

Revised

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: September 11, 2018

TO: Theodore Lipscomb, Sr., Chairman, Milwaukee County Board of Supervisors

FROM: Mary Jo Meyers, Director, Department of Health and Human Services
Prepared by: Dennis Buesing, Administrator, DHHS Contract Services

SUBJECT: **Report from the Director, Department of Health and Human Services, requesting authorization to enter into purchase of service contracts for the operation of the Wisconsin Home Energy Assistance Program (WHEAP) and a contract with the State of Wisconsin for revenue to support the program**

Issue

The Director of the Department of Health and Human Services (DHHS) is requesting authorization to enter into purchase of service contracts with Community Advocates, Inc. and UMOS, Inc. to operate the Wisconsin Home Energy Assistance Program (WHEAP) in the Management Services Division (MSD) for the 2019 Federal Fiscal Year (FFY) beginning October 1, 2018 and ending September 30, 2019. Section 46.09 of the Milwaukee County Code of General Ordinances requires County Board approval for the purchase of human services from nongovernmental vendors.

Additionally, Section 16.27 of the Wisconsin Statutes governs the operation of the Wisconsin Home Energy Assistance Program (WHEAP) in the State of Wisconsin and prescribes a role for counties in delivering such assistance. Per this section of the Wisconsin statutes, the Director of DHHS is also requesting to execute a FFY2019 contract for the period of 10/01/2018 to 9/30/2019 with automatic extensions every October 1 for a total period of five years (10/1/18 to 9/30/23).

Background

The Wisconsin Department of Administration (DOA), Division of Energy, Housing and Community Resources (DEHCR) administers a statewide program to assist households with heating and electric bill payment assistance as well as benefits and services to assist with energy crisis situations. WHEAP serves as the umbrella program for the federally-funded Low Income Energy Assistance Program (LIHEAP) and Public Benefits (PB) funded from fees collected through the electric utilities more commonly known as "Energy Assistance." LIHEAP focuses mainly on heating assistance such as natural gas, oil and propane while Public Benefits provides benefits for non-heating electric usage.

Section 16.27 of the Wisconsin Statutes governs the operation of WHEAP in the State of Wisconsin and prescribes a role for counties in delivering such assistance. In addition, section 46.215 of the statutes specifically addresses Milwaukee County's role in providing energy assistance to eligible residents.

Funding

For FFY2018 (October 1, 2017 through September 30, 2018), DHHS received about \$3.2 million (base funding allocation and amendments) to administer the Energy Assistance Program for Milwaukee County. Two subcontractors, Community Advocates, Inc. and UMOS, Inc., received \$2.7 million of this funding to operate a call center, scheduling system and six sites across the county. In addition, Impact, Inc. received \$41,838 in funding for the 2-1-1 community call line which serves as an access point and safety net for the emergency furnace program and provides 24-hour referral services and after-hours coverage for the Energy Assistance Program.

Note: Since the submission of the original version of this report to the County Board, the State of Wisconsin has issued a contract to Milwaukee County for FFY2019 in the amount of \$3,009,223 to administer the program for the next fiscal year. Executing this contract prior to the start of the energy season on October 1, 2018 is critical to the provision of services and the ability of Milwaukee County to pay these vendors and be reimbursed for its expenses in administering the program. This contract offers four additional, one-year renewals through September 30, 2023.

Applications

In FFY2018, Milwaukee County processed nearly 30 percent of all the applications in the state and reached nearly 65,000 applicants to date this year. During the heating season, the program assisted over 57,000 households, administering \$35.3 million in regular benefits and \$3.2 million in crisis assistance to the community as of the beginning of August. While applications numbers were down approximately 3 percent across the state for the federal fiscal year, and other comparable urban counties such as Kenosha, Racine and Brown were down over 9 percent, Milwaukee County maintained numbers close to the 2017 record high (-1.45 percent).

As part of the FFY18 State contract, up to an additional \$400,000 in crisis benefits is available to eligible Milwaukee County residents for disbursement in August and September for a total of \$3.6 million. Outreach efforts this year, coupled with changes in the customer service model, fostered an increase in overall applications and new applicants to the program. Almost 8,800 recipients (one out of every seven households) was a new applicant to the program.

Service Model

Since FFY2016, the program has provided a "customer first" service model focusing on service with dignity and respect.

The program currently operates six application intake sites across Milwaukee County. Most Milwaukee County residents are within five miles of an application location. All sites are

handicapped accessible and are on a major MCTS bus route. Customers can walk-in any time during the business day to be seen, call for an appointment, or schedule their own appointment on-line. Customers wait less than 10 minutes to be seen and usually complete the entire process in less than an hour.

The program also operates a call center (located at Community Advocates on James Lovell Street) that receives over 80,000 calls annually, answering over 75 percent of the calls live, and returning calls to those that leave messages the same day or next day.

Proximity to home or work, access by bus, and one-hour services are highly desirable requirements (rated five out of five) to over 71 percent of customers polled in an independent customer service study conducted by Opinion Access for the program.

