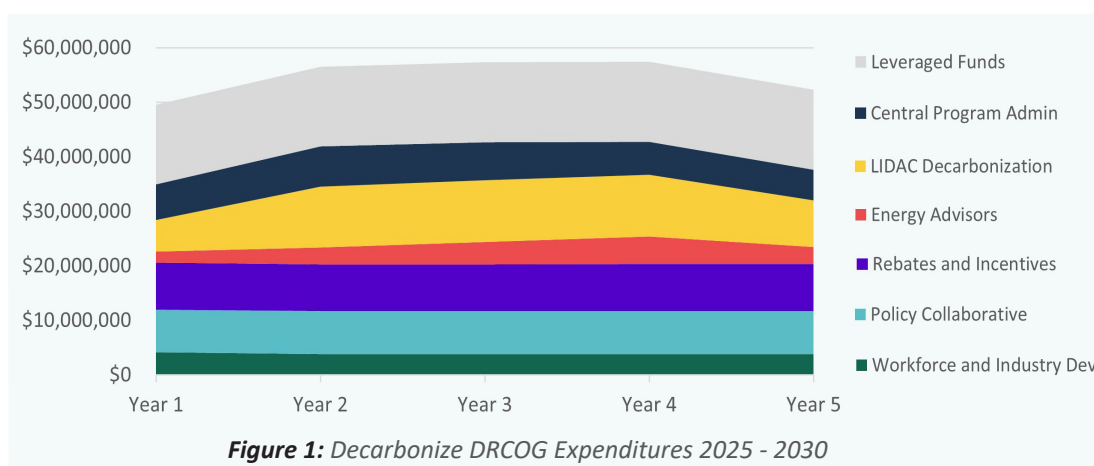


## Budget Narrative

The proposed *Decarbonize DRCOG* budget (Table 1) will support greenhouse gas (GHG) emission reduction measures that achieve a zero operational emission building sector in the Denver metro area by 2050. This holistic approach requires **\$199,705,797 over five years** to catalyze a true market transformation in this key sector of climate action. In alignment with the Biden Administration’s Justice40 Initiative,<sup>1</sup> 47% of requested funds will be directed to LIDACs. All of Measure 1: LIDAC Decarbonization; 50% of Marketing and Engagement activities; and 28% of remaining programs are allocated to LIDACs, matching their representative proportion of the region’s population. This program will draw on existing local government efforts that support scaling and is bolstered by dedicated support from local government staff to expand upfront capacity. Leveraging this municipal support and DRCOG’s proven track record in effectively managing sizable federal grants and funds, *Decarbonize DRCOG* is poised to launch swiftly and allocate substantial portions of the budget during the initial phases of the grant cycle.

Figure 1 and Table 1 provide an overview of the total funding requested for each Measure, the portion of the total request allocated to each Measure, and additional programmatic funds (“Leveraged Funds”) and in-kind staff time from local jurisdictions. DRCOG has also developed detailed, Measure-specific budgets. See the attached Excel spreadsheet **Budgetcalcs\_DRCOG.xlsx** for further details.



**Table 1: Decarbonize DRCOG Budget Summary**

Decarbonize DRCOG Budget	Total Cost	% of Total	Impact 2025-2030
Central Program Administration*	\$32,478,705	16.3%	Over 1.6M people engaged
Measure 1: LIDAC Decarbonization	\$48,106,435	24.1%	1,600 residences retrofit
Measure 2: Energy Advising	\$17,463,443	8.7%	Over 50,000 clients advised
Measure 3: Rebates and Incentives	\$43,063,443	21.6%	Over 40,000 rebates issued
Measure 4: Policy Collaborative	\$39,209,385	19.6%	58 jurisdictions supported
Workforce and Industry Development	\$19,384,385	9.7%	4,800 workers trained
<b>Total CPRG Funds</b>	<b>\$199,705,797</b>	<b>100%</b>	-
<b>CPRG Funds Dedicated to LIDACs</b>	<b>\$94,817,856</b>	<b>47%</b>	-
<i>In-Kind Local Staff Time</i>	<i>\$3,008,343</i>	-	-
<i>Leveraged Funds</i>	<i>\$70,250,000</i>	-	See Table 9
<b>Total Local Contributions</b>	<b>\$73,258,343</b>	-	-

\* Includes Communications and Community Engagement

<sup>1</sup> Justice40 and Low Income and Disadvantaged Communities (LIDAC) are populations identified within the Climate & Economic Justice Screening Tool and the EPA’s Environmental Justice Screening and Mapping Tool.

