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# SFY 2011 Evaluation: Energy and Weatherization Assistance Programs

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Prepared for the State of Nevada  
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## TABLE OF ACRONYMS

ARRA *American Recovery and Reinvestment Act*

BWR *Building Weatherization Report*

DETR *Department of Employment, Training, and Rehabilitation*

DOE *Department of Energy*

DSM *Demand Side Management*

DWSS *Division of Welfare and Supportive Services*

EAP *Energy Assistance Program*

ECRI *Economic Cycle Research Institute*

FAC *Fixed Annual Credit*

FEAC *Fund for Energy Assistance and Conservation*

FPL *Federal Poverty Level*

IT *Information Technology*

kWh *Kilowatt hour*

LIHEAP *Low-Income Home Energy Assistance Program*

NAC *Nevada Administrative Code*

NHD *Nevada Housing Division*

NOMADS *Nevada Operations of Multi Automated Data System*

NRS *Nevada Revised Statute*

NRHA *Nevada Rural Housing Authority*

POB *Percentage of Bill*

PUCN *Public Utilities Commission of Nevada*

RNDC *Rural Nevada Development Corporation*

RFI *Request for Information*

SFY *State Fiscal Year*

SIR *Savings to Investment Ratio*

SNAP *Supplemental Nutritional Assistance Program*

SSDI *Social Security Disability Income*

SSI *Social Security Income*

TANF *Temporary Assistance for Needy Families*

TRC *Total Resource Cost*

UEC *Universal Energy Charge*

WAP *Weatherization Assistance Program*

## INTRODUCTION

Nevada's Weatherization Assistance Program (WAP) and Energy Assistance Program (EAP) 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.<sup>1</sup> The first full program year was SFY 2003. The legislation establishing these programs requires an annual evaluation of program efficacy and compliance with legislative requirements. WAP and EAP jointly hired H Gil Peach & Associates and Smith & Lehmann Consulting to conduct this evaluation for the 2009–12 fiscal years. This report represents an evaluation of program impacts both cross-sectionally and longitudinally for SFY 2011.

Economic data for Nevada in SFY 2011 are bleak. The official unemployment rate persists above 13%.<sup>2</sup> According to University of Nevada researchers, "During 2010, Nevada had a combined unemployment and under employment rate of 22.3%."<sup>3</sup> Families with children fare even worse: 34% of Nevada's children are living in families in which no parent has full-time, year-round employment.<sup>4</sup> In the first quarter of 2011, Nevada continued to lead the nation in negative equity mortgages, with 62.6% of mortgaged properties in Nevada "under water."<sup>5</sup> Moreover, 13% of children live in families who have been impacted by foreclosure, in comparison with the national median of 3% of children living in households that were foreclosed upon.<sup>4</sup> Economists do not expect the Nevada housing market to begin recovery until sometime after 2012.<sup>3</sup>

The UEC, one of several state energy-assistance funds established over the past 15 years, logically remedies a severe problem of many Nevada households: the inability to pay for the energy necessary to meet basic household needs, such as moderating natural temperature extremes through home heating and cooling, due to rising energy costs and declining real incomes. In the northern Nevada winter or the southern Nevada summer, ability to secure adequate heating and cooling can be a matter of life and death. Federal Low-Income Home Energy Assistance (LIHEAP) funds, also used for these purposes, are "locked in" by an allocation formula that award these funds primarily to the winter-weather states of the northeastern U.S. LIHEAP funding for Nevada is unpredictable but always falls far short of the state's needs.

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<sup>1</sup>Collection for the UEC was fully functional in SFY 2002, but the programs were not yet functioning under the new designs. The legislation specified that the new program designs would become effective at the start of SFY 2003.

<sup>2</sup>Nevada DETR. Press Release August Unemployment Rate Release, September 2011. Downloaded on October 13, 2011 from [http://detr.state.nv.us/Press/UI\\_Rate\\_Releases/2011/Aug\\_2011\\_rate\\_release.pdf](http://detr.state.nv.us/Press/UI_Rate_Releases/2011/Aug_2011_rate_release.pdf)

<sup>3</sup>Brown, Stephen; Potts, Robert D (2011). "Nevada Economic Conditions and Outlook." The Center for Business and Economic Research, University of Nevada, Las Vegas, April 27, 2011. Downloaded on October 13, 2011 from <http://cber.unlv.edu/publications/CBER-NVEconomicOutlook-Apr2011.pdf>

<sup>4</sup>Annie E Casey Foundation. "Kids Count DataBook." August 17, 2011. Downloaded from [HTTP://datacenter.kidscount.org/Databook/2011/OnlineBooks/ForMedia/StateProfiles/KCDB2011\\_profiles\\_NV\\_FI\\_NAL\\_rev.pdf](HTTP://datacenter.kidscount.org/Databook/2011/OnlineBooks/ForMedia/StateProfiles/KCDB2011_profiles_NV_FI_NAL_rev.pdf) on October 13, 2011.

<sup>5</sup>Brown, Stephen; Daneshvary, Nasser (2011). "CBER-LIED Report on Housing-Market Conditions." Center for Business and Economic Research and Lied Institute for Real Estate Studies, College of Business, University of Nevada at Las Vegas. Vol 58, 1st Q 2011. Downloaded on October 13, 2011 from [http://business.UNLV.edu/WE-content/uploads/2011/06/housing\\_market\\_conditions.pdf](http://business.UNLV.edu/WE-content/uploads/2011/06/housing_market_conditions.pdf)

## Universal Energy Charge

Seven features define the careful and conservative character of the UEC:

- 1. Requiring a “Pay In.”** It is necessary to pay into the UEC to be eligible for UEC assistance. Instate statute, “paying in” is determined primarily by utility service territory. The “paying in” provision combines self-reliance with the tradition of the community pulling together when necessary. (LIHEAP, Department of Energy, and State Housing Trust Funds are used to the extent available to help households not paying in to the UEC. State Housing Trust Funds were unavailable for SFY 2011 but have been available in previous years.)
- 2. Recognizing the Inability to Pay.** Nevada households that encounter problems paying basic energy bills are not *refusing* to pay for service. They have, instead, become either temporarily or (increasingly) permanently *unable* to pay for necessary energy on a cost-of-service basis. The new generation of UEC programs adopted in a number of states represents attempts by legislatures to deal with the reality that energy affordability is a temporary problem for some households but a chronic problem for others due to insufficient wages for full-time work, accidents, illnesses, and other causes.
- 3. Establishing Realistic and Fair Assistance.** By basing the UEC payment assistance on the Nevada median household energy burden (currently 2.21%), the Energy Assistance Program (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 Energy Assistance Program. In the current national economic crisis it has become necessary to further cap assistance in order to stretch existing funds to serve more households.
- 4. Starting with a Conservative Eligibility Level.** The eligibility level for SFY2003 was set at 150% of the federal poverty level (FPL). Calculations by the evaluation team indicate that the current actual breakpoint for income insufficiency in the United States is 250-350% of the poverty level for most families (a point of increasing consensus arrived at in different studies around the country)( see table E in the appendix); some other states are now employing levels of 60% or 80% of state median income, 175% of FPL, 200% of FPL, or 250% of FPL.
- 5. Categorical Eligibility of Households.** Categorical eligibility refers to households in which all household members are eligible for other means-tested programs, such as Temporary Assistance for Needy Families (TANF), Supplemental Nutritional Assistance Program (SNAP, or “food stamps”), Social Security Supplemental Security Income (SSI), Social Security Disability Income (SSDI), or means-tested Veteran’s Disability Benefits. If all household members are eligible for one of these programs, the household is automatically considered income-eligible for EAP.
- 6. Understanding the Long-Term Problem.** Unless a dramatic turnaround occurs in the provision of living-wage jobs (jobs that can support a family, including some provision for meeting medical,

transportation, and retirement needs), increasingly large numbers of U.S. households—including those with full-time workers and a good history of bill payment and work discipline—will be unable to pay for their basic energy needs. As globalization of jobs continues, and in the context of an anticipated weak and long economic recovery, such a turnaround is not expected in the near future. UEC payment assistance is therefore essential to keep households that are unable to pay standard utility rates connected to utility services.

7. **Recognizing the Benefits of Weatherization.** Weatherization improves a home so that it can require substantially less energy to achieve the same (or sometimes better) levels of cooling, heating, and other energy services. A one-time investment of weatherization, combined with occasional minor maintenance, is designed to provide a *cost-effective* return on investment over 5 or more years. The *investment* nature and the cost-effective return for the “weatherization package” as a whole define the essential characteristics of the Nevada Housing Division (NHD) portion of Nevada’s UEC fund.

### Weatherization Assistance Program

WAP assists low-income households in reducing their utility costs by providing for energy conservation. It also provides necessary health and safety improvements to low-income homes as part of the weatherization service. In most years, funding comes primarily from Nevada’s UEC as provided by Nevada Revised Statute (NRS) 702.<sup>6</sup> WAP is administered by the NHD within the Department of Business & Industry. Although utilities may “red tag” a dangerous furnace leaking carbon monoxide to render it inoperable, NHD is the only agency in the state that provides emergency replacement of failed heating and cooling equipment to the resident. 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.

NHD coordinates funding from the Nevada Fund for Energy Assistance and Conservation (FEAC) with a variable amount of federal funding received from the U.S. Department of Energy (DOE). In addition, NHD sometimes can assist with Housing Trust Fund monies or other limited funding.

### Energy Assistance Program

EAP helps eligible households pay utility bills. The program is not designed to pay the total cost of energy; each household is responsible for paying a balance.

EAP-eligible households receive an annual benefit (credit), which is paid directly to their energy providers.<sup>7</sup> The program year corresponds to the state fiscal year, which begins each July 1. Applications

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<sup>6</sup> NHD was awarded over \$37 Million for weatherization from 2010-2012 by the Department of Energy as part of the American Recovery and Reinvestment Act (ARRA). However, ARRA “stimulus funding” was a one-time award of funds and has not been continued by the federal government even though the mainstream economy’s economic emergency continues for households.

<sup>7</sup> UEC funds are first used for payments to utilities in UEC. Federal LIHEAP and/or other funds are used for payments to non-UEC utilities, such as propane dealers.

are accepted through June 30 or until funds are exhausted, whichever comes first. Benefit recipients may re-apply each year, but must wait 11 months after their current benefit award date.

Payments from FEAC are normally keyed to the state median household energy burden, i.e., the percentage of household income that the median-income Nevada household pays for its energy bills. The median is updated yearly. This year, a further cap on assistance was made necessary to stretch existing funds to serve more households during the national economic emergency. Although more steps are involved, this is the general process for calculating a household's Fixed Annual Credit (FAC):

- 1. Identify Household's Annual Gross Income.** This is performed by the Nevada Division of Welfare and Supportive Services (DWSS), which then applies the median energy burden percentage to determine the amount the household is expected to pay toward their energy costs.
- 2. Identify Household's Annual Usage in Dollars for All Energy Sources.** During the application, DWSS determines the total annual cost of energy use for the household (including, for example, natural gas, electricity, wood, oil, propane, and kerosene). DWSS generally requests that the client show bills, or it may receive copies of bills directly from energy-supply companies. Applicants are expected to help DWSS obtain billing records when necessary.
- 3. Calculate the Difference.** For SFY 2011, if the household's annual dollar usage is greater than the state median percentage of household income, the difference (in dollars) is the Fixed Annual Credit (FAC). If the result of the calculation is less than \$180, the result is set equal to \$180, the minimum payment for eligible households.
- 4. Compare FAC with CAP Table.** For SFY 2011, the household FAC cannot exceed amounts listed in the CAP table (See Tables A1 and A2 in Appendix). This table is adjusted annually to accommodate fluctuations in available funding and statewide need for the EAP program.

Only customers of utilities that require customers to pay the UEC added on their monthly bills are eligible to receive help from FEAC. However, the state UEC program is coordinated with the federal program so that all eligible Nevada households receive equal treatment.<sup>8</sup>

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<sup>8</sup>This coordination implements NRS 702.250(3): "The Welfare Division shall, to the extent practicable, ensure that the money in the Fund is administered in a manner which is coordinated with all other sources of money that are available for energy assistance and conservation, including money contributed from private sources, money obtained from the Federal Government and money obtained from any agency or instrumentality of this state or political subdivision of this state."



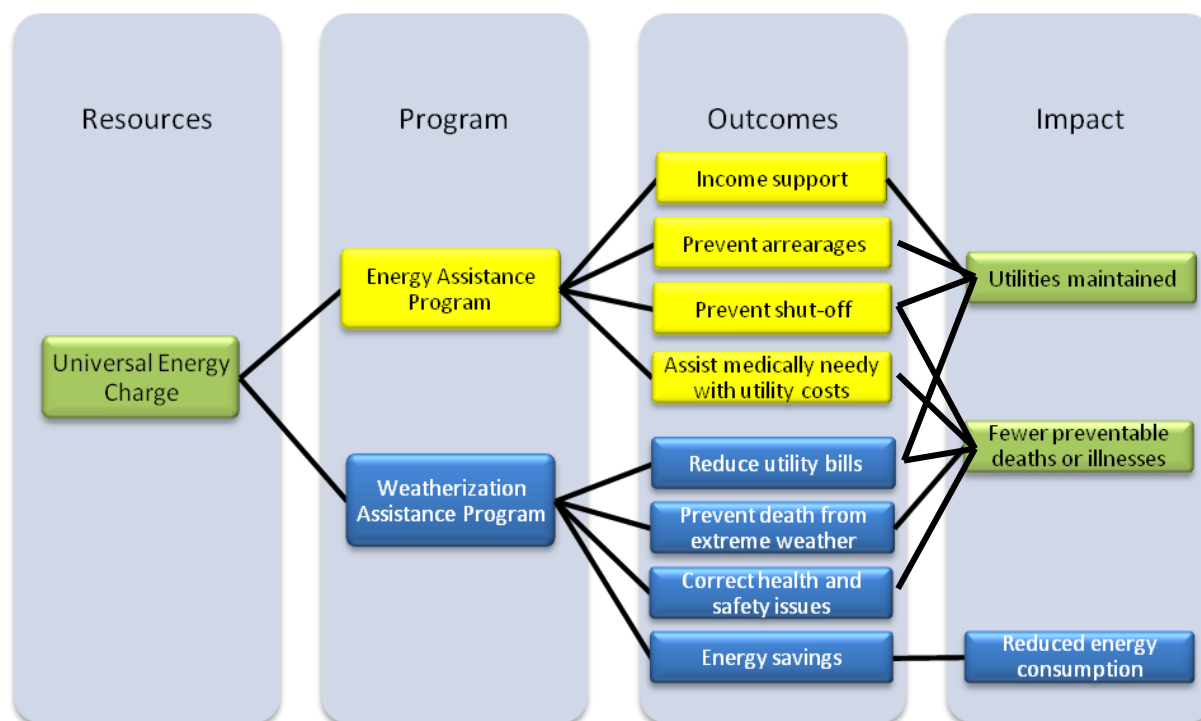


Figure 1. Coordinated impact of WAP and EAP on Nevada households.

## Coordinated Impact of WAP and EAP

These programs work in tandem to achieve complementary outcomes. The logic of program synergy is shown in Figure 1 (page 9), which illustrates how the activities of each program support the desired impact of the other program. While EAP's desired outcomes, shown in yellow, differ from WAP's desired outcomes, shown in blue, the primary intended impacts of both programs are the same: to reduce the number of preventable illnesses and deaths owing to temperature extremes, and to maintain utilities for all Nevada residents within the UEC service territory. WAP has the additional desired impact of reducing energy consumption. When WAP and EAP work in tandem on a residence, the cost to EAP of assisting that residence is reduced, thereby increasing the number of households that can be assisted.

