
EXECUTIVE SUMMARY
SFY 2019 EVALUATION

**Energy and Weatherization
Assistance Programs**

Prepared for the State of Nevada by

H Gil Peach & Associates

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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. 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 2019 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 balance between available fiscal year funding and number of qualified applicant households (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 caps have been used to continue to adjust services to yearly budgets. The benefit caps enable EAP to serve as many needy households as possible at the maximum amount possible.

Evaluation of Program Effectiveness

Through the EAP, DWSS provided 22,431 households assistance with their heating and cooling costs during SFY 2019. In SFY 2019, a median family of four in Nevada spent 2.13% of their income on energy. The average benefit per household during this year was \$821 if the arrearage average is not included, and \$859 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 2019 for both targeted and non-targeted households. The SFY 2019 level of energy burden is approaching the statewide median (see Table 1).

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 - 2019							
Household	Average % FAC Income Expected to be Spent on Energy						
	SFY 2013	SFY 2014	SFY 2015	SFY 2016	SFY 2017	SFY 2018	SFY 2019
With Children	6.35%	4.02%	4.26%	4.19%	5.55%	3.41%	2.20%
With Disabled	4.54%	3.79%	3.87%	4.32%	4.66%	3.00%	2.30%
With Elderly	4.06%	3.61%	3.54%	4.13%	4.27%	3.15%	2.35%
Non-Targeted	7.80%	5.45%	4.89%	5.55%	7.59%	5.17%	2.35%
Statewide Median for 2019							2.13%

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 recovery and stabilization. The number of EAP participants with Social Security income returned to the SFY 2011 level in 2017 and is near that level for 2018 and 2019, 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.

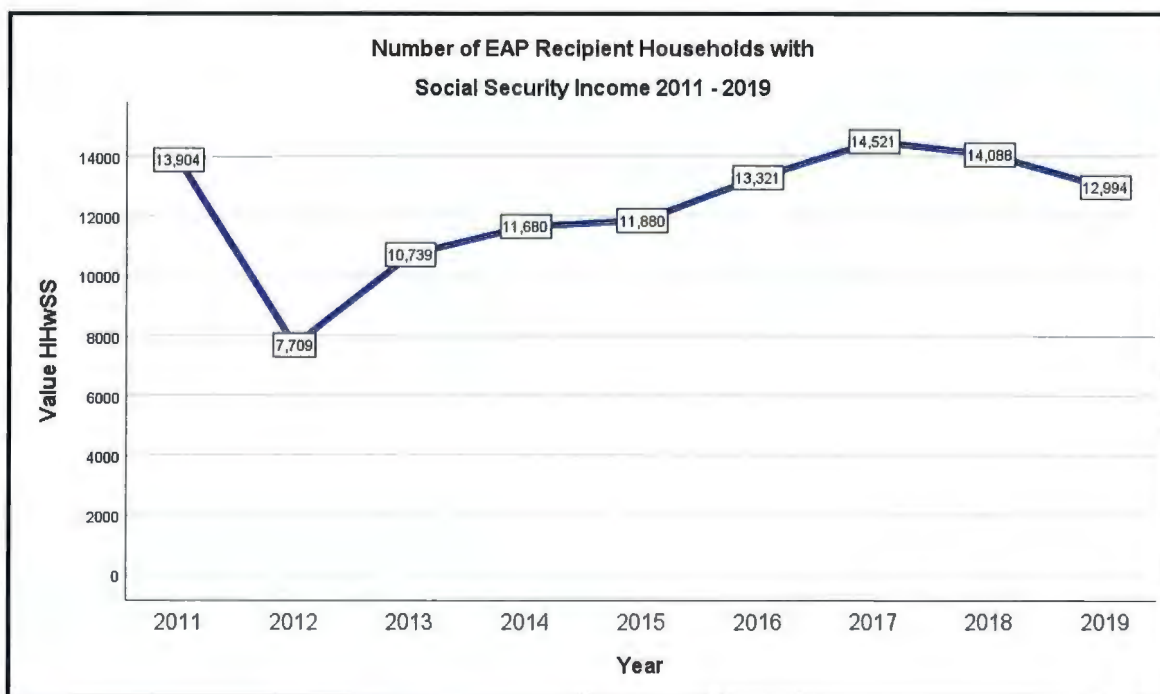


Figure 1: Number of Households with Social Security Income.

