RECOVERY ACT

Progress and Challenges in Spending Weatherization Funds

What GAO Found

As of September 2011, the 58 state-level grant recipients were awarded approximately $4.75 billion from DOE to implement the Weatherization Assistance Program under the Recovery Act and reported spending about $3.46 billion (about 73 percent). DOE expects to meet or exceed its production target of 607,000 homes and spend most of the act’s funds because some recipients have been able to exceed their production targets because of a lower average cost of weatherizing homes and lower training and technical assistance expenses than anticipated. In response to GAO’s prior recommendation that DOE clarify production targets and funding deadlines, among other things, DOE officials provided documentation showing actions taken concerning targets but failed to provide clarification of the consequences for not meeting the targets.

Most recipients reported experiencing more implementation challenges in the first year of the Recovery Act than in the third year. Initial challenges included implementing new wage and reporting requirements and balancing training and technical assistance requirements with production targets. In the absence of a spending deadline for the weatherization grant program, DOE established a deadline of March 31, 2012, for recipients to complete spending Recovery Act weatherization funds. Recipients reported concerns with completing final Recovery Act requirements by DOE’s deadline, and continuing to support weatherizing efforts after the deadline. Officials from state and local agencies reported seeking alternative sources of funding to mitigate the loss of federal funds. DOE weatherization officials said they requested a 2-year extension from the Secretary of Energy to allow some recipients, on a case-by-case basis, to spend any remaining Recovery Act funds after March 2012. However as of November 2011, it had not been determined if an extension would be available for recipients. In the interim, the Office of Management and Budget released a September 2011 memorandum stating that Recovery Act funds should be spent by September 2013.

A long-term Weatherization Assistance Program goal is to increase energy efficiency through cost-effective weatherization work. March 2010 estimates from an Oak Ridge National Laboratory study project that energy savings will likely exceed the program’s costs, so that every $1 spent on the weatherization program for 2009 through 2011 would result in almost $2 in energy savings over the useful life of the investment; the laboratory plans to issue more definitive estimates in 2013. In response to GAO’s prior recommendation that DOE revisit methodologies used to determine the most cost-effective work, DOE officials stated that the results of this 2013 study will be used to strengthen current protocols for determining the most cost-effective weatherization work.

According to GAO’s analysis, the quality of FTE data reported by recipients to FederalReporting.gov has improved over time. DOE performs quality assurance steps on the data that recipients provide to FederalReporting.gov, and DOE officials reported that data quality continues to improve. According to Recovery.gov, the Recovery Act funded approximately 14,090 FTEs for the quarter ending September 30, 2011. FTEs are declining since the quarter ending December 2010 as weatherization work is completed.