

ADMINISTRATIVE RULES – FISCAL ESTIMATE

1. Fiscal Estimate Version

Original  Updated  Corrected

2. Administrative Rule Chapter Title and Number

HFS 149 The Special Supplemental Nutrition Program for Women, Infants and Children (WIC)

3. Subject

Repeal and recreate WIC HFS 149 relating to WIC vendors and participants.

4. State Fiscal Effect:

No Fiscal Effect

Increase Existing Revenues

Increase Costs

Indeterminate

Decrease Existing Revenues

Yes  No

May be possible to absorb within agency's budget.

Decrease Costs

5. Fund Sources Affected:

GPR  FED  PRO  PRS  SEG  SEG-S

6. Affected Ch. 20, Stats. Appropriations:

7. Local Government Fiscal Effect:

No Fiscal Effect

Increase Revenues

Increase Costs

Indeterminate

Decrease Revenues

Decrease Costs

8. Local Government Units Affected:

Towns  Villages  Cities  Counties  School Districts  WTCS Districts  Others: Tribes

9. Private Sector Fiscal Effect (small businesses only):

No Fiscal Effect

Increase Revenues

Increase Costs

Indeterminate

Decrease Revenues

Yes  No

May have significant economic impact on a substantial number of small businesses

Yes  No  
May have significant economic impact on a substantial number of small businesses

Decrease Costs

10. Types of Small Businesses Affected:

Grocery stores and pharmacies

11. Fiscal Analysis Summary

The WIC program is entirely federally funded. No state funding is used for administrative expenses or for food purchases. It is not anticipated that federal food expenditures will be increased as a result of this rule; in fact, food expenditures should be less when the rule is in place. There would be tighter pricing requirements for above-50-percent vendors and stronger sanctions for fraud and abuse, including recoupment of overcharging for WIC foods.

There would be an indeterminate state fiscal impact as a result of the expansion of sanctions, but it is anticipated that WIC would increase its existing administration revenues as a result of imposing an enforcement assessment with each recoupment.

There will be no local government impact as a result of this rule. All of the provisions related to vendor sanctions are conducted by the state WIC office and monitoring requirements for the local projects have not changed. Provisions related to participant fraud and abuse are either unchanged from previous policy or lessened; for example, follow-up for participant repayment is now limited to two letters, with additional follow-up to be conducted by the state WIC office if needed.

The proposed rules will affect 439 small grocery stores; however, the proposed rules will not have a significant economic impact on the small businesses that are compliant with this rule. Small stores that do not currently maintain regular established hours of operation may have to increase the time open to at least five days a week for a minimum of two four-hour blocks of time. This requirement may result in an increase in sales that would off-set any increase in costs.

---

**12. Long-Range Fiscal Implications**

---

None known

|   |                                  |                    |
|---|----------------------------------|--------------------|
| 13. Name - Prepared by<br>Patti Herrick           | Telephone Number<br>608-266-3821 | Date<br>11/29/2007 |
| 14. Name – OSF Analyst Reviewer<br>Ellen Hadidian | Telephone Number<br>608-266-8155 | Date<br>12/12/07   |
| Signature – DHFS Secretary or Designee            | Telephone Number                 | Date               |