will include combustion testing and a visual inspection. If the home fails the combustion tests and visual inspection, the home should be deferred. Documentation for denial should include test results and/or photos supporting the visual inspection.

Asbestos: Asbestos can be found in many materials of the home. Asbestos can be found in the siding, ceilings, vermiculite, or pipe insulation. When a home has asbestos siding, insulating walls should be accomplished through the inside of the home. Asbestos in vermiculite may be encapsulated but this may be cost prohibitive. Asbestos on pipes may be removed by an AHERA certified professional but this too may be cost prohibitive. In cases where too much Asbestos is present, a home should be deferred. Documentation should include cost estimates to remove the asbestos and photographic evidence.

Biologicals & Unsanitary Conditions: Visual and sensory inspection should be performed for the purpose of detection of health and safety hazards such as: bacteria, viruses, raw sewage, rotting wood, garbage and mustiness. Cases where a known biological agent is present and may create a serious risk to occupants or weatherization crews/contractors, the home should be deferred. Documentation should include written notes by the assessor as well as photographic evidence supporting the visual inspection.

Combustion Gas Testing: WAP program rules **require** combustion testing on all gas or wood burning appliances. Combustion testing includes: gas leaks, cracked heat exchanger, draft, spillage, ambient CO present; system CO PPM (pre and post-test), combustion air source, check whether cold air return opens into combustion zone, and CAZ pressure for potential back-drafting. Should the home fail any of the tests, the hazard should be remedied prior to the installation of WAP ECMs. If the hazard cannot be remedied, the home should be deferred. Documentation should include verification and results of the tests performed and photographic evidence.

Drainage: Major drainage issues are beyond the scope of the WAP. Homes with conditions that may create a serious health concern that require more than incidental repair shall be deferred. Visual inspection and observation shall be the primary mechanism for detecting drainage issues. Documentation for deferral should include notes of the visual inspections, diagrams of the visual inspection, photographic evidence to support the visual inspection, and costs estimates to alleviate major drainage issues.

Electrical including Knob and Tube: Replacement of the electrical systems is beyond the scope of WAP. The condition of the operable Knob and Tube wiring may also be beyond the scope of WAP. Visual inspection is the primary mechanism for determining the condition of the wiring. Documentation for deferral should include notes of the visual inspections, diagrams of the visual inspection, photographic evidence to support the visual inspection, and costs estimates to replace the wiring.

Fire Hazards: Clients, occupants, and building owners/landlords will be notified in writing of potential fire hazards identified during the initial inspection performed by the Assessor. Visual inspection is the primary mechanism for determining the fire hazard. Documentation for deferral should include notes of the visual inspections, diagrams of the visual inspection, photographic evidence to support the visual inspection of the fire hazards.

Formaldehyde, VOC's and Other Air Pollutants: Removal of pollutants is NOT allowed by WAP workers. Removal of pollutants should be done by the client or a contracted professional, prior to weatherization work being performed. If pollutants pose a risk to workers and removal cannot be performed by a professional or the client refuses to remove the pollutants, the unit should be deferred. Visual and sensory inspection is the primary mechanism for determining the hazards of VOCs and other air pollutants. Documentation for deferral should include notes of the inspections and photographic evidence to support the inspections.

Injury Prevention of Occupants & Weatherization Workers: The Department reminds Agency representatives that assessors should attend the OSHA 10 or OSHA 30 General Construction Worker course. As part of the safety for crew, assessors will identify health and safety hazards according to the OSHA method "Focus Four" which includes electrical, fall protection, caught in and between, and struck-by hazards. If these hazards cannot be remedied prior to the installation of ECMs, the unit should be deferred. Visual inspection is the primary mechanism for OSHA hazards. Documentation for deferral should include notes of the visual inspections and photographic evidence to support the visual inspection of the OSHA hazards.

Mold & Moisture: Limited water damage repairs can be addressed by weatherization workers and correction of moisture and mold creating conditions are allowed when necessary in order to weatherize the home and to ensure the long term stability and durability of the measures. Where any mold-like substance and moisture issues cannot be addressed, deferral is required. Visual inspection is the primary mechanism for determining mold like substances and moisture hazards. If actual mold is determined as present, the house is deferred immediately. Documentation for deferral should include notes of the visual inspections and photographic evidence to support the visual inspection. In cases where mold like substances have been detected, assessors may include the square footage of the area affected.

