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# SFY 2018 Evaluation: Energy and Weatherization Assistance Programs

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## **TABLE OF ACRONYMS**

ARRA	<i>American Recovery and Reinvestment Act</i>
BPI	<i>Building Performance Institute</i>
BWR	<i>Building Weatherization Report</i>
CSA	<i>Community Services Agency</i>
CSBG	<i>Community Service Block Grant</i>
DSM	<i>Demand Side Management</i>
DWSS	<i>Division of Welfare and Supportive Services</i>
EAP	<i>Energy Assistance Program</i>
EFSP	<i>Emergency Food and Shelter Program</i>
ESG	<i>Emergency Shelter Grant</i>
FAC	<i>Fixed Annual Credit</i>
FEAC	<i>Fund for Energy Assistance and Conservation</i>
FPL	<i>Federal Poverty Level</i>
HEROS	<i>Governor’s Home Energy Retrofits for Seniors</i>
IT	<i>Information Technology</i>
kWh	<i>Kilowatt hour</i>
LIHEAP (LIHEA Program)	<i>Federal Low-Income Home Energy Assistance Program</i>
NAC	<i>Nevada Administrative Code</i>
NHD	<i>Nevada Housing Division</i>
NRHA	<i>Nevada Rural Housing Authority</i>
NRS	<i>Nevada Revised Statute</i>
PUCN	<i>Public Utility Commission of Nevada</i>
RFI	<i>Request for Information</i>
RNDC	<i>Rural Nevada Development Corporation</i>
RTCA	<i>Rebuilding Together with Christmas in April</i>
SAFE	<i>Special Assistance Fund for Energy</i>
SSI	<i>Supplemental Security Income</i>
SFY	<i>State Fiscal Year</i>
UEC	<i>Universal Energy Charge</i>
USDHHS	<i>US Department of Health and Human Services</i>
USDOE	<i>US Department of Energy</i>
WAP	<i>Weatherization Assistance Program</i>

## ENERGY ASSISTANCE AND WEATHERIZATION ASSISTANCE PROGRAMS

Nevada's Home Energy Assistance Program (EAP) and Weatherization Assistance Program (WAP) are both funded by the state's Universal Energy Charge (UEC), which was established by the 2001 State Legislature and became effective during State Fiscal Year (SFY) 2002.<sup>1</sup> The first full program year was SFY 2003.

The legislation establishing these programs requires an annual evaluation of program efficacy and compliance with legislative requirements. Nevada's Division of Welfare and Supportive Service and the Nevada Housing Division jointly hired H. Gil Peach & Associates and Smith & Lehmann Consulting to conduct this evaluation for the 2018 fiscal year.<sup>2</sup>

### ENERGY ASSISTANCE PROGRAM

Evaluation of EAP compliance and efficacy were determined using a variety of sources. The following EAP-provided data sets were used for analyses:<sup>3</sup>

- ◆ Forms and Notices – There were 65,040 forms and notices.
- ◆ Eligibility Certification – Eligibility determination was assessed for 37,477 records for SFY 2018. The final determination of eligibility is shown in Table 1.<sup>4</sup>

Table 1. Eligibility Certification for SFY 2018.

Eligibility Certification		
Eligibility	Number of Households	Percentage
Eligible	24,725	66%
Ineligible	12,752	34%
Total	37,477	100%

- ◆ Family Members Details – Data includes 17,127 records on the family members of applicants requesting EAP assistance, including dates of application.
- ◆ Income Type Detail – Data includes 56,426 household income entries.

The **Eligibility Certification** and **Family Members Details** and **Income Type Detail** data sets were merged in different steps of the analyses to obtain comprehensive program and client information.

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<sup>1</sup> The Universal Energy Charge (UEC) was authorized by the [State of Nevada Assembly Bill 661 \(2001\), Section 26](#), effective July 7, 2001, as codified in the Nevada Revised Statutes 702.010 through 702.170 and regulations adopted by the Public Utilities Commission of Nevada, as codified in the Nevada Administrative Code 702.010 through 702.450.

<sup>2</sup> Work Order Number 302.

<sup>3</sup> Numbers reported in the evaluation differ slightly from DWSS management reports. Numbers here represent all actions, including situations in which there may be two or more decisions over the year for a household. DWSS program management reports generally provide the current final decision for a household.

<sup>4</sup> Quantitative and statistical analysis is carried out using Excel 2016 & SPSS V25.

- ◆ The **Eligibility Certification** data set was used to characterize clients as eligible or ineligible in all cases. As shown in Table 1, there are N=24,725 eligible cases and N=12,752 ineligible cases. This information was also used in the analysis of demographic and other characteristics of the EAP recipient population.
- ◆ **Energy Burden** analyses were conducted on all 24,725 of the eligible households which included a variety of household compositions such as those with children, disabled family members, and elderly family members. These certified households were merged with the 56,426 records for household income contributions by source in the **Household Income** Data file.
- ◆ **Household Income Data** (merged with **Eligibility Certification** data) were used to determine the relationship between social security income and program eligibility.

## Energy Assistance Program compliance with Legislative Requirements (NRS 702)

### 1.1 Did DWSS ensure UEC funds were administered in a coordinated manner with all other sources of money available for energy assistance?

[Reference: NRS 702.250.3, Deliverable 3.4.1]

The Department of Welfare and Supportive Services (DWSS) receives money for energy assistance from two sources. The Universal Energy Charge (UEC) is a charge on customer bills and is collected by the participating utilities and sent to the Public Utilities Commission of Nevada (PUCN). PUCN deducts its collection and oversight cost and transfers the funds to the Fund for Energy Assistance and Conservation (FEAC) which is maintained by DWSS. In addition, the program receives funding from the Federal Low-Income Home Energy Assistance Program (LIHEAP or LIHEA Program). FEAC funds are distributed per NRS 702 through the Energy Assistance Program. Other funding sources have been from LIHEAP only.

### 1.2. Was interest and income earned appropriately credited to FEAC?

[Reference: NRS 702.250.4, Deliverable 3.4.1.1]

Yes. Table 2 shows the distribution of FEAC interest between DWSS and NHD. Interest was distributed to each Division per their unspent balance of Principal.

Table 2. FEAC Interest received and distributed for DWSS and NHD in SFY 2018.

FEAC Interest Received and Distributed, SFY 2018	
	Amount
Amount Remaining for Distribution Following Refunds	\$62,562
Amount Distributed to NHD	\$3,877
Amount Distributed to DWSS	\$58,685

### 1.3. Were FEAC funds distributed as mandated in NRS 702.260?

[Reference: NRS 702.260.1 Deliverable 3.4.1.2]

Yes. The distribution of FEAC funds between DWSS and NHD is shown in Table 3.

**Table 3. FEAC Principal Funds received and distributed for DWSS and NHD for SFY 2018.**

<b>FEAC Principal Received and Distributed, SFY 2018</b>		
	<b>Amount</b>	<b>Percentage of Funds Disbursed</b>
<b>FEAC Amount Received by DWSS from PUCN</b>	\$13,167,506	
<b>Refunds (Directed by PUCN)</b>	(\$47,414)	
<b>Amount Remaining for Distribution Following Refunds</b>	\$13,120,092	
<b>Amount Distributed to NHD</b>	\$3,280,023	25%
<b>Amount Distributed to DWSS</b>	\$9,840,069	75%

*FEAC funds were distributed as mandated in NRS 702.260. There was a small overpayment to NHD of \$555.68 which will be reclaimed in the first distribution for SFY 2019.*

**1.4. Were 75% of the FEAC funds distributed to DWSS?**

[Reference: NRS 702.260.1 Deliverable 3.4.2]

Yes. As shown in Table 3, \$9,840,023 or 75% of FEAC funds were distributed to DWSS.

**1.5. Did DWSS use no more than 5% of FEAC funds for administrative expenses?**

[Reference: 702.260.1 Deliverable 3.4.2.1]

Yes. As shown by combining \$58,685 in interest distributed to DWSS (Table 2) with the \$9,840,023 principal allocated to DWSS (Table 3), a total of \$9,898,708 was received by EAP from FEAC funds and earned interest. Reserve funds of \$4,006,971 were available from the prior fiscal year. Adding these amounts together, the total of available FEAC funds for DWSS in SFY 2018 was \$13,846,994. DWSS used \$538,663 (3.89%) of the total FEAC funds for program administration. This percentage is under five percent (5%), so is in conformance with NRS 702.260.1. The total of DWSS FEAC funds disbursed in SFY 2018 was \$6,501,602. DWSS used 8.29% of funds disbursed in SFY 2018 for program administration.

**Table 4. EAP Funds Spent, SFY 2018.**

<b>SFY 2018 DWSS Energy Payment Assistance - Major Line Items (Disbursed)</b>			
<b>Line</b>	<b>Item</b>	<b>(\$)</b>	<b>Percentage</b>
<b>1</b>	<b>Administration</b>	538,663	8.29%
<b>2</b>	<b>Client Payments</b>	5,586,771	85.93%
<b>3</b>	<b>Outreach</b>	19,826	0.30%
<b>4</b>	<b>Program Design (including computer re-programming)</b>	304,625	4.69%
<b>5</b>	<b>Evaluation</b>	51,718	0.80%
<b>6</b>	<b>Total Spent</b>	6,501,602	100.00%
<b>7</b>	<b>Reserve (To Next Year)</b>	7,404,123	
<b>8</b>	<b>Total Available (Including Carryover from Prior Year)</b>	13,905,725	

**1.6. Did DWSS use FEAC funds (after the no more than 5% deduction from funds distributed to FEAC for administrative expenses) to assist eligible households in paying for natural gas and electricity?**

[Reference: 702.260.2(a) Deliverable 3.4.2.2]

Yes, as shown in Table 4, \$5,586,771 was used to assist eligible households in paying for natural gas and electricity.

*DWSS used 85.93% of FEAC funds to assist eligible households in paying for natural gas and electricity.*

**1.7. Did DWSS use FEAC funds (after the no more than 5% deduction from funds distributed to FEAC for administrative expenses) to carry out activities related to consumer outreach?**

[Reference: 702.260.2(b) Deliverable 3.4.2.3]

Yes, Table 4 shows that 0.30% of funds (\$19,826) were used for consumer outreach. Intake sites are paid \$10 per fully completed application. Receiving this information from intake sites makes for faster processing. However, the intake sites do not have access to the checking systems that DWSS has, so although they can gather necessary information, review and eligibility determination is carried out by DWSS.<sup>5</sup>

*DWSS used FEAC funds for consumer outreach.*

**1.8. Did DWSS use FEAC funds (after the no more than 5% deduction from funds distributed to FEAC for administrative expenses) to pay for program design?**

[Reference: 702.260.2(c) Deliverable 3.4.2.4]

Yes, \$304,625 (4.69% of expenditures) was used in program design (including IT work), as seen in Table 4.

*DWSS used FEAC funds for program design.*

**1.9. Did DWSS adjust the amount of assistance a household receives based upon the following factors: Household income; Household size; Energy type used, and other factors determined to make household vulnerable to increases in natural gas or electricity costs?**

[Reference: 702.260.6(b) Deliverable 3.4.5.1]

Yes, DWSS developed eligibility tables based on household income and household size. DWSS also carefully developed benefit caps, which varied based on income, household size and the type of energy

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<sup>5</sup> "EAP applications may be obtained from/submitted to Division of Welfare and Supportive Services and contracted intake sites such as county social services, senior citizen centers, or community-based organizations. Completed applications submitted to a contracted intake site are sent to one of the two program offices statewide for processing after securing the documentation necessary to process the application. In FY18, the Division of Welfare and Supportive Services continue to augment the number of intake sites as needed. Contracted intake sites are encouraged to assist the Division of Welfare and Supportive Services in EAP program outreach. The Division of Welfare and Supportive Services shall provide copies of any promotional brochures to its intake sites, other community-based governmental offices, utilities, and other locations throughout the state providing potential applicants with information on energy assistance and energy conservation." Nevada Fund for Energy Assistance and Conservation State Plan for SFY 2018, P. 12.



used.<sup>6</sup> In addition, \$50 per month was added to the benefit cap for “vulnerable/targeted households” which includes the elderly, households with children younger than 6 years of age, and disabled persons. See Tables 5 and 6.

Table 5. DWSS EAP Eligibility Tables for SFY 2018.

Household Size	Maximum Annual Gross Income				Maximum Monthly Income (150% FPL)
	Multiple of Federal Poverty Level				
	75%	100%	125%	150%	
1	\$9,045	\$12,060	\$15,075	\$18,090	\$1,507.50
2	\$12,180	\$16,240	\$20,300	\$24,360	\$2,030.00
3	\$15,315	\$20,420	\$25,525	\$30,630	\$2,552.50
4	\$18,450	\$24,600	\$30,750	\$36,900	\$3,075.00
5	\$21,585	\$28,780	\$35,975	\$43,170	\$3,597.50
6	\$24,720	\$32,960	\$41,200	\$49,440	\$4,120.00
7	\$27,855	\$37,140	\$46,425	\$55,710	\$4,642.50
8	\$30,990	\$41,320	\$51,650	\$61,980	\$5,165.00
<b>Add for each additional person:</b>	\$3,135	\$4,180	\$5,225	\$6,270	\$522.50

Note: The Annual Income Limit for 2018 Eligibility is 150% of the Federal Poverty Level

Table 6. SFY 2018 Benefit Cap Table for Households.

Household Size	<75%	75-100%	100-125%	126-150%
1	\$1,142	\$800	\$640	\$576
2	\$1,203	\$842	\$673	\$606
3	\$1,266	\$886	\$709	\$638
4	\$1,333	\$933	\$746	\$672
5	\$1,399	\$979	\$784	\$705
6	\$1,469	\$1,028	\$823	\$740
7	\$1,543	\$1,080	\$864	\$777
8+	\$1,620	\$1,134	\$907	\$816
(Add \$50 for Households with a member who is 60 years or older; disabled; or a child under 6; add \$200 for households with oil or propane primary energy source.)				

For 2018 the median energy burden for Nevada households was 1.78% of household income.<sup>7</sup>

<sup>6</sup> SFY 2018 began with a set of benefit caps effective August 1, 2017. Due to changes in amounts and timing of funding, the caps were revised in June 2018 as documented in Policy Transmittal EAP PT 01-18 for payments through the end of SFY 2018 with retroactive adjustment for the whole of SFY 2018. Table 6 shows the benefit caps adjusted in June 2018.

<sup>7</sup> Nevada Fund for Energy Assistance and Conservation State Plan FY 2018, Effective July 1, 2017, P. 17. The household energy burden is the proportion of household gross income paid for electricity and heat.

An example illustrating the median energy burden goal and the operation of the cap for a household of one person that is not a targeted household (and so does not receive an added \$50) and does not heat with oil or propane (so does not receive an added \$200) is shown in Table 7.

Table 7. Example 1: Assistance with and without use of a Cap.

Example 1					
Row No.	Category	Example Income (Multiple of Federal Poverty Level)			
		<=75%	75-100%	100-125%	125-150%
<b>Household Size = 1 Person</b>					
1	Annual Household Income (Gross)	\$9,045	\$12,060	\$15,075	\$18,090
2	2018 Nevada Median Energy Burden (1.78%). This is the NRS702 target for the portion of the bill that should remain a customer responsibility.	\$161	\$215	\$268	\$322
3	Example Annual Household Energy Cost (based on energy usage amount)	\$1,600	\$1,600	\$1,600	\$1,600
4	Balance Remaining to Pay for energy usage after initial Customer Responsibility	\$1,439	\$1,385	\$1,332	\$1,278
5	Cap	\$1,142	\$800	\$640	\$576
6	Total Bill to Customer (If there were no Program)	\$1,600	\$1,600	\$1,600	\$1,600
7	Customer Responsibility: EAP (If there were no Cap)	\$161	\$215	\$268	\$322
8	Customer Responsibility: EAP (with Cap)	\$458	\$800	\$960	\$1,024
9	Bill Assistance Amount (If there were no Cap)	\$1,439	\$1,385	\$1,332	\$1,278
10	Bill Assistance Amount (with Cap)	\$1,142	\$418	\$390	\$576

A parallel example for a four-person household is shown in Table 8. For these examples, household income has been set to the top value within each income range.

