

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

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|---|---|
| LRB Number 17-3638/1 | Introduction Number SB-416 |
| Description FoodShare healthy eating incentive pilot program and making an appropriation | |
| Fiscal Effect | |
| State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs | |
| Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts | |
| Fund Sources Affected Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.435(4)(bt) and (n) | |
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| Date 10/16/2017 | |

Fiscal Estimate Narratives

DHS 10/16/2017

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Assumptions Used in Arriving at Fiscal Estimate

This proposal would require the Department of Health Services (DHS) to create and implement a ten-month pilot program to provide discounts on fresh produce and other healthy foods to 2,000 households participating in the FoodShare program. The bill provides \$425,000 GPR in funding over the biennium for the pilot program. The bill specifies that the funding under s. 20.435(4)(bt) would need to be expended or encumbered on or before the end of state fiscal year (SFY) 2019.

The proposal will require DHS to issue and review a request-for-proposals (RFP) that specifies that an eventual vendor must (1) manage all financial transactions between and among participants, retailers, food manufacturers, and the Department and (2) establish an adequate network of participating retailers to effectively conduct the pilot. The cost to prepare, issue, review, and grade such an RFP is estimated at \$125,000 all funds (\$62,500 GPR and \$62,500 FED). Since these costs reflect the time of existing state staff, it would be possible to absorb these costs within the Department's current budget.

DHS would also be required to contract with an independent research entity for a study of the pilot program focused on food purchase, nutritional, and health data. The estimated cost of such a study is estimated at \$200,000 AF (\$100,000 GPR and \$100,000 FED). It is important to note that this funding would need to be carried forward into SFY 2020 in the event that the work on the study is not completed in SFY 2019.

Based on an estimate for a previously considered pilot for a different yet more complex project with the state's FoodShare card management vendor, the cost of the vendor contract is estimated at \$500,000 AF. In reviewing federal regulations on match funds for the Supplemental Nutrition Assistance Program (SNAP), DHS believes that federal matching funds would not be available for this purpose. As a result, the \$500,000 estimate would be an entirely GPR expense.

The total one-time cost of this proposal that cannot be absorbed within the Department's budget is estimated at \$700,000 AF (\$600,000 GPR and \$100,000 FED). Since the bill provides a GPR appropriation of \$425,000, an additional \$175,000 GPR would be necessary to perform the pilot and contract for an independent evaluation as outlined in the bill.

Long-Range Fiscal Implications

There are no ongoing costs associated with this proposal; however, as noted above, there may be a need to carry forward funding for the study of the pilot program into SFY 2020.