
SFY 2012 Evaluation: Energy and Weatherization Assistance Programs

Prepared for the State of Nevada
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TABLE OF ACRONYMS

AB 432 <i>Assembly Bill 432</i>	SSI <i>Supplemental Security Income</i>
AEE <i>Association of Energy Engineers</i>	SFY <i>State Fiscal Year</i>
ARRA <i>American Recovery and Reinvestment Act</i>	TANF <i>Temporary Assistance for Needy Families</i>
BPI <i>Building Performance Institute</i>	UEC <i>Universal Energy Charge</i>
BWR <i>Building Weatherization Report</i>	USDHHS <i>US Department of Health and Human Services</i>
CSA <i>Community Services Agency</i>	USDOE <i>US Department of Energy</i>
DSM <i>Demand Side Management</i>	WAP <i>Weatherization Assistance Program</i>
DWSS <i>Division of Welfare and Supportive Services</i>	
EAP <i>Energy Assistance Program</i>	
FAC <i>Fixed Annual Credit</i>	
FEAC <i>Fund for Energy Assistance and Conservation</i>	
FPL <i>Federal Poverty Level</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>	
RESNET <i>Residential Energy Services Network</i>	
RFI <i>Request for Information</i>	
RNDC <i>Rural Nevada Development Corporation</i>	
SAFE <i>Special Assistance Fund for Energy</i>	
SERC <i>Sustainable Energy Resources for Consumers</i>	

BACKGROUND

Nevada's Energy Assistance Program (EAP) and Weatherization Assistance Program (WAP) are funded jointly 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 Services (DWSS) and the Nevada Housing Division (NHD) jointly selected H. Gil Peach & Associates and Smith & Lehmann Consulting to conduct this evaluation for the 2012 fiscal year.

EAP PROGRAM COMPLIANCE WITH LEGISLATIVE REQUIREMENTS (NRS 702)

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

- ◆ **Eligibility Certification**—including information on 41,111 applicant records determined to be eligible, ineligible, pending, or in Request for Information (RFI) status with the dates of determination. This data set was used to define the case eligibility status.
- ◆ **Family Members Details**—including 107,288 records on the family members of applicants requesting EAP assistance, including dates of application.

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

- ◆ The **Eligibility Certification** data set was used to characterize clients as eligible or ineligible in all cases. The total number of eligible determinations from the **Eligibility Certification** was 20,920; the analyses were conducted on 20,895 unique eligible application determinations of merged **Eligibility Certification** and **Family Members Details**. Cases with missing values and high discrepancy between the energy cost, benefit payments, and income (n=583) were excluded from the analyses.
- ◆ Characteristics of EAP participants: Analyses of demographic and other characteristics of the EAP recipient population were based on 20,895 unique cases.

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 DWSS receives money for energy assistance from two sources. The UEC is a charge on customer bills and is collected by the participating utilities and sent to the Public Utility 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 the DWSS. In addition, the program receives funding from the Federal Low-Income Home Energy Assistance Program (LIHEAP or LIHEA Program). The FEAC is maintained by DWSS; funds are distributed according to NRS 702 through the EAP. In SFY

2012, UEC funds were coordinated with the LIHEAP funds, as these were the only funds available for energy assistance.

1.2 Was interest and income earned appropriately credited to FEAC?

[Reference NRS 702.250.4, Deliverable 3.4.1.1]

No interest or income earned has been credited in this fiscal year. Funds were spent too quickly for interest to accrue.

1.3 Were FEAC funds distributed as mandated in NRS 702.260?

[Reference NRS 702.260.1 Deliverable 3.4.1.2]

FEAC funds were distributed as mandated in NRS 702.260. Table 1 shows the distribution of FEAC funds between DWSS and NHD.

FEAC Funds Received and Distributed, SFY 2012		
	Amount	Percentage of Funds Disbursed
FEAC Amount Received by DWSS from PUCN	\$12,259,389	
Refunds (Directed by PUCN)	\$89,877	
Amount Remaining for Distribution Following Refunds	\$12,169,512	
Amount Distributed to NHD	\$3,042,378	25%
Amount Distributed to DWSS	\$9,127,134	75%

Table 1. FEAC funds received and distributed to NHD and DWSS SFY 2012.

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

[Reference NRS 702.260.1 Deliverable 3.4.2]

As shown in Table 1, \$9,127,134, 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]

As shown in Figure 1 and Table 2, \$9,127,134 was received by EAP, representing a continuation of the 27% decline in the UEC funds available compared with SFY 2009. EAP spent \$8,950,665 in 2012. Of this total, 0.8% was used for program administration.

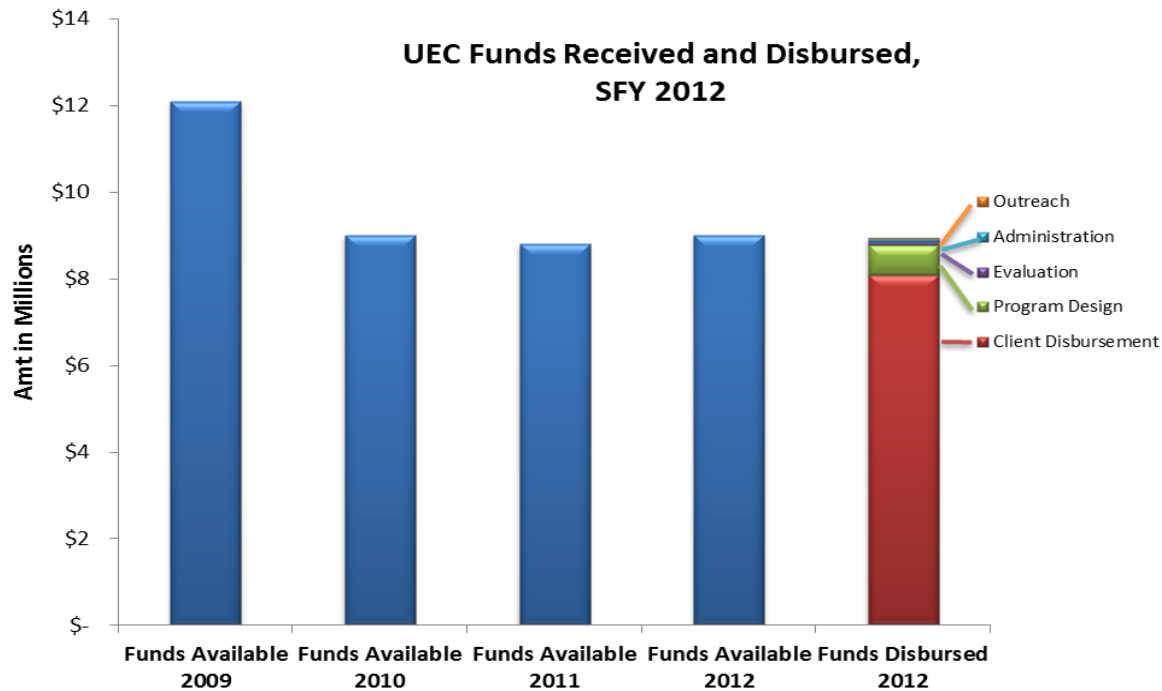


Figure 1. UEC funds received and disbursed by DWSS, SFY 2012, compared with funds received SFY 2009-2011.

EAP Funds Disbursed, SFY 2012		
	Amount	% of Funds Disbursed
Administration	\$67,411	0.8%
Client Payments	\$8,085,592	90.3%
Outreach	\$19,849	0.2%
Program Design (including IT re-programming)	\$700,047	7.8%
Evaluation	\$77,766	0.9%
Total	\$8,950,665	

Table 2. EAP funds spent, SFY 2012

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

[Reference 702.260.2(a) Deliverable 3.4.2.2]

As shown in Figure 1 and Table 2, \$8,085,592 was used to assist eligible households in paying for natural gas and electricity. DWSS used 90.3% 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 for administrative expenses) to carry out activities related to consumer outreach?

[Reference 702.260.2(b) Deliverable 3.4.2.3]

Figure 1 and Table 2 show that 0.2% of funds were used for consumer outreach.

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

[Reference 702.260.2(c) Deliverable 3.4.2.4]

Nearly eight percent (7.8%) of funds were used for program design, as seen in Figure 1 and Table 2.

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 households vulnerable to increases in natural gas or electricity costs?

[Reference 702.260.6(b) Deliverable 3.4.5.1]

DWSS developed eligibility tables based on household income and household size.

Maximum Annual Gross Income				Maximum Monthly Income
Household Size	75% Poverty	100% Poverty	110% Poverty*	
1	\$8,168	\$10,890	\$11,979	\$998
2	\$11,033	\$14,710	\$16,181	\$1,348
3	\$13,898	\$18,530	\$20,383	\$1,699
4	\$16,763	\$23,350	\$24,585	\$2,049
5	\$19,628	\$26,170	\$28,787	\$2,399
6	\$22,493	\$29,990	\$32,989	\$2,749
7	\$25,358	\$33,810	\$37,191	\$3,099
8	\$28,223	\$37,630	\$41,393	\$3,449
Additional	\$2,865	\$3,820	\$4,202	\$350

*Annual Income Limit for 2012 Eligibility

Table 3. DWSS EAP eligibility tables for SFY 2012.

DWSS developed benefit caps which varied based on both household size and the type of energy used. In addition, \$50 per month was added to this benefit for “vulnerable/targeted households” which includes the elderly, households with children younger than 6 years of age, and disabled persons. Tables 4 and 5 show the benefit caps used by DWSS to establish the maximum FAC benefit for each household, based on energy source. These tables demonstrate that households with vulnerable members or with propane or oil heat received a higher benefit amount than households without, controlling for household size and poverty level.

Benefit Cap for Households Using Propane and Oil April 2, 2012 – June 30, 2012		
Household Size	Benefit Cap <75% of poverty	Benefit Cap 75-110% of poverty
1	\$757	\$646
2	\$787	\$669
3	\$818	\$694
4	\$850	\$720
5	\$883	\$746
6	\$917	\$773
7	\$952	\$802
8+	\$990	\$832

Table 4. DWSS EAP benefit cap table for homes heated with propane or oil, April 2, 2012 – June 30, 2012 (following federal LIHEAP augmentation).

Benefit Cap for All Other Energy Sources April 2, 2012 – June 30, 2012		
Household Size	Benefit Cap <75% of Poverty	Benefit Cap 75-110% of Poverty
1	\$557	\$446
2	\$587	\$469
3	\$618	\$494
4	\$650	\$520
5	\$683	\$546
6	\$717	\$573
7	\$752	\$602
8+	\$790	\$632

Table 5. DWSS EAP benefit cap table for other sources of heating, April 2, 2012 – June 30, 2012 (following federal LIHEAP augmentation).

DWSS adjusted the amount of assistance a household receives based on household income, household size, energy type used, presence of children under 6, presence of elderly residents, and presence of disabled residents.

1.10 Did DWSS solicit advice from 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]

Throughout the year, DWSS managers consulted with the Low Income Advisory Committee, consistent with the directives for consultation and coordination in the enabling legislation for the program.

DWSS and NHD coordinated programs that provide energy assistance to low income households and to assure that the WAP receives an appropriate share of the UEC money. There have not been any coordination problems in SFY 2012.

In addition, DWSS worked with the local utility vendors to provide a list of households facing a utility shut-off in order to mitigate the effects of the cyclical nature of the FEAC funding. The utility vendors were asked to maintain utility services for pending applicants in anticipation of the upcoming distribution of the funds.

1.11 EAP Efficacy: Did DWSS identify and implement appropriate delivery systems to distribute money from FEAC?

[Reference 702.260.8(b) Deliverable 3.4.7.1]

Determining staffing levels is particularly difficult in an environment of uncertain funding from the Federal LIHEAP Program. DWSS planned for a smaller program with lower staffing levels than were needed because of the low projected LIHEAP Block Grant. Then, when more funds were received from LIHEAP, DWSS raised the benefit cap for households receiving assistance. Mid-way through the year (April, 2012), there were 11,000 households who were eligible for supplemental payments because of the increase in the benefit cap.¹ In addition, new applications continued to be processed by DWSS staff.

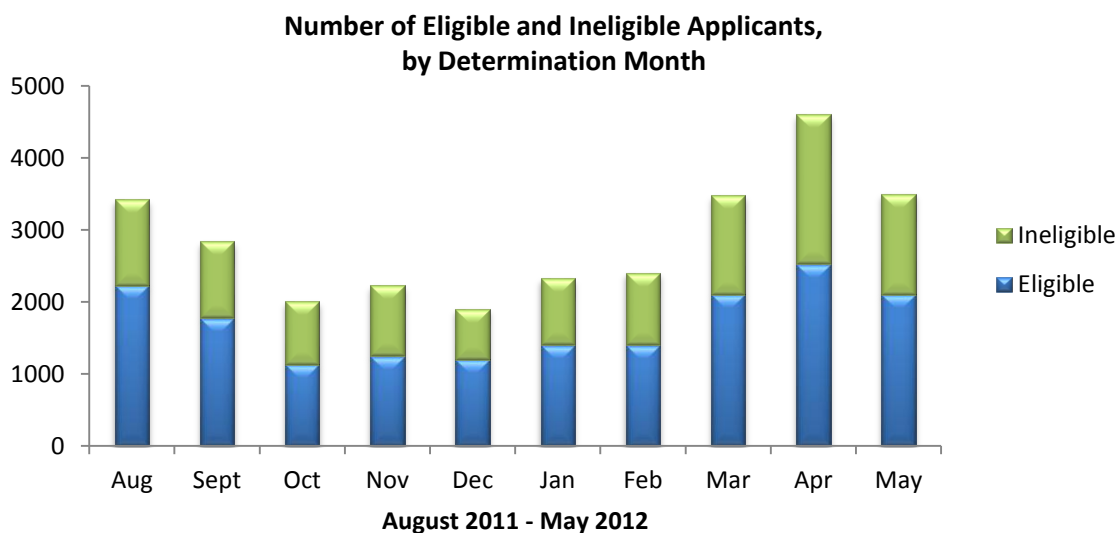


Figure 2. Number of eligible and ineligible EAP applicants, by determination month, SFY 2012 (June/July figures not included owing to fiscal year turnover making figures inaccurate representation of application processing).

The denial rate for applications was higher in this fiscal year than in previous two years (Figure 2). In the previous two years the denial rate average was 25%, but in SFY 2012, the rate of denial was 45%. This was, in part, due to the suspension of the categorical eligibility program where households receiving

¹ This created a workload issue for DWSS. While staff in the two offices continued to process new applications, management staff completed the documentation necessary to provide supplemental payments to 11,000 households.