Table 8. Example 2: Assistance with and without use of a Cap.

Example 2					
Row No.	Category	Example Income (Multiple of Federal Poverty Level)			
		<=75%	75-100%	100-125%	125-150%
<b>Household Size = 4 Persons</b>					
1	Annual Household Income (Gross)	\$18,450	\$24,600	\$30,750	\$36,900
2	2018 Nevada Median Energy Burden (1.78%). This is the NRS702 target for the portion of the bill that should remain a customer responsibility.	\$328	\$438	\$547	\$657
3	Example Annual Household Energy Cost (based on energy usage amount)	\$1,600	\$1,600	\$1,600	\$1,600
4	Balance Remaining to Pay for energy usage after initial Customer Responsibility	\$1,272	\$1,162	\$1,053	\$943
5	Cap	\$1,333	\$933	\$746	\$672
6	Total Bill to Customer (If there were no Program)	\$1,600	\$1,600	\$1,600	\$1,600
7	Customer Responsibility: EAP (If there were no Cap)	\$328	\$438	\$547	\$657
8	Customer Responsibility: EAP (with Cap)	\$328	\$667	\$854	\$928
9	Bill Assistance Amount (If there were no Cap)	\$1,272	\$1,162	\$1,053	\$943
10	Bill Assistance Amount (with Cap)	\$1,272	\$933	\$746	\$672

These tables show the importance of the Energy Assistance Program in reducing the size of the bill that must be paid by the customer. The program is not intended to pay the full energy bill – the target customer responsibility portion of the bill is set in accordance with the median (middle value) household energy burden (proportion of household gross income paid for electricity and heat). For both tables, income fitting into ranges of different multiples of the Federal Poverty Level is shown in Row 1. The corresponding value for the SFY 2018 Median Energy Burden criterion is shown in Row 2. For these examples, the Annual Energy Bill is set at \$1,600 (Row 3). The balance remaining to pay after the target customer responsibility amount is shown in Row 4. The cap amount to be applied is shown in Row 5.

Rows 6, 7 and 8 show the total customer responsibility amount for three cases: the case of the “no program” alternative; the program as envisioned under NRS 702 with no cap; and the program with the appropriate SFY 2018 cap value applied. Rows 9 and 10 show the Bill Assistance amount provided by the program, first without application of a cap, and then with the application of the cap applied in SFY 2018.

In Table 9, the customer responsibility portion of the total bill is shown as a percentage of the total bill for Example 1 (Table 7) and Example 2 (Table 8). The pattern of greater protection for households with lower incomes is evident in the percentages shown in Rows 2, 3, 5 and 6.

**Table 9. Customer Responsibility Percentage of Total Bill Amount.**

Percentage of Total Bill to Customer to be Paid as Customer Responsibility					
Row No.	Category	Example Income (Multiple of Federal Poverty Level)			
		<=75%	75-100%	100-125%	125-150%
<b>Example 1: Household Size = 1 Person</b>					
1	Total Bill to Customer (If there were no Program)	100%	100%	100%	100%
2	Customer Responsibility: EAP (If there were no Cap)	10%	13%	17%	20%
3	Customer Responsibility: EAP (with Cap)	29%	50%	60%	64%
<b>Example 2: Household Size = 4 Persons</b>					
4	Total Bill to Customer (If there were no Program)	100%	100%	100%	100%
5	Customer Responsibility: EAP (If there were no Cap)	21%	27%	34%	41%
6	Customer Responsibility: EAP (with Cap)	21%	42%	53%	58%

A design using a cap approach was envisioned by the legislature and is within the scope of determination of DWSS as specified in NRS 702. This modification of the program design is appropriate for years in which total funding is not sufficient to fully meet the median energy burden target for all eligible applicants during that year. As is shown in the tables, households within the lowest poverty range are more protected by the cap than households in the upper poverty ranges. The design preserves funding so that more households can be served while also providing more protection to the households in the lower ranges of poverty. The caps need to be changed from time to time to re-optimize the program to work within the changing funding constraints for both UEC/FEAC and federal funding.

**1.10. Did DWSS solicit advice from Nevada Housing Division (NHD) and other knowledgeable sources in developing the program to assist households in paying for natural gas or electricity?**

[Reference: 702.260.8(a) Deliverable 3.4.7]

Yes. Throughout the year, DWSS managers consulted with the Policy Advisory Council and NHD, consistent with the directives for consultation and coordination in the enabling legislation for the program.

**1.11. Did DWSS identify and implement appropriate delivery systems to distribute money from FEAC?**

[Reference: 702.260.8(b) Deliverable 3.4.7.1]

Yes, DWSS provided supportive funding to eligible households in SFY 2018. DWSS continues to make changes to case processing systems to increase efficiency. DWSS has requested several improvements

in the IT support system. There are multiple demands on IT so there is a backlog in working through these optimization requests.

Also, DWSS has been tracking and working to reduce processing time. In SFY 2017, cases processed in less than 60 days constituted 86-98% of cases by month from March through July, but 19% to 62% of cases from per month from August through February. Cases processed in less than 30 days constituted 56-96% of cases from March through July in SFY 2017, but 2-8% of cases from August through February.

In SFY 2018, DWSS processed more than 97% of cases in less than 60 days for every month, achieving a very meaningful improvement in case processing. Also, at least 60% of cases were processed in less than 30 days for every month of SFY 2018; in seven of the twelve months of SFY 2018, 93% of cases were processed in less than 30 days.

**1.12. Did DWSS coordinate with other federal, state and local agencies that provide energy assistance to low-income persons?**

[Reference: 702.260.8(c) Deliverable 3.4.7.2]

The current coordination between EAP and the Weatherization Assistance Program involves EAP sending WAP a monthly list of newly-eligible EAP participants. WAP then divides this list according to Subgrantee service areas, and forwards to the Subgrantees a list of potential WAP participants within their service territories. Depending on backlog at each Subgrantee agency, Subgrantees then send postcards to potentially eligible households to alert them to this program. One of the Subgrantee responsibilities is recruitment of households into the FEAC weatherization program so they may often have a backlog.

**1.13. Did DWSS establish a process for evaluating EAP?**

[Reference: 702.260.8(d) Deliverable 3.4.7.3]

The Division of Welfare and Supportive Services and Nevada Housing Division jointly conducted an annual evaluation of the EAP and WAP for the State Fiscal Year 2017 and are currently conducting the SFY 2018 evaluation covering the programs from July 2017 through June 30, 2018.

**1.14. Did DWSS establish a process for making changes to EAP?**

[Reference: 702.260.8(e) Deliverable 3.4.7.4]

Yes. All changes are communicated in policy transmittal and manual transmittal letters. Few changes were made to EAP during the fiscal year; changes made were documented through this process

**1.15. Did DWSS engage in annual planning and evaluation processes with NHD?**

[Reference: 702.260.8(f) Deliverable 3.4.7.5]

Yes. DWSS and NHD engaged in public hearings and conducted joint planning activities throughout the year. A joint meeting was held in both 2017 and 2018 to review and discuss the Nevada Fund for Energy Assistance and Conservation and Weatherization State Plan. A public hearing was held in June 2017 to adopt the State Plan for 2018; a public hearing was held in July 2018 to adopt the State Plan for SFY 2019.

**1.16. Did DWSS distribute 25% of FEAC funds to Nevada Housing Division?**

[Reference: 702.270.1 Deliverable 3.4.8]

Yes, 25% of FEAC funds were distributed to NHD.

**1.17. Did DWSS submit a report to the Director of the Legislative Counsel Bureau on or before January 5 of each year, which specifies the amount of all money in FEAC allocated to DWSS during the preceding year which remains unspent and encumbered?**

[Reference: 702.275.1 Deliverable 3.4.9]

Yes. The fiscal report for the previous fiscal year was submitted on or before January 5.

**1.18. Did DWSS distribute not more than 30% of all FEAC funds that remained unspent and unencumbered at the end of a fiscal year to NHD?**

[Reference: 702.255.2 Deliverable 3.4.9.1]

When the final accounting records were produced in September 2018, there was a carryover of \$7,404,123 to SFY 2019. However, the possible transfer to NHD was not applicable since there were no unspent funds that were not encumbered.

**1.19. Did DWSS adopt regulations to carry out provisions of NRS 702.250 and 260?**

[Reference: 702.260.7) Deliverable 3.4.6]

Yes. This report outlines each provision of NRS 702.250 and 260 and DWSS compliance with those provisions. In summary, by taking the following actions, DWSS implemented the program in compliance with NRS 702.250 and 260.

- ◆ DWSS administered the FEAC, which included all sources of public and private money available for energy assistance.
- ◆ DWSS coordinated the distribution of these funds with all available energy assistance funds.
- ◆ 75% of money in the FEAC was distributed to DWSS.
- ◆ The EAP provided subsidies to households to assist with paying for natural gas and electricity, and also paid for program design (including IT) and evaluation expenses.
- ◆ Only households at or below 150% of the FPL were eligible to receive subsidies.
- ◆ DWSS provided emergency assistance to households for whom health and/or safety was threatened by bearing the full cost of heating and cooling.
- ◆ DWSS made a good faith effort to reduce the proportion of household income spent on energy by eligible applicant households to the statewide median. Due to the availability of funds, this goal was not met in 2018; however, DWSS worked to optimize assistance using a system of caps in accordance with provisions for flexibility authorized in NRS702.
- ◆ The amount of assistance was adjusted based on household income, household size, type of energy used, and the presence of a vulnerable household member.
- ◆ DWSS sought advice from the NHD and coordinated implementation of the EAP with the weatherization program.
- ◆ DWSS established and carried out a process for
  - Coordinating with other available programs including applications and eligibility;
  - An evaluation process;
  - A program design process (including IT) that enabled changes during the fiscal year; and

- Engaged in a planning and evaluation process with NHD.

## Findings and Recommendations

In this section of the evaluation there are two findings and two recommendations.

### *Findings*

- EAP 1. DWSS achieved major improvements in case processing time during 2018 as compared with the previous year. In particular, at least 97% of cases were processed within sixty (60) days each month during SFY 2018; and for seven months of SFY 2018, at least 93% of cases were processed within thirty (30) days. This is a meaningful advance in performance over previous years.
- EAP 2. DWSS has optimized the Energy Assistance Program by accomplishing key staffing goals and training. DWSS has also achieved meaningful reductions in case processing time. In addition, DWSS has worked to optimize the interaction of payment caps with household income, targeted households, type of heating and poverty ranges. The program is highly optimized for SFY 2019.

### *Recommendations*

- EAP 1. For SFY 2019, continue to track processing time and set a goal of meeting the performance levels achieved during SFY 2018.
- EAP 2. In the absence of any unusual events, for SFY 2019 DWSS should operate normally within this optimized structure while monitoring the operation of the caps. No new changes to processes, management or organization are recommended for DWSS based on the SFY 2018 evaluation. For SFY 2019, the goal should be to operate well with the current processes, management and organization.

## Assessment of Energy Assistance Program Effectiveness

### **1.20. Did DWSS determine eligibility of EAP households at a maximum income level of no more than 150% of the FPL?**

[Reference: 702.260.3 Deliverable 3.4.3]

Yes. For SFY 2018, DWSS determined eligibility of EAP households at a maximum level of no more than 150% of the Federal Poverty Level. The 2018 benefit caps enabled DWSS to serve qualifying applicant households at a maximum income level of no more than 150% FPL.

### **1.21. Did DWSS render emergency assistance to health/safety-threatened households experiencing an emergency related to the cost or availability of natural gas or electricity to otherwise EAP-eligible households?**

[Reference: 702.260.4 Deliverable 3.4.4]

Yes. On SFY 2018, the Crisis Intervention Program helped households above the 150% poverty level whose medical expenses brought their income below 150% of poverty. In the 2018 fiscal year, eight households were served through the Crisis Intervention program.<sup>8</sup>

### **1.22. Did DWSS determine the amount of EAP assistance a household is eligible to receive by determining the amount of assistance that is sufficient to reduce the percentage of the household's income that is spent on natural gas and electricity to the median percentage of household income spent on natural gas and electricity statewide?**

[Reference: 702.260.8(c) Deliverable 3.4.5]

NRS 702 specifies that the EAP will use the average statewide energy burden to set benefit levels. For SFY 2018 the statewide energy burden calculated for all Nevada households was 1.78%.<sup>9</sup>

Benefit caps were in place during SFY 2018 to ensure that EAP could provide a benefit to all qualifying households who applied. Caps enable the EAP program to serve all eligible applicants with a meaningful benefit for years in which available funding does not permit reaching the Nevada statewide energy burden target. A meaningful benefit is a grant that moves eligible households as close as possible to the statewide median energy burden and reduces the likelihood of service termination. The median energy burden target of 1.78% could not be met for SFY 2018 due to the overall funding constraint. NRS 702 provides authority to DWSS to use caps as a tool to optimize the program when the median energy burden target cannot be reached.

When EAP was launched as a program in 2002-2003 and for several years thereafter, EAP provided the target median energy burden support level. In part, this was because it was a new program, just starting up. Eligible applicant households were moved to the statewide Nevada median energy burden for those

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<sup>8</sup> Determined as the number of "150+" Poverty records classed as Eligible, with a check to insure unique UPI numbers.

<sup>9</sup> The projection of Nevada median household energy burden is based on information on energy usage and energy cost provided by the utilities and yearly demographic estimates from the Nevada State Demographer. The percentage for 2018 is 1.78% (Nevada Fund for Energy Assistance and Conservation State Plan FY 2018, Effective July 1, 2017, P. 17). Energy burden is the proportion of gross household income paid for electricity and heat.



years. It took several years for qualifying households to become fully aware of the program, so in the early years the number of qualifying applicants was much smaller than it is today.

NRS 702 provides flexibility to DWSS for years in which available budget does not permit reducing client household energy burden to the Nevada median. The flexibility includes caps, changes to program income qualification levels and other program changes. These control tools became especially necessary during the years of the “Great Recession”, when UEC revenues declined<sup>10</sup> while the number of eligible applicant households increased. During the stress of the recession years, the arrearage forgiveness program component was suspended, the eligibility level for program services was reduced, and caps were applied.

DWSS has applied benefits caps since 2009. On Aug 14, 2012, EAP announced a temporary increase in the benefit cap, retroactively effective July 1, 2012 through Sept 30, 2012. On Sept 26, 2012, when the final LIHEA funding was allocated, EAP made increased benefits effective going forward. On Nov 16, 2012, program eligibility was restored to households earning up to 150% FPL. The arrearage program was reinstated, effective December 1, 2012. On April 16, 2013, new benefit cap tables were established to provide better equity for households earning <75% FPL. This raised the targeted average monthly benefit from \$555 in 2012 to \$776 for SFY 2013. The benefit cap tables remained the same for SFY 2015 and SFY 2016 with a targeted average monthly benefit of \$776 for 2015 and \$718 for 2016.<sup>11</sup> New cap tables were effective in SFY 2017 with a targeted average benefit of \$533 per household in SFY 2017. For SFY 2018, a new benefit cap table was effective August 1, 2017 and was expected to produce an average targeted benefit of \$600. However, in June 2018 there was a further adjustment (going forward and made retroactive for the year) that raised the average FAC benefit for SFY 2018 to \$680.<sup>12</sup>

The calculation of median household energy burden, the percentage of gross household income spent on household energy needs, produced a result of 1.78% for SFY 2018.

Given that there is a structural constraint of insufficient funding (combining state UEC and federal LIHEA funds), DWSS developed eligibility tables based on household income and household size. DWSS also carefully developed benefit caps, which varied based on income, household size and the type of energy used. In addition, \$50 was added to the benefit cap for “vulnerable/targeted households” which includes the elderly, households with children younger than 6 years of age, and disabled persons.

