

FOOD AND NUTRITION SERVICE

2011 Explanatory Notes

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FOOD AND NUTRITION SERVICE

PURPOSE STATEMENT

The Food and Nutrition Service (FNS) was established August 8, 1969, by Secretary's Memorandum No. 1659 and Supplement 1 pursuant to the authority contained in 5 U.S.C. 301 and the Reorganization Plan No. 2 of 1953.

FNS is the Federal agency responsible for managing the domestic nutrition assistance programs. Its mission is to increase food security and reduce hunger in partnership with cooperating organizations by providing children and low-income people access to food, a healthful diet, and nutrition education in a manner that supports American agriculture and inspires public confidence.

Over the past half-century – beginning with the National School Lunch Program in 1946 – the Nation has gradually built an array of nutrition assistance programs designed to help the most vulnerable populations meet their food needs. Taken together, the current programs form a nationwide safety net supporting low-income families and individuals in their efforts to escape food insecurity and hunger and achieve healthy, nutritious diets. Currently, the programs administered by FNS touch the lives of one in five Americans over the course of a year.

Descriptions of Programs:

The nutrition assistance programs described below works both individually and in concert with one another to improve the Nation's nutrition and health by improving the diets of children and low-income households.

- *Supplemental Nutrition Assistance Program (SNAP):* Authorized by the Food and Nutrition Act of 2008, SNAP serves as the primary source of nutrition assistance for over 33 million low-income people. It enables participants, about 49 percent of whom are children, to improve their diets by increasing food purchasing power using benefits that are redeemed at authorized retail grocery stores across the country. State agencies are responsible for the administration of the program according to national eligibility and benefit standards set by Federal law and regulations. Benefits are 100 percent Federally-financed, while administrative costs are shared between the Federal and State Governments.

SNAP provides the basic nutrition assistance benefit for low-income people in the United States; other FNS programs supplement this program with benefits targeted to special populations, dietary needs and delivery settings. (Puerto Rico, the Commonwealth of the Northern Mariana Islands, and American Samoa receive grant funds with which to provide food and nutrition assistance in lieu of SNAP.)

- *Food Distribution Program on Indian Reservations (FDPIR):* FDPIR distributes USDA-purchased foods as an alternative to SNAP for Indian households on or near reservations. State agencies and Indian Tribal Organizations (ITOs) that operate the program are responsible for certifying recipient eligibility, nutrition education, local warehousing and transportation of food, distribution of food to recipient households, and program integrity. The Federal Government pays 100 percent of the cost of commodities distributed through the program, and cash payments for administrative expenses.
- *Child Nutrition Programs (CNP):* The Child Nutrition Programs - National School Lunch (NSLP), School Breakfast (SBP), Special Milk (SMP), Child and Adult Care Food (CACFP), and Summer Food Service (SFSP) - provide reimbursement to State and local governments for nutritious meals and snacks served to over 31 million children in schools, child care institutions, and after school care programs. The program also supports meal service in adult day care centers. FNS provides cash and USDA purchased food on a per-meal basis to offset the cost of food service at the local level and a significant portion of State and local administrative expense, and provides training, technical

assistance, and nutrition education. Payments are substantially higher for meals served free or at a reduced price to children from low-income families.

- *Special Supplemental Nutrition Program for Women, Infants and Children (WIC)*: WIC addresses the supplemental nutritional needs of at-risk, low-income pregnant, breastfeeding and postpartum women, infants and children up to five years of age. It provides participants monthly supplemental food packages targeted to their dietary needs, nutrition education, and referrals to a range of health and social services – benefits that promote a healthy pregnancy for mothers and a healthy start for their children. Appropriated funds are provided to States for food packages and nutrition services and administration for the program; States operate the program pursuant to plans approved by FNS. WIC is augmented in some localities by the Farmers' Market Nutrition Program, funded within the Commodity Assistance Program account, and authorized by the WIC Farmers' Market Nutrition Act of 1992, which provides fresh produce to WIC participants.
- *The Emergency Food Assistance Program (TEFAP)*: This program supports the emergency food organization network by distributing USDA-purchased food for use by emergency feeding organizations including soup kitchens, food recovery organizations, and food banks. TEFAP also provides administrative funds to defray costs associated with processing, repackaging, storage, and distribution of Federal and privately donated food. The allocation of both Federal food and administrative grants to States is based on a formula that considers the States' unemployment levels and the number of persons with income below the poverty level.
- *The Commodity Supplemental Food Program (CSFP)*: This program provides foods purchased by USDA to low-income infants and children up to age six, low-income pregnant and postpartum women, and to low-income senior citizens. In recent years, there has been a shift towards low-income elderly in this program; in FY 2009, elderly participation comprised approximately 95 percent of total participation. Foods are distributed through State agencies to supplement food acquired by recipients from other sources. The CSFP is operated as a Federal/State partnership under agreements between FNS and State health care, agricultural or education agencies. In FY 2009, 32 States, the District of Columbia, and two Indian reservations operate CSFP. Beginning in 2010, seven new States were added to the program.
- *Senior Farmers' Market Nutrition Program (SFMNP)*: This program provides coupons to low-income seniors that can be exchanged for fresh, nutritious, unprepared, locally grown fruits, vegetables and herbs at farmers' markets, roadside stands, and community-supported agriculture programs.
- *Pacific Island and Disaster Assistance*: Pacific Island Assistance includes assistance to the nuclear-affected zones of the Republic of the Marshall Islands in the form of USDA purchased food, or cash-in-lieu of food, and administrative funds and is authorized under the Compact of Free Association Amendments Act of 2003, (P.L. 108-188). Disaster relief funds are provided for use in non-Presidentially declared disasters.

Federal nutrition assistance programs operate as partnerships between FNS and the State and local organizations that interact directly with program participants. States voluntarily enter into agreements with the Federal Government to operate programs according to Federal standards in exchange for program funds that cover all benefit costs, and a significant portion of administrative expenses.

Under these agreements, FNS is responsible for implementing statutory requirements that set national program standards for eligibility and benefits, providing Federal funding to State and local partners, and monitoring and evaluating to make sure that program structures and policies are properly implemented and effective in meeting program missions. State and local organizations are responsible for delivering benefits efficiently, effectively, and in a manner consistent with national requirements.

FNS Staff:

The public servants of FNS are an important resource for advancing the key outcomes sought through the nutrition assistance programs. The agency staff serves to ensure and leverage the effective use of the other program appropriations.

