

Water Residential Assistance Program: Fiscal Year 2022 Updates

Maggie Pallone and Eric Pardini
Public Sector Consultants

Great Lakes Water Authority Audit Committee

Monday, June 21, 2021

Timeline

- **Phase One: WRAP Evaluation (June 2020 – November 2020)**
 - Results presented to GLWA Audit Committee on October 23, 2020
 - PSC identified program successes and opportunities for improvement
 - 17 recommendations for improving WRAP
- **Phase Two: Implementation Support (November 2020 – June 2021)**
 - PSC worked with GLWA and Community Action Agencies to implement recommended changes to WRAP
- **Phase Three: WRAP 2.0 (July 2021 – June 2022)**
 - New program structure to launch for Fiscal Year 2022 on July 1, 2021

Phase Two – Implementation Status

Decentralizing Program Delivery

- Work with Wayne Metro, Macomb Community Action (MCA), and Oakland Livingston Human Services Agency (OLHSA) to decentralize WRAP delivery
- Under decentralized delivery model, individual Community Action Agencies (CAAs) will be responsible for providing WRAP services throughout the counties they serve
 - Manage program communications and marketing
 - Conduct outreach to member partner communities
 - Lead program intake and enrollment
 - Provide conservation and water repair services

Improving Program Reporting and Oversight

- Enhance GLWA program oversight
 - GLWA will hire an Assistance manager to provide dedicated support and oversight for the program
- Updated outcomes and reporting measures
 - Updated measures align better with original program design, and simplified report format makes it easier to convey progress of WRAP commitments
 - Approved by GLWA Board of Directors on April 28, 2021

Approved Program Design Changes (April 2021)

- **Enable categorical eligibility for WRAP applicants**
 - Next step toward easing access for eligible households
 - Leverages applicants' eligibility and/or enrollment in other income-qualified programs as an automatic qualification for WRAP
 - Approved by GLWA Board of Directors on April 28, 2021 and will take effect on July 1, 2021
- **Increase arrearage payment cap from \$700/year to \$1,200/year**
 - Would enable WRAP to pay off over 75 percent of arrearage balances in the first year and up to 92 percent after two years in the program
 - Approved by GLWA Board of Directors on April 28, 2021 and will take effect on July 1, 2021

Phase Three – WRAP 2.0

Phase Three – WRAP 2.0 Objectives

- Codify decentralized program delivery model
- Provide flexibility for CAAs to administer the program
- Simplify monthly bill payment process
- Recruit nonparticipating member partner communities
- Enhance conservation and water repair services
- Make WRAP more accessible for residents
- Improve performance reporting, financial monitoring, and cost of service
- Leverage other forms of assistance

WRAP 2.0 Contract Overview

- Extend current WRAP contract with Wayne Metro through February 2021 to pilot decentralized program delivery model.
 - Gives GLWA time to test out program changes and formalize direct relationships with CAAs
 - During this transition phase, GLWA will play a direct role in sub-recipient relationships with MCA and OLHSA.
 - MCA and OLHSA will be responsible for all WRAP functions in their communities
 - Wayne Metro will provide support to CAA partners on an as needed basis during this transition phase.
- GLWA has updated contract scope of work to reflect approved program changes, reporting requirements, and relationship between CAAs

