



Spotlight on Fayette County, Pennsylvania: Developing the Skills and Tools for Workforce Success

Key Takeaways

- Engage local partners to fill program resource gaps, recruit participants, and avoid duplicating existing education and training efforts
- Provide a regular forum for contractors to obtain program information, offer feedback, and build relationships with one another
- Reduce the startup cost barrier for new contractors through grants and loans for equipment purchases
- Offer partial rebate payments at project start to ease contractor cash-flow challenges



The Better Buildings Neighborhood Program is a U.S. Energy Department program that is improving lives and communities across the country through energy efficiency.

To learn how the Better Buildings Neighborhood Program is making homes more comfortable and businesses more successful and to read more from this Spotlight series, visit betterbuildings.energy.gov/neighborhoods.

Fayette County, Pennsylvania, may have some of the lowest incomes in the state¹ and significant under- and unemployment rates,² but it also has some of the greatest potential to improve homes and the local economy with energy efficiency opportunities. With a Better Buildings Neighborhood Program grant of \$4.1 million, the Fayette County Better Buildings Initiative has two primary goals—complete more than 1,000 residential energy efficiency upgrades and transition under- and unemployed citizens to energy efficiency jobs. The program and its partners have capitalized on relationships with local training organizations to provide Building Performance Institute (BPI) certification and business skills training to aspiring energy efficiency contractors. In 2010, there were virtually no BPI certified analysts working in Fayette County. Over a two-year period, the Fayette County Better Buildings Initiative has trained 87 individuals, including 26 technicians who have retained their employment as a result of BPI training and 20 new professionals hired by one of the 20 partner contracting companies.

To further support newly trained contractors as they launch their businesses, the Fayette County Better Buildings Initiative has provided more than \$34,000 in grants and loans to help contracting companies purchase equipment. The program also ensures an ongoing dialogue with contractors through breakfast meetings that encourage companies to employ newly trained workers and become participating contractors.

Leverage Regional Expertise to Fill Program Resource Gaps

Fayette County aims to create a market-rate program by expanding the existing, free services provided by its low-income weatherization program to households with incomes greater than 200% above poverty level. The expanded program requires a BPI certified technician to perform a home energy assessment in order for the homeowner to qualify for an energy efficiency upgrade rebate. To achieve the program's goals, the Fayette County Better Buildings Initiative needed to build up the county's workforce, increase the number of local BPI certified technicians, and help new contracting businesses get off the ground.

In order to train the workforce necessary to reach new potential customers with energy upgrades, the program is leveraging the expertise of two key partners: the Redevelopment Authority of the County of Fayette (RACF) and the Private Industry Council (PIC) of Westmoreland/Fayette.³ RACF is a nonprofit organization that works

¹ U.S. Census 2010 American Community Survey.

² Bureau of Labor Statistics, March 2012.

³ The Workforce Investment Board of Westmoreland/Fayette has identified PIC as the Title I provider of services. PIC provides job placement, welfare to work, and workforce development in Westmoreland and Fayette Counties. PIC also runs the commercial and community building components of the program.

as the regional weatherization assistance program coordinator on behalf of Fayette County and delivers the program's community outreach. PIC is a local nonprofit that fosters career training and workforce development throughout the county, providing the contractor training components of the Fayette County Better Buildings Initiative.

PIC uses a three-pronged approach to develop the workforce necessary to meet the program's goal of more than 1,000 energy efficiency upgrades. First, PIC recruits and trains contractors and their technicians. Second, it provides grants and financing to minimize business startup costs. Finally, the organization gives existing contractors without BPI certification the opportunity to certify their technicians and bring their customers to Fayette County's program.

Provide Training in Both Technical and Business Skills

In developing the workforce training components of the program, PIC has leveraged the existing efforts of its Pathways Out of Poverty⁴ program, which offers introductory training in energy efficiency and renewable energy careers to low-income county residents. These courses initially helped introduce energy efficiency for the first time in Fayette County, but they did not provide sufficient technical or entrepreneurial training, which was needed to establish successful businesses that could help meet the county's upgrade goals.