## Budget Summary

Table 2 below provides an overview of the complete budget for the *Decarbonize DRCOG* program, including a comprehensive breakdown by cost category.

**Table 2:** *Decarbonize DRCOG Budget by Year by Cost Category*

Cost Type	Category	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Direct Costs	Personnel	\$1,450,000	\$1,500,750	\$1,553,276	\$1,607,641	\$1,663,908	\$7,775,576
	Fringe Benefits	\$580,000	\$600,300	\$621,311	\$643,056	\$665,563	\$3,110,230
	Travel	\$42,665	\$42,665	\$42,665	\$42,665	\$42,665	\$213,325
	Contractual	\$12,101,450	\$14,349,000	\$14,876,000	\$14,876,100	\$11,952,100	\$68,154,550
	Other	\$19,737,500	\$24,335,000	\$24,485,000	\$22,130,000	\$22,130,000	\$115,172,500
	<b>Total Direct</b>	<b>\$33,911,615</b>	<b>\$40,827,715</b>	<b>\$41,578,252</b>	<b>\$41,654,362</b>	<b>\$26,454,237</b>	<b>\$194,426,181</b>
Indirect Costs	<b>Total Indirect</b>	<b>\$984,550</b>	<b>\$1,019,009</b>	<b>\$1,054,675</b>	<b>\$1,129,794</b>	<b>\$1,129,794</b>	<b>\$5,279,616</b>
<b>Total</b>		<b>\$34,896,165</b>	<b>\$41,846,724</b>	<b>\$42,632,926</b>	<b>\$42,745,950</b>	<b>\$37,584,030</b>	<b>\$199,705,797</b>

## Grant Funds Management Approach

DRCOG boasts a distinguished track record in administering state and federal grants. Under Jenny Dock (resume [Dock\\_Bio\\_DRCOG.pdf](#)), DRCOG's Admin and Finance Division has managed hundreds of millions of dollars in grants. Leveraging Acumatica for enterprise resource planning and accounting, DRCOG ensures meticulous financial oversight. Each program DRCOG operates undergoes stringent annual audits by external auditors, ensuring compliance and transparency. DRCOG maintains a 100% certification rate in quadrennial reviews by the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA), attesting to its strict adherence to federal regulations in metropolitan planning.

Adhering to Colorado-approved procurement procedures, DRCOG procures contracts and issues requests for proposals (RFPs) through an open competitive bid process. Respondents are evaluated by diverse, unbiased selection panels using a robust scoring process. DRCOG's Fiscal Management Control Policy establishes the standards for processing a contract and making procurements, ensuring integrity and concurrence with state and federal regulations.<sup>2</sup> This includes policies on vendor agreements, expenses paid by a third party, and RFP protocol; bid process specifics like the RFP timeline, scope of work, and post-bid procedures; and contracting details like required expenditure forms and project cost/budget.

With funding from the EPA, DRCOG will recruit sufficient staff to fulfill EPA reporting and compliance obligations. To uphold accountability and transparency, an Advisory Board, comprising diverse stakeholders, will be established and will hold open meetings with opportunities for public comment.

### Expenditure of Awarded Funds

DRCOG has a long-standing record of successful grant management. As the federally designated Metropolitan Planning Organization and Area Agency on Aging, DRCOG adeptly manages an annual \$51,000,000 internal budget, overseeing more than 25 funding streams and allocating over \$90,000,000 annually across the region. DRCOG's financial integrity is underpinned by thorough reviews from federal and state agencies, as well as external auditors. DRCOG's robust internal controls and sound accounting practices guarantee the financial integrity, ensuring effective stewardship of awarded funds.