FNS staff is funded primarily out of the Nutrition Programs Administration account, which represents approximately one-third of one percent of the total FNS budget. The agency employment level represents less than two percent of the total employment within USDA and is similarly small in proportion to the total State-level staff needed to operate the programs. The agency employs people from a variety of disciplines, including policy and management analysts, nutritionists, computer and communication experts, accountants, investigators, and program evaluators. Because of the small size of the agency's staff relative to the resources it manages, FNS has created clear and specific performance measures and must focus its management efforts in a limited number of high-priority areas.

Program operations are managed through FNS' seven regional offices and 67 field offices/satellite locations. A regional administrator directs each regional office. These offices maintain direct contact with State agencies that administer the FNS programs. The agency's regional offices also conduct on-site management reviews of State operations and monitor the 193,753 stores authorized to redeem SNAP benefits.

As of September 30, 2009, there were 1,270 full-time permanent employees in the agency. There were 487 employees in the Washington headquarters office; and 783 in the field, which includes seven regional offices; 67 field offices; four SNAP compliance offices in Illinois, California, New Jersey, and Tennessee; and a computer support center in Minneapolis, Minnesota. The chart below displays staff year utilization.

STAFF YEAR DISTRIBUTION (From All Sources of Funds)				
Project	2009 Actual	2010 Estimated	Change	2011 Requested
Supplemental Nutrition Assistance Program	104	116	0	116
Child Nutrition Programs	158	170	6	176
Commodity Assistance Program	2	2	0	2
Supplemental Nutrition Program for Women, Infants and Children	0	22	0	22
Nutrition Programs Administration	977	1,045	40	1,085
Center for Nutrition Policy and Promotion	28	32	10	42
Total Available	1,269	1,387	56	1,443

Audit Reports of National Significance Issued for Fiscal Year 2009OIG Audits Issued

				<u>Status</u>
SNAP	27601-15-AT	9-08	Food Stamp Program Retailer Authorization and Store Visits	Pending administrative action by FNS.
Agency-wide	27401-33-HY	11-08	Food and Nutrition Service Financial Statements for Fiscal Years 2008 and 2007	Report contained an unqualified opinion with no recommendations.

GAO Audits Issued

				<u>Status</u>
NSLP	GAO-09-156R	1-09	Meal Counting and Claiming by Food Service Management Companies in the School Meal Programs	Report contained no recommendations for FNS
NSLP	GAO-09-584	7-09	School Meal Programs: Experiences of the States and Districts That Eliminated Reduced-price Fees	Report contained no recommendations for FNS
NSLP	GAO-09-649	8-09	School Meal Programs: Changes to Federal Agencies' Procedures Could Reduce Risk of School Children Consuming Recalled Food	FNS currently working on Statement of Action to address report findings.
NSLP	GAO-09-814	9-09	School Meal Programs: Improved Reviews, Federal Guidance, and Data Collection Needed to Address Counting and Claiming Errors	FNS forwarded Statement of action responding to report findings November 2009.

THE CENTER FOR NUTRITION POLICY AND PROMOTION

As the lead Federal Department in human nutrition, the USDA is charged with developing national nutrition policy and designing and disseminating science-based nutrition promotion programs for all Americans, and populations receiving nutrition assistance. The Center for Nutrition Policy and Promotion (CNPP) is USDA's focal point for improving the health of Americans by developing and promoting dietary guidance that links the best evidence-based scientific research to the nutrition needs of consumers.

Overview of Program Development

CNPP develops integrated nutrition research, education, and promotion programs and is a recognized authority for providing science-based dietary guidance for the American public (including consumers and professionals in health, education, industry, and the media). CNPP also helps devise better cost-effective strategies to target nutrition programs to different customers by analyzing consumer dietary needs, socio-economic characteristics, behaviors, and lifestyles. To meet its mission, CNPP performs the following functions:

Advances and Promotes Food and Nutrition Guidance for All Americans

CNPP oversees improvements in and revisions to Departmental nutrition guidance, while ensuring the consistency of all guidance with the *Dietary Guidelines for Americans*, the cornerstone of Federal nutrition policy. The MyPyramid Food Guidance System provides current Departmental nutrition guidance disseminated to nutrition educators, health professionals, and consumers in the form of millions of print documents; educator's toolkits; and via Web-based interactive and personalized tools at MyPyramid.gov. MyPyramid.gov has received more than 9 billion hits since its launch in April 2005 and has millions of registered users of the tools for dietary and physical activity assessment.

Uses Evidence-Based Methods as the Scientific Foundation for Nutrition Policy, Promotion and Education

CNPP established and maintains USDA's Evidence Analysis Library (EAL), including the Nutrition Evidence Library to monitor, assess, gather, analyze, and consult on the scientific evidence in support of nutrition, food, dietary guidance, nutrition education and nutrition research policies and outreach programs. The EAL designs and leads a wide range of scientific review projects that inform and support nutrition policy and guidance, and serve as the basis for nutrition promotion and education activities. The Nutrition Evidence Library, a major function of the EAL, supports the *Dietary Guidelines* 2010 process. The EAL was formed to provide a broader-based evidence library to support Federal and external organizations as a repository of the most up-to-date credible literature available in the areas relative to the *Dietary Guidelines for Americans*, obesity, food groups, weight management, physical activity, food safety, methods of consumer nutrition education program development, risk analysis and nutrients, and social marketing. The EAL serves as the USDA model upon which USDA agencies approach science review to support the policies for which they have responsibility.

Coordinates Nutrition Promotion and Education Policy within USDA

CNPP leads the USDA team for the joint USDA/Department of Health and Human Services (DHHS) development, review, and clearance of the *Dietary Guidelines* policy document and coordinates an interagency working group on developing a plan for the promotion and communication of the 2010 *Dietary Guidelines*. CNPP is the focal point for advancing and coordinating nutrition promotion and education policy within USDA. CNPP chairs the USDA Dietary Guidance Working Group. This working group reviews all of USDA's and DHHS' nutrition publications and materials to ensure consistency with the *Dietary Guidelines*. CNPP also represents USDA on the DHHS Healthy People 2010 initiative in the areas of food, nutrition, and obesity.

