



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #395

### **MA Contracts and CARES Funding (DHFS -- MA, BadgerCare, and SeniorCare -- Administration)**

[LFB 2005-07 Budget Summary: Page 258, #1 (Part)]

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#### **CURRENT LAW**

DHFS administers the FoodShare Wisconsin program (formerly, the food stamp program) according to federal law and regulations and is responsible for ensuring the proper certification of applicant households, overseeing issuance of benefits, maintaining records, and submitting appropriate reports to the federal government.

DHFS currently contracts with J.P. Morgan Electronic Financial Services, Inc., to provide the electronic benefits transfer (EBT) system that supports the FoodShare program. DHFS has a \$3,189,600 (all funds) contract with J.P. Morgan EFS for 2004-05. The contract amount is based on the number of estimated active FoodShare participants and other administrative fees.

#### **GOVERNOR**

Include \$3,116,800 (\$1,558,400 GPR and \$1,558,400 FED) in 2005-06 and \$3,240,600 (\$1,620,300 GPR and \$1,620,300 FED) in 2006-07 to support the EBT contract for the FoodShare program.

#### **MODIFICATION**

Reduce funding by \$58,600 (-\$29,300 GPR and -\$29,300 FED) in 2005-06 and by \$99,000 (-\$49,500 GPR and -\$49,500 FED) in 2006-07 to reflect reestimates of the cost of the FoodShare EBT contract in the 2005-07 biennium.

**Explanation:** This modification reflects: (a) more recent caseload information than was available when the Governor's budget was prepared; and (b) reestimates of the number of point-of-service terminals, from 860 per month that was assumed under the bill, to 851 per month, and reestimates of the number of customer service phone calls that require an interpreter, from 24 per month assumed in the bill to 21 per month. In January, 2005, there were 344,341 FoodShare recipients in Wisconsin. The Governor projected approximately 367,000 FoodShare recipients in January, 2006, and approximately 390,000 recipients in January, 2007. The projected number of recipients under this reestimate is approximately 359,000 in January, 2006, and 377,700 in January, 2007.

<u>Modification</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
<b>2005-07 FUNDING</b> (Change to Bill)	- \$78,800	- \$78,800	- \$157,600

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