Supplemental Security Income (SSI) or Temporary Assistance to Needy Families (TANF) were categorically eligible for EAP. Suspension of categorical eligibility resulted in more applications in need of review and verification of income, adding to the workload of the DWSS staff. A small increase in Social Security payments also nudged some previously eligible households over the income threshold during the year.

Ultimately, the reduction of income eligibility from 150% of poverty to 110% of poverty created additional denials as households that were eligible in previous years were not eligible under the new guidelines. Thus, while caseloads decreased on paper, the high ineligibility rate meant that staff processed nearly two applications for every one household deemed eligible.

Several key changes were made to the program in 2012. In particular, staff attrition led to the hiring of new management staff overseeing operations in the two offices that process applications and determine eligibility for the program. This new management implemented small, but important changes in workflow and culture such as reducing the number of hands that touched an application and providing some flexibility for staffing to focus on processing or screening depending on the need. Productivity was vastly improved in the first quarter and remains high despite the changes in eligibility standards. Unification of workflow and training between the two offices and effective cross training are credited with this productivity increase. The intent of the program was that all staff be cross-trained and able to move between processing and screening functions; in this fiscal year, this was a reality. Staff was empowered to be flexible and proactive, which increased productivity.

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]

Forty-five agencies statewide provided screening and application assistance services for the EAP. DWSS coordinated with several local agencies and programs that provide energy assistance to low income persons including:

- ◆ **Federal LIHEAP Program** – Federal LIHEAP funds are allocated annually by congress to provide energy assistance for low-income households nationwide. EAP coordinates the UEC and LIHEAP funds to ensure that the maximum number of Nevada households are served. The federal allocation formula awards these funds primarily to the winter-weather states of the northeastern U.S. The annual reallocation makes the funding amount very unpredictable and contributes to frequent changes in EAP program design in response to these fluctuating payments.
- ◆ **Special Assistance Fund for Energy (SAFE)** – Nevada Energy’s fund that provides 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.

- ◆ **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.
- ◆ **EAP and WAP** – These Nevada state programs coordinate outreach activities for low-income households through assistance fairs and other public venues. One example of this was the “Senior Energy Assistance Expo” held on August 11, 2012 in Las Vegas. This event was organized by NVEnergy and included non-profit and public agencies that provide energy assistance to low-income seniors.

The current coordination between EAP and the WAP 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 waiting lists and resources, subgrantees may then send postcards to potentially eligible households to alert them to this program. DWSS coordinated with other federal, state, and local agencies that provide energy assistance to low-income persons.

1.13 Did DWSS establish a process for evaluating EAP?

[Reference 702.260.8(d) Deliverable 3.4.7.3]

The DWSS and NHD jointly conducted an annual evaluation of the EAP and WAP for the SFY 2011 programs during SFY 2012 and are currently conducting the SFY 2012 evaluation covering the programs from July 2011 through June 30, 2012.

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

[Reference 702.260.8(e) Deliverable 3.4.7.4]

DWSS created two formal plans to provide a framework for implementing the EAP. As required by each funding source, one plan covered the LIHEAP funds and the other covered the UEC funds. As part of this planning process, DWSS solicited input from an Advisory Board as well as the public through a public hearing process. As the change in available funds from the federal LIHEAP led to the change in the benefit cap, DWSS used the formal clearance process for changes specified in the policy manual. All changes are communicated in policy transmittal and manual transmittal letters. Several changes were made to EAP during the fiscal year and are documented through this process. This includes increasing the income eligibility, suspending the arrearage program and providing supplemental grants to households that became eligible under the new income standard. Throughout the year, DWSS established and used a formal process for making changes to EAP.

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

[Reference 702.260.8(f) Deliverable 3.4.7.5]

DWSS and NHD engaged in a series of public hearings and joint planning activities throughout the year. A joint meeting was held on March 7, 2012 to review the statute and develop a plan for coordinated implementation.

1.16 Did DWSS distribute 25% of FEAC funds to NHD?

[Reference 702.270.1 Deliverable 3.4.8]

As shown in Table 1 on page 5, 25% of FEAC funds were distributed to NHD.

1.17 Did DWSS submit a report to the Director of the Legislative Counsel Bureau prior to the end of the fiscal 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]

DWSS submitted a report to the Director of the Legislative Counsel Bureau on June 28, 2012, prior to the end of the 2012 fiscal year. A summary report produced on June 28, 2012 provided the following information:

	YTD Actual	Work Program ²	Difference
Total Funding	11,395,671.27	17,200,000.00	-5,804,328.73 ³
Total Expenditures	11,395,671.27		
Total Encumbrances⁴	.00		
Total Pre-encumbrances⁵	.00		
Total Obligations	11,395,671.27 ⁶	17,200,000.00	5,804,328.73 ⁷
Realized Funding Available	.00		

Table 6. SFY 2012 FEAC spending figures submitted by DWSS to Director of the Legislative Counsel Bureau prior to the end of the fiscal year.

² Legislatively approved budget amount for the UEC program

³ Nevada's program was authorized to spend \$5 million more than the FEAC funding for 2012

⁴ Obligation in the form of a purchase order, contract or salary commitment for which an estimated amount has been reserved but the actual good or services have not yet been received.

⁵ An amount expected to spend, but for which there is no legal obligation to spend

⁶ Equal to YTD Spending because there were no encumbrances or pre-encumbrances

⁷ The program spent \$5 million less than authorized.

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]

No funds were unspent and unencumbered at the end of the fiscal year.

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

[Reference 702.260.7) Deliverable 3.4.6]

This report outlines each provision of NRS 702.250 and 702.260 and DWSS compliance with those provisions. In summary, by taking the following actions, DWSS implemented the program in compliance with NRS 702.250 and 702.260.

- ◆ 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 and no more than 5% of that amount was used for administrative expenses.
- ◆ The EAP provided subsidies to households to assist with paying for natural gas and electricity, pay for program design and evaluation expenses.
- ◆ Only households 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 to the statewide average. Due to the availability of funds, this goal was not met in 2012.
- ◆ 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 carries out a process for
 - Coordinating with other available programs including applications and eligibility;
 - An evaluation process;
 - A program design process that enabled changes during the fiscal year; and
 - Engaged in a planning and evaluation process with NHD.

DWSS adopted regulations to carry out provisions of NRS 702.250 and 702.260.

EAP ASSESSMENT OF PROGRAM EFFECTIVENESS

1.20 Did DWSS determine eligibility of EAP households at a maximum income level of no more than 150% of the FPL (Federal Poverty Level)?

[Reference 702.260.3 Deliverable 3.4.3]

DWSS anticipated a 75% cut in federal LIHEA program funding for SFY 2012 based on the President's proposed budget. Nevada received almost \$16 million in federal LIHEAP funds in FFY 2011. Thus, the eligibility levels for SFY 2012 were based on a \$3.8 million allocation in Federal LIHEAP funds. The EAP relies on both Federal LIHEAP funding and UEC funding to provide enough funding to serve households eligible for assistance. The insecurity of federal funding led to revisions in benefit amounts throughout the SFY.

Based on the \$3.8 million figure, income eligibility was dropped from 150% to 110% of poverty, the arrearage program was suspended, and the benefit cap was lowered. Benefit distribution was suspended by the third week of July because all funds had been expended. Applications were still processed, but payments were not made until the next deposit of UEC funds on August 1st. After 8 weeks of benefit distribution, another suspension was issued until LIHEAP funding and the next deposit of UEC funds was received.

In a memo to the legislature dated January 9, 2012, DWSS notes that "the total amount of [LIHEA] funds for this FFY remains uncertain." This is six months into the SFY. By the beginning of January, two distributions totaling \$8.4 million had been received by DWSS. By April, 2012, the total federal LIHEAP funding to the State of Nevada was over \$11 million.

With this full allocation of Federal LIHEA Program funds, the benefit cap was raised. About 11,000 households were eligible for a higher benefit amount after the benefit cap change. The EAP staff provided supplemental grants to these households by the end of the SFY. The change in the benefit cap raised the average monthly benefit from \$470 to \$558. The maximum income level for EAP households was raised from 110% to 125% of poverty for SFY 2013.

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]

A Crisis Intervention Program provided assistance to households above the 110% poverty level whose medical expenses brought their income below 110% of poverty. In this fiscal year, 49 households were served through this program.

1.22 Numbers Served by Vulnerable Status and Energy Type Used

As shown in Figure 3, DWSS served more total households with elderly, disabled, or children under 6 than households without such vulnerable members. Households with a variety of energy sources were also served, as shown in Figure 4.

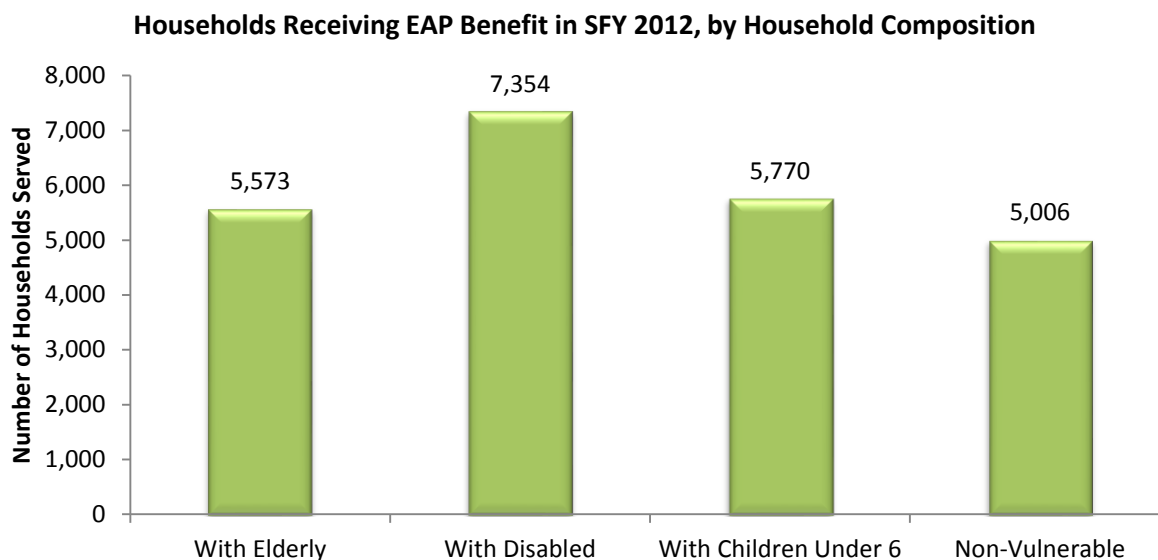
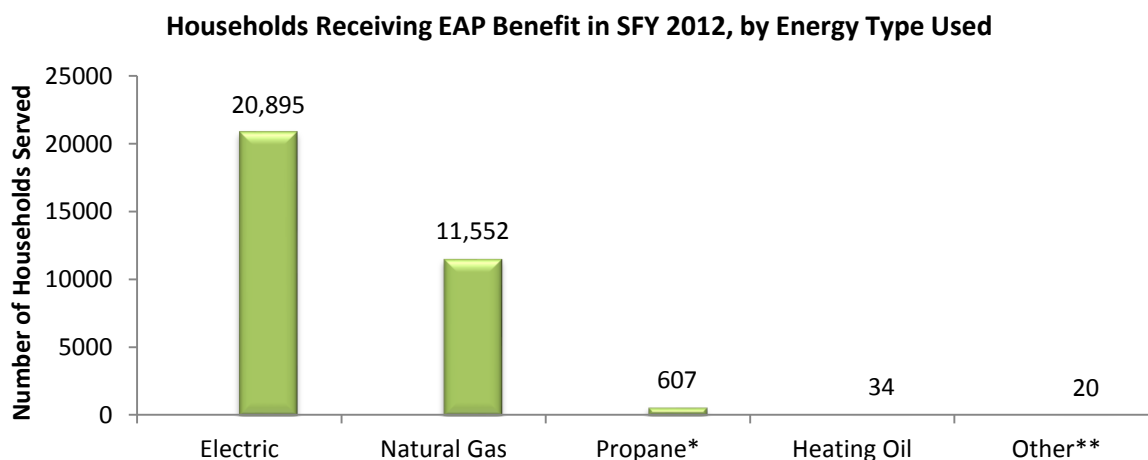


Figure 3. Number and percent of EAP households with vulnerable and non-vulnerable members. The above numbers do not add to the total number of beneficiaries since the vulnerable populations are not mutually exclusive, i.e. some of the households may include both elderly and disabled residents, or some other combinations, and are thus counted more than once.



*This includes 1 household with two propane bills

** "Other" fuel types include wood, pellets, and kerosene.

Figure 4. Number of households receiving EAP benefit by energy source. The above numbers do not sum to the total number of households served, because some households used more than one energy source.

1.23 Did DWSS determine the amount of EAP assistance a household is eligible to receive by determining the amount of assistance that is sufficient to the extent practicable 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. The statewide energy burden falls near 2% for all households in Nevada. With benefit caps in place (due to the level of funds collected through the UEC and the Federal LIHEA program funding) DWSS provided sufficient grants to reduce the energy burden of eligible households as close as practicable to this level.

In SFY 2012, a family of four in Nevada spent an average of 2.03% of their income on energy.

Percentage of Income EAP Participants Are Expected to Spend on Energy After Assistance, by Household Composition, SFY 2012 ⁸			
	Average % FAC* Income Expected to be Spent on Energy	Average % Current Income Expected to be Spent on Energy	Range % of Income Expected to be Spent on Energy
With Children	9.50%	11.10%	0-99.3%
With Disabled	6.50%	6.90%	0-95.7%
With Elderly	5.60%	5.80%	0-87.1%
Non-Vulnerable	10.40%	12.80%	0-99.2%
Statewide Median	2.03%		
*Fixed Annual Credit			

Table 7. Percentage of income EAP participants spend on energy after EAP assistance, by household composition, SFY 2012.

The targeted average benefit was \$500 per household; following the full allocation of Federal LIHEA program funds, the cap was raised to target an average benefit of \$556 per household. The intent of these changes was to serve all eligible applications with a 'meaningful benefit' – a grant that gets eligible households as close as possible to the statewide average energy burden and reduces the likelihood of service termination. However, the benefit as implemented does not reduce the energy costs of participating households to align with statewide averages due to the levels of funding available.

In fact, even after assistance, households with the lowest income spent proportionately more on energy. While all households below 110% of poverty spent over the statewide median, income level and proportion of income spent on energy is inversely related. Those households below 75% of poverty (10,575 households) spent almost 11% of their income on energy. The table above shows that additional subsidies for targeted, vulnerable groups (elderly, children under 6, disabled) did reduce the energy burden for those subpopulations.

⁸ Percentage of income EAP participants are expected to spend on energy after assistance by household composition in SFY 2012. FAC income is the income used to determine benefit amount, while Eligible income is the actual current income of the applicant.

