



State of Wisconsin Department of Health Services

Tony Evers, Governor
Kirsten L. Johnson, Secretary

June 25, 2026

The Honorable Cyrus Anderson
Senate Chief Clerk
Room B20 Southeast, State Capitol
Madison, WI 53701

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

Dear Mr. Anderson 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' 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' application to this grant requested federal matching funds for a 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.^[1] 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, DHS pursued granting opportunities. DHS initiated this process by requesting a grant exemption from the Department of Administration under PRO-504 of the State Procurement Manual. Under a grant exemption, the agency is required to conduct a transparent, fair and equitable selection process, in alignment with program requirements, to award the grant funding. The grant exemption approval was received on December 10, 2024, and a Request for Application (RFA) was selected as the grant methodology. 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 from 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

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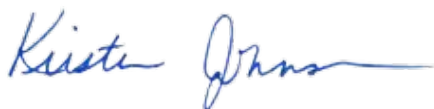
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in the RFA, in particular, the application did not include statewide outreach, which is a statutory requirement. As such, DHS notified that applicant that they were not selected to receive funding on March 3, 2025.

- The Governor's 2025-2027 biennial budget proposal included 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 nonprofits 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 were not included in 2025 Act 15. DHS developed a new RFA to reissue with a timeline of allocating dollars for the program before the end of the state fiscal year. The RFA was published on the DHS website on May 13, 2025. DHS held a public-facing informational webinar about the RFA on May 28, 2025, and published a comprehensive set of written questions and answers on May 30, 2025. DHS accepted applications until June 13, 2025.
- DHS received and approved an application from Feeding America Eastern Wisconsin (FAEW). Their proposed model can achieve statewide reach immediately, and FAEW will leverage their existing network of markets, co-op sites, and the rural WI Food Hub's online EBT SNAP Box program. The grant agreement with FAEW will run from February 1, 2026 to January 31, 2027.
- In September 2025, DHS sent a draft scope, budget, and grant agreement to FAEW for their review. In November, DHS met with FAEW to answer their questions regarding the grant agreement. In February 2026, FAEW updated DHS and said they continue to make progress on implementation planning and updated their timeline on the grant agreement. DHS met with FAEW again to discuss implementation progress and finalized the grant agreement in May 2026. FAEW's progress includes approval of a SNAP Equal Treatment Waiver from FNS, which allows retailers to provide special promotions and incentives to SNAP recipients. FAEW filed their own application for the GusNIP grant, and the Department provided a letter of support for their application.
- Following award notification, DHS also conducted a subrecipient risk assessment based on an evaluation of the subrecipient's award application, internal controls, and past history with grant awards. This evaluation resulted in an overall risk assessment of low risk. DHS also developed a subrecipient monitoring plan, which includes a detailed work plan and timeline, data collection criteria, and monitoring and internal reporting to take place across the lifespan of the project.

Sincerely,



Kirsten L. Johnson
Secretary-designee

Reference:

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