Promotes Consumer-Oriented Nutrition Messages

CNPP continues to develop and update science-based dietary guidance for healthy Americans two years of age and older. In addition, CNPP and the Department continue to work to promote good health through wise food choices and adequate physical activity to help prevent disease. CNPP uses the most recent food consumption survey data available to target its nutrition messages for the public. Translating nutrition guidance for consumers in a way that educates and motivates change in dietary behavior will ultimately lead to improved health status. In addition to its efforts to disseminate the print materials related to the *Dietary Guidelines for Americans*, CNPP is working diligently to reach a larger number of Americans with relevant and motivating nutrition promotion messages delivered through a wider array of communication channels.

Collaborates with Public/Private Groups to Promote Nutrition

CNPP will continue to lead USDA's efforts to communicate nutrition messages through a wide variety of mechanisms, including the MyPyramid Food Guidance System, nutrition assistance programs, commodity and agricultural groups, food industry, trade associations, and public health organizations and the media. CNPP will continue to collaborate with public, private, and nonprofit groups to expand access to USDA's nutrition assistance programs. Collaboration with the public and private sectors is used to encourage widespread participation in nutrition education efforts based on the *Dietary Guidelines for Americans*. CNPP has established over a hundred public-private partnerships to magnify the reach of MyPyramid tools and messages.

Uses Policy-Focused Analyses to Advance Nutrition and Consumer Economic Knowledge

CNPP's science-based research supports national policy, Departmental policy, and the promotion of healthful eating in America. CNPP staff members conduct policy analyses of socio-economic, food behavior, and food disappearance data. Some large-scale analyses are performed cooperatively with other

Federal agencies and outside experts. This work supports policymaking for domestic nutrition assistance, setting a national agenda for nutrition security, and representing domestic nutrition policy to the international community, and contributes to activities related to nutrition monitoring of foods and nutrients available for consumption. CNPP develops USDA's Food Plans including the Thrifty Food Plan, on which SNAP benefits are based. The Food Plans represent a market basket of nutritious foods that could be purchased at various lower income levels. CNPP also produces the Expenditures on Children by Families ("The Cost of Raising a Child") report, which became an interactive Web-based tool in 2009, which provides families with the costs of household expenditures, including food. Further, CNPP measures diet quality as a gauge of the nutritional well-being of our population, which is used in health and nutrition policymaking. The Healthy Eating Index (HEI) is the measure of overall diet quality that the Department uses to determine the degree to which the population's eating habits are consistent with the *Dietary Guidelines for Americans*.

Eating patterns and their behavioral determinants are analyzed to gauge the effect of policy on consumers' food behavior and to help devise more efficient means of helping people improve their diet. Scientific research is made available to policymakers and published for the research community and the public. CNPP is reaching the public more effectively than ever before through a combination of print materials, news releases, interactive tools, its Web site, and presentations at professional conferences.

FOOD AND NUTRITION SERVICE

Available Funds and Staff Years
2009 Actual and Estimated 2010 and 2011

Item	Actual		Estimated		Estimated	
	2009		2010		2011	
	Amount	SY	Amount	SY	Amount	SY
Supplemental Nutrition Assistance Program...	\$51,481,784,736	104	\$60,468,145,000	116	\$63,266,290,000	116
SNAP ARRA.....	4,723,055,571		10,931,388,000		11,935,785,000	
Child Nutrition Program:						
Appropriation.....	8,889,966,728	128	10,046,535,000	155	13,003,868,000	161
Permanent Appropriation.....	59,453,295	30	263,020,000	15	121,500,000	15
Transfer from Section 32.....	6,455,802,000		6,989,899,000		5,277,574,000	
CN ARRA.....	100,000,000		0		0	
Total - Child Nutrition Program.....	15,505,222,023	158	17,299,454,000	170	18,402,942,000	176
Special Supplemental Nutrition Program.....	6,955,706,314		7,746,144,000	22	8,057,646,000	22
WIC ARRA.....	72,362,334		65,813,000		0	
Commodity Assistance Program.....	263,195,446	2	272,127,000	2	270,219,000	2
TEFAP ARRA	125,000,000		25,000,000		0	
Nutrition Programs Administration.....	142,595,000	1,005	147,801,000	1,077	169,087,000	1,127
Congressional Hunger Center.....	2,347,000		3,000,000		3,000,000	
Total, Food and Nutrition Service Funds.....	79,271,268,424	1,269	96,958,872,000	1,387	102,104,969,000	1,443
<u>Obligations under other</u>						
<u>USDA Appropriations:</u>						
Forest Service.....	104,000		0		0	
Office of Operations.....	51,320		0		0	
Foreign Agricultural Service.....	318,390		0		0	
Office of the Inspector General.....	16,805		0		0	
National Appeals Division.....	39,688		0		0	
Farm Service Agency.....	170,620		0		0	
Rural Development.....	34,560		0		0	
Total, Agriculture Appropriations.....	735,383		0		0	
<u>Other Federal Funds:</u>						
Army Audit.....	13,140		0		0	
Commerce.....	65,000		0		0	
Federal Executive Board.....	93,450		0		0	
Total, Other Federal Funds.....	171,590		0		0	
Total, Food and Nutrition Service.....	79,272,175,397	1,269	96,958,872,000	1,387	102,104,969,000	1,443

Note: For additional explanation of specific program figures, please see the supporting project statements.

Note: Amounts include ARRA funds.

FOOD AND NUTRITION SERVICE

Permanent Positions by Grade and Staff Year Summary
2009 Actual and Estimated 2010 and 2011

Grade	2009			2010			2011		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
Senior Executive Service	8	7	15	8	7	15	8	7	15
GS-15.....	31	9	40	31	9	40	31	9	40
GS-14.....	63	54	117	63	54	117	63	54	117
GS-13.....	190	131	321	190	131	321	196	140	336
GS-12.....	119	222	341	119	229	348	126	239	365
GS-11.....	49	296	345	50	305	355	57	315	372
GS-9.....	29	25	54	29	32	61	30	36	66
GS-8.....	5	6	11	5	6	11	5	6	11
GS-7.....	20	29	49	20	36	56	20	38	58
GS-6.....	11	8	19	11	8	19	11	8	19
GS-5.....	11	13	24	11	13	24	11	13	24
GS-4.....	5	11	16	5	11	16	5	11	16
Other Graded Positions....	1	3	4	1	3	4	1	3	4
Total Permanent Positions.....	542	814	1,356	543	844	1,387	564	879	1,443
Unfilled Positions									
End-of Year.....	55	31	86						
Total, Permanent Full-Time Employment									
End-of Year.....	487	783	1,270	543	844	1,387	564	879	1,443
Staff Year Estimate	487	782	1,269	543	844	1,387	564	879	1,443

FOOD AND NUTRITION SERVICE

SIZE, COMPOSITION AND COST OF MOTOR VEHICLE FLEET

The FNS fleet consists largely of sedans. Retailer Investigations Branch officials employ the majority of these vehicles in field audits as part of the Food Stamp Program. Additionally, and to a much lesser extent, vehicles are assigned to FNS regional offices and used for business travel among their field offices and remote worksites. Lastly, FNS uses two 15-passenger vans at Headquarters in Alexandria, Virginia for all-day shuttle service to the USDA agencies in downtown Washington, D.C.