## EVALUATION METHODS

This evaluation was designed to assess the implementation efficacy and achievements of Nevada's Energy Assistance and Weatherization Assistance Programs during SFY 2011. To support this goal, the evaluation team used multiple research methods tailored to the specific needs of the evaluation to provide systematic, objective data collection and analysis:

- ◆ **Document Review:** Nevada Fund for Energy Assistance and Conservation State Plan 2010, NRS 702, EAP and WAP program and administrative manuals, program applications and associated worksheets and other forms, outreach materials, performance-monitoring guidelines and reports, and program personnel organization charts
- ◆ **Statistical Analysis:** EAP and WAP fiscal and program data

- ◆ **File Review:** Stratified random sample of 120 EAP application files reviewed at the Carson City office
- ◆ **Office Observations:** DWSS/EAP facilities at Flamingo Road and Carson City, WAP facilities in Carson City, and Nevada Rural Housing Authority (NRHA) offices in Carson City
- ◆ **Individual and Group Interviews:** EAP program manager and social services manager, EAP Carson City office supervisor, EAP caseworker staff at the Flamingo Road and Carson City offices, WAP program manager, and WAP subgrantees.\*

*\*These interviews were conducted in addition to meetings with DWSS and NHD leadership.*

## Data Sources

### EAP and WAP Qualitative Sources

The evaluation team obtained fiscal data, and data on services provided and clients served by EAP and WAP, directly from the EAP and WAP programs. We evaluated business process operations through site visits, in-person observations, and interviews with staff. Information Technology (IT) functioning for EAP was evaluated both through the evaluation team’s assessment of IT data quality and through interviews with EAP staff. We evaluated EAP program implementation and achievement through staff and management interviews.

The team assessed WAP program implementation and achievement through interviews with staff, management, and subgrantees. Interviews were completed with multiple staff at five WAP subgrantee agencies.

### EAP Quantitative Data Sources

The following EAP-provided data sets were used for analyses:

- ◆ **Eligibility Certification**—including information on 49,062 applicant records determined to be eligible, ineligible, pending, or RFI with the dates of determination. This data set was used to define the case eligibility status.
- ◆ **Family Members Details**—including 129,622 records on the family members of applicants requesting EAP assistance, including dates of application.
- ◆ **Income Type Details**—including 78,761 records.

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 data sets include some duplicate data, including applicants and families who applied for benefits more than once during the fiscal year. In order to create data sets that most accurately represent EAP data, the evaluation team used the following criteria to “clean” the data files:

1. Application processing time analyses: Only applications with accurate application and determination dates were included in the analyses. The IT system replaces any previous application date for an applicant when a new application is received from that applicant. Applications that were pending at the close of the SFY 2011 fiscal year, and therefore did not yet

have a determination date, were therefore excluded from this analysis. Applications that were processed during the months of July 2010 and June 2011 also were excluded.

The applicant eligibility records include those who were originally denied benefits, but who later were determined to be eligible for benefits. These records were counted as unique records since there was a process involved in their determination. After “cleaning,” the data set included cases that were determined as eligible and ineligible in the determination period (also called “combined”) (n=47,040).

2. Eligibility and benefits determination analyses: Applicants who were awarded a benefit very early in SFY 2011 were eligible to re-apply late in SFY 2011, and in some cases these re-applicants were awarded a benefit for SFY 2010 at the start of the SFY 2011 fiscal year, and a benefit for SFY 2011 at the close of the SFY 2011 fiscal year. Since these re-applicants represent actual additional cases that were handled by EAP staff, and actual benefits that were paid for recipients, both determinations are included in these analyses and in the calculation of benefits paid during SFY 2011.

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 33,133; this included duplicates and recertification cases. This count was used to determine the total benefits expenses. The remaining analyses were conducted on unique application determinations of merged **Eligibility Certification** and **Family Members Details**. Out of the total of 43,885 unique cases, 33,050 cases were identified as eligible. Cases with missing values and high discrepancy between the energy cost, benefit payments, and income (n=143) were excluded from the analyses.

3. Characteristics of EAP participants: Analyses of demographic and other characteristics of the EAP recipient population were based on 33,050 unique cases.

### **WAP Quantitative Data Sources**

The Building Weatherization Report (BWR) is an ACCESS-based tracking and management tool developed and used by the WAP program. The database contains a wealth of information on DOE- and FEAC-funded weatherization projects. The database was used for this evaluation to extract information on demographics, weatherization activities such as air sealing, conservation, health and safety, and minor home repairs. The BWR application also contains the Savings to Investment Ratio (SIR) program, which calculates estimated savings in kilowatts and therms generated by weatherization activities. The database contains information on weatherized homes only, which did not allow for examination of the application and certification process.

### **Fiscal Data**

The fiscal analysis for the evaluation relies on information provided by DWSS and NHD.

## ANALYSIS OF GOVERNING LAW, REGULATION, AND POLICIES

### Nevada Revised Statutes 702

NRS 702 defines and provides primary direction to Nevada's Energy Assistance Programs. It specifies the responsibilities of the Public Utilities Commission of Nevada (PUCN), the Division of Welfare and Supportive Services, and the Nevada Housing Division.

**Duties of the PUCN:** NRS 702 begins with a description of the duties of the PUCN, in the "Universal Energy Charge" (UEC) section. Basically, PUCN is responsible for collection of the UEC, along with any necessary refunds, and with collections enforcement should any collections problems occur. PUCN has powers of enforcement to ensure that collections comply with law.

In addition, each year the Division of Welfare and Supportive Services and the Housing Division are to jointly "solicit advice from the Commission as part of the annual evaluation" of the UEC programs [NRS 702.280(2)(b)]. Moreover, the PUCN must have representation on the Low-Income Energy Assistance Advisory Group. This Advisory Group provides recommendations to both EAP and WAP.

**Duties of the Division of Welfare and Supportive Services:** The next section in the statute, "Programs of Energy Assistance," describes the Fund for Energy Assistance and Conservation (FEAC), which is initially constituted by the UEC receipts sent to the DWSS by PUCN after deduction of PUCN costs. PUCN may also direct refunds by DWSS from the Fund as appropriate. DWSS is also charged with ensuring that the Fund is administered "in a manner which is coordinated with all other sources of money that are available from energy assistance and conservation, including money contributed from private sources, money obtained from the Federal Government, and money obtained from any agency or instrumentality of this State or subdivision of this State." All interest to the Fund is to be credited to the Fund. DWSS is responsible for ensuring that seventy-five percent (75%) of the fund is distributed to DWSS and twenty-five percent (25%) of the fund is distributed to the Housing Division. Except for administrative expenses, DWSS is to use its part of the FEAC to:

- ◆ Assist eligible households in paying for natural gas and electricity.
- ◆ Carry out activities related to consumer outreach.
- ◆ Pay for program design.
- ◆ Pay for the annual program evaluations.

To the extent practicable, DWSS is to determine the amount of assistance that a household will receive by determining the amount that is sufficient to reduce the percentage of the household's income that is spent on natural gas and electricity to the median percentage of household income spent on natural gas and electricity statewide.

DWSS may adjust the amount of assistance by such factors as:

- ◆ Household income

- ◆ Household size;
- ◆ Type of energy used in the household; and
- ◆ Any other factor which, in the determination of the Division, may make the household particularly vulnerable to energy costs.

DWSS must:

- ◆ Solicit advice from the Housing Division and other knowledgeable persons;
- ◆ Identify and implement appropriate delivery systems to distribute money from the Fund and provide other assistance;
- ◆ Coordinate with other federal, state, and local agencies that provide energy assistance or conservation services to low-income persons and, to the extent allowed by federal law and to the extent practicable, use the same simplified application forms as those other agencies;
- ◆ Establish a process for evaluating the programs;
- ◆ Develop a process for making changes to the programs; and
- ◆ Engage in annual planning and evaluation processes with the Housing Division.

The Evaluation Team finds the Division of Welfare and Supportive Services' Energy Assistance Program fully compliant with the provisions of NRS 702.

**Duties of the Nevada Housing Division:** NHD receives twenty-five percent (25%) of the money in the FEAC. Of this, six percent (6%) may be used for administration. NHD may use the balance of funding only to:

- ◆ Provide an eligible household with services of basic home energy conservation and home energy efficiency or to assist an eligible household to acquire such services, including services of load management.
- ◆ Pay for appropriate improvements associated with energy conservation, weatherization and energy efficiency.
- ◆ Carry out activities related to consumer outreach.
- ◆ Pay for program design.
- ◆ Pay for the annual evaluations.

Generally, with some exceptions, to participate in these programs, in most years a household must have an annual income not more than 150% of the federal poverty level as determined by NHD.

The NHD may provide emergency assistance to a household if the health or safety of one or more of the members of the household is threatened because of the structural, mechanical, or other failure of the housing unit. Such emergency assistance may be rendered in good faith if the household is otherwise believed to be eligible to receive assistance. The NHD is to adopt regulations to carry out and enforce these provisions.

In carrying out the provisions of this section, the Housing Division is required to:

- ◆ Solicit advice from the Division of Welfare and Supportive Services and from other knowledgeable persons;
- ◆ Identify and implement appropriate delivery systems to distribute money from the Fund and to provide other assistance pursuant to this section;
- ◆ Coordinate with other federal, state, and local agencies that provide energy assistance or conservation services to low-income persons and, to the extent allowed by federal law and to the extent practicable, use the same simplified application forms that are used by those other agencies.
- ◆ Encourage other persons to provide resources and services, including, to the extent practicable, schools and programs that provide training in the building trades and apprenticeship programs;
- ◆ Establish a process for evaluating the programs conducted pursuant to this section;
- ◆ Develop a process for making changes to such programs; and
- ◆ Engage in annual planning and evaluation processes with the DWSS.

The Evaluation Team finds the Housing Division's Weatherization Assistance Program fully compliant with the provisions of NRS 702.

**Joint Duties of DWSS and NHD:** Together, DWSS and NHD must establish an annual plan to coordinate their activities and programs. In establishing each annual plan, the Divisions are to solicit advice from knowledgeable persons. The annual plan must include a description of:

- ◆ The resources and services being used by each program and the efforts that will be undertaken to increase or improve those resources and services;
- ◆ The efforts that will be undertaken to improve administrative efficiency;
- ◆ The efforts that will be undertaken to coordinate with other federal, state, and local agencies, nonprofit organizations, and any private business or trade organizations that provide energy assistance to low-income persons; and
- ◆ The efforts that will be taken to address issues identified during the most recently completed annual evaluation of the UEC programs.

**In addition, the Divisions are to jointly:**

- ◆ Conduct an annual evaluation of the UEC programs;
- ◆ Solicit advice from the Commission as part of the annual evaluation;
- ◆ Prepare a report concerning the annual evaluation and submit the report to the Governor, the Legislative Commission, and the Interim Finance Committee. The joint report is separate from the annual plan, and is to include:
  - A description of the objectives for each program;
  - An analysis of the effectiveness and efficiency of each program in meeting the objectives of the program;

- The amount of money distributed from the Fund for each program and a detailed description of the use of that money for each program;
- An analysis of the coordination between the Divisions concerning each program; and
- Any changes planned for each program.

The Evaluation Team finds the Division of Welfare and Supportive Services and the Nevada Housing Division fully compliant with the provisions of NRS 702 in carrying out these joint responsibilities.

## Consumer Bill of Rights and the Public Utilities Commission of Nevada

The mission of the PUCN is stated as follows:

“To enable universal access to affordable, efficient, safe and reliable utility service in Nevada, the Public Utilities Commission (‘Commission’) will ensure that all of its decisions are based on a fair and impartial examination of the evidence, as well as exhaustive investigation. The commission will balance the interest of customers and shareholders of public utilities by providing utilities with the opportunity to earn a fair return on their investments while providing customers with just and reasonable rates.”

In carrying out this mission, PUCN established a Consumer Bill of Rights, which is “... designed to obtain utility services and to keep those services on.” The Bill of Rights recognizes that utilities provide vital services which must be made available to all.

This may have a policy impact on the operation of NRS 702. The Bill of Rights:

- ◆ Eliminates deposits unless the customer has poor credit history.
- ◆ Limits the size of the deposit and allows for installment payments.
- ◆ Requires utilities to offer a “budget billing” program.
- ◆ Requires payment plans for needy customers.
- ◆ Offers special protection for the elderly and handicapped.
- ◆ Postpones service termination when health is at risk.
- ◆ Provides third-party notice prior to service termination.
- ◆ Allows customers to apply for service via phone or mail.

A full presentation of the Consumer Bill of Rights is at Nevada Administrative Code 704.358 (NAC 704.358).

**Impact of Public Utility Commission Oversight of Rights, Notice, and Termination:** PUCN, under NAC 704, may also have an impact on the NRS 702 programs because these programs affect bills and

payments. In particular, the timeliness of payments is affected by the timeliness of DWSS processing, which may ultimately affect termination of utility services. According to NRS 704.1835:

1. For the purposes of protecting the health of residential customers who receive gas, water or electricity from public utilities, the Commission shall adopt or amend regulations that: (a) Establish the criteria that will be used to determine when a public utility is required to postpone its termination of utility service to the residence of a residential customer who has failed to pay for such service. Such criteria may be based in part upon the residential customer's ability to pay. (b) Require a public utility to postpone its termination of utility service to the residence of a residential customer who has failed to pay for such service if the residential customer satisfies the criteria established by the Commission and termination of the utility service is reasonably likely to threaten the health of an occupant of the residence of the residential customer.
2. In addition to the regulations adopted pursuant to subsection 1, for the purposes of regulating public utilities that provide gas, water or electricity to landlords who pay for the utility service and who distribute or resell the gas, water or electricity to one or more residential tenants, the Commission shall adopt or amend regulations to require a public utility to use its best efforts to post, in a conspicuous location, notice of the intent of the public utility to terminate utility service because the landlord has failed to pay for such service. Such notice must provide sufficient information to allow residential tenants or their occupants to contact the public utility if termination of the utility service is reasonably likely to threaten the health of an occupant of the residence of a residential tenant.
3. A public utility shall not terminate utility service for gas, water or electricity without complying with the regulations adopted by the Commission pursuant to this section.

### **American Recovery and Reinvestment Act of 2009, Public Law 111-5 (ARRA)**

ARRA was passed by the United States Congress in February 2009 in an attempt to stimulate the United States economy by distributing funds to states for various projects expected to generate employment. Under ARRA, the Department of Energy awarded the State of Nevada \$37,281,937 for low-income energy efficiency over a three-year period. This represents a substantial increase in funding over previous years. ARRA also required that employment funded by ARRA adhere to Davis-Bacon Act wage determinations,<sup>9</sup> which was a new policy for NHD to implement. Following the one-time ARRA "stimulus," the federal government has failed to provide the promised additional stimulus funding for weatherization funding on which the job training provisions of ARRA were premised, even though the national mainstream economic and joblessness crisis continues.

### **Nevada Senate Bill 152**

SB152, enacting the Green Jobs Initiative by specifying how portions of ARRA funding must be spent on energy efficiency, was introduced in the Nevada Senate on February 19, 2009 and was effective on June 9, 2009. This bill provides specific direction on training in weatherization, energy retrofit, and energy audits. It requires the Department of Employment, Training and Rehabilitation (DETR) and NHD to contract this training with nonprofit collaboratives. The bill also specifies that individuals trained by the collaborative will be employed by NHD contractors for ARRA-funded residential weatherization work, and that said employees will be paid prevailing wages and offered health insurance. Waivers for some of

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<sup>9</sup> Davis-Bacon Act (1931) requires that workers are paid prevailing wages and benefits paid on similar projects.



the provisions are provided under specific circumstances in the bill. Previous to SB152, NHD provided much of the weatherization training to subgrantees and contractors. In addition, contractors and subgrantees had full responsibility for hiring weatherization employees, with no governmental requirements regarding prevailing wages (other than standard employment law) or recruitment from training programs.

## **FISCAL ANALYSIS OF UEC DISTRIBUTION**

There are two high-level fund categories:

1. Universal Energy Charge (UEC) collection is an operation completely separate from program administration. It is administered separately by the PUCN, which began to receive UEC payments in fall 2001 (early SFY 2002). Amounts collected are periodically reconciled and then transmitted to the DWSS Accounting Office.<sup>10</sup>
2. The Fund for Energy Assistance and Conservation (FEAC) is maintained by the DWSS Accounting Office. FEAC serves as the UEC minus the administrative expense for the PUCN. It also includes any carry-over funds from a prior fiscal year and any interest accrued. It is reduced by the amount of any refunds directed by the PUCN.<sup>11</sup>

### **Collections (PUCN)**

The PUCN is the locus of oversight responsibilities for regulated Nevada utilities. The agency has both investigative and enforcement powers. PUCN responsibilities for the UEC include collections, refunds in accordance with legislative provisions, and investigation and enforcement of collections matters as necessary. Because collections have proceeded smoothly, there has been no need for the PUCN to exercise its investigative or enforcement powers through the close of SFY 2011. The PUCN transfers funds to FEAC, which is administered by DWSS, the Accounting Office of which then transfers funds to NHD.

