



Jeffrey A. Meyers
Commissioner

Lisa Morris
Director

STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

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FIS 17 152

August 30, 2017

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court, and

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

[Signature]
Approved by Fiscal Committee Date

REQUESTED ACTION

Pursuant to the provisions of RSA 14:30-a, VI, Additional Revenues, authorize the Department of Health and Human Services (DHHS), Division of Public Health Services, Bureau of Population Health and Community Services, Nutrition Services Section, to accept and expend federal funds in the amount of \$314,936 from the United States Department of Agriculture (USDA) to fund the Supplemental Women Infants and Children Program (WIC), eWIC implementation project effective upon date of approval by the Fiscal Committee and Governor and Council, through June 30, 2018, and further authorize the funds to be allocated as follows. 100% Federal Funds.

05-95-90-902010-33960000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF POPULATION HEALTH AND COMMUNITY SERVICES, WIC SUPPLEMENTAL NUTRITION PROGRAM, EWIC IMPLEMENTATION

SFY 2018

Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
000-404852	Federal Funds	\$453,555	\$314,936	\$768,491
Total Revenue		\$453,555	\$314,936	\$768,491
020-500252	Current Expenses	\$1,000	\$0	\$1,000
041-500801	Audit Fund Set Aside	\$0	\$315	\$315
070-500704	In State Travel	\$1,404	\$0	\$1,404
080-500710	Out of State Travel	\$27,596	\$0	\$27,596
102-500731	Contracts for Program Serv	\$423,555	\$314,621	\$738,176
Total Expenses		\$453,555	\$314,936	\$768,491

EXPLANATION

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) is a federal assistance program of the United States Department of Agriculture (USDA). WIC provides education, healthcare and nutrition support for low-income pregnant women, breastfeeding women, and infants and children under the age of five. In New Hampshire, the Division of Public Health Services administers WIC funds and partners with community based organizations that provide nutrition education and health screening for low income women and their children as well as a vast network of grocers that agree to stock WIC-eligible foods, such as fresh fruits and vegetables, milk, breakfast cereal, cheese, eggs and infant formula. Grocers that work in partnership with WIC play an important role in monitoring WIC purchases to assure that the appropriate foods are provided in proper quantities.

The 2010 federal authorization of the Child Nutrition Act requires all WIC programs to implement an Electronic Benefit Transfer (EBT), or eWIC, food delivery payment system by 2020. Federal funds have been awarded by USDA to the New Hampshire WIC Program to make the program changes and procure a contract with a USDA certified eWIC processor in order to meet this federal 2020 mandate. WIC EBT will replace a 40 year old paper voucher system with a card for food benefit issuance and redemption. Each month the family's food benefits will be automatically deposited into their eWIC account. The WIC card can then be used at a NH authorized grocery vendor for WIC approved foods. EBT allows for a discreet transaction at the point of sale, thus eliminating some of the stigma associated with using federal nutrition programs. With a transition to eWIC, it is anticipated that New Hampshire grocers will have reduced costs due to improved in-lane transaction times, reduced training burdens for cashiers, and a reduction in rejected WIC voucher claims.

DHHS received approval from the Fiscal Commission on October 14, 2016, Fiscal item #16-158 and from the Governor and Council on October 26, 2016, item #18 to accept USDA funds and appropriate funds into the WIC EBT accounting unit through June 30, 2017. Funds were appropriated into the Contract line for Electronic Benefit Transfer processing and other related activities. However, due to increased scrutiny of all data and information related agreements there were delays in the internal review process for contract approval. Because of this intensive review, the contract was not ready to be presented to Governor and Council during SFY 2017. Because the contract funds were not encumbered in SFY 2017 as planned, the federal funds previously appropriated by the Fiscal Committee and Governor and Council did not roll forward into SFY 2018. This item will appropriate the funds required in the contract line to move forward with the selected vendor to process the WIC EBT contract.

Funds are budgeted for Audit costs (Class 041) per state requirements.

Funds are budgeted for multiple contracts for EBT/eWIC Program Services (Class 102). These include amending the existing Northeast Coalition of States (NCS) Electronic Benefit Transfer Contract with Conduent State and Local Solutions, Inc. (formerly known as Xerox State and Local Solutions, Inc.), to be the WIC EBT Processor. This contract was competitively bid and included an option to bid on the EBT system for the WIC Program. Upon execution of the contract, Conduent will be required to meet the service and functional specifications outlined in the contract, according to USDA's regulations. The EBT WIC system will be required to conform to the USDA Technical Implementation Guide (TIG) and the FNS Universal Interface Specifications for EBT to MIS data transfers. This EBT Service Provider will replace the current paper food delivery system. Additionally, funds are budgeted to

contract with an EBT/eWIC Project Manager (PM). This contract was competitively bid and awarded on March 22, 2017 to Maximus Human Services, Inc.

In response to the anticipated two-part question, "Can these funds be used to offset General Funds?" and "What is the compelling reason for not offsetting General Funds?" the Division offers the following information: These funds may not be used to offset General Funds as they are specifically granted to the State for the purpose of providing the services described above.

These funds will not change the program eligibility levels. No new program will be established with the acceptance of these funds.

