



January 30, 2012

Randall J. Meyer, Inspector General
State of Ohio Office of the Inspector General
30 East Broad Street, Suite 2940
Columbus, Ohio 43215

Re: IG File ID No. 2010-108

Dear Mr. Meyer:

The Ohio Department of Development (ODOD) received your report regarding the Home Weatherization Assistance Program/American Recovery and Reinvestment Act of 2009 (ARRA) Grant and appreciates having the opportunity to respond. The objective of your investigation was "to determine whether the Ohio Department of Development (ODOD) Home Weatherization Assistance Program (HWAP) was complying with specific monitoring requirements dictated by the terms governing a \$266 million grant made available to Ohio through the Federal American Recovery and Reinvestment Act of 2009 as administered by the United States Department of Energy (USDOE)." Page 21, IG Report 2010-108. The report of your investigation concluded that ODOD failed to comply with portions of its own State Plan as well as USDOE policies and guidance in the conduct of administrative and technical monitoring of the HWAP program.

In your report you made 12 recommendations. This letter briefly describes our response to each recommendation, and our responses are fully described in the attached document.

Technical Monitoring of Weatherized Housing Units (#1-4)

- 1. Develop a standard methodology to calculate the number of weatherized housing units requiring inspection to meet the 5 percent threshold, as defined by the US Department of Energy.**

ODOD agrees that it needs to develop and implement a standard methodology of calculating the number of units requiring inspection in order to meet the 5 percent threshold. The implementation of this methodology was updated in the Montrak computer system on December 23, 2011 and the communication of the need to use the numbers generated by this update to the Development Technical and Administrative Monitoring HWAP program staff was communicated to all HWAP staff on December 23, 2011. This formula and new processes to adhere to it are now implemented.

- 2. Define what constitutes an acceptable "pass" rate for weatherized housing units for the sub-grantees.**

ODOD agrees that it needs to re-define the term "pass" in the context of weatherized housing units. ODOD expects to have staff trained and implementation of the new pass rate system in place by March 31, 2012.

- 3. Develop and implement procedures to ensure the number of weatherized housing units or frequency of inspections are increased if a sub-grantee's pass rate falls below the established acceptable rate.**

ODOD agrees that it needs to develop and implement procedures to ensure the number of weatherized units or frequency of inspections are increased if a sub-grantee's pass rate falls below the established acceptable rate of 60%. ODOD will have fully implemented this procedure by March 31, 2012.

- 4. Require that OCA technical monitors select the weatherized housing units for inspection and make arrangements with the property owners or occupants to conduct inspections. Sub-grantees should be notified of the date of the inspection but not of the housing units to be inspected.**

ODOD agrees that the process used by OCA (Office of Community Assistance) technical field monitors to select and arrange for the inspection of the completed weatherized housing units should involve minimal notice to the sub-grantee or delegate which preserves random selection and discourages interference. The Home Weatherization Assistance Program Procedures for Selection of Completed Jobs for On-site Inspection will be implemented by March 31, 2012.

Administrative Monitoring (#5-6)

- 5. Develop a plan to ensure OCA is conducting monitoring on 5 percent of completed units files as defined by the Ohio Department of Development State plan.**

ODOD has established a plan to ensure OCA is conducting administrative monitoring of at least 5 percent of the completed units as calculated by ODOD's protocol outlined in Recommendation Response #1. That plan, as the one in Recommendation Response #4, is already being executed.

- 6. Require that OCA administrative monitors select the files for review. Sub-grantees should be notified of the date of the visit, but not of the specific files to be reviewed prior to ODOD arrival.**

ODOD agrees that the OCA administrative field monitors must have sole discretion and knowledge of the sub-grantee files which are selected for review onsite at the sub-grantee or delegate's office. This procedure has been implemented as of December 23, 2011.

Telephone Satisfaction Surveys and HWAP Complaints (#7-8)

- 7. Develop a plan for OCA to conduct telephone satisfaction surveys for a random sample of weatherized housing unit occupants. Results of the surveys should be stored in a central system for analysis and reporting by ODOD management.**

ODOD is establishing a plan which will be put into place by March 31, 2012 to conduct telephone satisfaction surveys for a random sample of weatherized housing unit occupants from all HWAP service areas in Ohio as referenced in the State Plan. The temporary staff to be used is already working for OCA and the surveys are to be completed by September 30, 2012.

- 8. Create an internal system to track complaints by type and sub-grantee. Monthly reports should be generated for analysis to identify trends or problems in a particular region and to track the status of the complaints. Management should ensure complaints are resolved in a timely manner.**

ODOD agrees that an internal tracking system for HWAP complaints by type and sub-grantee should be in place. OCA HWAP will utilize the existing Business Response Line (BRL) system at ODOD to track HWAP complaints by type and sub-grantee/delegate. This new system will be fully functional by March 31, 2012.