Figure 1 illustrates how CPRG funding will be expended for each Measure and Support Initiative across the project period.

<sup>2</sup> "Fiscal Management Control Policy." Denver Regional Council of Governments.

[https://drive.google.com/file/d/197\\_hYVGTvrkiQIIAYe6mt0MRLGEoffrF/view](https://drive.google.com/file/d/197_hYVGTvrkiQIIAYe6mt0MRLGEoffrF/view) Accessed March 2024.

## Detailed Budget Categories

### Personnel

Personnel accounts for **\$7,775,576 over five years** and includes annual salaries plus annual 3.5% cost of living adjustments for 16 five-year term staff positions (see Workplan Figure 3: *Decarbonize DRCOG* Organization Chart). These staff positions will be employed through DRCOG, hired exclusively for implementing this grant, and will manage program development, implementation, and grant administration. While complete position descriptions and titles will be developed during program implementation, preliminary descriptions are briefly summarized in Table 4. Salaries are based on similar titles and roles in DRCOG's existing organizational structure.

### Fringe Benefits

Fringe benefits account for **\$3,110,230 over five years**. Staff hired through this grant will be DRCOG employees. While DRCOG offers the same compensation packages to all employees based on classification, fringe benefits are unique to each staff member. DRCOG offers several health insurance options to employees and pays 85% of health insurance premiums regardless of the price of the plan selected. DRCOG pays 100% of life insurance premiums, 100% of short term and long term disability premiums, 100% of Family and Medical Leave Insurance (FMLI) premiums, and workers compensation. DRCOG also provides a fully vested 9% 401(a) contribution. Age determines life insurance rates and tenure factors into leave accruals. As such, each employee's exact fringe benefit is unique; however, DRCOG's average fringe benefit across the organization per employee is 40% of base salary.

### Travel

Travel accounts for **\$213,325 over five years**. Local travel accounts for \$3,325 over five years, including travel to sites, outreach events, and steering committee meetings reimbursed at 65.5 cents/mi. On average, staff will travel 1,000 mi/year. Conference travel accounts for \$210,000 over five years. Each measure has allocations for program staff to attend one conference per year, for an estimated total of 60 conferences attended over the five-year term. The average cost for airfare, hotel, conference registration and per diem is \$3,500/conference, outlined in Table 3.

**Table 3: Travel Budget Summary**

Average Travel Budget	Cost
Federal GSA per diem rate for Washington DC- \$185 x 4 days	\$740
Lodging- \$300/night x 3 nights	\$900
Airfare	\$500
Conference registration	\$1,250
Incidental costs	\$110
<b>Total Cost per Conference</b>	<b>\$3,500</b>

### Equipment, Supplies, and Construction

The Equipment, Supplies, and Construction budget categories have no costs that are not already included in indirect charges.

### Contractual

Table 5 summarizes the contracts required to implement *Decarbonize DRCOG* for a total of **\$68,154,550 over five years**. All contracts will be selected through competitive RFP processes according to DRCOG's Fiscal Control Policy. The Workplan provides more details about each contract.

### Other

Other costs account for **\$115,172,500 over five years**. These costs are summarized in Table 6 and described below.

#### **Cost Allocation for internal DRCOG services: Central Program Administration**

In addition to dedicated staff working on the grant, program implementation will rely on certain DRCOG internal services separate from standard indirect charges. The cost allocation for these services will be **\$375,000 over five years** and will include: \$25,000/year in legal services, including contracts, disclaimers, waivers; \$25,000/year for risk management including managing cyber risk and insurance; and \$25,000/year to support compliance with accessibility laws.