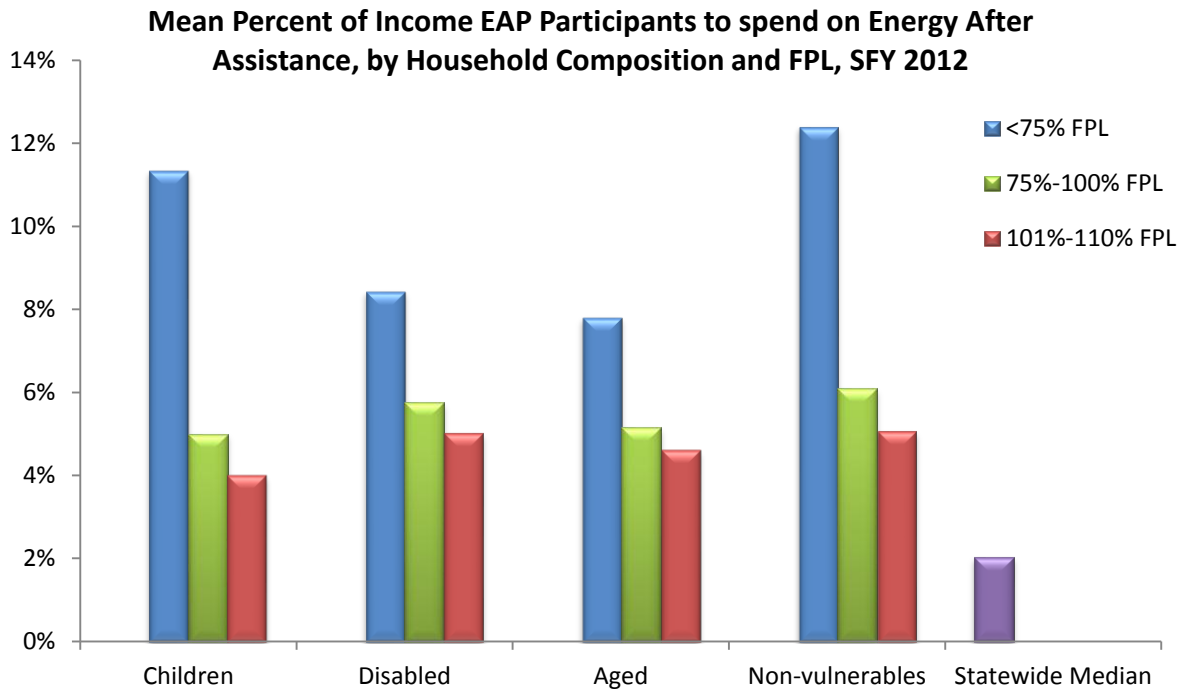


Figure 5. Mean percent of income EAP participants spend on energy after receiving EAP assistance, by household composition and federal poverty level, SFY 2012.

SUMMARY AND CONCLUSIONS

DWSS distributed the FEAC funds in a coordinated manner consistent with the requirements of the defining legislation. Through the EAP, DWSS provided 22,981 households assistance with their heating and cooling costs during FY 2012. The average benefit per household during this year was \$558. While this reduced energy costs for eligible households, this amount was insufficient to reduce costs to a level consistent with the statewide average of 2.03% of income.

DWSS planned for significant cuts to the amount of Federal LIHEA Program money, and changed eligibility guidelines to work within that reduced budget. Mid-year, the LIHEA Program funds were received at a higher level than originally planned, and DWSS made appropriate workflow and eligibility changes. In addition, changes to program management in this year resulted in increased efficiencies in processing applications.

DWSS worked within the requirements of NRS 702 to the extent possible. 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. DWSS spent all available funds implementing this program, and worked well below the ceilings for administrative expenses, putting as much program money into subsidies as possible.

Recommendations

- ◆ When sufficient funds are available, DWSS should reinstate the EAP eligibility at 150% of poverty.
- ◆ When sufficient funds are available, DWSS should strive to meet the target specified in NRS 702 by removing the temporary benefit cap to achieve parity between the energy burden of low-income Nevadans and the median energy burden of Nevada households.

The evaluation team finds DWSS fully compliant with the requirements of NRS 702.

WAP OVERVIEW

Overview of SFY 2012

This evaluation covers the UEC/FEAC WAP administered by the NHD for State Fiscal Year (SFY) 2012. Nevada SFY 2012 began July 1, 2011 and ended June 30, 2012. Field reporting for SFY 2012 was completed by the end of July 2012 and production performance data was completed by August 15th. Financial reporting was completed in September. The requirements for this program are codified in Nevada Revised Statutes (NRS) 702.

An overview of primary issues and challenges impacting WAP includes:

- ◆ **Planning** – During SFY 2011, to prepare for SFY 2012, NHD WAP and the DWSS EAP managers collaborated on the development of two (2) State Plans. One was the 2012 Nevada FEAC State Plan, as required under NRS 702.280; and the other was a 2012 State of Nevada LIHEAP Program State Plan required by the US Department of Health and Human Services (USDHHS).⁹
- ◆ **New Energy Auditor Requirement** – Assembly Bill 432 (AB 432), effective July 1, 2011, requires licensure through the Real Estate Division to perform an Energy Audit, an Energy Assessment and a Limited Energy Audit.¹⁰ Licensure is based on certification of successful completion of coursework and test(s) by the Building Performance Institute (BPI), the Residential Energy Services Network (RESNET), or the Association of Energy Engineers (AEE) and payment of a fee to the state.
- ◆ **Uniform Implementation** – Though final administrative rules for implementation of AB 432 were not yet issued by the Real Estate Division at the end of SFY 2012, the NHD has implemented for SFY 2013 a compatible internal requirement that energy audits and assessments are to be conducted by certified staff of the Subgrantee agencies or a third party rather than by the Contractors completing the work on that same project. This assures uniform

⁹ Additionally, during SFY 2012 the required plans for SFY 2013 were developed by NHD and DWSS. State plans follow the state fiscal year; the plan for the LIHEAP Program follows the federal fiscal year which begins the first of October each year.

¹⁰ See Appendix A; see also: NRS 645D and NAC 645D.

implementation and will be in compliance with the and Nevada Administrative Code (NAC) when it is updated.¹¹

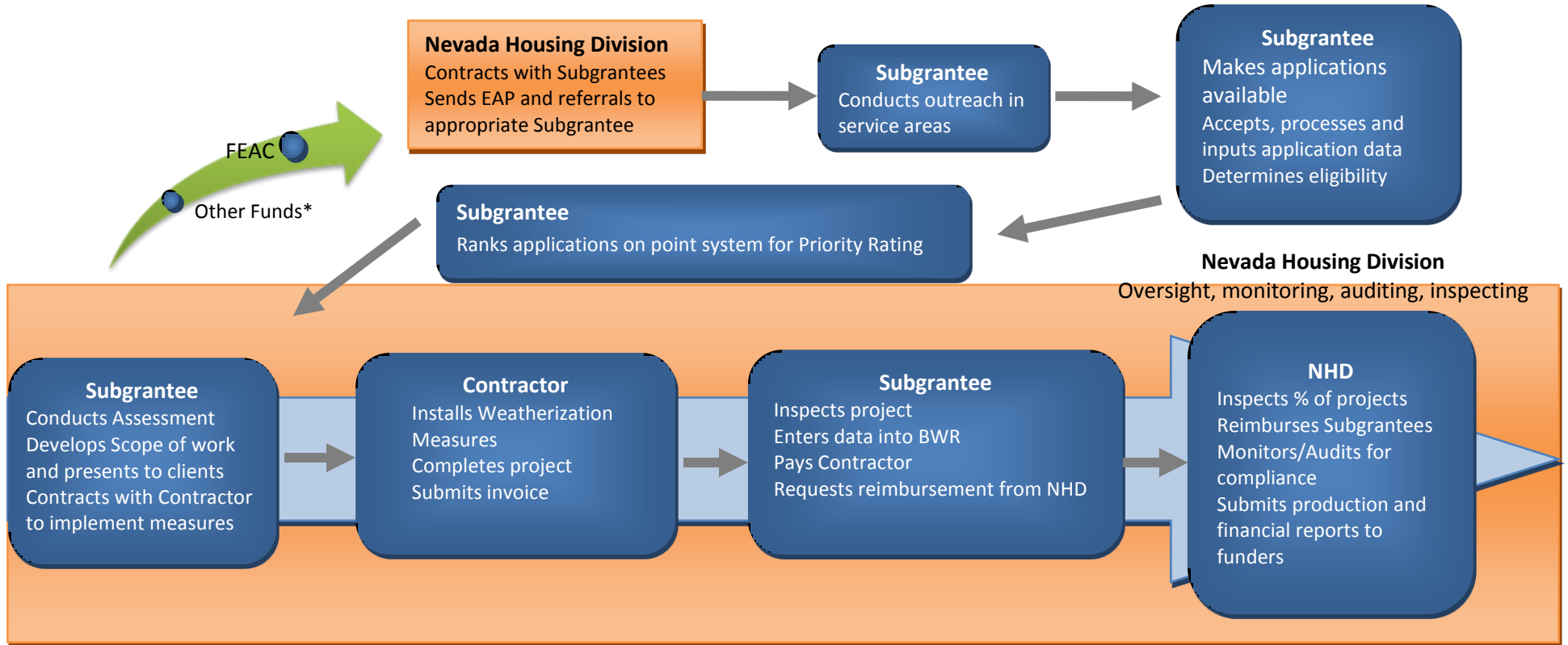
- ◆ **Program Implementation** – In program implementation, NHD conducted a survey among the six (6) Subgrantees in February 2012 to review the WAP Business Process. After evaluating the results, a revised Business Process was issued. The Business Process is summarized in Figure 6.
- ◆ **ARRA/SERC** – SFY 2012 was filled with a variety of challenges. The American Recovery and Reinvestment Act (ARRA) residential weatherization projects and the Sustainable Energy Resources for Consumers (SERC) residential renewable energy projects, funded through formula grants awarded by the USDOE, represented the primary effort for most of the program year.¹² These programs closed out June 30, 2012 (with an extension from the end of March to September) and required priority processing over UEC/FEAC weatherization projects because no federal funds could be carried forward into the following program year. (Conversely, FEAC funds could be carried forward.) Consequently, NHD's Subgrantees were unable to prioritize FEAC projects until the latter part of SFY 2012. Subgrantees with unspent FEAC funds were allowed to carry over remaining FEAC funds into SFY 2013.
- ◆ **Inspections** – Since implementing UEC/FEAC weatherization projects was delayed to optimize federal funding for Nevada, NHD final inspections of projects completed in May and June continued into August 2012.
- ◆ **Planning Targets and Accomplishments** – For SFY 2012, UEC/FEAC funds received by the WAP in the amount of \$2,591,755 were awarded to six (6) Subgrantees to complete 454 households with a high quality of work, in a timely manner and within budget. As of June 30, 2012, the Subgrantees had disbursed \$2,551,028.60 in FEAC funds (99%) and had completed 576 homes (127% of the projected completions).
- ◆ **Funding Constraints** – Subgrantees report a waiting list of 430 eligible low-income households with approved applications.¹³ In the recent past, FEAC funds were leveraged with USDOE funds to increase the number of households served. Currently, the USDOE base funding level was reduced to an amount lower than in 2009. Yet more and more people need weatherization services. The NHD WAP will be challenged to provide service to Nevadans under the current 25% formula (FEAC).

¹¹ Two Subgrantee agencies (City of Henderson Neighborhood Services and NRHA) are exempted from the application of AB 432, since they are government agencies. However, NHD internal implementation makes the provisions of AB 432 uniform across all Subgrantees. This will ensure that the Contractor doing the work will not be doing the inspection. Note that the NHD inspector is also required to be BPI certified and currently at least one staff member at each Subgrantee is required to be Buildings Performance Institute (BPI) certified.

¹² While UEC/FEAC funding has been relatively stable from year to year, the temporary ARRA and SERC funding was approximately seven times larger.

¹³ Agency waiting lists correspond to households that have requested residential weatherization and have been accepted to a subgrantee's list. Currently, Neighborhood Services of the City of Henderson reports ninety-seven households on the waiting list, RNDC reports eighty-one, Las Vegas Clark County Urban League reports thirty-two, NRHA reports twenty and HELP of Southern Nevada reports 200. Waiting lists continue to grow as new applications replace those assigned to Contractors for work.

**WEATHERIZATION ASSISTANCE PROGRAM
BUSINESS PROCESS, SFY 2012**
Nevada Housing Division



*Other Funds:
NV Housing Trust Fund
USDOE ARRA, SERC and Base funding
SW Gas

Figure 6: WAP Business Process, SFY 2012

In order to define the level of need in a historical context, as a very approximate indicator, the changing percentage of persons living in poverty in Nevada is shown in Figure 7.¹⁴ Note in this figure that Nevada had a lower percentage of population in poverty than the United States as a whole for the four decades beginning in 1959; however, after about 2001 this changed and Nevada's poverty level has now risen to the US poverty level. As a historical note, the effects of the "War on Poverty" and the economic vitality of the period can be seen in the dip in the percentage in poverty from 1959 (prior to the War on Poverty) to 1979 when poverty started to noticeably increase again. For the US as a whole, the change from 1959 with about 22% of US population in poverty to 2010 with about 15% reflects the continuing effectiveness of federal income protection programs. But for Nevada, a recipient of these programs, poverty in 2010 is at 15%, higher than the 12% in 1959 before the War on Poverty. Since the federal support programs are the same, this shows the dramatic impact of the Great Recession and continuing depressed recovery on residents of Nevada. At the same time, program funding through the UEC is stable to slightly less due to decreased energy use during the depressed recovery.