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<sup>10</sup> Since UEC funding is a function of energy use, when energy use declines, the generation of year to year UEC/FEAC funding also declines. When energy use in Nevada increases, the UEC funding increases. Also, federal funding varies each year, both in timing of payments to Nevada and in amount. These factors make program design complex in practice, requiring adjustments as funding becomes clearer over the fiscal year. The final adjustments to maximize use of available funds for SFY 2018 and bring results closer to the median energy burden target are documented in Policy Transmittal letter EAP PT 01-18, dated June 20, 2018.

<sup>11</sup> Projection of average annual benefit is carried out with information available at the time of the calculation. There is uncertainty included in the projection. Projections are approximate and for planning purposes.

<sup>12</sup> Based on the Management Monitoring Summary at end of year. Energy Assistance Program Management Monitoring Summary, Year-to-Date SFY 2018. The average FAC benefit was \$680, and the overall average when the much smaller number of Arrearage Payment is averaged in results in an overall average of \$717.

Table 10 shows the substantial benefit of EAP, especially for the lowest income poverty groups.<sup>13</sup>

**Table 10. Energy Burden by Poverty Group: Original and with EAP.**

<b>Percentage of Income EAP Participants Are Expected to Spend on Energy, Before and After Assistance, by Poverty Group, SFY 2018</b>		
<b>Poverty Group</b>	<b>Average % FAC Income Expected to be Spent on Energy</b>	
	<b>Prior to EAP</b>	<b>With EAP</b>
<b>0-75%</b>	27.81%	4.84%
<b>76-100%</b>	7.90%	2.93%
<b>101-125%</b>	6.30%	3.04%
<b>126-150%</b>	3.18%	2.45%
<b>150+</b>	4.58%	3.09%
<b>Statewide Median for 2018</b>		1.78%
Note: The 150+ households are Crisis Intervention households in which, after emergency medical expenses, income has dropped to or below 150% of poverty.		

Table 11 shows that the energy burden for each targeted group was held to approximately the same levels from 2013 through 2018, with a trend towards general improvement going forward. There is also a consistent benefit to the targeted groups in contrast to non-targeted households.

**Table 11. Expected Energy Burdens for Targeted Households.**

<b>Percentage of Income EAP Participants are expected to spend on Energy After Assistance, by Household Composition (Targeted Households), SFY 2013 - 2018</b>						
<b>Household</b>	<b>Average % FAC Income Expected to be Spent on Energy</b>					
	<b>SFY 2013</b>	<b>SFY 2014</b>	<b>SFY 2015</b>	<b>SFY 2016</b>	<b>SFY 2017</b>	<b>SFY 2018</b>
<b>With Children</b>	6.35%	4.02%	4.26%	4.19%	5.55%	3.41%
<b>With Disabled</b>	4.54%	3.79%	3.87%	4.32%	4.66%	3.00%
<b>With Elderly</b>	4.06%	3.61%	3.54%	4.13%	4.27%	3.15%
<b>Non-Targeted</b>	7.80%	5.45%	4.89%	5.55%	7.59%	5.17%
<b>Statewide Median for 2018</b>						1.78%

<sup>13</sup> Within the narrow range of poverty incomes, energy burden declines as income increases. The pattern mirrors the known tendency throughout the whole of the population above the poverty level – the more income received by a household, generally the lower the percentage of income that is required to be spent on household energy.

**Table 12. Energy Burden by Targeted Group: Original and with EAP.**

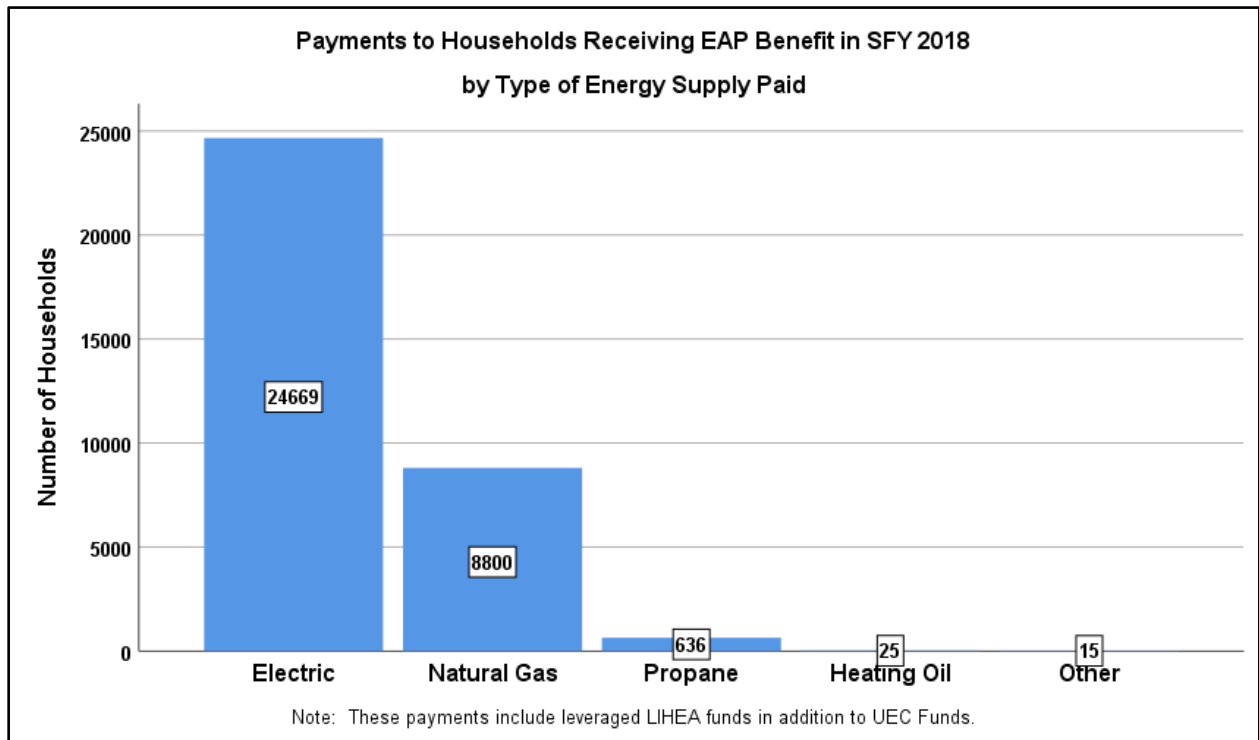
Percentage of Income EAP Participants Are Expected to Spend on Energy, Before and After Assistance, by Poverty Group, SFY 2018		
Target Group	Average % FAC Income Expected to be Spent on Energy	
	Prior to EAP	With EAP
With Children 6 or Under	12.21%	3.41%
With Disabled	8.93%	3.00%
With Senior(s)	10.19%	3.16%
Non-Targeted	26.83%	5.17%
Statewide Median for 2018		1.78%

Examination of the data by poverty level (Table 12) shows a consistent benefit to all groups. This includes substantial benefit to non-targeted households.

**1.23. Numbers Served by Targeted Status and Energy Type Used**

[Reference: 702.260.2(a) Deliverable 3.4.2.2]

Households with a variety of energy sources were served by EAP, as shown in Figure 1. In this figure, the category “Other” includes pellet stoves and wood. The numbers of households receiving payments do not sum to the number of households receiving EAP benefits, since some households directed payments to more than one energy supplier.



**Figure 1. Number of Payments by Type of Energy Supply.**

DWSS served more households with elderly, disabled, or children under 6 than households without targeted members (Figure 2).

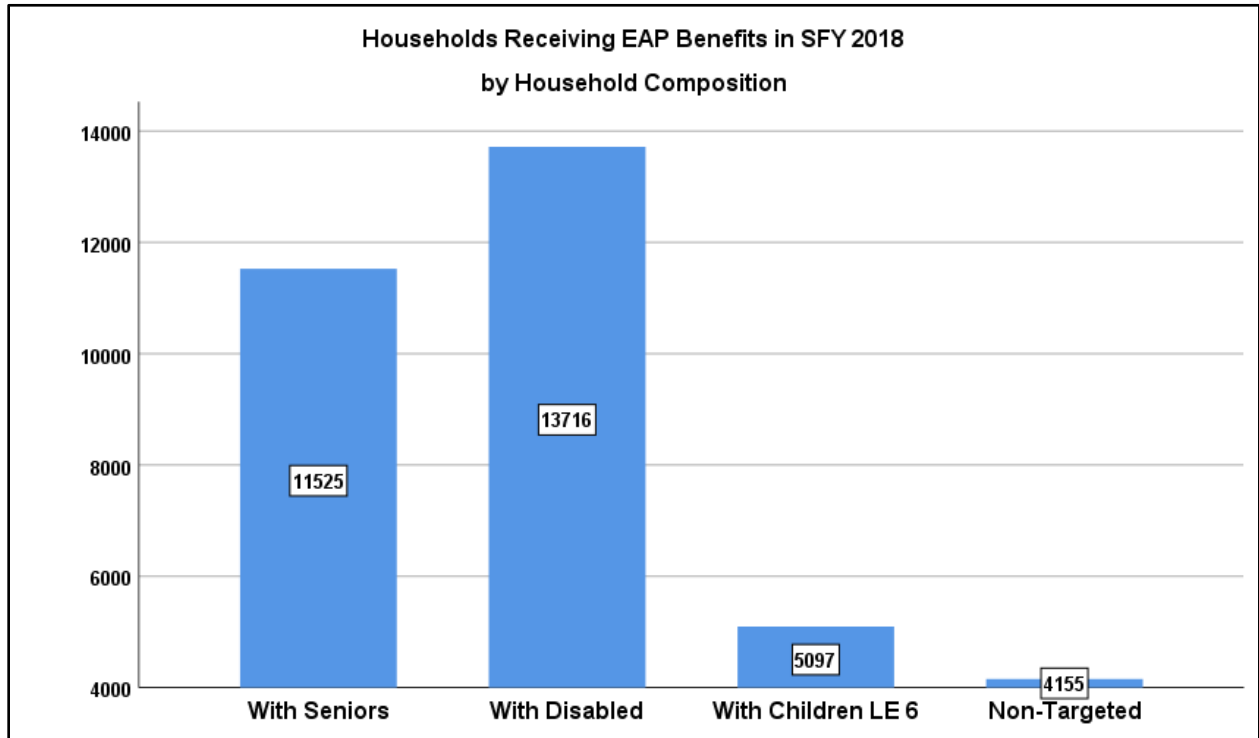


Figure 2. Numbers of EAP households with targeted and non-targeted household composition. The numbers do not add to the total number of households, since the categories for targeted households are not mutually exclusive

As can be seen in Figure 2, the number of EAP recipients with Social Security income declined by nearly half from 2011 to 2012 due to this coincidence of factors.<sup>14</sup> Then, in 2013, there was a partial recovery of the Social Security applicants who became EAP participants, and since then there has been additional improvement. The number of EAP participants with Social Security income has now returned to the SFY 2011 level in 2017 and has stabilized in 2018, reflecting the emphasis of DWSS on bringing back households. DWSS has continued outreach to seniors who may not realize that they are again eligible for energy assistance.

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<sup>14</sup> During SFY 2012, there was a substantial and statistically significant decline in the proportion of applicants receiving Social Security Income who were eligible for EAP benefits. This was due to a coincidence of reduced eligibility criteria (to serve all eligible applicant households with assistance in the form of a smaller but still meaningful benefit) at the same time there was a small increase in federal Social Security benefits. This combination pushed many applicants just above the income limits for 2012.

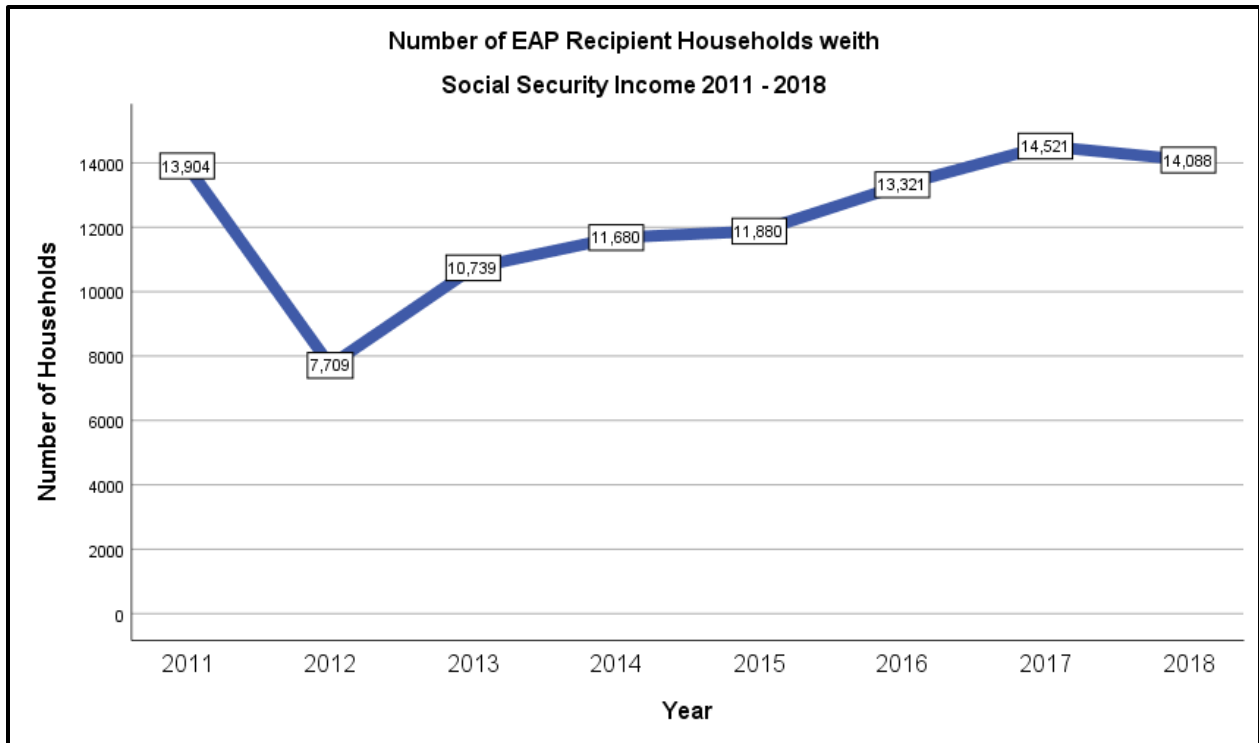


Figure 3. Number of EAP Households with Social Security Income, SFY 2011 - 2018.

As part of this effort, several new intake sites were added in SFY 2015 and SFY 2016. Intake sites, which are often senior centers or food banks, can be an excellent approach to raise awareness and increase enrollment of senior citizens in the EAP program. Some seniors may not have access to or understanding of computer technologies for computer-based applications. Intake sites are an important resource to eliminate technological barriers to services for elderly residents.

### Additional Energy Assistance Program Findings

There are four findings from the effectiveness analysis for the Energy Assistance Program:

#### Findings

- EAP 3. EAP substantially lowers energy burden for low-income customers.
- EAP 4. The evaluation team finds DWSS has succeeded in recovering to the previous level of households with seniors, completing recovery from the drop which occurred during 2012.
- EAP 5. The focus on targeted groups (households with children at or under age 6, households with one or more disabled member and households with seniors) is working well.
- EAP 6. The evaluation team finds DWSS fully compliant with the requirements of NRS 702.

### EAP Summary and Conclusions

DWSS distributed the FEAC funds in a regular and thoughtful manner consistent with the requirements of the defining legislation. Through the EAP, DWSS provided qualifying applicant households assistance with their heating and cooling costs during SFY 2018. The average benefit per household during this

year was \$680 if the arrearage average is not included, and \$717<sup>15</sup> if arrearage average is included in calculation of the overall average.