Quarterly Reviews (#9)

- 9. Create a formal process for quarterly reviews with documented results. This process should be different than the one used by ODOD internal audit section and should focus on production, spending, value and quality control issues.**

ODOD agrees that a more formal process for quarterly reviews of sub-grantees focusing on production, costs, value and quality control issues would assist both ODOD and the sub-grantee in detecting and addressing problem areas in a timely fashion. The new quarterly system will be fully implemented in first quarter of 2012.

Records Request (#10)

- 10. Review the grant agreement and grant guidance regarding access to records by federal agencies with OCA staff and legal department.**

In light of the confidential personal information now particularly shielded under Ohio law pursuant to ORC 1347, ODOD is and was mindful of its compliance with statutory restrictions. ODOD recognizes that it is also appropriate to review grant agreements and Federal grant guidance when addressing requests for records by Federal agencies.

Advance Funds

- 11. Include monthly fiscal reports in the internal system used by OCA to track production figures. These reports should be reviewed by management on a regular basis.**

ODOD agrees that management's knowledge of the HWAP program would increase by reviewing monthly fiscal reports from SharePoint, the internal system used by OCA to track production. That system is where both OCA Data Control Technician and the HWAP Section Supervisor-Fiscal both input their data and is verified by the HWAP Manager. (See process outlined in Recommendation Response #1). OCA is having ODOD IT add the fiscal report that

currently tracks advance funds in SharePoint by February 29, 2012 so that the HWAP Manager can constantly review this running production figure and report monthly, and be held accountable to the Assistant Deputy Chief and Deputy Chief of OCA.

Quality vs. Quantity

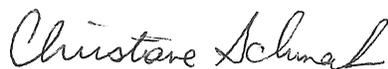
12. Ensure that the importance of quality of work issues have been addressed when determining future funding for sub-grantees.

ODOD agrees that quality of work is of vital importance. Quality of work issues, including health and safety guidelines, have already been included in the past in previous State Plans, and will be included in the future determination of funding for sub-grantees and delegates. William Murdock, the Chief, Community Services Division, will send the attached memorandum to all HWAP staff on January 31, 2012 emphasizing the importance of quality in the Home Weatherization process.

As noted in the letter to your office from ODOD Chief Legal Counsel dated January 11, 2012, we are aware that your office was not provided with the ARRA Manual of Administrative Processes. As you will see, the procedures in the manual addressed many of your recommendations. As noted in your report, however, ODOD failed to fully comply with its state plan and governing procedures. We have worked hard in formalizing who is responsible for the implementation and oversight of these procedures.

As noted in your report, your office found reasonable cause to believe acts of wrongdoing or omissions occurred. While we agree that staff did not always follow the terms of the state plan and governing procedures, we hope our response will reflect the action ODOD has taken to improve the accountability and performance of our staff in order to ensure both the high quality and sufficient production of weatherized housing units for Ohioans will continue to occur in accordance with the governing state plan and Federal guidelines.

Sincerely,



Christiane Schmenk
Director

Attachment

CC: Diane Lease
William Murdock

The report contained 12 recommendations and the following responds to each of the specific recommendations in the order they were outlined and in the same format:

Technical Monitoring of Weatherized Housing Units (#1-4)

- 1. Develop a standard methodology to calculate the number of weatherized housing units requiring inspection to meet the 5 percent threshold, as defined by the US Department of Energy.**

For purposes of implementing the recommendation, ODOD is and will rely upon the guidance outlined in Weatherization Program Notice (WPN) 10-9, effective January 15, 2010 (DOD Ex. 1, WPN 10-9), which amends Weatherization Program Notice 09-1B (OIG Report 2010-108, Exhibit 1), and which states: "The comprehensive monitoring must include review of client files and sub grantees' records, as well as an inspection of *at least 5 percent of each sub grantee's DOE-funded completed units.*" (DOD Ex. 1, WPN 10-9, Pg. 2).

Following the guidance in the same notice, DOD will continue to calculate the 5% of each sub grantee's DOE-funded completed units on a continual annual basis, as the same notice also states: "The Grantee must conduct comprehensive monitoring of each sub grantee at least once a year." (DOD Ex. 1, WPN 10-9, Pg. 2). The use of standard calculations of this number among and between technical and administrative field monitors in compliance with the US DOE guidance is vital to the consistency and integrity of the technical monitoring process. To assist in your review of our response, we have separately outlined how this calculation is verified as well as the process of inputting of receiving and verifying Sub-grantee/Delegate Information.

Montrak and Developing Standard 5% Calculation

The HWAP program year runs from April 1 through March 31 of the following calendar year. Therefore, Sub grantees and delegates are entered into an Excel spreadsheet-based system called Montrak each April by the HWAP Manager which tracks information for that HWAP year-to-date. It should be noted that the database used for HWAP is slated to be upgraded into the Ohio Community and Energy Assistance Network (OCEAN) in use by all other ODOD financial assistance programs within the Office of Community Assistance (OCA) within the current fiscal year. At that time the input and accurateness of the sub grantee and delegate information, as well as the inclusion of the proper formula to calculate 5% of a sub grantee's or delegate's completed units, will still be the responsibility of the HWAP Manager.

