

# **EXECUTIVE SUMMARY**

**SFY 2023 EVALUATION**

## **Energy and Weatherization Assistance Programs**

**Prepared for the State of Nevada**



## **Vision Statement**

To be a world leader in developing truthful measurement and useful results; to support development of efficient, ethical, and effective practices, sustained economically; to advance human development. To improve the quality of life during the era of climatechange.

## **Goals Statement**

- To build inclusion, diversity, and social justice in support of all technical goals.
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- Improvement and learning at all levels.
- Contextual awareness, sound measurement, analysis, and reporting.
- Anticipate and meet the needs of our clients.
- Awareness of human relevance and of the ethical core of research.
- To go further, to find better ways.

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Phone: (503) 351-8578  
Office: (503) 645-0716  
Email: [hgp@adapt.global](mailto:hgp@adapt.global)  
Website: <https://www.peachandassociates.net>

# EXECUTIVE SUMMARY

Nevada's Home Energy Assistance Program (EAP) and Weatherization Assistance Program (WAP) are both funded by the Nevada 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. EAP provides payment assistance to help with home energy bills. WAP implements home weatherization to lower future energy bills and to increase household health and safety.<sup>1</sup>

For both the Division of Welfare and Supportive Services (DWSS) and the Nevada Housing Division (NHD), although the COVID epidemic receded, SFY 2023 was still a difficult year, in part due to turnover of staff.

## ENERGY ASSISTANCE PROGRAM (EAP)

This evaluation of the Energy Assistance Program has two parts. The first part is focused on the degree to which DWSS complied with the statutory requirements of the legislation establishing the EAP payment assistance program (NRS 702) while planning and implementing the program. The second evaluates the impact, or effectiveness, of the EAP as implemented.

### EAP Compliance with NRS 702

We find that EAP was implemented in compliance with NRS 702.

DWSS developed eligibility tables based on household income and household size to accommodate the balance between available fiscal year funding and number of qualified applicant households (coordinating the application of state UEC funding and federal Low Income Home Energy Assistance (LIHEA) funds). DWSS, in accord with NRS 702, first instituted benefit caps in 2009 during the Great Recession<sup>2</sup> to meet

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<sup>1</sup> 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 (DWSS) and the Nevada Housing Division (NHD) selected H. Gil Peach & Associates to conduct the evaluation for the 2023 fiscal year.

<sup>2</sup> The National Bureau of Economic Research defines the Great Recession (caused by the subprime housing or "derivatives" bubble) as running from December 2007 through June 2009. The lived experience of the Great Recession began before the official start date and lasted beyond the official end date.

Nevada's need for low-income energy assistance. While the use of caps reduces the amount of assistance available to each household, it enables the EAP program to serve a greater number of households. This was crucial during the economic conditions of the Great Recession when revenues declined as the need for service increased. Since then, although the economy had been improving until the COVID epidemic began in March 2020 the caps have been used to adjust services to yearly budgets. Benefit caps enable EAP to serve as many needy households as possible.

This evaluation confirms DWSS compliance with NRS 702 requirements, both for DWSS program implementation and operations, and for DWSS contributions to joint compliance with NHD. For each compliance step, DWSS is following NRS 702.

### **EAP Program Effectiveness**

Through EAP, DWSS provided 12,363 households assistance with their heating and cooling costs during SFY 2023.<sup>3</sup> For SFY 2023, the program target was set to match a calculation that showed the median family of four in Nevada spent 2.29% of their income on energy. This percentage is called the Nevada median household energy burden. Benefits include direct payment assistance of the amount of the household energy bill above the median energy burden, plus for certain qualifying households, payment of accrued arrearage.

Since SFY 2012, in accord with flexibility established in NRS 702, DWSS has increased the benefit cap for households below 75% FPL to reduce their energy burden to more equitable levels.

For participant households, energy burden<sup>4</sup> was successfully reduced (Table 1). The results shown in Table 1 demonstrate the effectiveness of EAP in meeting the energy burden program objective. This is an effective program.

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<sup>3</sup> Of the 29,459 applications processed, 17,095 (58.0%) were found to be ineligible and 12,363 (42.0%) were found to be eligible for EAP.