To provide more targeted technical training and business skills, PIC has partnered with Douglas Education Center (DEC), a private proprietary school it had worked with on other vocational training programs, to provide free training courses to participating contractor firms. The training program's primary goal is to increase the number of BPI certified technicians in the workforce. Optional classes include business development training and sales training provided by a local company that provides similar training for other industries. Since neither DEC nor PIC had anyone on staff with the necessary business expertise, the program decided to hire an outside technical expert to teach the courses. Brad Geyer, PIC's energy project supervisor, estimates the group is spending about \$3,000 per student to provide BPI and supplemental training, supported by Fayette County's Better Buildings Neighborhood Program grant.

The first class of students was recruited from the Pathways program in May 2011. Since then, PIC has trained 87 technicians for BPI Building Analyst certification, including 17 who are now both Building Analyst and Building Envelope certified. Of the

newly trained technicians, 70 were already employed with existing companies, and 10 more were employed or had started their own companies by spring 2012.⁵ Trained technicians are making an average wage of \$18.24 per hour.

Offer Contractors Flexible Equipment Grants and Loans

In addition to providing training to those seeking a career change or additional work, program managers understood that technicians who were under- or unemployed were not likely to have the financial capacity to purchase the equipment necessary to get new contracting companies off the ground. This realization prompted the program to offer additional financial assistance in the form of grants and a revolving loan fund for contracting companies with technicians who have completed both the Building Analyst and Building Envelope certification courses. Eligible companies can qualify for a \$1,000 grant and a loan for up to \$5,000 to purchase equipment.

Contractor grant and loan programs would not have worked if it had strict guidelines, because contractors' needs vary.

-Brad Geyer, Private Industry Council

The program has seen strong interest in the grant program. Out of the initial \$20,000 grant budget, only \$6,000 remained as of mid-2012. The program has given out 13 grants to seven different contractor companies that have either hired recent graduates of the training program or had staff trained and BPI certified.

The revolving loan fund, which was seeded with \$60,000 from the Better Buildings grant, offers terms of up to three years at 0% interest. The first loan was issued in September 2011. As of June 2012, the program has issued five loans totaling \$20,598. Three of the loans have been to new contractor companies, and the remaining two went to existing companies that had staff certified through the program. As of the first nine months of the loan program, there have been no defaults. The administration of the revolving loan fund is subcontracted to a local third-party payroll service, LRF Payroll Tax Services, which deducts a small monthly administration fee from the loan fund balance.

Fayette County decided not to set guidelines for what contracting companies can purchase with their grant or loan monies, though they are required to justify their equipment purchase, and loan requests are reviewed by PIC staff. According to Geyer, the

⁴ The program is supported by a grant from the U.S. Department of Labor's Employment and Training Administration.

⁵ For the remaining technicians who participated in the program, data are not available, or participants did not pass the BPI certification exam.

contractor grant and loan programs would not have worked if it had strict guidelines, because contractors' needs vary. Thus far, companies have invested in everything from insulation machines to modeling software to iPads for technicians in the field.

Understand Contractors' Needs Before Undertaking New Ideas

In addition to providing grants and loans to help minimize contractors' cost barriers, the Fayette County Better Buildings Initiative decided to offer an equipment rental option. That idea did not work out as anticipated.

The program partnered with a local hardware and equipment rental store to serve as the vendor from which local contractors could either rent or purchase equipment. The program's expectation, and the store's rationale for participating, was that once contracting companies bought or rented equipment from the store, they would purchase other items as well, boosting the local business and economy.

The store purchased a full set of assessment equipment, which it rented out at its standard rate of 10% of the purchase price per day, in this case \$420 per day. It also offered the option to rent individual pieces of equipment, including blower door test equipment for \$178 per day, for when an assessment requires more than one set of equipment.

Interest was not as robust as the program had expected. Most contractors needing equipment purchased it online at lower prices than were offered at the store, and the store's equipment was only rented out once by PIC for a training course. For those occasional times when additional blower door test equipment is needed, one Fayette County contractor has instead been borrowing from another contractor after they met through the program's networking meetings.

