

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 9/11/2018

Original Fiscal Note

Substitute Fiscal Note

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

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	\$752,306	\$2,256,917
	Revenue	\$752,306	\$2,256,917
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

- A. 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 period beginning October 1, 2018 and ending September 30, 2019. In addition, DHHS is seeking approval to enter into a contract with the State of Wisconsin for the WHEAP funding which supports the provider contracts as well as personnel and other associated costs. This State contract aligns with the federal fiscal year and reflects a five-year term of October 1, 2018 to September 30, 2023.

Approval of the request will permit DHHS MSD to administer the Energy Assistance Program and ensure the continued availability of electric and heating bill payment assistance as well as benefits and services to assist with energy crisis situations to eligible low-income households in Milwaukee County.

- B. The State contract reflects total WHEAP revenue of \$3,009,223 for FFY19 beginning October 1, 2018 to September 30, 2019. Approximately, \$752,000, or 25 percent, of the revenue and associated costs are anticipated to occur in 2018 with \$2,256,000, or 75 percent, being realized in 2019. The \$3 million in revenue supports total estimated program costs of the same amount. The State contract not only funds the \$1,768,747 in contracts with UMOS and Community Advocates but also County personnel, services and administrative costs.
- C. There is no tax levy impact associated with approval of this request. The cost of the contracts, personnel and associated expenses were included in the 2018 Adopted and 2019 Requested Budgets for Energy (in low org 8238).
- D. It is assumed that total expenditures will not exceed the contract amount unless additional revenue is received.

Department/Prepared By Clare O'Brien, Senior Budget Analyst-DHHS

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Authorized Signature



Did DAS-Fiscal Staff Review?

Yes

No

Did CDPB Staff Review?

Yes

No

Not Required