

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: August 18, 2023

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, requesting authorization to enter into purchase of service contracts for the operation of the Wisconsin Home Energy Assistance Program (WHEAP) and a contract with the State of Wisconsin for revenue to support the program

File Type: Action Report

REQUEST

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) for the 2024 Federal Fiscal Year (FFY) beginning October 1, 2023 and ending September 30, 2024. These agencies were successfully awarded contracts as a result of a 2021 Request for Proposals (RFP) for this service. In addition, DHHS is requesting approval of the FFY24 contract with the State of Wisconsin for approval to accept revenue and operate the program.

POLICY

Per Wis. Stat. § 59.52(31), the Director of the Department of Health and Human Services is requesting authorization to execute these purchase of service contracts. In addition, 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. In addition, under Section 59.52, departments must obtain authorization from the County Board in order to execute contracts in excess of \$300,000.

Wisconsin State Statutes:		59.52(31), 16.27, 46.215
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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.” LIHEAP focuses mainly on heating assistance such as natural gas, oil and propane while Public Benefits provides benefits for non-heating electric usage.

Funding

For FFY2024 (October 1, 2023, through September 30, 2024), Milwaukee County has been allocated \$2,795,232 to administer the Energy Assistance Program for Milwaukee County. The allocations are dependent upon approval from the Department of Administration (DOA) Secretary and federal funding allocations. The two subcontractors, Community Advocates, Inc. and UMOS, Inc., are recommended to receive approximately \$2.3 million of this funding to operate a call center, scheduling system and four sites across the county.

In addition, DHHS also contracts with IMPACT, Inc. to provide the 2-1-1 community call line which serves as an access point and safety net for the emergency furnace program and provides 24-hour referral services and after-hours coverage for the Energy Assistance Program. 2-1-1 also provided proactive scheduling to Milwaukee County residents in an effort to be aligned with the department’s “No Wrong Door” vision and serve customers more quickly. The current 2023 calendar year contract was approved by the County Board under file 22-1149.

Service Model

Since FFY2016, the program has provided a “customer first” service model focusing on service with dignity and respect. The program currently operates three application intake sites across Milwaukee County. All sites are handicapped accessible and are on a major bus route. Historically, customers can walk in anytime during the business day, call for an appointment, or schedule an appointment on-line. Customers wait less than 10 minutes to be seen and usually complete the entire process in less than an hour. Since the onset of COVID-19 protocols, the program has primarily offered applications by phone, utilizing the same scheduling system.

The program also operates a call center (located at Community Advocates on James Lovell Street) that receives over 80,000 calls annually, answering over 75 percent of the calls live, and returning calls the same day or next day. Proximity to home or work, access by bus, and one-hour services are highly desirable requirements (rated five out of five) to over 71 percent of customers polled in an independent customer service study conducted by Opinion Access for the program.

Transition to Non-Contact Service Model

In FFY2021, the Service Model was revised to enable a high rate of non-contact service to reduce health and safety risks to residents and employees. In FFY2024, we will continue to offer these options, in addition to “drop-off services” at the two sites.

The Non-Contact Service Model includes:

- Increased phone and online applications (non-contact services)
- Increased rate of same day application processing
- A reduction in service locations
- Centralization of the call center
- Database integration
- Increase in resource referrals for residents

Outreach

Energy Assistance workers have historically visited over 100 senior meal sites, senior housing sites, apartment complexes, government-assisted housing complexes, and community events to accept applications. Due to the pandemic, once again, this did not occur at a normal level in 2022. Residents have had the opportunity to learn how to access technologies such as apps and email that will enable them to complete their application virtually without putting their health and safety at risk.

FFY2023 Provider Contracts

Funding to support the provider contracts as well as county staff and overhead costs is provided by the State WHEAP contract. The upcoming FFY24 State WHEAP contract is effective October 1, 2023 through September 30, 2024. Although funding is regulated by state statute, it is contingent on Federal Low-Income Home Energy Assistance Program (LIHEAP) funding.

For FFY2024, the preliminary State WHEAP award notice reflects a reduction of \$162,205, from the FFY2023 contract amount of \$2,957,437, to \$2,795,232. This decrease is primarily due to a shift in funding to a private provider hired by DEHCR to process online applications exclusively. For the last few years, DEHCR has been utilizing Energy Services, Inc. (ESI) to process about 16,000 online applications. As a result, the total applications being processed by Community Advocates and UMOS has decreased which factors into the allocation of WHEAP revenue.