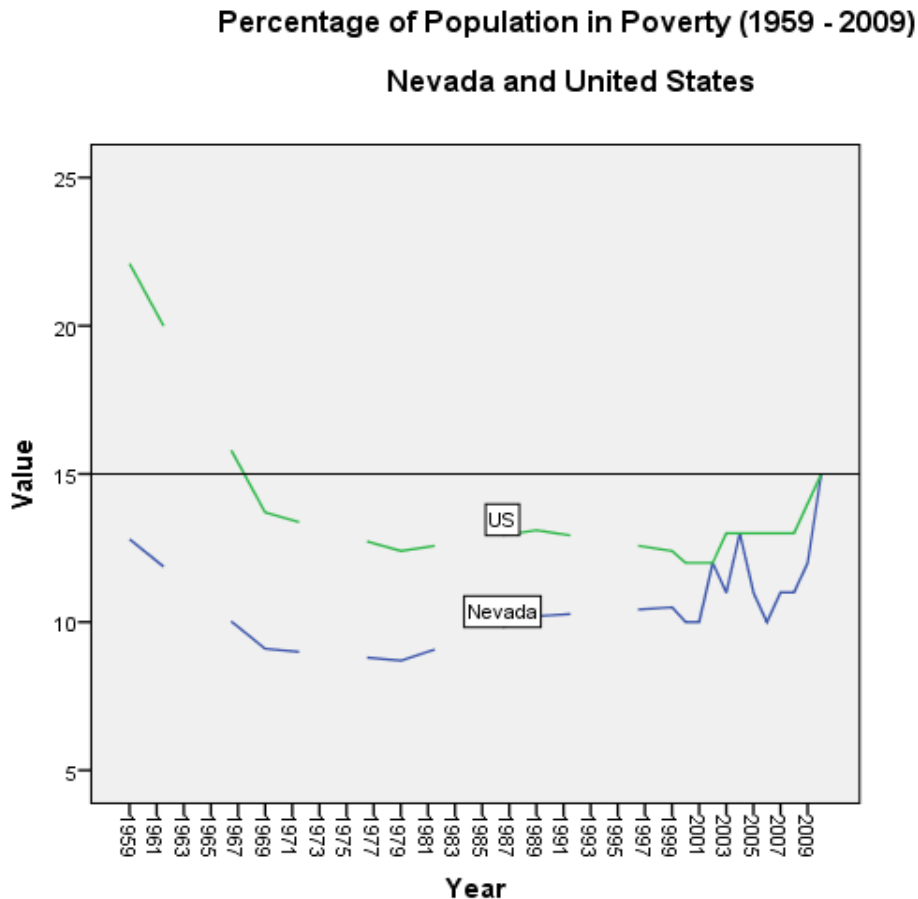


Figure 7: Rapid Increase in Poverty to 15% between 1959 and 2009.

¹⁴ Figure 7 is based on the US Census Bureau publication, Poverty in the United States: 2000, Appendix Table A-1; US Census Bureau Table CPH-L-162, Persons by Poverty Status in 1959, 1969, 1979 and 1999 by State, and for the most recent data from The Annie E. Casey Fund, National KIDS COUNT Program, Data Across States, Population in Poverty (Percent) – 2000 to 2009.

This fact is a general finding of the evaluation: The effect of the Great Recession and extended weak economic recovery has been to cascade need while UEC/FEAC funded services remain at the previously normal pre-Great Recession level. In other words, NHD WAP is being asked to do much more with far less.

Finding: The effect of the Great Recession and extended weak economic recovery has been to cascade need while UEC/FEAC funding to supply services remains at the previously normal pre-Great Recession level. In other words, NHD WAP is being asked to do much more with far less.

Due to the funding constraints, only a small percentage of eligible homes can be served by the program each year. Even with the one-time ARRA and SERC federal funding (federal economic stimulus programs enabled many more homes to be served during a few years); the pool of eligible homes is very large and continues to grow. In fact, at the rate of 500-600 homes served per year, in the context of the sharp drop in incomes and jobs of Nevada households, need has grown exponentially.

Living Wage Expressed In Dollars and as a Percentage of FPL (2012 Annual Income)					
Place	One Adult	One Adult, One Child	Two Adults	Two Adults, One Child	Two Adults, Two Children
2012 Dollars					
Washoe	\$21,102	\$40,219	\$31,723	\$50,886	\$65,662
Clark County	\$22,211	\$41,050	\$32,877	\$51,763	\$66,586
Carson City	\$18,286	\$33,732	\$27,244	\$42,690	\$54,857
Elko	\$17,201	\$33,154	\$26,113	\$42,113	\$54,257
Nye	\$18,955	\$36,641	\$29,691	\$47,353	\$62,245
FPL	\$11,170	\$15,130	\$15,130	\$19,090	\$23,050
Percentage of FPL					
Washoe	195%	276%	218%	278%	298%
Clark County	205%	282%	226%	283%	302%
Carson City	169%	232%	187%	233%	249%
Elko	159%	228%	179%	230%	246%
Nye	175%	251%	204%	259%	282%
FPL	100%	100%	100%	100%	100%
Note: For a small number of households, the percentage of FPL can be over 350%.					

Table 8: Living Wage.

Actual level of need is, of course, higher than revealed by the FPL.¹⁵ Virtually no professional uses the official FPL shown in Figure 7, except as a statistical indicator of economic change. Work in defining economic need has progressed far beyond this early indicator. Even federal programs seldom use the same percentage guidelines, as in the case of the Federal USDHHS LIHEA Program in Nevada, which uses 150% of poverty and below as the eligibility criterion while USDOE uses 200% of poverty and below. Further, as has been demonstrated in studies using the family budget method, tangible need runs considerably above 150% of poverty. The “living wage” or the similar “self-sufficiency standard” (both based on the family budget method) better reflect reality as experienced by households than does the FPL. The self-sufficiency standard of income meets most *immediate* needs of a family at a minimal level of living, at a lifestyle lower than middle class, for households without special problems (i.e., medical) and without provision for funding retirement, college funds for children, the resources for children to participate in normal but unfunded school activities, etc. As opposed to the federal poverty metric, the self-sufficiency standard provides a more realistic measure of immediate family need (though several other provisions for the ordinary costs of family life should also be included in a more correct accounting but are not).¹⁶

The self-sufficiency standard or living wage can be shown as a percentage of the official FPL. Table 8 shows what an individual must earn to support their family, if they are the sole provider and are working full-time (2,080 hours per year). The percentages are computed based on tables developed for states and cities by Dr. Amy K. Glasmeier at Pennsylvania State University. Glasmeier converts poverty level into an equivalent hourly wage.

In Table 8, we multiply the table values of Glasmeier’s hourly living wage by the change in the value the US Dollar from 2007 to 2012¹⁷ and work hours per year (2,080), then divide by the 2012 FPL for the household size.¹⁸ Unlike the FPL, the results express the actual immediate needs of families of different sizes and types. As indicated in the table, family budgets also vary by place/county and are not uniform across the entire state.

¹⁵ Federal indicators of need, such as the poverty metric, reported unemployment and the consumer price index have the virtue of being time series measurements subject to defined changes in definition over the years for which they are reported. However, they significantly understate the seriousness of the conditions that they measure, providing a positive gloss which is in contrast to the realities experienced by people. All are academically defensible in an abstract sense, but each falls short in terms of ordinary language and definitions in use by the people in everyday life. The federal indicators correspond qualitatively poorly and quantitatively underestimate economic hardship as experienced by families.

¹⁶ These other provisions (funding retirement, college for children, and similar costs) are not included in Table 8. The lack of inclusion of extra expenses for child development (i.e., most formerly public costs for childhood educational enrichment such as after school classes, sports, arts education, music education, tutoring, school clubs have been privatized as costs borne by individual families) or provision for children’s college costs means that even the best work based on the family budget method does not take into account or counter the growing chasm of increasingly severe economic inequality and its impact on families.

¹⁷ One dollar in 2007 is officially equal to \$1.11 in 2012 according to the US Bureau of Labor Statistics CPI Calculator. See website: http://www.bls.gov/data/inflation_calculator.htm/.

¹⁸ For Glasmeier’s tables see <http://livingwage.mit.edu/>. Also, see National Center for Children in Poverty, April 2009 at http://www.virtualcap.org/downloads/US/US_Living_Wage_NCCP_Measuring_Poverty_in_the_US.pdf.

Similar calculations have been performed by Fang Lin at the University of Nevada, Las Vegas, who calculated reasonable family budgets for a two-adult, two-child family in the Las Vegas-Paradise and Reno-Sparks areas at \$44,650.96 and \$46,445.11 per year, respectively.¹⁹ These estimates were published in the fall of 2008. Using the Bureau of Labor Statistics Inflation Calculator,²⁰ the equivalent incomes are \$47,591 and \$49,503 for 2012. If we convert these incomes using the 2012 percentage guidelines for a similarly sized family, the results are 206% and 215% of the FPL.

In a more detailed analysis for different family types, Diana Pierce and Jennifer Brooks found that a family of two adults with one pre-school and one school age child required a budget of \$39,153 in Washoe County in 2002.²¹ Updating this budget with the Bureau of Labor Statistics Inflation Calculator yields an equivalent value of \$49,943 in 2012 or 217% of the FPL, a value essentially the same as Lin computed for Reno-Sparks. For a family of one adult, one preschool age child and one school age child in 2002, the budget calculated by Pierce and Brooks was \$32,621 in 2002; this is equivalent to \$46,713 in 2012 or 245% of the FPL. For a family of one adult and one preschool child, Pierce and Brooks found a budget of \$28,864 was required in 2002; this is equivalent in value to \$36,819 in 2012, or 243% of the FPL.

While estimates of actual need based on Glasmeier, Lin, and Pierce & Brooks differ, they all indicate that program eligibility should be in the range of 160% to around 300% of poverty with a few households that are above these levels.

In addition to the “level of income” approach exemplified in NRS 702, the federal poverty metric, the annual Nevada FEAC State Plans and the living wage estimates, there are also households at middle income level that need assistance due to a temporary or a unique situational problem; such as, an emergency, sudden illness or death of a provider, loss of employment, divorce or other sudden economic change. These temporary emergencies for middle-income households are not within the current scope of NRS 702, although these households pay into the UEC. For low- income households, the income levels shown in Table 8 are more realistic than the current eligibility criterion of 150% of poverty, which may have been a good level in 1992.

The other factor in this equation of need is that while electric energy rates increase (nominally) over time, there is a recent and continuing decrease in natural gas rates due to new sources of supply.²² Incomes also increase (nominally) but, in general, there has been a decline in real income for lower income households. Also, unemployment was at 7.10% in June 1980 but at 11.60% in June 2012.

¹⁹ Lin, Fang, *Nevada Kids Count*, “How Much is Enough: Family Budgets in Nevada,” Issue No. 4. Las Vegas: University of Nevada, Center for Business and Economic Research, Fall 2008.

²⁰ See the Bureau of Labor Statistics website (http://www.bls.gov/data/inflation_calculator.htm/).

²¹ Pierce, Diana & Jennifer Brooks, *The Self-Sufficiency Standard for Nevada*, prepared for the Progressive Leadership Alliance of Nevada. Seattle: University of Washington.

²² Since 1980, all rates have increased in nominal dollars (see Appendix for nominal graphs provided by the PUCN and the Bureau of Consumer Protection.). However, Sierra Pacific Power electric rates and gas rates, as well as Southwest Gas rates for southern Nevada have not increased as much as general price inflation. Nevada Power rate increases and Southwest Gas rate increases in northern Nevada have significantly exceeded general inflation as measured by the consumer price index from 1980 to 2011.

If eligibility for a household is at 150% of poverty (as set by NRS 702, but subject to adjustment when funding is short in relation to overall need), there are approximately 227,857 eligible households in Nevada.²³ The UEC/FEAC WAP program typically serves from 400-500 of these homes each year, or less than one quarter of one percent. If program eligibility were raised to 200% of poverty, there would be about 24% more eligible households or 282,542 eligible households. At the current yearly funding level, need far exceeds ability to progress across the state's eligible housing stock as a whole. With the Great Recession and the extended slow economic recovery, need has outgrown financial resources.²⁴

The Logic of the WAP

The Logic of the WAP is shown in terms of resource inputs and program goals/outcomes in Figure 8.

The resources are all of the human and financial resources that are drawn upon by the program. In addition to UEC/FEAC funding, for SFY 2012 the program leveraged federal ARRA, SERC and USDOE base funding, some support from the Nevada Housing Trust Fund and Southwest Gas Corporation. The direct resources used to carry out the principal activities for SFY 2012 are the NHD managers and staff; the Subgrantees, the Contractors, building science technologies and equipment, the BWR database and IT support coupled with the specialized knowledge required to administer and manage the overall WAP.

The immediate goals/outcomes of weatherization are reduced energy use and lower energy bills for the low-income homes while working to promote health and safety, reduce illnesses, and possibly save lives. Also, the program provides community education and training for Subcontractors and Contractors.

²³ Using three different calculation methods, the estimates are 226,239, 227,857 and 229,219. According to the Nevada State Demographer, the number of people below 150% of Poverty has recently grown faster than the population as a whole. The middle number (the number adopted for this study) is based on the Governor Certified Population and its development was assisted by the State Demographer (electronic communication of 7/23/2012 from Jeff Hardcastle to Gil Peach and NHD).

²⁴ Estimates calculated using Census 2000 tables P88 and P93, updated using Nevada Demographer's Governor Certified Nevada Population for 2011. The temporary stimulus effort, though important, did not affect the overall prospect of progress across the eligible housing stock as a whole. Viewed as a process, the current level of funding enables approximately 500-600 homes to be weatherized each year, and even when combined with federal funding and other funding it is not possible to eventually serve all eligible homes over a period of years (The program effort is always a process that never reaches an end since there are always more homes to weatherize).

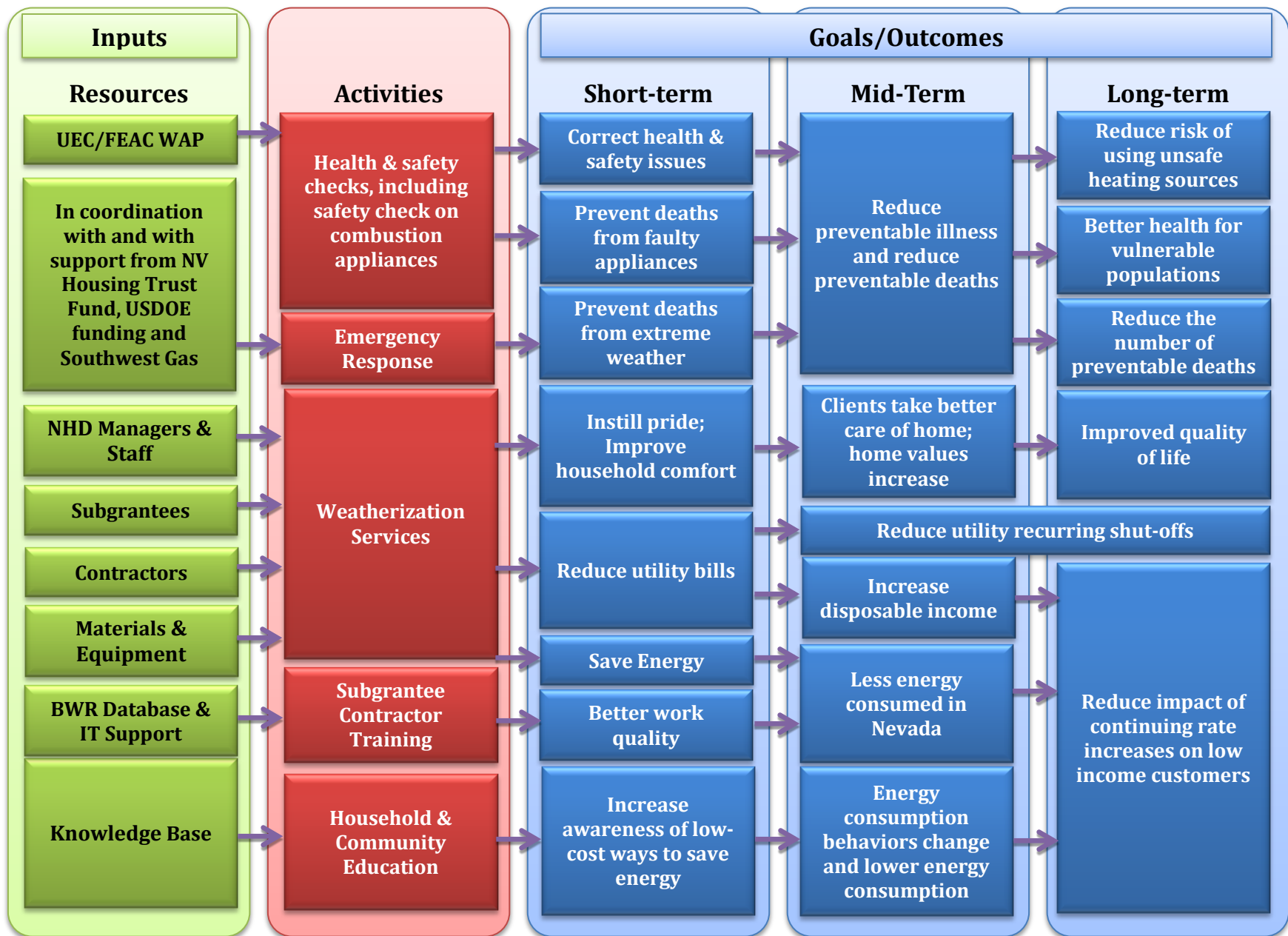


Figure 8. Logic Diagram for UEC/FEAC WAP.

