

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 8/17/18

Original Fiscal Note

Substitute Fiscal Note

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) in the Management Services Division

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	\$1,768,747
	Revenue	0	\$1,768,747
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

- A. 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) in the Management Services Division (MSD), for the period beginning October 1, 2018 and ending September 30, 2019.

Approval of the request will permit the DHHS Management Services Division to administer the Energy Assistance Program and ensure the continued availability of electric and heating bill payment assistance as well as benefits and services to assist with energy crisis situations to eligible low-income households in Milwaukee County.

- B. Total expenditures included in this request are \$1,768,747.
- C. There is no tax levy impact associated with approval of this request as funds sufficient to cover these expenditures are anticipated to be included as part of the State WHEAP contract which is estimated to be \$2.7 million, the same as the initial FFY18 funding. The cost of the contracts was included in the 2018 Adopted and 2019 Requested Budgets for Energy (in low org 8238). The WHEAP funds also cover the county's administrative costs in addition to the two contracts being requested for approval.

The FFY2018-19 is anticipated to be received by DHHS in mid-September and will be submitted to the County Board in October for approval. State DOA has advised DHHS that the funding level will be consistent with FFY2017-18 base funding of \$2.7 million and will reflect a term of five years (FFY2019-2023). Because the provider contracts end on September 30, DHHS is seeking approval of these contracts in the September cycle without the State contract to maintain continuity of services. If the actual funding included in the State WHEAP contract is less than the FFY2017-18 contract, the agency contracts will be reduced and DHHS will inform the County Board of this change.

- D. It is assumed that total expenditures will not exceed the contract amount unless additional revenue is received.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Department/Prepared By Clare O'Brien, Senior Budget Analyst-DHHS

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

Did CDPB Staff Review? Yes No Not Required