<sup>4</sup> Energy burden is the percentage of household income spent on energy for the home.

Table 1. Energy Burden Before and After EAP, by Poverty Group.

<b>Percentage of Fixed Annual Credit (FAC) Income that EAP Participants are expected to spend on Household Energy, by Poverty Group for SFY 2023</b>			
<b>Poverty Group</b>	<b>Energy Burden (Percent of FAC Income)</b>		
	<b>Col. 1</b>	<b>Col. 2</b>	<b>Col. 3</b>
	<b>Without EAP (No Program)</b>	<b>EAP Program</b>	<b>EAP plus Additional Support</b>
<b>126-150%</b>	5.2%	2.68%	0.00%
<b>101-125%</b>	6.9%	2.68%	0.00%
<b>76-100%</b>	10.3%	2.58%	0.00%
<b>0-75%</b>	39.1%	2.85%	0.00%
<b>Statewide Median for 2023</b>			2.29%

The temporary additional support applied in Table 1, Column 3 is shown in Table 2. As shown in Table 2, more support is provided where there is more need.

Table 2: Temporary Additional Support.

<b>Temporary Additional Support (SFY 2023)</b>	
<b>Poverty Level</b>	<b>Amount (\$)</b>
<b>0-75%</b>	500
<b>76-100%</b>	450
<b>101-125%</b>	400
<b>126-150%</b>	350

Effects for targeted groups are shown in Table 3.

**Table 3: Energy Burden, Before and After, for Targeted Groups.**

<b>Percentage of Income EAP Participants are expected to Spend on Energy, Before and After Assistance, for Targeted Groups, SFY 2023</b>			
<b>Target Group</b>	<b>Average % FAC Income expected to be Spent on Energy</b>		
	<b>Prior to EAP</b>	<b>With EAP</b>	<b>EAP plus Additional Support</b>
<b>With Children Six and Under</b>	18.34%	3.47%	0.00%
<b>With Disabled</b>	11.36%	2.97%	0.00%
<b>With Senior(s)</b>	10.60%	2.68%	0.00%
<b>Statewide Median for 2023</b>			2.29%

Payments by energy source are shown in Table 4.

**Table 4: Payments by Energy Source.**

<b>Payments by Energy Source (SFY 2023)</b>	
<b>Energy Source</b>	<b>Number of Payments</b>
<b>Electric</b>	12,828
<b>Gas</b>	6,732
<b>Propane</b>	276
<b>Heating Oil</b>	14
<b>Wood</b>	2
<b>Pellets</b>	1
	19,853

The next section provides results for the Weatherization Assistance Program (WAP).

## **WEATHERIZATION ASSISTANCE PROGRAM (WAP)**

Contracting with subgrantees, the WAP weatherizes homes to provide long-term reduction in energy costs and to improve health and safety. In SFY 2023, 276 homes received this assistance in Nevada.

### **WAP Compliance with NRS 702**

The evaluation found that WAP was implemented in a manner consistent with NRS 702.

During SFY 2023, the Nevada Housing Division (NHD) provided eligible households with services of basic home energy efficiency which assisted households in reducing energy consumption over time. This work often has enabled a household to stay in their home, for example through replacement of a heating system or a cooling system.<sup>5</sup>

### **WAP Program Effectiveness**

In SFY 2023, NHD Subgrantees weatherized 276 homes (Table 5). This is an effective program for homes weatherized, with energy savings stretching many years into the future. Weatherization by type of home and heating fuel is shown in Table 3. Service to special needs and high energy use households is shown in Table 5. This is an effective program.

### **WAP Weatherized Home Tables**

Weatherization by subgrantee agency is shown in Table 5; subgrantee production in relation to plan is shown in Table 6. All 276 homes are in these tables.

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<sup>5</sup> When a failed furnace is replaced in winter, or a failed AC system is replaced in summer, this permits a household to stay in the home.

Table 5: Work Completed by each WAP Subgrantee Agency, SFY 2023.

