

State of Wisconsin



2025 Assembly Bill 180

Date of enactment:
Date of publication*:

2025 WISCONSIN ACT

AN ACT to amend 49.78 (1m) (a), 49.78 (1m) (c) and 49.78 (1m) (d); to create 20.435 (4) (bh), 20.435 (4) (bi), 49.79 (6w) and 49.79 (7x) of the statutes; **relating to:** requiring the Department of Health Services to seek any necessary waiver to prohibit the purchase of candy or soft drinks with food stamp program benefits, establishing an electronic platform for identifying food stamp program-eligible products, food stamp program administration, and making an appropriation.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

		2025-26	2026-27
20.435 Health services, department of			
(4) MEDICAID SERVICES			
(bh) Food stamp platform; development	GPR C	3,000,000	-0-
(bi) Food stamp platform; administration	GPR A	250,000	250,000

SECTION 2. 20.435 (4) (bh) of the statutes is created to read:

20.435 (4) (bh) *Food stamp platform; development.* As a continuing appropriation, the amounts in the schedule to develop the food stamp platform under s. 49.79 (6w).

SECTION 3. 20.435 (4) (bi) of the statutes is created to read:

20.435 (4) (bi) *Food stamp platform; administration.* The amounts in the schedule to administer the food stamp platform under s. 49.79 (6w).

SECTION 4. 49.78 (1m) (a) of the statutes is amended to read:

49.78 (1m) (a) ~~Except as provided in par. (e) No~~ later than 6 months after the effective date of this para-

graph [LRB inserts date], each county with a population of less than 750,000 shall participate in a multicounty consortium or a partnership with a Tribal income maintenance program that is approved by the department under par. (b).

SECTION 5. 49.78 (1m) (c) of the statutes is amended to read:

49.78 (1m) (c) ~~If a county with a population of less than 750,000 does not participate in a multicounty consortium or the department determines that a multicounty consortium does not satisfy the department's performance requirements, the department shall assume responsibility for administering income maintenance programs in that county or in the geographical area of the multicounty consortium. The department may pro-~~

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

vide income maintenance program administration under this paragraph by contracting with another multicounty consortium or by providing the administrative services with state resources and employees.

SECTION 6. 49.78 (1m) (d) of the statutes is amended to read:

49.78 (1m) (d) If the department assumes responsibility for administering income maintenance programs ~~in a county or~~ in the geographical area of the multicounty consortium under par. (c), any county for which the department administers income maintenance programs shall pay to the department the amount that the county expended for the administration of income maintenance programs in the calendar year 2009. ~~For the purposes of this paragraph, Kenosha County expended \$673,000 for the administration of income maintenance programs in calendar year 2009 preceding the department's assumption of responsibility.~~

SECTION 7. 49.79 (6w) of the statutes is created to read:

49.79 (6w) FOOD STAMP PLATFORM. (a) *Definitions.* In this subsection:

1. "Eligibility" means the status of being eligible for purchase through the use of benefits under the food stamp program.

2. "Nonprofit organization" means an organization that is described in section 501 (c) (3) of the Internal Revenue Code and that is exempt from federal income tax under section 501 (a) of the Internal Revenue Code.

3. "Participating retailer" means a retailer that participates in the food stamp program.

(b) *Contract for a food stamp platform.* Subject to par. (d), the department shall enter into a contract for the development and administration of an electronic platform that has the capacity to do all of the following:

1. Determine whether a universal product code-marked product is eligible for purchase through the use of benefits under the food stamp program, subject to the list of eligible foods under 7 CFR 271.2 and any approved waiver of federal law from the U.S. department of agriculture.

2. Contain a centralized database of universal product code-marked products that identifies which products are eligible for purchase through the use of benefits under the food stamp program, based upon the determinations under subd. 1. The centralized database under this subdivision shall have version control and audit functionality.