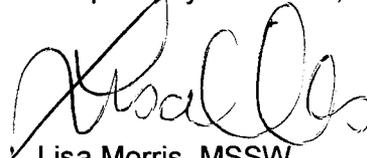
Area served: Statewide

Source of funds: These funds are 100% Federal from US Department of Agriculture to the WIC Nutrition Program.

Attached is the Notice of Grant Award and award history.

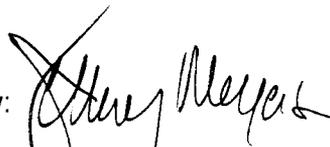
In the event that these Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Lisa Morris, MSSW
Director

Approved by:



Jeffrey A. Meyers
Commissioner

**AWARD HISTORY
WIC EBT**

Award Ending 9/30/2018	772,506
Expended through 6/30/17	(4,017)
Unobligated Balance Unable to Spend	<u>-</u>
Award Balance 7/1/17	\$ 768,489
SFY 18 Appropriation **	(437,138)
Balance Forward	<u>(16,415)</u>
Available to Accept in SFY 18	314,936
Amount Requested this Action	<u><u>314,936</u></u>

**** SFY 18 Appropriation**

	Current		OYR	Total	This Action	Revised Budget
010-090-33960000						
WIC EBT	437,138		-	437,138	314,936	752,074
Total	<u>437,138</u>	<u>-</u>	<u>-</u>	<u>437,138</u>	<u>314,936</u>	<u>752,074</u>

UNITED STATES DEPARTMENT OF AGRICULTURE - FOOD AND NUTRITION SERVICE		1. GRANT/AGREEMENT NO WIEBT-16-NH-1		2. FEDERAL AWARD DATE 05/30/2017	
GRANT/COOPERATIVE AGREEMENT		3. IS THIS AN R&D AWARD? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		5. UNIVERSAL IDENTIFIER NUMBER (DUNS) 0110405450000	
		4. CFDA NUMBER 10.578		6. FEDERAL AWARD IDENTIFICATION NUMBER (FAIN)	
7. FEDERAL AWARDDING AGENCY Kimberly Campbell Shields USDA Food and Nutrition Service		8. CFDA NAME WIC Grants to States			
9. RECIPIENT NAME New Hampshire Department of Health and Human Services 29 Hazen Drive ConcordNH: New Hampshire03301-3802		10. ACCOUNTING AND APPROPRIATION DATA FN.WI.7052.04.0100 16XX16			
		11. AMOUNT OF FEDERAL FUNDS OBLIGATED BY THIS ACTION \$0		12. TOTAL AMOUNT OF FEDERAL FUNDS OBLIGATED \$772,506.00	
		13. TOTAL AMOUNT OF THE FEDERAL AWARD \$772,506.00			
14. PLACE OF PERFORMANCE NH: New Hampshire		15. BUDGET APPROVED BY AWARDDING AGENCY \$772,506.00			
		16. TOTAL APPROVED COST SHARING/MATCHING (WHERE APPLICABLE) \$0.00		17. INDIRECT COST RATE FOR THE FEDERAL AWARD (PLEASE INCLUDE IF THE DE MINIMIS RATE IS CHARGED) 5	
18. MAIL REQUESTS FOR REIMBURSEMENT TO N/A		19. SPONSOR(SPONSORING FNS PROGRAM) Jerilyn Malliet WIC-EBT			
		20. START DATE 06/30/2016		21. END DATE 09/30/2018	
22. FEDERAL AWARD PROJECT DESCRIPTION EBT Technology for eWIC					
The Grantee/Cooperator hereby assures and certifies that they will comply with the regulations, policies, guidelines and requirements as they relate to the applications, acceptance, and use of Federal funds for this Federally-assisted project including: 2 CFR Chapter I (Office of Management and Budget Government-wide Guidance for Grants and Agreements) and Chapter II (Office of Management and Budget Guidance) as well as 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards); and any USDA implementing regulations, such as 2 CFR Part 400 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), 2 CFR Part 415 (General Program Administrative Regulations), 2 CFR Part 416 (General Program Administrative Regulations for Grants and Cooperative Agreements to State and Local Governments), and 2 CFR Part 418 (New Restrictions on Lobbying).					
23. REMARKS May 2017 - This cooperative agreement is amended by extending the expiration date from 9/30/2017 through 9/30/2018. This is an approved no-cost extension. All previous terms and conditions still remain in full force and effect. June 2016 - This award is to support the WIC EBT Implementation project for the State of Hew Hampshire.					
SIGNATURE OF GRANTEE/COOPERATOR			UNITED STATES OF AMERICA		
SIGNATURE (Authorized Individual) <i>Lissa A. Sirois</i>		DATE 5-30-17	SIGNATURE (Grant Official) <i>Lael J. Lubing</i>		DATE 5-31-17
NAME (Type) Lissa A. Sirois		NAME (TYPE) Lael J. Lubing			
TITLE Administrator - WIC		TITLE Director, Grants & Fiscal Policy Division			
TELEPHONE NUMBER 603-271-0571		TELEPHONE NUMBER 703-305-2048			