

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: September 6, 2011

TO: Supervisor Lee Holloway, Chairman, Milwaukee County Board of Supervisors

FROM: Geri Lyday, Interim Director, Department of Health and Human Services
Prepared by: Dennis Buesing, Administrator, DHHS Contract Administration

SUBJECT: **Report from the Interim Director, Department of Health and Human Services, requesting authorization to enter into Purchase-of-Service Contracts for the operation of the Management Services Division Wisconsin Home Energy Assistance Program (WHEAP)**

Issue

The Interim Director of the Department of Health and Human Services (DHHS) is requesting authorization to enter into Purchase-of-Service Contracts with community vendors for the operation of the Management Services Division (MSD) Wisconsin Home Energy Assistance Program (WHEAP). The contracts will follow the Federal Fiscal Year (FFY), beginning October 1, 2011 and ending September 30, 2012.

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

Background

The Wisconsin Department of Administration (DOA), Division of Energy Services (DES) administers statewide low income household energy assistance programs involving electric and heating 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 or LIHEAP; and the Public Benefits Program funded from fees collected through the electric utilities. LIHEAP focuses mostly on heating assistance while Public Benefits provides benefits for non-heating electric usage.

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. Section 46.215 of the Statutes specifically addresses Milwaukee County's role in providing energy assistance to eligible residents. DHHS is submitting another report to the County Board this committee cycle with its recommendations for executing a State-County contract for Federal Fiscal Year 2012 (October 1, 2011 through September 30, 2012) for the operation and funding of low-income energy assistance.

DHHS traditionally has sought to maintain a social service delivery system comprised of both County provided and purchased services. Partnerships with community vendors have helped DHHS make use of available community resources and expertise in carrying out its mission. For the Federal Fiscal Year ending September 30, 2010, DHHS administered \$2.9 million in Home Energy Assistance subcontracts with community agencies resulting in assistance to 69,961 households receiving \$40.4 million in Home Energy and Crisis Assistance.

In 2011, the DHHS Management Services Division initiated a Request for Proposals (RFP) process for competitive proposals from community agencies to provide services to low-income households needing assistance with utility bill payments and to respond to customer emergency energy needs and process applications for crisis assistance funds. The department received proposals from the herein recommended providers who have also performed these relevant services for DHHS in the past and have successfully met performance expectations and contract requirements. The proposed contracts for FFY 2012 are summarized below.

Discussion

The Interim Director, DHHS is recommending the continuation of contracts with the Social Development Commission (SDC) and Community Advocates to operate the Energy Assistance Program for Milwaukee County. Under the FFY 2012 contracts, SDC and Community Advocates would operate the Wisconsin Home Energy Assistance Program (WHEAP) to insure eligible households in Milwaukee County are provided with WHEAP benefits and services. SDC operates three Energy Assistance sites and deploys the remaining two County energy staff along with its regular staff. Community Advocates currently operates one Energy Assistance site, with plans to utilize public library facilities throughout the city to process applications from within the community, should authorization to continue the contract be granted.

The Interim Director, DHHS is recommending that a twelve-month contract be awarded to the Social Development Commission (SDC), for the period of October 1, 2011 to September 30, 2012, in the amount of \$1,562,715. DHHS is also recommending that a twelve-month contract be awarded to Community Advocates in the amount of \$461,123. The 2010/2011 contracts included two contract increases received by DHHS during the course of the State DOA/DHHS contract period, which were proportionately passed on to both SDC and Community Advocates. The recommended contract for SDC represents a decrease of \$93,909 from the initial base contract of \$1,656,624 for the 2010/2011 federal fiscal year. The recommended contract for Community Advocates represents an increase of \$108,063 from the initial base contract of \$353,060 awarded to them for the 2010/2011 FFY.

The FFY 2011/2012 contract amount recommendations are based upon percentage of applications processed YTD by each agency for FFY 2010/2011 at the time of this report. The increased contract allocation to Community Advocates is due to an increase in both Home Energy and Crisis Assistance applications processed by Community Advocates during the 2010/2011 contract period to date over the 2009/2010 contract period. DHHS' ability to execute these contracts will be contingent upon review and approval by the Wisconsin Department of Administration.

Recommendation

It is recommended that the County Board of Supervisors authorize the Interim Director of the Department of Health and Human Services, or her designee, to execute a FFY 2012 contract for the period of October 1, 2011 to September 30, 2012 with the Social Development Commission (SDC) in the amount of \$1,562,715, and with Community Advocates in the amount of \$461,123, with the understanding that any addenda received by Milwaukee County DHHS from the Wisconsin Department of Administration increasing the state/county contract for the operation of the WHEAP program during FFY 2012 will proportionately increase both the SDC and Community Advocates contracts.

Fiscal Impact

Each of the recommended contracts is funded with Wisconsin Home Energy Assistance Program (WHEAP) revenue, and approval of the recommendations delineated above would have no additional tax levy impact beyond what has been allocated in the Department's 2012 requested budget. A fiscal note form is attached.



Gerri Lyday, Interim Director
Department of Health and Human Services

cc: County Executive Chris Abele
Tia Torhorst, County Executive's Office
Terrence Cooley, Chief of Staff – County Board
Pamela Bryant, Interim Fiscal and Budget Administrator– DAS
Antoinette Thomas-Bailey, Fiscal and Management Analyst – DAS
Jennifer Collins, County Board Staff
Jodi Mapp, County Board Staff