Information tracked for each sub grantee and delegate on Montrak includes all of the following:

1. Name and number of Sub Grantee/Delegate;
2. Staff Person entering information;
3. Type of Visit, Date of Visit;
4. Agency Units Completed YTD;
5. Calculation of 5% of the Units Completed YTD;
6. Number of Units Actually Inspected by State Technical Monitor during HWAP YTD;

7. Corresponding Percentage of State Technical Monitoring, Number of Files Actually Inspected by State Administrative Monitor during HWAP YTD; and
8. Corresponding Percentage of State Administrative Monitoring YTD.

(DOD Ex. 2, Monitoring Visit Log).

The 5% of units to be technically monitored, or the number represented in cell 6 (sixth column from the left) is calculated based on the total sum of the number entered into cell five, or the fifth column from the left, multiplied by .05. (DOD Ex. 2) For example, the first sub grantee represented on DOD Exhibit 2 is Ashtabula, and its YTD 5% is calculated by multiplying 271 by .05 to equal 13.55. It is important to note that from the implementation date of this process December 23, 2012 the sixth column will be rounded up to the next whole number for purposes of determining the YTD 5%.

Montrak and the Monitoring Process

There is and will continue to be an updated monthly process for inputting and tracking data collected from each sub grantee and delegate. Pursuant to Exhibit II, Paragraph 2, of the Home Weatherization Grant Agreement (HWGA), each sub grantee or delegate is to have its previous month's production data input into a production website called the OCA reporting system which can be found at http://development.ohio.gov/HWAPData_ARRA/ hosted by ODOD/OCA and from there the sub grantee or delegate prints a production data report and mails it to the Data Control Technician, in the Office of Community Assistance (OCA). (DOD Exhibit 3, Home Weatherization Assistance Program Grant Agreement, Exhibit II, Para. 2)

In addition, the sub grantees/delegates are also required to mail OCA the original Building Weatherization Reports (BWR) generated by their staff for each unit. Pursuant to Exhibit II, Paragraph 2 of the HWGA with each sub-grantee and delegate, production data is due to the OCA by the 10th calendar day of each month for the previous month's production. (DOD Exhibit 3, Home Weatherization Assistance Program Grant Agreement, Exhibit II, Para. 2)

OCA's Data Control Technician receives the hard copies of the BWRs as well as the mailed copy of the production data report for each sub grantee/delegate. Then, the OCA Data Control Technician reconciles the information received in both formats and if there is a discrepancy or problem he/she contacts the sub grantee/delegate to determine the correct data. He/she then validates the online production data with the production data report mailed in by the sub grantee/delegate. Once corrected and/or discrepancies in data have been reconciled, production data is entered into the Ohio Administrative Tracking System (OATS) by the OCA Data Control Technician. The information that comes into OCA from OATS may be manipulated into various reports that can be printed through SharePoint by HWAP management. The OCA Data Control Technician will then email the HWAP Manager by the 15th of each month to confirm monthly production data is entered for all sub grantees and delegates for the month.

Finally, the HWAP Manager runs production data report from SharePoint and verifies the accuracy of all data with OCA Data Control Technician manually. By the 20th of each month, the HWAP Manager confirms the data to the Assistant Deputy Chief, Deputy Chief, and Assistant Chief of Community Services Division (CSD). If this data is not confirmed by that date, then the Assistant Deputy Chief and the Deputy Chief immediately contact the HWAP

Manager to confirm the data. If this data is unconfirmed beyond the end of the month, the HWAP Manager will be subject to disciplinary action through Human Resources.

Standard Methodology and Technical Monitoring

When 5%, as calculated by Montrak, as confirmed by the HWAP Manager, of the sub grantees and delegates production is equal to at least 3 completed units, a visit to the sub grantee and/or delegate will be scheduled by the Technical Field Monitor assigned to that sub grantee.

Because each sub grantee's and/or delegate's service territory varies in size from one county to multiple counties and from metropolitan to rural areas, the calculation of 5% will equal 3 completed units per month for some and three completed units per three months or longer for others. As provided for in DOE guidance WPN 10-9, a sub grantee or delegate must be visited at least once each year by a Technical Field Monitor to complete the required technical monitoring of at least 5% of all completed units. (DOE Ex. 1, WPN 10-9).

Technical Monitoring Guidelines

To promote consistency and clarity on the number of units to be monitored each day of a monitoring visit by an HWAP Technical Field Monitor, OCA has developed the following Technical Monitoring Guidelines:

- Technical Monitors shall inspect at least 3 units per day when monitoring single family homes, mobile homes and standalone 2-4 unit buildings.
- Technical Monitors shall inspect every unit in a scattered site multi-family complex that has:
 - 5-25 units in one day
 - 26-50 units in two consecutive days
 - 51-75 units in three consecutive days
 - 76-100 units in four consecutive days
 - 101-125 units in five consecutive days
- Technical Monitors shall inspect every unit in a multi-family building that has 5-50 units under one roof in one day.
- Technical Monitors shall inspect every unit in a multi-family building that has 51-100 units under one roof in two consecutive days.
- Technical Monitors shall inspect every unit in a multi-family building that has 101-150 units under one roof in three consecutive days.
- Technical Monitors shall inspect every unit in a multi-family building that has 151-200 units under one roof in four consecutive days.
- Technical Monitors shall inspect every unit in a multi-family building that has 201-250 units under one roof in five consecutive days.

