TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

WAP WORKGROUP #1
FOR
SUBRECIPIENTS

Joe C. Thompson Conference Center
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FACILITATORS:

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ON THE RECORD REPORTING
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MR. REID: It's a little bit past 1:00, we need to get started here and get this WAP workgroup begun. We might have a few stragglers coming in. It's Austin, traffic even at lunchtime in Austin.

Anyway, so we had a CSBG workgroup this morning and I know we have some people who were here this morning but we're going to kind of go through the same thing as far as introductions so you know some of the Community Affairs staff. And I'm just going to introduce myself and kind of go around the room as far as Community Affairs staff. I've got myself, I'm Gavin Reid, I'm in the planning section, the manager of that section. And just going around the room, we have Michael De Young, of course, director of Community Affairs. Over here is Laura Saintey. She'll be doing the majority of the leading of the discussion today. Next to hear is Jason Gagne, a trainer. We've got Karen Keith over here in the corner. She is one of the planners, and she's been on board six seven months now, several months. Marco Cruz, he's also a trainer; I'm sure all you guys know Marco very well. Our newest member is Stephen. Stephen, would you raise your hand? He's probably been on board like a whole, what, six days? Week and a half. So he's were observing, getting used to the crowd and everything.
All right. This afternoon we're going to talk WAP de-ob/re-ob and some other topics because we don't think we're going to use the whole three hours for just that. If we have to, we will, but Laura has got some other topics she's going to lead on.

We have a court reporter right here in this corner next to us, and you'll see different microphones placed throughout on the tables. Just so we can pick up the sound clearly, try to keep papers off of them or big objects like maybe briefcases next to them because it interferes with the sound because we do want to hear what you have to say and we're going to take it back and we have to refer to it. The other thing is speak clearly, try and project your voice into it, and try not to talk over one another.

MR. DE YOUNG: And before you say your comment, go ahead and say your name and what agency you're with. And I know it sounds repetitive, but it's very confusing for them when we've got 40 people. We all know who you are but she'll be able to really quickly say, oh, that was Bobby again.

(General talking and laughter.)

MR. REID: I think that's all the opening comments I have to make.

MS. SAINTEY: Hello, everyone.
We did the ACSI survey, we got a lot of information back. We at TDHCA on that ACSI survey that was done probably from three years back that we just got last February, we scored very poorly, and so we had a session this morning with CSBG about the issues there were and what things we've put in place to remediate those. So during this session I'm going to try to just keep it on weatherization and that way we can keep moving on.

So one of the key things with training and technical assistance was doing some regional series on some topics that came up. Our compliance team, Kevin and Chad, I think a year ago they spent the entire year giving one-on-one sort of instruction and checking of people doing CAZ testing to make sure that everybody was up to par on that, so that's sort of the end of that one. And this year they're working on zonal pressure diagnostics, ZPD testing. And so they're going to be doing a lot of that, showing you how by throwing a manometer hose under a door and closing the door, you can see the pressure differences so that you know instead of smearing caulk in a hallway that doesn't have the pressure losses, it's that one bedroom where you have the biggest loss that you can focus and prioritize for air sealing and insulation issues. So they'll be doing a lot of that this year.

They also helped the training team in rewriting
and updating all of the best practices, so we reviewed, rewrote, updated every single one that's on the website. I think they're finally all posted, so if you haven't looked at those recently, please make sure you do to make sure they were all lined up correctly. We're trying to get all the new TAC rules changed into all the guides so that they all line up. We're looking at standard work practice specifications, MISM, Material Installation Standards Manual, the IUCC, and think Robert has been actually working on lining all of those up, which that would be an amazing document, so hopefully we'll see a copy of that, and we can maybe vet that with DOE and see if we can't get something going on with that, and it would be more Texas appropriate.

So we've met with our DOE monitor, we've been monitored. Things turned out okay. All of you that got visited, thank you, you did a great job.

So we thing that we thought was probably the biggest topic for today with this group was probably re-ob/de-ob, and so we sent you an attachment that has this sort of bar graph showing progress as a network and then it gave some information as to last year, 2015 contracts.

We had re-ob/de-ob in place but we didn't trigger any of the letters to send out to you if you missed a benchmark. Jason worked with every agency one-on-one, gave
information, started tracking you, gave you extensions, worked with you in order to get it done, and by the end of the year almost everyone was expended except one agency was at like 88 percent, a couple of agencies were at the 88 percent range.

One agency was only about halfway expended, and that particular agency is a public entity that deals with some layering of fiscal issues that keep delaying their stuff. They've gotten the work done but they can't report they're expended because of their fiscal process, so we're going to need to work with them on how to help them get their process sped up and how we can join in partnership with them and help them with that.

Everybody else was in the upper 90s, 100 percent expended, which was great because our DOE monitor was all over us for the last two years or more.

MR. DE YOUNG: And let me pick up on that. Historically DOE has been willing to allow grants to roll forward. For the longest time the DOE funding period was a five-year contract, so the State of Texas had a contract with DOE for five years, we'd go through that five-year period, and then at the end if there was a balance, they would allow us to move it forward, carry forward into a new five-year contract. For a lot of reasons, a lot of this started to change during ARRA. They implemented the
three-year period which is rule but then they extended the
three-year period by a one-year period and now they've
extended it again for a one-year period so we're kind of
back to a five-year period. But we won't be able to carry
over, so any money that's left this year is done, we will
not get it back, it is not an option.

So DOE, realizing this two years ago, started
really putting pressure on states to make sure you fully
expend your five-year award. So I don't imagine that this
pressure that we've had over the last two years will
abate, however, we've significantly improved our picture
for carryover coming into this year. So we have less of a
mountain to climb but the mountain is still there. A lot
of it is due to hard work at the local level by all of the
agencies. It is not lost on us that DOE is a tough
program to administer, it's tough for you, it's tough for
the state, and we've talked about ways of trying to
improve on how we can increase our expenditures.

And de-ob/re-ob was pushed by DOE most
recently. We had it during ARRA, and what you see is
pretty similar to what we had in ARRA except a lot of the
burdensome tasks have been removed from you all but it's
not dissimilar to what you experienced during the ARRA
period if you were around during ARRA.

Incidentally, I'm just going to ask who wasn't
around during ARRA?

(Some raised their hands.)

MR. DE YOUNG: Lucky, lucky.

It was much more sophisticated during ARRA but that was because we had $327 million that we had to track and we were being stood up to expend it. So I think we've taken a lot of the burden off of the process but still looking for input and feedback on this because DOE probably would not approve our plan if we didn't have some kind of a de-ob/re-ob policy in effect. So feel free to critique and tell us where we could change it. We've got to have something that works, though, because if we go back to DOE and they don't like it, we have one person that sits over everything that we deal with on DOE, and they are particularly detail-oriented. De-ob/re-ob is not a new creation, this is hopefully a new iteration of something that existed before.

MS. SAINTEY: Laura Ponce.

MS. PONCE: Two questions. One is I guess how much went unspent this year versus last year and the year before, just so we have a good picture of how the system worked out this year compared to previous years. And then the other question is with these expenditures did any of these agencies have money de-obligated. Because I see that everybody spent 100 percent but maybe some of them
spent 100 percent because they've been de-obligated funds.

MS. SAINTEY: Well, one particular agency on this list relinquished their program, and so that was one of them. The other is a county entity that's dealing with a layering of systems that we're trying to work through.

MS. PONCE: So should that mean that pretty much nobody got money de-obligated from them and pretty much most everybody spent 100 percent or close to it? That's what this is saying. Correct?

MR. DE YOUNG: Yes, that's correct. And I'm going to do round figures. We put about $6 million into the field with DOE, maybe a little bit less, with a 92 percent expenditure rate, you're looking at $5.5 million getting spent so you're looking at maybe a half million dollars that did not be spent. And I'm doing this off of the percentages. I didn't look at the dollar figures and I apologize for that. But by and large, yes, everybody is spending the dollars we're giving them in DOE.

And as you see the progression down the sheet, there are times when you would look at someone's expenditure rate and say we need to look at what's going on to see if they're going to be successful. And then you can see CA Corpus South Texas, number 8, 2 percent, 12 percent, 18 percent, and boom, then they hit 89 percent. And I get it, DOE can be a program where a bunch of things
hold up the realization of the expenditures, maybe just some inspections or whatever it is, and that's the hard part of trying to come up with a tool that helps assure we expend fully but also is sensitive to not ding someone unnecessarily because if you've got units sitting there in progress that are waiting on inspections or you've got a contract that's backed up, he's in a final three or four. And for many of these entities, we're not talking 30-40 homes, I don't know what the average number of homes is, but for the most part DOE is not a large sum of money so three or four homes in a lot of agencies makes all the difference in the world on the expenditure of the contract.

So save for two, three or four agencies, you don't get 40 homes. Your big ones, Houston, Dallas, AACOG and CA-Corp, I think those are the four big contracts, and probably GETCAP now would be the fifth one.

MS. PONCE: I didn't hear it, so last year and the year before how much money did we not spend?