**Table 4: Proposed Staff and Job Descriptions**

Position	Salary	Job Description
<b>Program Director</b>	\$135,000	Manages the program throughout the grant period, overseeing planning, resource allocation, budgeting, timeline management, and coordination with advisory boards, stakeholders, and governance.
<b>Business Operations Manager (BOM)</b>	\$95,000	Reports to DRCOG's Administrative and Finance Director. Leads grant administrators for purchasing, accounting, contracts, performance reporting, compliance, and evaluation.
<b>Contract Lead</b>	\$85,000	Reports to BOM. Manages agency contracts: prepares, tracks, reviews, updates contract language, encumbers funds, and oversees contract closure. Oversees of the RFP process and risk management.
<b>Contract Specialist</b>	\$65,000	Reports to BOM. Supports Contract Lead in their listed tasks above.
<b>Compliance Lead</b>	\$85,000	Reports to BOM. Oversees grant reporting, compliance, performance tracking, administration, data collection, and evaluation.
<b>Compliance and Performance Tracking Specialist</b>	\$65,000	Reports to BOM. Assists Compliance Lead in billing, reimbursements, contract admin, performance tracking, finance relations, and purchasing. Ensures vendor compliance with applicable federal rules (e.g., Davis Bacon, Buy America).
<b>Communication and Engagement Manager (MCEM)</b>	\$110,000	Reports to Program Director. Oversees program contracts, branding, community engagement, and communications, ensuring brand consistency. Coordinates local government in-kind contributions, accessibility, and culturally relevant materials.
<b>Senior Communications Specialist</b>	\$80,000	Reports to MCEM. Supports logistics, partner coordination, and on-the-ground communications across program elements. Spanish or other locally-relevant language skills prioritized.
<b>Senior Engagement Specialist</b>	\$80,000	Reports to MCEM. Supports community and stakeholder engagement coordination and strategy implementation across the programs. Spanish or other locally-relevant language skills prioritized.
<b>LIDAC, Advising, Rebates Program Manager (LARPM)</b>	\$110,000	Reports to Program Director. Leads overall execution of Measures 1-3. Oversees staff managing the LIDAC Decarbonization contract, energy advising service contract, and rebate administration.
<b>Senior Program Specialist: LIDAC</b>	\$80,000	Reports to LARPM. Oversees and manages implementation of Measure 1, including selected vendor.
<b>Senior Program Specialist: Advising and Rebates</b>	\$80,000	Reports to LARPM. Oversees and manages implementation of Measures 2 and 3, and relevant selected vendors.
<b>Workforce and Industry Program Manager (WIPM)</b>	\$110,000	Reports to Program Director. Oversees workforce, industry development, and innovation-related strategy and implementation and one staffer. Manages program relationships with industry and trade partners.
<b>Senior Program Specialist: Workforce and Industry</b>	\$80,000	Reports to the WIPM. Oversees the program contracts and program management for the workforce initiatives and the contract for innovation pilot programs. Coordinates monitoring and reporting.
<b>Policy Collaborative Manager (PCM)</b>	\$110,000	Reports to Program Director. Manages relationships across local governments. Oversees and manages the facilitation contract for policy workgroups. Manages research and studies. Develops and leads review of sub-awards for local capacity-building subawards. Oversees one staffer.
<b>Senior Program Specialist: Policy Collaborative</b>	\$80,000	Reports to PCM. Supports development and implementation of subaward programs for capacity-building grants to local governments for policy advancement. Manages reporting and data-collection from sub-awardees.