WAP PROGRAM COMPLIANCE WITH LEGISLATIVE REQUIREMENTS (NRS 702)

This part of the evaluation is focused on compliance with the requirements of NRS 702, and is presented in a “question and answer” format.

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 was \$136,224.91, or approximately 5.1% of the total FEAC funds used for SFY 2012 (\$2,687,253.81). This was well below the 6% cap for administrative expenses. For SFY 2012, the final federal ARRA and SERC allocations were able to be used to absorb a portion of normal administrative costs. This will allow some carryover of SFY 2012 FEAC funds (<1%) for administrative expenses into SFY 2013.

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]

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 WAP staff Monitoring Reviews of sample projects and reviews of the BWR database. Production numbers are provided in the effectiveness section of this evaluation. Reductions in energy usage favorably impact load management.

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 WAP staff sample projects verify NHD paid for appropriate improvements associated with energy conservation, weatherization and energy efficiency measures.

2.4 Did NHD carry out activities related to consumer outreach?

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

Yes. Throughout the year, NHD responded to phone calls referred by NVEnergy, the NHD website, and others. NHD also participated in NVEnergy’s Senior Energy Assistance Expositions (one in southern and one in northern Nevada). In addition, consumer outreach was conducted by NHD through the six (6) Subgrantee agencies. Outreach through the Subgrantees was verified in Monitoring Reviews by NHD WAP staff, from written quality control reports of feedback from clients, by the number of applications received from referrals by other non-profits and input from participants during community events. Subgrantees also provided radio public service announcements and distributed flyers and door hangers

(documented by Subgrantees). The Subgrantees provided intake sites and online services to process applications. NHD, Subgrantees and Contractors distributed brochures and the “Your Home Energy Savers Book” to the public and Clients regarding energy conservation measures.

2.5 Did NHD pay for program design?

[Reference: NRS 702.270.2; Deliverable 3.5.2.3]

While primary program design for UEC/FEAC WAP was accomplished by NHD in 2002-2003, during SFY 2012, UEC/FEAC funds were used to: (1) Update BWR database design related to the SQL server; and, (2) Design and develop the Priority Lists for the installation of energy conservation measures, as required by funders (FEAC and USDOE).

2.6 Did NHD pay for annual program evaluation?

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

Yes. In SFY 2012, NHD paid its prorated share of the cost for the SFY 2011 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. The eligibility determination worksheet used for SFY 2012 is shown in the Appendix (Figure A).

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]

Emergency assistance was provided due to failure of a component or system (see question 9, below). 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 2012, 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(b); Deliverable 3.5.4.1]

Yes. Emergency assistance to health/safety threatened households was provided to fifteen (15) households that experienced an emergency because of a failure of a component or system of their occupied dwelling.

- ◆ Community Services Agency provided emergency service to one (1) home with no heat in winter due to a damaged component in the forced air unit. The specific equipment failure occurred in a water heater (unsafe flame roll out). The emergency was resolved by replacing the water heater.
- ◆ Nevada Rural Housing Authority (NRHA) provided emergency service to three (3) homes. In one, the furnace was emitting a high amount of carbon monoxide, and was repaired. In a second home, the temperature valve on the water heater was broken resulting in an overflow. The valve was replaced. The third home had a very old furnace that was emitting high amounts of carbon monoxide. The furnace could not be repaired and so it was replaced. NHD is the only agency in state government that provides emergency replacement of failed heating and cooling equipment to the resident at no cost. Other agencies would require that the resident take out a loan to replace equipment, and therefore could not act in time to ensure health and safety. Also, equipment replacement loans typically are not available to, nor repayable by, low-income households.
- ◆ Las Vegas Clark County Urban League provided emergency service to one (1) home in which the AC unit stopped working during a period of excessive heat. Since the unit could not be repaired, it was replaced and adequate AC was restored to the household.
- ◆ Neighborhood Services of the City of Henderson provided emergency service to two (2) homes. In one, the gas package unit failed and heat was needed for the 86 year old resident. The unit was replaced instead of repaired because the repair cost was greater than purchasing a new unit. In the other home, the heater of the split system failed in the middle of the winter. The unit was replaced instead of repaired for the same reason. For both homes, the new unit provided the needed heat.
- ◆ HELP of Southern Nevada provided emergency service to eight (8) homes in which the AC unit stopped working during very high summer temperatures (110° F). Six could not be repaired due to age and condition of equipment and required replacement. Two (2) required substantial repairs. In all cases, AC was restored.
- ◆ Rural Nevada Development Corporation (RNDC) provided emergency assistance using ARRA and Nevada Housing Trust funds but did not do any emergency work using UEC/FEAC funds during SFY 2012.

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]

The necessary regulations were established primarily in 2002-2003. No new regulations were adopted in SFY 2012 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 on page 29.

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 on page 18.

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]

- ◆ **Federal coordination:** During SFY 2012, NHD coordinated with federal officials 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 Services Block Grant (CSBG) and the US Department of Energy/WAP for ARRA, SERC and USDOE programs. Coordination at the federal, state and local agencies also occurred 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 DWSS and through the Low-Income Energy Assistance Program Advisory Group (FEAC Advisory Group). Participants in this group include representatives of the DWSS and the PUCN. Also in this group are representatives of NVEnergy, Southwest Gas, service and community-based organizations and advocates. In addition, NHD served as a member of the Low-Income Weatherization Program Demand-Side Management group in collaboration with NVEnergy and Southwest Gas, program delivery specialists and other groups interested in energy conservation, such as the Southwest Energy Efficiency Project.
- ◆ **WAP and EAP coordination:** In regards to coordination specifically with DWSS, 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 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.²⁵ 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.

²⁵ Qualifying referrals are not automatically accepted in the WAP because referrals are also generated from other sources and only occasionally is there capacity to accept a few 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. See Appendix: “Household Priority in selection for Weatherization Assistance Program.”

- ◆ **Local coordination:** NHD coordinated with many local agencies through its six (6) Subgrantee agencies, serving different areas of the state. This local work by the Subgrantees also 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]

NHD provided Lead and Mold Training, along with training in REM Design and ASHRAE 62.2 to internal staff, Subgrantees and Contractors. However, UEC/FEAC funds were not used or leveraged during SFY 2012 to encourage other persons to provide resources and services to schools and programs providing training in the building trades and apprenticeship programs.

2.15 Did NHD establish a process for evaluating WAP?

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

For the SFY 2012 WAP, as in each year since the requirements of NRS 702 were legislated, the NHD has established a process for evaluating the WAP. For the WAP evaluations for SFY 2012 through SFY 2015, 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 with changes in federal requirements to ensure the programs are undiluted and cost effective.

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 2012, NHD engaged in annual planning and evaluation processes with the DWSS. Meetings with the Low-Income Advisory Group were part of the planning process; that is, since input and ideas are solicited from the Advisory Group at each meeting. Also, NHD made presentations at each meeting regarding funding levels, expenditures and production performance, as well as, solicited member responses. In addition, these meetings included presentations from Tetra Tech which performed the study of low-income customers of NVEnergy that was requested by the PUCN and included the results of the SFY 2011 WAP evaluation.

Further, an annual evaluation for SFY 2012 program was chartered and sponsored jointly by NHD and the DWSS. The formal planning process proceeded according to state and federal requirements, with public participation and formal hearings conducted, resulting in the approved Nevada FEAC State Plan for 2012 and the companion State of Nevada LIHEAP State Plan for 2012-2013. The LIHEAP program year is the same as the federal program year, beginning on October 1 each year and ending on the 30th of the following September.

WAP ASSESSMENT OF PROGRAM EFFECTIVENESS

In SFY 2012, NHD Subgrantees weatherized 576 homes (Table 9), exceeding the goal of 452 homes by 127% overall (Table 10). Energy savings for SFY 2012 was 135,192 therms and 2,166,109 kWh. Energy savings exceeded the goals of 46,194 therms and 865,670 kWh by 293% and 250%, respectively.²⁶

Work Completed by each WAP Subgrantee		
Agency	Number of Homes	Percent of Homes
HELP	322	55.9%
CSA	68	11.8%
RNDC	64	11.1%
NRHA	51	8.9%
Urban League	42	7.3%
Neighborhood Services	29	5.0%
Total	576	100.0%

Table 9. Work Completed by each WAP Subgrantee during SFY 2012.

Work Completed vs. Performance Goal			
Agency	Planned	Completed	Percent of Goal
HELP	259	322	124%
CSA	72	68	94%
RNDC	28	64	229%
NRHA	26	51	196%
Urban League	41	42	102%
Neighborhood Services	26	29	112%
Total	452	576	127%

Table 10. Work Completed vs. Performance Goal.

Of the 576 homes completed during SFY 2012, the services to special needs households and persons is as shown in Table 11. Services to special needs households as a percentage of all households served are shown in Table 12.²⁷

²⁶ Energy savings are estimated using a proprietary calculation developed by Architectural Energy Corporation (AEC) under contract to the Nevada Housing Division (NHD). NHD is required by the US Department of Energy (USDOE) to use an estimation method approved by USDOE for homes for which any USDOE or US Department of Health and Human Services (USDHHS) funding is applied. As an administrative savings, NHD also applies this method to UEC/FEAC homes.

²⁷ Percentages in Table 12 sum to over 100% since a household may have more than one special needs classification.

Services to Special Needs Households		
Special Needs	Households	Persons
Elderly Over 60	246	280
Persons w/Disabilities	250	275
Children Under 6	111	184
Native American	15	33
Total	622	772

Table 11. Services to Special Needs Households.

Percentage of Special Needs Households		
Special Needs	Households	Percent of Total Households
Elderly Over 60	246	42.7%
Persons w/Disabilities	250	43.4%
Children Under 6	111	19.3%
Native American	15	2.6%
Total	622	108.0%

Table 12. Percentage of Special Needs Households.

Homes completed by county are shown in Figure 9 and Table 13. These completions approximately follow the population sizes of Nevada counties, with Clark and Washoe the largest counties.

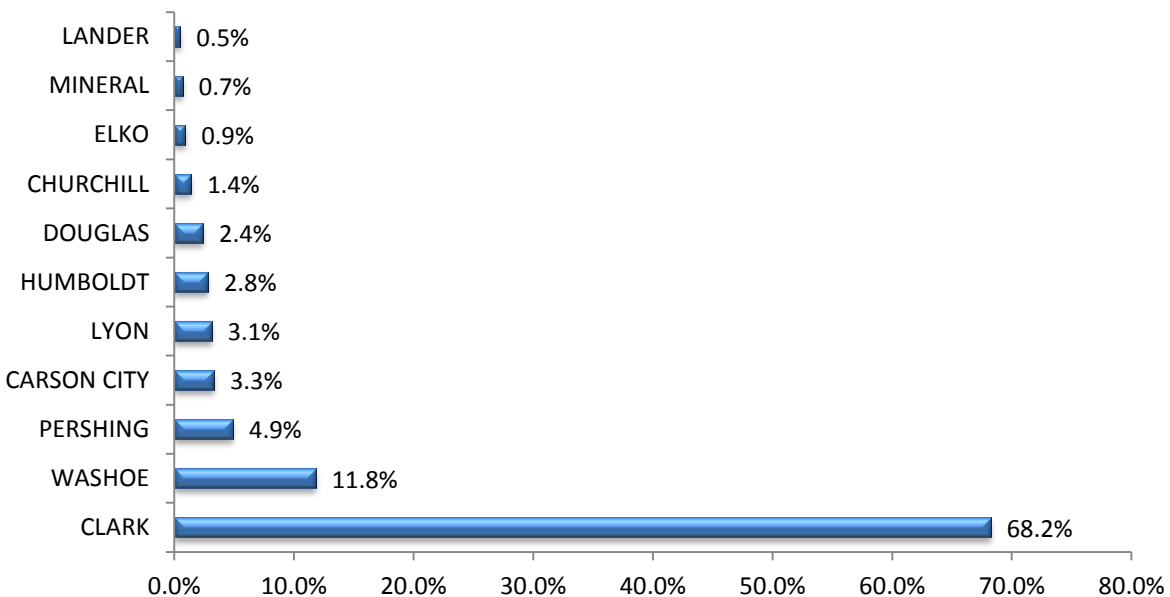


Figure 9. Graph of Homes Completed by County.

Homes Completed by County		
County	Percentage	Frequency
Lander	0.5%	3
Mineral	0.7%	4
Elko	0.9%	5
Churchill	1.4%	8
Douglas	2.4%	14
Humboldt	2.8%	16
Lyon	3.1%	18
Carson City	3.3%	19
Pershing	4.9%	28
Washoe	11.8%	68
Clark	68.2%	393
Total		576

Table 13. Homes Completed by County.

The other Nevada counties do not pay into the UEC, so housing units weatherized by NHD in those counties are funded from federal and other funds (and are not reported here).