DWSS work in SFY 2018 has been consistent with the requirements of NRS 702. The level of funding available in the FEAC from the Federal LIHEA Program and UEC funds was insufficient to reduce the energy burden of eligible households to the state median. However, as this analysis demonstrates, DWSS used the flexibility established in NRS 702 to optimize the EAP program within the funding limitation.

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<sup>15</sup> Source: EAP Management Monitoring Summary July 2016.

## WEATHERIZATION ASSISTANCE PROGRAM

### Overview of SFY 2018

This evaluation covers the Universal Energy Charge/Fund for Energy Assistance and Conservation (FEAC) Weatherization Assistance Program administered by the Nevada Housing Division (NHD) for State Fiscal Year (SFY) 2018. Nevada SFY 2018 began July 1, 2017 and ended June 30, 2018. Financial reporting was completed in September. Performance requirements for this program are codified in Nevada Revised Statutes (NRS) 702.

For SFY 2018, the primary program activities and major contextual factors affecting the UEC Weatherization Assistance Program include:

- ◆ **Planning** – As is required each year, during SFY 2017 and to prepare for SFY 2018, the NHD Weatherization Assistance Program and the Division of Welfare and Supportive Services (DWSS) Energy Assistance Program (EAP) collaborated on the development of two State Plans:
  - One is the 2018 Nevada Fund for Energy Assistance and Conservation State Plan required by NRS 702.280.
  - The second is the 2018 State of Nevada Low Income Home Energy Assistance Program (LIHEA Program) State Plan. The LIHEA Program plan is required by the US Department of Health and Human Services.<sup>16</sup>
- ◆ **Planning Targets and Accomplishments** - For SFY 2018, NHD received UEC/FEAC funds for the UEC Weatherization Assistance Program in the amount of \$3,284,455.97.<sup>17</sup> In addition, there was a small remaining balance from the previous program year.<sup>18</sup>
- ◆ In SFY 2018, NHD expended \$3,229,436.90 in FEAC funds on weatherization services, including \$196,341.17 for program administration. The difference between the revenues and expenditures was \$55,019.07, which was placed into a reserve account making it available for future program years.<sup>19</sup>

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<sup>16</sup> Additionally, in the final months of SFY 2018 NHD and DWSS developed these plans as required for 2019. The Nevada Fund for Energy Assistance and Conservation follows the state fiscal year which ends each June 30th; the plan for the LIHEA Program is structured by the federal fiscal year which ends each September 30<sup>th</sup>.

<sup>17</sup> The Division of Welfare and Supportive Services (DWSS) reports transfer of a slightly different amount. DWSS receives funds collected by the Public Utilities Commission of Nevada and distributes twenty-five percent of net funding to the Nevada Housing Division (NHD) for the UEC Weatherization Assistance Program. DWSS reports transfer of \$3,283,900 to NHD. This includes \$3,280,023 in principal and \$3,877 in interest. Source: Financials spreadsheet provided by DWSS. NHD was overpaid by \$555.68 by DWSS due to a Public Utilities Commission of Nevada (PUCN) refund processed after the books were closed for 2018 (this will be corrected in the first distribution for the 2019 fiscal year). *This amount accounts fully for the difference between NHD and DWSS numbers for transfer to NHD.* Since funds are collected (and overcollections refunded) by PUCN, timing of collections and refunds is independent of DWSS and NHD. Also, final transactions for a fiscal year may occur after the end of a fiscal year.

<sup>18</sup> Source: The remaining balance at the close of 2017 was \$49,094 for the Subgrantee agencies and an administration carryover of \$90,090 for administration for a total remaining balance of \$139,184.

<sup>19</sup> Source: NHD email communication from Patrick Conway to H Gil Peach, October 12, 2018, including records of transfers for each quarter of SFY 2018. The record for the fourth quarter follows the close of each fiscal year, since the last transfer is not received until after the close of the fiscal year.

The planning target for SFY 2018 was to weatherize 325 homes.<sup>20</sup>

- ◆ **Program Implementation** – The revised Business Process developed in the later part of SFY 2012 has continued in place through SFY 2018. The Business Process is summarized in Figure 9. The Nevada Universal Energy Charge/Fund for Energy Assistance and Conservation, the US Department of Energy, and the US Department of Health and Human Services Low-Income Home Energy Assistance Program provided primary funding Weatherization Assistance Program effort for SFY 2018.
- ◆ **Changes in the Percentage of Persons living in Poverty** – Following a substantial increase in persons living in poverty since 2001, the percentage of persons living in poverty in Nevada was about 15.2% in 2015 and about 13.8% in 2017. For the United States, the percentage of persons living in poverty was 14.8% in 2015, 12.7% in 2016, and 12.3% in 2017. A time series comparison of percentage of persons in poverty is shown in Figure 4.<sup>21</sup> Selected percentages are shown in Table 13.

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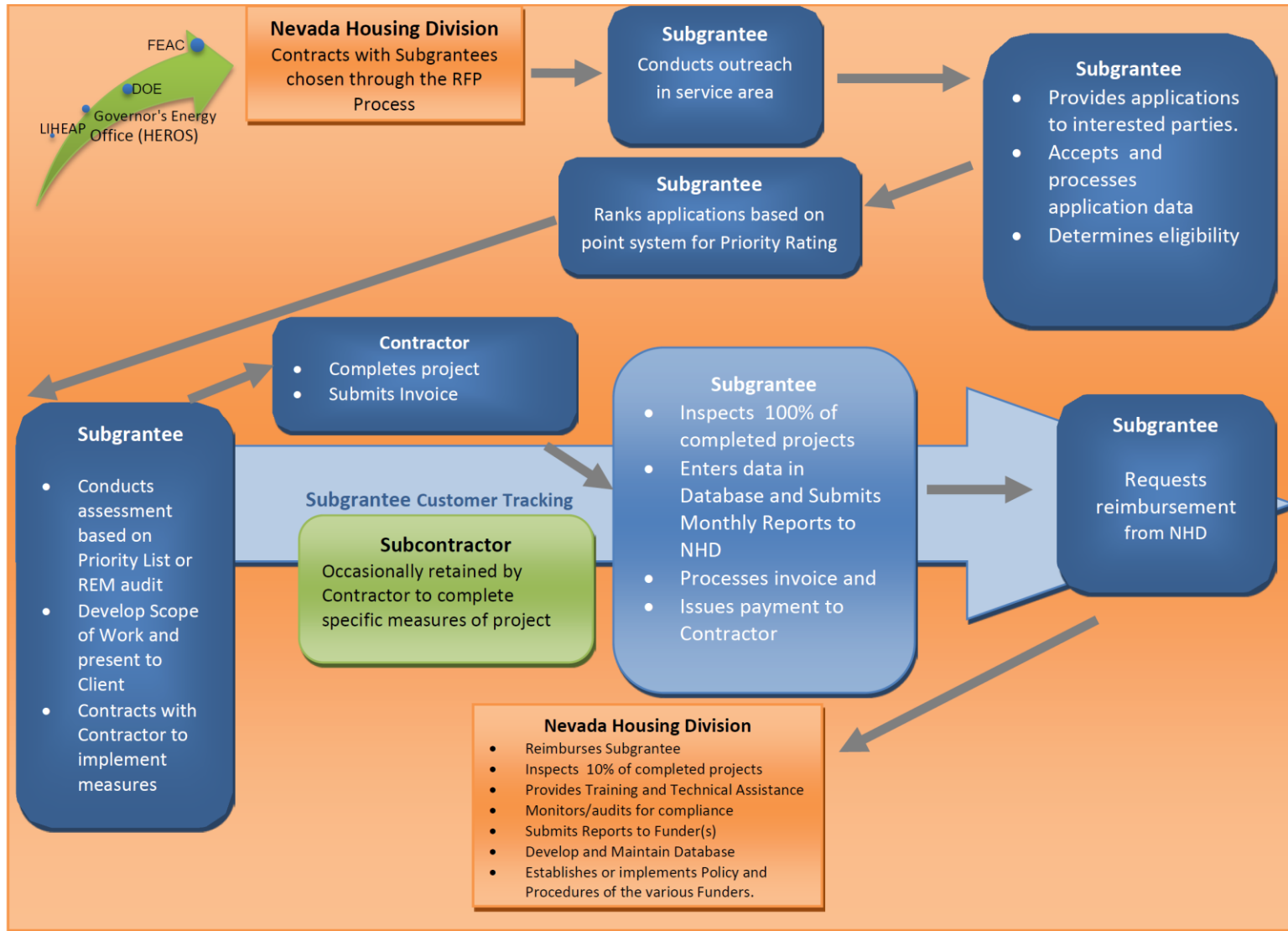
<sup>20</sup> Source: NHD, email communication from Patrick Conway to H. Gil Peach, October 10, 2018.

<sup>21</sup> For 1959 and 1969, the information used in the figure is from *Poverty in the United States: 2000*, Appendix Table A-1 and from US Census Bureau Table CPH-L-162, Persons by Poverty Status by State. The data from that point through 2011 is from the US Bureau of the Census, Current Population Survey, Annual Social and Economic Supplement, Table 5, Percent of People by Ratio of Income to Poverty Level: 1970 to 2011 and Table 21: Number of Poor and Poverty Rate by State: 1980 to 2011. Data for 2012 and 2013 is from *Poverty 2012 and 2013*, American Community Survey Briefs by Alemayehu Bishaw and Kayla Fontenot, US Department of Commerce, Economics and Statistics Administration, US Census Bureau, September 2014. Data for 2014 is from QuickFacts Beta, Persons in Poverty, Percent (<http://www.census.gov/quickfacts/table/PST045214/00>). Data for 2015 is from QuickFacts, Persons in Poverty, Percent (<http://www.census.gov/quickfacts/table/INC110214/00,32>). For 2016, the Nevada data is from the US Bureau of the Census, QuickFacts (<https://www.census.gov/quickfacts/NV>); the US data is from the US Census Bureau, *Income and Poverty in the United States: 2016*, Current Population Reports, September 2016. For 2017, the US result is from Fontenot, Kayla, Jessica Smegla and Melissa Kollar, *Income and Poverty in the United States 2017*, September 12, 2018, US Bureau of the Census. The Nevada result is from the Center for American Progress, <https://talkpoverty.org/poverty>. The Bureau, instead of providing precise estimates every ten years, now produces rough estimates every year. The Bureau now warns against making year by year comparisons for the same geographic unit because the precision of their yearly reported results is poor. So, we can characterize Figure 4 as approximately true and based on the best available data.



# WEATHERIZATION ASSISTANCE PROGRAM

## Nevada Housing Division BUSINESS PROCESS



As can be seen in this graph, since at least 1959 Nevada in most years has had a much lower poverty rate than the rest of the US. However, this pattern changed and poverty in Nevada increased sharply beginning in the economic recession of the early 2000s (sometimes referred to as the “dotcom bubble”), then began to moderate. Next, Nevada poverty increased through the Great Recession of 2007 (sometimes called the “derivatives bubble” or the “housing bubble”)

- For percentage of persons living in poverty, Nevada reached a peak that exceeded the US percentage in 1985, approached the US level in 1993, and then again exceeded the US level in 2010.
- Nevada’s percentage of persons living in poverty was equal to the rate of official poverty in United States for 2013 (15.8%) and 2014 (14.8%).
- For 2015, the percentage of persons living in poverty in Nevada again slightly exceeded the rate for the US as a whole (15.2% vs. 14.8%). The difference is small, and they may be considered as roughly the same.
- For 2016 the percentage of persons living in poverty in Nevada slightly exceeded the rate for the US (13.8% for Nevada vs. 12.7% for the US). These numbers, again, may be considered nearly equal.
- For 2017, the rate for Nevada was 13.8%; for the US it was 12.3%; so again, Nevada slightly exceeded the overall poverty rate in the US.
- However, there is uncertainty in yearly percentages released by the US Bureau of the Census, so close values can be assessed as essentially the same. This means that the data can be summarized by saying that poverty in Nevada and poverty in the US have been essentially the same from 2013 through 2017.<sup>22</sup>

**Table 13. Percentage of Persons in Poverty in Select Years.**

Persons in Poverty (Percentage) - Selected Years								
	1959	1969	1979	1989	1999	2009	2016	2017
<b>US</b>	22.1	13.7	11.7	13.5	11.9	14.3	12.7	12.3
<b>Nevada</b>	12.8	9.1	8.7	10.8	11.3	13	13.8	13.8

<sup>22</sup> Percentages for 2018 will be available in 2019.

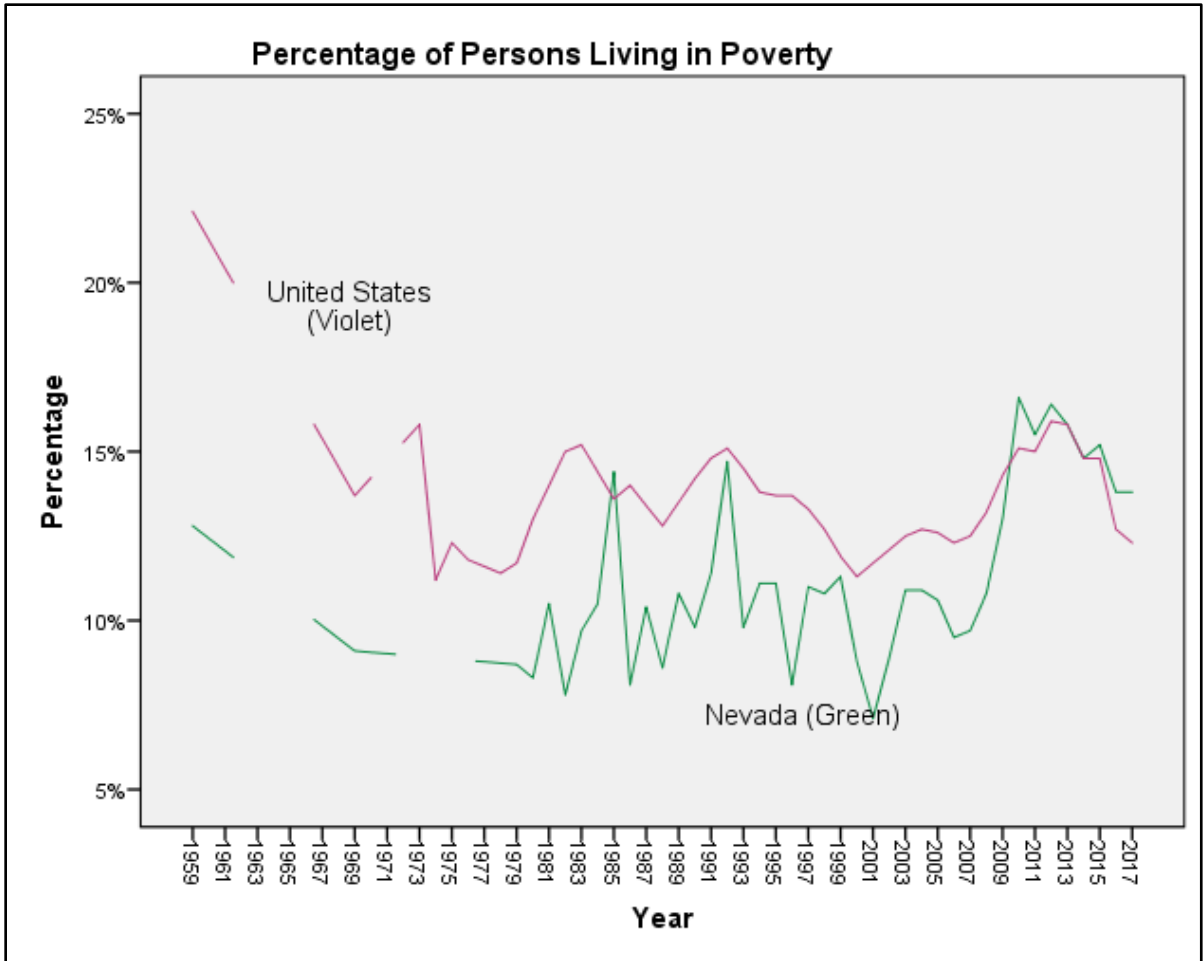


Figure 4. Percentage of Persons Living in Poverty, 1959-2017.