OCA is working with Human Resources on updating and approving the reference of these and other standards referenced in this report into the Technical Field Monitor position description to insure accountability.

Standard Methodology and Administrative Monitoring

When 5%, as calculated by Montrak and confirmed by the HWAP Manager, of the sub grantees and delegates' production is equal to 10 completed units, a visit to the sub grantee and/or delegate shall be scheduled by the Administrative Field Monitor assigned to that sub-grantee for review of the files corresponding to those completed units. Administrative field monitors shall schedule a visit to each sub-grantee assigned to them at least once each program year and review at least 5% of client files. Administrative field monitors shall review at least 10 files per day of a visit. If 5% of a sub-grantees completed unit files is more than 10 files, the administrative field monitors can schedule consecutive multi-day visits requiring an overnight, make additional visits as necessary or request that the technical monitors bring sub-grantee files back from their visits for desktop file review by the administrative field monitor. As a new guideline, Administrative field monitors now understand that they are expected to be able to review 10 files per day.

2. Define what constitutes an acceptable “pass” rate for weatherized housing units for the sub-grantees.

ODOD agrees that it needs to re-define the term “pass” in the context of weatherized housing units. DOD expects to have staff trained and implementation of the new pass rate system in place by March 31, 2012.

ODOD has determined that an acceptable pass rate for completed weatherized housing units during a site inspection visit for sub grantees and delegates will be 60% of all units monitored by OCA during an OCA site inspection visit. This will be represented by the Site Visit Inspection Summary Report (DOD Exhibit 4) which is a compilation of all HWAP Site Visit Inspection Reports (DOE Exhibit 5) completed for each unit that is inspected by OCA during a particular site visit.

For example, when a Technical Field Monitor schedules a visit for inspection of completed units, he/she will take with him a blank Site Visit Inspection Report, and the Site Visit Assessment Summary Guide (DOD Exhibit 6). The Site Visit Inspection Report template was created pursuant to DOE HWAP Guidance and is based off a similar Report template used during HWAP Program funding periods prior to the start of ARRA. The Site Visit Assessment Summary Guide was recently updated to categorize and include various health and safety provisions in addition to categorizing Findings into Major, Moderate and Minor, as described in the Summary Guide. (See DOD Ex. 6). As set forth in the Summary Guide, a unit will fail a technical inspection if it has a Major finding or a combination of five or more Moderate/Minor findings. (DOD Ex. 6, pg 2.)

The Site Visit Inspection Summary Report was developed from US DOE guidance including Weatherization Program Notice 12-5 issued by the US Department of Energy on December 1, 2011, where the USDOE described its Quality Assurance Program and designates “significant deficiencies” to include “health and safety violations, poor quality installation of materials, major measures missed.” (DOD Exhibit 7, WPN 12-5, pgs. 3-5).

3. Develop and implement procedures to ensure the number of weatherized housing units or frequency of inspections are increased if a sub-grantee's pass rate falls below the established acceptable rate.

ODOD agrees that it needs to develop and implement procedures to ensure the number of weatherized units or frequency of inspections are increased if a sub-grantee's pass rate falls below the established acceptable rate of 60%. ODOD will have fully implemented this procedure by March 31, 2012.

Based on the Site Visit Inspection Summary reports, as described in Recommendation Response No. 2, any sub grantee or delegate falling below the pass rate of 60% at any time during the Program year, will receive increased technical monitoring of at least 7% of its completed units for the next two consecutive quarters. This increased technical monitoring will continue until such time as the sub grantee reaches a pass rate of 60%. During the period in which the sub grantee or delegate pass rate is below 60%, OCA will work with that sub grantee or delegate with Training and Technical Assistance (T/TA) measures to address the problematic areas causing the low passage rate.

Weatherization Program Notice 12-5 issued by the US Department of Energy on December 1, 2011, stated that when "significant deficiencies" are discovered by the Grantee, such as referenced above in the Recommendation Response to #2, "The Grantee is also expected to increase both the number of units reviewed and the frequency of monitoring visits to the Sub grantee until it can be assured that all deficiencies are resolved." (DOD Ex. 7, WPN 12-5, pg. 5).

4. **Require that OCA technical monitors select the weatherized housing units for inspection and make arrangements with the property owners or occupants to conduct inspections. Sub-grantees should be notified of the date of the inspection but not of the housing units to be inspected.**

ODOD agrees that the process used by OCA technical monitors to select and arrange for the inspection of the completed weatherized housing units should involve minimal notice to the sub-grantee or delegate. The Home Weatherization Assistance Program Procedures for Selection of Completed Jobs for On-site Inspection will be implemented by March 31, 2012.