Table 14 shows the distribution of completed homes by type of housing and the source of heating fuel. This table reflects the relative frequency in the population of natural gas as a heating source as compared with electricity and propane. Note that none of the five or more family structures treated has electric heat and none of the two to four family structures or five or more family structures treated has propane.

Housing Type	Heating Source				Housing Type Percentage
	Electric	Natural Gas	Propane	All Heat Sources	
Single Family	72	173	4	249	43.2%
Mobile Home	6	142	13	161	28.0%
2-4 Family	29	44	0	73	12.7%
5+ Family	0	93	0	93	16.1%
All Housing Types	107	452	17	576	
Heat Source Percentage	18.6%	78.5%	3.0%		100.0%

Table 14. Homes Completed by Type of Housing and Heating Source.

As shown in Figures 10 and 11, homes using natural gas as the primary heating source have considerable gas savings and also considerable electricity savings.

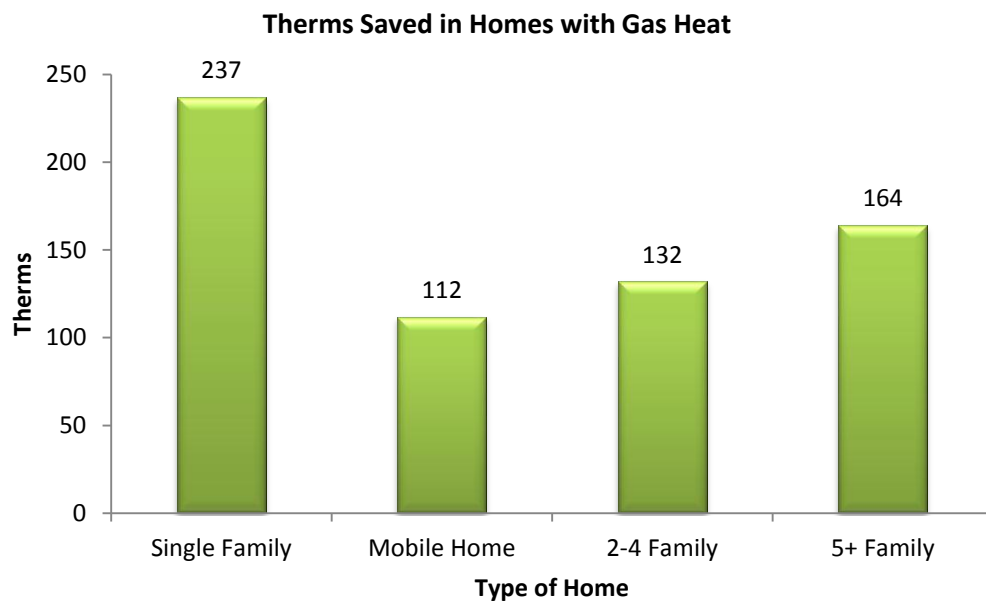


Figure 10. Homes Heated with Natural Gas: Gas Savings.

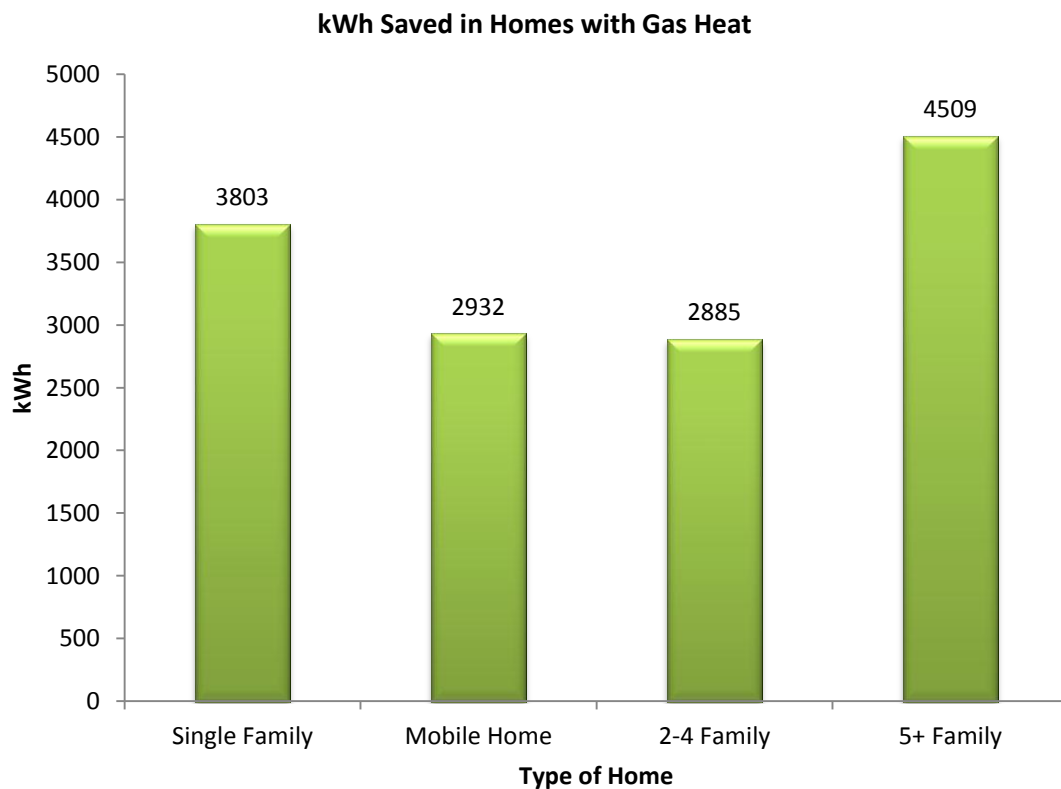


Figure 11. Homes Heated with Natural Gas: Electricity Savings.

Results for homes heated with electricity are shown in Figures 12 and 13.

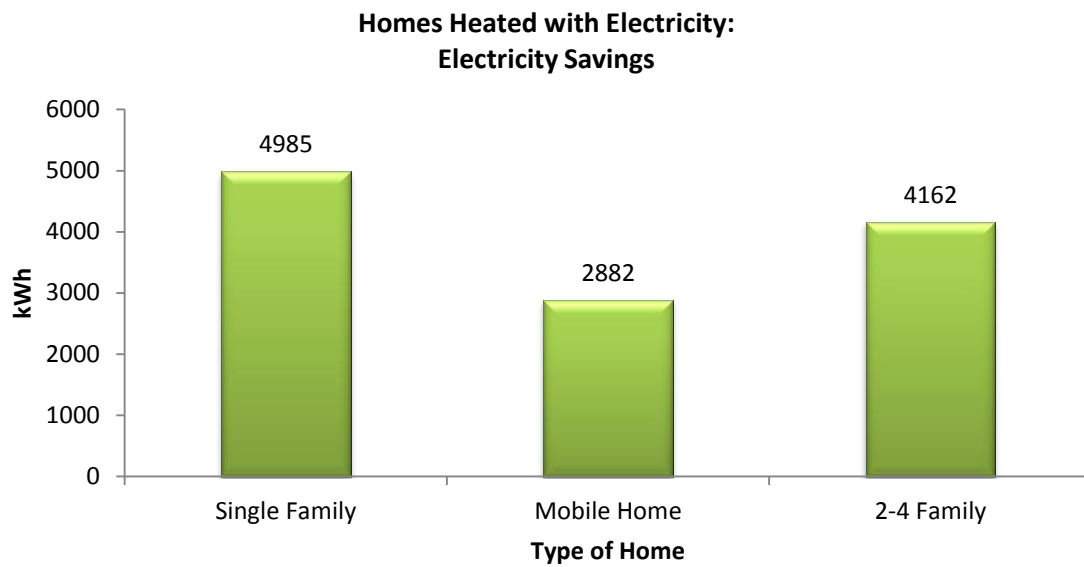


Figure 12. Electricity Savings in Homes Heated by Electricity.

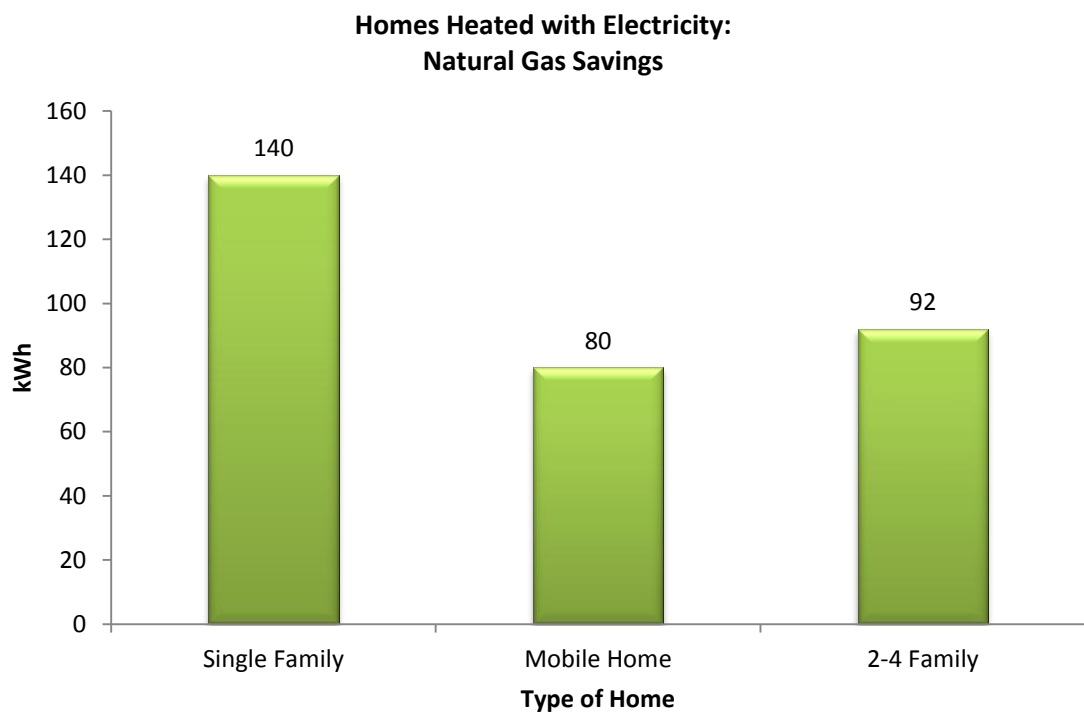


Figure 13. Natural Gas Savings in Homes Heated by Electricity.

First Year Dollar Savings to Household from NHD Weatherization		
Homes Heated with Natural Gas		
Single Family	173	\$655
Mobile Home	142	\$701
2-4 Family	44	\$464
5+ Family	93	\$693
All Natural Gas	452	\$659
Homes Heated with Electricity		
Single Family	72	\$722
Mobile Home	6	\$422
2-4 Family	29	\$583
5+ Family	0	None in Category
All Electric	107	\$659
Homes Heated with Propane		
Single Family	4	\$1404
Mobile Home	13	\$1005
2-4 Family	0	None in Category
5+ Family	0	None in Category
All Propane	17	\$1,099
All Homes	576	\$673

Table 15. First Year Dollar Savings to Household.

The combined natural gas, electricity and propane savings for NHD weatherized homes, by housing type and heating fuel are shown in Table 15. The dollar amounts of savings on utility bills is developed using the BWR database. Savings are first year dollar savings. However all energy saving improvements to the homes last at least five years and the major improvements, such as insulation will last thirty-five years or the life of the house. Savings are expected to be stable for the first five years and then gradually decrease as different types of improvements reach the end of their effective measure lives.

SUMMARY

With regard to all of the specific provisions of NRS 702.270 for NHD, NHD WAP was fully compliant for SFY 2012.

The Evaluation Team finds the Nevada Housing Division's WAP fully compliant with the provisions of NRS 702.

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 NHD jointly develop an annual plan, the *Nevada FEAC State Plan*, to coordinate their activities and programs in accordance with NRS 702.280. The plan for SFY 2012 became effective July 1, 2011 and ended on June 30, 2012. The plan for SFY 2013 became effective July 1, 2012. Each of these plans includes a description of resources and services being used by each program and of efforts undertaken to improve services and resources [NRS 702.280.1(a)]. The programs are funded by the UEC /FEAC. Those funds help support the EAP which is administered by DWSS and the WAP (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. WAP assists low-income households in reducing their utility costs and energy consumption by providing for energy conservation and health and safety measures.

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 included resources and services used by each program. Both the DWSS and the NHD continually work to increase resources and improve services. For example, DWSS significantly improved productivity by about 24% during 2012 and NHD worked towards an agreement to secure several hundred thousand dollars through the Low-Income Demand Side Management funding support from NVEnergy, similar to its arrangement with Southwest Gas.

For each program, need currently far surpasses the combination of UEC and available federal or private sector funding.

3.3 Did the plan include efforts to improve administrative efficiencies?

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

Yes. For SFY 2012, improving administrative efficiency [NRS 702.280.1(b)] through program revisions was addressed by NHD by increasing effectiveness (See Response to 3.5, below.), and by DWSS by capping energy assistance for SFY 2012 at 110% of the FPL in order to be able to provide a meaningful benefit to eligible households. Also during 2012, DWSS increased the number of cooperating intake agencies.

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 2012 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 2012 or 2013 annual plans. In both years, coordination is specifically discussed with the following entities:

- ◆ **Special Assistance Fund for Energy (SAFE)** – Nevada Energy’s fund that 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.
- ◆ **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.
- ◆ **Emergency Shelter Grant (ESG)** – This program is administered through 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.
- ◆ **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 (RCTA)** – RCTA 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. RCTA 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 individuals and families with income at or below 60% of area median income as designated by the Department of Housing and Urban Development.

- ◆ **Southwest Gas Demand-Side Management (DSM) Programs** – Southwest Gas Corporation contracts with NHD to provide weatherization services for some of its qualifying northern Nevada customers.
- ◆ **NVEnergy Demand-Side Management (DSM) Programs** – For the SFY 2011 program year, NVEnergy initially provided funding for both gas and electric DSM in northern Nevada and for electric DSM in Southern Nevada. However, these programs were determined not to meet cost-effectiveness guidelines and were suspended. During SFY 2012, NHD has worked with NVEnergy to improve program design to meet the utility cost-effectiveness criteria and it is expected that NVEnergy will provide some financial support for a joint NHD/NVEnergy low-income weatherization program beginning in calendar year 2013.

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. In the plans for both SFY 2012 (with planning completed in SFY 2011) and SFY 2013 (completed during SFY 2012), enhancements in program design to improve program effectiveness were included.