Size, composition and cost of agency motor vehicle fleet as of September 30, 2009 are as follows:

Size, Composition, and Annual Cost
(in thousands of dollars)

Fiscal Year	Number of Vehicles by Type *							Total Number of Vehicles	Annual Operating Cost (\$ in thous)
	Sedans and Station Wagons	Light Trucks, SUVs and Vans		Medium Duty Vehicles	Ambulances	Buses	Heavy Duty Vehicles		
		4X2	4X4						
FY 2008	49	8	0	4	0	0	0	61	\$243
Change from 2008**	-3	1	0	0	0	0	0	-3	\$43
FY 2009	46	9	0	4	0	0	0	59	\$286
Change from 2009**	-1	0	0	0	0	0	0	-1	\$4
FY 2010	45	9	0	4	0	0	0	58	\$290
Change from 2010**	0	0	0	0	0	0	0	0	\$4
FY 2011	45	9	0	4	0	0	0	58	\$294

NOTES:

* These numbers include vehicles that are leased from GSA and one vehicle leased from a commercial source.

** There are no significant changes. All significant year-to-year changes would be discussed in a narrative provided separately.

FOOD AND NUTRITION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Child Nutrition Programs (including transfers of funds):

1. [In lieu of the amounts made available in section 14222(b) of the Food, Conservation, and Energy Act of 2008, for] For necessary expenses to carry out the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except sections 17 and 21; [~~\$16,855,829,000~~] \$18,158,393,000, to remain available through September
2. 30, [2011, of which \$1,000,000 may be used to carry out the school community garden pilot program established under section 18(g)(3) of the Richard B. Russell National School Lunch Act (42 U.S.C.
3. 1769(g)(3)), and of which \$9,865,930,000 is hereby appropriated, \$6,747,877,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) and \$242,022,000 shall be derived by transfer from unobligated and unavailable balances from fiscal year
4. 2009 under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c)] 2012, of which such sums as are made available under section 14222(b)(1) of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246), as amended by this Act, shall be merged with and available for the same time period and purposes as provided herein: *Provided*, That of the total amount available, \$5,000,000 shall be available to be awarded as competitive grants to implement section 4405 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246), and may be awarded notwithstanding the limitations imposed
5. by sections 4405(b)(1)(A) and 4405(c)(1)(A): *Provided further*, That section 14222(b)(1) of the Food, Conservation, and Energy Act of 2008 is amended by adding at the end before the period, “except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except sections 17 and 21”.

The first change eliminates unnecessary language that superseded a legislative provision.

The second change eliminates language related to a pilot project funded in FY 2010.

The third change eliminates unnecessary language related to transfers from Section 32 funds.

The fourth change provides new language on the statutory provision that authorizes the transfer of Section 32 funds. Previously, this provision was superseded in the language, which resulted in Section 32 funds that could not be obligated by AMS or transferred to FNS.

The fifth change makes a technical amendment to the statutory provision that authorizes the transfer of Section 32 funds to provide that the transferred funds can be used for all programs funded within the Child Nutrition Programs account.

FOOD AND NUTRITION SERVICE
LEAD-OFF TABULAR STATEMENT
AND SUMMARY OF INCREASES AND DECREASES

CHILD NUTRITION PROGRAMS – CURRENT LAW

Appropriations Act, 2010.....	\$16,855,829,000
Budget Estimate, 2011	<u>18,158,393,000</u>
Increase in Appropriation	<u>+1,302,564,000</u>

CHILD NUTRITION PROGRAMS – PROPOSED LEGISLATION

Budget Estimate, Current Law, 2011	\$18,158,393,000
Change due to proposed legislation	<u>+1,000,000,000</u>
Net Request, President's 2011 Budget Request	<u>19,158,393,000</u>

Summary of Increases and Decreases – Current Law
(On basis of appropriation)

Item of Change	2010 Estimated	Pay Costs	Program Changes	2011 Estimated
1. Meal Reimbursement Payments to States				
(a) School Lunch	\$9,967,068,000	0	\$622,930,000	\$10,589,998,000
(b) School Breakfast	2,920,391,000	0	197,472,000	3,117,863,000
(c) CACFP	2,640,923,000	0	87,831,000	2,728,754,000
(d) Summer Food Service Program	387,264,000	0	9,962,000	397,226,000
(e) Special Milk	12,673,000	0	-2,076,000	10,597,000
Subtotal, Meal Reimbursements	15,928,319,000	0	916,119,000	16,844,438,000
2. State Administrative Expenses	193,258,000	0	15,395,000	208,653,000
3. Commodity Reimbursement/Procurement	685,876,000	0	353,861,000	1,039,737,000
4. Discretionary Activities	48,376,000	\$189,000	17,000,000	65,565,000
Total Appropriation	16,855,829,000	189,000	1,302,375,000	18,158,393,000

PROJECT STATEMENT – CURRENT LAW
(On basis of appropriation)