<b>Fund for Energy Assistance and Conservation                      Work Completed by each Subgrantee Agency (SFY 2023)</b>		
Agency	Number of Homes	Percentage of Homes
Community Service Agency Development Corporation (Reno)	48	17.4%
HELP of Southern Nevada (Las Vegas)	133	48.2%
Nevada Rural Housing Authority (Carson City)	26	9.4%
Nevada Rural Housing Authority (Los Vegas)	63	22.8%
Rural Nevada Development Corporation (Ely)	6	2.2%
<b>Total</b>	<b>276</b>	<b>100.0%</b>

Table 6: Housing Type & Primary Source of Heating, SFY 2023.

<b>Fund for Energy Assistance and Conservation                      Performance against Goals: Work Completed by each Subgrantee Agency                      (SFY 2023)</b>			
Agency	Planned	Actual	Percentage Achieved
Community Service Agency Development Corporation (Reno)	56	48	85.7%
HELP of Southern Nevada (Las Vegas)	148	133	89.9%
Nevada Rural Housing Authority (Carson City)	23	26	113.0%
Nevada Rural Housing Authority (Los Vegas)	59	63	106.8%
Rural Nevada Development Corporation (Ely)	13	6	46.2%
<b>Total</b>	<b>299</b>	<b>276</b>	<b>92.3%</b>

Table 7 shows weatherization by house type; Table 8 shows the poverty levels for households in weatherized homes.



**Table 7: Weatherization by House Type. SFY 2023. (Multi-family units include rental properties and apartment complexes owned by one entity)**

<b>Fund for Energy Assistance &amp; Conservation Dwelling Type and Own/Rent (SFY 2023)</b>			
<b>House Type</b>	<b>Rent/Owned</b>		<b>Total</b>
	<b>Rental</b>	<b>Owned</b>	
<b>2-4 Family</b>	14	6	20
<b>5+ Family</b>	10	2	12
<b>Mobile Home</b>	18	70	51
<b>Single Family</b>	42	113	155
<b>Total</b>	84	191	275

Note: When counts are slightly different among tables, it is due to small database problems. It does not substantively change results. All available data is used in the analysis.

**Table 8: Poverty Levels of Homes Weatherized.**

<b>Fund for Energy Assistance &amp; Conservation: Household Poverty Levels of Completed Homes (SFY 2023)</b>		
<b>Category</b>	<b>Number of Homes</b>	<b>%</b>
<b>Up to 75%</b>	90	58.7%
<b>76-100%</b>	62	29.8%
<b>101-125%</b>	61	5.3%
<b>126-150%</b>	39	2.9%
<b>151% and over</b>	20	1.0%
<b>Total</b>	272	100.0%

Note: When counts are slightly different among tables, it is due to small database problems. It does not substantively change results. All available data is used in the analysis.

Weatherization provided to special needs households, including homes with at least one person over 60 years of age, or at least one person with a disability, or at least one child under six years of age, or Native American families, or a home with high energy use or high energy burden is shown in Table 9.

Table 9: Work Completed for Special Needs Households, SFY 2023.

Fund for Energy Assistance & Conservation: Special Needs, Native American, High-Energy Use, and High Energy Burden Households - SFY 2023		
Type	Number of Homes	%
Elderly over 60	157	57.1%
Persons with Disabilities	127	46.2%
Children under six	23	8.4%
Native American	4	1.5%
High Energy Usage	104	37.8%
High Energy Burden	72	26.2%
<b>Total</b>	<b>275</b>	
Note: Households may meet more than one category, so percentages do not total to 100%. Also, when counts are slightly different among tables, it is due to small database problems. It does not substantively change results. All available data is used in the analysis.		

## CONCLUSIONS & RECOMMENDATIONS

There are seven conclusions.

**Conclusion No. 1 (DWSS):** Based on the record of engagement for SFY 2023, the Division of Welfare and Supportive Services is in compliance with legislative program directives and guidance in NRS 702 for SFY 2023.

**Conclusion No. 2 (DWSS):** As demonstrated in Table 1, the Energy Assistance Program has a substantial positive effect for all low-income groups, *especially for the lowest income poverty group*. For SFY 2023, the programs effect comes very close to meeting the target of the statewide median energy burden, and so performance is consistent with legislative intent as specified in NRS 702. When the temporary additional support is added, energy burden is reduced to approximately zero.