**WAP Finding 1:** The percent of persons living in poverty has increased since the early 2000s and in recent years leveled out. While the poverty rate is not increasing, there is a higher level of need for services now compared with the years from 2000 to 2006.

At the same time, regional trends as monitored by the Governor’s Office of Economic Development show notable improvement in Nevada’s economy (Figure 5).<sup>23</sup>

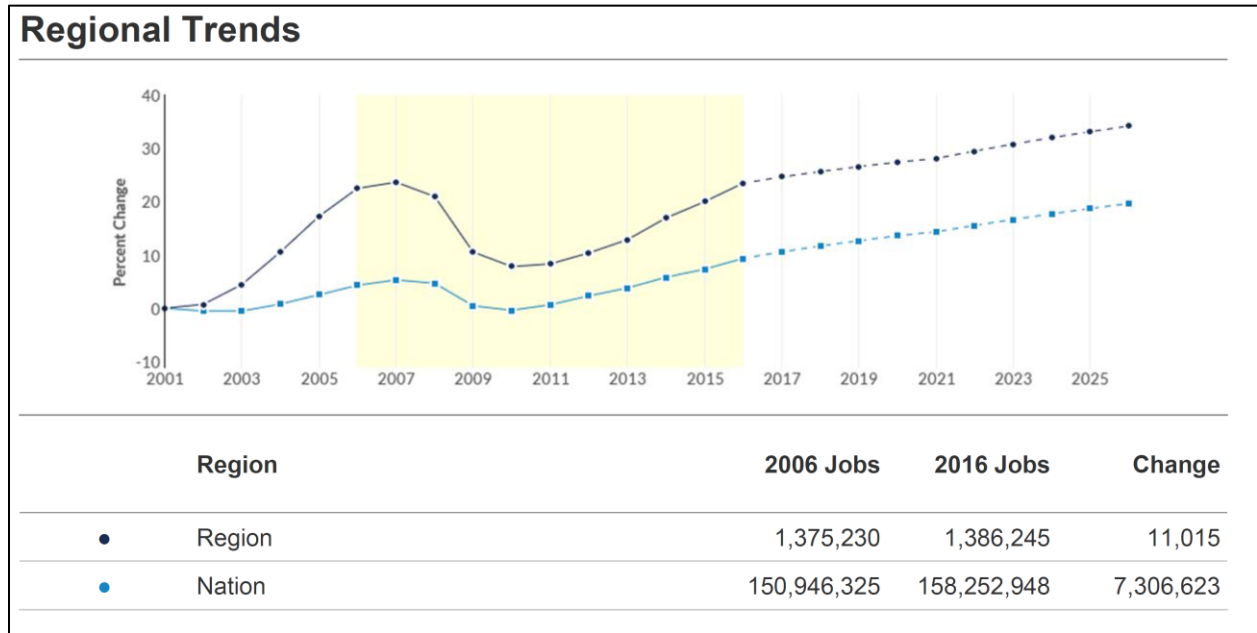


Figure 5. General Economic Improvement (Source: Governor’s Office of Economic Development).

Although we are all familiar with the saying “a rising tide lifts all ships,” economic improvement in the United States tends to benefit people of different economic groups differently. It takes time for economic improvement in business and industry to affect persons living in poverty. However, in 2017, DWSS noted a decline in applications of about 10%, which probably reflects the effect of the general economic improvement.<sup>24</sup>

Although the economy is generally improving, the overall pattern of change recorded in Figure 4 indicates that the need for services has substantially increased in Nevada in comparison to the years from 2000 through 2006. Need is further analyzed in the Appendix.

### Program Logic of the Weatherization Assistance Program

The program logic of the Universal Energy Charge/Fund for Energy Assistance and Conservation Weatherization Assistance Program is shown in terms of resource inputs and program goals in Figure 6.

<sup>23</sup> Figure 2 is from the 2017 report on regional trends from the Governor’s Office of Economic Development. We use the figure from the 2017 report rather than the comparable figure from Q3 2018 because it is more comprehensive than the newer figure. The current report in this series shows that the job trends through 2016 are continuing into Q3 2018. See: <http://www.diversifynevada.com/images/uploads/Nevada.pdf>.

<sup>24</sup> There is definite improvement in Nevada’s economy, yet poverty remains essentially constant at a higher level than in the early year of this century. For example, see the article by Jessie Bekker in the September 13, 2007 *Las Vegas Review – Journal* (<https://www.reviewjournal.com/local/local-nevada/income-goes-up-poverty-goes-down-in-nevada-and-us/>). The title of the article is not correct in that recent poverty in Nevada is essentially stable and poverty percentages are not sufficiently precise; however, the content of the article is a fair and accurate presentation.

The resources are all of the resources that are drawn upon by the program. In addition to UEC/FEAC funding, for SFY 2018 the program leveraged federal DOE funding. Support is also provided from the Nevada Housing Trust Fund, the Governor’s Office of Energy, Home Energy Retrofit Opportunities for Seniors (HEROS) fund and LIHEA.

As shown in the logic diagram, the direct resources used to carry out the principal activities for SFY 2018 were the NHD; the Subgrantees, the Contractors, building science technologies and equipment, and the BWR database and IT support, coupled with the specialized knowledge required to administer and manage the overall WAP.

The immediate outcomes of the weatherization work are reduced energy use and lower energy bills for low-income homes, improvement in health and safety condition of homes, reduced illnesses, and in some cases, saved lives. The program also provides community education and contractor training.

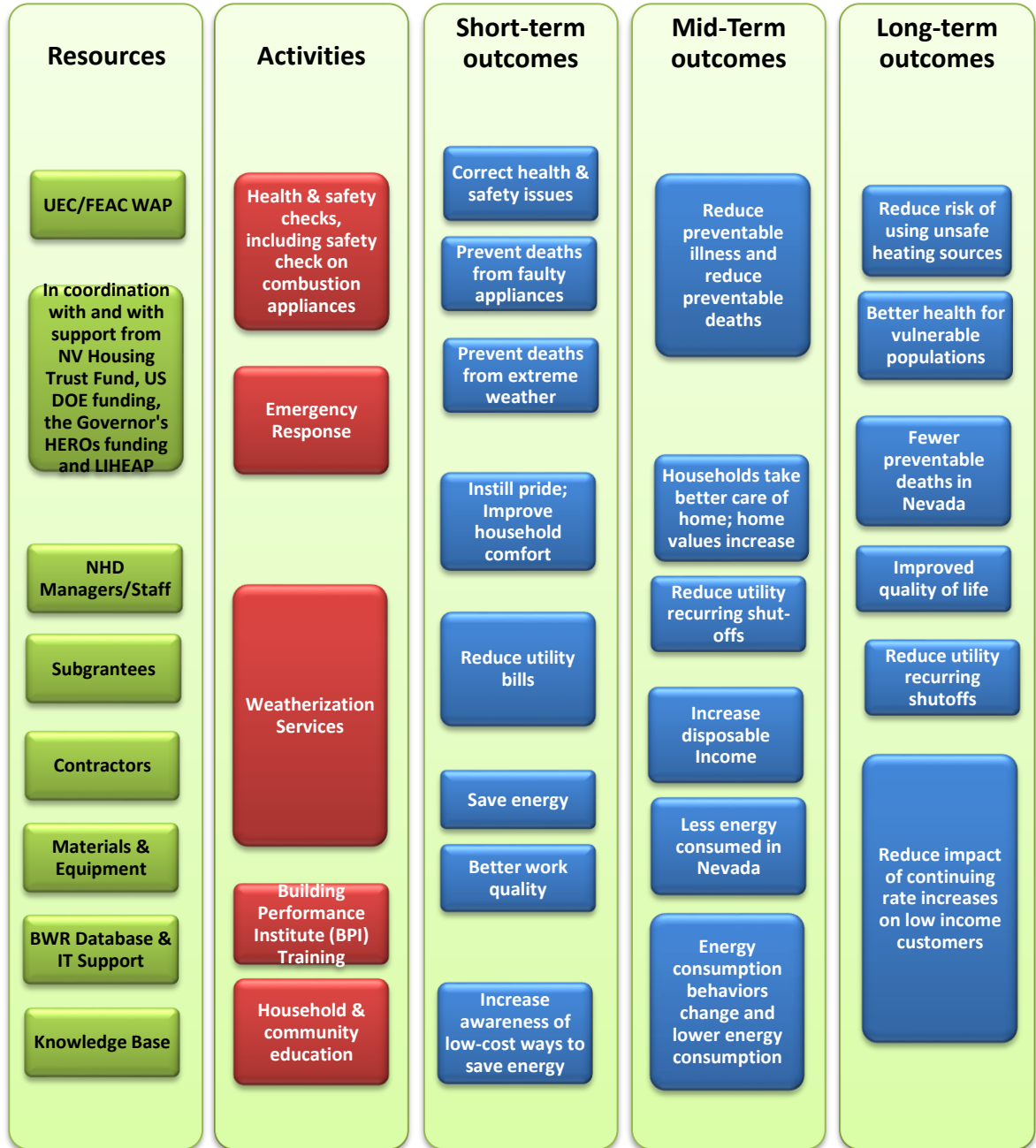


Figure 6. Logic Diagram for Universal Energy Charge Weatherization Assistance Program.

## Weatherization Assistance Program Compliance with Legislative Requirements (NRS 702)

This section of the study is focused on direct answers to specific legislative questions.

### **2.1. Did NHD use no more than 6% of FEAC funds for its administrative expenses?**

[Reference: NRS 702.270.1; Deliverable 3.5.1]

Yes, NHD's total cost for program administration was \$196,341.17, or just under six percent (6%) of the total FEAC funds distributed to the Program (\$3,284,455.97) for SFY 2018.

### **2.2. Did NHD provide eligible households with services of basic home energy conservation and efficiencies or assist households in acquiring services of load management?**

[Reference: NRS 702.270.2(a); Deliverable 3.5.2]

Yes, NHD provided eligible households with services of basic home energy conservation and efficiencies which assisted households in reducing energy consumption over time. Performance was confirmed during NHD Monitoring Reviews of sample projects and reviews of the Building Weatherization Report database (BWR database). Load management was not a focus of the program in SFY 2018; the focus was on reducing energy use. Production numbers are provided in the effectiveness section of this evaluation.

### **2.3. Did NHD pay for appropriate improvements associated with energy conservation, weatherization and energy efficiency?**

[Reference: NRS 702.270.2(b); Deliverable 3.5.2.1]

Yes. Monitoring Reviews by NHD Weatherization Assistance Program staff on a sample of projects verifies that NHD paid for appropriate improvements associated with energy conservation, weatherization and energy efficiency measures. This information is also supported by weatherization records in the NHD's BWR database and understanding of the audit procedure. The audit function is now separate from the installation teams.

### **2.4. Did NHD carry out activities related to consumer outreach?**

[Reference: NRS 702.270.2(c); Deliverable 3.5.2.2]

The Energy Assistance Program carried out outreach for both EAP and NHD. Throughout the year, consumer outreach was also conducted by NHD Subgrantee agencies. NHD and its Subgrantees responded to phone calls referred by NV Energy and NHD and Subgrantees' websites. NHD or its Subgrantees also participated in NV Energy's Senior Energy Assistance Expositions (one in southern Nevada and one in northern Nevada). Subgrantees also provided outreach at local social service offices, senior centers, through radio and television interviews, newspaper ads, community meetings, energy savings events, posters with tear tabs, and through distribution of brochures, flyers and door hangers (documented by Subgrantees). The Subgrantees provided intake sites and online service to process applications. NHD, Subgrantees and Contractors distributed brochures and the "Your Home Energy Savers Book" and Energy Calendars to the public at energy fairs. Outreach through the Subgrantees was verified through Monitoring Review by NHD Weatherization Assistance Program staff.

## **2.5. Did NHD pay for program design?**

[Reference: NRS 702.270.2; Deliverable 3.5.2.3]

No. Primary program design for UEC/FEAC WAP was accomplished by NHD in 2002-2003 and updates were carried out in other years. During SFY 2018 there were no major program design activities.

However, there was substantial progress on development of a new database. This is a major focus, working with the University of North Dakota EERC.

## **2.6. Did NHD pay for annual program evaluation?**

[Reference: NRS 702.270.2(e); Deliverable 3.5.2.4]

Yes. In SFY 2018, NHD paid its prorated share of the cost for the SFY 2017 annual program evaluation.

## **2.7. Did NHD determine eligibility of households at a maximum income level of no more than 150% of the federally designated level signifying poverty (FPL)?**

[Reference: NRS 702.270.3; Deliverable 3.5.3]

Yes. Eligibility criteria were communicated to Subgrantees through verbal and written communications. Income eligibility was verified by the Subgrantee and during NHD staff Monitoring Reviews of samples of Client applications from completed projects. Note that other funding sources including the Governor's Office of Energy and the Home Energy Retrofit Opportunities for Seniors program permit treatment of houses up to and including 200% of poverty.

## **2.8. Did NHD render emergency assistance to health/safety-threatened households experiencing an emergency because of the structural, mechanical or other failure of their occupied dwelling?**

[Reference: NRS 702.270.4(a); Deliverable 3.5.4]

No, this year, emergency assistance was not provided for buildings with structural, mechanical or similar failure. The problem with dwellings in which there is major structural, mechanical or other failure of the whole dwelling (for example, very old homes with knob and tube wiring throughout) is that the cost of repairs would be so substantial that the building cannot be treated, although the authority exists to do so. During SFY 2018, although authorized in NRS 702, no emergency assistance was provided to repair/replace the structural, mechanical or other failure of an occupied dwelling.

## **2.9. Did NHD render emergency assistance to health/safety-threatened households experiencing an emergency because of a failure of a component or system of their occupied dwelling?**

[Reference: NRS 702.270.4(a) and (b); Deliverable 3.5.4.1]

Yes. Emergency assistance to health/safety threatened households was provided to fifty-seven (57) households that experienced an emergency because of a failure of a component or system of their occupied dwelling. A list of SFY 2018 FEAC Emergency Services is provided below.