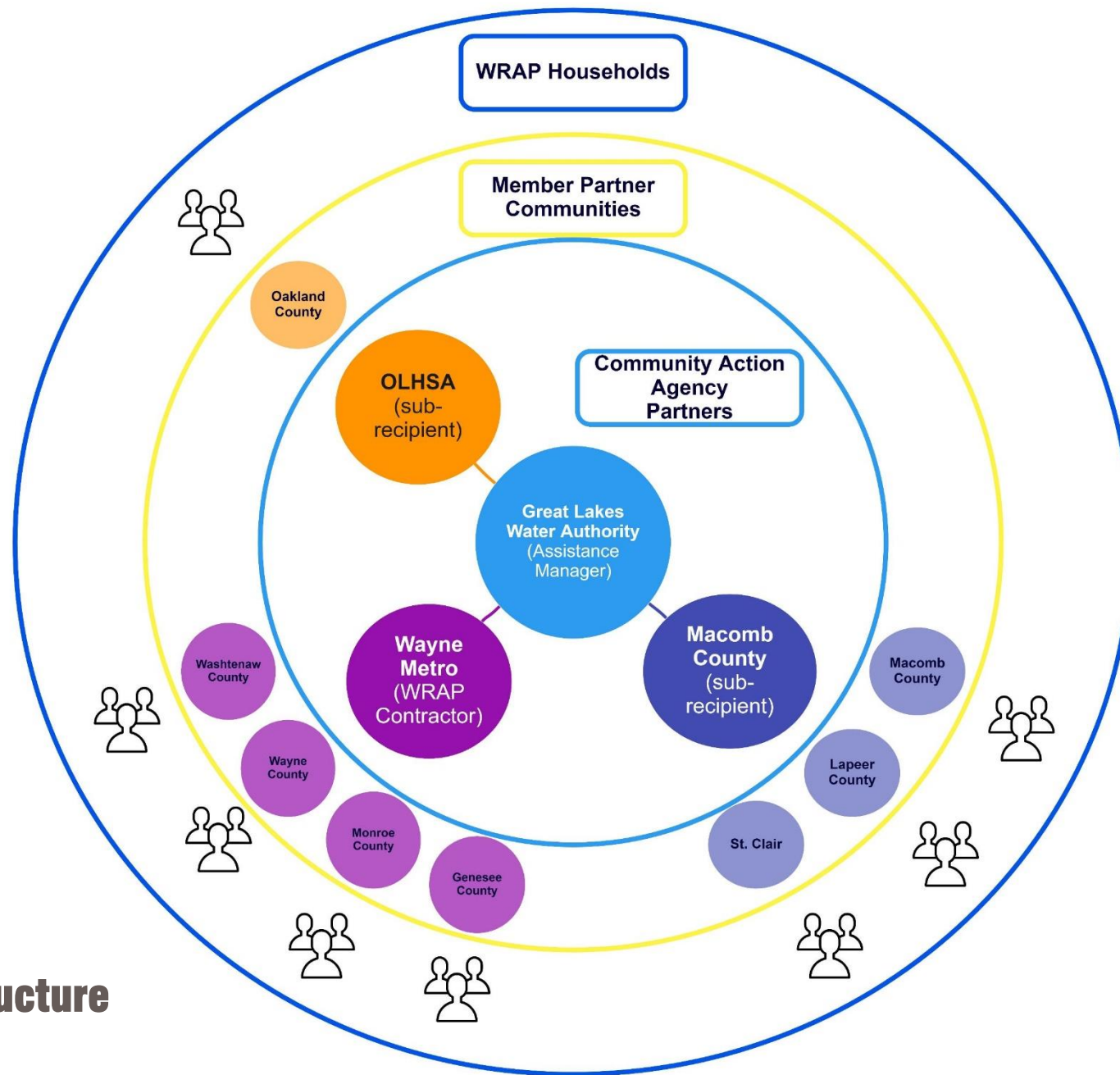
WRAP 2.0 Contract Overview – Admin Fees

- **Revise compensation structure for CAAs**
 - Cap administrative funding at 12 percent of annual WRAP budget.
 - Reflects prior WRAP allocation
 - Cost caps for similar programs (LIHEAP and MEAP)
 - Provide greater certainty for CAAs to support internal capacity building
 - Designate funding to support marketing, communications, and outreach efforts.
 - Compensate CAAs based on the number of households served
 - Direct assistance households and conservation households
 - Incentivize increased program participation

WRAP 2.0 Contract Changes

Contract Changes

Topic	Today	July 1, 2021	February 1, 2021 (or before)
Contractual Relationship	Contract with Wayne Metro holds subrecipient agreements with Macomb and OLHSA	Contract with Wayne Metro who holds subrecipient agreements with Macomb and OLHSA and supports transitional matters; GLWA will provide day to day program management and monitoring; Subrecipients become lead interaction with Member Partner Communities	Individual partnership agreements with Wayne Metro, OLHSA, and Macomb
Administrative and Marketing Fees	Paid a percent of dollars committed after households are enrolled	Provide a flat fee for service based on households enrolled for all CAAs; \$1,000 base monthly allocation for OLHSA and Macomb to support smaller program; \$10,000 annual marketing budget for OLHSA and Macomb to support program growth	Refine, as needed, based on experience from July through December (or before)
Funding Flow	All funds flow through Wayne Metro	Funding disbursed by GLWA directly to CAAs to support more efficient processes; Transparent reporting among all partners	Direct funding from GLWA to CAAs



WRAP 2.0 Organizational Structure

Illustrative Administrative Fee Structure

WRAP FY2022 - Proposed Administrative Fee Structure					
	Budgeted Assistance	Budgeted Administrative Costs (12% CAP)	Flat Fee Per Household Enrolled	Flat Fee	Marketing
Wayne Metro	\$ 3,103,142	\$ 383,534	\$ 80	\$ -	\$ -
OLHSA	\$ 806,739	\$ 99,709	\$ 70	\$ 12,000	\$ 10,000
Macomb	\$ 536,773	\$ 66,343	\$ 70	\$ 12,000	\$ 10,000
Direct Assistance Total	\$ 4,446,654	\$ 549,586		\$ 24,000	\$ 20,000
Wayne Metro	\$ 775,786	\$ 95,884	\$ 100	\$ -	\$ -
OLHSA	\$ 201,685	\$ 24,927	\$ 100	\$ -	\$ -
Macomb	\$ 134,193	\$ 16,586	\$ 100	\$ -	\$ -
Conservation Total	\$ 1,111,664	\$ 137,397		\$ -	\$ -
Grand Total	\$ 5,558,318	\$ 686,983		\$ 24,000	\$ 20,000

Administrative fee structure has been shared with Wayne Metro, OLHSA, and Macomb.