**Table 5: Proposed Contract and Scope Descriptions**

Contract	Program Area or Measure	Cost over 5 Years	Contract Description
<b>Marketing and Communications</b>	Central Program Administration	\$15,000,000	Implement comprehensive public relations (PR) and marketing strategy, including research and education. Contractor develops the brand and manages marketing for all Measures. Phase 1 focuses on decarbonization PR, Phase 2 on GHG reduction measures. Costs cover research, advertising, website development, surveys, and evaluation.
<b>Engagement Service</b>	Central Program Administration	\$4,000,000	Coordinate regional engagement. Contract allocates \$200,000 for management and an average \$10,000 per organization annually for focus groups and funding for 50-80 community based organizations. Prioritizes LIDACs. Initial year has the highest spending, tapering over time.
<b>Language Translation Services</b>	Central Program Administration	\$380,000	Contract for on-call translation and interpretation for written materials, live events, and recorded audio and video for the 10-15 most common languages in the region.
<b>LIDAC Decarbonization</b>	Measure 1	\$7,199,550	Implement LIDAC decarbonization program with resident engagement, audits, retrofits, support services, and wrap-around assistance. Contract administration costs based on 18% rate of participant support costs. Modeled after Energy Outreach Colorado and state weatherization programs.
<b>Energy Advising Services</b>	Measure 2	\$17,000,000	Administer regional energy advising service for residential and commercial buildings. Assist in project needs, review assessments, and oversee project completion. Costs cover program administration, including website development and virtual tools, that support advising programs serving an estimated 34,000 residential units at \$225/unit and 5,800 commercial buildings at \$1,300/building over five years.
<b>Incentive Fund Administration</b>	Measure 3	\$2,600,000	Administer rebates and incentives. Includes processing, verification, auditing, portal management, and reporting. Cost estimate for administration is 6.5% of anticipated issued incentives (\$39,997,500), based on Denver's rebate program.
<b>Building Policy Collaborative Facilitator</b>	Measure 4	\$2,500,000	Contract for regional policy network facilitation. Responsibilities include coordination with DRCOG and Colorado Energy Office, organizing meetings, stakeholder engagement, attending community councils, preparing materials, maintaining databases, and composing proposals.
<b>Commissioning Local Policy Research and Studies</b>	Measure 4	\$1,000,000	Contract(s) to perform specialized work on behalf of peer-to-peer policy workgroups. This may include literature review, commissioning studies, and developing digital tools and resources specific to policy and code adoption region-wide.
<b>Innovation Pilot Programs</b>	Workforce and Industry Development	\$6,000,000	Administer innovation pilot programs, targeting small businesses, especially ones that are minority- and women-owned. Modeled after TECH Clean California's Quick Start Grants. Cost estimated at \$200,000 per project for 5 projects per year plus administration.



**Table 5: Proposed Contract and Scope Descriptions (Cont'd)**

Contract	Program Area or Measure	Cost over 5 Years	Job Description
<b>Green Workforce Hubs</b>	Workforce and Industry Development	\$5,200,000	Contract with regional workforce centers to offer building decarbonization training and host green career coaches that recruit and place job seekers. Training offerings will focus on HVAC/plumbing and related trades. Includes stipends for barriers to participation and employment. Costs include: program administrative costs, direct training averaging \$500/participant for 720 individuals trained annually, wrap-around services, and participant stipends.
<b>Contractor Navigation Hub</b>	Workforce and Industry Development	\$4,500,000	Contract with regional third-party to provide business development support, especially for minority- and women-owned businesses and those in and serving LIDACs. Training areas include rebate navigation, sales, licensure, code compliance and permitting, and business skill-building. Costs include: staffing, office rental, administration, and training program implementation averaging \$1,000 per participant for 240 individuals served annually, including wrap-around services and participant stipends.
<b>Renewable Access Programs</b>	Workforce and Industry Development	\$2,775,000	Three contracts for renewable access programs (RAP) aimed at accelerating decarbonization workforce entry from priority populations: justice-impacted individuals, multicultural LIDAC members, and youth. Awardees will receive funds for direct personnel employment and key program elements like outreach and wrap-around services.

### **Participant Support Costs: Measure 1 and Measure 3**

Participant Support Costs are **\$39,997,500 over five years** for Measure 1: LIDAC Decarbonization and **\$40,000,000 over five years** for Measure 3: Rebates and Incentives. Table 7 provides additional information on Other Grant Costs.

#### **Measure 1: LIDAC Decarbonization**

This CPRG measure targets full decarbonization for certain LIDAC households. Upgrades may include heat pumps, heat pump water heaters, insulation and air sealing, induction stoves, heat pump dryers, and—in some indicated cases—pre-weatherization measures, health and safety remediation, and radon mitigation systems. This measure assumes average costs at \$30,000 per single family LIDAC household and \$22,500 per LIDAC multifamily unit, after including incentives available through Colorado’s Affordable Residential Energy program and Weatherization Assistance Program.