**Conclusion No. 3 (DWSS):** Also, the Energy Assistance Program has a substantial positive effect, for targeted groups, including households with children aged six and under, households with at least one disabled person, and households with at least on senior in the household (Table 3).

**Conclusion No. 4 (DWSS):** The Energy Assistance Program was effective in SFY 2023.

**Conclusion No. 5 (NHD):** The Evaluation Team finds the Nevada Housing Division's Weatherization Assistance Program effective based on the record of weatherization completed for SFY 2023. The program is in compliance with NRS 702.

**Conclusion No. 6 (NHD):** With complete staff turnover from 2020 to early 2024, and the time gaps caused by civil service hiring procedures, some key knowledge was lost and though production is positive and increasing from the hard impacts of the COVID experience, it needs to be further increased.

**Conclusion No. 7 (NHD & DWSS; Joint Requirements):** The Evaluation for SFY 2023 finds the Division of Welfare and Supportive Services' EAP and the Nevada Housing Division's WAP fully compliant with the joint provisions of NRS 702.

There are six recommendations:

**Recommendation No. 1 (DWSS):** In the absence of unusual events, for SFY 2024 DWSS should operate normally while monitoring the operation of the caps. No new changes to processes, management or organization are recommended for DWSS based on the SFY 2023 evaluation. For SFY 2024, the goal should be to continue to operate well with the current processes, management, and organization while continuing to adapt to ongoing changes in the program context.

**Recommendation No. 2 (NHD):** In the absence of unusual events, for SFY 2024 NHD should continue to work to optimize the Weatherization Assistance Program. The efforts to reduce human error, improve the functionality of the WxPro database, and maintain and improve on-site inspections and office site inspections should continue.

**Recommendation No. 3 (DWSS):** DWSS has a staff retention problem that was noticeable again in SFY 2023 but has been in existence for over 10 years. Some years the problem does not show much, and in other years it is quite visible. The first solution, several years ago, was to move the staff from temporary positions to civil service positions. This works well, but there is still a recurring problem. DWSS might look at increasing pay for the caseworker positions. We are currently in a time of change in which major portions of the U.S. workforce are receiving wage increases. The recommendation is to study what is possible to increase pay levels to lower turnover rates.

**Recommendation No. 4 (NHD):** NHD should consider adding two more persons (or, if not possible, then one additional staff) to the weatherization program staffing, managing across all of the NHD weatherization programs. The weatherization unit needs more depth and increased capability. SFY 2020 through and SFY 2022 were difficult years, with the encounter with COVID and also with a complete turnover of civil service staff. An increase in the staff of two would support retention of the situated knowledge that is only gained by

doing the work. For the unit size, key knowledge and perspective can be lost when there is turnover. Nevada is not an extremely large state like California, but it is also not a small state, like New Hampshire or Rhode Island, so it is reasonable to examine the need to increase the size of this unit. Another factor to consider is that in the U.S., weatherization work is beginning to be oriented to climate change through federal legislation. Weatherization is being gradually oriented towards housing resilience in the context of increasing climate pressures. Weatherization is one of the most productive forms of disaster preparedness, and there is a lot of work to do. We can expect climate resilience and adaptation measures to be gradually added to weatherization tasks. Increasing the size of this unit is important in this context.

**Recommendation No. 5 (NHD):** NHD should continue recovery of production following the COVID years and set a target for spending accumulated funding. Other states have had similar problems, and some have made funding provisions to do more extensive repair and rehabilitation on homes that would otherwise be “walkaways.” It may be useful to gain some experience with more complete treatment of some of these “walkaway” homes, as is happening in, for example, Washington, Pennsylvania, and Michigan.

Looking at recommendations from last year, the overall recommendation for both DWSS and NHD was to operate normally within current processes, management, and organization. Both DWSS and NHD did that, and also had to cope with the lingering effects of the COVID pandemic and its effects on programs.

## OVERALL EVALUATION CONCLUSION

NHD WAP and DWSS EAP were fully compliant with all provisions of NRS 702 for SFY 2023. Both programs were effective in SFY 2023.

### Executive Summary

SFY 2023 Evaluation  
Energy Assistance & Weatherization Assistance Programs