Illustrative Administrative Fee Structure

FY2022 - Administrative Fee Structure - Based on Historical Average Annual Enrollments										
				# of Households Enrolled	Flat Fee Per Household Enrolled	Calculated Household Fee	Flat Fee	Marketing	Total Caclulated Fee	12% CAP
	Total Wayne Metro			4,301	80	\$ 344,048			\$ 344,048	\$ 383,534
	OLHSA			257	70	17,990	12,000	10,000	39,990	99,709
	Macomb			297	70	20,804	12,000	10,000	42,804	66,343
Direct Assistance Total				<u>4,855</u>		<u>\$ 382,842</u>	<u>\$ 24,000</u>	<u>\$ 20,000</u>	<u>\$ 426,842</u>	<u>\$ 549,586</u>
	Total Wayne Metro			691	100	\$ 69,060			\$ 69,060	\$ 95,884
	OLHSA			59	100	\$ 5,920			\$ 5,920	\$ 24,927
	Macomb			24	100	\$ 2,440			\$ 2,440	\$ 16,586
Conservation Total				<u>774</u>		<u>\$ 77,420</u>			<u>\$ 77,420</u>	<u>\$ 137,397</u>
Grand Total				5,629		\$ 460,262	\$ 24,000	\$ 20,000	\$ 504,262	\$ 686,983

Administrative fee structure has been shared with Wayne Metro, OLHSA, and Macomb.

Illustrative Administrative Fee Structure

FY2022 - New Fee Structure - Enrollment Increased by 50%										
				# of Households Enrolled	Flat Fee Per Household Enrolled	Calculated Household Fee	Flat Fee	Marketing	Total Caclulated Fee	12% CAP
	Total Wayne Metro			6,451	80	\$ 516,072			\$ 516,072	\$ 383,534
	OLHSA			386	70	26,985	12,000	10,000	48,985	99,709
	Macomb			446	70	31,206	12,000	10,000	53,206	66,343
Direct Assistance Total				<u>7,282</u>		<u>\$ 574,263</u>	<u>\$ 24,000</u>	<u>\$ 20,000</u>	<u>\$ 618,263</u>	<u>\$ 549,586</u>
	Total Wayne Metro			1,036	100	\$ 103,590			\$ 103,590	\$ 95,884
	OLHSA			89	100	\$ 8,880			\$ 8,880	\$ 24,927
	Macomb			37	100	\$ 3,660			\$ 3,660	\$ 16,586
Conservation Total				<u>1,161</u>		<u>\$ 116,130</u>			<u>\$ 116,130</u>	<u>\$ 137,397</u>
Grand Total				8,444		\$ 690,393	\$ 24,000	\$ 20,000	\$ 734,393	\$ 686,983

Administrative fee structure has been shared with Wayne Metro, OLHSA, and Macomb.

Illustrative Administrative Fee Structure

FY2022 - New Fee Structure - Maximum Use of Admin Fee										
				# of Households Enrolled	Flat Fee Per Household Enrolled	Calculated Household Fee	Flat Fee	Marketing	Total Caclulated Fee	12% CAP
	Total Wayne Metro			4,794	80	\$ 383,536			\$ 383,536	\$ 383,534
	OLHSA			1,110	70	77,707	12,000	10,000	99,707	99,709
	Macomb			634	70	44,345	12,000	10,000	66,345	66,343
Direct Assistance Total				<u>6,538</u>		<u>\$ 505,588</u>	<u>\$ 24,000</u>	<u>\$ 20,000</u>	<u>\$ 549,588</u>	<u>\$ 549,586</u>
	Total Wayne Metro			959	100	\$ 95,880			\$ 95,880	\$ 95,884
	OLHSA			249	100	\$ 24,930			\$ 24,930	\$ 24,927
	Macomb			166	100	\$ 16,590			\$ 16,590	\$ 16,586
Conservation Total				<u>1,374</u>		<u>\$ 137,400</u>			<u>\$ 137,400</u>	<u>\$ 137,397</u>
Grand Total				<u>7,912</u>		<u>\$ 642,988</u>	<u>\$ 24,000</u>	<u>\$ 20,000</u>	<u>\$ 686,988</u>	<u>\$ 686,983</u>

Administrative fee structure has been shared with Wayne Metro, OLHSA, and Macomb.

Next Steps

- Finalize contract for FY 2022
- Develop partnership agreements for February 2021 or sooner
- Compile end of year reporting for FY 2021
 - Provide fourth quarter reporting update to Audit Committee in July
 - Review FY 2021 financials and assess reallocation
- Provide GLWA Board of Directors with recommended program changes for conservation (July 2021)
- Continue work on other WRAP 2.0 objectives in partnership with CAA partners

Questions?



**PUBLIC SECTOR
CONSULTANTS**

PUBLICSECTORCONSULTANTS.COM

