

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: September 24, 2015

TO: Theodore Lipscomb Sr., Chairman, County Board of Supervisors

FROM: Héctor Colón, Director, Department of Health and Human Services
Prepared by: Dennis Buesing, Administrator, DHHS Contract Services

SUBJECT: **Report from the Director, Department of Health and Human Services, Requesting Authorization to Enter into a Contract with the State of Wisconsin for the Operation of the Wisconsin Home Energy Assistance Program (WHEAP) for Federal Fiscal Year (FFY) 2016.**

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 Director of the Department of Health and Human Services (DHHS) is requesting authorization to execute a State-County contract for federal fiscal year (FFY) 2016 (October 1, 2015 through September 30, 2016) with 2 annual one-year extensions for FFY 2017 and FFY 2018 for the operation and funding of low-income energy assistance.

Background

The Department of Administration (DOA) Division of Energy, Housing and Community Resources (DEHCR) administers WHEAP. WHEAP serves as the umbrella program for the federally-funded Low Income Home Energy Assistance Program or LIHEAP and the Public Benefits (PB) 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 (or approximately 200% of the Federal Poverty Level). As an example, the income limit is \$49,232 annually for a family of four for the 2015-16 WHEAP season. Other factors, such as energy burden, fuel source and dwelling type, also factor in.

WHEAP provides several services:

- Regular energy assistance benefits provide a utility supplemental payment for the current season heating (LIHEAP) and/or non-heating electric public benefits (PB) 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 benefits and services to households experiencing an energy emergency such as 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. Although Milwaukee County does not administer weatherization, basic eligibility requirements for weatherization are the same as for energy assistance (WHEAP) and eligibility for weatherization benefits requires approval of regular WHEAP benefits.

As of September 23, 2015, the state made approximately \$24.4 million in payments year-to-date on behalf of 53,423 households under Energy Assistance for FFY2015, and over \$3.4 million year-to-date under Crisis Energy Assistance for 11,844 households 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.

The State contract being recommended for approval supports the County WHEAP staff and operating costs as well as outside contractual services. The total revenue to Milwaukee County included in the proposed WHEAP contract for FFY 2016 is \$2,618,524, and will be renewed in FFY 2017 and FFY 2018.

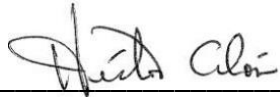
The State contract also designates funding for LIHEAP Crisis Benefits and Public Benefits (PB) Crisis Benefits. These funds provide direct payments to utility companies or customers and do not get recognized in the county's financial system. For FFY 2016, the State has allocated \$873,493 in LIHEAP Crisis Benefits and \$508,411 in PB Crisis Benefits to Milwaukee County. The total contract award which includes the \$1,381,904 in Crisis Benefits is \$4,000,428.

Recommendation

It is recommended that the County Board of Supervisors authorize the Director of the Department of Health and Human Services, or his designee, to execute a FFY2016 contract for the period of 10/01/2015 to 9/30/2016 with the Wisconsin Department of Administration (DOA) covering the operation of WHEAP in the amount of \$2,618,524 in the first year, and any addenda to that contract that may be issued during the year. This contract will include automatic extensions every October 1 for a total period of three years unless either party gives notification of cancellation at least 60 days before the end of the renewal term.

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.



Héctor Colón, Director
Department of Health and Human Services

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