For both the plan for SFY 2012 and the plan for SFY 2013, DWSS addressed enhancements in program design to improve program effectiveness. Specifically, the primary problem during the Great Recession and the years following has been the need to optimize services when the need for services far exceeds the level of funding. The EAP was designed to assist qualifying households with utility cost that exceed the median state household energy burden, but provides flexibility when funding runs short of need.²⁸

By basing the UEC payment assistance on the Nevada's median state household energy burden (currently 2.30%), the EAP establishes a realistic and fair level of payment 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 for the state. The portion below that level remains the household's responsibility, and the portion above is covered by the EAP. In the current national economic crisis it became necessary to further cap assistance in order to stretch existing funds to serve more households.

For SFY 2011 median energy burden for Nevada effective for the year was 2.21% of household income; for SFY 2012 it was 2.03% of household income and for SFY 2013, it will be 2.30% of household income.

²⁸ The "median" is not the same as the arithmetic average (mean); it is simply the middle value of a statistical distribution. In this case, conceptually, 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 used data is calculated for each of the two major utilities, Southwest Gas and NVEnergy, 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.

During SFY 2011 and in prior years, energy assistance was provided to households up to and including 150% of the FPL. For SFY 2012 assistance eligibility was capped at 110% of the FPL²⁹ and for SFY 2013 it will be capped at 125% of the FPL.

NHD worked to improve program design and effectiveness during SFY 2011 and SFY 2012 as it conducted expanded operations under the federal stimulus program. For NHD the primary challenges addressed were accommodation of the large but temporary increase in state and federal funding, additional state and federal requirements and a greatly expanded level of activity due to the temporary federal funds.³⁰ This required displacement of the UEC/FEAC WAP program until the last months of SFY 2012 to insure that federal funds (which could not be carried over in SFY 2013) were expended. Also, for SFY 2012, NHD has been working with NVEnergy in the redesign of its low-income weatherization program. It is expected that NVEnergy will provide some financial support in a joint NHD/NVEnergy weatherization program for qualifying homes beginning sometime during calendar year 2013.

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 (for SFY 2011 programs, dated December 2, 2011) recommended five actions. Though not explicitly discussed in the plan for SFY 2013 programs [(NRS 702.280.1(e))], several have been addressed. The evaluation recommendations and actions are as follows:

- ◆ **Recommendation 1:** DWSS or the Advisory Group should propose a presentation to the Advisory Group and DWSS by utility collection managers that includes a detailed step-by-step discussion of the collections/termination process at each utility, how UEC payment assistance fits into that process, to explain what other help to customers is available, and outstanding issues that need resolution. This will help increase awareness of how payment assistance plays into procedures on utility collections and termination of service. This awareness is important as the programs are continually optimized within the current economic emergency. For example, if assistance to a household is too low it will not prevent termination of service.
- ◆ **Action:** No action yet. This recommendation has not yet been acted on; however, DWSS is aware of the problem of tailoring the assistance amount so that it is large enough to enable the household to prevent termination of service.
- ◆ **Recommendation 2:** DWSS, NHD, and the Advisory Group should request a presentation of the Tetra Tech study to gain awareness of the new low-income situation in Nevada.
- ◆ **Action:** Completed. Tetra Tech was invited and made presentations to the Advisory Group on its findings.

²⁹ The benefit amount was raised when additional federal funds became available in April of 2012. The income limit was raised to 125% of the FPL for SFY 2013 (July 1, 2012).

³⁰ See the separate American Recovery and Reinvestment Act (ARRA) Evaluation and the audit conducted during SFY 2012 of the ARRA programs by the Nevada Legislative Counsel Bureau.

- ◆ **Recommendation 3:** NHD should continue to work with the Low-Income Subcommittee of the DSM Collaborative and the utilities to maintain current coordinated funding (from Southwest Gas) and to explore opportunities for coordinated funding from Nevada Energy.
- ◆ **Action:** Continuing. NHD worked closely with Southwest Gas and coordinated funding was successfully maintained for SFY 2012 and 2013. NHD also worked with NVEnergy Low-Income Weatherization Program on a new low-income program to restore funding for SFY 2013; however, the request was before the PUCN. At the publishing of this evaluation, no decision has been reached.
- ◆ **Recommendation 4:** DWSS or the Advisory Group should ask the PUCN and the utilities to propose low-income rate designs so that reduced federal funding can be compensated for and more of the households in need can be served.
- ◆ **Action:** Included in plan; no action yet. While not discussed in the Nevada FEAC State Plan, according to the companion State of Nevada LIHEAP State Plan for Fiscal Year 2012 (page 30) and the State of Nevada LIHEAP State Plan for Fiscal Year 2013 (page 29), “[t]he DWSS intends to closely work with utility companies and energy vendors to implement arrearage forgiveness and discount rate programs for low-income households.”
- ◆ **Recommendation 5:** As funding is restored, the eligibility level for households should be raised to the levels indicated by the Ford Foundation/Wider Opportunities for Women family budget methodology. It is important that we not lose sight of where we need to be due to the severe needs of the economic emergency. Households are in need of payment assistance and weatherization at 250% and 350% of the FPL, not simply at 110% or 150%.
- ◆ **Action:** Partially implemented. DWSS raised eligibility from 110% in SFY 2012³¹ to 125% in SFY 2013, a partial restoration of eligibility towards the original NRS 702 level of 150% of the FPL. This is a reasonable implementation given the need to balance high need with available funding, and yet keep grants of a size that will permit most participants to pay the balance of their energy bills. For NHD, the UEC/FEAC WAP continues to operate at 150% of the FPL.
- ◆ **Note:** The Nevada Chief Economist has noted a slow improvement in the Nevada economy and projects continued slow improvement.³² As the economy is gradually restored, DWSS may be able to restore eligibility to the original level in succeeding years. Beyond this, the problem is that the conventional federal poverty classification system is generally acknowledged to be much less useful as a gauge of income insufficiency than when it was established approximately a half-century ago and actual need goes considerably above the levels indicated by federal accounting of need.

³¹ As noted, this adjustment of benefit amounts occurred in April 2012 when additional federal funds were received.

³² Vogel, Ed, “Nevada Economy Yields More Revenue for State,” *Review-Journal*, June 12, 2012. See: <http://www.lvrj.com/news/nevada-economy-yields-more-revenue-for-state-158503595.html>.

3.7 Continuing Evaluation

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

The DWSS and NHD jointly conducted an annual evaluation of the EAP and WAP for the SFY 2011 programs during SFY 2012 and are currently conducting the SFY 2012 evaluation covering the programs from July 1, 2011 through June 30, 2012.

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]

Yes. During SFY 2012, DWSS/NHD jointly solicited advice from the Nevada Public Utilities Commission as part of the SFY 2012 evaluation.

3.9 Report to Governor, Legislative Commission and Interim Finance Committee

[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]

Yes. During SFY 2012, DWSS/NHD jointly prepared a report concerning the annual evaluation and submitted the report to the Governor, Legislative Commission and Interim Finance Committee on January 24, 2012 in accordance with NRS 702 280.2(c).

The report consisted of the SFY 2011 evaluation and the SFY 2011 executive summary with a cover letter. The evaluation included 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)], and 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)].

RECOMMENDATIONS

- ◆ When possible and as the economy improves, Nevada should increase funding for NHD's Weatherization Assistance Program to enable more households to be weatherized each year.
- ◆ When possible and as the economy improves, Nevada should increase funding for the DWSS Energy Assistance Program.
- ◆ When possible and as the economy improves, the eligibility level for energy assistance and weatherization services should be increased to take into account income insufficiency levels for different household sizes and be determined by county.

SUMMARY

With regard to all of the specific provisions of NRS 702.270 for NHD and DWSS joint compliance, NHD WAP and DWSS EAP were fully compliant for SFY 2012.

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.

APPENDIX

DEPARTMENT OF BUSINESS AND INDUSTRY – HOUSING DIVISION
 WEATHERIZATION ASSISTANCE PROGRAM
 2012 ELIGIBILITY DETERMINATION WORKSHEET EFFECTIVE FEBRUARY 27, 2012

APPLICANT NAME _____ APPLICATION DATE _____
 ADDRESS _____

A. ELIGIBILITY DETERMINATION

1. Total monthly income: \$ _____

Calculation methodology: _____

Verification sources: _____

2. Number of Household Members: _____

3. Eligibility Decision:

☐ ELIGIBLE

☐ INELIGIBLE

☐ Total income exceeds limit.

☐ Home previously weatherized (subsequent to 9/30/94).

☐ Other _____

Household Size	Monthly Income Limits (150% of poverty)	200% of poverty
1	\$1396.25	\$1861.67
2	1891.25	2521.67
3	2386.25	3181.67
4	2881.25	3841.67
5	3376.25	4501.67
6	3871.25	5161.67
Add	\$ 495.00	\$ 660.00

B. PRIORITY RATING

A point system has been developed to establish a priority rating for each application. When a waiting list for service exists, households with the highest points should be given priority and served first.

The following is the priority determination of household:

	IF YES, CIRCLE POINTS		
	NO	YES	POINTS
Effective Utilization of Program Resources			
1. Energy Assistance Recipient	___	___	10
Households with Greater Energy Needs			
1. Member in the household age 60 or older.	___	___	5
2. Member in the household medically disabled	___	___	5
3. Member in the household is age 6 or less	___	___	5
4. Annual Household Income Levels			
≤ 75% of Poverty Level	___	___	25
76% - 100% of Poverty Level	___	___	15
101% - 125% of Poverty Level	___	___	10
126% - 150% of Poverty Level	___	___	5
151% - 200% of Poverty Level	___	___	1
Housing with Greatest Return on Energy Conservation Investments			
Housing Type:			
Single Family/Mobile Home	___	___	5
Duplex - Four-Plex	___	___	3
Multi-Family (5+units/building)	___	___	1
Energy Type:			
Primary space heating fuel is electric or propane	___	___	5
Household Responsibility and Stability			
Dwelling is owner occupied	___	___	5
Dwelling unit previously weatherized	___	___	- 25
Total Points			_____

2012 Poverty Income Guidelines

Size of family unit	75%	100%	125%	150%	200%
1	\$8,377.50	\$11,170.00	\$13,962.50	\$16,755.00	\$22,340.00
2	\$11,347.50	\$15,130.00	\$18,912.50	\$22,695.00	\$30,260.00
3	\$14,317.50	\$19,090.00	\$23,862.50	\$28,635.00	\$38,180.00
4	\$17,287.50	\$23,050.00	\$28,812.50	\$34,575.00	\$46,100.00
5	\$20,257.50	\$27,010.00	\$33,762.50	\$40,515.00	\$54,020.00
6	\$23,227.50	\$30,970.00	\$38,712.50	\$46,455.00	\$61,940.00
Each additional member add	\$2970.00	\$3,960.00	\$4,950.00	\$5940.00	\$7,920.00

Agency Representative Signature _____

Date _____

SAM-04 (2/27/2012)

Figure A. Eligibility Determination Worksheet for SFY 2012.

Qualifications for a license as an energy auditor:

1. Applicant "is of good moral character, honesty and integrity." This determination is made based upon:
 - ◆ The results of a State and Federal criminal background investigation; and
 - ◆ Responses on the "personal background" section of the application, which includes whether the applicant has ever been denied, suspended or revoked for any type of license.
2. Holds a certificate or accreditation from an organization approved by the Administrator;
3. Has successfully completed not less than 40 hours of training and practice in areas specified in Assembly Bill 432 which has been approved by the Administrator.

Approved Certification Programs

The Administrator has approved the following certifications:

- ◆ Building Professional Institute (BPI) - Pass the two-hour 100-question written Building Analyst Exam with a score of 70% or higher and successfully pass a 1 and ½ hour field evaluation in the presence of a BPI Affiliate Field Proctor, maintain BPI certification by re-certifying every three years.
- ◆ Residential Energy Services Network (RESNET) - Pass a two-hour 50-question written multiple choice National Rater Competency Test and successfully pass at least three (3) probationary ratings as determined by a Rating Provider; maintain RESNET certification by re-certifying every three years.
- ◆ Association of Energy Engineers (AEE) - Successfully complete an auditing seminar and pass a four-hour written exam with a score of 70% or better. The AEE certification has stringent pre-certification requirements of education and experience. The degree-granting college transcript is required in addition to the AEE certification. Maintain AEE certification by re-certifying every three years.

Figure B. Key Provisions of AB 432.