MR. DE YOUNG: I don't know the figure.

MS. SAINTEY: I remember we had carryover that was over 20 percent of the contract for one year.

MR. DE YOUNG: So that's going to be $1.2 million, roughly.

MS. SAINTEY: And that was when our monitor
started really pushing for us to report to her every other week where we were, where we were on expenditures and homes.

MR. DE YOUNG: In a phone call. We had to sit down on a phone call and go through, and she can go through agency by agency, what's their current status, what are the units in progress. And if they reported four ready for final inspection and none of those came through, what happened, why didn't they inspect it. It gets pretty detailed.

MS. SAINTEY: So if you look at the bar graph down below, 14 agencies fully expended, four were between the 85 and 86 percentile, and then two were below 85 percent, about 83 percent, and then we had two outliers and the one had relinquished its program. So this last year it was almost fully expended which was great.

And then if you have your handout if you flip it over, this is where we are to date on this year's contract, and everyone, except for two agencies or three agencies, are within meeting their benchmarks. One of those actually doubled their production this month, we got it in just before we showed up, and so they're actually okay now. One of the other ones subs out their QCI inspections because they don't have an on-staff QCI, and that person comes out at certain intervals and they're
there now doing inspections, and so once those are done, they'll be back on target as well. So there's some situations that happen.

And if you trigger a benchmark on that re-ob/de-ob, where it says if you don't have this by the first date you're going to get a letter, blah-blah-blah, so we decided that we weren't going to make the judgment as to who gets a letter, who doesn't get a letter if you trigger it. If you trigger it, we're just going to send a letter and then you can respond back to us, and then we'll have that on file for you that we know what you're going to do, we know your plan, and we'll keep moving forward and you make your adjustment. We had, I think, three entities that got the first letter. Is that correct?

SPEAKER: Correct.

MS. SAINTEY: And everybody looks pretty much on target now.

If you look at the previous year on 2015, there's highlighted blocks where Jason went back and looked at all the production from all those months and said, Who would have gotten a letter if we would have actually doled them out in '15? And so there's a smattering of those all over the place. Some triggered in the first quarter, some didn't trigger till the third, some triggered all of them, but then in the end they
expended. So interesting. So just FYI, that's kind of
how that lays out.

And then we have re-ob/de-ob in the rule
rewrite. All weatherization, DOE and LIHEAP got put under
the one section, and so re-ob/de-ob applies to both
programs now, so we're looking to see production in both,
and then that way you can keep track of it. I was looking
at expenditures and performance on about four or five
agencies in the last few months in preparing for board
trainings to kind of do dashboards for them, and it was
really interesting looking at those to say you predicted
in your initial production that you needed to do 33
houses, to date you've done 32, you have one more left,
and the amount of money you have left is just about enough
money to finish that last house, that was an awesome
prediction on the LIHEAP contract. On your DOE contract,
you predicted you had to do eight, you've done seven and
you're not even halfway expended. Wow, what happened?

And when you look at the CPU, the cost per
unit, they were almost fully expending on their LIHEAP
houses and they were like spending $3,000 a house on their
DOE. So you know the rule, the more money you spend, the
less houses you have to do, the less money you spend, the
more houses you have to do. Right?

I just got a report back from compliance and
I'm going to call you out, City of Fort Worth, they were over there and they were like oh, my God, they're leveraging, they have three programs, three dollar pots, they leverage at least two, sometimes three on every house, so they're weatherizing houses, expending 10 to 14 grand on these units, but every single client said their utility bills were cut more than half, and that they hadn't turned their heater on in three which had never happened, and they were so happy. Replacing duct runs, whole duct systems if it was allowed.

So I encourage you, we only get to weatherize a house once for the most part, it's going to take decades before they're eligible again, and so encourage you to do like the best job possible on that one house, take more time to assess it, take more time to finalize, take more time to do the work, spend more money on it and give that client a really good product, versus giving a whole bunch of clients a mediocre product. Because it is all about reducing energy.

So kudos for that. And I know some of the rest of you do this as well, I just didn't have your name and your facts about it so I'm not going to call you out.

Any questions, comments, changes, concerns that you have about re-ob/de-ob? Something you'd like to see different? Is it working once you got through the
process? Don't be quiet if you have something to say.

MR. MARTINEZ: Is there going to be I guess it's like an exemption or something? Because we just got an amendment on the DOE grant, so of course, our production percentage is going to decrease, and prior to the amendment we were right on target. So are you guys going to consider that?

MS. SAINTEY: Michael, do you want to address that?

MR. DE YOUNG: Sure. The de-ob rule is designed around your whole contract, and yes, if you get an amendment, certainly it affects you but it affects everybody the same amount because you're all done on a pro rata funding basis. So we can talk internally about how to take that into account. It may delay a portion for the de-ob rule. We haven't talked about it specifically because, to be honest, if the amendment is going to only add 5 percent or if we see the decreasing amount of carryover, us adding 5 percent to your contract shouldn't cause a lot of problems. I don't know how much you get annually. What's your annual contract for DOE?

MR. MARTINEZ: I think we started with $176-.

MR. DE YOUNG: $176-, so a 5 percent increase would move to $185-. And what I'm hoping for is that we continue to expend as a network so that when we do those
amendments, they're not significant.

MR. MARTINEZ: And of course, we'll try to make the appropriate adjustments based on the increase and all that.

MR. DE YOUNG: But hopefully we won't put money out -- I want to get it out as fast as I can, but if we put it out and then right away the next week we go now put out your production schedule, certainly I can get in to Brooke and Patricia and talk about, look, we just put in X amount of dollars, so we're going to do the analysis on the pre-amendment dollar figure. So in other words, if you weren't in violation prior to that amendment and only the amendment created the problem for you, I think we would have some flexibility to say we put the money out quickly but we caused the violation, in essence.

That being said, if you're at 50 percent of your expenditures and you should be at three-quarters of your expenditures, I am not going to go in to Brooke and go well, I just added 5 percent to their contract and we need to hold back. We need to send that letter out and get a corrective action plan knowing what you're going to do and how you're going to address it. I can say -- and Jason can probably talk to it a lot better -- those of you that have gone through this and replied to the letter and said this is what our plan is, you've done that.
Now, it might take some time to get it fully worked out, but we like the results of what we see here. We have a couple that we need to work with or instances. I think one of the things that concerns me is not being able to do QCI inspections, that delays reporting, but as long as we know that that's going on and we've got five houses that are ready to be inspected, we're just waiting on someone to arrive, that's a different scenario, I can live with that.

And so yes, I can intervene in those instances where we put out money and we caused the violation of the rule. What I'll try and do is hopefully manage this process well enough that it will go out early right after the rule has been, say the third month, hopefully we get that money right in that fourth month and you've got the fifth money to deal with that 5 percent increase, or hopefully more than 5 percent, 6 percent increase. As that carryover gets bigger, it certainly causes more heartburn for us.

MS. SAINTEY: It's the same effect that it has for you guys. If you have carryover from one year to the next, you can't start expending your new funds until your old funds are expired. Right? So if you couldn't expend your full contract in 18 months, how are you going to expend the new contract in nine? And so that's sort of
the same thing, if we get a lot of carryover, then it
pushes that same sort of camelback effect on you, so
hopefully if we can continue to fully expend or get really
close to fully expending, it shouldn't affect you as much.
So that's the goal.

Jason, you monitor. Jason continues to monitor
all the production reports. Do you have any feedback that
you want to give regarding that?

MR. GAGNE: Basically there's some safeguards
in there, I think it's item M in the TAC or something like
that, all the way to the bottom of the de-ob/re-ob
chapter, where basically if you're within a certain
percentage of your initial projection and it's like 80
percent, so that's basically if you meant to do five
houses but you only did four, that kind of keeps you in
that safe window from month to month. It's that buffer
for when you get that 5 to 6 percent in your extra
contract amendment. So if I see maybe you didn't hit the
25 percent benchmark but you were within 8 percent of what
you said you were going to do is what the TAC says, then
you're still safe. That kind of gives you a little bit of
wiggle room, most of you guys are going to catch up the
next month or two.

Also that little statement in the Wufoo that
says like what you guys did isn't what you thought you
were going to do, tell us why, and that actually preempts a lot of stuff right there as well. If you're not communicating to us what's going on, then we can't see it right away. So that whole little item M really helps a lot.

MS. SAINTEY: Any other concerns or input regarding re-ob/de-ob?

MR. DE YOUNG: For those of you who did this last year, LIHEAP is a little bit different because we had more and more as the year gets to a close, we've had agencies come to us with amendment requests to move money out of weatherization back to CEAP, and certainly that's an option to keep in mind. It makes it a little bit more complicated when you're taking it from an area where you do a bigger WAP area than your CEAP area. I'm a little concerned that someone at the federal level may, if they dig, well, are you redistributing that money to the right CEAP agencies.