Pursuant to the Home Weatherization Assistance Program Procedures for Selection of Completed Jobs for On-Site Inspection and File Review (DOD, Exhibit 8), the technical field monitor will select the housing units for inspection and the sub grantee will only have two days' notice of the date of the inspection in addition to facing penalties pursuant to the grant agreement for any interference or intervention of any kind with the technical monitoring inspections. The new contractual language has already been inserted in the most recent Temporary Provider Agreement and will be included in the agreements for the next Program years and in State Plans.

ODOD made several attempts to implement this recommendation as stated above in December, 2011 and January 2012, in two service areas. However, ODOD's success percentage rate in arranging for and completing on-site inspection ranged between 0% and 17%. The low success rate was attributed to several factors such as the occupant's lack of familiarity with the technical monitoring staff making the phone calls to disconnection of phone lines. The low success rates combined with the inordinate amounts of staff time invested prompted OCA to modify the procedure.

The modification is including a limited notice period to sub grantee/delegates. Thus, when technical field monitoring staff is scheduling on-site inspections, sub grantees and delegates will be informed only two days prior to the dates of the visits and will have two days to contact and schedule the visits. Also, an addition will be made to future grant agreements with sub grantees and delegates that if they at all interfere with or enter upon the premises of any housing unit scheduled for inspection that all of the scheduled inspections will be cancelled, and that sub grantee or delegate will be deemed to have failed the entire technical monitoring visit. In other words, that sub grantee or delegate pass rate will be 0% for that visit and it will be immediately subject to increased technical and administrative monitoring as described below.

Technical Field Monitors will be responsible for updating Montrak, or whatever tracking system is in place, within five days of their last visit. This task will be described in the Technical Monitor Field Monitor updated position description currently being updated through DOD Human Resources Office. The HWAP manager is responsible for ensuring the tracking system is updated.

The below plan has been and is being executed by HWAP Technical Field Monitors and HWAP management:

HWAP Technical Monitoring Plan

To ensure that every monitor will hit the 5% minimum technical monitoring requirements, all technical field monitors in HWAP will be following these steps:

Step 1: Each Technical Field Monitor will check his/her numbers in Montrak (MTKYEAR3ARRA) and create a plan to catch up on any agencies where monitoring is not hitting 5%. The numbers in Montrak are for April 1 - Nov. 30, 2011.

Milestone: Present this plan to his/her Section Supervisor Weatherization and HWAP Manager no later than December 31, 2011.

Step 2: HWAP Manager will provide Technical Field Monitors with the numbers and a spreadsheet to help benchmark where each is and where each needs to be for December 31, 2011, January 31, February 29 and March 31, 2012. Technical Field Monitors will call assigned sub grantee or delegate agencies to get the anticipated production for each month between now and March 31, 2012. Update spreadsheets with these numbers, so visits can be planned accordingly.

Milestone: Confirm to Section Supervisor Weatherization and HWAP Manager that all information has been collected by December 31, 2011. Once confirmed, Section Supervisor Weatherization will share information with the Assistant Deputy Chief, Deputy Chief, Assistant Chief of Community Services Division (CSD), and the Chief of CSD by January 6th, 2012.

Step 3: Create a plan to meet the 5% monitoring requirement and get administrative monitoring visits scheduled with the agencies. This schedule should cover all months between now and March 31, 2012.

Milestone: Submit this schedule and plan to Section Supervisor Weatherization and HWAP Manager for their review by January 6, 2012. Once confirmed, Section Supervisor Weatherization will share information with the Assistant Deputy Chief, Deputy Chief, Assistant Chief of Community Services Division (CSD), and the Chief of CSD by January 12th, 2012.

Step 4: Section Supervisor Weatherization and HWAP Manager will review plans and schedules individually. Any needed refinements to the plan/schedule will be made to ensure that the 5% minimum targets are met or exceeded.

Milestone: Plans/schedules reviewed, revised and approved by administrative monitor and Section Supervisor Weatherization and HWAP Manager by January 12, 2012. Once confirmed, Section Supervisor Weatherization will share information with the Assistant Deputy Chief, Deputy Chief, Assistant Chief of Community Services Division (CSD), and the Chief of CSD by January 27th, 2012.

Step 5: Section Supervisor Weatherization and HWAP Manager will meet with each monitor individually to review the numbers of units completed by the agencies, any changes needed to the estimated 5% monitoring numbers, and any plan/schedule revisions each month between now and the end of ARRA.

Milestone A: January 17, February 17, March 16. Once confirmed, Section Supervisor Weatherization will share information with the Assistant Deputy Chief, Deputy Chief, Assistant Chief of Community Services Division (CSD), and the Chief of CSD by January 24th, February 24th and March 23rd 2012 appropriately.

Milestone B: April 17, May 17, June 17, July 17, Aug. 17, Sept. 17. Section Supervisor, Weatherization will share information with the Assistant Deputy Chief, Deputy Chief, Assistant Chief of Community Services Division (CSD), and the Chief of CSD by the April 24th, May 24th, June 22nd, July 24th, Aug. 24th and Sept. 24th 2012 appropriately.