In SFY 2011, \$11,932,270 was received for the UEC by PUCN. After deducting \$57,139 for administrative costs, PUCN transferred \$11,875,131 to the DWSS for FEAC. An additional \$52,064 in PUCN-directed refunds was subtracted from this amount. The total FEAC revenue to be distributed between EAP and WAP for SFY 2011 was \$11,823,067.

Statute dictates that 75% of FEAC be allocated to EAP while 25% be distributed to WAP. The distribution of principle UEC funds follows this allocation formula.

The distribution of UEC fund interest follows a separate formula, initiated in SFY 2006. This formula is as follows:

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<sup>10</sup> Per NRS 702.100, "Universal Energy Charge" means the charge (UEC) imposed pursuant to NRS 702.170.

<sup>11</sup> Per NRS 702.040, "Fund" means the Fund for Energy Assistance and Conservation (FEAC) created by NRS 702.250.

1. The average balance of the UEC fund is determined by adding the fund balance at the beginning of a period to the fund balance at the end of that period. This sum is then divided by two to obtain the simple average balance of the fund.
2. The Housing Division's simple average balance is calculated by dividing the Housing Division's principle distribution by two.
3. The Housing Division's simple average balance is divided by the total fund's simple average balance during the period. This percentage is then multiplied by the total interest earned during that period. The result is the amount of interest that is distributed to the Housing Division.

Note 1: Of the total amount transferred from PUCN for the FEAC, a small portion (approximately 20%) is generally not received until the first quarter of the following fiscal year; therefore, these funds are generally expended during the next fiscal year.

Note 2: In SFY 2010, there was an error in the allocation formula, and NHD was overpaid by \$824. This error was corrected with the first distribution in SFY 2011.

## EAP EVALUATION

### Fiscal Analysis

As shown in Figure 2, \$8,868,125 was received by EAP, representing a 1% decline in UEC funds available compared with SFY 2010, and a 27% decline in the UEC funds available compared with SFY 2009. EAP spent \$8,903,646 in 2011. Of this total, 0.6% was used for program administration, 6.5% was used for program design and computer re-programming, 0.2% for outreach, and 1.1% for program evaluation. The remainder of the funds was spent on case processing and client assistance. (See Table B in the Appendix for full fiscal data tables.)

### Business Process Analysis

EAP application processing operations experienced dramatic increases in productivity during SFY 2011 as management instituted new business

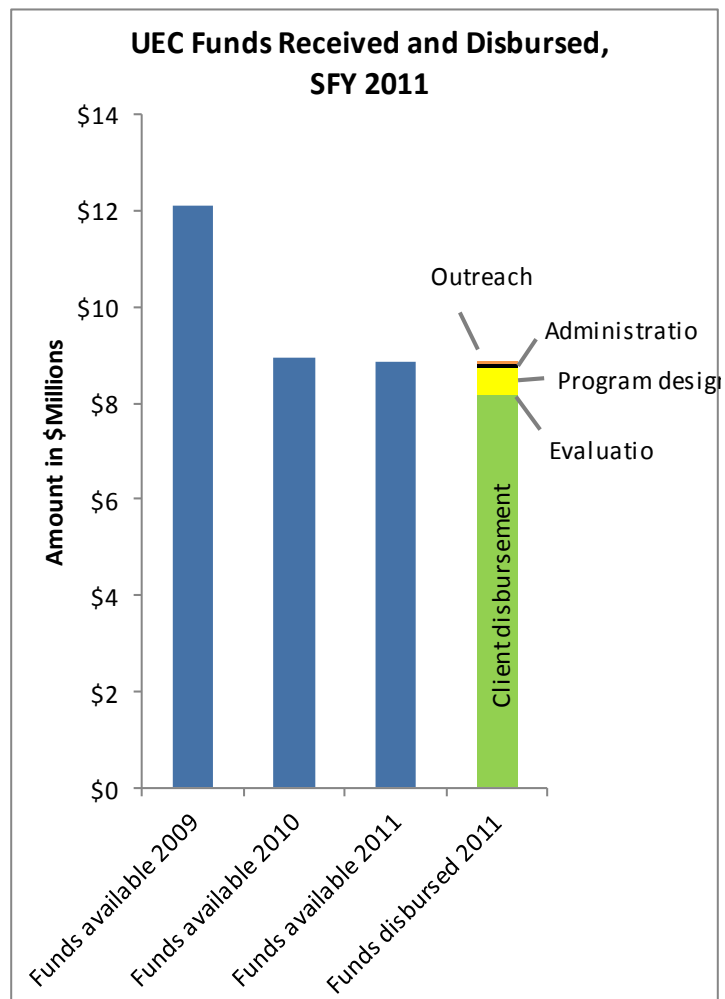


Figure 2. Universal Energy Charge (UEC) Funds received and disbursed

processes. However, as a consequence of the national economic emergency, the State of Nevada's budget shortfalls of SFY 2010 continued throughout SFY 2011, requiring EAP to institute creative strategies to address high demand for assistance with less funding. Compounding EAP's challenges, Nevada is anticipating a 75% reduction in federal funding for energy assistance in SFY 2012. These budgetary difficulties encouraged EAP to develop strategies to direct as many dollars as possible away from processing and other administrative functions and into direct client assistance.

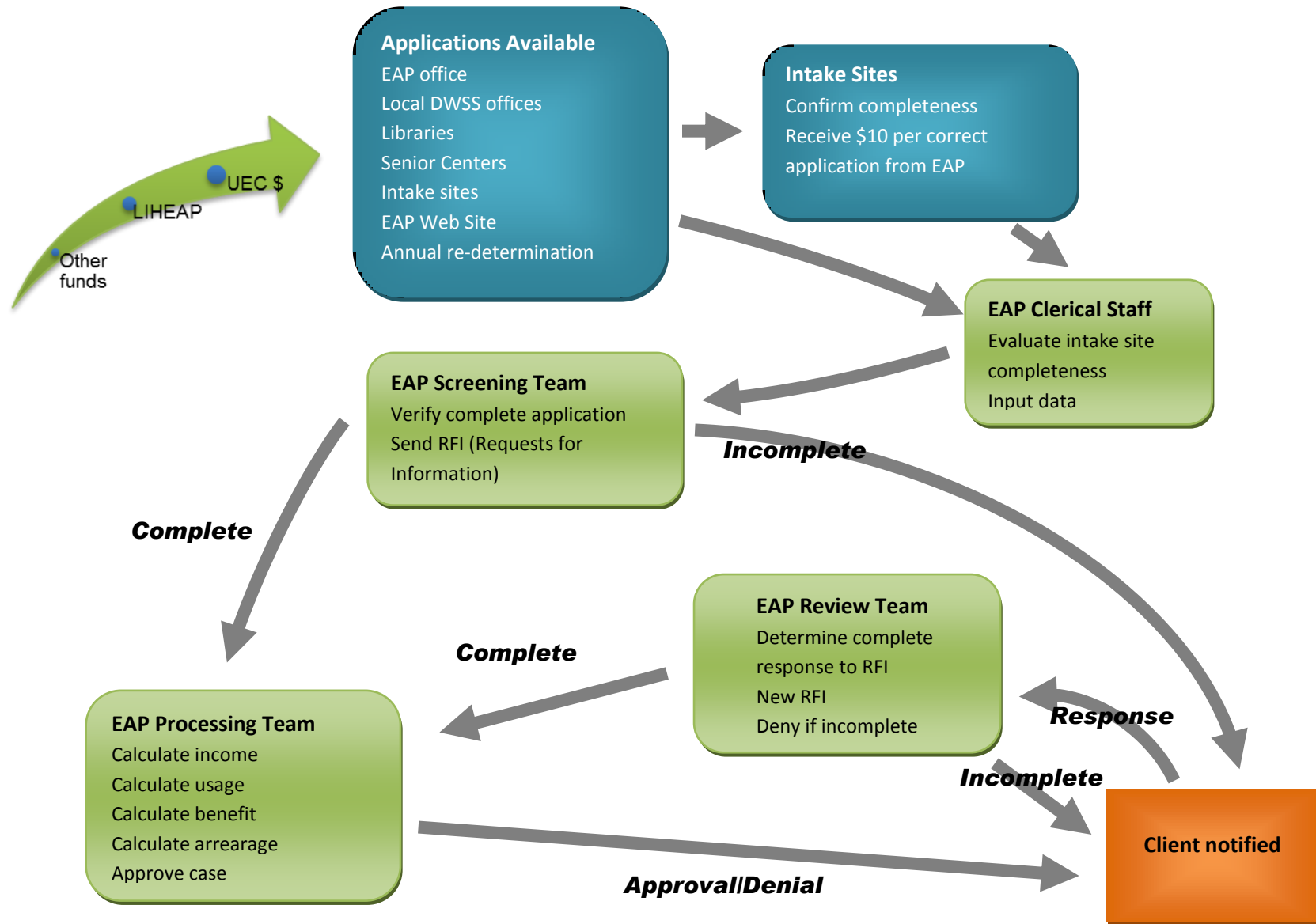
Early in SFY 2011, management realized that the improvements in processing made during the prior year were insufficient to accommodate the increase in applications. Staff were struggling to keep up with the influx, and the backlog of applications was gradually increasing. Management made several key changes that resulted in dramatic increases in application processing efficiency:

- ◆ Clarified work expectations and increased individual accountability. Supervisors now provide staff daily with the applications they are expected to process by close of business. Any applications that are unprocessed at the end of the day must be rubber-banded and identified with the staff person's name and returned to the supervisor. Supervisors are now able to quickly identify bottlenecks. Staff have a clear understanding of performance expectations and have a sense of accomplishment at the end of each day.
- ◆ Consolidated processing teams. The Budgeting and Certifying teams were consolidated into one Processing team, as seen in Figure 3 on page 20. This reduced some of the redundancy in the previous business process.
- ◆ Organized clerical tasks. Clerical tasks were clearly delegated to staff to avoid duplication and reduce confusion.
- ◆ Increased hourly wage for temporary workers. The ability to offer a slightly higher wage enabled EAP to hire from a more experienced pool of candidates. This appears to have resulted in a more stable workforce, correcting a turnover situation in the Las Vegas office.
- ◆ Introduced a new policy to allow the use of TANF or food stamps for EAP eligibility determination. If an applicant has already demonstrated proof of identification and proof of income for TANF or food stamps, and that data have been entered into the NOMADS system, staff may rely on NOMADS data for EAP eligibility determination. This reduces unnecessary Request for Information (RFIs), thereby saving staff time.
- ◆ Introduced more efficient processing for fixed-income re-certifications. Prior-year clients who are on fixed income may submit a statement verifying that they are still on a fixed income in lieu of providing a benefit letter from Social Security or the Department of Welfare and Social Services.

Interviews with 13 EAP managers and staff indicated that these changes have been universally well-received. Staff noted that an unexpected benefit of shorter processing times was fewer applicant calls regarding pending applications. This provided an unexpected additional time savings. Several staff did note that the unemployment division continues to be slow to respond to EAP requests for verification of benefits. There have also been some challenges noted with applications from intake sites. One caseworker shared with the evaluation team applications that had been received from an intake site on

# ENERGY ASSISTANCE PROGRAM BUSINESS PROCESS, FY 2011

State of Nevada Division of Welfare and Supportive Services



May 16 with application dates ranging from April 21 to May 13. Staff noted that they will sometimes receive a client follow-up call regarding an application that has still not arrived from the intake site. Another staff member noted that some employers are no longer filling out earnings verification forms and are instead directing EAP to a website to obtain these records. While challenges will always remain, particularly when coordination between agencies is involved, EAP appears to have successfully addressed the key challenges that are within its control.

### **Business processes map**

The new operational processes of EAP are depicted in Figure 3 on page 20. This diagram displays a series of major activities that occur during the EAP lifecycle. The cycle begins with the major funding streams into EAP (primarily UEC and LIHEAP), and then program outreach makes applications for assistance available in various locations. Contract intake sites assist clients with filling out applications, and intake sites and local social services offices accept applications. Applications are processed at EAP offices in Carson City and in Las Vegas. Once in the processing queue, applications are input into the computer system and passed to the Screening Team for a “Request for Information” screening for completeness. If information is missing, clients are issued a Request for Information. Information that comes back from the client goes to the Review Team, which determines whether the client responded completely to all requests for information. When applications are complete, they are passed to the EAP Processing Team, which calculates income, energy usage, and benefit. Clients then are notified of the decision, and funds are dispersed.

### **IT system evaluation**

The evaluation team interviewed EAP management to determine how improvements to the EAP IT system are working. SFY 2011 was the first full year in which Crystal Data Universe and Crystal Reports were implemented. Crystal Universe continues to perform well. Management can now use Crystal Universe to easily identify pending reapplication cases, which had to be identified manually in the past. LIHEAP reporting is faster and more consistent as well, and real-time data are incorporated into reports. There are a few remaining challenges: If a manager wants to find out which caseworkers working on a particular file, Crystal will pull the name of a person who has worked on the file, but not necessarily the current person who has the file. Further, benefit determinations do not always pull accurately, and management must double-check system data to ensure that benefit data had been pulled correctly.

A number of improvements to Crystal Universe are in the works:

- ◆ Redeposit tracking. Currently, manual tracking is used to manage benefit payments that are returned or canceled because a client has moved or has had service disconnected. Such client situations cause accounting and reporting to show differing balances because accounting would show the re-deposits but EAP reporting would not have that information. This is time-consuming for staff, who have to research each case with accounting in order to reissue payments. The updated system will incorporate redeposit tracking into the EAP reporting system, so that EAP will be able to reissue payments directly, saving substantial time and improving customer service.

- ◆ Authorized representative tracking. Currently, if a client has an authorized representative, staff can note this in the narrative section, but any time a notice is sent to that client, staff must remember to print an additional notice for the authorized representative. The updated system will register the authorized representative in the client's file and automatically generate notices to the authorized representative every time a notice goes to the client. Moreover, if an authorized representative calls on behalf of the client, Customer Service staff will be able to verify the authorized representative in the system and respond immediately. At this time Customer Service staff must take a message and refer it to Eligibility Staff, who have access to the hard copy file, which results in a slower response time. Several other modifications are in the planning phases:
- ◆ Cross fiscal year cases. Currently, applications that are still pending at the end of the fiscal year must be entered into the system twice: first, when the application is received in the prior fiscal year; and second, when the new fiscal year begins. A planned change is to drop the program year into the system before the new program year actually begins, so that applications can be registered in the fiscal year during which they will be processed.
- ◆ Data integrity. There are long-term plans to enable access to Social Security data, death records, and prison records. This modification will provide an additional verification step to ensure fraud prevention; however, this is a very resource-intensive project that will take some time to fully develop.

## Implementation Evaluation

In SFY 2010, EAP implemented changes that enabled them to consistently meet their target of processing applications in fewer than 60 days. In fact, application processing times had been reduced to close to 30 days for all applications. However, an influx of applicants in the face of Nevada's continued poor economy resulted in gradually increasing application times at the end of that fiscal year. These

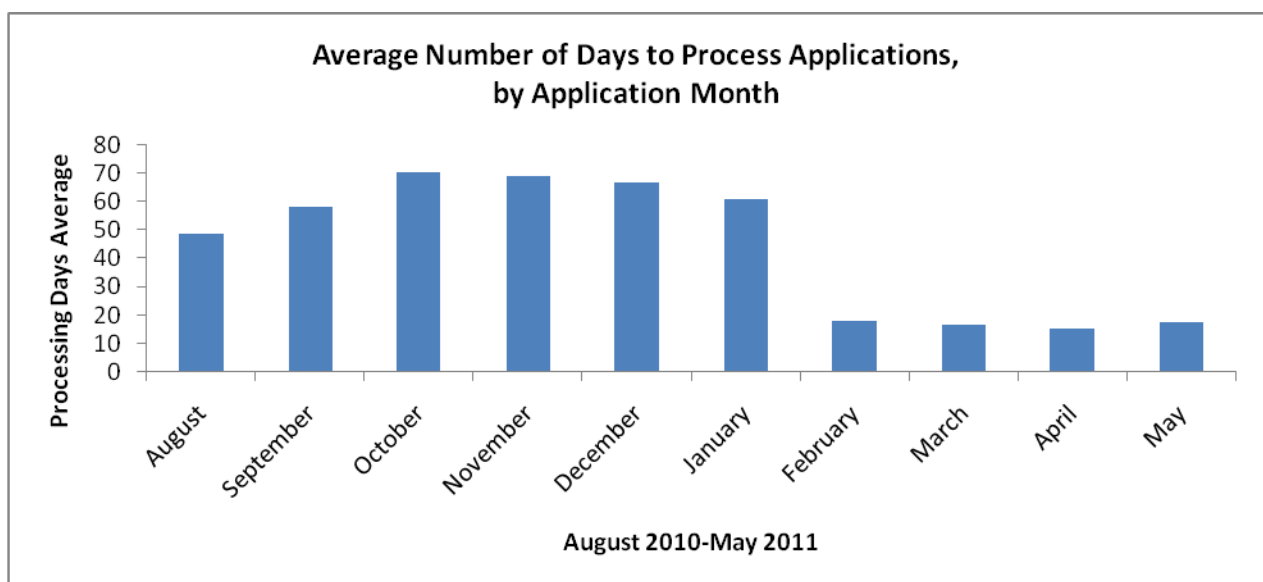


Figure 4. Average number of days to process applications by application month.

increased application times continued into SFY 2011, as seen in Figure 4.