Project	2009 Actual	SY	2010 Estimated	SY	Increase or Decrease		2011 Estimated	SY
1. Meal Reimbursement Payments to States								
(a) School Lunch	\$8,472,755,000		\$9,967,068,000		\$622,930,000		\$10,589,998,000	
(b) School Breakfast	2,633,048,000		2,920,391,000		197,472,000		3,117,863,000	
(c) CACFP	2,513,852,000		2,640,923,000		87,831,000		2,728,754,000	
(d) Summer Food Service Program	357,984,000		387,264,000		9,962,000		397,226,000	
(e) Special Milk Program	14,941,000		12,673,000		-2,076,000		10,597,000	
Subtotal, Meal Reimbursements	13,992,580,000		15,928,319,000		916,119,000	(1)	16,844,438,000	
2. State Administrative Expenses	178,994,000		193,258,000		15,395,000	(2)	208,653,000	
3. Commodity Reimbursement/Procurement	741,209,000		685,876,000		353,861,000	(3)	1,039,737,000	
Subtotal, Mandatory	14,912,783,000		16,807,453,000		1,285,375,000		18,092,828,000	
4. Discretionary Activities:								
(a) Team Nutrition	15,000,000		15,016,000		30,000	(4)	15,046,000	
(b) Food Safety Education	2,500,000		2,510,000		7,000	(5)	2,517,000	
(c) Coordinated Review	5,636,000		5,751,000		82,000	(6)	5,833,000	
(d) Computer Support	9,492,000		9,525,000		28,000	(7)	9,553,000	
(e) CACFP Training and Tech. Assist.	3,500,000		3,537,000		30,000	(8)	3,567,000	
(f) Studies and Other Discr. Activities	3,000,000		3,699,000		16,012,000	(9)	19,711,000	
(g) Hunger Free Community Grants	0		5,000,000		0		5,000,000	
(h) Farm to School Tactical Team	0		0		2,000,000	(10)	2,000,000	
(i) School Garden Pilot	0		1,000,000		-1,000,000	(11)	0	
(j) CN Payment Accuracy	0		2,338,000		0		2,338,000	
Subtotal, Discretionary	39,128,000		48,376,000		17,189,000		65,565,000	
5. ARRA, P.L. 111-5								
NSLP Equipment Grants	100,000,000		0		0		0	
Subtotal, ARRA	100,000,000		0		0		0	
Adjusted Appropriation	15,051,911,000	128	16,855,829,000	155	1,302,564,000		18,158,393,000	161
ARRA Funds	-100,000,000		0		0		0	
Total Appropriation	14,951,911,000	128	16,855,829,000	155	1,302,564,000		18,158,393,000	161

Note: Staff year figures are associated with discretionary and mandatory activities.

PROJECT STATEMENT
(On basis of available funds)

Project	2009 Actual	SY	2010 Estimated	SY	Increase or Decrease	2011 Estimated	SY
1. Meal Reimbursement Payments to States							
(a) School Lunch	\$8,983,711,452		\$10,218,168,000		\$494,879,000	\$10,713,047,000	
(b) School Breakfast	2,607,355,589		2,897,802,000		220,061,000	3,117,863,000	
(c) CACFP	2,451,682,273		2,615,929,000		112,825,000	2,728,754,000	
(d) Summer Food Service Program	356,332,519		376,521,000		20,705,000	397,226,000	
(e) Special Milk Program	14,285,671		11,888,000		-1,291,000	10,597,000	
Subtotal, Meal Reimbursements	14,413,367,504		16,120,308,000		847,179,000	16,967,487,000	
2. State Administrative Expenses	174,133,982		193,258,000		15,395,000	208,653,000	
3. Commodity Reimbursement/Procurement	716,878,975		674,492,000		365,245,000	1,039,737,000	
Subtotal, Mandatory	15,304,380,461		16,988,058,000		1,227,819,000	18,215,877,000	
4. Discretionary Activities:							
(a) Team Nutrition	14,745,733		15,016,000		30,000	15,046,000	
(b) Food Safety Education	2,081,685		2,510,000		7,000	2,517,000	
(c) Coordinated Review	6,334,705		5,751,000		82,000	5,833,000	
(d) Computer Support	8,145,176		9,525,000		28,000	9,553,000	
(e) CACFP Training and Tech. Assist.	1,918,200		3,537,000		30,000	3,567,000	
(f) Studies and Other Discr. Activities	1,987,000		3,699,000		16,012,000	19,711,000	
(g) Hunger Free Community Grants	0		5,000,000		0	5,000,000	
(h) Farm to School Tactical Team	0		0		2,000,000	2,000,000	
(i) School Garden Pilot	0		1,000,000		-1,000,000	0	
(j) CN Payment Accuracy	0		2,338,000		0	2,338,000	
(k) FFVP 2-Year Funds	6,175,768		0		0	0	
Subtotal, Discretionary	41,388,267		48,376,000		17,189,000	65,565,000	
5. ARRA, P.L. 111-5							
NSLP Equipment Grants	100,000,000		0		0	0	
Subtotal, ARRA	100,000,000		0		0	0	
Total Obligations	15,445,768,728	128	17,036,434,000	155	1,245,008,000	18,281,442,000	161
Prior Year Recoveries/Collections	-106,966,963		0		0	0	
Unobligated Balance Start-of-Year	-255,659,235		-303,654,000		180,605,000	-123,049,000	
Transfer from 12-3505	-500,000,000		0		0	0	
Unobligated Balance End-of-Year	303,654,269		123,049,000		-123,049,000	0	
Unobligated Balance Expiring	160,498,502		0		0	0	
Transfer to 12X3539 1/	4,615,699		0		0	0	
Adjusted Appropriation	15,051,911,000	128	16,855,829,000	155	1,302,564,000	18,158,393,000	161
ARRA Funds	-100,000,000		0		0	0	
Total Appropriation	14,951,911,000	128	16,855,829,000	155	1,302,564,000	18,158,393,000	161

Note: Staff year figures are associated with discretionary and mandatory activities.

1/ Transfer is made under the authority provided by P.L. 109-97, which permits CACFP audit funds that remain unused after the first year of availability to be recovered and reallocated. The reallocated funds are available until expended for the purpose of conducting CACFP institution audits.

PROJECT STATEMENT
(On basis of appropriation)

Permanent Appropriation Activities:	2009		2010		Increase or	2011	
	Actual	SY	Estimated	SY	Decrease	Estimated	SY
Information Clearinghouse <u>1/</u>	\$250,000		\$250,000		-\$250,000	0	
Food Service Management Institute	4,000,000		4,000,000		0	\$4,000,000	
Grants to States (Fresh Fruit and Veg. x-year funds) <u>2/</u>	108,000,000		25,000,000		201,000,000	226,000,000	
Tech. Assistance Program Integrity <u>3/</u>	2,000,000		2,000,000		-2,000,000	0	
Grants to States (Administrative Review)	4,000,000		4,000,000		0	4,000,000	
School Food Purchase Survey	3,000,000		0		0	0	
Summer Demonstration Projects	0		85,000,000		-85,000,000	0	
School Lunch Equipment Grants	0		25,000,000		-25,000,000	0	
CACFP Health and Nutrition Grants	0		8,000,000		-8,000,000	0	
Direct Certification Technical Assistance	0		25,000,000		-25,000,000	0	
Total Permanent Appropriation	121,250,000	30	178,250,000	15	55,750,000	234,000,000	15

1/ Authority expires after FY 2010 per Sect. 26(d) of the Richard B. Russell National School Lunch Act.