The FFY2024 recommended provider contract amounts were determined based on this reduction as well as the percentage of applications processed by each agency in FFY2023. DHHS’s ability to execute these contracts will be contingent upon review and approval by the DEHCR. Any contract increases received by DHHS during the course of the State contract period will be passed onto both agencies based on the same calculations used to determine the above figures, program needs, funding source and/or state directives and initiatives.

DHHS is recommending 12-month contracts be awarded for the period of October 1, 2023 to September 30, 2024 to Community Advocates, Inc. and UMOS, Inc. as follows:

Provider	2023 Contract	2024 Proposed Contract	Variance 2024/2023
Community Advocates	\$1,540,949	\$1,668,909	\$127,960
UMOS	\$820,015	\$674,287	(\$145,728)
Total	\$2,360,964	\$2,343,196	(\$17,768)

Impact to Services

Due to the reduction in funding, the program will not be able to offer extended hours which impacts evening and Saturday appointments. In addition, the number of staff in the call center will be reduced which affects the length of time to reach a representative and the wait time for a response. Further, the intake staff with each agency will also be reduced. This impacts the availability of living wage jobs for our partner agency staff who are majority Black and Latino. Finally, paid marketing ads and activities will be reduced, possibly impacting the total number of applications processed and residents served by the program. In turn, this will reduce the FFY2024 contract.

ALIGNMENT TO STRATEGIC PLAN

The Energy Assistance Program contracts align to Milwaukee County's Strategic Plan, specifically around 2C (Apply a racial equity lens to all decisions) and 3A (Invest upstream to address root causes of health disparities).

Energy burden is defined as the percentage of household income that goes towards energy costs (Energy burden = annual energy utility bills ÷ annual household income). A 2021 study from the Sierra Club shows that the average energy burden is 2.1 percent for majority white neighborhoods compared to 5 percent for majority Black neighborhoods and 5.3 percent for majority Hispanic Latinx neighborhoods. A previous study from 2016 showed that one in four Black families in Milwaukee had an energy burden of over 15.5 percent, while one in four Hispanic/Latinx families had an energy burden of at least 7.9 percent. About 85,000 people, or roughly 6 percent of the Milwaukee metro population, live in energy burden census tracts with an average energy burden of at least 6 percent.

High energy burdens lead to potential disconnections, forcing tough choices between paying energy bills and covering other basic needs such as food, housing costs, and medical costs. Energy burdened households also face many negative long-term effects on health and well-being including a greater risk for respiratory diseases and increased stress.

FISCAL EFFECT

Each of the recommended contracts is funded with WHEAP revenue, and approval of the recommendations delineated above would have no additional tax levy impact beyond what has been allocated in the DHHS 2023 Adopted Budget and 2024 Requested Budget. A fiscal note form is attached.

RECOMMENDATION

It is recommended that the Milwaukee County Board of Supervisors authorize the Director of the Department of Health and Human Services, or her designee, to execute FFY2024 contracts for the period of October 1, 2023 to September 30, 2024 with Community Advocates, Inc. in an amount of \$1,668,909 and with UMOS, Inc. in an amount of \$674,287 for a total of \$2,343,196 and any addenda.

DHHS has not yet received a final contract award for the 2024 season and because the existing contracts end on September 30, 2023, the department is seeking approval of the contracts in the September County Board cycle for continuity of services. If the actual FFY2024 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.

It is further recommended that the Milwaukee County Board of Supervisors authorize the Director of the Department of Health and Human Services, or her designee, to execute a FFY2024 contract for the period of October 1, 2023 through September 30, 2024 with the State Department of Administration (DOA) covering the operation of the Wisconsin Home Energy Assistance Program in the amount of \$2,795,232 and any addenda increasing the contract.

TERMS

The term of the provider contracts and State of Wisconsin WHEAP contract runs from October 1, 2023 through September 30, 2024.

VIRTUAL MEETING INVITES

James Mathy, Administrator, DHHS Housing Services
Maricela Gaona, Energy Assistance Manager, DHHS Housing Services

PREPARED BY:

James Mathy, Administrator, DHHS Housing Division

APPROVED BY:

Shakita LaGrant-McClain

Shakita LaGrant McClain, Director, DHHS

ATTACHMENTS:

None

cc: County Executive David Crowley
Sup. Liz Sumner, Chair, Finance Committee
Sup. Shawn Rolland, Chair, Committee on Health Equity, Human Needs and Strategic Planning
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
Lottie Maxwell-Mitchell, Sr Budget and Management Analyst, Strategy, Budget & Performance