In response to these increases, EAP implemented new application processing procedures, which resulted in dramatic decreases in application processing time. Implementation of the new processes in February of 2011 enabled EAP to markedly reduce application processing time and eliminate the backlog of cases. Most cases are now processed in well under 30 days, with many cases being processed within 12 business days. This improvement represents a great achievement of EAP management and staff under difficult conditions.

As seen in Figure 4, the number of determinations peaked in the spring of 2011 as EAP eliminated the backlog of applications. The proportion of eligible and ineligible cases remained fairly consistent throughout the year (Figure 5).

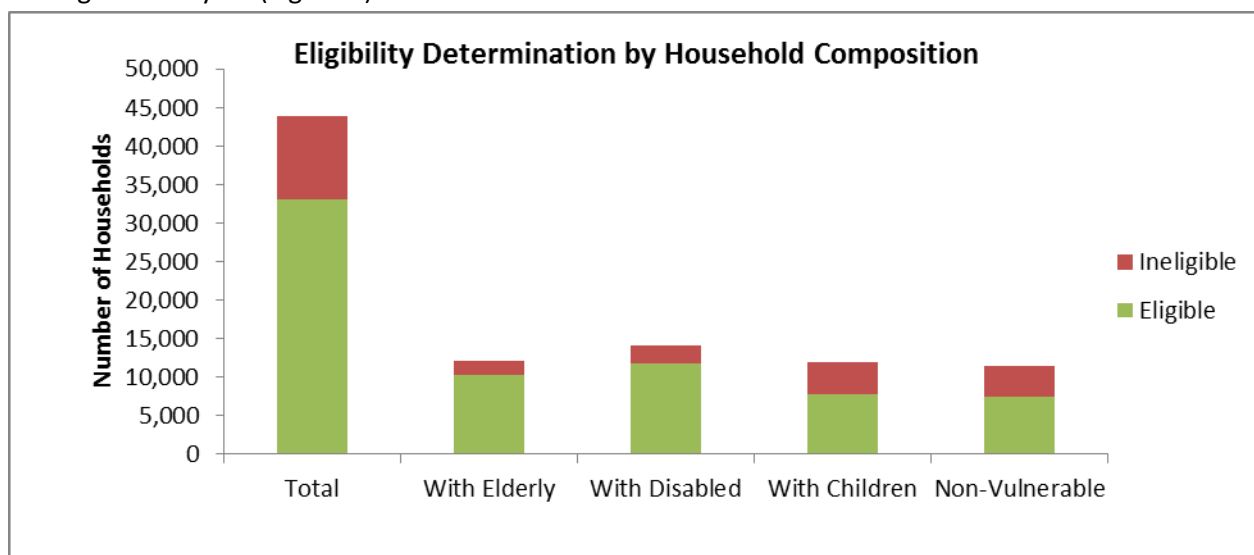


Figure 5. Number of eligible and ineligible applications by determination month.

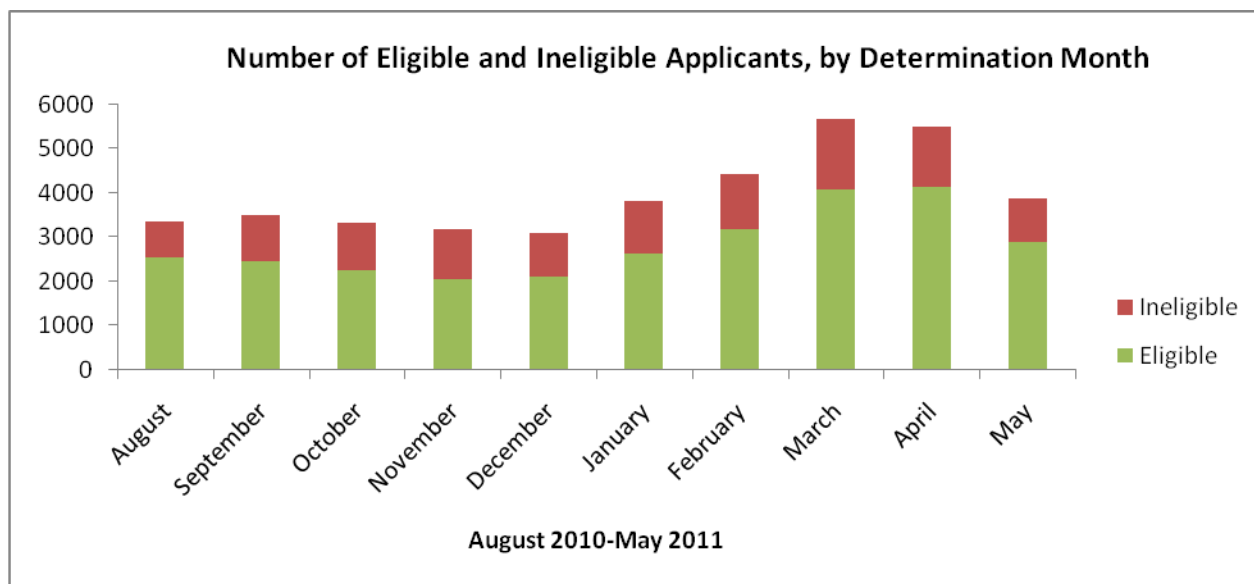


Figure 6. Eligibility determination by household composition.

## Household Characteristics

Nearly 44,000 households applied for energy assistance during SFY 2011, an increase of 10.8% from SFY 2010 and an increase of 37.3% from SFY 2009. Of those, 33,050 (75.3%) were determined to be eligible, and 10,835 (24.7%) were determined to be ineligible (Figure 6). This represents an 18% increase in caseload from SFY 2010 despite a 1% decline in UEC funding.

## Households Served

Households served included the following vulnerable populations: elderly (age 60 or older)(30.7% of all households served), children younger than six (25.7% of all households served), or disabled (35.6% of all households served). This is shown in Table 1 and represents a decrease in the proportions of households with elderly and disabled residents from SFY 2010 and 2009. These changes are statistically significant and suggest a rising need among healthy preretirement adults as a result of higher unemployment in Nevada.

Populations Served			
	Number of Households 2011	Percent of Total 2011	Percent of Total 2010
With Elderly	10,161	30.7	33.4
With Disabled	11,781	35.6	39.3
With Children Under 6	8,483	25.7	27.5
Non-Vulnerable	7,432	22.5	21.4
Total	33,050		

Table 1. Populations served in 2011 by number of households and percent of total households, compared with previous fiscal year, 2010

The majority of the households served were in

Clark County (65% of all households served), followed by Washoe County (17%), as shown in Figure 7.

Most households served by EAP were living in rented homes (79.3%; see Table C in the appendix), primarily apartments (47.7%; see Table 2). The main energy source used by EAP households was

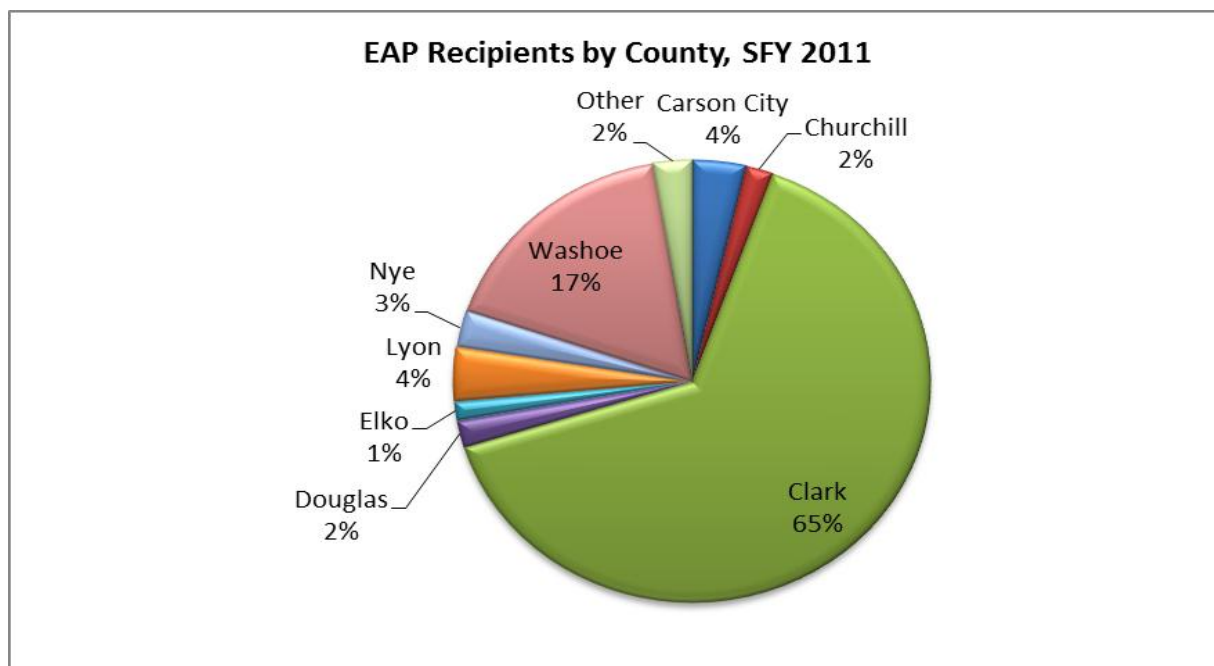


Figure 7. EAP Recipients by county for SFY 2011.



electricity (98.3%), followed by natural gas (57.9%; see Table 3).

Dwelling Type		
	Number of Households*	Percent of Total
Apartment	15,760	47.7
House	11,136	33.7
Mobile Home	3,242	9.9
Condo/Townhouse	1,778	5.4
Duplex	808	2.4
Studio	139	0.4
Other	176	0.6

\* Missing information on eleven dwellings.

Table 2. Dwelling type by number of households and percent.

Energy Type		
	Number of Households	Percent of Total
Electric	32,498	98.3
Natural Gas	19,132	57.9
Propane	1,179	3.6
Heating Oil	97	0.3
Other*	33	0.1

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

Table 3. Energy type by household number and percent.

## Achievement Evaluation

The EAP's logic model is shown in Figure 8. The model is developed through discussion with EAP staff. EAP's ultimate goals are to maintain utility services for low-income households throughout the state, and to maintain health and safety, including moderating temperature extremes and operating medical equipment. To make progress toward these objectives, EAP provided support to 33,050 households through UEC-paying utilities in the state in SFY 2011, as seen in Table 4, which gives a demographic view of EAP distributions.

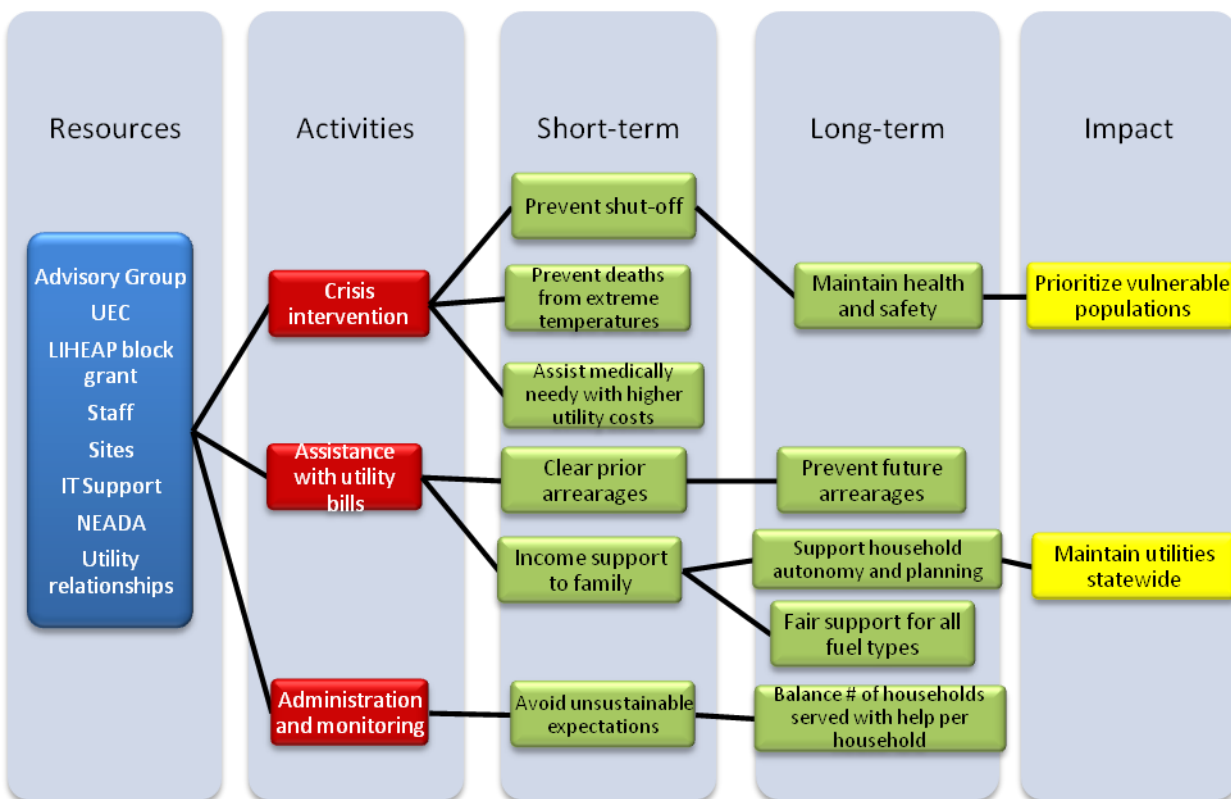


Figure 8. EAP logic model.

Demographic Data for EAP Program Recipients					
	Households with young children	Households with disabled member	Households with elderly member	Households with no vulnerable members	All Households
<b>Average Benefit</b>	\$1,103.07	\$796.42	\$673.13	\$872.22	\$893.52
<b>Total Awarded</b>	\$9,357,336.72	\$9,382,624.44	\$6,839,664.03	\$6,482,341.58	\$29,604,930.75

Table 4. Demographic data for EAP program recipients.

As seen in Table 1, more than one third of households receiving EAP funds had a disabled member. Slightly less than one third had an elderly member, and one quarter of households had at least one child under age six.

### Impact of benefit caps

EAP is designed so that the energy burden for program participants should be equivalent to the median energy burden for median-income Nevada households: 2.21% in SFY 2011.

Percentage of Income EAP Participants Are Expected to Spend on Energy After Assistance, by Household Composition, SFY 2011			
	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
<b>With Children</b>	3.3%	4.1%	0-99.7%
<b>With Disabled</b>	3.8%	3.9%	0-88.8%
<b>With Elderly</b>	3.7%	3.9%	0-88.8%
<b>Non-Vulnerable</b>	4.1%	5.7%	0-99.5%
<b>Statewide Median</b>	2.21%		

Table 5. Percentage of income EAP participants are expected to spend on energy after assistance by household composition SFY 2011. FAC income is the income used to determine benefit amount, while Current income is the actual current income of the applicant.

