



## Legislative Fiscal Bureau

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June 23, 2010

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Health Services: Governor's Section 13.10 Request for the Use of Additional Federal Stimulus Funding for FoodShare Administration Costs -- Agenda Item I

### REQUEST

The Governor requests that the Joint Committee on Finance approve the allocation and expenditure of \$24,100 FED in 2010-11, from moneys received under the federal American Recovery and Reinvestment Act of 2009 (ARRA), to increase funding to counties and tribes for the administration of Wisconsin's FoodShare program.

### BACKGROUND

Wisconsin FoodShare is the state's supplemental nutrition assistance program (SNAP), formerly known as the food stamp program. Eligible individuals receive a debit card to purchase food at participating grocery stores through an electronic benefit transfer system. In April, 2010, 726,616 individuals in Wisconsin received a total of \$83,494,000 in FoodShare benefits. Nearly all benefits costs are federally funded, although state funds support benefits to approximately 1,600 legal immigrants who do not qualify for federal benefits.

The Department of Health Services (DHS) contracts with counties and tribes to perform certain enrollment and caseload management functions as part of their income maintenance programs, although DHS currently administers these functions in Milwaukee County. Most state and local costs relating to the administration of the program are funded 50% with federal matching funds.

ARRA provided states with a one-time increase in federal funding to support increasing SNAP administrative costs due to rising caseloads during the current economic downturn. States

are not required to provide funds to match the supplemental federal funding authorized in ARRA.

In March, 2009, the U.S. Department of Agriculture, Food and Nutrition Service (FNS) notified states of their ARRA allocations. At that time, it was estimated that Wisconsin would receive a total of \$2,313,000 in federal fiscal year (FFY) 2008-09 and the same amount in 2009-10 to increase funding to support FoodShare administrative costs. These estimates were incorporated into 2009 Wisconsin Act 28 (the 2009-11 biennial budget act). Under Act 28, counties and tribes were budgeted \$2,113,000 in 2009-10 and 2010-11, and \$200,000 was budgeted in 2009-10 and 2010-11 to support state operation of the FoodShare program in Milwaukee County. In recognition of the one-time nature of these federal funds, the appropriation in which these funds are budgeted is repealed on July 1, 2011.

## **ANALYSIS**

The amounts budgeted in Act 28 were based on the assumption that the state's FFY 2009-10 allocation would equal the FFY 2008-09 allocation (\$2,313,000 annually). However, in August, 2009, FNS notified states of their revised FFY 2009-10 allocations. Wisconsin's FFY 2009-10 allocation is \$2,337,039, which is \$24,039 (1.04%) greater than the amount budgeted in Act 28 for that year. The administration proposes to apply the entire increase to calendar year 2010 county and tribal contracts.

The attachment to this paper shows the total amount of FoodShare administration stimulus funding available to counties and tribes for calendar year 2010, based on the DHS request. The proportion of the \$24,100 supplement that a county or tribe would receive equals the proportion that it received from the original \$2,313,000 allocation (that is, if a county received 1% of the \$2.3 million, it would receive 1% of the supplement). These proportions are based on the county's or tribe's share of the statewide FoodShare caseload in March, 2010. The average county supplement from the additional funding equals approximately \$300. None of the additional funds would be provided to increase support for the state's administration of FoodShare in Milwaukee County.

## **CONCLUSION**

The Legislature approved the initial allocation of \$2,313,000 in ARRA funding for FoodShare administration through the biennial budget act, and the Governor requests that the \$24,100 funding increase be allocated in the same manner as the original amount. As this is a re-estimate of a previously approved stimulus grant which would be allocated in the same way, Committee approval of the Governor's request would correspond with previous legislative action regarding this funding.

Prepared by: Sam Austin  
Attachment

## ATTACHMENT

### Total CY 2010 FoodShare Administration ARRA Allocations by County and Tribe under DHS Request\*

<u>County</u>	<u>Amount</u>	<u>County</u>	<u>Amount</u>
Adams	\$15,554	Milwaukee**	\$200,000
Ashland	15,035	Monroe	21,259
Barron	33,248	Oconto	16,775
Bayfield	5,886	Oneida	21,464
Brown	117,039	Outagamie	55,039
Buffalo	6,430	Ozaukee	16,763
Burnett	10,877	Pepin	3,638
Calumet	11,542	Pierce	11,312
Chippewa	34,614	Polk	20,389
Clark	11,892	Portage	28,160
Columbia	23,567	Price	9,415
Crawford	8,653	Racine	129,306
Dane	191,524	Richland	11,723
Dodge	34,239	Rock	119,299
Door	10,527	Rusk	12,098
Douglas	29,961	St. Croix	22,190
Dunn	22,395	Sauk	28,921
Eau Claire	53,347	Sawyer	14,213
Florence	3,275	Shawano	18,467
Fond du Lac	39,533	Sheboygan	52,501
Forest	5,825	Taylor	11,482
Grant	18,733	Trempealeau	12,956
Green	16,920	Vernon	12,207
Green Lake	8,375	Vilas	9,004
Iowa	10,442	Walworth	45,467
Iron	4,290	Washburn	11,409
Jackson	10,225	Washington	37,381
Jefferson	33,647	Waukesha	64,780
Juneau	13,476	Waupaca	22,613
Kenosha	113,861	Waushara	13,210
Kewaunee	7,276	Winnebago	67,620
La Crosse	56,574	Wood	43,376
Lafayette	6,768	Red Cliff	2,731
Langlade	16,823	Stockbridge-Munsee	943
Lincoln	15,784	Potawatomi	242
Manitowoc	30,746	Lac du Flambeau	5,825
Marathon	59,885	Bad River	2,127
Marinette	25,755	Sokaogon Tribe	1,221
Marquette	8,895	Oneida Nation	<u>9,101</u>
Menominee	6,974	Total	\$2,337,039

\*This allocation schedule reflects both the original \$2,313,000 in ARRA funding provided in Act 28, and the \$24,100 supplement requested by the Governor.

\*\*Administration of the Milwaukee County FoodShare program is conducted by the state Department of Health Services.