

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: August 16, 2024

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

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

Subject: A report from the Director, Department of Health and Human Services (DHHS), providing notice to the County Board of a change in the administration of the Energy Assistance Program in Milwaukee County

File Type: Informational Report

REQUEST

This informational report provides notification to the Milwaukee County Board of Supervisors of the discontinuation of the Wisconsin Home Energy Assistance Program (WHEAP) contract between Milwaukee County DHHS and the State of Wisconsin for the administration of the Energy Assistance Program effective October 1, 2024.

POLICY

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 and section 46.215 of the statutes specifically addresses Milwaukee County's role in providing energy assistance to eligible residents.

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."

Currently, DHHS-Housing Services operates the program with three internal County staff along with two partner providers – UMOS and Community Advocates. In September of 2023, the County Board approved File 23-827 executing a \$2.8 million FFY24 contract (October 1, 2023, through September 30, 2024) with the State of Wisconsin for the administration of the Energy Assistance Program.

On June 5, DEHCR met with DHHS to inform the department of its decision to assume oversight of the contracts with UMOS and Community Advocates to be effective in the upcoming FFY25 energy season. The State indicated that Milwaukee County is the only county that operates on a subcontracting model – in all other counties the State contracts directly with provider agencies.

The State maintained its decision was made to increase streamlined fiscal and programmatic accountability and improve cost effectiveness. Although the State intended to effectuate contracts with the providers and Milwaukee County DHHS, it was unclear what, if any, role DHHS would have in the overall program. Under this new model, the State indicated that DHHS-Housing Services would receive \$84,000 for its administrative costs which would be a significant reduction from the \$450,000 it was allocated to operate the program previously.

As a result, DHHS staff formulated several questions/concerns and submitted those to DEHCR and met on June 24 to discuss. One of the major ongoing concerns that was again expressed by DHHS to DEHCR during this meeting was the prohibition of Milwaukee County providers to process online applications. Since 2020, DEHCR has been contracting with Energy Services, Inc., (ESI) to exclusively process online applications statewide. If the State had allowed Milwaukee County providers to process online applications rather than solely paper applications, our ability to increase the number of customers receiving energy assistance would have increased thereby improving our cost effectiveness.

We also emphasized that DHHS strongly values its long-standing partnerships with its community-based providers who understand the unique needs of our customers. Under this new model, the State would oversee these contracts and Milwaukee County would no longer partner with UMOS and Community Advocates for Energy Services.

Given its much reduced role in overseeing the program and significant budgetary impact, DHHS informed the State on July 5 of its decision not to execute a contract for Energy Assistance for the next grant cycle. DHHS plans to work with the State and our local partners on a transition plan to ensure that there will not be a disruption in service.

VIRTUAL MEETING INVITES

James Mathy, Housing Administrator

PREPARED BY:

Clare O'Brien, Budget and Policy Director, Department of Health and Human Services

APPROVED BY:

Shakita LaGrant-McClain

Shakita LaGrant-McClain, Director, Department of Health and Human Services

ATTACHMENTS:

None

Cc: County Executive David Crowley
Sup. Willie Johnson, Jr., Chair, Committee on Finance
Sup. Shawn Rolland, Chair, Health Equity, Human Needs, and 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
Steve Cady, Research Director, Comptroller's Office