**HELP of Southern Nevada (SFY 2018)**

<b>Project Number</b>	<b>Emergency Service</b>	<b>Specific Equipment Failure</b>	<b>Resolution</b>
<i>F27756</i>	<i>No AC. 84° in home.</i>	<i>1991 4-ton heat pump package inoperable due to a bad control board.</i>	<i>Replaced unit. Client now has a functional cooling system.</i>
<i>HF28000</i>	<i>No AC. 89° in home.</i>	<i>1995 heat pump wall unit with failing compressor and reversing valve and leaky blower motor in evap. coil.</i>	<i>New 2.5-ton heat pump split system installed. Client now has an operating cooling system.</i>
<i>LF28150</i>	<i>No AC. 92° in home.</i>	<i>3.5-ton gas package unit with bad indoor blower motor.</i>	<i>Installed new variable speed motor and module. Client now has a functioning cooling unit.</i>
<i>F27989</i>	<i>No AC. 93° in home.</i>	<i>Inoperable 1991 heat pump package unit due to bad compressor with evacuated freon and oil from the system.</i>	<i>New 4-ton heat pump package installed. Client now has a functional cooling system.</i>
<i>F27736</i>	<i>No AC. 68° in home. (ambient temp. 74)</i>	<i>1981 furnace with 2006 AC unit. Non-repairable condenser leak, condensing coil 75% clogged, exposed high voltage wiring, rusted heat exchanger. Repairs would exceed replacement fees</i>	<i>New 5-ton 95% gas split system installed. Client now has an operating cooling system.</i>
<i>HF27901</i>	<i>No AC. 84° in home.</i>	<i>1973 heat pump package inoperable due to bad internal valves, low freon and over amping condenser fan motor.</i>	<i>New 2.5-ton heat pump package unit installed. Client now has a functional cooling system.</i>

<b>Project Number</b>	<b>Emergency Service</b>	<b>Specific Equipment Failure</b>	<b>Resolution</b>
<i>F28098</i>	<i>No AC. 96° in home.</i>	<i>Inoperable 1999 Gas split system.</i>	<i>New 4-ton 95% gas split system replaced.</i>
<i>F27729</i>	<i>No AC. 93° in home.</i>	<i>Compressor and condenser fan motor running on high amps. Client has had yearly issues with unit.</i>	<i>New 2.5-ton straight cool condenser replaced. Client now has an operating cooling system.</i>
<i>F27890</i>	<i>No AC. 84° in home.</i>	<i>2-ton heat pump package not functioning.</i>	<i>Installed 2-ton heat pump package unit. Client now has cool air.</i>

<i>LF28065</i>	<i>No AC. 88° in home.</i>	<i>Bad inducer motor on gas pack unit. Non-repairable leak in condensing coil, burnt out compressor.</i>	<i>New 4-ton gas package unit installed. Client now has a functioning cooling system.</i>
<i>HF28066</i>	<i>No AC. 94° in home.</i>	<i>Condenser fan motor overamping, weak compressor valves, rusted indoor coil.</i>	<i>New 5-ton straight cool condenser installed. Client now has cool air.</i>
<i>HF28060</i>	<i>No AC. 78° in home.</i>	<i>Heat pump unit stuck on heat mode due to bad reversing valve.</i>	<i>New 3-ton heat pump package installed. Client now has an operating cooling system.</i>
<i>F27798</i>	<i>No AC. 99° in home.</i>	<i>1994 inoperable heat pump package unit due to a bad outdoor fan motor.</i>	<i>Installed new 3-ton heat pump package unit. Client now has cool air.</i>
<i>F27911</i>	<i>No AC. 91° in home.</i>	<i>Heat pump units fan motor overheating.</i>	<i>Repairs included evacuating and recharging system and installed new condenser fan motor. Client now has a functioning cooling system.</i>
<i>F27954</i>	<i>No AC. 81° in home.</i>	<i>3.5-ton heat pump package unit not functional due to failed shredder valve.</i>	<i>Repairs included new reversing valve. Cooling system now functional.</i>

<b>Project Number</b>	<b>Emergency Service</b>	<b>Specific Equipment Failure</b>	<b>Resolution</b>
<i>HF27482</i>	<i>No AC. 88° in home.</i>	<i>1999 gas pack unit. Condenser fan motor was swapped out with wrong motor, compressor operating at max capacity, dirty coils.</i>	<i>New 5-ton gas pack installed. Client now has cool air and a functioning system.</i>
<i>HF27927</i>	<i>No AC. 86° in home.</i>	<i>Dysfunctional Gas split system due to bad board and low voltage wiring spliced in walls.</i>	<i>New 2.5-ton gas split system installed. Client now has a functional system.</i>
<i>HF27715</i>	<i>No AC. 92° in home.</i>	<i>1994 furnace packed with dirt, blower motor overheating.</i>	<i>New 95% gas furnace and condenser fan motor installed and cleaned coils. Client now has a functioning unit.</i>

<i>F27878</i>	<i>No AC. 107° in home.</i>	<i>1997 Gas pack unit not working due to bad condenser fan motor, shorted control board, low freon and unit also had no heat.</i>	<i>New 3-ton gas pack unit installed. Client now has a functioning unit with cool air.</i>
<i>F27505</i>	<i>No AC. 95° in home.</i>	<i>Inoperable 4-ton gas split system. Bad condenser fan motor and control board.</i>	<i>Repairs included new control board and condenser fan motor.</i>
<i>HF27831</i>	<i>No AC. 87° in home.</i>	<i>Non-functional 1999, 3-ton Straight cool system.</i>	<i>New 2.5-ton gas split system installed. Client now has a functioning unit with cool air.</i>
<i>F27917</i>	<i>No AC. 100°</i>	<i>Broken contactor on gas pack unit along with weak valves in compressor and rusted heat exchanger.</i>	<i>New 4.0-ton gas package unit installed. Client now has cool air.</i>
<i>LF28082</i>	<i>No AC. 90° In home.</i>	<i>Seized compressor on 4.0- ton gas split system.</i>	<i>New compressor installed along with added Freon, a filter dryer and a flush kit. Client now has air.</i>

**Nevada Rural Housing Authority, SFY 2018**

<b>Project Number</b>	<b>Emergency Service</b>	<b>Specific Equipment Failure</b>	<b>Resolution</b>
<i>NRHA18010</i>	<i>FAU IN-OP</i>	<i>Replaced FAU + Full WX</i>	<i>Resolved</i>
<i>NRHA18013</i>	<i>FAU IN-OP</i>	<i>Replaced FAU</i>	<i>Resolved + Deferral due to conditions</i>
<i>NRHA18037</i>	<i>FAU IN-OP</i>	<i>Repair FAU</i>	<i>Resolved + Deferral due to conditions</i>
<i>NRHA18015</i>	<i>FAU IN-OP</i>	<i>Replaced FAU</i>	<i>Resolved</i>
<i>NRHA18011</i>	<i>FAU IN-OP</i>	<i>Repair FAU</i>	<i>Resolved</i>
<i>NRHA18020</i>	<i>FAU IN-OP</i>	<i>Replaced FAU</i>	<i>Resolved</i>
<i>NRHA18021</i>	<i>FAU IN-OP</i>	<i>Replaced FAU</i>	<i>Resolved</i>
<i>NRHA18012</i>	<i>FAU IN-OP</i>	<i>Replaced FAU</i>	<i>Resolved</i>
<i>NRHA18038</i>	<i>FAU IN-OP</i>	<i>Replaced FAU</i>	<i>Resolved</i>
<i>NRHA18034</i>	<i>FAU IN-OP</i>	<i>Replaced FAU + Full WX</i>	<i>Resolved</i>
<i>NRHA18022</i>	<i>FAU IN-OP</i>	<i>Replaced FAU + Full WX</i>	<i>Resolved</i>
<i>NRHA18019</i>	<i>FAU IN-OP</i>	<i>Replaced FAU</i>	<i>Resolved</i>

**Rural Nevada Development Corporation, SFY 2018**

<b>Project Number</b>	<b>Emergency Service</b>	<b>Specific Equipment Failure</b>	<b>Resolution</b>
<i>NXXXXXXXXX1294</i>	<i>No Heat</i>	<i>HVAC Replacement</i>	<i>Adequate heat to house</i>

**Las Vegas Urban League, SFY 2018**

Project Number	Emergency Service	Specific Equipment Failure	Resolution
<i>F18109</i>	<i>AC not working</i>	<i>Could not be repaired</i>	<i>AC unit was replaced</i>
<i>F18000</i>	<i>AC not working</i>	<i>Could not be repaired</i>	<i>AC unit was replaced</i>
<i>F18119</i>	<i>AC not working</i>	<i>Could not be repaired</i>	<i>AC unit was replaced</i>
<i>F18911</i>	<i>AC not working</i>	<i>Could not be repaired</i>	<i>AC unit was replaced</i>
<i>201105230122</i>	<i>AC not working</i>	<i>Could not be repaired</i>	<i>AC unit was replaced</i>
<i>F18904</i>	<i>AC not working</i>	<i>Could not be repaired</i>	<i>AC unit was replaced</i>

**Community Services Agency, SFY 2018**

Project Number	Emergency Service	Specific Equipment Failure	Resolution
<i>20170725001</i>	<i>Non-operable furnace</i>	<i>Furnace Replaced – unit not repairable</i>	<i>The home now has heat and proper ventilation.</i>
<i>20170913001</i>	<i>Non-operable furnace</i>	<i>Furnace Replaced – unit not repairable</i>	<i>The home now has heat and proper ventilation.</i>
<i>20170921001</i>	<i>Non-operable furnace</i>	<i>Furnace Replaced – unit not repairable</i>	<i>The home now has heat and proper ventilation.</i>
<i>20170926001</i>	<i>Non-operable furnace</i>	<i>Furnace Replaced – unit not repairable</i>	<i>The home now has heat and proper ventilation.</i>
<i>20171009001</i>	<i>Non-operable furnace</i>	<i>Furnace Replaced – unit not repairable</i>	<i>The home now has heat and proper ventilation.</i>
<i>20171120003</i>	<i>Non-operable furnace</i>	<i>Furnace Replaced – unit not repairable</i>	<i>The home now has heat and proper ventilation.</i>
<i>20171127001</i>	<i>Non-operable furnace</i>	<i>Furnace Replaced – unit not repairable</i>	<i>The home now has heat and proper ventilation.</i>
<i>20180117001</i>	<i>Non-operable furnace</i>	<i>Furnace Replaced – unit not repairable</i>	<i>The home now has heat and proper ventilation.</i>

Project Number	Emergency Service	Specific Equipment Failure	Resolution
<i>20180117001</i>	<i>Non-operable furnace</i>	<i>Furnace Replaced – unit not repairable</i>	<i>The home now has heat and proper ventilation.</i>
<i>20180206001</i>	<i>Furnace removed by previous owner</i>	<i>Furnace installed in prior location</i>	<i>The home now has heat and proper ventilation.</i>
<i>20180208003</i>	<i>Non-operable furnace</i>	<i>Furnace Replaced – unit not repairable</i>	<i>The home now has heat and proper ventilation.</i>
<i>20180209001</i>	<i>AC Unit Stopped (Temperature 100 degrees)</i>	<i>Unit Replaced- unit not repairable</i>	<i>Adequate AC to Client household.</i>

20180417003	No fuel source in dwelling	Pellet stove installed	The home now has heat and proper ventilation.
20180427001	Non-operable furnace/Red Tagged by NVE	Furnace Replaced – unit not repairable	The home now has heat and proper ventilation.
20180509001	Non-operable furnace	Furnace Replaced – unit not-repairable	The home now has heat and proper ventilation.

**2.10. Did NHD adopt regulations to carry out and enforce the provisions of NRS 702.270?**

[Reference: NRS 702.270.5; Deliverable 3.5.5]

No. The necessary regulations were established primarily in 2002-2003. No new regulations were adopted in SFY 2018 by NHD.

**2.11. Did NHD solicit advice from DWSS and from other knowledgeable sources?**

[Reference: NRS 702.270.6(a); Deliverable 3.5.6]

Yes. Please see the answer to question 2.17.

**2.12. Did NHD identify and implement appropriate delivery systems to distribute money from FEAC?**

[Reference: NRS 702.270.6(b); Deliverable 3.5.6.1]

Yes. Please see the NHD WAP Business Process diagram.

**2.13. Did NHD coordinate with other federal, state and local agencies that provide conservation services to low-income persons?**

[Reference: NRS 702.270.6(c); Deliverable 3.5.6.2]

Yes. NHD coordinated with appropriate federal, state and local agencies.

**Federal coordination:** During SFY 2018, NHD coordinated directly with federal officials at the US Department of Energy. Previously, NHD coordinated through the National Association for State and Community Services Programs, whose members are state administrators of the US Department of Health and Human Services, Community Service Block Grant (CSBG) and the US Department of Energy/Weatherization Assistance Program for DOE programs. However, NHD discontinued NASCAP membership, since NASCAP is permitted to lobby and lobbying is prohibited through NHD’s funding agreement with US DOE. Coordination at the federal, state and local agency levels also occurred informally through the Energy OutWest conference with training in state-of-the-art best practice building sciences techniques.

**State coordination:** NHD coordinated with state officials through continuing contact with the Division of Welfare and Supportive Services and through the Policy Advisory Council (PAC). Participants in the PAC include representatives of the Division of Welfare and Supportive Services and the Governor’s Office of Energy. Also, in this group are representatives of NV Energy, Southwest Gas, service and community-based organizations and advocates.

This year, the Housing Trust Fund and the Governor’s Office of Energy’s Home Energy Assistance Retrofit Opportunities for Seniors (HEROS) made possible treatment of homes that required additional work.

In regard to coordination specifically with DWSS, both NHD and DWSS exchange client referrals. NHD uses a one-page application form which includes the question, “Are you currently receiving Energy Assistance (LIHEA or Energy Assistance)?” The applicant’s response is NHD’s opportunity through its Subgrantees to refer clients to DWSS/EAP. NHD also accepts referrals from DWSS and forwards the list of eligible clients provided by DWSS to its Subgrantee agencies and, when possible, to projects funded by others.<sup>25</sup> While NHD and DWSS are unable to use the same application form due to different eligibility criteria, both agencies are committed, to the fullest extent practicable, to efficiency in the application process.

**Local coordination:** NHD coordinated with many local agencies through its Subgrantee agencies, serving different areas of the state. This local work by the Subgrantees provides education in energy conservation and program outreach.

**2.14. Did NHD encourage other persons to provide resources and services to the extent practicable, to schools and programs providing training in the building trades and apprenticeship programs?**

[Reference: NRS 702.270.6(d); Deliverable 3.5.6.3]

No UEC/FEAC funds were used or leveraged during SFY 2018 to encourage other persons to provide resources and services to schools and programs providing training in the building trades and apprenticeship programs. During the economic stimulus (American Recovery and Reinvestment Act or ARRA), NHD implemented training. When the stimulus funding ended but the economy had only begun to improve, there was not a need for any major support of training and there will not be a need for another major focus on training until there is a sufficient need for new trainees. However, Building Performance Institute (BPI) training was provided to Subgrantees.

**2.15. Did NHD establish a process for evaluating the Weatherization Assistance Program (WAP)?**

[Reference: NRS 702.270.6(e); Deliverable 3.5.6.4]

For the SFY 2018 WAP, as in each year since the requirements of NRS 702 were legislated, the NHD has established a process for evaluating the Weatherization Assistance Program (WAP). For the WAP evaluations for SFY 2012 through SFY 2018, the evaluation criteria have been set to conform exactly to the explicit provisions of NRS 702.

**2.16. Did NHD establish a process for making changes to WAP?**

[Reference: NRS 702.270.6(f); Deliverable 3.5.6.5]

Yes. The state UEC/FEAC WAP has a process for making changes to WAP to conform to changes in federal requirements to ensure the programs are undiluted and cost effective.

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<sup>25</sup> Qualifying referrals from DWSS are not automatically accepted in the Weatherization Assistance Program because referrals are also generated from other sources and only occasionally is there capacity to accept a few more qualifying households (the UEC/FEAC Weatherization Assistance is underfunded in relation to need). Also, NHD is required to prioritize service according to specific criteria. This means that some households will never be accepted since there are always households above them in order of priority selection.

## 2.17. Did NHD engage in annual planning and evaluation processes with DWSS?

[Reference: NRS 702.270.6(g); Deliverable 3.5.6.6]

Yes. During SFY 2018, NHD engaged in annual planning and evaluation processes with the Division of Welfare and Supportive Services. Meetings with the Policy Advisory Council were part of the planning process; also, NHD made presentations at each meeting regarding funding levels, expenditures and production performance, as well as solicited member responses. Further, an annual evaluation for SFY 2017 program was chartered and sponsored jointly by NHD and the Division of Welfare and Supportive Services.

The formal planning process proceeded per state and federal requirements, with public participation and formal hearings conducted, resulting in the approved Nevada Fund for Energy Assistance and Conservation State Plan for 2019 and the companion State of Nevada LIHEAP State Plan for 2019. While the UEC program year runs from the first day of July through the end of the following June, the LIHEAP program year is the same as the federal program year, beginning on October 1 each year and ending on the 30<sup>th</sup> of the following September.

### Findings

- WAP 1. The Evaluation Team finds the Nevada Housing Division’s Weatherization Assistance Program fully compliant with the provision of NRS 702.

### Assessment of Weatherization Assistance Program Effectiveness

In SFY 2018, Nevada Housing Division Subgrantees weatherized 390 homes using FEAC funding (Table 14), exceeding the goal of 325 homes by twenty percent (20%) as shown in Table 15. The energy savings target for SFY 2018 was an overall average of about 318 therms and 4,472 kWh per home weatherized.<sup>26</sup>

Table 14. Work Completed by each WAP Subgrantee, SFY 2018.