Certainly keep in mind that that is an option, and for those of you who have a predictor that you're not going to spend it, I would much rather make that move to CEAP than let it sit in WAP and just carry over. Trying to get the '16 contract spent during the '16 contract period, move to the '17 and keep it in '17 and not doing this rollover each time. The more we can accomplish...
there, the more it's easier to make a case at the federal level that we need more funds at the state level in Texas. If you haven't availed yourself of that option, it probably means you're doing all the work you need to do in LIHEAP/WAP and that's good.

A while back we did do 20 percent in LIHEAP/WAP, we moved it back to 15, because quite honestly at the end of the year, even though we set the budget at 20, after all the budget amendments were done, we were at 15.3 percent weatherization expenditures. And so we had to go through this huge effort to get the Federal Government to even approve 20 percent, whereas, with 15 I don't need their approval, I can just set it at 15 in the plan and it goes, but if I do anything above 15.00, I have to have a justification for it and prove the case that we're doing everything we're supposed to be doing, and it's a significant effort, and then all of a sudden all the money got switched over at the end of the year back to 15.3 percent. So we made the decision to set it at 15. I know some of you probably could spend more but the vast majority said let's get back to around 15 percent. So that's why in this last year or two we've gone back to 15.

MS. SAINTEY: So in the ACSI survey there were several categories that when we looked at all the comments it kind of came down to several topics, so I'm going to
put this out to the weatherization group as to if there's anything that you need. We've addressed a lot of these but I'm not sure if we've addressed it to your satisfaction.

So the first one was input from you to the Department on things like rules, trainings, plans and use of funds. So do you have any information that you feel like you need input toward in any of those areas? Is there anything that you think that we need to do to help communicate those things better to you, to engage you in the process more?

I can share that we're in the process of redrafting the health and safety plan and I don't know how many of you have really read through that document. It's a beast, and so we got approval that we can write it like in paragraphs like a normal person instead of using the template, and we're in the process of rewriting that, so if there's any of those sections in the health and safety plan that you really have an issue with and you want to see something in it or the guidance in that differently, please email that to me so that we can take a look at doing that when we're writing this draft. But we need it quickly because we need to have our draft kind of at least roughly done by the first week of February, so we're pushing through. So if you have anything that's clicking
in your brain, any piece of it, send it in.

MS. RODRIGUEZ: Laura?

MS. SAINTEY: Yes.

MS. RODRIGUEZ: Stella Rodriguez.

You mentioned this health and safety rewrite. Would it go out to the network to review.

MS. SAINTEY: It will go through the whole public comment process.

MS. RODRIGUEZ: Okay. Thank you.

MR. DE YOUNG: What's our current health and safety plan length?

MS. SAINTEY: It's like 56-57 pages, I'm going to try to get it down to about 26, 30 at the most, maybe less if we can really get good at that wording.

MS. RODRIGUEZ: We'd be happy to help coordinate whatever feedback.

MS. SAINTEY: Okay, good.

And then the second area was contracts and funding, getting contracts out on time, giving good notification if there were any delays or setbacks on approvals, PPRs delaying contracts. So we've worked really hard this last round at getting contracts out before January 1, and we started the process way early and Brooke really pushed it through at the end. So our goal is to continue to do that so that you have the contracts
before the start date. And then PPRs we're going to be
sending out 90 days in advance. They have to be turned in
90 days prior to the contract so that we'll have time to
process them so that they won't hold them up.

Anything with contracts that is problematic for
you or that you want input on?

MR. MISENHEIMER: I know that there's language
in there about costs incurred during that contract period.
So one of the challenges is you go through a contract
year, you're posting all these jobs in the queue, well,
you may have started something that you can't finish. I
know that there was some changes made that once the
assessment is done you'll get some additional time for
requalifying the client for DOE, so that's very
appreciated. But one of the challenges is that you've got
X number of jobs at various states of completion so if you
had done an assessment on a job say in November but you're
not going to finish it before the end of that year, my
understanding is you can't capture that cost that you did
to do the assessment the next program year. You lose the
ability to claim that money or that expenditure in the
next contract. Is that correct?

MR. DE YOUNG: Where's Earnest?

MR. HUNT: So if I understand you correctly,
you're accruing the current year.
MR. MISENHEIMER: But you're not reporting that job until the next program year. Otherwise, you have to stop everything that you're doing and find something else to do for a certain amount of time. For contractors maybe it's not as big of a deal, but when you have staff that you have no payroll and you still have to pay them, I'm just saying capturing that cost just seems to be a problem.

MS. FALCON: [inaudible].

MR. MISENHEIMER: The staff specifically but any costs. Just say that HVAC system went in but that job wasn't completed, wanting to capture that cost in the next program year because otherwise you'd have to stop at a certain point and then you can't do anything else to a new house until you get a new contract.

MS. SAINTEY: And it won't be finished before the closeout period?

MR. MISENHEIMER: Well, that's what I'm saying, you have jobs in various stages. You may have assessment done, you may have the crew that's finished it up and you've got a final. And I know you have a closeout period to capture the ones that you completed by December 31, so you have 45 days to do your final inspection, that kind of thing, capture your final costs. But if you go out and do an assessment, at least in ours, it's going to be six
months later before we complete that work. My understanding is we can't claim the three items of program support on that job, we just lose it.

MS. SAINTEY: I think I have to put this on a take-back list.

Marco, did you have something?

MR. CRUZ: Marco from TDHCA.

I'm not sure where you got that, Doug. If you did the work, you went out and looked at the house, I don't see that as any different from having a denial. In other words, even though you did the work -- let me take that back. That type of expense, so I go look at the house, I go do an assessment, that is an expense for that current year. Now, whether you put in the materials in the next year, that's a different expense. So the way that I see it, and I've always taught it this way, is if you went out and did an assessment in 2016 November, that expense was incurred in that contract year. If you go out and actually do the house, put in the materials, put in the furnace, put in whatever in 2017, then that expense occurs in this program year. It's not any different than going out and assessing a house and saying I'm not going to do anything, it didn't work, this house is denied. That expense was still incurred.

MR. HUNT: Marco has probably given you a
better response than what I planned to here. I'm looking at it strictly from an accounting perspective. If we realize an approved expense in the contract period that you include that cost. So if your assessments occurred in '16, that's going to be realized as a cost. What you're talking about is kind of two different issues, one is performance reporting and the other is realizing an expense. And so like I said, I think he's put it in a much better fashion. You can have work done on a particular dwelling and if it extends into two different periods, you're going to have a different set of costs in both periods. But regardless of the reporting of that, that dwelling is still tied to the performance. Does that make sense?

MS. FALCON: So separate your salary cost from your material and labor cost. Your salary cost is reported in that program year so that's your CPU for that year but it's still reportable that it's accrued and it's done that year. Your material and labor, that's where the performance comes in, in addition to actually being able to do that. [INAUDIBLE]. So those would be carried over into your program year '17 or the following program year, your salary would be separate.

MS. SAINTEY: And along that same lines was some other questions that came up about having to
re-qualify the client in 2017. If the client is on the wait list in 2017 but you haven't done anything with that client yet, then yes, in 2017 you're going to have to get current income and update the application. If the client was started, you've initially assessed it, you've started the progress in 2016, you're good, finish it.

MR. CRUZ: Right. And I think Rosy hit it on the head, those are two different activities. And maybe it's what you're thinking, that it all has to be part of the 7,000, I agree, but you're saying they're married together and the reality is they're not. Does that make sense? So when that activity occurred it can be expensed when that contract is alive, and then the other part can happen later because it hasn't occurred. You don't have to have assessment and installation has to happen, they're married together, you can't do anything, they're not separated. Yes, they can be separated.

Because think about this, let's say at the end of the year you only have $2,000, you're one of those that did the 10 percent expenditures, and you only have $2,000 left. Are you going to sit on the $2,000 and not do an assessment? I would go out and do an assessment so I can spend the $2,000, get 100 percent expenditures, and then do the house next year.

MS. GIBSON: Well, clients are qualified for a
12-month period, right, not calendar year.

MR. CRUZ: Correct. And once you start it, you don't worry about that.

MR. MOORE: You have to re-qualify them every year according to the TAC rules.

MS. SAINTEY: But not if you've started those.

MR. MOORE: Robert Moore from Community Council of South Central Texas.

The problem that we run into is we don't have a wait list, we have a priority list. If I tell a client we've got a wait list, you will get hammered because they'll call you every week: Where I am on that wait list? Knowing that on a priority list they're going to move around depending on they're qualified. The problem that I have is we have 116 people on our priority list that qualified in 2016. I'm done with my 2016 contract. I can't spend anything in 2017 house-wise until I re-qualify them, so that means now I'm scrambling to re-qualify. This is the response that I got from folks that qualified in November: Wait a minute, I just turned that in, now you're telling me I've got to do it again? I don't need your services, I'll just go get my utility assistance.

(General talking.)

MS. SAINTEY: I think initially the intent of
the rule was weatherization was supposed to have the rule
it's always had and CEAP was supposed to have the other
rule, but somehow it got written whether DOE and LIHEAP,
and so that's on the list of rules to readdress when we
meet again, so we'll be definitely looking at that. But
yes, the way you describe that is the way the rule is
written now.