As shown in Table 5, the mean energy burden of program participants ranged between 3.3% and 4.1% of their FAC-counted incomes, depending on whether they were in a household with a vulnerable member (the number of households in each category is shown in Table 1 on page 24).

The program participant energy burden varied according to percentage of FPL, as shown in figure 9. in SFY 2010, the discrepancy between the energy burden for households with higher incomes and households with lower incomes was substantially reduced from SFY 2009, when the poorest had up to twice the energy burden of the "least" poor. This was the case again in SFY 2011. Unfortunately, federal funding for energy assistance has been severely reduced for SFY 2012. The reduction of federal funding during the mainstream economic emergency has forced EAP to make changes that are likely to increase this discrepancy in the next fiscal year.

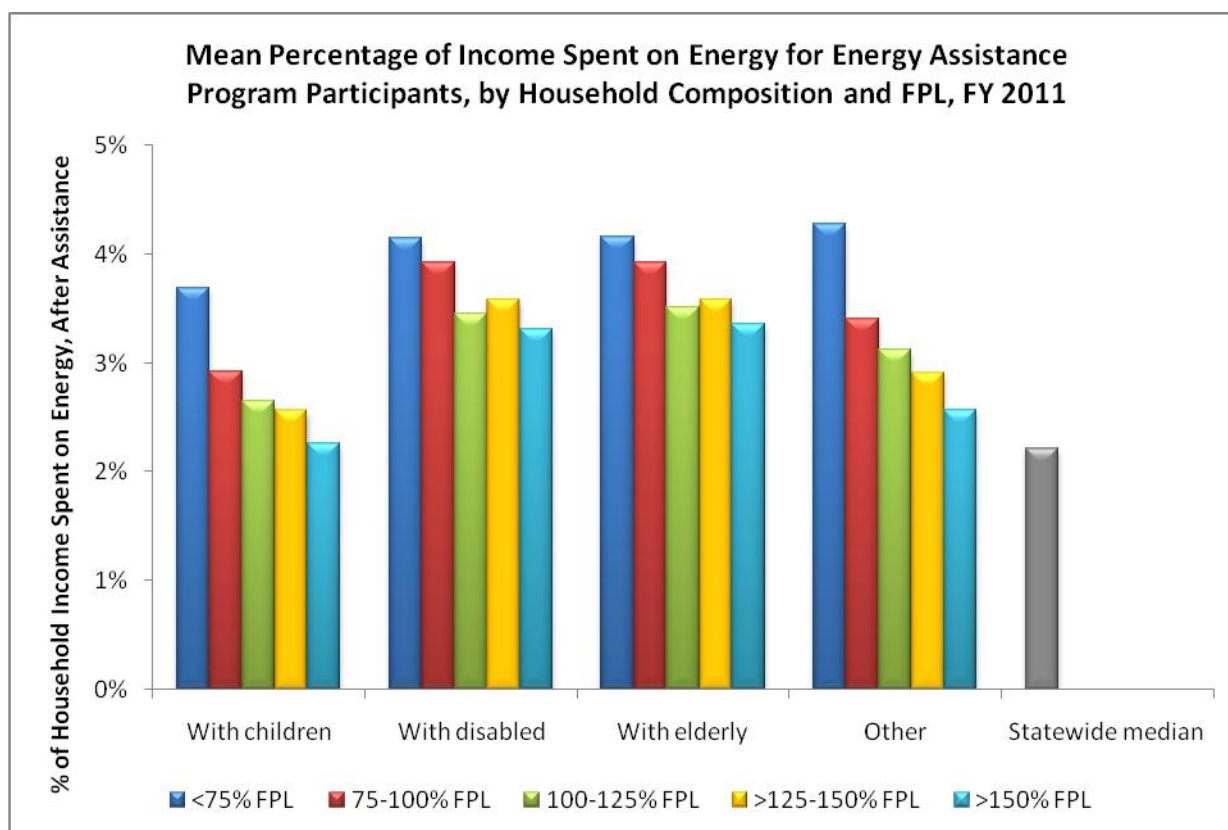


Figure 9. Mean percentage of income spent on energy for energy assistance program participants, by household composition and Federal Poverty Level, State Fiscal Year 2011.

## Plans to Address Reduced Funding

Early in 2011, DWSS became aware of a potential 75% reduction in federal LIHEAP dollars for Nevada EAP. DWSS began soliciting advice/recommendations from the EAP Advisory Board members on how best to serve low-income Nevadans with such a drastic reduction in funds. For SFY 2012, several programmatic changes have been instituted to ensure that limited funds be directed to the poorest of the poor:

- ◆ Income eligibility was reduced from 150% to 110% of FPL for SFY 2012.
- ◆ Arrearage assistance component has been suspended for SFY 2012.
- ◆ The benefit caps will be set to target an average payment of \$505 per household, a benefit reduction of 42% from SFY 2011.

### *EAP program changes cannot compensate for reduced funding: Nevada's energy assistance needs will not be met in SFY 2012*

Even with these changes, EAP anticipates the possibility of having to turn down eligible applicants due to depleted funds. Nevada's program design, with the amount of support figured to make the customer

cost of the median Nevada household energy burden, cannot be followed this year due to the shortage of federal funding. Already at the end of SFY 2011, EAP funds were exhausted, and eligible cases prior to the end of SFY 2011 waited for the next UEC deposit in the first quarter of SFY 2012 to receive an award notice and benefit. EAP anticipates that this cycle will continue throughout SFY 2012, with available funds being distributed before all eligible applicants are served. **Unless the Nevada State Legislature or the federal government acts to increase state funding for energy assistance, EAP will be unable to meet the needs of low-income Nevadans. Under this current funding scenario, utility terminations in needy households are expected to increase in SFY 2012.**

## WAP EVALUATION

### Fiscal Analysis

As shown in Figure 10, \$2,954,942 was received by WAP from FEAC, and \$2,913,974 was spent by WAP in SFY 2011. Of the total spent, 4.9% was for program administration, 1.1% was on training and technical assistance, and 1.1% was on program evaluation. The remaining 92.8% of the funds were spent on weatherization, including subgrantee administration. (See Table D in the appendix for full fiscal data.)

### Business Process Analysis

WAP performance monitoring reports indicated positive findings for all subgrantees, demonstrating full compliance with all state, federal, and program rules and regulations, as well as reporting and fiscal

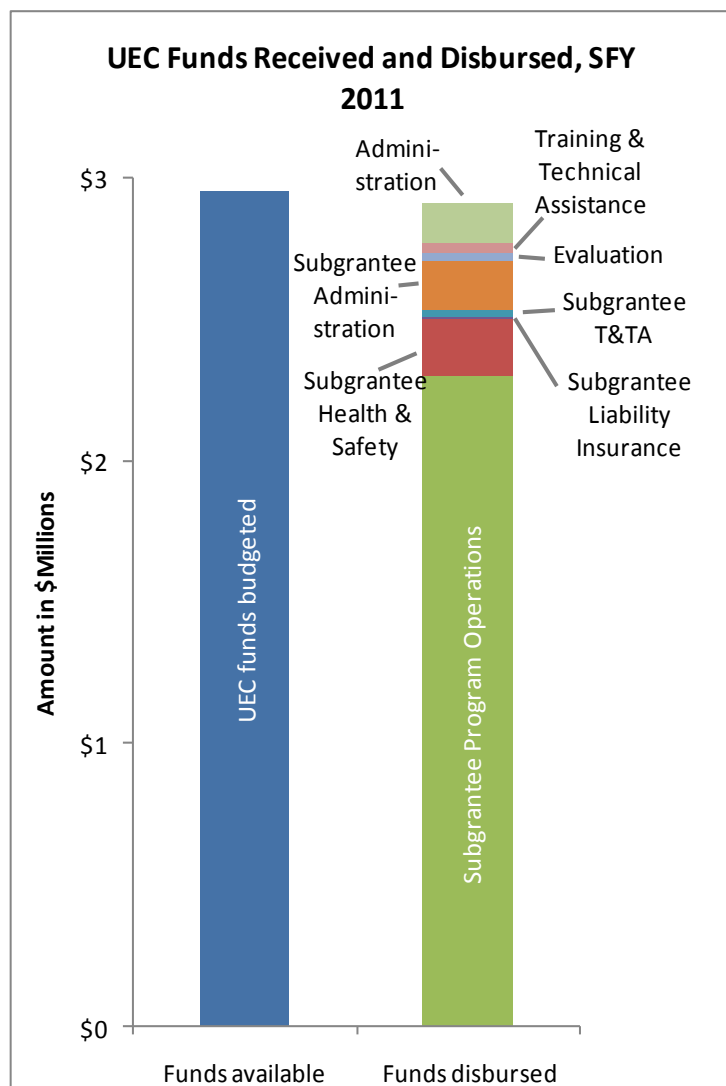


Figure 10. Universal Energy Charge funds received and disbursed for SFY 2011.

requirements. Figure 11 (page 30) shows the process by which applications are processed in homes weatherized by the WAP program. NHD fills primarily the administrative, inspection, and monitoring roles in this process. Subgrantee community agencies complete the majority of the work, conducting outreach, processing applications, and hiring weatherization contractors to complete the actual weatherization measures. Outreach activities include newspaper ads, website materials, postcards to eligible households, a booth at a senior center event, door-to-door canvassing in target neighborhoods, an informational booth at Wal-Mart, coordination with mobile home park management, and interagency referrals.

One key to success and weatherization is the ability to blend funding sources. UEC, LIHEAP, and DOE each have rules and restrictions. Subgrantees can pull different funding sources together to provide better weatherization services to needy Nevadans.

# WEATHERIZATION ASSISTANCE PROGRAM BUSINESS PROCESS, FY 2011

State of Nevada Housing Division

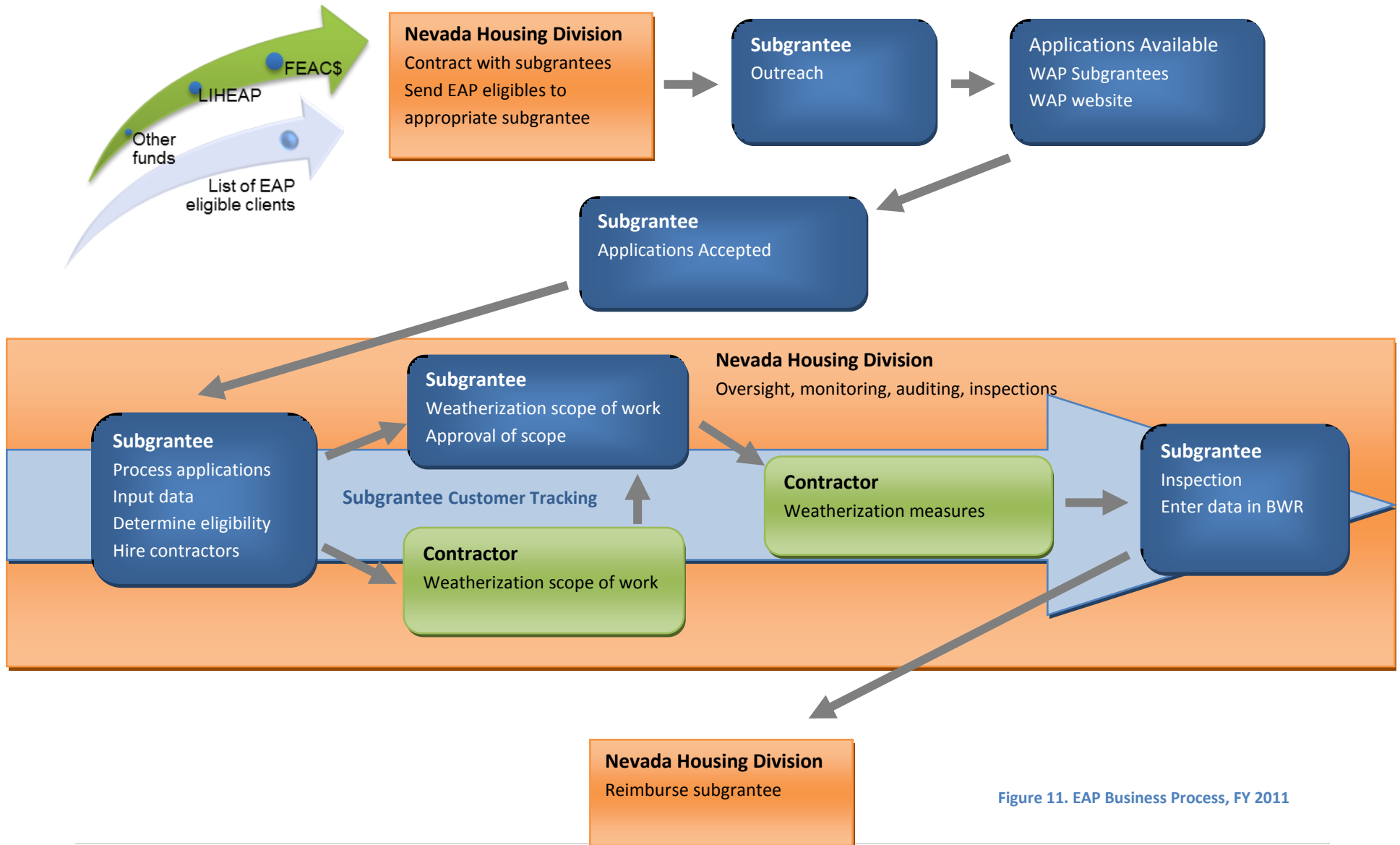


Figure 11. EAP Business Process, FY 2011

## Implementation Evaluation

### WAP household characteristics

During SFY 2011, 700 homes were weatherized. Most of the households had vulnerable populations: elderly (42.9%), disabled (37.1%), high-energy users (37.3%), and young children (24.5%). This represents a substantial decrease in the households with children from SFY 2010 (63.1%).

Figure 12 shows the geographic distribution of weatherized homes. The majority of the weatherized homes were in Clark County (63.4% of all households served), followed by Washoe County (14.0%).

Half of the households receiving weatherization were owner-inhabited (49.0%). As shown in table 6, the highest percentage of recipients was living in single-family homes (53.0%). The primary heating source for weatherized homes was natural gas (68.5%).

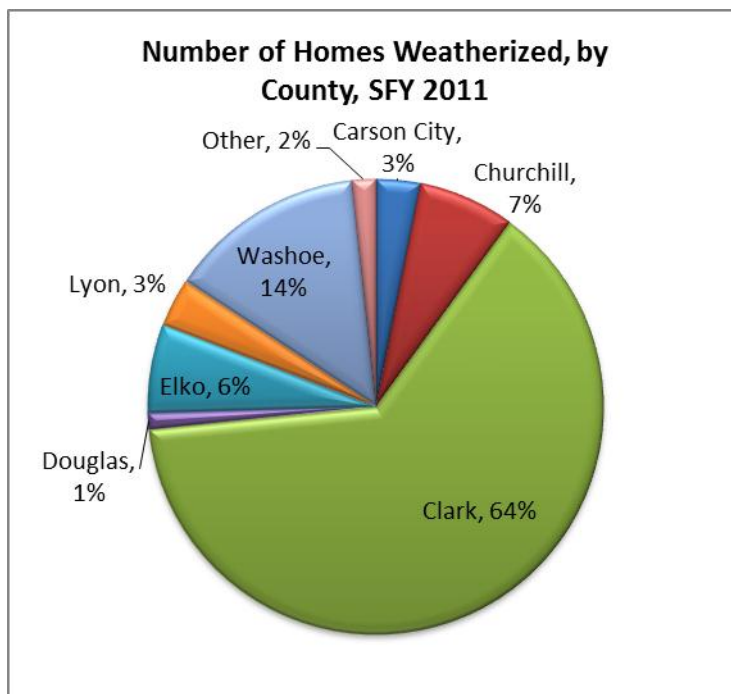


Figure 12. Number of homes weatherized by county, State Fiscal Year 2011.

Housing Type	Heating Source			Total
	Electric	Natural Gas	Propane	
Mobile Home	9	168	17	194 (27.7%)
Single-Family	88	281	2	371 (53.0%)
2-4 Family	101	25	0	126 (18.0%)
5+ Family	3	6	0	9 (1.3%)
<b>Total</b>	<b>201(28.7%)</b>	<b>480 (68.5%)</b>	<b>19 (2.7%)</b>	<b>700 (100%)</b>

Table 6. Heating source by housing type.

