



**Department of Commerce**  
Innovation is in our nature.



Washington State Department of  
**Labor & Industries**

November 12, 2009

Dear Washington State Weatherization Provider:

We believe the \$59.5 million in weatherization funding assistance available through the American Recovery and Reinvestment Act (ARRA) is a unique opportunity to make a difference in the lives of thousands of low-income residents across Washington State while getting people back to work quickly in family wage jobs.

As you know, our state's use of AARA Weatherization funding is behind the numbers we projected. We must increase that number dramatically and quickly. We are working diligently to remove barriers and inefficiencies that get in your way of increasing production.

After much discussion and serious consideration, we have decided not to adopt the Federal definitions and pay rates for weatherization workers, and to continue with the state's applicable prevailing wage work descriptions. L&I is committed to working directly with CAP agencies to reduce any confusion and to streamline the process to the extent possible.

Like you, we recognize that the Recovery Act creates complexities and challenges for the low-income weatherization program. The amount of ARRA funding, new program requirements, and additional Davis Bacon and prevailing wage requirements have put a spotlight on the weatherization program. These changes to the program are challenging, but we must work and lead together to ensure the investment has maximum return for our state.

To provide additional capacity and production, Commerce is starting a six-month pilot project that directly targets weatherization work for units in the Housing Trust Fund portfolio. This push will make sure we receive additional spending authority from the Department of Energy – and, if it exceeds expectations, to receive funding that isn't spent quickly enough in other parts of the nation. Let us reassure you these projects are independent of your ongoing work, units in your pipeline or your waiting lists.

We are encouraged to see that your production and the number of prevailing wage filings is on the rise as an indicator the projects are getting underway. Those projects, plus those that will result from the six-month pilot project we are starting, will help us respond to the short time we have to use and receive the federal funds that are available to us.

November 12, 2009

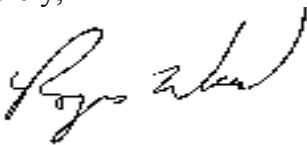
Page 2

In addition, Labor & Industries has modified the prevailing wage filing process and is providing a variety of materials to make complying with the requirements as easy as possible. Commerce has not changed its monthly reimbursement policy and is working with L&I to have a process that will not require retainage or a performance bond.

Washington is recognized for having one of the best weatherization programs. We all want to ensure that Washington's weatherization program is maintained as a national model. We continue to be here to help you with technical support. Ann Selover from L&I, (360) 902-5334, and Karen Dunn from Commerce, (360) 725-4021, are completing open trainings for you and your contractors around the state this week and will continue to be dedicated to making this work as simple and efficient as possible.

If you have questions or comments, don't hesitate to email or call either of us to make sure your questions are answered and that you get the help you need.

Sincerely,



Rogers Weed  
Director  
Department of Commerce



Judy Schurke  
Director  
Department of Labor and Industries