MR. MOORE: But also understand that's going to
play into our production schedule, that plays into your
re-ob/de-ob because if you can't get folks in your area
excited enough to come in and reapply -- and trust me, in
some areas it's extremely difficult -- then guess what,
you stand the fact that now I'm going to meet that
re-ob/de-ob because I can't get people to come in and
reapply.

MR. REID: I want to remind everybody when
they're about to speak, you know, your name and
organization just to the court reporter can get it. Just
as a reminder. Thank you.

MR. TARANGO: Henry with South Plains Community
Action.

This is one of the reasons that we would like
to see more of the agencies get involved when it comes to
the TAC rules so we can provide input so none of us would
actually have to meet that.
MS. FRANKE: And we were involved. Kelly Franke, Combined Community Action.

We were involved in this last rule change, we missed it.

MR. DE YOUNG: Michael De Young, TDHCA.

There are going to be things over the next year. This rule rewrite, those of you who participated in the process, this was a massive undertaking. Quite frankly, I'm surprised we haven't had other little glitches that have cropped up. And that's the feedback we need from this group is: Hey, here's the wrinkle I see in this and how is it going to present itself? So we can get back and come up with some kind of proposed language, get it out to you all, and then go through that same process we just spent the last year doing: What do you think about this and how does it impact you?

And today is not designed to get the exact wording for the rules or anything like that, it's trying to understand how is this working at the local level. For Travis County, they've got a unique structure. Doug has got probably more resources than most people, but he's got a fairly heavy bureaucracy behind him and it takes a while for expenditures to be realized and a lot of audit going on on what he's doing because of the process at Travis County.
But it's good to get feedback because the whole thing about de-ob/re-ob, that never hit me until you just said it, and now I'm starting to see it. So this is the good conversation. We need this and this is the feedback we need filtered in to Jason when it comes. If he's sending you an email, take some time to go: Jason, here's what this means. So he can get that feedback to us so we can get the rule right when we rewrite it this next time. I'd like to not rewrite it three times but two times is okay.

MR. DEIKE: Bobby Deike, Community Council of South Central Texas.

MR. DE YOUNG: Again.

(General laughter.)

MR. DEIKE: Again, just for Michael.

In this particular case when there was realization that wait just a second, LIHEAP/WAP wasn't supposed to fall into this but it did, why do we have to wait another year? It's obviously an oversight, nobody meant it to be that way, all of our programs are going to be affected, our clients are being affected. Why can't we amend it now instead of having to wait to the next rule write and penalize all these people?

MR. DE YOUNG: I don't think anybody thought about it in terms of we'll wait one year. I think it was
we want to have this clean rule in effect when the July 1 DOE contracts start.

MS. SAINTEY: I truly can't believe that none of us caught it because I don't think any of us intended for that to be the way it was written, but nobody caught it.

MR. DE YOUNG: We can go back and say okay, let's start working on some new language. One of the often heard complaints is don't do rule rewrites in the middle of a contract, make it effective at the first day of the next contract because you have to have a record. We used to just do them when we could, and we got critiqued on it, so it has been let's clean up. So that's why you saw the massive rule rewrite in one chunk. Rather than saying let's do CEAP and then let's do WAP, let's do the whole thing all at once, and then hopefully we have this annual cleanup.

In this instance, because it was never intended this way, we can go and sit down with Patricia and Earnest and Brooke and I can sit down and say we probably need to get something working on this quickly either to resolve the issue or lessen the burden until we can get it correct. I'll talk to Brooke and Patricia and Earnest and I can meet with them pretty quickly next week and at least get it on the radar screen.
MR. CRUZ: Marco from TDHCA.

So in a roundabout way, Doug, did you get your answer?

MR. MISENHEIMER: Pretty much, I guess. That's the way I always understood it.

MR. DE YOUNG: And we'll have a separate dialogue with you to talk about it.

MS. SAINTEY: So I think one of the other areas was communication, and you have each been assigned a trainer that's your contact person. We still encourage you to do the Wufoo. As I shared with the CSBG group, and some of you are here again, we use the Wufoo submitted questions to drive a lot of decisions. When you send us a question, it goes to every trainer, we vet the answer, we send it out and CC each other to make sure we all read it the same way. And then we dump it into an Excel program that we can filter every question by topic, by agency, by word, and then we can look at that to decide which ones we want to post FAQs, that we want to write a best practice, or ones that we think we need to actually design a training or give training on.

And it's also a way to hold us accountable that we're answering you back in a timely manner. If you don't get an answer from a submitted Wufoo question by the third day, call your trainer, because our goal is to get back to
you within a couple of days. Like I said before, we're perfectly imperfect and we make mistakes and we might have dropped a ball. So just cue us, let us know, and we'll get working on it for you. At least we should give you a response that says we're working on it, we have to take it through some areas, we'll get back to you.

We've been trying to do some more face-to-face training. We've implemented the WAP network quarterly calls to address your specific area for technical subjects.

Is there specific trainings that you feel that you need?

MS. PONCE: This is Laura Ponce with Project BRAVO.

My one recommendation on the trainings is if we stick to the WebEx just because we've had so many problems with conference calls and people leaving their phones on hold. At least through the WebEx there's some control and you're in to not have that kind of distraction. And then also, visual aids really help, like even if it's just you guys sitting in a room, or power points. The visual really helps, I think. But mainly the conference call doesn't work because we have some people that keep putting you guys on hold.

MS. SAINTEY: Okay. Thank you.
Anything else?

MR. MISENHEIMER: Doug Misenheimer, Travis County.

So I do have a question about the HEP trainings. I know that QCI became mandatory, I know that there's some other ones out there that don't apply to most of that don't have a crew base. Do we know the status of like entity auditors, are they still kind of optional at this point or is that being pushed more from DOE to be more mandatory, and do we have a timeline in place? I know multifamily QCI has become mandated now as well.

MS. SAINTEY: They've kind of let go of those at this point. And if you notice, you have a fairly chunk of T&TA money in your DOE contracts, and so that you can take care of things like your Safe Renovator, your OSHA, things that are specific to your agencies that you can do those on your own, that you can just have those classes and courses.

I know that Marco has been out doing some regional series on CAZ testing. When we do regionals, in the future we're going to try to do them pretty timely, close to close so that everybody gets them within a certain time frame.

I know that Santa Fe has a lot of offerings but I've been told that their pricing was kind of high, but
they can bring it to here also. I'm not sure about the rest of them. But if there's something in particular that you really feel that you need, you need to let us know.

Marco, where are we, do you know, in the mobile home?

MR. CRUZ: I need to get with Gavin and actually we'll get a person to do it.

MS. SAINTEY: Because we're trying to get a mobile home insulation because that was a big finding with DOE that we weren't insulating the ceilings of mobile homes and that we needed to do that, and they didn't want to hear any excuse about it, so we're going to try to find somebody who can train us how to do that really well.

MR. CRUZ: Marco from TDHCA.

One thing I do want to mention is when we do go out and train, the salaries for that day or your travel -- I know Rick is not here but Rick traveled to El Paso, and it's not just your meal money and your hotel money, but I was over at Mike's office, that day for Mike, whatever it was, you should charge that to your travel and training. That helps you with your program support and saves a little bit of money, but it also expends your travel and training. If you have $22,000 and I show up for two days or whatever it may be, then those two days for all three of your staff members, whoever it was, should be charged...
to TA that day for those two days. And that's how you can get that expended.

I know I go to people's agencies and they think that, oh, I'm not spending any TA money. You should even though I'm at your office. You don't have to have an overnight stay and you don't have to spend your own money. Like today as an example, this could be a training expense.

MS. SAINTEY: So Marco, Jason, do you have anything in particular that you want to go over?

Before I let you do that, I've got one, I don't want a senior moment, I don't want to lose it. So Kevin and Chad created an Excel version of the assessment packet. I think they've given it out to several people, but we pulled a lot of those forms that were in the entire assessment packet that we're going to be posting on the web by tomorrow afternoon, and they have automated calculations in them, all you do is up in the information and it will calculate everything. It's got callout boxes on every single thing that you have to fill in. It tells you what you need to put in there, it has guides as to what are the percentages or whatever it is that you need to do.

It looks overwhelming when you first look at the whole assessment packet, but I believe if you were to
take that and actually learn it and apply it, your up-
front initial assessments may take longer but your final
outcome would be a lot more energy saving measures on a
house with a lot more expenditures and a lot better job
for the client.

The entire packet, if you put in the client's
name and address and phone number on the first page, it
then puts it onto every page for you. We actually did a
test showing one person typing it into the system using
the Excel and one person who handwrote the name and
address on every page. The handwritten person took 20
minutes to do what the other person took 30 seconds. So
it's something to think about. Time-wise there's
tradeoffs with it, but then the mathematical errors are
taken out of it because all of the equations are built
into it, it automatically does it for you, so if you put
your information in right, it's going to calculate it for
you right.

