

**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

**SUBJECT:** **Report from the Interim Director, Department of Health and Human Services, Requesting Authorization to Enter into a 2012 Contract with the State of Wisconsin for Operation of the Wisconsin Home Energy Assistance Program (WHEAP)**

**Issue**

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. Per those sections of the Wisconsin statutes, the Interim Director of the Department of Health and Human Services (DHHS) is requesting authorization to execute 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.

**Background**

The Wisconsin Department of Administration (DOA) administers WHEAP. WHEAP serves as the umbrella program for the federally funded Low Income Home 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 assistance for non-heating electric usage.

General eligibility for WHEAP includes households at or less than 60% of state median income (\$46,768 annually for a family of four for the 2011-2012 WHEAP season).

- Regular energy assistance benefits provide a utility supplemental payment for current season heating (LIHEAP) and/or non-heating electric public benefits expenses. Households may receive only one regular heat and/or one regular electric (non-heating) benefit during each heating season (October 1 – May 15). This assistance is paid out of a centrally controlled account by the state and is not maintained by Milwaukee County.
- Crisis assistance provides services to households experiencing actual energy emergencies or those at risk of an emergency. An emergency services component of

this area provides benefits and services to households that are experiencing actual or imminent loss of home heating/electricity or are in need of cooling assistance upon the declaration of a heat emergency. Emergency services also include furnace repair and replacement.

- Weatherization services include insulating attics, walls and floors, insulating or replacing water heaters and installing energy efficient lighting among other services. Basic eligibility requirements for weatherization are the same as for energy assistance (WHEAP).
- Outreach services include informing potentially eligible individuals about energy assistance, encouraging them to apply and assisting them with the application process.
- General operations provide funds to the local agencies and their subcontractors to administer the WHEAP program.

As of August 16, 2011, the state made approximately \$36.8 million in payments year-to-date on behalf of 56,345 households under Energy Assistance for FFY2011, and over \$2.7 million year-to-date under Crisis Energy Assistance for 8,810 customers in Milwaukee County. These state payments were made either directly to utility companies or to the customers themselves if energy costs are included in their rent. In addition, \$859,266 was allocated to repair or replace 318 heating units in Milwaukee County.

The total revenue included in the proposed WHEAP contract to operate the program is \$2,394,458, a decrease of \$792,696 from the FFY2011 amended contract of \$3,187,154. The State contract supports the County WHEAP staff and operating costs as well as outside contractual services. DHHS is submitting another report to the County Board this committee cycle with recommended purchase of service contracts with community vendors in amounts that reflect the reduced Energy revenue.

The State contract also designates funding for LIHEAP Crisis Benefits and Public Benefits (PB) Crisis Benefits. These funds provide direct payments to utility companies or customers. For FFY12, the State has allocated \$783,295 in LIHEAP Crisis Benefits and \$512,049 in PB Crisis Benefits to Milwaukee County.

### **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 FFY2012 contract for the period of 10/01/11 to 9/30/12 with the Wisconsin Department of Administration (DOA) covering the operation of WHEAP in the amount of \$2,394,458, and any addenda to that contract that may be issued during the year.

**Fiscal Impact**

Entering into the WHEAP state contract will have no tax levy impact, since any reduction in revenue is offset with a commensurate reduction in purchase of service contracts with community vendors. A fiscal note form is attached.

A handwritten signature in black ink that reads "Geri A. Lyday". The signature is written in a cursive style and is positioned above a horizontal line.

Gerri Lyday, Interim Director  
Department of Health and Human Services

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