All sites operate year-round. During the peak spring and fall seasons, sites will operate extended hours from 7:30 a.m. to 7 p.m. on weeknights and from 8 a.m. to noon on Saturdays.

2018-2019 sites:

North	6900 W Brown Deer Road
Northwest	4907 W Fond du Lac Avenue
West Allis	6761 W. Greenfield Avenue
Bay View	2701 S. Chase Street
Downtown/Central	728 N. James Lovell Street
South	5663 S. 27 th Street

The program also utilized several marketing methods and technologies to ensure customers were well informed about the program, application sites, application methods, and services. Outreach included bus, billboard, and radio advertisements; media participation and coverage during key dates in the season; flyers and press stories; and community outreach at events.

Energy Assistance workers also went on site to over 100 senior meal sites, senior housing sites, apartment complexes, government-assisted housing complexes, and community events to accept applications.

Best Practices

To ensure best practices and compliance with all state and federal regulations, DEHCR performs an annual administrative review of Milwaukee County. The program's procedures in quality assurance, outreach and customer service have been recognized by the state as "best practices" and have been presented at the annual state conference for other Energy Assistance providers.

To ensure the best possible service and outcomes in Milwaukee County, the Energy Assistance Program is guided by the Energy Assistance Steering Committee. This committee is made up of

community partners, such as We Energies, weatherization agencies, county departments serving vulnerable populations, community agencies and the state's DEHCR staff.

In addition, customer input has been integral to the decision process. Customer feedback has been solicited at each site in real time during the season, at customer listening sessions, and through an independent customer service survey. These measures will be an ongoing part of the program's quality assurance plan.

Discussion

The DHHS Director is recommending purchase of service contracts with Community Advocates, Inc. and UMOS, Inc. to operate the Energy Assistance Program for Milwaukee County. Under the FFY2019 contracts, Community Advocates, Inc. and UMOS, Inc. would operate WHEAP under the supervision of, and in partnership with Milwaukee County DHHS, per the guidelines set forth by DEHCR in the FFY2018-19 Wisconsin Home Energy Assistance Program Operations Manual. In addition, two county energy assistance staff members will be deployed to the subcontracted agencies to provide monitoring, compliance, and services, along with agency staff.

DHHS is recommending that a 12-month contract be awarded for the period of October 1, 2018 to September 30, 2019 to Community Advocates, Inc. and UMOS, Inc. as follows:

Community Advocates, Inc.	\$1,174,349
UMOS, Inc.	<u>\$ 594,398</u>
Total	\$1,768,747

The FFY2018-19 contract recommendations are based upon the percentage of applications processed in FFY2018 as well as on the planned outreach activities and initiatives developed to reach potential applicants. DHHS' ability to execute these contracts will be contingent upon review and approval by the Wisconsin Department of Energy, Housing and Community Resources (DEHCR). Any contract increases received by DHHS during the course of the State DOA/DHHS contract period will be passed onto both agencies based on the same calculations used to determine the above figures, program needs, funding source and/or state directives and initiatives.

Funding to support these contracts as well as county staff and overhead costs is provided by the State WHEAP contract, formally issued on September 11, 2018. This is an annual contract, starting October 1, 2018 with four additional one-year renewals (FFY2019-2023).

Recommendation

It is recommended that the Milwaukee County Board of Supervisors authorize the Director of the Department of Health and Human Services, or her designee, to execute FFY2019 purchase of service contracts for the period of October 1, 2018 to September 30, 2019 with Community

Advocates, Inc. in the amount of \$1,174,349 and with UMOS, Inc. in the amount of \$594,398. Further, the Director is authorized to amend the contracts upon receipt of any addenda from the Wisconsin Department of Administration (DEHCR) increasing Milwaukee County's WHEAP contract during FFY2019.

It is further recommended that the Milwaukee County Board of Supervisors authorize the Director of the Department of Health and Human Services, or her designee, to execute a FFY2019 contract for \$3,009,223 for the period of 10/01/2018 to 9/30/2019 with automatic extensions every October 1 for a total period of five years (10/1/18 to 9/30/23).

Fiscal Impact

Each of the recommended purchase of service contracts is funded with WHEAP revenue provided through the state contract, and approval of the recommendations delineated above would have no additional tax levy impact beyond what has been allocated in the DHHS 2018 Budget and 2019 Requested Budget. A fiscal note form is attached.



Mary Jo Meyers, Director
Department of Health and Human Services

- cc: County Executive Chris Abele
Sup. James "Luigi" Schmitt, Chair, Finance Committee
Sup. Supreme Moore-Omokunde, Chair, Health & Human Needs Committee
Raisa Koltun, County Executive's Office
Teig Whaley-Smith, DAS Director
Kelly Bablitch, County Board
Steve Cady, Research and Policy Director – Comptroller's Office
Lisa Wozny, Budget Analyst - DAS