VA WEATHERIZATION ASSISTANCE PROGRAM

Information Notice 04-2026

TO: **ALL WEATHERIZATION SUB-GRANTEES**
FROM: **Michelle Tilton, Housing Program Manager** MT
DATE: **11/8/2026**
SUBJECT: **Infrastructure Investment and Jobs Act (IIJA) Average Cost Per Unit (ACPU) Management**

Effective Date: December 1, 2026

Purpose:
This document serves to provide updated guidance for sub-grantees to manage the Infrastructure Investment and Jobs Act (IIJA) Average Cost Per Unit (ACPU) due to the extension of the Grant Agreement Amendments from December 1, 2026, to March 31, 2027.

This notice supersedes requirements set forth in VA WAP Information Notices 01-2026 and 03-2026.

Background:
Per Weatherization Program Notice IIJA-7, the ACPU for these funds are an average over the seven-year grant period of performance. For the Weatherization Assistance Program, the ACPU is determined and adjusted each year by using the percentage increase in the Consumer Price Index (CPI) or 3%, whichever is less. This is outlined in 10 CFR 440.18(c).

The VA WAP network's target ACPU for IIJA grants is $8,547. As of October 31, 2026, the network's IIJA Average Cost Per Unit (ACPU) is $10,046.77. While the final ACPU requirement for the IIJA period of performance has not yet been determined, it remains reasonable to assume a target near the Program Year 2025 ACPU level of $8,547, given that PY25 is the midpoint of the seven-year grant cycle.

The current ACPU exceeds the estimated target by approximately $1,499.77, about 17.55% above the projected requirement—at roughly the halfway point of the grant period. This indicates that ACPU levels for the remaining years will need to be meaningfully lower than the $8,547 benchmark to ensure compliance by the end of the IIJA period of performance.

To calculate the ACPU for your organization, take the combined total of the Program Operations, Program Operations Agency Job Labor, and Program Operations Agency Cost budget categories on a Hancock invoice and divide by the number of jobs attached. This calculation factors in all Program Operations expenses, not just the Program Operations direct job expenses of materials and labor.

New DHCD Requirements:

Due to persistent, elevated network-wide ACPU levels for IIJA, DHCD must continue enforcing lower ACPU levels. To bring down the network ACPU for IIJA, DHCD will be un-submitting invoices with an ACPU level of $10,000.00 or higher for all subgrantees running an agency ACPU more than $10,000. This will be effective for all IIJA invoices submitted October 1, 2026, and thereafter.

Under rare and infrequent circumstances such as hardships, DHCD may allow an invoice to be processed with an ACPU above $10,000. However, subgrantees must submit documentation to DHCD prior to invoicing that outlines a clear and credible plan for reducing their individual ACPU levels substantially by **March 31, 2027**. Approval must be obtained before any invoice exceeding this threshold is submitted. To submit ACPU reduction plans for these circumstances, please email both michelle.tilton@dhcd.virginia.gov and Nicole.branch@dhcd.virginia.gov.

We urge those subgrantees with ACPUs exceeding $8,547 to aggressively bring down their ACPU to that level as quickly as possible. DHCD encourages the network to continue to maximize use of cost engineering methods and leveraged funding opportunities to deliver IIJA-funded weatherization jobs below the target ACPU. Ultimately, WAP subgrantees are responsible for maintaining compliant ACPU levels and those exceeding the target ACPU will be required to return funds at the end of the grant period.