Milestone C: October 30th, 2012 and sequentially moving forward, at the end of each month, Section Supervisor, Weatherization will share information with Assistant Deputy Chief, Deputy Chief, Assistant Chief of Community Services Division (CSD), and the Chief of CSD by the 10th working day of the following month.

Step 6: For April 1 – September 30, 2012, all monitors will go back to agencies that did not have 5% monitored and do appropriate unit monitoring to those agencies into compliance. Plans/schedules for this will be developed in March/April 2012.

Technical Field monitoring staff is responsible for reviewing Montrak to determine the number of units/files they need to review and for updating Montrak after each monitoring visit.

Monitoring staff will be required to submit a schedule of visits each April based on each agencies planned production for the upcoming year corrected for the prior year's actual average cost per unit. Management will monitor Montrak and meet with staff monthly to ensure visits are being made and the 5% threshold is being maintained. The results of the monthly meetings will flow up to the Assistant Deputy Chief, Deputy Chief, Assistant Chief of CSD, and the Chief of CSD. These metrics will be referenced in the updated position descriptions of Technical Field Monitors.

Administrative Monitoring (#5-6)

5. **Develop a plan to ensure OCA is conducting monitoring on 5 percent of completed units files as defined by the Ohio Department of Development State plan.**

ODOD has established a plan to ensure OCA is conducting administrative monitoring of at least 5 percent of the completed units as calculated by ODOD's protocol outlined in Recommendation Response #1. That plan, as the one in Recommendation Response #4, is already being executed and is set forth below.

HWAP Administrative Monitoring Plan

To ensure that everyone will hit the 5% minimum administrative monitoring requirements, all administrative monitors in HWAP will be and have been following these steps:

Step 1: Each Administrative Monitor will check his/her numbers in Montrak (MTKYEAR3ARRA) and create a plan to catch up on any agencies where monitoring is not hitting 5%. The numbers in Montrak are for April 1 - Nov. 30, 2011.

Milestone: Present this plan to his/her Section Supervisor Weatherization and HWAP Manager no later than December 31, 2011.

Step 2: HWAP Manager will provide Administrative Monitors with the numbers and a spreadsheet to help benchmark where each is and where each needs to be for December 31, 2011, January 31, February 29 and March 31, 2012. Administrative Field Monitor will call assigned sub grantee or delegate agencies to get the anticipated production for each month between now and March 31, 2012. Update spreadsheets with these numbers, so visits can be planned accordingly.

Milestone: Confirm to Section Supervisor Weatherization and HWAP Manager that all information has been collected by December 31, 2011. Once confirmed, Section Supervisor Weatherization will share information with the Assistant Deputy Chief, Deputy Chief, Assistant Chief of Community Services Division (CSD), and the Chief of CSD by January 6th, 2012.

Step 3: Create a plan to meet the 5% monitoring requirement and get administrative monitoring visits scheduled with the agencies. This schedule should cover all months between now and March 31, 2012.

Milestone: Submit this schedule and plan to Section Supervisor Weatherization and HWAP Manager for their review by January 6, 2012. Once confirmed, Section Supervisor Weatherization will share information with the Assistant Deputy Chief, Deputy Chief, Assistant Chief of Community Services Division (CSD), and the Chief of CSD by January 12th, 2012.

Step 4: Section Supervisor Weatherization and HWAP Manager will review plans and schedules individually. Any needed refinements to the plan/schedule will be made to ensure that the 5% minimum targets are met or exceeded.

Milestone: Plans/schedules reviewed, revised and approved by administrative monitor and Section Supervisor Weatherization and HWAP Manager by January 12, 2012. Once confirmed, Section Supervisor Weatherization will share information with the Assistant Deputy Chief, Deputy Chief, Assistant Chief of Community Services Division (CSD), and the Chief of CSD by January 27th, 2012.

Step 5: Section Supervisor Weatherization and HWAP Manager will meet with each monitor individually to review the numbers of units completed by the agencies, any changes needed to the estimated 5% monitoring numbers, and any plan/schedule revisions each month between now and the end of ARRA.

Milestone A: January 17, February 17, March 16. Once confirmed, Section Supervisor Weatherization will share information with the Assistant Deputy Chief, Deputy Chief, Assistant Chief of Community Services Division (CSD), and the Chief of CSD by January 24th, February 24th and March 23rd 2012 appropriately.

Milestone B: April 17, May 17, June 17, July 17, Aug. 17, Sept. 17. Section Supervisor, Weatherization will share information with the Assistant Deputy Chief, Deputy Chief, Assistant Chief of Community Services Division (CSD), and the Chief of CSD by the April 24th, May 24th, June 22nd, July 24th, Aug. 24th and Sept. 24th 2012 appropriately.

Milestone C: October 30th, 2012 and sequentially moving forward, at the end of each month, Section Supervisor, Weatherization will share information with Assistant Deputy Chief, Deputy Chief, Assistant Chief of Community Services Division (CSD), and the Chief of CSD by the 10th working day of the following month.