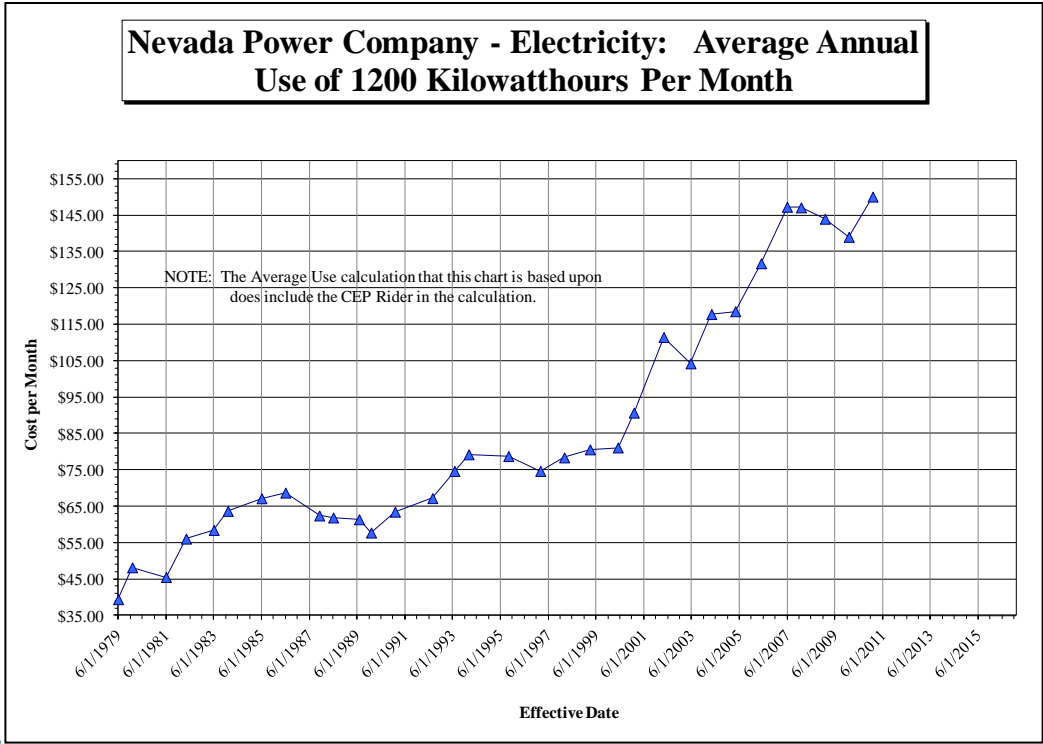


Figure C. Six Average Monthly Bill Tables from PUCN/BCP

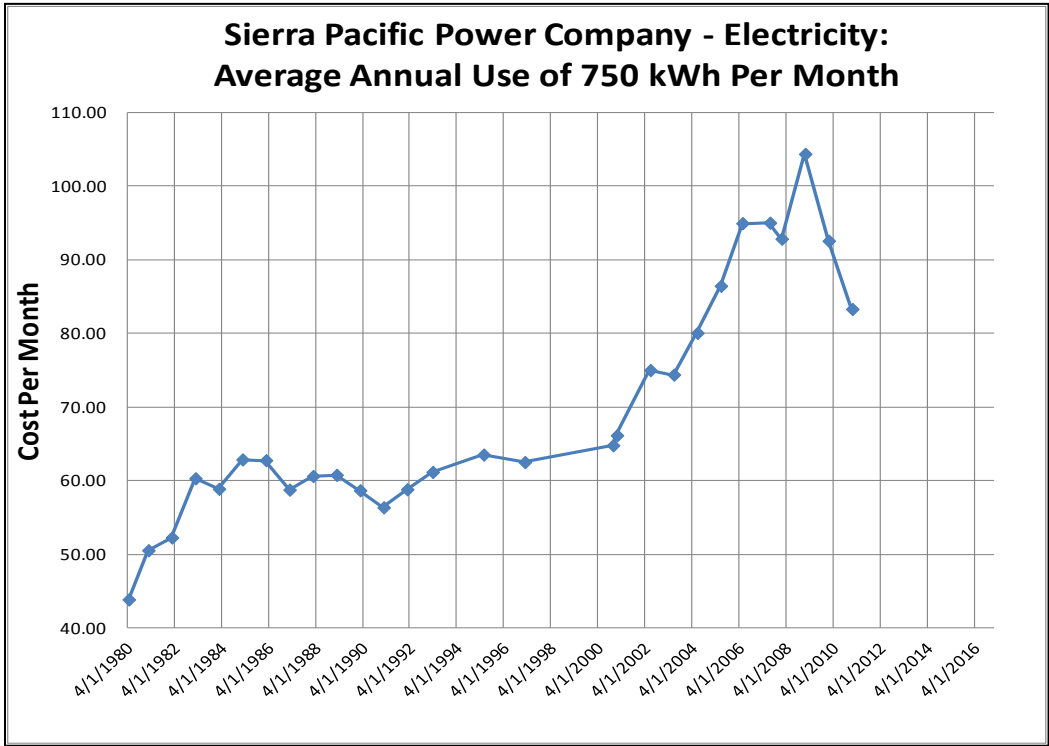


Figure D.

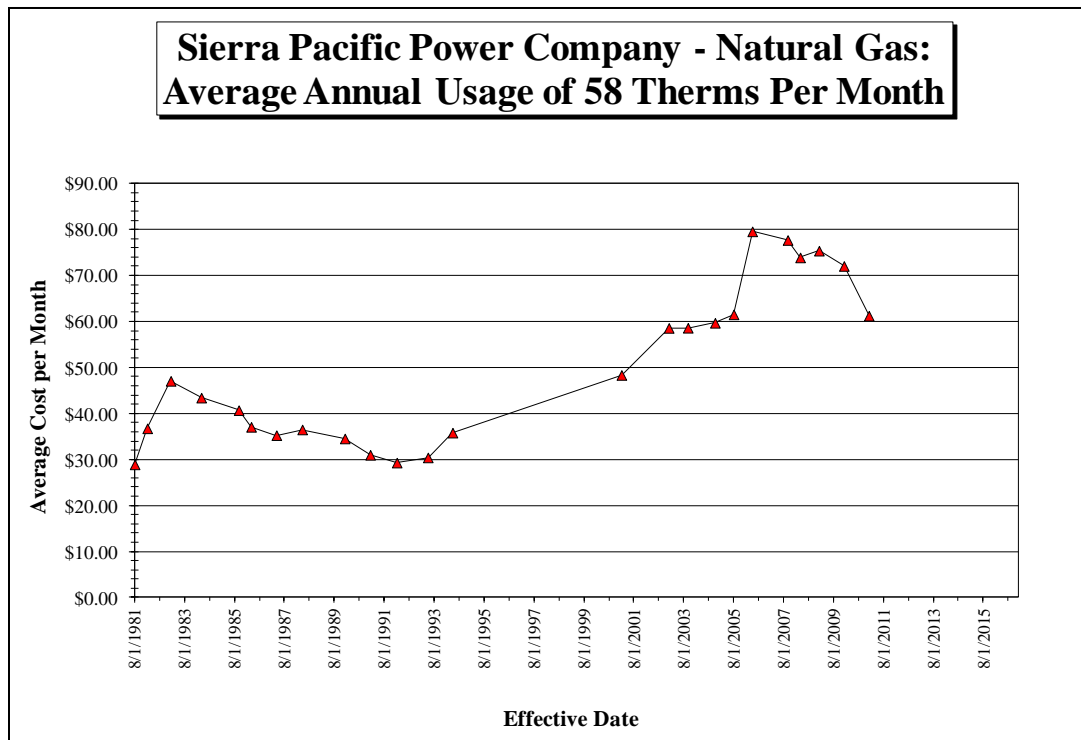


Figure E.

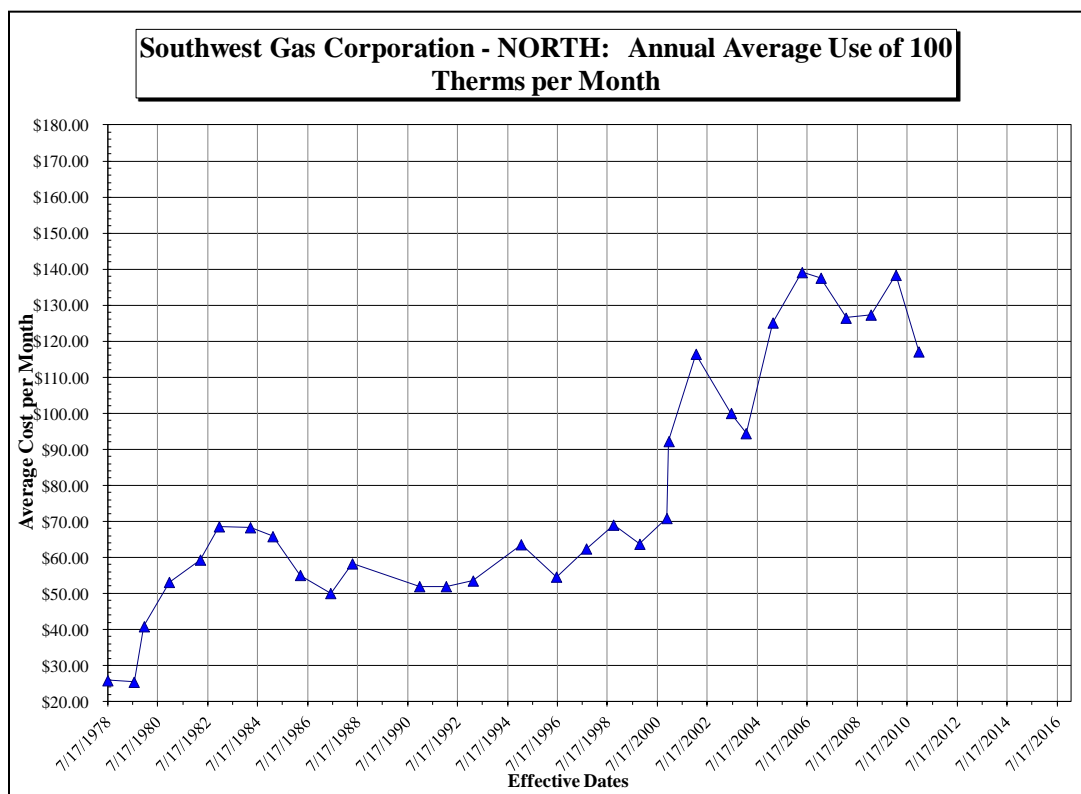


Figure F.

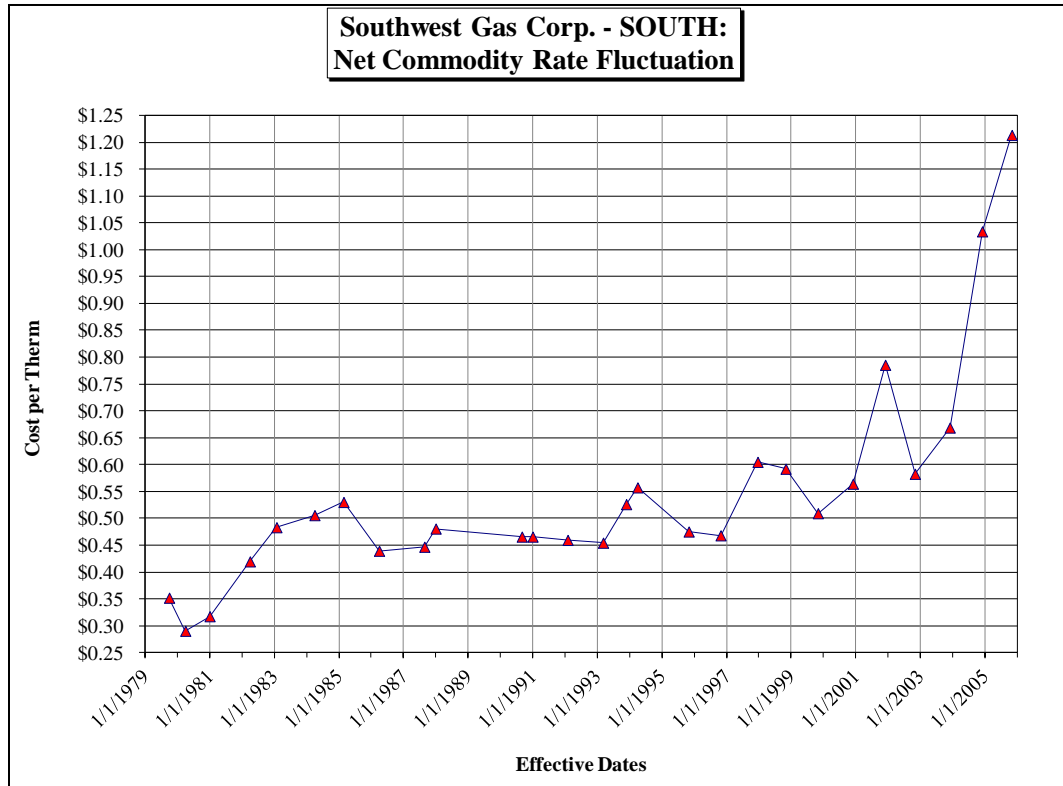


Figure G.

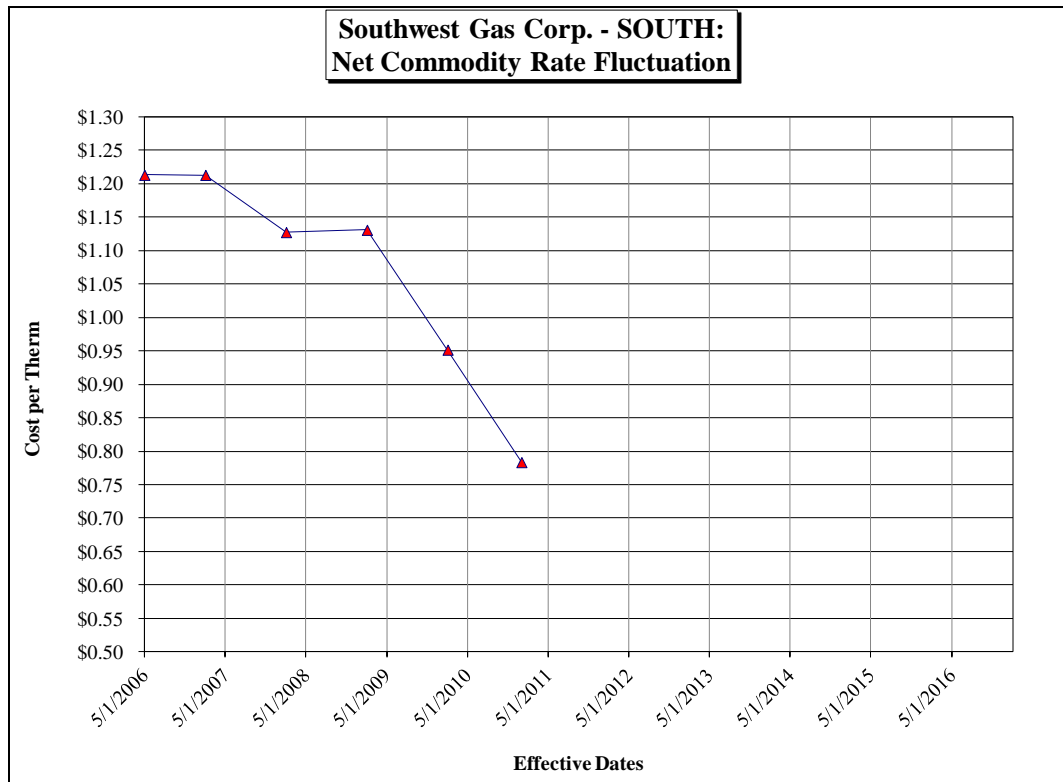


Figure H.

HOUSEHOLD PRIORITY IN SELECTION FOR WEATHERIZATION ASSISTANCE PROGRAM

Weatherization Assistance Program waiting lists continue to grow. Every week more and more applicants are approved as eligible to receive services. Per the Nevada Administrative Code and guidance from NHD Legal Counsel, NHD is required to prioritize clients. Therefore, some clients who are not in the “priority categories” might never be served as they are continuously bumped to the bottom of the waiting lists.

NAC 702.870.3(a), (b) and (c) provides the guidance:

3. A subgrantee shall provide weatherization assistance to eligible households based on the availability of money and the priority given to each eligible household using the information provided in the eligibility determination worksheet. The subgrantee shall give priority to the following eligible households in the following order of priority:
 - (a) Eligible households requiring emergency assistance because:
 - (1) The primary heating system of the household is inoperable or unsafe during the winter heating season; or
 - (2) The primary cooling system of the household is inoperable or unsafe during the summer cooling season.
 - (b) Eligible households that have one or more members who are:
 - (1) Elderly persons;
 - (2) Persons with a disability; or
 - (3) Children less than 6 years of age.
 - (c) All other eligible households.

Note: NAC 702.680 defines an “Elderly person” as “a person who is 60 years of age or older.” Also, NAC 702.690 defines an “Eligible household” as “a household which meets the criteria to receive weatherization assistance that is set forth in NAC 702.870.”

Figure I. Household Priority in Selection for WAP.