

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: June 25, 2021

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

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

Subject: An informational report from the Director, Department of Health and Human Services, on the impact of the energy burden and energy debt disparities within Milwaukee County

File Type: Informational Report

REQUEST

This report is being submitted in response to a May 14, 2021 request from the County Board to address the disproportionate energy burden of households in predominantly Black and Hispanic/Latinx neighborhoods compared to predominantly white neighborhoods. Further, the County Board requested policy recommendations it may consider implementing to address inequities in energy consumption and expenses.

POLICY

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% for majority white neighborhoods compared to 5% for majority Black neighborhoods and 5.3% 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%, while one in four Hispanic/Latinx families had an energy burden of at least 7.9%. Roughly 6% (or 85,000 people) of the Milwaukee metro population lives in energy burden census tracts with an average energy burden of at least 6%.

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.

BACKGROUND

Please see the following information prepared by DHHS in response to potential policy recommendations:

Opportunities to Expand/Enhance Existing Programs:

- Additional educational outreach efforts could be conducted with the community around the following areas:
 - Conserving energy
 - Importance of consistently paying their bills
 - Payment plans available to support residents in paying bills.
 - Health impacts of stable utility services in the home
 - Education about the furnace support We Energies provides for those that do not qualify for other programs
- Purchases – Additional programs could offer in-home services for those that do not qualify or decline traditional weatherization services. The following energy efficiency purchases could reduce the monthly bill significantly:
 - Appliance repair or replacement
 - Energy efficient lightbulbs and window coverings direct ship to customers
 - Energy efficient computer systems
 - Power saving strips

Impact of COVID-19 on Exacerbating Energy Burden Inequities & Energy Debt:

- The customers most negatively impacted by the COVID-19 pandemic were those 60-80% below the federal poverty line. Due to remote learning, there was an increased need for electricity in the home during the day as well as more frequent meal preparation and subsequently, increased utility costs. For families who also transitioned to telework, this further increased costs.

Opportunities to Leverage 2021 American Rescue Plan Act (ARPA) Funds:

- 2021 funding from the Coronavirus Aid, Relief & Economic Security (CARES) Act was focused on supporting families with utility arrearages that occurred on or after 3/13/2020. Many Milwaukee County residents have arrearages dating back to 2019 and prior. These arrearages per customer average between \$5,000 to \$20,000. This may have resulted in families not being able to obtain independent housing because of unpaid utility bills. This had a domino effect of creating further instability due to utility costs.

- Conduct outreach to customers who may have missed the deadline to apply for energy assistance. If they qualified for Energy assistance last year, provide them with a benefit through ARPA.
- Financial assistance could be provided to those customers who fall just slightly short of the current federal income eligibility guidelines for the Energy Assistance Program.
- ARPA funds could be used to dramatically increase the number of households that could be assisted with making their residences more energy efficient. This could be done in in either rental or homeowner situations.
- The Milwaukee County Housing Division has additional federal funds available through the HOME Program to provide emergency home repairs funds for households that meet federal income guidelines. Through this program, homeowners can address costly HVAC repairs as well as window replacement. All homes are also made lead safe during the process.

Related File No's:	N/A
Associated File No's (Including Transfer Packets):	N/A
Previous Action Date(s):	N/A

ALIGNMENT TO STRATEGIC PLAN

This item is aligned to the strategic plan because it focuses on determining what, where, and how we deliver services to advance health equity. This report contains recommendations on how to target ARPA funding to better serve those disproportionately affected by high energy costs, a burden that only became more pronounced due to the pandemic.

FISCAL EFFECT

This item is informational and has no fiscal effect.

TERMS

N/A

VIRTUAL MEETING INVITES

Shakita.LaGrant@milwaukeecountywi.gov
James.Mathy@milwaukeecountywi.gov
Maricela.Gaona@milwaukeecountywi.gov
Cleopatra.Echols@milwaukeecountywi.gov

PREPARED BY:

James Mathy, Administrator, Department of Health & Human Services – Housing Division

APPROVED BY:

Shakita LaGrant-McClain

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

ATTACHMENTS:

None

cc: County Executive David Crowley
Sup. Felesia Martin, Chair, Health Equity, Human Needs, Strategic Planning Committee
Mary Jo Meyers, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Steve Cady, Research and Policy Director – Comptroller's Office
Allyson Smith, Committee Coordinator, Office of the County Clerk
Pam Matthews, Budget Analyst – DAS
Lottie Maxwell-Mitchell, Research & Policy Analyst, Comptroller's Office