Provide Relevant Networking Opportunities to Build Relationships

The Fayette County Better Buildings Initiative sought to create an opportunity for existing contractors to gain more information on how to participate in the program and give the new BPI certified technicians an opportunity to network and build relationships with existing companies. To do this, program administrators decided to host breakfast meetings, which included not only information about the program and a forum to obtain feedback, but an important ingredient to boosting attendance—food.

To increase attendance beyond recent Pathways graduates who received an invitation after completing their training, PIC staff consulted the phonebook and cold-called local contracting companies that were not participating in the program to invite them to the initial breakfast meetings. For subsequent meetings, the program sent postcards with meeting details inviting new and participating contractors to learn more about a specific aspect of the program, e.g., BPI training, the revolving loan fund, and the quality control process. Although breakfast meetings used to occur on a regular basis, the program now organizes them in response to an issue the program or contractors identify.

Each meeting is deliberately informal and provides information on a specified topic and an opportunity for contractors to network and give feedback to the program. After six such breakfast meetings, the program has found that the meetings have helped increase contractor participation in both the BPI certification training and the upgrade program. Several existing businesses have either hired one of the recent graduates or sent their own staff through the training. Program officials found that contractors have also become more comfortable with the details of program participation and, as a result, are currently bringing in about 40% of the program's energy upgrade customers.

One of the most important benefits of these meetings, however, has been the relationships built among contractors. These opportunities to meet in person are fostering a local contractor network beyond the program, which has allowed one company to borrow the equipment from another in several instances.

Prepare for Small Business Cash-Flow Challenges

Among the biggest concerns raised by contractors at the breakfast meetings were short-term cash-flow problems, which make operating a small business challenging. The residential upgrade rebates issued by RACF can take two to four weeks to be paid to contractors. According to Geno Gallo of Fayette Energy Consultants, a participating local contracting company that regularly participates in the breakfast meetings, small contracting firms frequently need help with finances and short-term cash-flow management as a result.⁶

The residential upgrade rebate payment process is currently on a rolling invoicing cycle, starting from when the contractor initially submits paperwork, and requires a successful test-out site inspection after an upgrade is completed. If the inspection is not

⁶ One solution Gallo's company has pursued is to purchase insulation in bulk when there is sufficient funding in accounts receivable.

Because customers typically pay for 50% of the upgrade cost upfront, the program encourages contractors to file for half of the rebate funds when they have a signed contract with the customer.

successful, the rebate is not paid to the contractor until the company has corrected any concerns raised by the inspector. Additional delays can also occur on the contractor's end. The program has observed that contractors typically complete their paperwork in batches, often preparing a week's worth of paperwork over the weekend and delivering a stack of forms to the program on Monday morning, with the oldest on the bottom.

Although the two to four week invoicing schedule is relatively standard, the program has recognized that this can still be challenging for new businesses. Because customers typically pay for 50% of the upgrade cost upfront, the program encourages contractors to file for half of the rebate funds when they have a signed contract with the customer. Once the work is completed and there has been a successful inspection, contractors can then file for the remaining rebate. Although several contractors were initially skeptical about this split rebate, it has allowed them to recoup some of their costs while work is in progress and to minimize the funding that can be tied up if there are any delays during the inspection process.



Fayette County, Pennsylvania

Program Accomplishments

From October 2010 through March 2012

Home energy upgrades completed: 232

Average estimated savings per home: 15% of total energy use

Contractors participating in the program: 20 companies

For More Information

Redevelopment Authority of Fayette County
www.racfpa.org/betterbuildings.html

Private Industry Council of Westmoreland/Fayette, Inc.
privateindustrycouncil.com/

Douglas Education Center
www.dec.edu/

Fayette County Better Buildings Initiative

With \$4.1 million in seed funding from the U.S. Department of Energy's Better Buildings Neighborhood Program, Fayette County is focused on making significant energy improvements and creating jobs for under- and unemployed workers. Bringing together a broad array of partners, the Fayette County Better Buildings Initiative is taking a multi-pronged approach to transform an established weatherization program into a whole-home energy efficiency program and demonstrate a replicable and scalable strategy for energy efficiency.

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