Costs for heat pumps are estimated using publicly available datasets including Massachusetts Residential Air-Source Heat Pump Program,<sup>3</sup> Massachusetts Whole Home Pilot,<sup>4</sup> TECH Clean California,<sup>5</sup> Lawrence Berkeley National Laboratory (LBNL),<sup>6</sup> and data from local implementers. Heat pump water heaters are estimated using median data from the TECH Clean California dataset. The upfront costs of insulation are determined by matching the measures included in the NREL ResStock insulation packages with

<sup>3</sup> “Air Source Heat Pumps.” Mass Save. <https://www.masssave.com/> Accessed March 2024.

<sup>4</sup> “Whole-Home Air-Source Heat Pump Pilot.” Massachusetts Clean Energy Center. <https://www.masscec.com/program/whole-home-air-source-heat-pump-pilot> Accessed March 2024.

<sup>5</sup> “Public Data: Project Data Visualizations.” TECH Clean California. <https://techcleanca.com/public-data/data-visualizations/> Accessed March 2024.

<sup>6</sup> Less, B, et al. “The Cost of Decarbonization and Energy Upgrade Retrofits for US Homes.” Lawrence Berkeley National Laboratory. [https://eta-publications.lbl.gov/sites/default/files/final\\_walker\\_-\\_the\\_cost\\_of\\_decarbonization\\_and\\_energy.pdf](https://eta-publications.lbl.gov/sites/default/files/final_walker_-_the_cost_of_decarbonization_and_energy.pdf) Accessed March 2024.

**Table 6: Other Grant Costs**

Cost category	Program Area/Measure	Cost over 5-Year Grant Period
<b>Cost Allocation for internal DRCOG services</b>	Central Program Administration	\$375,000
<b>Participant Support Costs</b>	Measure 1: LIDAC Decarbonization	\$39,997,500
<b>Participant Support Costs</b>	Measure 3: Rebates and Incentives	\$40,000,000
<b>Jurisdiction Support</b>	Measure 4: Policy Collaborative	\$34,800,000
<b>Total</b>		<b>\$115,172,500</b>

measures reported in an LBNL report<sup>7</sup> on the costs of decarbonization. Stoves and dryers are estimated through local retailers. Modeling the upfront costs for multi-family households are based on analysis from Denver’s Renewable Heating and Cooling Plan.<sup>8</sup> Costs per square foot for electrification are taken from a study completed for the City of Denver that estimated electrification costs for a variety of building types, systems, and replacement technology combinations. Costs per square foot are provided for each stage of electrification: old system removal, new system installation, wiring, controls, and panel or utility service upgrades. While these assumptions provided a detailed data set, the numbers were compared to real case study examples of implementation through Denver’s Healthy Homes program,<sup>9</sup> which includes building electrification and health and safety improvements. Based on this comparison, numbers were rounded up to ensure the costs accurately reflect local case study data and averages account for potential additional upgrades beyond building electrification where appropriate.

**Table 7: Participant Support Costs**

Program Element	Amount (\$)
<b>Measure 1: LIDAC Decarbonization</b>	
• 1067 Multifamily units @ \$22,500/unit	\$39,997,500
• 533 Single family units/manufactured homes @ \$30,000/unit	
<b>Measure 3: Rebates and Incentives for Retrofits</b>	
• Residential Retrofit Rebates, 10,000 @ \$1,600 each	\$40,000,000
• Multi-Family Retrofit Rebates 16,000 units @ \$1,000 each	
• Commercial Buildings \$8M serving approximately 4.1M sq ft	

### *Measure 3: Rebates and Incentives*

This measure builds on Inflation Reduction Act, state, and utility rebates and incentives, and offers expanded rebates for residential and commercial customers—increasing both the amount of rebates offered and the types of decarbonization technologies that qualify for rebates. Rebates would be available for residential, multifamily, and commercial properties. Depending on community engagement outcomes, industry incentives like contractor installation or distributor stocking bonuses may also be considered. Incentive levels will be based on community engagement and best practice research, setting sufficiently high rebate amounts while still achieving maximum GHG returns per dollar. Equitable distribution based on income levels and market and workforce conditions will also be considered. The budget assumes a weighted average rebate dollar value that takes into account changing incentive levels over the span of the grant. Incentives will be reviewed and adjusted annually, targeting consistent net spending and rebate amounts issued.

