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# EXECUTIVE SUMMARY SFY 2018

## Energy and Weatherization Assistance Programs

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Prepared for the State of Nevada by

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## **EXECUTIVE SUMMARY**

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. 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.

hired H. Gil Peach & Associates and Smith & Lehmann Consulting to conduct this evaluation for the 2018 fiscal year.

### **Evaluating the Energy Assistance Program (EAP)**

The evaluation of the Energy Assistance Program (EAP) had two parts. The first was to determine the degree to which DWSS complied with the statutory requirements of NRS 702 while planning and implementing the program. The second was to evaluate the impact, or efficacy, of the EAP as implemented.

#### **Energy Assistance Program Compliance with NRS 702**

The evaluation found that the EAP was implemented in compliance with NRS 702.

DWSS developed eligibility tables based on household income and household size to accommodate the structural constraint of insufficient funding (combining state UEC and federal LIHEA funds). DWSS instituted benefit caps in 2009 to meet Nevada's need for low-income energy assistance. While the cap reduces the amount of assistance available to each household, it enables the EAP program to serve a greater number of households. This practice was crucial during the "Great Recession" economic conditions when revenues declined and need for services increased. Since then, although the economy has been improving, the cap has been used to continue to adjust services to yearly budgets. The lower benefit caps enable EAP to serve as many needy households as possible at the maximum amount possible; however, EAP is not currently funded sufficiently to comply with the NRS 702 requirement to reduce energy burden among EAP participants to the statewide median. The use of caps permits optimization within this constraint.

#### **Evaluation of Program Effectiveness**

Through the EAP, DWSS provided 24,725 households assistance with their heating and cooling costs during SFY 2018. In SFY 2018, a median family of four in Nevada spent 1.78% of their income on energy. The average benefit per household during this year was \$680 if the arrearage average is not included, and \$717 if included.

The SFY 2012 evaluation revealed that even after assistance, households earning below 75% Federal Poverty Limit (FPL) with the lowest income spent proportionately more on energy than households between 75% and 110% FPL. Consequently, DWSS increased the benefit cap for households below 75% FPL to reduce their energy burden to more equitable levels.

The energy burden was successfully reduced in 2018 for households with children, an elderly member or a disabled member. The energy burden held to approximately the same levels across each of these groups in SFY 2018, with a trend towards general improvement going forward (see Table 1 below).

Table 1. Energy Burdens After Assistance by Type of Household.

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

As can be seen in Figure 1, the number of social security households receiving benefits from the EAP has been restored from the large drop seen in 2012, indicating a recovery and stabilization of benefits associated with the program. The number of EAP participants with Social Security income returned to the SFY 2011 level in 2017 and has stabilized in 2018, reflecting the emphasis of DWSS in bringing back households. DWSS has continued outreach to seniors who may not realize that they are again eligible for energy assistance.

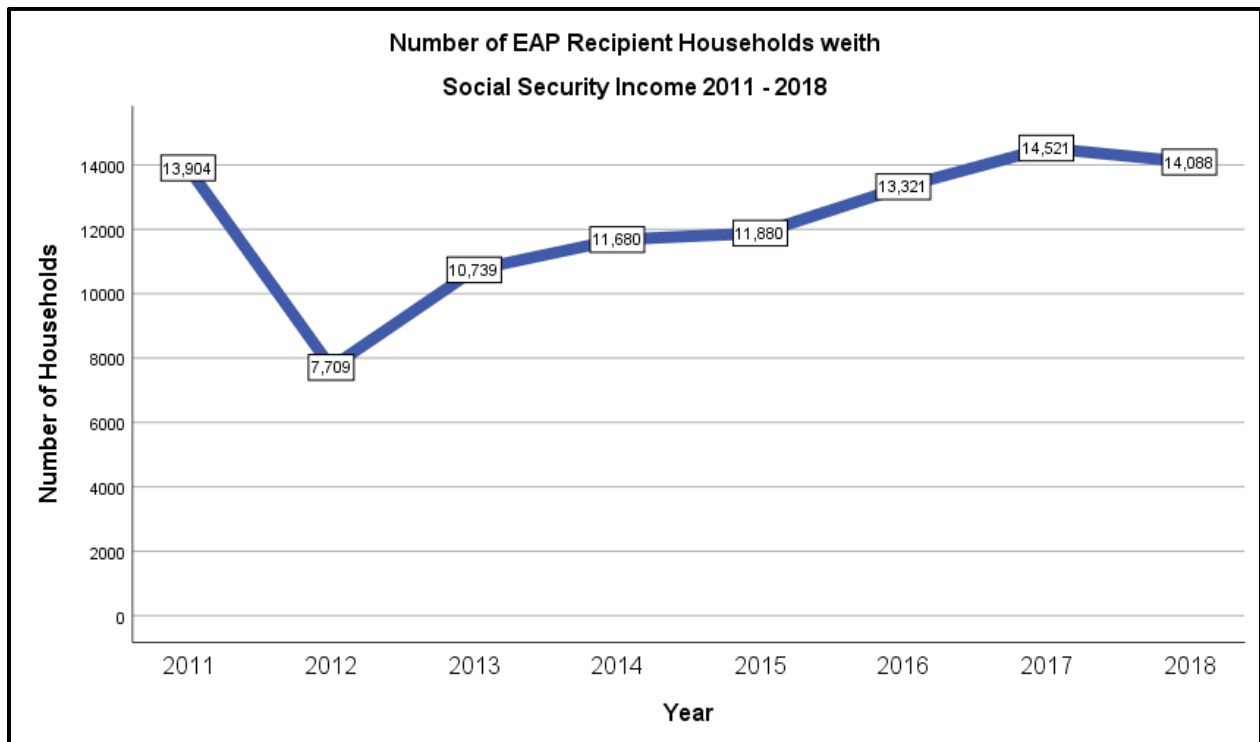


Figure 1. Number of Households with Social Security Income Returned to Normal Level.

## Evaluating the Weatherization Assistance Program (WAP)

Contracting with subgrantees, the WAP weatherizes homes to provide long-term reduction in energy costs. In SFY 2018, 390 homes received this assistance in Nevada.

### Evaluation of WAP Compliance with NRS 702

The evaluation found that the WAP was implemented in a manner consistent with NRS to the extent possible given the disparity between need and availability of funds.

NHD provided eligible households with services of basic home energy efficiency which assisted households in reducing energy consumption over time. Performance was confirmed during NHD WAP staff Monitoring Reviews of sample projects and reviews of the BWR database.

During SFY 2018, no assistance was provided to health/safety threatened households to repair/replace structural, mechanical or other failure of an occupied dwelling due to costs on a per project basis. However, assistance was provided to fifty-seven health/safety threatened households that experienced an emergency because of a failure of a component or system of their occupied dwelling.

### Evaluation of Program Effectiveness

In SFY 2018, NHD Subgrantees weatherized 390 homes, exceeding the goal of 325 homes (Table 2). Energy savings for SFY 2018 were 318 therms and 4,472 kWh.

Table 2. 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>

\*Percentage total not exact due to rounding.

## SUMMARY AND CONCLUSIONS

Despite the growing need and limited funding available to the EAP and WAP, many low-income households received financial or structural assistance to reduce their energy burden. DWSS staff continued working diligently to implement the EAP, maintaining the prior year's eligibility criteria and benefit caps to provide a meaningful benefit to over 24,000 households. WAP contractors and subgrantees provided both emergency and sustainable improvements to the energy use of 390 homes.

- 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 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.
- 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.