2/ Authority for direct appropriation terminated per Sect. 4304 of P.L. 110-234; program funded by transfers in FY 2009 and later years.

3/ Authority expires after FY 2010 per Sect. 21(g)(1)(A) of the Richard B. Russell National School Lunch Act.

PROJECT STATEMENT
(On basis of available funds)

Permanent Appropriation Activities:	2009		2010		Increase or	2011	
	Actual	SY	Estimated	SY	Decrease	Estimated	SY
Information Clearinghouse	\$250,000		\$250,000		-\$250,000	0	
Food Service Management Institute	4,000,000		4,000,000		0	\$4,000,000	
Direct Certification and Verification	0		2,513,000		-2,513,000	0	
Evaluation of Effectiveness (Direct Cert.)	2,400		492,000		-492,000	0	
SFSP Evaluation	10,824		9,000		-9,000	0	
SFSP Rural Transportation Grants	0		122,000		-122,000	0	
Evaluation CACFP	0		8,000		-8,000	0	
Grants to States (Fresh Fruit and Veg. x-year funds)	42,993,166		92,581,000		20,919,000	113,500,000	
Tech. Assistance Program Integrity	2,000,000		2,694,000		-2,694,000	0	
CACFP Audit Funds - X year	2,878,411		3,404,000		-3,404,000	0	
Grants to States (Administrative Review)	4,495,761		13,947,000		-9,947,000	4,000,000	
School Food Purchase Survey	2,713,959		0		0	0	
Summer Demonstration Projects	0		85,000,000		-85,000,000	0	
School Lunch Equipment Grants	0		25,000,000		-25,000,000	0	
CACFP Health and Nutrition Grants	0		8,000,000		-8,000,000	0	
Direct Certification Technical Assistance	0		25,000,000		-25,000,000	0	
Best Practices	108,774		0		0	0	
Total Obligation	59,453,295	30	263,020,000	15	-141,520,000	121,500,000	15
Transfer from 128/93539	-4,615,699		0		0	0	
Unobligated Balance Start of Year	-15,891,103		-87,851,000		87,851,000	0	
Collections/Recoveries	-5,547,527		0		0	0	
Expiring Funds	0		3,081,000		-3,081,000	0	
Unobligated Balance End of Year	87,851,034		0		112,500,000	112,500,000	
Total Permanent Appropriation	121,250,000	30	178,250,000	15	55,750,000	234,000,000	15

Justification of Increases and Decreases

The FY 2011 request for the Child Nutrition Programs reflects a net increase of \$1,302,564,000.

- (1) An increase of \$916,119,000 for meal reimbursements (\$15,928,319,000 available in FY 2010).

Explanation of Change.

School Lunch Program: This program will require a net increase of \$622,930,000 in budget authority for an appropriation level of \$10,589,998,000 in FY 2011 (\$9,967,068,000 is available for FY 2010). This level of funding is 6.3 percent over the FY 2010 funding level and will be required to provide reimbursement for meal service currently projected for FY 2011. Based on actual performance to date, the total number of school lunches and snacks in FY 2011 (5.6 billion) is projected to increase by about 90.2 million over the current estimate for FY 2010 of 5.6 billion, which is a 1.6 percent increase. Student participation in the NSLP is continuing at approximately 61.9 percent of enrollment in participating schools. The current estimate for free lunches in FY 2011 projects an increase of 3.6 percent above the level of free lunches estimated to be served in FY 2010. Free lunches are estimated at 59.0 percent of all lunches served in FY 2011. Changes in the reimbursement rates, reflecting increases in the Consumer Price Index (CPI) for Food Away from Home, also contributed to the need for increased funding. This request also reflects the cost of snacks served under the after school NSLP snack program created by P.L. 105-336.

Other information: Income Eligibility

Eligibility for rates of payment in the Child Nutrition Programs is tied to family income with free meal eligibility set at 130 percent of the Federal poverty level and reduced price meals at 185 percent. The pertinent income levels for a family of four are shown below (rates are higher for Alaska and Hawaii):

	2008-2009	2009-2010
Poverty Level	School Year	School Year
100 Percent	\$21,200	\$22,050
130 Percent	27,560	28,665
185 Percent	39,220	40,793

PROGRAM INDICATORS				
SCHOOL LUNCH PROGRAM PROGRAM PERFORMANCE DATA	2009 ACTUAL	2010 ESTIMATE	2011 ESTIMATE	CHANGE
Lunches Served (millions):				
Above 185% of poverty	1,949.3	1,706.3	1,661.5	-44.8
130% - 185% of poverty	521.8	542.6	556.2	13.6
Below 130% of poverty	2,709.9	3,080.8	3,191.9	111.1
TOTAL, Lunches	5,181.0	5,329.7	5,409.6	79.9
Average Daily Participation (millions):	31.2	32.1	32.6	0.5
Lunch Rate per meal (blended) (cents):				
Above 185% of poverty	24.2	25.2	26.0	0.8
130% - 185% of poverty	194.5	203.7	206.8	3.1
Below 130% of poverty	234.8	243.8	246.9	3.1
Snacks Served (millions):				
Above 185% of poverty	10.0	9.7	10.0	0.3
130% - 185% of poverty	1.3	1.3	1.4	0.1
Below 130% of poverty	203.5	216.6	226.5	9.9
TOTAL, Snacks	214.8	227.6	237.9	10.3
Snack subsidy per meal (blended)(cents):				
Above 185% of poverty	6.0	6.0	6.0	0.0
130% - 185% of poverty	35.5	37.0	37.2	0.2
Below 130% of poverty	71.7	74.0	74.4	0.4
TOTAL, Lunches and Snacks	5,395.8	5,557.3	5,647.5	90.2
TOTAL, Meal Reimbursement (millions)	\$8,983.7	\$10,218.2	\$10,713.0	\$494.8

School Breakfast Program: This program will require an increase of \$197,472,000 (about 6.8 percent) for an appropriation of \$3,117,863,000 in FY 2011 (\$2,920,391,000 is available for FY 2010). The current estimate projects an increase of 85.6 million breakfasts in FY 2011 (about 4.3 percent) above the current estimate for FY 2010. This includes a projected increase of about 93.0 million breakfasts in the free category. The estimate of the total meals projected for FY 2011 is 2.1 billion.

