Retention Incentive Pilot Policy Manual Addendum

Updated 11/14/2025

In PY24, Minnesota's WAP State Plan included a new opportunity for local Service Providers to address workforce challenges with contractors and internal staff through the implementation of retention and sign-on incentives. This document serves to outline implementation.

The program is being renewed for PY25 with a few additions. Please review this document for updated pilot details.

Service Provider Allocations

Service Providers are each eligible for $25,000 for internal staff and contractor retention incentive distribution.

Overview of Incentives

A significant barrier to expansion of weatherization services or addition of new measures is the recruitment of staff and contractors. To address this concern in Minnesota, the Weatherization Assistance Program (WAP) program looked to other WAP programs for models.

Based on what Minnesota learned from reviewing models from other states, we are implementing the following activities that support weatherization and the successful expansion of leveraging efforts.

Contractor Retention Incentive

The weatherization program aims to attract new contractors and retain existing contractors by offering retention incentives. Contractors, whether existing or new to the program, will be eligible for incentives based on their duration of service in WAP.

Retention Incentives: Contractors may receive incentives based on the duration of their length of service in WAP:

- Sign--on incentive: one--time payment of up to $300
- 1-Year Incentive: $500

- 3-Year Incentive: $1,000
- 5-Year+ Incentive: $1,500

Eligibility Criteria for Contractors

To qualify for a retention incentive, a contractor must complete work orders on a minimum of 15% of the US DOE unit production goal amount outlined in the state plan for the current program year. Incentives may not be released to a contractor until their 15% benchmark is reached. Contractors are awarded an incentive as an organization, not individual staff within the contracting organization.

Contractors serving multiple Service Providers will only receive one incentive. Service Providers will be able to check WAPLink to determine if a contractor has already been awarded by reviewing the contractor entry details.

Agency Staff Incentives

All staff, including administration, crews, Energy Auditor (EA), and Quality Control Inspector (QCI) serving in a WAP-funded role at minimum of 30% or more are eligible for a sign-on or retention incentive. These incentives may be granted after the successful inspection and completion of the Service Provider's first US DOE unit for the program year. Calculation of length of service may include experience from other professional WAP roles outside of the current role.

To motivate staff, we offer the following incentives.

Sign-On Incentives: Staff will receive a $250 sign-on incentive upon joining an agency. Service Providers will include a retention policy in place for the incentive.

Retention Incentives: Staff will receive an incentive based on longevity with the program. Incentives are higher for longer service to encourage and foster technical credential-building and deep programmatic knowledge.

- 12-Month Incentive: $500
- 2-Year Incentive: $750
- 5-Year+ Incentive: $1,250

Financial Considerations and Funds Release

The incentives will be factored into program operations and contribute to the ACPU. Service Providers have been provided $25,000 for incentives. SPs participating in the incentive program must update their DOE program budget in WAPLink and may budget up to $25,000 for the incentives in the "staff and contractor incentive" line item. Service Providers participating in the incentive program should allocate funds by December 15, 2025.

A Service Provider may choose to offer incentives to internal staff or contractors, or both. Service Providers may choose to offer less than the amounts listed in the State Plan for either staff or contractor incentives. This information should be detailed in the reporting template annually to Commerce with a brief explanation and justification in the provided tracking template.

Tracking and Monitoring

Service Providers will be provided a tracking template to track distribution of incentives to staff and contractors. Commerce will request this information to review during Administrative Monitoring and annual reporting to the Department of Energy. Recognizing there may be limited quantitative data to provide, Commerce will also collect qualitative data about the program to inform the strategy for future years.

In cases where contractors provide services to multiple Service Providers, contractors may receive only one incentive. Tracking will occur in WAPLink to ensure contractors do not receive more than one incentive. Immediately upon issuance of a contractor retention incentive, Service Providers will need to update the contractor entry screen in WAPLink to indicate that the contractor has received an incentive this program year. This step is crucial to ensure Service Providers sharing contractors do not inadvertently issue multiple incentives to the same contractor. In WAPLink, on the Vendor Entry screen, there is a field stating "Contractor received a retention incentive this PY on [enter date]". Service Providers are expected to complete this field by adding the date the incentive was distributed.

There is no WAPLink tracking requirement for incentives for crews. Tracking will be recorded through the Commerce provided tracking template.

FAQs

What modifications were made for PY25?

- A contractor sign-on incentive was added
- Flexibility in calculation of years of service was added
- Service Providers can move funds into incentive line item in WAPLink, rather than opting-out of the program

Does this impact ACPU?

Yes. Incentives are calculated into the average cost per unit (ACPU).

How will we track retention?

Questions to gauge program success are included in a tab of the Excel tracking template provided by Commerce. Data from PY24 and PY25 pilot years will inform future years of retention incentive offerings. Service Providers are strongly encouraged to provide direct feedback about their experience of the pilot.

Are retention agreements required?

Service Providers are required to have a retention policy to issue **sign-on** incentives. These policies could be a simple as policy language such as, "Any staff member that starts after June 30, 2024, to July 1, 2025, is eligible to receive a sign-on incentive if they maintain their employment [fill in the blank amount of time."

Service Providers are not required to include retention agreements for distributed retention incentives for staff or contractors, though they may choose to do so. The length of commitment for any retention agreement is at the discretion of the Service Provider.

Can we split the cost of a retention incentive with another Service Provider for a contractor shared by multiple agencies?

No.