<sup>7</sup> *ibid.*

<sup>8</sup> “The Energize Denver Renewable Heating and Cooling Plan.” City of Denver. [https://www.denvergov.org/files/assets/public/v/1/climate-action/documents/hpbh/renewable-hampc/denver-renewable-heating-and-cooling-plan\\_june-2021.pdf](https://www.denvergov.org/files/assets/public/v/1/climate-action/documents/hpbh/renewable-hampc/denver-renewable-heating-and-cooling-plan_june-2021.pdf) Accessed March 2024

<sup>9</sup> “Healthy Homes Program.” City of Denver. <https://denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Climate-Action-Sustainability-Resiliency/Cutting-Denvers-Carbon-Pollution/High-Performance-Buildings-and-Homes/Electrify-Your-Home/Healthy-Homes-Program> Accessed March 2024.

### ***Jurisdiction Support: Measure 4 - Building Policy Collaborative***

The Building Policy Collaborative will provide subawards from a total budget of **\$34,800,000**, an average of \$600,000 for each of DRCOG's 58 member governments. The Collaborative is the most cost-effective measure and balances with the more cost-intensive measures necessary to equitably serve the community. Jurisdictions can apply for subawards to support: direct staff capacity (internal or contracted), permitting process and applicant support, inspection and enforcement, systems administration, new data tracking capabilities, certification and training, software licenses, legal counsel and support, community engagement, peer-to-peer and elected coordination, strategic policy advancement and collaborative work, data collection for coordination, and/or evaluation and studies. Should *Decarbonize DRCOG* and the Colorado Energy Office's policy accelerator both be awarded CPRG dollars, any given project may only receive funds from one CPRG-funded local government support program. All subawards will comply with applicable provisions of 2 CFR Part 200.

### **In-Kind and Leveraged Funds**

DRCOG member governments have committed to contribute their individual local funding to supplement *Decarbonize DRCOG*. The City and County of Denver, Boulder County, and the City of Boulder are the only governments in the DRCOG region with dedicated sustainability/climate taxes that currently fund personnel and incentives for building decarbonization; all have written letters of commitment, together pledging over \$70,000,000 throughout the grant period in in-kind personnel time and leveraged funds in the form of supplemental programmatic dollars. These three local governments intend to end their individual incentive programs and integrate them into *Decarbonize DRCOG* should the CPRG be awarded. The discontinuation of separate programs within each jurisdiction will simplify and streamline the programs for homeowners and contractors. These additional funds will increase the number of clients receiving incentives within the three communities, but not the incentive dollar amounts per upgrade. Having higher incentive dollar levels in the communities contributing extra funds could unfairly drive participation and contractors to those communities. *Decarbonize DRCOG* will ensure incentive amounts are consistent for constituents across the entire region.

Additionally, all three entities have outlined in their letters of commitment that, should DRCOG receive this award, they will contribute a portion of their staff time as in-kind support. These local government officials will help guide and manage the success of *Decarbonize DRCOG* as technical advisors, drawing upon their collective decades of experience managing similar programs. This in-kind support of personnel, in addition to the supplemental programmatic funding, would increase the knowledge and expertise of *Decarbonize DRCOG*, facilitate faster program startup from day one, as well as leverage and standardize the programs across the region. There is already a local precedent for this model as the City of Boulder currently contributes personnel and incentive funding to Boulder County's residential and commercial programs rather than running their own duplicative service.

### ***In-Kind Personnel Time***

As detailed in Table 8, the City and County of Denver, Boulder County, and the City of Boulder have pledged via letters of commitment a total of 5.1 full-time equivalent (FTE) of personnel time through the duration of the grant term, valued at **\$3,008,343 over five years**.<sup>10</sup> Other communities may contribute as well should the grant be awarded. These personnel will spend their time on development and implementation of each of the measures and supporting initiatives, as well as governance and overall project support.