So it's something I would really encourage you
to try a learning curve on it and give it a shot. It
would probably save a lot of issues. Every form you have
to have within your file is in there. It has an
electronic signature. It combines forms so you have one
page instead of two. So I would really suggest giving it
a shot and giving us feedback, because this is our
prototype, it's our first run on it, and if you find problems with it, let us know, if you like it let us know or if you don't like it let us know. But I think it's something that would help immensely with compliance, calculations, better whole house assessments.

I cannot tell you how many times I've gone out to do a NEAT training with an agency and I've said, Okay, bring me your initial assessment so we can start inputting it, and we get on page 3 and we realize that they're missing some data that we can't finish the NEAT. Bring me the next file, missing some things, can't do it. So that's return trips for you guys, that's expensive. Versus if you do everything up front and you have it all it one electronic file, it's all in one place, it's all done, you can't miss anything if you fill it all out. So I just want to give you a heads up on that, and now I'll be quiet.

Go ahead, Marco.

MR. CRUZ: Actually, I've been very happy with the agencies that I've visited. And I think Chad and Kevin have done a great job that only verifying what they've learned, it's pretty exciting seeing you guys doing a good job. So far, so good.

MS. SAINTEY: And I think goes to attest to we have another finding within the ACSI survey was that
compliance and training was not aligned, and we're meeting with them all the time and we're co going through everything before we put it out to you. So just FYI.

    Jason, anything?

MR. GAGNE: Jason Gagne, TDHCA.

    So we are breaking out all the different tabs as well, so they'll be stand-alone documents as well, so just a matter of separating out the circular references and all this other stuff. When you do open that whole house assessment, it's going to say assess circular references, hit the cancel button to continue as normal instead of okay. It's just Excel. But of course, if you've got any questions about the form, please give us a call, if there's anything wonky. We're sure we'll find a few more glitches in it as we go along, so please keep us up to date on it.

MS. SAINTEY: So at this point I'm just going got open it up to you guys to bring up anything you want.

MS. VARGAS: Christy with South Plains Community Action.

    We're going to be hiring a new assessor here in the next month or so, and you asked about training and stuff. I'd like to request beginner's training just from the ground-up on the use of DebtBlaster, all of that. Even for myself because I'm an officer person, I don't
have all that experience, I'd like to learn it myself. And I don't know if there's other agencies too that will have new assessors that could benefit from that.

MS. SAINTEY: We'll get with you on that.

MS. GIBSON: And keep us posted on that too. If you set up a training, let us know.

MS. SAINTEY: Same? Okay.

MS. GIBSON: Jenny Gibson, West Texas Opportunities.

MS. SAINTEY: I know one of the things that we're doing at our office for Jason, because he is new on board -- well, he's been there over a year now -- he's going to actually take the building analyst course in Dallas. So we got three bids and he's going to go do the course in Dallas so that he learns all of those things and gets a BPI certification which is another way that you can go about that with your T&TA money, but of course, you can call us too.

MR. CRUZ: And the other thing is it helps with your points. Marco from TDHCA. So if you get your BPI certification and you add that to your list, because it ends up being if you're doing your quality control person you have to do so many audits, but if you load up on a bunch of certifications, it kind of offsets the number of hours. So let's say if Jason gets his OSHA and gets his
BPI analyst, with every certification you start getting points that you need less hours, so it balances out. So like Christy, if you want to go, even though it's not the QCI one, you can do and do it. It will help you get stronger, and even your new person can go to have an introduction to eventually where he's going to get as a QCI. Any certification, anything that you get will give you a number and a card and everything, you can use those to apply toward your QCI.

CAROL: Carol, Combined Community Action. Would you, first of all, add me to your list there. And then also the program you were talking about earlier, where is that located?

MS. SAINTEY: For the building analyst? We just did some research on who gave building analyst certifications and then picked the best price for the travel and everything, and this was in Dallas.

CAROL: No, not that. The Excel form you were talking about.

MS. SAINTEY: Kevin Glienke and Chad Turner from our Compliance Division, because they're out there every week. They do a full QCI on every home that they inspect with you guys, so they've been seeing all of it so they were able to say these are the things that we see that need to be done within a home and these are the best
ways of doing them.

MR. DE YOUNG: Is it on the website right now?

MS. SAINTEY: It will be up tomorrow by the close of business.

MR. GAGNE: There is a slightly older version but there's already stuff that had to be fixed but that will be up tomorrow afternoon.

MR. DE YOUNG: After it goes up, we'll put out a link so you all can get a direct link to the new one, new and improved one.

MS. RODRIGUEZ: Stella Rodriguez with TACAA.

Just an FYI, at our May conference this year we will offer several tracks that you can earn CEUs to keep up your certifications, so we are planning to do that.

MR. CRUZ: And I do want to mention, you talked about website; as a reminder there are videos, there's instructional stuff, there is a full video library, maybe 20 videos, I don't even know what the number is, there are step-by-step guides. If you haven't been on our website in a while or you want to refresher, there's two duct blower type videos, there's a blower door video, there's three of them there, the beginner, the setup, the intermediate. There's insulation type of stuff. I mean, there's just a boatload of videos that you can be looking at and say I don't know how to do that, let me check to
see if there's a video on there. And I guarantee you, I think we did a pretty good job of selecting videos that are useful to us, and what I tend to find out is that people don't know that they're there. And it's on our regular WAP webpage and it's a video library and you've just got to go there, and there's all kinds of stuff on there. It's pretty cool to watch.

    I think, Doug, you're in one of them. So you may see some familiar faces but you may also see the experts from the network that you see at the national, but they're there. We can't be everywhere, remember that we also do CSBG, and so if it takes a month before we can get to your spot, it may be useful to you to look at the videos and then take your equipment to your home and hook it up as you're watching the video, pause it, set it up, do it again and make it happen. Those videos have been there. We haven't added any new ones in recent memory, but they're all pretty good.

    MS. SAINTEY: Anything else?

    MS. VARGAS: Christy with South Plains Community Action.

    One of the things that we were having issues with is how you had said about taking applications this program year 2016 and then not completing the home until the following program year is with the CSBG reporting is
that I guess their year runs different than ours.
Capturing the outcomes, we use Shah to capture our client
reporting and all that, and if we take an application in
program year 2016 and the home is not completed until
2017, it's not reported correctly, like we have to redo
the client intake. The risk we run is that their
circumstances could have changed during that time and they
may not qualify whenever it's actually time to work on the
home.

MS. SAINTEY: So on CSBG reporting they have to
report enrollment and then outcomes. So if you do it in
say 2016, they're reported in the enrolled category under
1.2, whatever it is, or 6.4, whatever it is. But then the
achieved, the outcome doesn't happen until 2017, and
that's okay. They don't have to say one enrolled, one
achieved. As a matter of fact, this is one of those new
trainings that we're going to come out with is that's bad
data from you. When I'm trying to analyze my data, if I'm
only reporting the ones who achieved with that enrollment,
say I have 100 people that I put in a GED program and five
got it, versus I report five and five, those are two
different stories. This says I got 100 percent with
everybody I put through, this says I only get 20 percent
success rate. That's huge to know.

And so when they do their CSBG reporting
they're supposed to do enrolled and not report achieved until the outcome happens. And who knows, you may have people that went through their GED who dropped out, they got enrolled and then they gave up. So I might only have five and four. That's fine. They should not be the same unless it is. But I cannot tell you how many times I go through the CSBG reports and it's 100 percent, 100 percent batting average on every single thing when that's not true.

And so when you have to analyze your data, in order to decide what you need, the staff you need, the programs you need, the resources you need, and I have 100 percent achievement on everything, then I've got everything I need to run exactly what I'm doing. Well, that's not true. So I need to be able to analyze and make good decisions off of it. Bad data in, bad decisions out. So I'm just going to say to you it's okay for them to enroll you in 2016 but you not to report the unit as closed out and finished until 2017.

MR. CRUZ: Marco, TDHCA.

I get what Laura just said, but I want to ask this. I don't do Shah. I just saw this in my head. What you said was if it's in '16, you get an application, you put the person in there, blah-blah-blah. You have to enter them again in '17. Is that right?
MS. VARGAS: The way it was explained to me is in order for it to be captured, it has to be within the same program year for CSBG. But our contract, they're not necessarily January through December, we have some rollover there where we take the application one year and complete it in another year.

MR. CRUZ: Right. But all of their demographic information and everything is in 2016, you have to wait until that's closed before you can get a '17. Is that right? Is that kind of how I see it?

MS. VARGAS: Until the unit is completed can we report it.

MR. CRUZ: I don't think that has anything to do with us. What I hear is that you have to speak to Shah about this is how do I get this person migrated to this one over here without having to start all over again.

MS. SAINTEY: So you have Shah?

MR. CRUZ: I'm just seeing this as a bad data thing because if you enter them twice, then I don't know.

MS. CHRISTINE MARTINEZ: If they applied in 2016 and they do weatherization and utility assistance, everything is in Shah, we complete the home in 2017, all you have to do is just go in there and put your notice of payment and then it retracts it somehow.