### WAP providers

Table 7 illustrates the amount of weatherization work completed by each WAP subgrantee. The majority of the weatherization work was done by HELP of Southern Nevada (HELP) (55.1%), followed by rural Nevada Development Corporation (RNDC) (14.7%) and Community Services Agency (CSA) (14.0%). Nevada Rural Housing Authority (NRHA) and Neighborhood Services completed the remaining 16.2% of the work.

After the turmoil in SFY 2010 owing to new ARRA regulations and SB 152, subgrantees were unified in their belief that SFY 2011 went much more smoothly. The biggest challenge seen by subgrantees is the reduction in funding anticipated in SFY 2012.

One subgrantee noted that a challenge in SFY 2011 was that the applicant pool for weatherization was different from applicants they were accustomed to serving: The new applicants were younger, angrier, out of work, and overall more unhappy than past weatherization applicants. Overall, subgrantees were expecting to spend out their UEC weatherization funds and exceed their goals.

Work Completed by each WAP Subgrantee		
	Number of Homes	Percent of Homes
<b>CSA</b>	98	14.0
<b>HELP</b>	386	55.1
<b>NRHA</b>	55	7.9
<b>Neighborhood Services</b>	58	8.3
<b>RNDC</b>	103	14.7
<b>Total</b>	700	100.0

Table 7. Work completed by each WAP subgrantee.

## Achievement Evaluation

WAP's program logic is shown in Figure 13. This logic model was developed through discussion with Web staff and subgrantees. The ultimate goals of the WAP program are to maintain health and safety related to temperature extremes and appliance safety, and to reduce utility costs and energy consumption in low-income households. Additional WAP goals include job creation and client satisfaction with weatherization improvements.

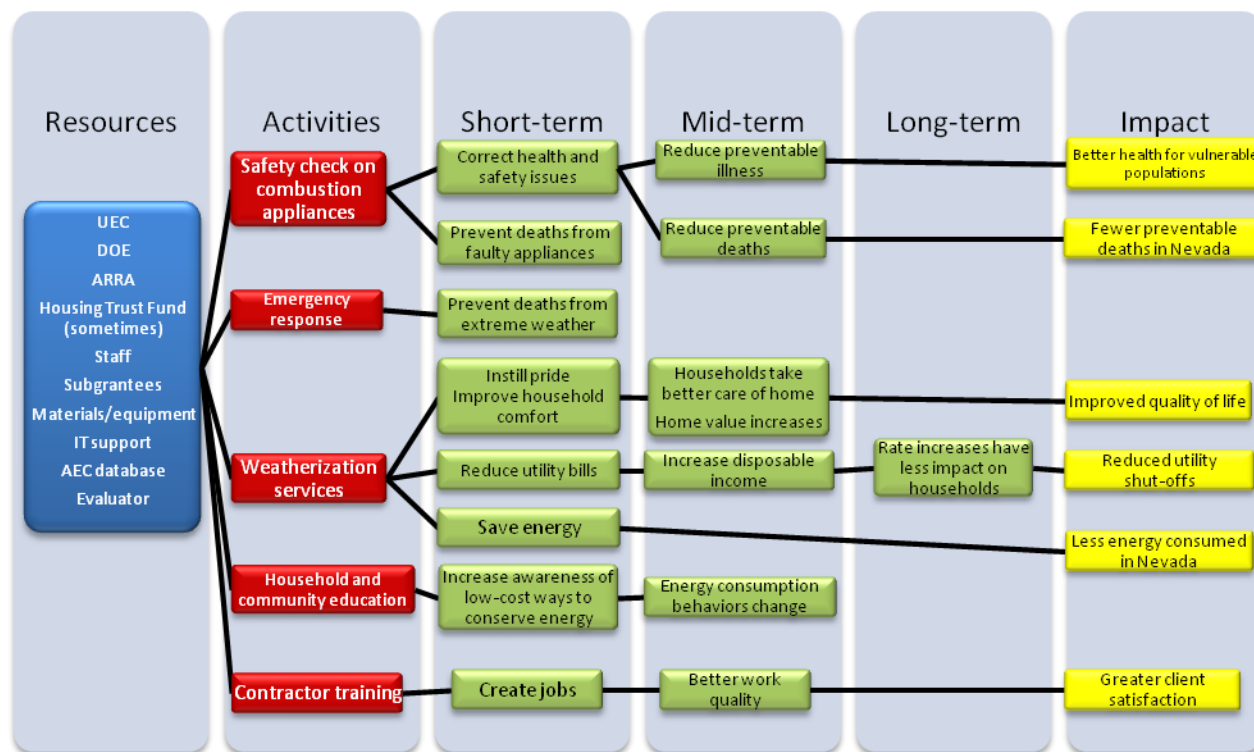


Figure 13. WAP logic model.



### Improved health and safety

WAP contractors perform a number of health and safety checks to ensure the safe functioning of existing gas-powered appliances. They also replace old, inefficient furnaces and air conditioners with new, more efficient ones. In addition, carbon monoxide detectors are installed to ensure ongoing safety following weatherization. The most common health and safety measures performed by WAP contractors are shown in Figure 14. WAP contractors also performed air sealing measures (Figure 14) and conservation measures (Figure 15).

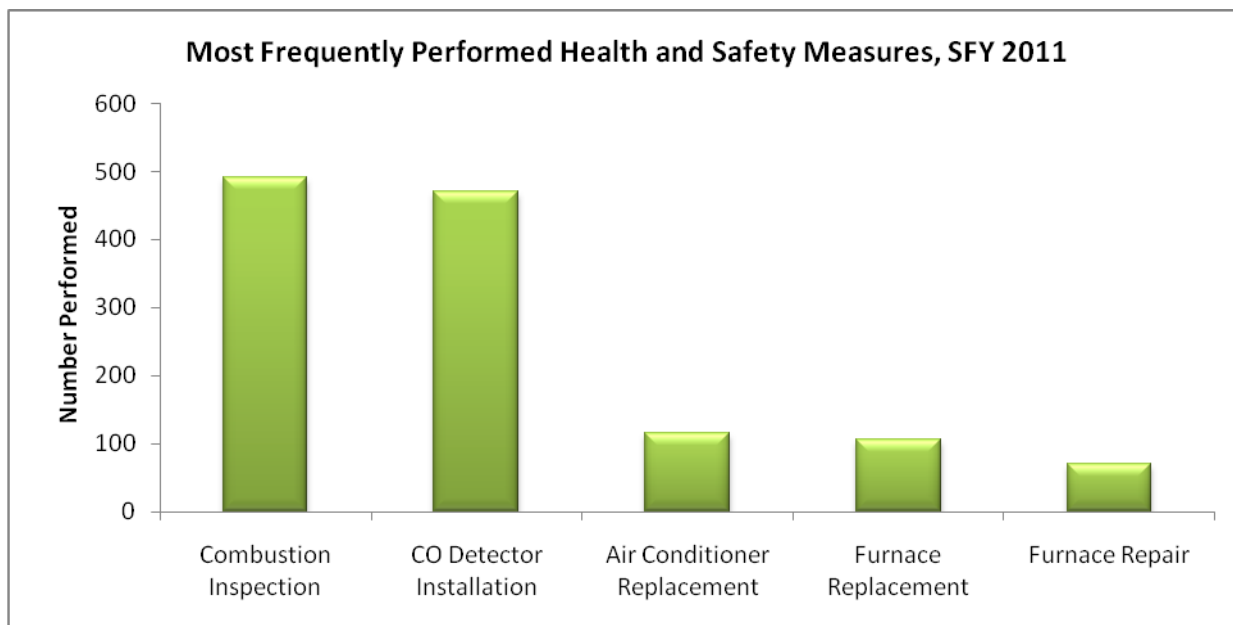


Figure 14. Most frequently performed health and safety measure for State Fiscal Year 2011. NOTE: A/C and Furnace Repair/Replacement can also be done for efficiency or conservation.

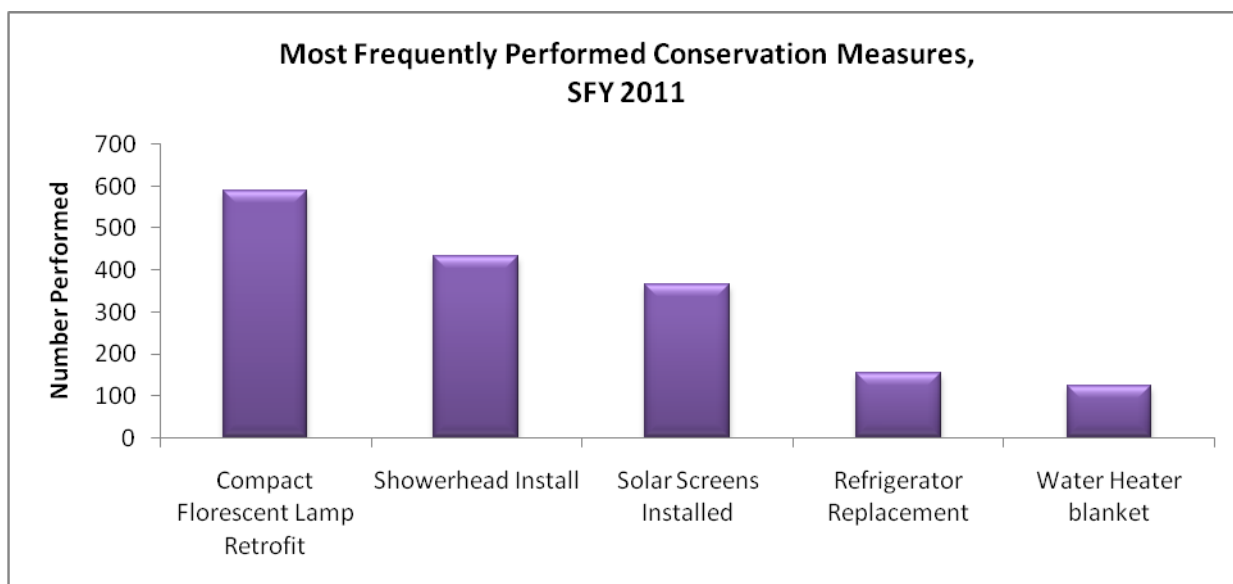


Figure 15. Most frequently performed conservation measure for State Fiscal Year 2011.

### Energy savings from weatherization measures

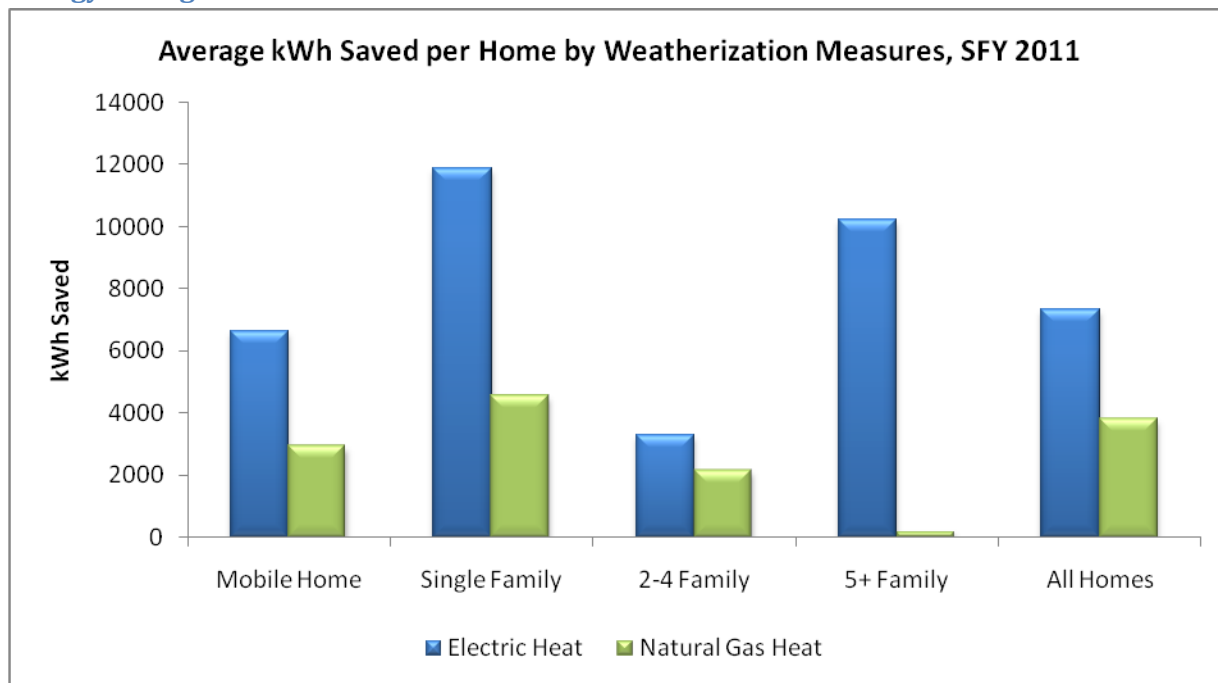


Figure 16. Average kilowatt hour saved per home by weatherization measures for State Fiscal Year 2011.

Figure 16 illustrates the average kWh savings resulting from weatherization. Measures installed in single-family homes with electric heat saved more kWh than in other homes. Measures in multifamily homes with electric heat resulted in unusually high savings compared with prior years. Measures to reduce gas or fuel consumption had a high impact in both mobile and single-family homes, as seen in Figure 17. This also represents greater average savings from weatherization in SFY 2011 compared with SFY 2010. This may be due to a much higher rate of furnace repair in 2011 versus 2010.

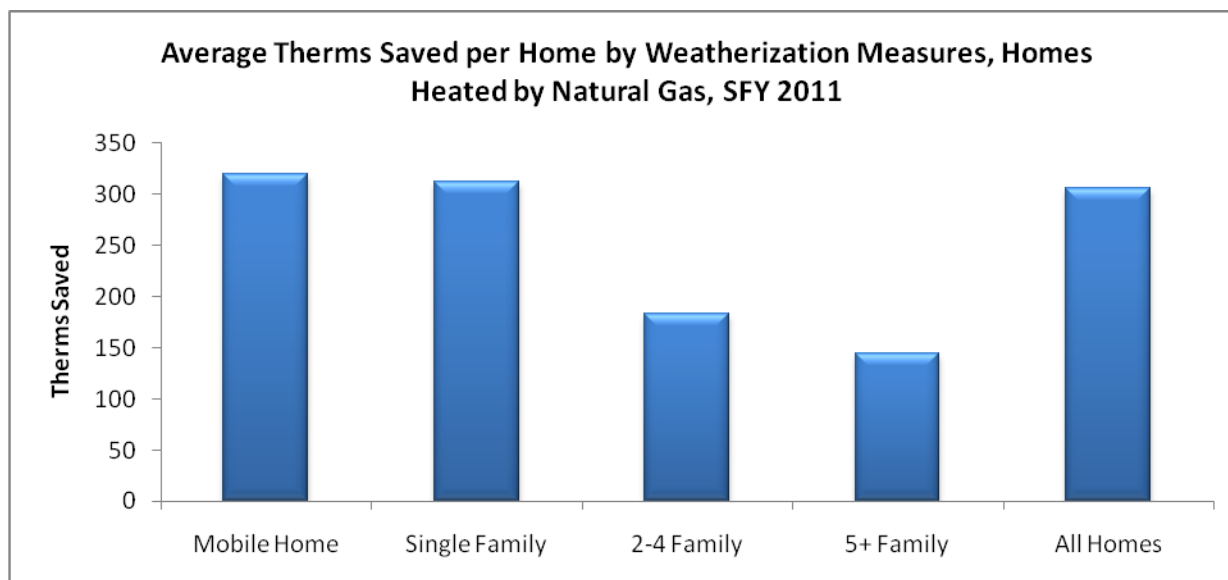


Figure 17. Average therms saved per home by weatherization measure in homes heated by natural gas for SFY 2011.

### Increased energy efficiency

WAP will save utilities and clients an estimated total of 147,099 therms and 3,295,913 kilowatt hours (kWh) per year over the life of these improvements.

## COORDINATION BETWEEN EAP AND WAP

Of 700 dwellings weatherized by WAP in SFY 2011, 37.3% were also participating in EAP, as shown in Figure 18. Interestingly, households with children were the most likely to also be participating in EAP, while households with elderly members were the least likely to be participating in EAP.