Occupant Pre-Existing or Potential Health Conditions: When a person's health may be at risk and/or the work activities could constitute a health or safety hazard, the occupant at risk will be required to take

appropriate action based on severity of risk. Failure or the inability to take appropriate actions should result in a deferral. Documentation should consist of case notes by the assessor.

Pests: Pest removal is allowed only where infestation would prevent weatherization or poses a health and safety concern for workers. Infestation of pests may be cause for deferral where it cannot be reasonably removed. Documentation for deferral should include notes of the visual and sensory inspections, as well as photographic evidence to support the inspection. The client file should also include cost estimates for the removal of the pests.

Unvented Space Heaters: Assessors should visually inspect all unvented space heaters as well as complete a CO test. The Department may not weatherize a home in which the space heaters do not meet the current IRC Code for unvented Room Heaters. In cases where WAP health and safety funding cannot alleviate the problem the home should be denied. Documentation for denial should include documentation of the visual inspection (i.e. broken grates, rubber hose, no ODS) and photographic evidence to support the visual inspection. If the home is denied for not meeting the IRC, the file should contain documentation of the specific code that was not met (i.e. no ODS, excessive BTUs in a bedroom) and the cost estimate indicating the cost is beyond that of WAP funding. For further guidance, please refer to WPN 08-04: Space Heater Policy.

**Recommendation Summary:** Subrecipient assessors and inspectors should be very familiar with the Health and Safety Guidance. If the hazards identified by the guidance cannot be remediated or is beyond the scope of the WAP program, the home should be deferred and the client provided referral information to the appropriate agency to help remediate the H&S issue. Documentation supporting deferrals mainly include results of mechanical testing, notes of visual and sensory inspections, and photographic evidence supporting those inspections. All documentation should be placed in the client file and available for review.

**Subject:** WAP denials/deferrals for lack of benefit from the WAP program

**Problem or Question #3:** Subrecipients have denied several homes for “not being able to benefit from weatherization.” The determination to deny the home(s) was based on the fact that the home will not gain much benefit from the program at this point. What type of documentation is needed to assure that the right decision was made?

**Discussion:** Under the WAP program there are many reasons to deny a home. One of the reasons for denial is that a home may not benefit from WAP services. If the measures determined eligible for the home will not provide substantial long term energy savings, then it is probably in the client’s best interest, as well as the Subrecipient’s best interest to not weatherize the home at that time.

*Example:* If a home is in good condition, has a sufficient thermal (adequate insulation in attic/walls/floor) and air barrier (low blower door and duct blaster readings at initial), and existing appliances and equipment don’t rank for replacement or servicing, then what would the house receive as part of the program? CFLs? DWH pipe and tank wrap? Low flow showerheads and aerators? Is that small scope of work worth the client becoming ineligible for this program service for the next 20+ years? Is it worth the additional staff time, effort, and program support cost to work on a house with such a small scope of work that will probably make a minimal decrease in the energy consumption for the household? The answer is that it is most likely NOT cost effective to weatherize a house with such a small scope of work. Deferring such houses for a later time, when more work can be done, is typically the better long term option for the Subrecipient and the client.

*For DOE & DOE/LIHEAP leveraged units:* Additionally, as described in 10 CFR § 440.21 the energy audit must pass the cost effectiveness tests before materials can be installed in an eligible dwelling unit. If a home does not pass the cost effectiveness test of the energy audit the dwelling is not eligible for WAP services.

**Recommendation Summary:** After a thorough assessment, when the weatherization measures are determined for the house, justified per program requirements (energy audit or Priority List), the Subrecipient then needs to determine if the scope of the work is justified to continue on with the process. Subrecipients who determine that a dwelling unit cannot benefit from WAP, either due to the lack measures to be installed, or because the energy audit doesn't show an acceptable cumulative SIR of 1 or higher, proper documentation for deferral must be maintained in the client file.