Each year, DWSS works to improve case processing time. Processing time was meaningfully improved in SFY 2018 and then meaningfully improved again in 2019.

Evaluating the Weatherization Assistance Program (WAP)

Contracting with subgrantees, the WAP weatherizes homes to provide long-term reduction in energy costs. In SFY 2019, 316 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 program database.

During SFY 2019, 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 thirty-two 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 2019, NHD Subgrantees weatherized 316 homes, exceeding the goal of 307 homes (Table 2).

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	203	64.4
CSA	42	13.3
Urban League	36	11.4
NRHA	31	9.8
RNDC	4	1.3
Total	316	100.0

*Percentage total not exact due to rounding.

SUMMARY AND CONCLUSIONS

The EAP and WAP program provided financial or structural assistance to reduce their energy burden for low-income households in SFY 2019. 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 22,000 households. WAP contractors and subgrantees provided both emergency and sustainable improvements to the energy use of 316 homes.

Finding No. 1 (DWSS): DWSS uses a 10-day window for reply to notices that an application requires additional information. A client may phone and ask for additional time if they are having trouble securing the information missing from the form. Sometimes this is due to a processing delay, for example, for a social security number; or difficulty in securing information from a household member or a landlord. The use of a 10-day window brings EAP into line with other DWSS program procedures.

Finding No. 2 (DWSS): DWSS has optimized the Energy Assistance Program by adjustment of allocation for targeted groups (homes with at least one person who is age 60 or over, homes with at least one child less than 6 years of age, and homes with at least one disabled person) and by type of energy used (electricity and natural gas vs. propane). DWSS also optimize the program using systematic caps which provide a more full allocation to the lowest income households, using poverty ranges. The program is highly optimized for SFY 2019 and going into SFY 2020.

Finding No. 3 (DWSS): EAP substantially lowers energy burden for low-income customers and in SFY 2019 came meaningfully close to the median Nevada household energy burden for participants in EAP.

Finding No. 4 (DWSS): DWSS has continued in stabilizing the level of households with Social Security income in SFY 2019.

Finding No. 5 (DWSS): The focus on Targeted Groups (households with children less than 6 years of age, households with one or more disabled member and households with seniors is working well.

Finding No. 6 (DWSS): DWSS distributed the FEAC funds in a regular and thoughtful and fair 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 FY 2019. The average benefit per household during this year was \$821.00 if the arrearage average is not included,¹ and \$859.00 if arrearage is included in calculation of the overall average. The arrearage benefit part of the program had 3,123 applications, of which 2,515 were approved. The average arrearage benefit for the year was \$339.00.²

¹ This is the FAC benefit. The arrearage part of the program is separate.

² Averages and applications in Finding 6 (DWSS) are from Energy Assistance Program Management Monitoring Summary, Year to Date SFY 2019 as presented by DWSS at the Policy Advisory Council meeting, Thursday October 10, 2019 in Carson City.

Finding No. 7 (DWSS): DWSS work in SFY 2019 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 almost enough to reduce the energy burden of eligible households to the state median. As this analysis demonstrates, DWSS used the flexibility established in NRS 702 to optimize the EAP program within the funding limitation and to prioritized Targeted Groups.

Finding No. 8 (DWSS): DWSS meaningfully improved case processing time in SFY 2019.

Finding No. 9 (NHD): The percentage of persons living in poverty increased during the “Great Recession”. Subsequently there has been a gentle decrease in poverty so that from 2010 through 2019, poverty in Nevada shows a gentle decline. By this measure the economy is better today than in 2010 and continues to improve. However, from 2000 to 2006 (just prior to “the Great Recession”) poverty was lower. So, there remains a higher level of need today than there was in 2002-2003 when the programs were starting.