Step 6: For April 1 – September 30, 2012, all monitors will go back to agencies that did not have 5% monitored and do appropriate unit monitoring to those agencies into compliance. Plans/schedules for this will be developed in March/April 2012.

Administrative Monitoring staff is responsible for reviewing Montrak to determine the number of units/files they need to review and for updating Montrak after each monitoring visit.

Monitoring staff will be required to submit a schedule of visits each April based on each agencies planned production for the upcoming year corrected for the prior year's actual average cost per unit. Management will monitor Montrak and meet with staff monthly to ensure visits are being made and the 5% threshold is being maintained. The results of the monthly meetings will flow up to the Assistant Deputy Chief, Deputy Chief, Assistant Chief of CSD, and the Chief of CSD. These metrics will be referenced in the updated position descriptions of Administrative Field Monitors.

6. Require that OCA administrative monitors select the files for review. Sub-grantees should be notified of the date of the visit, but not of the specific files to be reviewed prior to ODOD arrival.

ODOD agrees that the OCA administrative monitors must have sole discretion and knowledge of the sub-grantee files which are selected for review onsite at the sub-grantee or delegate's office. This procedure has been implemented as of December 23, 2011.

OCA has developed the The Home Weatherization Assistance Program Procedures for Selection of Completed Jobs for Onsite Inspection and File Review. (DOD Exhibit 8). Essentially, OCA administrative monitors will visit each sub grantee or delegate at least once per program year and review at least 5% of the files of each sub grantee or delegate. Administrative monitors will notify the sub grantee or delegate of the dates of their visit but not of the specific files to be reviewed prior to that visit.

OCA is working with Human Resources on updating and approving the reference of these and other standards referenced in this report into the Administrative Field Monitor position description to insure accountability.

Telephone Satisfaction Surveys and HWAP Complaints (#7-8)

- 7. Develop a plan for OCA to conduct telephone satisfaction surveys for a random sample of weatherized housing unit occupants. Results of the surveys should be stored in a central system for analysis and reporting by ODOD management.**

ODOD is establishing a plan which will be put into place by March 31, 2012 to conduct telephone satisfaction surveys for a random sample of weatherized housing unit occupants from all HWAP service areas in Ohio as referenced in the State Plan. The temporary staff to be used is already working for OCA and the surveys are to be completed by September 30, 2012.

OCA will utilize temporary staff to randomly select customers from the OATS HWAP database and ask various questions as listed on the HWAP Client Satisfaction/Follow-up Survey. (DOD Exhibit 9). Two percent of the HWAP customers in each of Ohio's 88 counties completed between July 1, 2009 and March 1, 2012 will be surveyed. The temporary staff will be trained to record the responses and input the data in an access database. This data will be compiled and reported to the HWAP Manager on a monthly basis. The HWAP Manager will update HWAP management on a monthly basis regarding types of complaints and number of complaints.

When problem areas are recorded by the temporary staff through this customer survey process, those problems will be immediately reported to the HWAP Manager so that such problems can be addressed on an expedited basis by communicating the problem to the appropriate Technical Field Monitor covering that service area and/or contact with the local sub grantee and/or delegate for it to service the client.

- 8. Create an internal system to track complaints by type and sub-grantee. Monthly reports should be generated for analysis to identify trends or problems in a particular region and to track the status of the complaints. Management should ensure complaints are resolved in a timely manner.**

ODOD agrees that an internal tracking system for HWAP complaints by type and sub-grantee should be in place. OCA HWAP will utilize the existing Business Response Line (BRL) system at ODOD to track HWAP complaints by type and sub-grantee/delegate. This new system will be fully functional by March 31, 2012. Moving forward from April 1, 2012, at the end of each month, the Section Supervisor for Weatherization will share information with the HWAP Manager, Assistant Deputy Chief, Deputy Chief, Assistant Chief of Community Services Division (CSD), and the Chief of CSD by the 10th calendar day of the following month.

Contact information for the ODOD/OCA BRL Line will be included on all final paperwork given to HWAP Clients by sub grantees and delegates when servicing their homes so that HWAP Customers will be made aware of the phone line and on-line complaint system at ODOD. Going forward all sub-grantee and delegate grant agreements will contain a provision requiring their organization to display the ODOD/OCA BLR web-link on their websites.