MR. CRUZ: That's what I'm getting at is that I
don't want it to be in two different Excel sheet type stuff or whatever. I don't know how Shah works.

MS. FRANKE: Kelly Franke, Combined Community Action.

I thought every year we had to shut Shah down.

MS. VARGAS: This is the new one.

MS. FRANKE: We shut it down and we have to start over. I don't use the Shah, I just know what they tell me.

(General talking.)

MR. CRUZ: I don't want to start something up, but I also want you guys to be aware that having in there twice can create bad data type stuff. I'm not a Shah guy, we don't run it here, we don't have any reason to run it here. I just would like for you guys to go back and make sure that if it's in '17 that it's not done twice, it's just kind of migrated over there. I don't know. I kind of see a problem here where it's in two places and it could get reported incorrectly or whatever.

MS. GASTON: Tina Gaston, EOAC.

And I think this hits two different things. In 2016, going by this scenario, we would have that person in there and you would have how much you usage you would have in there to report for LIHEAP, at the end of the year you would close it out. So in 2017, although you put a NPI in
the 2016, in 2017 you closed it out, you cannot put an outcome in there because you don't have an enrollment.

MR. CRUZ: Correct. But my question would be would you have to redo the application in 2017 in Shah again?

MS. GASTON: In order to be able to do the LIHEAP report, you've got to have that person in there.

MS. PONCE: Laura Ponce.

My question is the other side of the coin which would be, okay, so you have 100 people enroll in 2016, you don't have enough funding, and then the next year you have a whole bunch of funding to do X, Y or Z, so all of these people carried over, and so you have 80 people that achieved but only like 20 people applied. So that's okay with the data. Correct?

MS. SAINTEY: I would think that those people carry over because they're still in the program while you're still working with them.

MR. CRUZ: You would have to re-enroll them in '17.

(General talking.)

MS. LYLA MARTINEZ: It was just like he said yes, you would have to re-enroll then in 2017. You did this application back in June of 2016, they qualified at whatever. Well, now you actually finished the house in
2017, do you have to redo their income or do you go based on 2016 income?

MS. SAINTEY: These are great questions.

(General talking and laughter.)

MS. LYLA MARTINEZ: And then on top of that, I also have another question about the enrollment. We got in trouble two years ago for having lots of enrollments and no outcomes. They told us don't do that. They pretty much told us record your enrollment when you record your outcome.

MS. SAINTEY: We'll have to have a talk internally.

MS. LYLA MARTINEZ: So we need to go back to every referral for child support, whatever we need to enter as an enrollment. Correct?

MS. SAINTEY: No. Only if that client enrolls for child support. You're going to refer like crazy, but how many of those referrals actually applied for the child support? Those that apply are enrolled. Whether they get the outcome, I don't know.

MS. LYLA MARTINEZ: So it's not based on referrals then, it's based on the number of people who actually go over there.

MS. SAINTEY: Not referrals, by enrolled. Like I can tell you to go get a GED but if you don't go to sign
up for it, you're not enrolled. Right? And you might
even sign up for it but maybe you don't even go, you sign
up and then you never show up. So I have to determine
when is that enrolled point. The enrolled point may be
when I get a report that you attended the first session.
That's your internal decisions.

Good questions. The only concern that I had
about yours, Lyla, your scenario, is if you started the
assessment, you started weatherizing the house in 2016,
you don't finish it until 2017, but when you go to get a
new application on that client they're no longer eligible.
That would be a I don't know what to do. So that's why I
made that face and said that's a good question.

(General talking and laughter.)

MS. VARGAS: This is Christy with South Plains
Community Action.

On the application being in the same program
year, like with 2017 did that go into effect with this
2017 LIHEAP? Because we're still working on 2016.

MS. SAINTEY: That's a good question. We're
talking about CEAP now. We'll do a little map since some
of you are here. So you have two things, you have
performance and you have expenditures. Right? So you
have two pots of money, you have 2016 and 2017 money that
you're using, but all the performance is under 2017. So a
client comes in, I get an application, I pay their current bill plus arrears. Their current bill is their December bill, still their most current bill; I don't care if that was 2016 December, it's still their current bill, current bill plus arrears. Then I pledge out their next six payments. So this one gets paid out of that one, maybe you have some more money, maybe bill number one and bill number two gets paid out of that one, and then when you get to that third pledge you're closed down on the 2016, you're on 2017.

The performance on that client, what you do with that client is like what you do every single year, a fresh start, it's just what money you're using. Does that make sense?

MS. VARGAS: Now, with weatherization, I'm still working on my 2016 contract and we want to weatherize a home in 2017 starting in January.

MS. SAINTEY: Same philosophy: your performance is going to be in 2017 but your expenditures are going to be on 2016.

(General talking.)

MR. CRUZ: I think your question is I've got 2016.

MS. FRANKE: What contract? Are we talking about weatherization?
MR. CRUZ: Weatherization. I've got 2016, I qualified the person in 2016, now it's 2017 today. Do I have to go and re-qualify that person because now it's 2017. Is that your question?

MS. VARGAS: Yes.

MR. CRUZ: So the answer goes back to the bad tackle. So in order to deal with the bad tackle, yes, you have to make a new application. You got them going in June, you got them going in July, they're on the list, they have qualified, they're waiting, they're waiting, they're waiting, you're ready to do their house. You need to get a new app because we have a rule.

(General talking.)

MR. ROBERTS: Kelsey with GETCAP.

It depends on which contract. If you're still using 2016, because that got extended till March. Is that correct? End of March. So if you're still using the 2016 contract, you don't have to re-qualify them even if you go to February. It's just that in the 2017 contract.

MS. FRANKE: So you would have a year from the date of your income to finish that house.

MR. CRUZ: I want to make sure everybody understands this. So you made a 2016 application in June, you're ready to spend your 2016 money in February, that application we're saying is still good, you don't have to
redo it because it's not 2017 money.

MS. SAINTEY: Well, Jenny, you answered the problem to the bad rule. 2016 contracts, 2016 rules.

MR. MOORE: It doesn't change the situation, it just means yes, our contract is extended but if I spent all of my 2016 in 2016 and I'm ready to start my 2017, I'm still in the same issue.

MR. CRUZ: So now we have another issue. So let's go to Robert's issue. You qualified the client in 2016, your money is gone, you're okay, you're 100 percent expended, you're one of those long yellow ones, you're 100 percent. Now it's February 2017. Even though I qualified the client in June of 2016, if you don't have '16 money, you have to get a new application because it's the new contract.

MR. ROBERTS: Kelsey with GETCAP.

So is that going to be going forward from here on out, every year. So we're going to be kind of like under the same thing as CEAP?

MR. CRUZ: I would say that that is one of the rules that we want to look at. I think for right now, that's how it has to be. We can always change it

MR. ROBERTS: That's fine because that's the thing with the Shah software is they have to redo it every single year, so if we're both doing the same thing.
(General talking.)

MR. CRUZ: Did I confuse anyone? Because I don't want anybody to leave saying, man, Marco just got me all wonky.

MR. TARANGO: She just said you can't put two contracts in Shah, so we're going to have to close out of our 2016. I got two extensions for 2016 money in this last year because my territory expanded a little bit, so I'll probably go to March of 2016. So I can't put my 2017 contract in the Shah until probably March or April.

MR. CRUZ: Correct.

MS. VARGAS: Christy with South Plains Community Action.

Since we still are expending the 2016 LIHEAP money, how does that affect the de-obligation schedule for the 2017 LIHEAP?

MR. CRUZ: I'm going to leave that up to Michael, but it doesn't look good.

(General laughter.)

MR. DE YOUNG: So your question is if I didn't spend my money in '16, how does that impact my not spending money in '17.

MR. TARANGO: Well, she's going to reword that for you. We got additional money for 2016.

MS. VARGAS: We got an amendment that extended
our contract.

MR. DE YOUNG: Did you get additional money or an extension?

MR. TARANGO: We got additional money with an extension. We got them both in December.

MR. DE YOUNG: And everybody in the room?

MR. TARANGO: I think you already went over this, same thing, I'm pretty sure.

MR. DE YOUNG: It impacts everybody and we're all dealing with the same equation which is we need to make every effort to expend our entire contract, whether it's DOE, whether it's LIHEAP, CSBG, CEAP, WAP, whatever it is. We've tried in the last year, and we're not perfect yet in getting money in and out the door. We still have to go sometimes to our board, especially with re-obligation of money. We're doing a better job on the front-end saying, Look, TDHCA Board, give us the authority to do CSBG throughout the year. So we get authorization and then the fourth quarter awards come in and we can pretty much get that money out.

But when we have these extra balances that are either given out -- I'll give you an example, LIHEAP sent us an award September 30 at 4:45 in the afternoon: Please make sure you obligate this award in program year '16. Which means in the next 15 minutes. It was an award of
$26,000 total to TDHCA. So at the best scenario, the
biggest agency got $5,000 -- no, $4,000. Needless to say,
we can't obligate money that quickly. We have to go to
the Board because we never knew that money was coming.