3. Continuously update the database under subd. 2. with products that become newly commercially available.

4. Continuously update the database under subd. 2. with products that are reformulated.

5. Integrate the database under subd. 2. into point-

of-sale systems used by participating retailers. The integration under this subdivision shall allow for automated data synchronization, real-time data checks, batch updates for low-bandwidth or legacy systems, and minimal technical burden for small participating retailers.

6. Include a documented application programming interface, batch file formats, a sandbox environment, and a help desk for small participating retailers.

7. Comply with reporting requirements related to the food stamp program under federal law or an approved waiver of federal law from the U.S. department of agriculture.

8. Track and assess errors in product eligibility determinations by using audit tools and error-trend analysis.

(c) *Optional feature.* The electronic platform under par. (b) may include a public-facing search function for the database under par. (b) 2.

(d) *Contract requirements.* 1. The contract under par. (b) shall be a performance-based contract and shall include an approved budget for the development and administration of the electronic platform under par. (b).

2. The department may enter into the contract under par. (b) only with a nonprofit organization that meets all of the following requirements:

a. Has a charitable and educational mission that includes support for the retail food industry in this state and research and industry education related to food safety and nutrition in a retail business.

b. Demonstrates statewide reach and working relationships with a wide variety of participating retailers, including participating retailers of varying sizes, and point-of-sale system vendors serving retailers in this state.

c. Maintains organizational independence and financial controls sufficient to ensure that grant funds awarded under this subsection are not used for lobbying, political activity, or private benefit, and if affiliated with an organization described in section 501 (c) (6) of the Internal Revenue Code, maintains separate boards or committees and separate accounting in accordance with federal law.

d. Commits to providing retailer-facing training, technical assistance, and outreach, including by providing materials accessible to small retailers, to support accurate product eligibility classification at the point of sale.

(e) *Partnership with technology firm.* The nonprofit organization that contracts with the department under par. (b) shall partner with a technology firm that is experienced with this state's Medical Assistance enterprise data warehouse and data analytics reporting system for the administration of the electronic platform under par. (b).

(f) *Reporting required.* By no later than September 30 of the fiscal year beginning after the department enters into the contract with the nonprofit organization under par. (b), and annually by no later than September 30 thereafter, the nonprofit organization shall submit a report to the department and the appropriate standing committees of the legislature under s. 13.172 (3) on all of the following information about the electronic platform under par. (b) from the immediately preceding fiscal year:

1. The number of unique universal product codes in the database under par. (b) 2.
2. The number of products added to and removed from the database under par. (b) 2. and the number of products for which the information in the database was updated due to reformulation.
3. The accuracy rate, including false positive and false negative rates, of the platform's product eligibility determinations.
4. The cycle time to publish additions and updates under par. (b) 3. and 4. to participating retailers.
5. The number and percentage of participating retailers using the platform, disaggregated by all of the following:
 - a. Participating retailers' store count.
 - b. Whether a participating retailer is independently operated or a part of a chain of retailers.
 - c. Whether a participating retailer is located in an urban or rural setting.
6. Uptime, scheduled and unscheduled outages, incident counts and severities, mean time to resolution, and the results of any cybersecurity testing and 3rd-party risk assessments.
7. The error-trend analysis required under par. (b) 8. for the platform's errors in product eligibility determinations, including all of the following:
 - a. Any early warnings triggered, corrective actions taken, and the outcomes of those actions.
 - b. A summary of audit trail activity and version control statistics demonstrating a clear historical record of changes.
8. A description of how the platform supported compliance with applicable federal requirements and any approved waiver of federal law from the U.S. department of agriculture, including metrics showing the platform's contribution to the reduction of improper payments and benefit denials caused by errors in product eligibility determinations.
9. The volume and resolution of participating retailer and point-of-sale system vendor support tickets, a description of training delivered to participating retailers, and the results of any user satisfaction survey conducted by the nonprofit organization.
10. Confirmation of adherence to data governance

requirements under state law and any applicable confidentiality requirements under federal law, a summary of any data-sharing agreements in effect, and any privacy incidents and responses.

11. Actual expenditures by major category compared to the approved budget under par. (d) 1. and an explanation of any material variance.