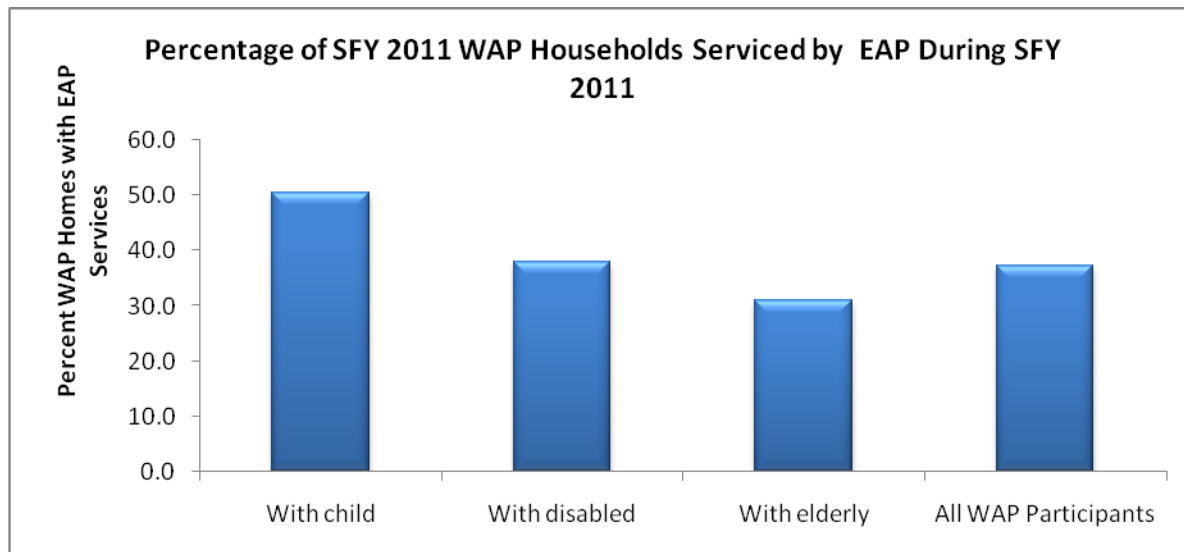


Figure 18. Percentage of SFY 2011 WAP households serviced by EAP during SFY 2011.

Figure 19 shows the percentages of weatherized homes also served by EAP by dwelling type. Residents of smaller multifamily dwellings that have been weatherized were the most likely to be co-served by EAP. Families with small children in weatherized multifamily homes and mobile homes are more likely to

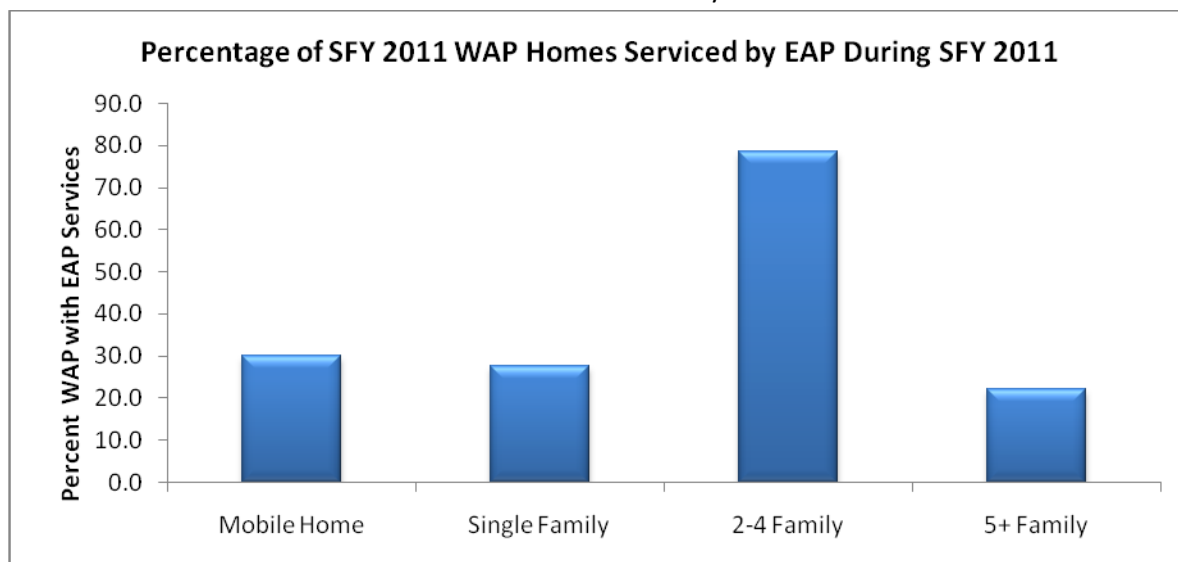


Figure 19. Percentage of SFY 2011 WAP homes serviced by EAP during SFY 2011.

receive EAP assistance than households with disabled or elderly residents. This suggests an opportunity for weatherization providers to also educate elderly and disabled residents about opportunities for reducing their utility bills through the EAP.

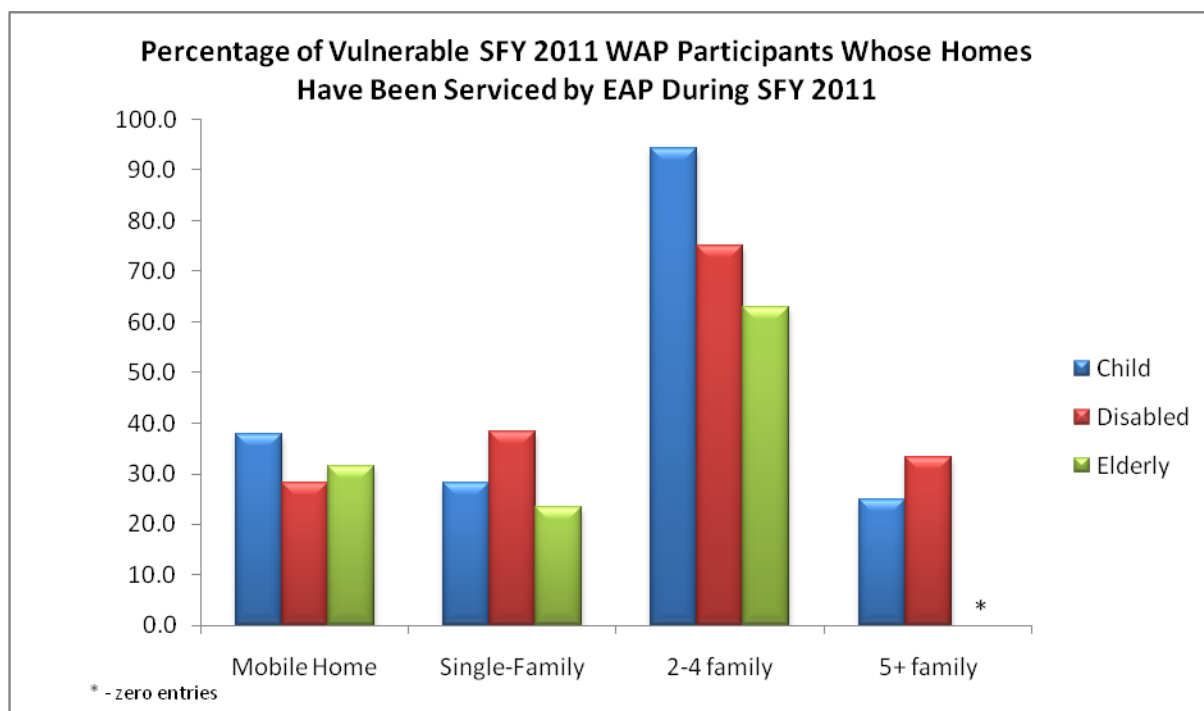


Figure 20. Percentale of vulnerable SFY 2011 WAP participants whose homes have been serviced by EAP during SFY 2011.

## LOW-INCOME ENERGY ASSISTANCE ADVISORY GROUP

NRS 702.280(1) requires that “[t]he Division of Welfare and Supportive Services and the Housing Division jointly shall establish an annual plan to coordinate their activities and programs pursuant to this chapter.” In preparing the annual plan, the Divisions shall solicit advice from knowledgeable persons. This is the basis for activities of the Low-Income Energy Assistance Advisory Group (Advisory Group). The Advisory Group provides a primary means for Department of Welfare and Supportive Services (DWSS) and Nevada Housing Division (NHD) to implement mandates in NRS 702 for consultation with knowledgeable persons and for coordination with other programs offering low-income programs and low-income funding.

The Advisory Group met quarterly throughout SFY 2011. Karen Ross, NV Energy’s Northern Nevada Community Relations Manager, is the Advisory Group chairperson and coordinates the meetings. Bob Cooper at the Bureau of Consumer Protection is the Secretary. Meetings are conducted with video conferencing between NV Energy’s facilities in Las Vegas and Reno, and telephone conferencing is also available. The Advisory Group is informal in interactions within its meetings but formal in its operation. Each meeting of the Advisory Group begins with the reading and approval of the notes of the previous meeting. Advisory Group decisions, which constitute recommendations to DWSS and NHD, are taken following Robert’s Rules of Order. At each meeting, both DWSS and NHD provide reports of activity in

their UEC Fund programs to date, usually comparing activity to date with activity to date both in the prior State Fiscal Year as a whole and in the prior State Fiscal Year to date. Other reports, including a summary of evaluation recommendations from the previous evaluation and plans for coordination, are presented and discussed. There are several subcommittees working on special topics that periodically report back to the committee as a whole. For SFY 2010, meetings were well attended by the primary UEC delivery agencies (DWSS and NHD), staff of the Public Utilities Commission of Nevada (PUCN), many of the Housing Division subgrantee agencies, agencies involved with the payment assistance program, utility provider representatives, senior and low-income family advocates, and other interested parties, as well as the evaluation team.

#### **Advisory Group & Nevada Housing Division**

Throughout SFY 2011, NHD reported that it was “on track” for progress to that portion of the year; it remained on schedule throughout the year. During 2011, NHD continued a large ARRA weatherization effort as well as its federal and UEC Weatherization Assistance Programs. All UEC production targets were met. The Southwest Gas Demand Side Management weatherization effort was run in cooperation with the Nevada Housing Division using its subgrantee agencies. NV Energy’s Demand Side Management weatherization effort is run separately using a private vendor. NHD performed its UEC weatherization work on time and on budget for the year.

#### **Advisory Group & Division of Welfare and Supportive Services**

Case processing was reported by DWSS at each Advisory Group meeting. All UEC funds were spent for 2011. Throughout the year, DWSS struggled with a changing federal funding situation; eventually, the full size of the substantial federal funding cutbacks was made clear. In light of this difficult situation, DWSS discussed options with the Low-Income Advisory Group who recommended and supported reducing the income eligibility guidelines to 110% of the federal poverty level for the year and further capping the size of grants. This change was made uniform over federal funding and UEC funding because the two funding sources and program requirements are coordinated.

#### **DWSS Authority to Adjust Assistance Amounts**

NRS 702.260(6)(a) [t]he Division Shall, to the extent practicable, determine the amount of assistance that the household will receive by determining the amount of assistance that is sufficient to reduce the percentage of the household’s income that is spent on natural gas and electricity to the median percentage of household income spent on natural gas and electricity statewide. (b) May adjust the amount of assistance that the household will receive based upon such factors as:

- (1) The income of the household;
- (2) The size of the household;
- (3) The type of energy that the household uses; and
- (4) Any other factor which, in the determination of the Division, may make the household particularly vulnerable to increases in the cost of natural gas or electricity.

## DSM COLLABORATIVE COORDINATION WITH NHD

The original Nevada Demand Side Management Collaborative was established by Nevada Power and Sierra Pacific Power Company, which later became NV Energy. The interests of the collaborative in energy efficiency overlap with the goals of the Nevada Housing Division's weatherization programs. Southwest Gas Low-Income Weatherization is coordinated with Nevada Housing Division, and work is carried out by the subgrantee agencies. NV Energy's Low-Income Weatherization has been carried out for several years now by a private for-profit contractor, but is coordinated to the extent that it focuses on low-income households with levels of poverty above the maximum poverty limit currently established for Nevada Housing Division Low-Income Weatherization Assistance (above 150%).

Such cooperative efforts are mandated for Nevada Housing Division by NRS 702, specifically by NRS 702.270(6)(a), (c) and (d).

NRS 702.270(6) In carrying out the provisions of this section, the Housing Division shall:

(a) Solicit advice from the Division of Welfare and Supportive Services and from other knowledgeable persons;

(c) Coordinate with other federal, state and local agencies that provide energy assistance or conservation services to low-income persons and, to the extent allowed by federal law and to the extent practicable, use the same simplified application forms as those other agencies;

(d) Encourage other persons to provide resources and services, including, to the extent practicable, schools and programs that provide training in the building trades and apprenticeship programs.

In past years, NV Energy, in cooperation with Nevada Housing Division, developed a low-income air conditioner replacement program. However, the Total Resource Cost (TRC) test result for this program was 0.4 for electricity and 0.8 for natural gas and electricity considered together. The TRC test is a standard developed in California in the 1980s as a criterion for utility-administered energy efficiency programs. Nevada Housing Division uses different tests as mandated by the U.S. Department of Energy. The two kinds of criteria are not very compatible. Since NV Energy is required by the Public Utilities Commission of Nevada (PUCN) to use the TRC test as a criterion for program success, these low results from the pilot program (less than 1.0) were problematic and led NV Energy to withdraw from this particular coordinated program.

At the same time, the program was quite successful based on Nevada Housing Division federal criteria. Nevada Housing Division's Weatherization Assistance Program has a strong focus on health and safety, which leads to significant percentages of furnace replacements and (for southern Nevada) whole-house and individual air conditioner and swamp cooler replacements. These replacements may take up all or most of the program budget allocation for a household, but are not technically energy-efficient under the conventions for the TRC calculation. Although in its original form in California a TRC of 1.0 or better is required for the utility to receive full cost recovery on its energy efficiency programs, PUCN (as is the

case with most U.S. utility regulatory commissions) has never actually required a TRC result of 1.0 or better for low-income Demand-Side Management programs. However, unless PUCN clearly specifies the rules for a utility in advance, it is prudent for utilities to be cautious in moving forward with coordination.

During SFY 2011, NV Energy canceled its weatherization contract with its former program vendor and is currently requesting proposals. NV Energy has indicated that while it will go ahead with the RFP, it is also open to discussion with Nevada Housing Division, and it appears there may again be an opening for some form of joint NV Energy/NHD direct cooperation, possibly using shared funding.

## **AGENCY-UTILITY COORDINATION**

NRS 702.260(8)(c) requires that DWSS coordinate with other state federal and local agencies that provide energy assistance or conservation services to low-income persons. There are parallel provisions in NRS 702 for the Nevada Housing Division. When agencies and programs with overlapping or synergistic goals can be coordinated, it is possible to more effectively and efficiently accomplish the joint DWSS-Utility mission of payment assistance and the joint NHD-Utility mission of weatherization of low-income housing (weatherization is discussed in the separate report section on DSM collaboration). Implementing such coordination can require a fair amount of work, especially since the organizations involved have different fiscal years, overlapping but different goals and interests, and different levels of program flexibility in the areas of potential cooperation.

The primary local agencies that provide coordinated services are utilities (primarily Nevada Energy and Southwest Gas, but also some of the smaller utilities). The Public Utility Commission of Nevada (PUCN) has regulatory authority over the private (investor-owned) utilities and has responsibility for collection of the Universal Energy Charge from all cooperating utilities. Thus the utilities and the PUCN are inherently in external coordination with DWSS and NHD. Utilities administer collections for energy services and enforce payments, penalties, and service terminations in accord with the Customer Bill of Rights under the direction of PUCN. For DWSS, one of the main internal outcome criteria for service is the number of households served. For the utilities, one of the main outcome criteria for service is maintaining a pattern of regular customer payment and avoiding termination of the customer account.

By itself, the Universal Energy Charge (UEC) payment assistance program enables many households to stay connected to affordable service and return to a stable pattern of monthly utility payments, though these payments may be to satisfy “please pay” requests on each bill that are smaller than the cost of service-based payments.