So it depends on the pot of money how quickly I
can actually get the money out. What we've done in the
last year is try and figure out how can we write Board
items to be as expansive as they can so that we can deal
with the pots of money we know are coming in. But from
time to time, the Federal Government does drop dollars on
us, or we have a re-obligation activity, someone says I
can't spend my money, will you go ahead and re-obligate it
for me. I will do my best to get those out as early as
possible, understanding that I've got to go through my
entire process with the Board if it's a new pot of money.

In that instance where you're getting money --
when did you get it, December? -- you're asking for an
extension so this is my concern is that if we grant an
extension for three months to finish out your
weatherization, I'm giving you 12 months of weatherization
in January in LIHEAP and we're going to spend three months
of it spending last year's money, so now we need a program
to spend 12 months of money in nine months so that we can
get back on track to next year having a 12-month plan with
12 months of money.
The less extensions we grant, the better. And it's not an internal issue, it's just from a programmatic spending money position it's better for me. I would much rather get to a point where you all don't need three months extensions, we need two months extensions, then hopefully one month extensions. I get the CSBG extension, you want to have some money to carry you over until we get the allocation from the Federal Government, and unfortunately, that's the one that's always the hardest to get the documentation on.

We'll do our best to take into account getting the money out quickly, but everybody is going to participate in all the money because I only have a formula to run the money through. That will impact your expenditure, and I think as an agency it would always be best not to assume that that's the only money you're going to get in your first contract. There's going to be someone who either de-obligates or says we can't spend this year for some reason. Plan for a little something but no one knows what that dollar figure is.

In a perfect world, I'd never de-obligate a dollar from anybody so I don't have to move money and create problems for other people. Because in a worst case scenario, it is problematic for me to turn around and say, well, twelve of you triggered de-ob, now I've got to ten
agencies and put money on them that they weren't planning on expending, and potentially -- and this happened all during ARRA, trust me -- putting them into a default position.

And I can't remember exactly which agency it was, but during ARRA, I took money from someone one month, made them successful, and turned around and re-obligated that same money to them the next month, like within 28 days money was removed and put back in their contract in equal amounts because the tools said to do that. That kind of scenario is not going to happen under this rule, trust me, but the desire is not to move money between agencies. That just add to someone else's plate that they've got to take care of more money.

And it's getting started on the right foot, us getting the money out to you all in a timely fashion, and then if you have the opportunity or if you're triggering getting the information to Jason and say, Jason, we've got a scenario where we could trigger, but here is our plan, this is what we're going to do, this is what's in our workflow or in our pipeline -- if you go back to the ARRA language that we were using. And giving us that plan so that we don't have to take money. We'll do what we can to get you your money faster and give as much time to deal with it.
MS. RIVERA: I am Mayra from AACOG.

But in the TAC where it says by the first period deadline, if we don't report one unit, we will receive that notification of de-obligation. That first period will be March where we are finishing LIHEAP 2016, so that means that we will be receiving anyway that letter, that notification of de-obligation? Did I explain myself?

MR. DE YOUNG: Go through it again. I want to make sure I understand it.

MS. RIVERA: The notice of de-obligation indicates that in the first period of the production reporting period of the LIHEAP 2016, we haven't reported one unit because they're still spending 2016 money, we will not be reporting any production on the 2017 contract.

Will we still receive that de-obligation notification?

MR. DE YOUNG: Yes, I believe so.

MR. MISENHEIMER: So when you do your production report and if you're putting your units out there, you only going to put how many units that you're going to be able to complete, so if you can't complete any units within that first quarter, then you would put a zero in there. But I don't know how TDHCA looks at it as far as the triggering point.

MR. DE YOUNG: Do you have folks putting in
zeroes for the first quarter?

MR. GAGNE: Yes. So it's not automatic de-
obligation. Basically we send a letter saying hey to the
administrator. And then you have to send back what's
called a mitigation action plan, and so we look at that,
we review that and say this is going to get you to meet
the full extent of the program year. So it's just going
to be correspondence back and forth, but if your plan
doesn't look like it's going to do well, that's when
de-obligation would come into play. But we say your plan
looks great, let's roll with it, we'll go from there.

MR. DE YOUNG: So the trigger is automatic in
that scenario, it's automatic that you're going to trigger
it. You file a mitigation action plan, this is what we're
going to do. If we accept that, then you don't have the
de-ob. The next quarter, the next time it's going to come
up, fifth month it's going to come up, if you've got a
unit done -- and you guys are one of the bigger ones that
you probably have to have two or three units done, it's
always going to be you have an opportunity to respond to
us. That's where you need to focus your energy on.

And again, if you're carrying over, you're
starting the problem by carrying over because you're not
going to have a reported unit in '17. Trying to get that
'16 done is huge so you can roll into '17. And for
agencies that find that going on repeatedly, we need to
address it through training and technical assistance, what
is causing this lag every year that we're not getting the
complete contract done.

And I get from time to time there are reasons
why you wouldn't be able to get a unit done or two units
done or if you're doing a multifamily complex that, oh, my
gosh, something happened, the city didn't get out to do
the inspection and we can't report it so we're having to
wait on that. That's the anomaly. What we need to look
at is if there's a systematic reason why we're not
completing our contract each year and it's causing us to
always trigger that first de-ob trigger -- not to say
you're going to lose money, but then we're having to go
into this mitigation action plan routine.

It may hit you, and those of you in bigger
cities, you probably have a more robust inspection
permitting and those can cause issues. Doug's is in a
fiscal, something that happens after him that causes some
of the issues. For Fort Worth it may be another issue --
I'm not picking on you guys; she praised you, I'm going to
pick on you -- it might be different in Fort Worth.
You're in San Antonio. Especially for you all, we may
have to talk through what it is that's impacting you and
how we may have a different reaction to Fort Worth and a
different reaction to San Antonio, AACOG, about how you deal with this rule.

MR. CRUZ: So are you worried about that letter? Ultimately, you worry that the letter is going to go to your president and he's going to say: What the hell is happening? I mean, in this case the letter is going to go to Bobby, but I think they just need to be aware of this letter is coming and let me tell you why. Because I get it, board members, all the other people, they see this letter and they're going: Guys, what's going on, we're paying you to do this and it's not happening.

But yeah, I think we have to stick to our guns by giving you the letter. Whether something actually happens, there's a process behind it that we don't know what it is until we start getting documentation, and I think that's what you have to explain to you board members and your executive director ahead of time.

MS. GIBSON: Are those letters going to go to congressmen?

MR. DE YOUNG: No.

MS. GIBSON: They did in ARRA.

MR. DE YOUNG: Everything went to the congressman in ARRA.

MR. CRUZ: Well, they were taking credit for your work.
MS. SAINTEY: And the bottom line is that you get several letters and opportunities to respond, and the only thing that eventually triggers that we de-obligate is that you kept saying that you were going to do things that you never did and you didn't do your plan at all. Like you have all these opportunities to revise your plan and to let us know what you're doing and what's happening, which that's the point of it, to communicate, and it's only when you don't follow through on any of that that it would actually trigger the potential action of de-obligation. So this is just like notifications to keep us all on track, not so much to cut you off.

MR. TARANGO: Henry with South Plains Community Action.

This is actually part of the TAC rules, correct, the percentages?

MS. SAINTEY: Yes.

MR. TARANGO: I would like to revisit these percentages due to the fact that at the beginning of the contract year we do have a lot of closing out programs, we do have expenditures, carryovers from the previous month, we do have having to take new applications due to the new TAC rules, so that's going to hinder us. And I would like to revisit the percentages in the TAC rules. I don't want to set anybody up for failure. I mean, it's pretty
serious.

MS. PONCE: And I guess if we're going to revisit that -- Laura Ponce from Project BRAVO -- can we have some sort of visual about what your timeline is and how our timeline fits into it? So in other words, what's the latest you can de-obligate funds and give them to another agency and what really is your cutoff date for certain contracts, where if you delay certain things how it affects everything down the road.

MR. DE YOUNG: Henry, on the percentages, have you looked at these percentages and which one?

MR. TARANGO: Well, I think some of the carryovers, and I guess part of it we're going to have to really spend that money of carryovers from 2016. I don't know, I just don't want to have something in place that's really going to set us for failure. I do understand that we do need to spend the monies, I'm really for that, but I think somewhere down the line maybe after the fifth or sixth month is where most of the expenditures -- I don't know if you can look at your reports -- most of the expenditures really happen somewhere in September, August or September. You can probably look back at data and look at the expenditures for January, February, March, I'll bet it's very, very limited. I don't know, I think we need to revisit those.
MR. GAGNE: Is that for LIHEAP?

MR. TARANGO: For LIHEAP.

MR. DE YOUNG: As I read the rule, and this is just my reading of the rule, at 40 percent of the contract you're in the fifth reporting month, fifth reporting deadline, 20 percent of the awarded funds have been expended. To make that any more flexible, you're now talking going to say the sixth month and you're saying, okay, we're in the sixth month but you've only expended 20 percent -- I'm just changing one factor in this formula -- I think all of a sudden we're looking at we're setting you up for failure because we're allowing you to go so long without performing that you're going to say, well, now I've got carryover into the next year.