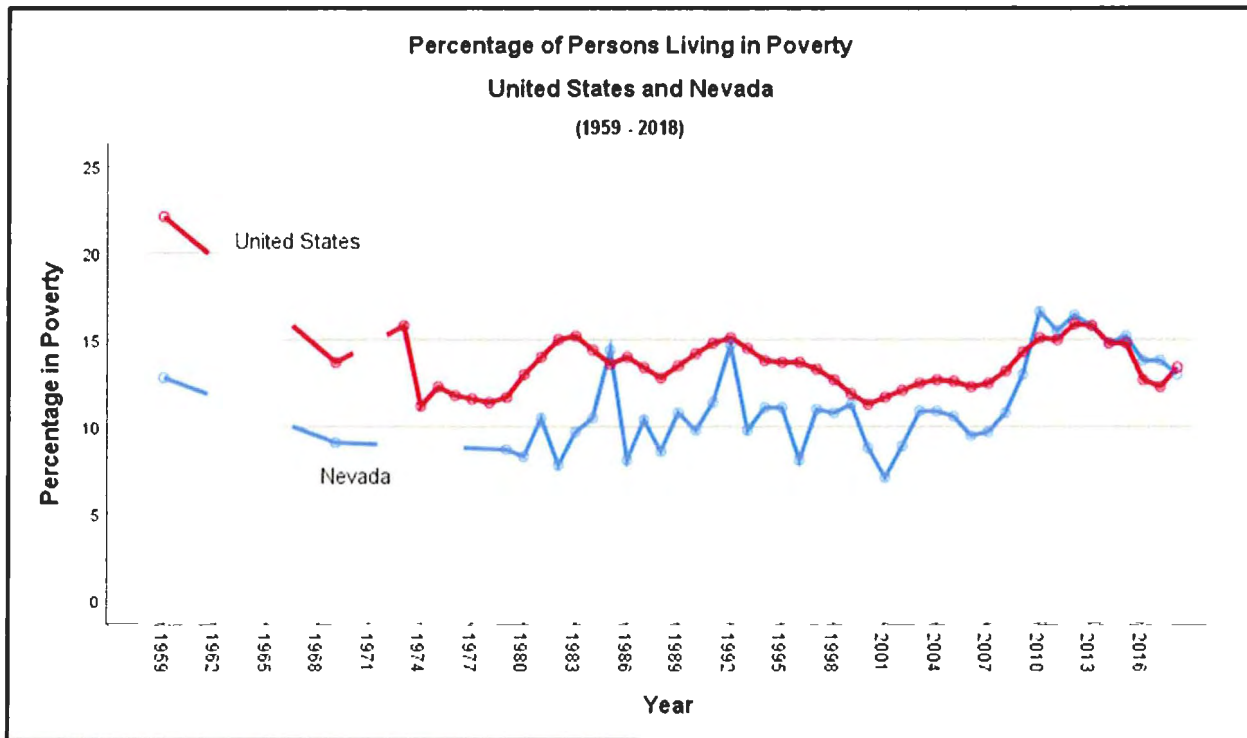


Figure 2: Percentage of Persons in Poverty in US and in Nevada.

Finding No. 10 (NHD): The UEC/FEAC Weatherization Assistance Program was well run and met and exceeded goals for SFY 2019.

Finding No. 11 (NHD): Regarding all the specific provisions of NRS 702.270 for NHD, NHD was fully compliant for SFY 2019.

RECOMMENDATIONS

Recommendation No. 1 (DWSS): For SFY 2020, consider if the time window for response for missing information might be extended to something between 10 business days (with an allowance for the letter to be received) and 30 calendar days. Providing either too short a window or too long a window would not be good for the client or for efficient operation. Possibly, one or two approaches could be tested to see if the response rate improves.

Recommendation No. 2 (DWSS): In the absence of any unusual events, for SFY 2020 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 2019 evaluation. For SFY 2020, the goal should be to operate well with the current processes, management and organization.

2019 Recommendation WAP 1 (NHD): NHD should fully implement their new software in 2020.

2019 Recommendation WAP 2 (NHD): For 2020, NHD should continue to optimize the WAP program by continuing to work optimally within budget as in 2019.

OVERALL EVALUATION CONCLUSION

NHD WAP and DWSS EAP were fully compliant with all provisions of NRS 702.280 for SFY 2019.



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