



Legislative Fiscal Bureau

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August 4, 2009

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Health Services: Governor's Section 13.10 Requests for the Use of Federal Economic Stimulus Funding for the Emergency Food Assistance Program -- Agenda Item IV

REQUEST

The Governor requests the approval of the allocation and expenditure of \$405,296 over the 2009-11 biennium (\$202,648 annually), from moneys the state will receive under the federal American Recovery and Reinvestment Act (ARRA) of 2009, to support the emergency food assistance program (TEFAP). Although the funds are budgeted in both state fiscal years, the funding is intended to provide a one-time increase in the federal fiscal year (FFY) 2009-10 allocation for TEFAP administrative costs (FFY 2009-10 covers the state's 2009-10 and 2010-11 fiscal years).

BACKGROUND

TEFAP provides low income individuals with food commodities through food pantries, soup kitchens, or other food distribution sites. Households with income less than 185% percent of the federal poverty level may receive commodities from participating food pantries. No income eligibility requirements apply to individuals who receive meals at participating soup kitchens or homeless shelters.

The U.S. Department of Agriculture, Food and Nutrition Service (FNS) administers TEFAP on the federal level, and provides commodities to states. The state receives the commodities, and distributes them to emergency feeding organizations (EFOs) or other food distribution sites to provide to program participants. FNS also provides funding to support administrative activities, which includes staffing, commodity storage, food transportation, and building infrastructure costs.

Sixteen EFOs participate in TEFAP statewide, with approximately 300 participating food pantries, soup kitchens and shelters. In FFY 2008-09, Wisconsin received for \$4,019,200 in TEFAP

commodities (not counting any "bonus commodities" the state may receive that are not part of this base allocation).

ANALYSIS

The federal stimulus bill provided \$100 million dollars for FFY 2008-09 commodity purchases, and \$25 million for FFY 2008-09 administrative funds. Of these funds, Wisconsin received \$1,617,100 for commodity purchases and \$405,300 for administrative support, which was allocated in 2009 Wisconsin Act 28 (the biennial budget bill).

The administrative funding was provided to the 16 EFOs, and an allocation to the Department of Public Instruction (DPI) for food storage and transportation. The allocations to each EFO for FFY 2008-09 are provided in the following table.

**ARRA Administrative Funds Allocated to EFOs
FFY 2008-09**

<u>Organization</u>	<u>Amount</u>
ADVOCAP (Fond du Lac, Winnebago and Green Lake Counties)	\$13,760
Community Action of Rock/ Walworth	13,576
Community Action Coalition for South Central Wisconsin	39,772
Couleecap (Crawford, Vernon, La Crosse and Monroe Counties)	12,299
South Central Wisconsin Community Action Coalition	19,089
Hunger Task Force of Milwaukee	73,869
Indianhead Community Action Agency (Ladysmith)	8,280
Lakeshore Community Action Program (Door, Kewaunee, Manitowoc and Sheboygan Counties)	30,317
Menominee Tribe	628
NEWCAP (Northeast Wisconsin)	33,165
NorthWest Community Services Agency	6,747
Racine/Kenosha Community Action Agency	19,983
St. Vincent's de Paul (Plover)	4,101
SouthWest Community Action Program	7,889
Western Dairyland EOC (Eau Claire, Jackson, Trempealeau and Buffalo Counties)	9,162
West Central Wisconsin Community Action Agency	17,659
DPI Food Transportation and Storage	<u>95,000</u>
Total	\$405,296

The FNS will distribute the same amount of ARRA TEFAP administrative funds to Wisconsin in FFY 2009-10 as it distributed in FFY 2008-09 (\$405,300). DHS will allocate these funds to the same EFOs as listed above, but the amount allocated to each agency may differ slightly from the FFY 2008-09 allocation, depending on updated estimates of food transportation and

storage costs. ARRA prohibits these administrative funds from being used for the purchase of commodities.

ALTERNATIVES

1. Approve the Governor's request to allow the Department of Health Services to allocate and expend and \$405,296 (\$202,648 annually) of federal ARRA for TEFAP administrative funding.

2. Deny the request.

Prepared by: Sam Austin