

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: August 20, 2021

To: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Shakita LaGrant-McClain, Director, Department of Health and Human 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)

File Type: Action Report

REQUEST

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) for the 2022 Federal Fiscal Year (FFY) beginning October 1, 2021 and ending September 30, 2022. These agencies were successfully awarded these contracts as a result of a 2021 Request for Proposals (RFP) for this service.

POLICY

Section 46.09 of the Milwaukee County Code of General Ordinances requires County Board approval for the purchase of human services from nongovernmental vendors. 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.

Wisconsin State Statutes:	16.27, 46.215
Milwaukee County Code of General Ordinances:	46.09

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.

Funding

For FFY2021 (October 1, 2020 through September 30, 2021), DHHS received \$2,583,252 to administer the Energy Assistance Program for Milwaukee County. This reflected a reduction of nearly \$380,000 from the prior fiscal year due to the State’s decision to transition the intake process to an online system utilizing a private vendor.

For FFY21, Community Advocates, Inc. and UMOS, Inc., received a combined total of \$2.3 million to operate a call center, scheduling system and six sites across the county. At the time of this report submittal, the exact amount of funding for the 2022 season hadn’t been released by the State. Because the provider contracts end on September 30, 2021, DHHS is seeking approval of these contracts in the September cycle without notification of the final allocation to maintain continuity of services. If the actual funding included in the State WHEAP contract is less than the amount required to support the program, the agency contracts will be reduced.

Service Model

For 2022, the Energy Assistance Program is transferred to the Housing Division to improve service alignment. This program was previously administered by the Management Services Division. 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 residents are within five miles of an application location. All sites have accessible parking and are on a major bus route. Historically, customers can walk in anytime during the business day, call for an appointment, or schedule an 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% of the calls live, and returning calls 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% of customers polled in an independent customer service study conducted by Opinion Access for the program.

Transition to Non-Contact Service Model

In 2021, the service model was revised to enable a high rate of non-contact service to reduce health and safety risks to residents and employees. The transition includes:

- Increased phone and online applications (non-contact services)
- Increased rate of same day application processing
- A reduction in service locations
- Centralization of the call center
- Database integration
- Increase in resource referrals for residents

Outreach

Energy Assistance workers have historically visited over 100 senior meal sites, senior housing sites, apartment complexes, government-assisted housing complexes, and community events to accept applications. Due to the pandemic, this did not occur at a normal level. Residents will have an opportunity to learn how to access technologies such as apps and email that will enable them to complete their application virtually without putting their health and safety at risk.

FFY2022 Provider Contracts

The FFY2022 provider contract recommendations are based upon the percentage of applications processed in FFY2021 as well as the planned outreach activities and initiatives developed to reach potential applicants. DHHS's ability to execute these contracts will be contingent upon review and approval by the DEHCR. Any contract adjustments received by DHHS during the course of the State 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.

DHHS is recommending 12-month contracts be awarded for the period of October 1, 2021 to September 30, 2022 to Community Advocates, Inc. and UMOS, Inc. in the following not-to-exceed amounts:

Community Advocates, Inc.	\$1,421,268
UMOS, Inc.	<u>\$728,877</u>
Total	\$2,150,145

Funding to support these contracts as well as county staff and overhead costs is provided by the State WHEAP contract. The current State WHEAP contract was approved under File No. 18-634 for a five-year term effective October 1, 2018 through September 30, 2023. Although funding is regulated by state statute, it is contingent on Federal Low-Income Home Energy Assistance Program (LIHEAP) funding.

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 the FFY2022 contracts for the period of October 1, 2021 to September 30, 2022 with Community Advocates, Inc. in a not-to-exceed amount of \$1,421,268 and with UMOS, Inc. in a not-to-exceed amount of \$728,877 for a total of \$2,150,145. Further, the Director is authorized to amend the contracts upon receipt of any addenda from the State DOA increasing Milwaukee County's WHEAP contract during FFY2022.

FISCAL EFFECT

Each of the recommended contracts is funded with WHEAP revenue, and approval of the recommendations delineated above would have no additional tax levy impact beyond what has been allocated in the DHHS 2021 Budget and 2022 Requested Budget. A fiscal note form is attached.

TERMS

The term of these contracts runs from October 1, 2021 through September 30, 2022.

ALIGNMENT TO STRATEGIC PLAN

These contracts align to Milwaukee County's Strategic Plan, specifically around 2C (Apply a racial equity lens to all decisions) and 3A (Invest upstream to address root causes of health disparities).

Energy burden is defined as the percentage of household income that goes towards energy costs (Energy burden = annual energy utility bills ÷ annual household income). A 2021 study from the Sierra Club shows that the average energy burden is 2.1% for majority white neighborhoods compared to 5% for majority Black neighborhoods and 5.3% for majority Hispanic Latinx neighborhoods. A previous study from 2016 showed that one in four Black families in Milwaukee had an energy burden of over 15.5%, while one in four Hispanic/Latinx families had an energy burden of at least 7.9%. Roughly 6% of the Milwaukee metro population live in energy burden census tracts with an average energy burden of at least 6%.

High energy burdens lead to potential disconnections, forcing tough choices between paying energy bills and covering other basic needs such as food, housing costs, and medical costs. Energy burdened households also face many negative long-term effects on health and well-being including a greater risk for respiratory diseases and increased stress.

VIRTUAL MEETING INVITES

James Mathy, Administrator, DHHS Housing Division
Maricela Gaona, Energy Assistance Manager, DHHS Housing Division

PREPARED BY:

James Mathy, Administrator, DHHS Housing Division

APPROVED BY:

Shakita LaGrant-McClain
Shakita LaGrant-McClain, Director, DHHS

ATTACHMENTS:

None

cc: County Executive David Crowley
Sup. Jason Haas, Chair, Finance Committee
Sup. Felesia Martin, Chair, Health Equity, Human Needs, & Strategic Planning Committee
Mary Jo Meyers, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Janelle M. Jensen, Legislative Services Division Manager, Office of the County Clerk
Steve Cady, Research Director, Comptroller's Office
Pam Matthews, Fiscal & Management Analyst, DAS
Lottie Maxwell-Mitchell, Research & Policy Analyst, Comptroller's Office