NV Energy’s “budget billing” is a coordinated program that promotes success by spacing equal payments over several months. “Evening out” bills helps some customers with steady but small income meet their utility payments. Additionally, the utilities have “fuel funds” from voluntary customer contributions and stockholder assessments that can sometimes supplement household payments on a one-time basis when the UEC amount is not enough. Beyond the utilities, there are religious institutions, membership

organizations, and sometimes local governments that will provide small amounts of payment assistance on a limited basis. In this way, DWSS payment assistance is inherently coordinated with utility and other community efforts.

If customer bills could be lowered by the introduction of special low-income rate designs (not cost-of-service designs), the UEC dollar would cover more households, and the program would immediately become more effective.

## Recommendations

- ◆ 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, what other help to customers is available, and outstanding issues that need resolution.
- ◆ DWSS or the Advisory Group should ask the PCUN 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.

## NARRATIVE AND STATISTICAL COMPARISON TO OTHER STATES

Even in normal times, no programs in other states have ever fully met need in terms of serving all qualifying households or in terms of fitting the amount of payment assistance provided to the actual situations of each household, though there have been several different program approaches, including:

- ◆ **Programs that reduce energy bills by a fixed percentage.** The twenty percent (20%) Percentage of Bill (POB) simple utility rate discount in California leaves eighty-percent (80%) of the bill to be paid by the low-income household regardless of energy burden. According to evaluations, this works fairly well in those portions of California with mild climate conditions.
- ◆ **Programs that maximize participation percentage.** Participation in California is much higher (nearly 80% of qualifying households) than in the other states due to the self-certification provision and the lack of a recertification provision. The goal in California continues to be customer enrollment with a limited “due diligence” check on qualifications.
- ◆ **Median energy burden program.** Nevada’s original and unique program design, with the amount of support figured to make the customer cost at the median Nevada household energy burden, is realistic given Nevada energy use and bills. However, as noted on page 27, the optimal design cannot be followed this year due to the shortage of federal funding (the UEC is coordinated with the federal payment assistance program).
- ◆ **Percent of household income energy bills and automatic funding.** New Jersey provides the most relevant model. The six percent (6%) of household income payment program in New Jersey is much more realistic payment assistance than the California program. Other programs have also been based on the same percentage for a combination gas and electric utility



payment, following the program model proposed by Roger Colton<sup>12</sup>. The main advantage of the New Jersey energy charge is that it has been established through a “tracker rate” so that funding that comes from the New Jersey utilities automatically adjusts to number of approved applications without legislative action.

- ♦ **Token bills for the bottom low-income group:** PECO Energy in Philadelphia provides token bills to customers from 0-50% of FPL that also have a difficult family situation such as loss of jobs, recent divorce, or an immediate or chronic health emergency such as a car accident or a disabling condition. The principle of the program is that everyone must pay something but that from 0 to 50% of FPL there is not a chance of being able to pay a cost of service rate, so the utility may as well not send bills that it knows cannot be paid. With bills of \$5 in some months and approximately \$30 in winter, churches and other community groups can help families pay bills of that size when customers cannot do it themselves, so the utility probably takes in more money than if it issued much larger bills that no one in this low-income group could pay.

In the current context of the ongoing mainstream economic emergency, no state has developed a payment assistance program adequately responsive to the ongoing economic crisis. The payment assistance programs in the United States were not designed for a multi-year, severely depressed economy.

The current programs work best for senior citizens on inadequate Social Security and/or pensioner income or similar families of any ages with a stable but inadequate income. Almost all states are currently adjusting programs to lower income limits for eligibility, or lowering assistance, or both. Just as more families need support, support is restricted and/or reduced due to the federal cuts. At the same time, these programs do assist many families. Nevada and Michigan have been harder hit than most states, but nearly all states are under stress, and staff and service providers are doing their best to continue programs to the extent possible and to help households cope.

## **PUBLIC UTILITIES COMMISSION OF NEVADA (PUCN)**

Each year the evaluation team is directed by NRS 702 to ask PUCN for input to the evaluation. The Nevada Public Utilities Commission staff has at the time of this report no comments or suggested changes on how DWSS or NHD are administering the UEC monies. Based on attendance at various workshops, it appears the money is being spent appropriately and both agencies are making tough

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<sup>12</sup>The percentage is derived by Colton from federal guidelines for the cost of housing. For many years there was a Federal Housing Administration guideline that a thirty-year mortgage should not be more than 30% of monthly household income. (Currently, the Federal Housing Administration says the sum of monthly mortgage, a monthly pro-ratio of taxes plus a monthly payment of all other debt should not exceed 35% of pre-tax monthly income; see [http://www.fha.com/calculator\\_afford.cfm](http://www.fha.com/calculator_afford.cfm).) Roger Colton worked from this kind of guideline and the analysis supporting the guideline to determine the implicit assumption about monthly energy cost for natural gas plus electricity, which he determined should not exceed 6% of pre-tax income. See Fisher, Sheehan & Colton website, section on Low-Income Energy Issues (<http://www.fsconline.com>). New Jersey set its low-income energy payment cap (combined natural gas and electricity) at 6% based on Colton’s analysis and recommendation.

decisions on the best ways to stretch the dollars in a time when more people are in need of assistance. As the UEC rate is fixed by the state Legislature, staff believes that any change in the assessment level will be a public policy decision made by the Legislature.

The Commission still has the low-income rate docket open (Docket 09-06029). The companies hired Tetra Tech to conduct a survey to try to determine the number of low-income customers along with housing patterns and energy usage. Staff expects the Tetra Tech report to be filed before the end of this year.

## SUMMARY AND RECOMMENDATIONS

The Division of Welfare and Supportive Services has struggled to find ways to stretch inadequate total funding to meet radically increased need by lowering eligibility and by instituting special caps to payment assistance since federal assistance funding (LIHEAP) has been sharply decreased. While state funding through the Universal Energy Charge (UEC) has been reliable in comparison with federal support, need for payment assistance is growing tremendously in relation to all resources.

- ◆ As documented in this report, the Division of Welfare and Supportive Services has accomplished significant improvement in case processing times.
- ◆ At the same time, the Nevada Housing Division is applying the last of the (ARRA) weatherization stimulus funds as well as UEC weatherization funding to assist in weatherizing low-income homes. But, here too, need has substantially increased.

The problems the program is experiencing this year are largely outside of direct program control. As noted in this evaluation report, in no state has a low-income payment assistance program or a low-income residential weatherization program been designed for a sustained long-term mainstream economic emergency such as the one we are currently experiencing. In summary, this year both the Division of Welfare and Supportive Services and the Nevada Housing Division have diligently delivered mandated services as efficiently and as effectively as possible in this time of increasing public need.

### The Big Picture: Income Down and Falling

As this evaluation is finished, Sentier Research has released a study showing that that median household income in the United State has *fallen more since June 2009 than it fell during the recession* (from December 2007 to June 2009).<sup>13</sup> The combined total is 9.8% -- *a nearly 10% decrease in U.S. median income* with a drop of 3.2% during the official recession and a drop of 6.7% since June 2009 (the recovery).

For subgroups, so far *during the recovery*, Sentier shows that median income of households with heads of household under 25 years of age has fallen 9.5%, for Black households 9.4%, and for households in single family homes 7.4%. The contrast between the income declines in homes with the household head

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<sup>13</sup> Green, Gordon & John Coder, Household Income Trends During the Recession and the Economic Recovery. Sentier Research ([www.sentierresearch.com](http://www.sentierresearch.com)), September 2011. Sentier is a private analytic firm lead by two former federal statistical officials.

working full time (5.1% decline) and homes with a laid-off household head looking for work (18.4%) illustrates the bleak nature of the so-called “recovery” to date.<sup>14</sup>

## The Big Picture 2: More Recession

The Economic Cycle Research Institute (ECRI), a prestigious center for economic analysis founded by Geoffrey H. Moore, a leader in United States business cycle research, has called the current economic crisis a new recession based on its proprietary indicators. According to ECRI, “...recession doesn’t mean a bad economy—we’ve had that for years now. *It means an economy that keeps worsening, because it is locked into a vicious cycle.* It means that the jobless rate, already above 9%, will go much higher... (emphasis added).”<sup>15</sup>

This is likely not a surprising announcement to readers of this evaluation study, because low-income households and many middle- and upper-income households in the Main Street economy have experienced a sustained worsening of economic conditions. For most people, the technical definitions that define whether we are in a recession or a recovery make little difference as income and jobs decline.

ECRI further predicts that the United States is in a secular economic decline such that “...for the foreseeable future ... ‘more frequent recessions are likely to be the norm.’”<sup>16</sup>

## Recommendations

This year the critical problem is sharply diminishing resources in the context of radically increasing need. Ideally, the federal government would step up stimulus funding to a multiple of the earlier amount and also fully fund LIHEAP. Indeed, when the stimulus was first introduced, federal officials often described it as a “down payment,” to be followed by increased funding to stimulate the economy and to create jobs. However, following the one-time stimulus the federal government failed to further address the Main Street effects of the sustained economic emergency which continues to deepen. There was a serious effort in the Nevada Legislature to increase Universal Energy Charge funding in 2011. However, though unopposed it did not reach a final vote.

While the Division of Welfare and Social Services and the Nevada Housing Division will continue to work to increase efficiency, the constraint on state funding is a problem outside the authority or technical scope of state agencies. The problem of increased state funding and the wider problem of the failure of the federal government to meet its responsibilities for the common welfare can be worked with by concerned parties through the political process but cannot be addressed within the scope of the programs. The obvious other avenue of approach is in the development of low-income rates. This

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<sup>14</sup>These are additional reductions after the recession during the recovery and represent income before taxes. Also, the percentages are for medians—the middle household of a group—and do not adequately reflect the full depth of income cuts to individual households.

<sup>15</sup>ECRI, “U.S. Economy Tipping into Recession,” [http://www.businesscycle.com/reports\\_indexes/report\\_summarydetails/1091](http://www.businesscycle.com/reports_indexes/report_summarydetails/1091), October 14, 2011.

<sup>16</sup>“An Ugly Forecast That’s Been Right Before,” *The New York Times*, October 9, 2011.

pathway toward a solution that can serve the extent of the need is within the scope of the utilities and subject to the regulatory authority of the Public Utilities Commission of Nevada (PUCN).

Accordingly five actions are recommended; the first two are to increase awareness:

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.
2. DWSS, Nevada Housing Division, and the Advisory Group should request a presentation of the Tetra Tech study to gain awareness of the new low-income situation in Nevada.
3. Nevada Housing Division 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.
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.
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.<sup>17</sup> 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 Federal Poverty Level, not simply at 110% or 150%.

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<sup>17</sup> This method has been presented in several prior Nevada UEC evaluations. For a comparison of the results of the Ford Foundation/Wider Opportunities for Women family budget methodology to the federal poverty method, please see the Appendix, in particular, Table E.

## APPENDIX

Table A-1: EAP Benefit CAP Table from July 2010 through October 2010

Household Size	Federal Poverty Level			
	<75%	75-100%	100-125%	125-150%
<b>1</b>	\$1,154	\$927	\$923	\$854
<b>2</b>	\$1,558	\$1,252	\$1,246	\$1,152
<b>3</b>	\$1,799	\$1,445	\$1,439	\$1,331
<b>4</b>	\$1,932	\$1,551	\$1,546	\$1,429
<b>5</b>	\$2,016	\$1,618	\$1,613	\$1,491
<b>6</b>	\$2,178	\$1,749	\$1,743	\$1,611
<b>7</b>	\$2,351	\$1,887	\$1,880	\$1,739
<b>8+</b>	\$2,387	\$1,917	\$1,910	\$1,765

Add \$50 to households with a member who is elderly, disabled, or a child under 6 years of age.

Add \$400 to households with oil/propane energy source.

Table A-2: EAP Benefit CAP Table from November 2010 through June 2011

Household Size	Federal Poverty Level			
	<75%	75-100%	100-125%	125-150%
<b>1</b>	\$824	\$662	\$659	\$610
<b>2</b>	\$1,113	\$894	\$890	\$823
<b>3</b>	\$1,285	\$1,032	\$1,028	\$951
<b>4</b>	\$1,380	\$1,108	\$1,104	\$1,021
<b>5</b>	\$1,440	\$1,156	\$1,152	\$1,065
<b>6</b>	\$1,556	\$1,249	\$1,245	\$1,151
<b>7</b>	\$1,679	\$1,348	\$1,343	\$1,242
<b>8+</b>	\$1,705	\$1,369	\$1,364	\$1,261

Add \$50 to Households with a member who is elderly, disabled, or child under 6 years of age.

Table B: EAP funds spent, SFY 2011

EAP Funds Disbursed, SFY 2011		
	Amount	Percentage of Funds Disbursed
<b>Administration</b>	\$53,724	0.6%
<b>Client Payments</b>	\$8,162,099	91.7%
<b>Outreach</b>	\$16,973	0.2%
<b>Program Design (including IT re-programming)</b>	\$576,430	6.5%
<b>Evaluation</b>	\$94,420	1.1%
<b>Total</b>	\$8,903,646	

Table C. Number of EAP households that own vs. rent their homes

Home Ownership		
	Number of Households	Percent of Total
Rent	26,336	79.1
Buy/Own	6,191	80.9

Table D. WAP funds spent, SFY 2011

WAP Funds Disbursed, SFY 2011		
	Amount	Percentage of Funds Disbursed
Administration*	\$142,911	4.9%
Training and Technical Assistance	\$33,163	1.1%
Evaluation	\$32,681	1.1%
Subgrantee Administration	\$170,700	5.9%
Subgrantee Training and Technical Assistance	\$21,943	0.8%
Subgrantee Liability Insurance	\$11,087	0.4%
Subgrantee Health & Safety	\$203,354	7.0%
Subgrantee Program Operations	\$2,298,137	78.9%
Total	\$2,913,975	

Table E. Living Wage as a Percentage of Federal Poverty Level

Living Wage Expressed in Dollars and as a Percentage of Federal Poverty Level (2010 Annual Income)					
Place	One Adult	One Adult, One Child	Two Adults	Two Adults, One Child	Two Adults, Two Children
2010 Dollars					
Reno	\$18,736	\$35,551	\$28,849	\$47,972	\$59,094
Las Vegas	\$19,711	\$36,279	\$30,014	\$48,705	\$59,756
Carson City	\$17,003	\$31,908	\$26,517	\$43,395	\$53,361
Elko	\$16,028	\$31,326	\$25,352	\$42,845	\$52,700
Federal Poverty Level	\$10,830	\$14,570	\$14,570	\$18,310	\$22,050
Percentage of Federal Poverty Level					
Reno	173%	244%	198%	262%	268%
Las Vegas	182%	249%	206%	266%	271%
Carson City	157%	219%	182%	237%	242%
Elko	148%	215%	174%	234%	239%
Federal Poverty Level	100%	100%	100%	100%	100%
Note: For other household structures and sizes, the percentage of Federal Poverty Level can be over 350%.					

The federal poverty level metric is generally acknowledged to be poorly calibrated to household experience of actual economic need; the living wage and the self-sufficiency standard better reflect the realities of everyday life. Both cover most immediate needs of a family at a minimal level of living, at a lifestyle lower than middle class, without special (for example, medical) problems or provisions for retirement, college for children, and similar costs. The living wage can be shown as a percentage of the official federal poverty level that individuals must earn to support their family, if they are the sole provider and are working full-time (2,080 hours per year).

These percentages are computed based on tables developed for states and cities by Dr. Amy K. Glasmeier at Pennsylvania State University. Dr. Glasmeier converts poverty level into an equivalent hourly wage. For the table shown, we divide Dr. Glasmeier's hourly living wage by the poverty-equivalent hourly wage to express living wage as a percentage of the official poverty level. For Dr. Glasmeier's tables, please see <http://www.livingwage.geog.psu.edu>. For the Wider Opportunities for Women Self-Sufficiency Standard, an alternate measure that produces very similar results, see <http://www.sixstrategies.org/states/states.cfm>. For a basic introduction to why the current system of federal poverty level calculation is inadequate, please see the fact sheet developed by Sarah Fass of the National Center for Children in Poverty in April 2009 at [http://www.virtualcap.org/downloads/US/US\\_Living\\_Wage\\_NCCP\\_Measuring\\_Poverty\\_in\\_the\\_US.pdf](http://www.virtualcap.org/downloads/US/US_Living_Wage_NCCP_Measuring_Poverty_in_the_US.pdf).