

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 8/12/22

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)

**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<br>(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.*

|                                   | <b>Expenditure or Revenue Category</b> | <b>Current Year</b> | <b>Subsequent Year</b> |
|-----------------------------------|--|---------------------|------------------------|
| <b>Operating Budget</b>           | Expenditure                            | \$502,741           | \$1,508,223            |
|                                   | Revenue                                | \$502,741           | \$1,508,223            |
|                                   | Net Cost                               | 0                   | 0                      |
| <b>Capital Improvement Budget</b> | 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.<sup>1</sup> 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 Housing Services for the period beginning October 1, 2022 and ending September 30, 2023.

Approval of the request will 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 \$2,010,964.
- C. The federal fiscal year (FFY) 2023 State WHEAP preliminary contract award is \$2,492,431 which reflects a reduction of about \$500,000 compared to FFY2022. As a result, the contracts with Community Advocates and UMOS have been reduced by about \$350,000 combined compared to FFY22 to account for this decrease in the State agreement. The \$2,010,964 cost of the contracts was included in the 2022 Adopted and 2023 Requested Budgets for Energy (in low org 8546). The WHEAP funds also cover the county's administrative costs in addition to the two contracts being requested for approval.

DHHS has not yet received a final contract award for the 2023 season and because the existing contracts end on September 30, 2022, the department is seeking approval of the contracts in the September County Board cycle for continuity of services. If the actual FFY2023 State WHEAP contract award is less than the preliminary award, the agency contracts will be further reduced and DHHS will inform the County Board of this change.

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<sup>1</sup> 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.

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

Department/Prepared By: Clare O'Brien, DHHS Budget & Policy Director

Authorized Signature *Shakita LaGrant-McClain*

Did DAS-Fiscal Staff Review?  Yes  No

Did CDPB Staff Review?  Yes  No  Not Required