Work Completed by each Subgrantee Agency (SFY 2018)		
Agency	Number of Homes	Percentage of Homes
HELP	229	58.7
CSA	64	16.4
Urban League	62	15.9
NRHA	28	7.2
RNDC	7	1.8
<b>Total</b>	<b>390</b>	<b>100.0</b>

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<sup>26</sup> Goals provided by Nevada Housing Division.

Table 15. Work Completed vs. Performance Goal by Subgrantee, SFY 2018.

Performance against Goals: Work Completed by each Subgrantee Agency (SFY 2018)			
Agency	Planned (Production Goals)	Actual	Percentage of Agency Goal Achieved
HELP	164	229	140%
CSA	45	64	142%
Urban League	80	62	78%
NRHA	23	28	122%
RNDC	13	7	54%
<b>Total</b>	<b>325</b>	<b>390</b>	<b>120%</b>

Of the homes completed during SFY 2018, services to special needs and high energy use households are as shown in Table 16.<sup>27</sup> Homes completed by county are shown in Table 17. These completions approximately follow the population sizes of Nevada counties.

Table 16. Services to Special Needs and High Energy Use Households, SFY 2018.

Services to Special Needs Households (SFY 2018)		
Category	Number of Homes	Percentage
Elderly over 60	211	54.1%
Persons with Disabilities	159	40.8%
Children under 6	20	5.1%
Native American	6	1.5%
High Energy Users	80	20.5%
Note: This table contains category overlaps. The base for calculation of percentages is three hundred ninety (390) homes		

Table 17. Homes by County, SFY 2018.

Homes Completed by County (SFY 2018)		
County	Number of Homes	Percentage
CLARK	291	74.6
WASHOE	64	16.4
LYON	14	3.6
CARSON CITY	12	3.1
HUMBOLDT	4	1.0
ELKO	3	0.8
STOREY	1	0.3
DOUGLAS	1	0.3
<b>Total</b>	<b>390</b>	<b>100.0</b>
Note: The home count is correct. The percentages contain rounding error, so do not sum exactly to 100%.		

<sup>27</sup> A household may have more than one special needs classification.



Some Nevada counties do not have utilities that arrange for payment into the Universal Energy Charge. Weatherization of homes weatherized by NHD in these counties is funded from federal and other funds (and is not reported here).

Table 18 shows completed homes by housing type and heating fuel. This table reflects the relative frequency in the population of natural gas as a heating source as compared with electricity, oil and propane. Table 19 shows own/rent status by housing type.

**Table 18. Housing Type and Primary Heat Source, SFY 2018.**

<b>Type of House and Primary Heating Fuel (SFY 2018)</b>						
<b>House Type</b>	<b>Fuel Type</b>				<b>Total</b>	<b>Percentage</b>
	<b>Electric</b>	<b>Natural Gas</b>	<b>Oil</b>	<b>Propane</b>		
<b>2-4 Family</b>	16	12	0	0	28	7.2%
<b>5+ Family</b>	2	65	0	0	67	17.2%
<b>Mobile Home</b>	6	120	0	7	133	34.1%
<b>Single Family</b>	24	133	2	3	162	41.5%
<b>Total</b>	48	330	2	10	390	100.0%

Note: Counts are correct. Percentages contain some rounding error.

**Table 19. Own/Rent Status by Housing Type.**

<b>Ownership Status by Type of House (SFY 2018)</b>			
<b>House Type</b>	<b>Rent/Own</b>		<b>Total</b>
	<b>Rental</b>	<b>Owned</b>	
<b>2-4 Family</b>	3	25	28
<b>5+ Family</b>	66	1	67
<b>Mobile Home</b>	4	129	133
<b>Single Family</b>	26	136	162
<b>Total</b>	99	291	390
<b>Percent</b>	25.4%	74.6%	100.0%

Note: Counts are correct. Percentages contain some rounding error.

Federal and state guidelines for weatherization work include a strong emphasis on health and safety goals. Certain measures are not primarily for energy savings but to enable a family to remain in its home. In SFY 2018 these installations included 276 combustion safety inspections, 77 refrigerators replaced, 159 air conditioner replacements, 39 air conditioner repairs, 2 evaporative cooler replacements, 1 evaporative cooler repair, 24 heat pump replacements, 11 heat pump repairs, 23 gas appliance repairs, 116 furnace replacements, 39 furnace repairs and installation of 340 carbon monoxide sensors.

A summary of direct weatherization costs per home is shown in Table 20. Direct weatherization cost includes all FEAC contractor costs (including materials and labor).<sup>28</sup>

**Table 20. Direct (FEAC) Weatherization Costs, SFY 2018.**

<b>Project Direct Weatherization Cost by Type of House (SFY 2018)</b>			
<b>House Type</b>	<b>Number</b>	<b>Median</b>	<b>Mean</b>
<b>2-4 Family</b>	28	\$6,345	\$5,638
<b>5+ Family</b>	67	\$3,165	\$2,918
<b>Mobile Home</b>	133	\$6,948	\$6,393
<b>Single Family</b>	162	\$6,456	\$6,336
<b>Total</b>	390	\$5,793	\$5,718
Note: Values rounded to nearest dollar.			

Energy savings improvements to homes have a life of at least five to twenty years, and the major improvements, such as insulation, will last thirty-five years or more. Savings are expected to gradually decrease as different types of improvements reach the end of their effective measurable lives.

## Findings and Recommendations

For each of the specific provisions of NRS 702.270 for NHD, NHD was fully compliant for SFY 2018.

### Findings

- WAP 2. Within its budget limitation the Weatherization Assistance Program was fully effective in 2018.
- WAP 3. The addition of the Governor’s Home Energy Retrofits for Seniors (HEROS) funding provided substantial benefit because it made it possible to coordinate funding and treat some homes that required more work and otherwise would not have been treated.

### Recommendations

- WAP 1. NHD should fully implement their new software in 2019.
- WAP 2. For 2019, NHD should continue to optimize the WAP program by continuing to work optimally within budget as in 2018.

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<sup>28</sup> Direct weatherization cost excludes Subgrantee agency costs and NHD costs. Also, for some homes additional funding sources were leveraged to provide more complete installation of measures. For these cases the additional funding is included in the table.

## DWSS AND NHD COMPLIANCE WITH JOINT REQUIREMENTS

### 3.1. Did DWSS and NHD jointly establish an annual plan to coordinate their activities and programs?

[Reference: NRS 702.280.1; Deliverable 3.6.1]

Yes. Each year, the Department of Welfare and Supportive Services (DWSS) and the Nevada Housing Division (NHD) jointly develop an annual plan, the *Nevada Fund for Energy Assistance and Conservation State Plan*, to coordinate their activities and programs in accordance with NRS 702.280. The plan for SFY 2018 became effective July 1, 2017 and the plan for SFY 2019 became effective July 1, 2018<sup>29</sup>.

Each of these plans includes a description of resources and services used by each program and a description of efforts undertaken to improve services and resources [NRS 702.280.1(a)]. The programs are funded by the Universal Energy Charge (UEC) /Fund for Energy Assistance and Conservation (FEAC). These funds support the FEAC Energy Assistance Program (EAP) which is administered by DWSS and the FEAC Weatherization Assistance Program (WAP), administered by NHD.

- ◆ EAP assists eligible Nevadans in paying their utility costs on an annual basis and provides emergency assistance for eligible households in crisis. The program also has a one-time arrearage component, a fast-track component for eligible households facing utility shutoff and a crisis intervention component to assist qualifying households with payment problems due to chronic or long-term illness.
- ◆ WAP assists low-income households in reducing their utility costs and energy consumption by providing for energy conservation and health and safety measures. NHD can sometimes leverage other funding sources to enable more thorough weatherization and necessary health and safety work to be completed on homes.

### 3.2. Did the plan include resources and services used by each program and efforts to increase or improve resources and services?

[Reference: NRS 702.280.1(a); Deliverable 3.6.1.2]

Yes. The joint annual plan includes resources and services used by each program and there have been efforts to increase and improve both resources and services. Both the Division of Welfare and Supportive Services and the Nevada Housing Division continually work to improve resources and services.

The nature of the challenge for both DWSS and NHD is optimization of resources subject to constraints. The largest constraint is that for each program the need for the program is much higher than the combined resources available to meet the need. Available resources are the major constraint when need is defined using the official definition of eligibility (provided in NRS 702 and as further defined by each program). Resources applied include the combination of UEC and other state funding, available federal and city funding, private-sector funding, and funding from institutional, religious and community organizations.

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<sup>29</sup> Nevada State Division of Welfare & Supportive Services, Public Hearing to Adopt Low-Income Home Energy Assistance (LIHEAP) and Nevada Fund for Energy Assistance and Conservation SFY State Plans, June 15, 2017.

### 3.3. Did the plan include efforts to improve administrative efficiencies?

[Reference: NRS 702.280.1(b); Deliverable 3.6.1.3]

Yes. Both DWSS and NHD engage in continual improvement.

- ◆ For 2018, the Division of Welfare and Supportive Services Energy Assistance Program was ready to apply for federal leveraging credit but did not apply since there were no leveraging dollars available.<sup>30</sup>
- ◆ DWSS continually analyzes business practices and tries to be as efficient and effective as practicable, making program revisions within the scope of NRS 702 in consultation with the low-income advisory committee. In 2016, DWSS improved efficiency by replacing temporary positions with civil service staff and this staffing structure continues in 2018. Past evaluations have documented that temporary staff has higher turnover and is significantly less efficient than civil service staff in this work.
- ◆ To determine eligibility, the DWSS Energy Assistance Program requires applicant households to provide verifications by a specified due date. A household may run into barriers securing required verifications in a timely manner, for example from Social Security or landlords. When a household does not request an extension of time to submit verifications that they are unable to obtain on a timely basis, their application will be denied. Once a household has been denied they must reapply, which further delays assistance. DWSS continues to work on this problem.
- ◆ In addition, while moving staff positions to the civil service has accomplished a major step in improving efficiency and effectiveness, once a person has been on staff long enough to have a credible record of experience and once they have learned on the job how the civil service system works, it is not uncommon for them to look towards other positions as they become open. Also, as Nevada's economy improves, some staff move from the civil service to the private sector, creating additional opportunities for advancement to others.
- ◆ Over time, a combination of these factors can temporarily lower staff size and this can slow the time it takes to process applications. During 2018, these factors have required continuing vigilance and focus on improvement of processing time for cases.
- ◆ For the Nevada Housing Division, the addition of the Governor's Home Energy Retrofits for Seniors (HEROS) funding provided substantial benefit in that it made it possible to coordinate funding to treat some homes that required more work and otherwise would not have been treated.
- ◆ The Nevada Housing Division has been engaged in development of a better database and reporting system which will eventually eliminate manual entry of paper records.
- ◆ Utility Demand-Side Management Programs (Gas & Electric)

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<sup>30</sup> The federal LIHEAP leveraging system was created to reward states with a small allocation of additional federal program dollars in relation to non-federal funding developed within the state to support the programs. However, in most recent years Congress has not funded the provision for leveraging grants. For specifics, see "Leveraging Nonfederal Resources for LIHEAP," compiled by the LIHEAP Clearinghouse, November 2013, <https://liheapch.acf.hhs.gov/pubs/820.htm>.

- Natural Gas: The Nevada Housing Division could not continue its arrangement for program coordination with Southwest Gas through for 2017 and 2018 due to a determination by the Public Utility Commission of Nevada (PUCN) related to special rules for utility program cost effectiveness.<sup>31</sup> Across the US, coordination of utility low-income effort implemented with WAP programs is considered to improve program efficiency and effectiveness,<sup>32</sup> but in the utility area there are unusual cost effectiveness criteria which were established using the model of utility resource acquisition relevant to the energy supply models of the 1980s (rather than a cost-effectiveness criterion relevant to a low-income or social service model). Depending on interpretation by the Public Utility Commission of Nevada (PUCN), the resource acquisition cost-effectiveness criteria can sometimes support and sometimes prevent coordination of programs between the state and utilities. It is a policy question, the answer to which may change from time to time.

California provides a relevant example of a state which coordinates low-income government and utility funding for residential weatherization. The California Public Utility Commission has adopted specific policy rules for low-income programs.<sup>33</sup> Resolution in moving towards the practical benefits of coordinated programs in Nevada would need to take place within PUCN regulatory proceedings; for example, by initiating a new proceeding to review cost-effectiveness testing, as outlined in the new National Standard Practice Manual.<sup>34</sup>

- Electricity: NV Energy has had difficulty in developing a low-income DSM effort that is cost-effective using the resource acquisition model required for electric utilities by the PUCN. A program scope for working with NHD and the Subgrantee agencies was approved by PUCN and was technically operative in the first half of SFY 2014, but the envisioned implementation did not occur in 2014-2016 due to anticipated low benefit-cost expectations on the part of the utility. In the regulatory process, utilities are normally not granted cost-effectiveness for a program (and thus full cost recovery) until the program is evaluated. This uncertainty can cause reluctance to implement a program that might be borderline for cost-effectiveness using a resource planning test such as the Total Resource or the Utility Cost Test.
  - ◆ Such problems can usually only be resolved by regulatory commission policy decisions, so that the utility can have high confidence in full cost recovery. Resolution in moving towards the practical benefits of coordinated programs in Nevada would need to take place within PUCN

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<sup>31</sup> However, Southwest Gas does provide some direct support to the Subgrantee agencies which can be used to further the work of the NHD Weatherization Assistance Program.

<sup>32</sup> Brown, M.A, and L.J. Hill, Low-Income DSM programs: The cost-effectiveness of coordinated partnerships. Oak Ridge, Tennessee: Oak Ridge National Laboratory, May 1994 (ORNL/CON 375); Brown, Marilyn A., Mark A. Beyer, Joel Eisenberg, Edward J. Laps and Meg Power, Utility Investments in Low-Income Energy Efficiency Programs. Oak Ridge, Tennessee: Oak Ridge National Laboratory, September 1994 (ORNL/CON 379), [http://weatherization.ornl.gov/pdfs/ORNL\\_CON-379.pdf](http://weatherization.ornl.gov/pdfs/ORNL_CON-379.pdf).

<sup>33</sup> The California programs are listed at: <http://www.cpuc.ca.gov/iqap.aspx>.

<sup>34</sup> The National Standard Practice Manual can be downloaded from: <https://nationalefficiencyscreening.org/national-standard-practice-manual/>.

regulatory proceedings; for example, through a new proceeding to review cost-effectiveness testing, as outlined in the new National Standard Practice Manual.<sup>35</sup>

**3.4 Did the plan include efforts undertaken to coordinate with other federal, state and local agencies, nonprofit organizations and any private business or trade organizations providing energy assistance or conservation services to low-income persons?**

[Reference: NRS 702.280.1(c); Deliverable 3.6.1.4]

Yes. The plan for SFY 2018 includes efforts to coordinate with federal, state and local agencies, nonprofit organizations and utilities to provide energy assistance and conservation services to low-income persons [NRS 702 280.1(c)]. Trade organizations were not included in the 2018 annual plan. For SFY 2018, coordination is specifically discussed with the following entities:

- ◆ Special Assistance Fund for Energy (SAFE) – Sierra Pacific Power/NV Energy’s fund. This fund provides some utility bill payment assistance to low-income, elderly and disabled customers, as well as families facing short-term financial crisis. This program is administered through several local social service agencies. Sierra Pacific Power provides all administrative costs for the program and provides annual financial support.
- ◆ Emergency Shelter Grant (ESG) – This program is administered though NHD and funded by the US Department of Housing and Urban Development (HUD). It covers some households experiencing sudden reduction of income with an inability to pay bills. It is aimed at preventing homelessness when there is a reasonable prospect that the household will resume their regular payments in a reasonable amount of time.
- ◆ Emergency Food and Shelter Program (EFSP) – United Way’s program to help people with economic emergencies not related to disasters. Funding can be used to help some households supplement food, shelter, rent/mortgage and utility assistance.
- ◆ Energy Share – Southwest Gas’s direct assistance program for qualified people with unexpected financial difficulties, such as job loss and medical emergency. This program is administered by the Salvation Army.
- ◆ Seniors Helping Seniors Weatherization Program – Seniors Helping Seniors provides some qualified Southwest Gas customers with weather-stripping, caulking, door sweeps, low-flow showerheads, pipe insulation, switch and outlet gaskets, water heater blankets and energy education. This program is limited to Southern Nevada, to homeowners at least 55 years of age or disabled and with annual income not exceeding \$25,000.
- ◆ Rebuilding Together with Christmas in April (RTCA) – RTCA operates in Southern Nevada to provide free housing repairs to low-income seniors and the disabled. It includes an annual corporate volunteers event day in which over 3,000 corporate volunteers make home improvements at no charge to qualifying households. RTCA also maintains rapid repair services for home heating, cooling, plumbing and electrical programs to qualifying homeowners.
- ◆ Low-Income Housing Trust Fund Welfare Set-Aside Program – NHD allocates 15% of the funds received for the Account for Low-Income Housing (Trust Fund) to city and county social service agencies for families who are, or are in danger of becoming, homeless and need assistance with utilities, security deposits and rental or mortgage payment assistance. Eligibility is restricted to

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<sup>35</sup> Ibid.

individuals and families with income at or below 60% of area median income as designated by the Department of Housing and Urban Development.

