



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 Special Supplemental Nutrition Program for Women, Infants and Children -- Agenda Item II

REQUEST

The Governor requests that the Joint Committee on Finance approve the allocation and expenditure of \$524,238 over the 2009-11 biennium (\$496,263 in 2009-10 and \$27,975 in 2010-11), from moneys received under the federal American Recovery and Reinvestment Act (ARRA) of 2009, to increase support for the special supplemental nutrition program for women, infants and children (WIC).

BACKGROUND

WIC provides food to nutritionally at-risk pregnant women, infants and children who have family income of less than 185% of the federal poverty level (annual income of \$40,793 for a family of four).

WIC participants receive screenings for nutrition and health needs, information on how to improve health, and referrals to doctors, dentists, and other state programs. In addition, women receive information on nutrition during pregnancy and breastfeeding support, and infants and children receive breastfeeding support or infant formula, immunization referrals, and early child care and nutrition information for parents or caregivers. Participants receive coupons for purchase of certain WIC-approved foods.

The U.S. Department of Agriculture, Food and Nutrition Service (FNS) provides states with two WIC funding allocations -- one for enrollees to purchase food, and one to support nutrition services and administration (NSA). The federal fiscal year (FFY) 2008-09 grant for Wisconsin equaled \$64,716,300 for food, and \$25,627,900 for NSA. Currently, WIC serves approximately

126,000 individuals in Wisconsin.

ANALYSIS

The federal stimulus act provides \$100 million to states for implementing or improving WIC management information systems. These funds will be distributed on a competitive basis. Wisconsin has applied for funding for three projects to improve the state's WIC information systems, and prepare for the implementation of an electronic benefit transfer (EBT) system.

1. The first project involves a request for \$122,400 to conduct a feasibility study of an EBT system for the Wisconsin WIC program. The state has received a grant of \$122,400 in non-ARRA federal funds to conduct this study, and has submitted an application for the \$122,400 of ARRA funding for this purpose. The Department plans to finish this study by October, 2010.

2. The Department has also applied for funding for two projects to address EBT compatibility for existing WIC data systems, and to replace existing hardware. The administration applied for \$149,300 to fund a contract to improve the real-time on-line statewide information environment (ROSIE), a web-based data system. This funding would support a contract with the company that developed ROSIE (CIBER, Inc.) for a project manager (\$18,900), developers (\$108,000) and a quality assurance tester (\$21,900), as well as \$500 for DHS processing, reporting and accounting activities. These positions would be responsible for designing, coding and testing changes to prepare ROSIE for the implementation of EBT.

3. The Department also plans to use ARRA funds to replace aging hardware at local WIC agencies, with the intent of improving readiness for transition to an EBT system. At the 70 local WIC projects, DHS would replace 200 desktop computers and 100 laptop computers. This would be estimated to cost \$252,500 (at an estimated \$1,120 per laptop and \$700 per desktop). The equipment local WIC projects use is approximately five years old, and has memory and hard drive capacity that the administration considers inadequate for future system upgrades.

The application for the ARRA planning grant to fund the feasibility study was due on May 11, 2009, and the application for the miscellaneous projects (for the EBT readiness and hardware projects) was due on June 26, 2009. The Department submitted the applications to the federal government, but has not received official approval.

ALTERNATIVES

1. Approve the Governor's request to allow DHS to allocate and expend \$524,238 (\$496,263 in 2009-10 and \$27,975 in 2010-11), in federal ARRA funding, for EBT-related activities in the WIC program and to purchase computer hardware for use by local WIC projects.

2. Deny the request.

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