### ***Local Government Leveraged Funds***

Table 9 below shows leveraged funds for *Decarbonize DRCOG* provided by the City and County of Denver, Boulder County, and the City of Boulder, totaling **\$70,250,000 over five years**.

<sup>10</sup> To calculate the in-kind personnel costs, the average annual salary is estimated at \$110,000 with a 3.5% annual increase.



**Table 8: In-Kind Personnel Time**

Jurisdiction	Full Time Equivalent					
	Measure 1: LIDAC Decarbonization	Measures 2 and 3: Energy Advisors & Rebates + Incentives	Measure 4: Policy Collaborative	Workforce and Industry Development	Central Program Administration*	Total FTE per year
City & County of Denver	0.5	0.5	0.3	0.5	0.4	2.2
Boulder County	0.3	0.2	0.2	0.5	0.7	1.9
City of Boulder	0.2	-	0.3	-	0.5	1
<b>Total</b>	<b>1.0</b>	<b>0.7</b>	<b>0.8</b>	<b>1.0</b>	<b>1.6</b>	<b>5.1</b>

**Table 9: Local Government Leveraged Funds**

Measure	Contractual (over 5 years)	Participant Support Cost (over 5 years)	5 Year Additional Contribution through Leveraged Funds	Additional Impact through Leveraged Funds	GHG Reductions 2025-2030 (mtCO <sub>2</sub> e)	GHG Reductions 2025-2050 (mtCO <sub>2</sub> e)
<b>Measure 1: LIDAC Decarbonization</b>	\$ 2,524,500	\$ 13,975,500	\$ 16,500,000	570 units	4,337mt	33,747mt
<b>Measure 3: Residential Rebates</b>	\$ 902,700	\$ 13,847,300	\$ 14,750,000	8,655 units	137,136mt	1,120,958mt
<b>Measure 3: Multifamily Rebates</b>	\$ 1,162,800	\$ 17,837,200	\$ 19,000,000	17,837 units	83,269mt	583,778mt
<b>Measure 3: Commercial Rebates</b>	\$ 918,000	\$ 14,082,000	\$ 15,000,000	7.3M ft <sup>2</sup> served	22,871mt	206,099mt
<b>Initiative: Workforce and Industry Development</b>	\$ 5,000,000	-	\$ 5,000,000	2,000 trained workers	-	-
<b>Total</b>	<b>\$ 10,508,000</b>	<b>\$ 59,742,000</b>	<b>\$ 70,250,000</b>		<b>247,613mt</b>	<b>1,944,582mt</b>

## Indirect Costs

Indirect costs are **\$5,279,616 over five years**. Every year, upon completion of the annual singular audit, DRCOG develops an Indirect Cost Allocation Plan, prepared by independent auditors CliftonLaronAllen, then negotiated with and approved by the FTA.<sup>11</sup> The current indirect rate is calculated at 48.5%, based on the ratio of indirect costs to direct personnel services. Allocating indirect costs is essential to support the administrative and operational infrastructure that enables effective programmatic implementation. DRCOG's Indirect Cost Allocation Plan includes expenses such as office rent, utilities, business insurance premiums, technology infrastructure, executive personnel, and general training. The plan incorporates the use of a single, composite rate, with an allowance for the under or over application of actual indirect cost to applied indirect cost in the previous year. The 2023 Indirect Cost Allocation Plan for DRCOG was prepared by independent auditors under the direction of Jenny Dock. Costs are charged directly to projects if they are specifically identifiable with the project and are allocated monthly on an accrual basis. Since indirect costs are generated as part of DRCOG's integrated budgetary and accounting system, these costs are never duplicated or included as part of direct costs. The 2023 indirect cost rate, 48.5% of base salaries plus fringe benefits, was applied to the *Decarbonize DRCOG* budget to capture the total indirect costs.

<sup>11</sup> "2023 Indirect Cost Allocation Plan." Denver Regional Council of Governments.  
<https://drive.google.com/file/d/1qlgtLDC1Rmf7DU7n2aTDNe3LlwchxssX/view> Accessed March 2024.