Additionally, changes in the reimbursement rates, reflecting increases in the Consumer Price Index (CPI) for Food Away from Home, contributed to the need for increased funding.

PROGRAM INDICATORS				
SCHOOL BREAKFAST PROGRAM PROGRAM PERFORMANCE DATA	2009 ACTUAL	2010 ESTIMATE	2011 ESTIMATE	CHANGE
Meals Served (millions):				
Above 185% of poverty	333.8	306.6	288.9	-17.7
Reduce Price, Regular	25.4	26.1	27.2	1.1
Reduce Price, Severe Need	152.6	164.2	173.4	9.2
130%-185% of poverty, Total	178.0	190.3	200.6	10.3
Free, Regular	122.0	127.7	133.5	5.8
Free, Severe Need	1,225.0	1,352.2	1,439.4	87.2
Below 130% of poverty, Total	1,347.0	1,479.9	1,572.9	93.0
TOTAL, Meals	1,858.8	1,976.8	2,062.4	85.6
Average Daily participation (millions)	11.0	11.7	12.2	0.5
Average Subsidy Per Meal (cents):				
Paid	25.2	26.1	26.1	0.0
Reduced Price:				
Regular	111.0	116.5	118.5	2.0
Severe Need	139.0	144.6	147.5	2.9
Free:				
Regular	141.1	146.6	148.6	2.0
Severe Need	169.0	174.5	177.4	4.0
PROGRAM TOTAL (millions)	\$2,607.4	\$2,897.8	\$3,117.9	\$220.1

Child and Adult Care Food Program (CACFP): This program will require an increase of \$87,831,000 (about 3.3 percent) for an appropriation of \$2,728,754,000 in FY 2011 (\$2,640,923,000 is available for FY 2010). The current estimate projects an increase of 40.6 million meals above the FY 2010 estimate, which represents an increase of about 2.1 percent above the FY 2010 estimate for meals served in childcare centers, family day care homes and adult care centers.

The need for additional funds is also due to the projected increase in the number of snacks served under the at-risk component of the program as well as the change in the CPI. This includes increases that result from the expansion of the at-risk component of the program authorized by Section 730 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (P.L. 111-80), which added the District of Columbia, Connecticut, Nevada and Wisconsin to the list of authorized States. The at-risk program is now authorized in the District of Columbia and in thirteen States, eleven of which are enumerated in the authorizing legislation.

PROGRAM INDICATORS				
CHILD AND ADULT CARE FOOD PROGRAM PROGRAM PERFORMANCE DATA	2009 ACTUAL	2010 ESTIMATE	2011 ESTIMATE	CHANGE
Meals Served (millions):				
Centers:				
Above 185% of poverty	346.1	327.0	319.0	-8.0
130% - 185% of poverty	84.6	79.8	78.1	-1.7
Below 130% of poverty	855.7	916.9	966.3	49.4
TOTAL, Centers	1,286.4	1,323.7	1,363.4	39.7
Family Day Care Homes:				
Tier 1 (Low Income)	503.3	508.3	513.4	5.1
Tier 2 (Upper Income)	110.6	105.1	100.9	-4.2
TOTAL, Family Day Care Homes:	613.9	613.4	614.3	0.9
Total Child Care Program Meals:	1,900.3	1,937.1	1,977.7	40.6
Average Subsidy per meal (cents): 1/				
Centers:				
Above 185% of poverty	17.0	17.5	17.7	0.2
130% - 185% of poverty	119.6	124.5	126.3	1.8
Below 130% of poverty	159.3	164.7	166.9	2.2
Family Day Care Homes				
Tier 1 (Low Income)	138.1	139.5	139.8	0.3
Tier 2 (Upper Income)	64.7	65.3	65.4	0.1
Funding:				
Meal Reimbursement	\$2,291.5	\$2,450.0	\$2,557.1	\$107.1
Sponsor Admin	125.6	128.9	132.7	3.8
Audits	32.4	34.8	36.7	1.9
Training & Tech. Assistance	2.2	2.2	2.3	0.1
TOTAL (millions)	\$2,451.7	\$2,615.9	\$2,728.8	\$112.9
1/ Rates are a blend of all meals types.				

Summer Food Service Program: This program will require an increase of \$9,962,000 (about 2.6 percent) for an appropriation of \$397,226,000 in FY 2011 (\$387,264,000 is available for FY 2010). The current estimate projects an increase of approximately 5.6 million meals above the estimate for FY 2010, an increase of approximately 4.0 percent.

PROGRAM INDICATORS				
SUMMER FOOD SERVICE PROGRAM PROGRAM PERFORMANCE DATA	2009 ACTUAL	2010 ESTIMATE	2011 ESTIMATE	CHANGE
Meals Served (millions):				
Summer Food Program	133.1	139.7	145.3	5.6
Average Subsidy Per Meal (cents):				
Lunch	288.0	294.0	298.0	4.0
Breakfast	165.0	168.0	171.0	3.0
Supplements	67.0	68.0	69.0	1.0
PROGRAM TOTAL (millions)	\$356.3	\$376.5	\$397.2	\$20.7

Special Milk Program: This program will decrease by \$2,076,000 (a 16.4 percent decrease) for an appropriation of \$10,597,000 in FY 2011 (\$12,673,000 is available for FY 2010). This decreased funding need is a result of a projected decrease in the number of half pints served from FY 2010 to FY 2011 and a projected decrease in the reimbursement rates. The cash reimbursement rate for needy children is adjusted annually on July 1 to reflect changes in the Producer Price Index for fresh processed milk.

PROGRAM INDICATORS				
SPECIAL MILK PROGRAM PROGRAM PERFORMANCE DATA	2009 ACTUAL	2010 ESTIMATE	2011 ESTIMATE	CHANGE
Half Pints Served (millions):				
Paid (Above 130% of poverty)	72.2	69.3	67.2	-2.1
Free (130% of poverty or below)	6.5	6.9	7.3	0.4
TOTAL, Half pints	78.7	76.2	74.5	-1.7
Reimbursement Rates (cents):				
Paid	17.7	15.6	14.2	-1.4
Free	18.9	15.9	14.5	-1.4
PROGRAM TOTAL (millions)	\$14.3	\$11.9	\$10.6	-\$1.3

- (2) An increase of \$15,395,000 for State Administrative Expenses (\$193,258,000 available for FY 2010).

