



## Beyond Weatherization

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## Venturing into new territory

- Today's weatherization agencies are going beyond providing traditional weatherization services
- They have expanded to provide a variety of training and technical assistance, fee for service contracting, BPI certifications, housing rehabilitation and emergency repair assistance and consulting services
- This provides stability in an every changing budget climate.
- Learn how some local agencies have taken their grass roots organizations to the next level and how your organization can expand into new markets capitalize on economies of scale.

## Session Overview

- Historical perspectives
- Where are these agencies today and how did they get there?
- What services do they offer and to what demographic market?
- What mistakes were made and how did they overcome them?
- What must you do to prepare your agency for the fee for service market?
- How have these agencies benefited from their endeavors?
- What does the future hold for Weatherization agencies?

## FSL Home Improvements - an Historical Perspective

- 501c3 organization, part of larger parent organization
- 1987 - small grass roots social service organization
- Today HI serves over 2,000 families, \$4M per year
- Contracting licenses...required or not?
- From small repairs and volunteer coordination to major renovations and new construction

## FSL Home Improvements How did we get here?



- Supportive service for existing programs
- United Way Grant
- CDBG contracts with local municipalities
- Ventured into the Weatherization market in the 1990's
- Handicap modifications to Medicaid providers in 2003
- Consulting with local housing programs and tribal communities
- SW Building Science Training Center (BPI Affiliate)
- Arizona Home Performance with ENERGY STAR program

## FSL Home Improvements - Services and Demographic Market

- Licensed General Contracting, HVAC and Plumbing
- Mix of internal staff and external contractors
- 87.5% Government Contracts/12.5% Fee for Service
- Typical demographic profile
  - woman over 65 with income less than \$10,000 per year
- Fee for service market changes our demographic profile
- Why venture into the handicap modification market?
- Energy the hot topic once again
  - Energy efficiency training and consulting
  - Fee for Service weatherization
  - Home Performance with ENERGY STAR

## Handicap Modifications (Medicaid, Area Agency on Aging)



## Emergency Repairs CDBG Project



## Housing Rehabilitation HUD HOME Project



## Training & Certification



## Challenges along the way..... Using internal or external workers

- | Internal Staffing                    | Subcontractors                       |
|--------------------------------------|--------------------------------------|
| ✓ Finding the right staff            | ✓ Less control over customer service |
| ✓ Paying competitive wages           | ✓ No long term obligations           |
| ✓ Training/experience                | ✓ More flexibility with scheduling   |
| ✓ More control over customer service | ✓ Higher overall costs               |
| ✓ Lower overall expenses             |                                      |

## Other challenges along the way.....

- Upfront Costs
  - Equipment, space, staff training
- Marketing
  - Where and how to market your services
- Overcoming the non profit mentality
  - Existing staff
  - Client and community perception

## How to prepare for the new business ventures?

- Keep it separated
  - Financial reporting
  - Purchase all own equipment
  - Allocate accordingly

## Benefits to the agency

- Increased revenue
- Ability to attract variety of staff/increase wages
- Economies of scale achieved
- All profits go back into the program
- Enables the organization to do additional activities (buy new equipment, assist clients beyond scope of service, invest in your staff)

## Future for WAP Providers

- Opportunity to work with local community, builders and other professionals
- Changing demographic market/needs
- Leader in the ever increasing Energy Efficiency industry
- Diversification helps us to weather the ups and downs of government funding

## Reinvest in your staff

