



State of Wisconsin  
Department of Health Services

Tony Evers, Governor  
Kirsten L. Johnson, Secretary

March 24, 2025

Richard Champagne  
Senate Chief Clerk  
Room B20 Southeast, State Capitol  
Madison, WI 53701

Edward Blazel  
Assembly Chief Clerk  
17 West Main, Suite 401  
Madison, WI 53703

Dear Mr. Champagne and Mr. Blazel:

The Wisconsin Department of Health Services (DHS) is submitting this report regarding implementation of the Healthy Food Incentive Program in accordance with 2023 Wisconsin Act 201. The purpose of this report is to meet the requirement outlined in Wis. Stat. § 49.79(7w)(d) to annually submit to the chief clerk of each house of the legislature a report highlighting DHS's progress in implementing the Healthy Food Incentive Program.

DHS has taken the following steps to implement a statewide Healthy Food Incentive Program, as outlined under § 49.79(7w), following the passage of 2023 Wisconsin Act 201 on March 22, 2024.

- DHS applied for a Gus Schumacher Nutrition Incentive Program (GusNIP) grant on May 13, 2024. DHS's application to this grant requested federal matching funds to be used to contract with a nonprofit entity who could build upon the existing nutrition incentive program network to develop a statewide network of standardized nutrition incentive programs for FoodShare members. DHS was notified on September 24, 2024 that it was not awarded GusNIP funding. A primary reason the State did not receive GusNIP funding was that, per GusNIP requirements, no more than 33% of the State's proposed budget could be sub-awarded without required preapproval.<sup>[1]</sup> Conversely, under Act 201, DHS is required to contract with at least one nonprofit agency to administer the program, in essence sub-awarding 100% of the allocated State funding to the selected nonprofit(s). As such, the required program structure under Act 201 directly conflicted with the requirements for receiving GusNIP funding.
- After learning DHS had not received the GusNIP funding, we developed a Request for Applications (RFA) for nonprofit entities interested in developing and operating a statewide healthy food incentive program. DHS requested and received a grant exemption approval from the Department of Administration to use an RFA process, rather than the more extensive Request for Proposals process. An RFA was appropriate because the funding allocated by the State is being passed entirely through to a third-party entity and is not benefiting or being used by DHS in any way. This grant exemption approval was received on December 10, 2024, and the RFA was published on the DHS website on December 16, 2024. DHS held a public-facing informational webinar about the RFA on January 7, 2025 and published a comprehensive set of written questions and answers on January 10, 2025 (comprised of questions received via email since December 16 and during the webinar on January 7). DHS accepted applications until February 7, 2025. DHS received one application which proposed establishing a network with existing healthy food incentive programs including those at farmers markets, cooperative grocery stores, and consumer-supported agriculture

(CSA) subscription programs. The application did not meet the criteria established in the RFA. As such, DHS notified that applicant that they were not selected to receive funding on March 3, 2025. DHS is now in the process of developing a new RFA to reissue with a timeline of having dollars for the program allocated before the end of the state fiscal year.

- The Governor's 2025-2027 biennial budget proposal includes additional funding and provisions related to the healthy food incentive program, including (1) \$488,600 to support the program in each year of the biennium; (2) permitting organizations other than non-profits to apply to administer the program; (3) requiring the third-party entity administering the program – not DHS – to apply for GusNIP funding; and (4) permitting up to 33 percent of the program budget to be used to support administrative costs of operating the program. These modifications improve the likelihood that a third-party entity will be able to successfully operate a sustainable, statewide healthy food incentive program that complies with all relevant state and federal parameters.

If you have questions regarding this report, please contact Arielle Exner at [arieller.exner@dhs.wisconsin.gov](mailto:arieller.exner@dhs.wisconsin.gov).

Sincerely,



Kirsten L. Johnson  
Secretary-designee

<sup>[1]</sup> <https://www.nifa.usda.gov/sites/default/files/2023-03/NI%202023%20FAQs.pdf>