- ◆ Governor’s Home Energy Retrofits Opportunities for Seniors (HEROS) – In addition, this new initiative provides funding that can permit substantial improvement in seniors’ homes. It can provide for upgrades that permit some homes to be served that would otherwise be “walkaways” – homes that require more work than is sustainable under the regular weatherization rules.

For SFY 2018, WAP’s funding sources are: 1) the Nevada Fund for Energy Assistance and Conservation which is funded by the universal energy charge (UEC), 2) the U.S. Department of Energy (DOE), 3) US Department of Health and Human Services Low-Income Home Energy Assistance Program (LIHEAP), 4) The Low-Income Housing Trust Fund, and 5) the Governor’s Home Energy Retrofits Opportunities for Seniors (HEROS).

EAP has two funding sources: 1) the federal Low-Income Home Energy Assistance Program (LIHEAP) grant from the U.S. Department of Health and Human Services, and 2) the Nevada Fund for Energy Assistance and Conservation which is funded by a universal energy charge (UEC) assessed to every public utility retail customer in the state (with a few specified exceptions).

### **3.5. Did the plan include measures concerning program design that will be undertaken to improve program effectiveness?**

[Reference: NRS 702.280.1(d); Deliverable 3.6.1.5]

Yes. The Energy Assistance Program (EAP) was designed to assist qualifying households with utility cost that exceeds the median state household energy burden, but provides flexibility in altering the design when funding runs short of need.<sup>36</sup> By basing the UEC energy assistance on the Nevada’s median state household energy burden (Nevada’s median energy burden was computed to be 1.78% of household income for SFY 2018) the Energy Assistance Program (EAP) establishes a realistic and fair level of assistance.

The level is inherently rooted in a principle of fairness: energy assistance is provided at the level of the median percentage of household income required for household energy use for the state. Each household in the program is responsible for paying this portion of their utility bills for the year. The portion above that amount may be covered by the Energy Assistance Program.

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<sup>36</sup> The “median” is the middle value of a statistical distribution. In this case, half of Nevada households for a given year have energy burdens larger than the median value and half have energy burdens less than the median value for that year. The calculation of median energy burden in Nevada begins with the most recent value of median household income. This is used as the denominator of a fraction. The numerator of the fraction is the cost of household energy use (natural gas and electricity used by the household) for the year. Household energy use data is calculated for each of the two major utilities, Southwest Gas and NV Energy, and the energy use (gas and electricity) is applied to the current residential rate structure of the utilities to derive the cost of energy per household. This cost is then divided by the Nevada median household income to provide the median household energy burden for the year. The actual calculation has some more details and is carried out separately for Northern Nevada and Southern Nevada. The median household income and median household energy burden are updated annually for each new state plan program year.

The EAP has been repeatedly adjusted to meet changing conditions. During the relatively recent national economic crisis (sometimes referred to as the “Great Recession”), it became necessary to further cap assistance to stretch existing funds to serve more households. In SFY 2011 and in prior years, energy assistance was provided to households up to and including 150% of the Federal Poverty Level (FPL) as specified in NRS 702. For SFY 2012 assistance eligibility was capped at 110% of the FPL<sup>37</sup> due to shortage of funding in relation to increased need. For SFY 2013 eligibility was initially capped at 125% but was raised back to 150% of the FPL when additional federal funds became available late in fiscal year. For 2014, the program again operated at its design level of 150% of FPL.<sup>38</sup> However, to stretch funding to more households, benefit caps were used during 2014, with the caps based on poverty level and a designation for vulnerability. Benefit caps were also applied during 2015, 2016, 2017 and were also adjusted and applied for 2018.<sup>39</sup> The need for the program exceeds available funding, so the use of caps is designed to support continuing operation throughout the year. These changes are implemented as conditions change, using flexibility provided in NRS 702 to provide smaller grants and serve more households.

In 2015, The Nevada Housing Division Universal Energy Charge/Fund for Energy Assistance and Conservation Weatherization Assistance Program, following USDOE guidance, standardized job descriptions and certification requirements for positions in weatherization work. It has also introduced Building Performance Institute (BPI) certification both for the NHD WAP Compliance/Audit Investigator and for some field staff at each Subgrantee agency. In addition, NHD separated the building audit role from the contractor services role so that auditing is independent. These changes, implemented in 2015 increased program effectiveness for 2016, 2017, 2018 and will continue in future years.

Also, NHD continues to move towards replacement of its current audit software by a new system that will be more comprehensive and that will better align energy savings estimates at audit with post-installation energy savings as recorded in utility customer information systems. This work is ongoing, and the system is likely to move out of its testing phase during SFY 2019. This improvement in the database and reporting system is the primary change for NHD weatherization for 2016-2018.

### **3.6. Did the jointly-developed DWSS/NHD annual plan include the efforts that will be undertaken to improve program effectiveness?**

[Reference: NRS 702.280.1(e); Deliverable 3.6.1.6]

Yes. The most recent evaluation (of SFY 2017 programs, dated November 30, 2017) contained five recommendations. Of the five, three were implemented and two were not. The evaluation recommendations from SFY 2017 and actions during SFY 2018 are as follows:

**2017 Recommendation 1:** For 2018, continue to track processing time and identify and develop a list of factors that slow processing from August through February.

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<sup>37</sup> This was raised to 125% FPL when additional federal funds became available in April of 2012.

<sup>38</sup> There are no asset or resource criteria for eligibility. There are some more detailed rules for special situations.

<sup>39</sup> Department of Health and Human Services, Division of Welfare and Supportive Services, Policy Transmittal EAP PT 01-18 from Robert Thompson, Deputy Administrator, Program & Field Operations, June 20, 2018. Caps are continually reviewed to balance provision of a meaningful benefit amount with the number of households that can be served.



*DWSS carefully and continuously tracked case processing times and worked on factors to improve processing throughout SFY 2018.*

**2017 Recommendation 2:** DWSS has optimized the Energy Assistance Program by accomplishing key staffing goals and training. DWSS has also been working on shortening processing time. In the absence of any unusual events, for SFY 2018 DWSS should operate normally within this optimized structure while monitoring the operation of the caps. For SFY 2018, the goal should be to operate well within the current processes, management and organization.

*DWSS operated the Energy Assistance Program and demonstrated proficiency in accomplishment of legislated program goals with the given resource limits and within an optimized organizational structure in Fiscal Year 2018.*

**2017 Recommendation 3:** To meet the increase in need under the current eligibility criteria, funding for the Universal Energy Charge should be increased.

*This recommendation was not implemented; however, this is a policy recommendation that would have to be addressed at the legislative level. Also, over the past few years, on the NHD side of the UEC, the Governor's Home Energy Retrofits Opportunities for Seniors (HEROS) funding provided substantial benefit (in that it made it possible to coordinate funding to make the Weatherization Assistance Program more effective by treating some homes that required more work and otherwise would not have been treated).*

**2017 Recommendation 4:** Costs have changed, while the eligibility for the UEC/FEAC programs is at 150% of poverty. This percentage was appropriate for an earlier year; however, the eligibility level for program participation should be increased.

*This recommendation was not implemented. However, this is a policy recommendation that would have to be addressed at the legislative level.*

**2017 Recommendation 5:** Seek an amendment to NRS 702 to broaden the emergency provisions for inclusion of all households in temporary economic difficulties.

*This recommendation was not implemented. However, this is a policy recommendation that would have to be addressed at the legislative level.*

**3.7. Continuing Evaluation: Did the DWSS/NHD jointly conduct an annual evaluation of the EAP and WAP programs?**

[Reference: NRS 702.280.2(a); Deliverable 3.6.2]

The Division of Welfare and Supportive Services and Nevada Housing Division jointly conducted an annual evaluation of the EAP and WAP for the State Fiscal Year 2017 programs during SFY 2018 and are currently conducting the SFY 2018 evaluation covering the programs from July 1, 2017 through June 30, 2018.

**3.8. Did DWSS/NHD jointly solicit advice from the Nevada Public Utilities Commission as part of the annual evaluation?**

[Reference: NRS 702.280.2(b); Deliverable 3.6.2.1]

There was extensive work with the Nevada Public Utilities Commission in 2013-2014. This work ended with a recommendation in the SFY 2014 evaluation consistent with the PUCN conclusion that the

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*As part of the upcoming SFY Evaluation, the Commission should advise that DWSS continue to evaluate utility customers for EAP eligibility on an annual basis and EAP payments continue to be disbursed to the utilities in annual lump sum payments for EAP customers. However, utilities should now credit 1/12th of each payment to the corresponding EAP customer on a monthly basis over a 12-month period.*

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**Figure 7. Commission Finding.**

utilities should disperse annual DWSS funding to customers on a pro-rated monthly basis (see Figure 7).<sup>40</sup> This is a recommendation that would need to be implemented by the utilities, rather than DWSS or NHD. It has not been implemented.

We checked with commission staff in 2017 and 2018 the PUCN advice will remain constant until there is another proceeding regarding the Universal Energy Charge/Fund for Energy Assistance and Conservation. The use of the word “should” means that this is not an order to the utilities but is an expression of PUCN deliberation and input for the yearly evaluation. It is an expression of the commission’s deliberative desire which the utilities may or may not decide to implement.

Since this focus on the UEC/FEAC in 2013-2014, PUCN has provided continuing direction to the major utilities regarding cost-effectiveness criteria for their Demand-Side Management (DSM) programs. As these criteria have been further clarified and developed, they have made direct cooperation or leveraging of residential DSM by NHD’s FEAC Weatherization Assistance Program less effective and represent a difference from PUCN approaches in earlier years, going back to 2003. This raises a question of policy coordination in the energy area.

**3.9. Report to Governor, Legislative Commission and Interim Finance Committee. Did DWSS/NHD describe the objectives of each program? Include an analysis of the effectiveness and efficiency of each program in meeting the objectives of the program, include the amount of money distributed from FEAC for each program and a detailed description of the use of that money for each program, include an analysis of the coordination between the Divisions concerning each program and include any changes planned for each program?**

[Reference: NRS 702.280.2(c) & NRS 702.280.3(a-3); Deliverables 3.6.2.2, 3.6.3 & 3.6.3.1 through 3.6.3.4]

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<sup>40</sup> This is not within the scope of DWSS, it would need to be implemented by the major utilities.

Yes. During SFY 2018 DWSS/NHD jointly prepared a report concerning the annual evaluation for SFY 2017 and submitted the report to the Governor, Legislative Commission and Interim Finance Committee in accordance with NRS 702 280.2(c).

The report consisted of the SFY 2017 evaluation and the SFY 2017 executive summary with a well-constructed brief letter of transmittal. The evaluation includes a full description of the objectives of each program [NRS 702 280.3(a)], an analysis of the effectiveness and efficiency of each program in meeting the objectives of the program [NRS 702 280.3(b)], the amount of money distributed from FEAC for each program and a detailed description of the use of that money for each program [NRS 702 280.3(c)], analysis of the coordination between the Divisions concerning each program [NRS 702 280.3(d)], and any changes planned for each program [NRS 702 280.3(e)].

## Findings

- Joint 1. Together, the Division of Welfare and Supportive Services and the Nevada Housing Division implemented their joint responsibilities in full compliance with the Joint Requirements provisions of NRS 702.

## SUMMARY

NHD WAP and DWSS EAP were fully compliant with all provisions of NRS 702.280 for SFY 2018.

## Findings

- EAP 1. DWSS achieved major improvements in case processing time during 2018 as compared with the previous year. In particular, at least 97% of cases were processed within sixty (60) days each month during SFY 2018; and for seven months of SFY 2018, at least 93% of cases were processed within thirty (30) days. This is a meaningful advance in performance over previous years.
- EAP 2. DWSS has optimized the Energy Assistance Program by accomplishing key staffing goals and training. DWSS has also achieved meaningful reductions in case processing time. In addition, DWSS has worked to optimize the interaction of payment caps with household income, targeted households, type of heating and poverty ranges. The program is highly optimized for SFY 2019.
- EAP 3. EAP substantially lowers energy burden for low-income customers.
- EAP 4. The evaluation team finds DWSS has succeeded in recovering to the previous level of households with seniors, completing recovery from the drop which occurred during 2012.
- EAP 5. The focus on targeted groups (households with children at or under age 6, households with one or more disabled member and households with seniors) is working well.
- EAP 6. The evaluation team finds DWSS fully compliant with the requirements of NRS 702.
- WAP 1. The Evaluation Team finds the Nevada Housing Division's Weatherization Assistance Program fully compliant with the provision of NRS 702.
- WAP 2. Within its budget limitation the Weatherization Assistance Program fully was effective in 2018.
- WAP 3. The addition of the Governor's Home Energy Retrofits for Seniors (HEROS) funding provided substantial benefit because it made it possible to coordinate funding and treat some homes that required more work and otherwise would not have been treated.

Joint 1. Together, the Division of Welfare and Supportive Services and the Nevada Housing Division implemented their joint responsibilities in full compliance with the Joint Requirements provisions of NRS 702.

## Recommendations

- EAP 1. For SFY 2019, continue to track processing time and set a goal of meeting the performance levels achieved during SFY 2018.
- EAP 2. In the absence of any unusual events, for SFY 2019 DWSS should operate normally within this optimized structure while monitoring the operation of the caps. No new changes to processes, management or organization are recommended for DWSS based on the SFY 2018 evaluation. For SFY 2019, the goal should be to operate well with the current processes, management and organization.
- WAP 1. NHD should fully implement their new software in 2019.
- WAP 2. For 2019, NHD should continue to optimize the WAP program by continuing to work optimally within budget as in 2018.
- Joint 1. Federal program guidance for LIHEA is to set income eligibility for households at 150% of the federal poverty level and it is useful to harmonize NRS 702 eligibility for payment assistance with federal guidance. However, the federal adjustment procedure for taking inflation into account loses a meaningful amount of inflation each year. Over a set of years, this problem cumulates so that the actual level of need for Nevada households comes to exceed that indicated by the federal guidance. This is a complex problem and the best adjustment would be at the federal level. At the same time, the problem should be noted and consideration could be given to modifying NRS 702 to keep actual eligibility constant by raising the NRS 702 income eligibility for payment assistance to compensate for the lost inflation in the federal method.
- Joint 2. Consider seeking an amendment to NRS 702 to broaden the emergency provisions for inclusion of all households in temporary economic difficulties.

**The Evaluation Team finds the Department of Welfare and Supportive Services' EAP and the Nevada Housing Division's WAP fully compliant with the joint provisions of NRS 702.**