

Legislative Analysis



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WIC VENDOR CONTRACTS

House Bill 5764 (Substitute H-1)

Sponsor: Rep. Jon Switalski

Committee: Urban Policy

Complete to 6-7-10

A SUMMARY OF HOUSE BILL 5764 H-1) ADOPTED BY COMMITTEE ON 4-27-10

The bill would amend the Social Welfare Act (MCL 400.1 et al.) by adding Section 14k to direct the Department of Community Health to allow flexibility in the vendor-per-client ratio and vendor selection criteria within all zip codes in the state as long as a merchant or vendor has been approved by the U.S. Department of Agriculture (USDA) to participate in the supplemental nutrition assistance program. A merchant or vendor who has been approved by the USDA to participate in the program would have to be granted a contract as a special supplemental nutrition program for women, infants and children (WIC) provider, if the merchant or vendor provides superior WIC produce and products compared to current WIC vendors and merchants within the appropriate zip code.

Under the bill, the department would be required to post the following on its website: (a) a vendor application that may be submitted online or may be printed and submitted in written form; (b) information regarding the administrative costs for the Department of Community Health to administer the WIC program, including the total administrative costs as well as a breakdown of those cost; and (c) the vendor selection criteria and the vendor limiting criteria.

FISCAL IMPACT:

The Department of Community Health administers the federally-funded Women, Infants, and Children Special Supplemental Food and Nutrition Program. The bill will increase the number of contracted vendors for the WIC program and increase the administrative costs to the Department for vendor management and monitoring. If administrative costs exceed the federal funds granted for state administration, the state can move federal funds granted for food costs to administration costs, with federal approval; however, this will reduce the amount of federal grant funds allocated for food for participants.

The WIC program is currently funded at \$246.1 million, and serves over 267,000 women and children. About \$5.3 million is expended for state administration. Per the Department, as of February 2010, there were 1,972 vendors contracted to serve WIC clients. There were 8,156 authorized vendors serving over 1.7 million Supplemental Nutrition Assistance Program recipients.

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