

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: October 2, 2020

TO: Supervisor Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

FROM: Shakita LaGrant McClain, Director, Department of Health and Human Services
Prepared by Cleopatra Echols, Program Manager, Energy Assistance

SUBJECT: Report from the Director, Department of Health and Human Services, requesting authorization to amend purchase of service contracts for the operation of the Wisconsin Home Energy Assistance Program (WHEAP)

Issue

In September, DHHS submitted File No. 20-633 seeking approval of contracts with United Migrant Opportunity Services (UMOS) and Community Advocates to operate the Energy Assistance Program. Subsequent to the submittal of this file, DHHS was notified by the State Department of Administration of a reduction of just over \$1 million to its Federal Fiscal Year (FFY) 2021 contract allocation compared to FFY2020. This reduction was primarily the result of the State Department of Administration's (DOA) decision to reallocate Milwaukee County's funds as well as funding from other counties to Energy Services, Inc. (ESI) to manage online applications. In order to both ensure continuity of services starting October 1 and manage the program within the reduced budget, the County Board passed an amendment approving the contracts in the following initial not-to-exceed amounts at its meeting on Sept. 24:

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

As part of the amendment to File No. 20-633, the County Board directed DHHS to provide an informational report as soon as possible regarding the unexpected reallocation of WHEAP funding and any impact on residents seeking assistance. Following approval of the amended File No. 20-633 by the County Board, the State notified DHHS on Sept. 29 that an error had occurred in the calculation of Milwaukee County's FFY2021 funding allocation. This increased the allocation by \$659,631, from \$1,923,621 to \$2,583,252. As a result of this increase, DHHS is requesting amendments to the contracts as shown above that were approved by the County Board in September.

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 to support the Energy Assistance Program is provided by the State WHEAP contract which was approved under File No. 18-634 for a five-year term effective October 1, 2018, through September 30, 2019 with four additional, one-year renewals through September 30, 2023.

Discussion

File No. 20-633 authorizes DHHS to amend these contracts based on the receipt of any addenda increasing the WHEAP contract. As a result of the additional allocation, DHHS is now requesting the following amendments to the contracts:

Provider	2020 Initial Contract (File No. 20-633)	Amendment	2020 Adjusted Contract
Community Advocates	\$1,421,268	\$94,026	\$1,515,294
UMOS	\$728,877	\$54,123	\$783,000
Subtotal	\$2,150,145	\$148,149	\$2,298,294

The FFY2021 provider contract recommendations are based upon the percentage of applications processed in FFY2020 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 increases 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.

Anticipated Impact to Consumers:

The amendment to File No. 20-633 also directed DHHS to provide a report on the impact of the initial funding cut, if any, on the residents seeking assistance. Although the revised allocation to Milwaukee County of nearly \$2.6 million will allow the program to increase its capacity, it's still short by about \$380,000 compared to the prior year's base contract of \$2,962,658. In addition, the State has not provided any details on how ESI will service Milwaukee County's consumers. The reduction also results in a decreased ability to implement a variety of outreach efforts within the community. Due to the pandemic and the moratorium extension, increased targeted outreach is paramount to ensuring Milwaukee County residents can access available services.

To strengthen the community outreach capacity, we are partnering with Employ Milwaukee to obtain Community Navigators to support our outreach efforts. This partnership will be funded by another revenue source so that the limited WHEAP funding can be maximized to Community Advocates and UMOs. We are implementing a staggered staffing pattern to ensure availability of team members at reduced hours throughout the full season. As the season progresses, we plan to increase hours based on community response for support. We anticipate that in the spring when the moratorium extension ends, we will need to increase staffing and extend hours to support customers who may be impacted by disconnection notices.

The No Wrong Door effort to support customers may be affected by the reduction in funds as we are in the process of building a new database for the call center. DHHS Administration is currently exploring options to support this effort. The new database is needed to continue the transition into a no contact interview service. The database will allow customers to review and submit documents electronically via our website and streamline customer care questions.

With the increase in funding and support from Employ Milwaukee, we will work diligently to serve Milwaukee County residents this upcoming energy season.

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 amendments to the FFY2021 contracts for the period of October 1, 2020 to September 30, 2021 with Community Advocates, Inc. in the amount of \$94,026 and with UMOs, Inc. in the amount of \$54,123 for a total of \$148,149. 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 FFY2021.

Fiscal Impact

Each of the recommended amendments 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 2020 Budget and 2021 Budget. A fiscal note form is attached.

Shakita LaGrant-McClain

Shakita LaGrant McClain, Director
Department of Health and Human Services

cc: County Executive David Crowley
Sup. Jason Haas, Chair, Finance Committee
Sup. Supreme Moore-Omokunde, Chair, Health & Human Needs Committee
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