HWAP Management and their respective field staff will enter e-mail and telephone complaints and inquiries into the BRL system within 2 business days of their receipt through BRL online or phone line. The plan is to have a shortcut to the BRL installed on the technical and administrative field monitor staff's computers and to provide training to that staff on the use of the system. The Section supervisor and HWAP Manger will also have shortcut access for calls that come directly to them. This update is expected to be completed during this fiscal year. The BRL can be accessed through the ODOD website and create a ticket by clicking on the Contact Us link: <http://www.development.ohio.gov/contactus/ContactInfo.aspx>

Monthly reports will be generated by the HWAP Manager and reviewed by the Section Supervisor and Monitor assigned to the area where the complaint originated by the 20th of each month. The Section Supervisor will identify trends or problems in a particular region or sub-grantee and communicate those to the Assistant Deputy Chief and the Chief. The HWAP Manager will ensure that the initial contact with a complainant regarding a complaint is completed either by the OCA HWAP Technical Field Monitor or by the sub grantee/delegate representative within 15 calendar days of receipt of said complaint. Given the complexity of resolving complaints, the HWAP Manager will ensure all complaints are resolved, or at a minimum continued progress towards resolution, within 90 calendar days of receipt of complaint. The HWAP manager will maintain a continual tracking system, through a spreadsheet accessible to all management, along with a tickler system to remind him/her of the 90 day resolution period.

Quarterly Reviews (#9)

- 9. Create a formal process for quarterly reviews with documented results. This process should be different than the one used by ODOD internal audit section and should focus on production, spending, value and quality control issues.**

ODOD agrees that a more formal process for quarterly reviews of sub-grantees focusing on production, costs, value and quality control issues would assist both ODOD and the sub-grantee in detecting and addressing problem areas in a timely fashion. On a quarterly basis the Section Supervisor for Weatherization, HWAP Manager, and technical field monitors will review the following SharePoint and program reports for the prior quarter for all sub-grantees:

- ARRA HWAP Units Completed vs. Planned
- ARRA Total Agency (sub-grantee/delegate) HWAP Expenses
- Site Visit Inspection Summary Reports
- HWAP Site Visit Inspection Reports
- Site Visit Assessment Summary Guide

(DOD Exhibit 10)

The Section Supervisor, Weatherization, HWAP Manager, and technical field monitor will be on quarterly calls with sub grantees and delegates that have met the following thresholds:

- When pass rate (quality of work) has dropped below 60% based on the Site Visit Inspection Summary Reports; or
- When the sub-grantee expenses are not in line with production; or
- When production has fallen below 80% based on the sub-grantees/delegates actual average cost per unit.

On the phone conference, and in writing via email or letter from the HWAP Manager, the sub-grantee/delegate will be asked to submit a plan in writing to the OCA Section Supervisor of Weatherization within 15 working days outlining steps to correct the issues addressed on the call. Then the Section Supervisor will set up a follow-up phone call with sub grantee/delegate within 30 days of the initial quarterly call to check progress. The results and progress of the sub grantee/delegate's plan will be reported to the Section Supervisor, Weatherization to the Assistant Deputy Chief and Deputy Chief of OCA for further review and more action steps if the production, cost, value and/or quality control issues have not subsided. This would include raising the Technical Monitoring and/or Administrative Monitoring percentage of that sub grantee/delegate for two quarters, conducting further T/TA with that sub grantee/delegate, ordering a financial audit of the sub grantee HWAP services and/or ceasing the funding of the HWAP services pursuant to the agreement until the problems have been solved.

Records Request (#10)

10. Review the grant agreement and grant guidance regarding access to records by federal agencies with OCA staff and legal department.

In light of the confidential personal information now particularly shielded under Ohio law pursuant to ORC 1347, ODOD is and was mindful of its compliance with statutory restrictions. ODOD recognizes that it is also appropriate to review grant agreements and Federal grant guidance when addressing requests for records by Federal agencies.

Advance Funds

- 11. Include monthly fiscal reports in the internal system used by OCA to track production figures. These reports should be reviewed by management on a regular basis.**

ODOD agrees that management's knowledge of the HWAP program would increase by reviewing monthly fiscal reports from SharePoint, the internal system used by OCA to track production. That system is where both OCA Data Control Technician and the HWAP Section Supervisor-Fiscal both input their data and is verified by the HWAP Manager. (See process outlined in Recommendation Response #1). OCA is having DOD IT add the fiscal report that currently tracks advance funds in SharePoint by February 29, 2012 so that the HWAP Manager can constantly review this running production figure and report monthly, and be held accountable to the Assistant Chief and Chief of OCA. In addition, we are currently exploring the production and addition of different types of fiscal reports from our other available software and a final proposal on the best way to track production figures will be made to management by March 31, 2012.

Quality vs. Quantity

12. Ensure that the importance of quality of work issues have been addressed when determining future funding for sub-grantees.

ODOD agrees that quality of work is of vital importance. Quality of work issues, including health and safety guidelines, have already been included in the past in previous State Plans, and will be included in the future determination of funding for sub-grantees and delegates. (DOD Exhibit 10, ARRA State Plan, US DOE State Plan/Master File Worksheet, pg. 9-13 of 21). William Murdock, the Deputy Chief, Community Services Division, is sending the attached memorandum to and meeting with all HWAP staff on January 31, 2012 emphasizing the importance of quality in the Home Weatherization process. (DOD Exhibit 11, William Murdock Memorandum, January 31, 2012).

The reports and information generated in the formal process developed for the Quarterly Reviews outlined under Recommendation Response No. 9 will be used in the review and selection of sub-grantees and sub-grantee funding levels for the following year and in the development of subsequent HWAP State Plans.