12. The status of any match, cost sharing, or private funds leveraged.

13. A plan for the next fiscal year that does all of the following:

a. Identifies improvements to the accuracy and timeliness of product eligibility determinations, participating retailer coverage, and integration with participating retailers' point-of-sale systems.

b. Offers any recommended changes to state statutes or regulations or requests for a waiver of federal law to improve the performance of the electronic platform.

14. The number of manufacturers and producers in this state providing product data, disaggregated by company size and product category.

15. The number and percentage of products in the database under par. (b) 2. that are products produced in this state, including new products and reformulations.

16. A summary of any outreach or technical assistance provided to manufacturers and producers located in this state to support accurate data submission and product eligibility determinations.

17. Any identified trends in product eligibility determination errors involving items produced in this state, including any recommended improvements for manufacturers, producers, or retailers.

18. A description of any coordination with statewide organizations representing food manufacturers, agricultural producers, and participating retailers to improve the accuracy of the database under par. (b) 2. and reduce administrative burden.

(g) *Audit required.* Beginning in 2031 and at least once every 4 years thereafter, the legislative audit bureau shall conduct a performance evaluation audit of the electronic platform under par. (b) to assess the accuracy, reliability, and administration of the platform. As part of the performance evaluation audit, the legislative audit bureau shall do all of the following:

1. Review data integrity controls within the database under par. (b) 2.

2. Assess whether product eligibility determinations are consistent with the list of eligible foods under 7 CFR 271.2 and any approved waiver of federal law from the U.S. department of agriculture.

3. Verify that version control practices in the database under par. (b) 2. create a clear historical record of changes.

(h) *Nonprofits associated with retail food industry*

associations. The department shall encourage nonprofit organizations that are associated with statewide retail food industry associations to enter into the contract with the department under par. (b).

(i) *No liability or adverse actions against retailers for platform errors.* A participating retailer may not be held civilly liable, and the department may not take adverse action against a participating retailer, for selling or refusing to sell a product through the use of benefits under the food stamp program in violation of federal law or any approved waiver of federal law from the U.S. department of agriculture on the basis of an error by the electronic platform under par. (b) in determining the eligibility of the product.

SECTION 8. 49.79 (7x) of the statutes is created to read:

49.79 (7x) EXCLUSIONS; FOOD STAMP PROGRAM.

(a) In this subsection:

1. “Candy” means any solid, semi-solid, or molded preparation of sugar, sweeteners, whether natural or artificial, or chocolate, with or without added ingredients such as flavorings, fruit, nuts, or flour, that is commonly marketed, advertised, or recognized as candy, chocolate bar, chewing gum, or similar confectionery and includes chocolate bars, including chocolate bars containing flour, hard candies, gummies, caramels, taffy, licorice, mints, and chewing gum. “Candy” does not include baked goods, such as cakes, cookies, muffins, brownies, pastries, bread, or similar products the preparation and sale of which are typically not subject to licensing and regulation by the department of agriculture, trade and consumer protection under ch. 97 or items sold as bakery or bread products, regardless of sweetener content.

2. “Soft drink” means a nonalcoholic beverage that contains natural or artificial sweeteners, including soda, pop, cola, energy drinks, sports drinks, or flavored water, or any product, regardless of its ingredients or labeling, that is marketed, labeled, or advertised as a soda, pop, cola, energy drink, or energy supplement. “Soft drink” does not include a beverage that contains milk or milk substitute, soy, rice, or similar dairy alternative ingredients or that contains more than 50 percent, by volume, of fruit or vegetable juice. “Soft drink” also does not include coffee or unsweetened tea.

(b) The department shall request any necessary waiver from the U.S. department of agriculture in accordance with 7 USC 2026 to prohibit the use of benefits under the food stamp program for the purchase of candy or soft drinks from the list of eligible foods under 7 CFR 271.2. If a waiver requested under this paragraph is granted the department shall prohibit the purchase of candy or soft drinks with benefits provided through the federal food stamp program. If any necessary waiver from the U.S. department of agriculture is not granted,

then the department shall submit the waiver request under this paragraph annually until the waiver is granted.