And so we're trying to write a rule that gets enough action so that we can for the most part see that progression to the end of the contract, and it does accelerate. The idea was grant them a longer window up front -- I think originally at the fourth month, I think we went to the fifth month in one of the rewrites -- to say give them some time to get that unit in production, the first unit, and then start to report expenditures. And then we go to the seventh month you're at 50 percent.

I'm willing to listen to how we could tweak the rule, but I also want to be careful not to turn around and
create a scenario where we're told you allowed us to go a long time without production and now we're having carryover funds. The goal is to not carry over funds, hopefully, and see as much production as we can, realize it during that contract year so that the subsequent year isn't impacted by the previous year.

MR. CRUZ: Marco from TDHCA.

I'd like to add to what Michael is saying, Henry. And again, it would be nice to actually have some numbers to take a look at this, but the later we get it -- and I'm not picking on you but since you brought it up -- the later we get it from you, that means it's the later we give it to someone else, and the day that we give it to someone else, then that person is going to have carryover because we gave it to them late. So I don't know what's the right month, but getting the money later from you means someone else gets it later with a smaller window of time to get it expended, which means they have carryover, and then the cycle just goes on and on and on and on. So it's the seesaw thing: if I give it to you, we caused a problem for someone else with very little time.

Laura mentioned the timeline for us. We have to go through the contract action of taking your money away, then go through the contract action of giving it to someone else, and if it's a county or a city, who knows
when that's going to happen because they're going to have commissioners court or council. Do you see what I'm saying? I don't know what's the best scenario, but the worst scenario is that we have to take money away from you because that triggers a whole bunch of problems for a lot of people.

MR. GAGNE: And the answer to Laura's question from earlier, I found out it was in program year '14 we left a little over a million, and then last year it was a little over $700,000. So we made a bit of headway in program year '15, but I will say with the way things are going, we're on a pretty good track to do much better in '16 since now we can't carryover anymore.

MR. TARANGO: Does anybody have any other input, agencies?

(No response.)

MR. TARANGO: If not, then we'll continue with what the TAC rules state and I think we need to revisit.

MR. MISENHEIMER: Doug with Travis County.

Everybody has that issue. It's kind of related to what I was bringing up before where you have all these guys with certain things on completion and then there's a cutoff where you can't report anything else and you've got to turn in what you've got if it's completed, but if it's midway through that process, you've already paid a
contractor to put in an HVAC system, they invoice it in December, but that job is not completed. My understanding is you can't report it as complete, so you've got dollars tied to that job. My whole thing is that if there's a continuation of a job, you don't report that job until it's done and it gets reported in that contract period, you should be able to capture that cost even if it's an invoice in December. Otherwise, you've got to tell the contractor: Don't bill me till January.

But when you've got multiple, multiple jobs in the queue, you're at any particular point of completion, you just don't have everything completed on the 31st, everything is done. You've got other jobs that you've got going on to carry you to the next year so that you're not far behind and not report until July or August. And so I don't know if I'm interpreting the rule wrong, or if that rule can be kind of changed or relaxed for that carryover of jobs and completions so that February I can report that job because it's in this queue, whereas having to wait and start January 1 from scratch and then I can't report it till June or July. That's really kind of tied to what I was referring to.

MS. GIBSON: Michael, I think that from what I've heard that you're going to have the leeway, you know, I can plead my case to you and you are going to have the
ability to say okay or no, but you will not me know this is not acceptable, whatever. I mean, I'm comfortable with that process. I mean, you know we have some situations that we're just trying to work through, and I feel that you have been responsive to our requests for more time or whatever. Even though we're one that's not where we should be right now, I feel like it's working and we can continue to work with it, as long as TDHCA continues to listen on a case-by-case basis.

MR. DE YOUNG: And that brings it probably to a pretty good wrap-up to say a lot of this is about communication. If you've got an issue at the local level that's impacting you, letting us know what's going on, what are you doing to resolve it, and then us being aware and listening to that and talking it through to say: Hey, technically they did trigger, here's their plan, this is why we are or aren't moving forward.

Understand no one at TDHCA wants to take money from WTO and move it to another entity. Those funds go to WTO for WTO's clients, just like they go to CC South Central for their clients. I don't want to ever have to get up in front of the Board and say: I'm moving money because XYZ didn't occur. I would much rather have that money stay there. And if it's a training issue, we get folks out there to train you; if it's a timing issue, we
figure out what that timing issue is and we somehow account for that in the paperwork either through the emails or in a conversation. So I can go to Brooke and Patricia and Earnest and I, we usually have a discussion before that ever occurs to say we agree this does or does not equate to a de-ob.

I feel like -- pulling in what Jason said -- I feel like we're on the road, we're on the right path; this is getting worse folks, it's not, it's getting better. I hope this rule never comes into play. It's okay if we see yellow in that first reporting column. As it goes along, I'd like to see less yellow, I get less heartburn, but I understand that things are going to happen. And I understand that Doug's situation is not something Doug can change, that's just going to be that's Travis County.

Can we try and figure out a better way to make it work? Yeah, we'll try. But you communicating to us where you are in the process, what problems you're having or what issues are presenting themselves, and us trying to put our head around it to how can we help you around that issue. Because no one wants to be moving dollars amongst agencies. And I say this at the federal level oftentimes: I put money where it's supposed to go because the poverty is there, poverty drives these figures. We need the dollars spent where the poverty is. ARRA was not fun to
move money, 46 different spreadsheets during the life of
the ARRA grant in order to move all these funds.

MS. GIBSON: I think that's where everybody
gets a little uptight is from the ARRA deal in the fact
that we were getting de-obligated before we even got
obligated.

(General laughter.)

MR. DE YOUNG: And I will tell you that the
rule, we pulled the ARRA rule out and said let's start
there. And the first cut everybody was like holy cow,
wow, this is regimented. And we tried to pull some of
that back. The mitigation action plan is a remnant of
that. I work for the state, I think it's a pretty good
compromise at this point. If it doesn't work, let's get
feedback and I'm willing to go back to Brooke and to
Patricia and say it could work better this way, if I have
the feedback, if I have the information.

Let's walk through this over the next year.
We've got LIHEAP money now and DOE. We're going to start
DOE July 1, right away hopefully if we get money out of
the Federal Government this year. That being said, we
don't even know where we're headed in the next three weeks
right now.

So all this is going to play into let's
everybody look at it, let's take into account what's going
on at your agency, how it's impacting you, and if you've
got feedback, don't hold onto it, give it to Marco, give
it to Laura, give it to the monitor, especially in WAP.
Chad, Rosy and Kevin, the hours they have spent in the
last year working on WAP to make it work at the local
level is huge. This rewrite of the best practices, you're
talking hundreds of hours that they put into this, and
culled from visits to all agencies where they were making
notes all the way through, and then at the end they said,
okay, now let's fix it.

So I hope all that boils together so that yes,
you may trigger, it might be South Plains could trigger,
that's okay. Tell us why you triggered, tell us what
you're going to do to fix it, and then in two months we'll
revisit it and hopefully it won't be an issue. So don't
worry that bam, right away you're going to get that and
you're losing money. That's not what this is designed to
do. This is you're at risk of losing money, let's talk
about how that's not going to happen. And our
predisposition is we don't want that to happen, let's get
a plan that works.

And just keep us informed. We understand staff
turnover, we understand natural disasters. A flood is
certainly going to impact you. It's not because the house
got wet for three days, it's your attention is elsewhere
and your eyes are off the ball for a little while, and
that's fine, we'll get back to weatherization as soon as
you can. But we need to know that. Hey, Michael, just so
you know, we had a flood and I had to take all my
weatherization staff and we were doing emergency repairs
under HBG, or whatever it is. Let us know and we'll take
that into account and we'll take that forward.

MS. SAINTEY: Put a fork in you, it's done, or
you've still got more? Going once, going twice. Okay,
three o'clock, we're done.

So we do have a February 10 scheduled as a
follow up if you think that we need it. Are there some
things you want to discuss at February 10 or do you think
that should be done via some other venue? What do you
want to do?

(General talking and laughter.)

MS. SAINTEY: I think your spreadsheet idea is
a really good one, kind of showing timelines.

MR. DE YOUNG: We can get that.

MS. RODRIGUEZ: This is Stella. I think we
should have the February meeting because we do have some
followup issues, health and safety, the rule.

MS. SAINTEY: Okay. We'll get an agenda out
for the February meeting.

Have a safe trip back, folks.
MR. REID: Thank you for coming and sharing your ideas.

(Whereupon, at 3:00 p.m., the session was concluded.)
CERTIFICATE

IN RE:          WAP Workgroup #1
LOCATION:       Austin, Texas
DATE:           January 19, 2017

I do hereby certify that the foregoing pages, numbers 1 through 76, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Housing and Community Affairs.

/s/ Nancy H. King 01/25/2017
(Transcriber)         (Date)

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