SECTION 9. Nonstatutory provisions.

(1) FOOD STAMP QUALITY CONTROL SERVICES POSITION AUTHORIZATION.

(a) The authorized FTE positions for the department of health services are increased by 28.0 FED project positions, to be funded from the appropriations under s. 20.435 (4) (n) and (nn), for the purpose of performing quality control services for the food stamp program under s. 49.79 for the period beginning on the effective date of this paragraph and ending 4 years after that date.

(b) On July 1, 2026, the authorized FTE positions for the department of health services funded from the appropriations under s. 20.435 (4) (n) and (nn) are decreased by 14.0 FED project positions.

(2) DECREASE VACANT POSITIONS AND INCREASE FOOD STAMP QUALITY CONTROL POSITIONS.

(a) In the 2025-27 fiscal biennium, the secretary of administration may decrease the authorized FTE positions in the executive branch by up to 12.0 GPR permanent positions that have been vacant for 18 months or more.

(b) For each 1.0 GPR permanent position the secretary of administration decreases under par. (a), the secretary of administration shall increase the authorized FTE positions for the department of health services by 1.0 GPR project position, to be funded from the appropriation under s. 20.435 (4) (a), beginning on the date the secretary of administration decreased the position under par. (a) and ending 4 years after that date.

(c) The secretary of administration shall report to the joint committee on finance any position decreased under par. (a) and any position increased under par. (b) within 30 days of the increase or decrease.

SECTION 10. Fiscal changes.

(1) FOOD STAMP ADMINISTRATIVE COSTS. In the schedule under s. 20.005 (3) for the appropriation to the department of health services under s. 20.435 (4) (a), the dollar amount for fiscal year 2026-27 is increased by \$8,651,500; for the appropriation to the department of health services under s. 20.435 (4) (bm), the dollar amount for fiscal year 2026-27 is increased by \$10,271,400; and for the appropriation to the department of health services under s. 20.435 (4) (bn), the dollar amount for fiscal year 2026-27 is increased by \$13,418,200 for the purpose of providing for increased state administrative costs for the food stamp program under s. 49.79.

(2) FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM. In the schedule under s. 20.005 (3) for the appropriation to the joint committee on finance under s. 20.865 (4) (a), the dollar amount for fiscal year 2025-26

is increased by \$20,700,000 to provide for increased costs related to the food stamp employment and training program under s. 49.79 (9).

(3) FOOD STAMP QUALITY CONTROL SERVICES POSITION AUTHORIZATION.

(a) In the schedule under s. 20.005 (3) for the appropriation to the department of health services under s. 20.435 (4) (a), the dollar amount for fiscal year 2025-26 is increased by \$2,405,100 to implement quality control initiatives in the food stamp program under s. 49.79 and to increase the authorized FTE positions for the department by 16.0 GPR project positions beginning on the effective date of this paragraph and ending 4 years after that date for the purpose of performing quality control services for the food stamp program under s. 49.79.

(b) In the schedule under s. 20.005 (3) for the appropriation to the department of health services under s.

20.435 (4) (a), the dollar amount for fiscal year 2026-27 is increased by \$4,409,300 to implement quality control initiatives in the food stamp program under s. 49.79, to fund the positions authorized under par. (a), and to increase the authorized FTE positions for the department by 14.0 GPR project positions beginning on July 1, 2026, and ending 4 years after that date for the purpose of performing quality control services for the food stamp program under s. 49.79.

(4) FOOD STAMP QUALITY CONTROL. In the schedule under s. 20.005 (3) for the appropriation to the department of health services under s. 20.435 (4) (bn), the dollar amount for fiscal year 2025-26 is increased by \$3,307,800 and the dollar amount for fiscal year 2026-27 is increased by \$6,064,300 to implement quality control initiatives in the food stamp program under s. 49.79.