Explanation of Change: This increase results from a rise in the estimated program obligations for FY 2009, which is the base year for calculating the availability of funds for this program in FY 2011. An appropriation of \$208,653,000 will be needed in FY 2011 for State Administrative Expenses. Each State will receive a grant of at least 1.5 percent of the funds expended for school programs by the State during FY 2009 with a minimum grant of \$200,000 plus non-discretionary formula funding for CACFP, which is included in the CACFP line. Funds that are available above the basic grant will also be allocated to the States.

State Administrative Expense funds are used for State employee salaries, benefits, support services and office equipment. The base amount of State Administrative Expenses available for allocation to States is equal to 1.5 percent of Federal cash program payments for the National School Lunch (excluding snacks), School Breakfast, CACFP (including snacks) and Special Milk Programs in the second previous fiscal year (i.e., FY 2008 for FY 2010). In FY 2010, \$918,807 of the requested \$193.3 million in State Administrative Expense funds will be applied to the FNS costs of directly operating Child Nutrition Programs in three States. Currently, FNS directly administers the Special Milk, School Lunch and School Breakfast Programs in three States; the Child and Adult Care Program in one State; and the Summer Food Service Program in one State.

- (3) An increase of \$353,861,000 for Commodity Reimbursement/Procurement (\$685,876,000 available for FY 2010).

Explanation of Change: An appropriation of \$1,039,737,000 will be needed to fund commodity reimbursement and procurement costs in FY 2011. This estimate is based on FNS receiving \$465 million in Section 32 support for entitlement commodities. The funding level for FY 2011 reflects changes in the projected commodity reimbursement rates based on the Producer Price Index for commodities. The rate for SY 2009-10 is \$.1950, and the rate is projected to be \$.2025 for the SY 2010-11. This ensures that commodity support is adjusted for food cost inflation and maintains a stable base level of support for all meals. Funding is provided for commodity purchases used in the School Lunch, Child and Adult Care Food, and the Summer Food Service Programs, including the costs of procuring those commodities.

The Healthy Meals for Healthy Americans Act (P.L. 103-448) amended the Richard B. Russell National School Lunch Act by adding Section 6(e)(1), which requires that not less than 12 percent of the total

assistance provided under Section 4, Section 6, and Section 11 be provided in commodities. The FY 2011 request includes \$313,006,000 to cover the 12 percent requirement. Normally, approximately \$100.0 million in bonus USDA foods, which become available to schools as a result of USDA market support activities, could be used to ensure that FNS would meet the 12 percent requirement. However, Section 6(e)(1)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(e)(1)(B)), which provides the authority to count bonus commodities towards the 12 percent requirement, expires on September 30, 2010, resulting in a higher request than would otherwise be required.

COMMODITY COST DATA				
(\$ MILLIONS)				
COMMODITY PURCHASES:	2009 ACTUAL	2010 ESTIMATE	2011 ESTIMATE	CHANGE
CN Appropriation:				
AMS/CCC Commodities	\$465.0	\$465.0	\$465.0	0.0
Section 6 Commodities/Cash/Procurement Costs	601.2	579.6	938.9	\$359.3
12% Commodity Floor Requirement	94.2	314.2	0.0	-314.2
SCHOOL LUNCH TOTAL	1,160.4	1,358.8	1,403.9	45.1
Child & Adult Care Food Program:				
Commodities/Cash	114.4	93.6	99.5	5.9
Summer Food Service Program:				
Commodities	1.3	1.3	1.4	0.1
TOTAL COMMODITY COSTS	1,276.1	1,453.7	1,504.8	51.1
APPROPRIATION	\$741.2	\$685.9	\$1,039.7	\$353.8

- (4) An increase of \$30,000 for Team Nutrition (\$15,016,000 available for FY 2010).

Explanation of Change. This increase provides \$30,000 for salaries and benefits.

- (5) An increase of \$7,000 for Food Safety Education (\$2,510,000 available for FY 2010).

Explanation of Change. This increase provides \$7,000 for salaries and benefits.

- (6) An increase of \$82,000 for the Coordinated Review Program (\$5,751,000 available for FY 2010).

Explanation of Change. This increase provides \$82,000 for salaries and benefits.

- (7) An increase of \$28,000 for Computer Support (\$9,525,000 available for FY 2010).

Explanation of Change. This increase provides \$28,000 for salaries and benefits.

- (8) An increase of \$30,000 for Child and Adult Care Food Program Training and Technical Assistance (\$3,537,000 available for FY 2010).

Explanation of Change. This increase provides \$30,000 for salaries and benefits.

- (9) An increase of \$16,012,000 for Studies and Other Discretionary Activities (\$3,699,000 available for FY 2010).

Explanation of Change. This increase provides \$12,000 for salaries and benefits. This increase also provides \$8,000,000 for a study measuring erroneous payments in school meal programs (see issue paper on page 30-22), and \$8,000,000 for a study that would update estimates of the cost to produce reimbursable school meals (see issue paper on page 30-23).

(10) An increase of \$2,000,000 for the Farm to School Tactical Team.

Explanation of Change. This increase provides \$2,000,000 for a tactical team to support local and regional food systems (see issue paper on page 30-24).

(11) A decrease of \$1,000,000 for School Garden Pilot (\$1,000,000 available for FY 2010).

Explanation of Change. This line provided one-time funding for a pilot program in FY 2010.

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2011
CURRENT LAW**

Program: Child Nutrition Programs

Proposal: Measures of Erroneous Payments in School Meal Programs

Rationale: This study is needed to meet the requirements of the Improper Payments Information Act of 2002 (P.L. 107-300), to assess the effect of policies the Department is implementing to address the level of erroneous payments in the National School Lunch and School Breakfast Programs, and to provide an updated baseline for annual required projections of erroneous payments. This study largely replicates the methodology of a study conducted for School Year 2005-06; it would collect nationally representative data on certification, meal counting and claiming, and participation during School Year 2012-13 to prepare updated estimates of payment errors in the school meals programs.

Since the School Year 2005-06 study, FNS has used an econometric model to project annual erroneous payment amounts and rates from that baseline. FNS made a commitment to the Office of Management and Budget to repeat this study every five years, subject to the availability of funds. This will be the first measure taken since national implementation of the requirement for all local education agencies to directly certify children participating in the Supplemental Nutrition Assistance Program (SNAP). Results of this study would be available in 2014.

Goal: USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious and balanced meals.

Budget Impact:
(\$ in millions)

	FY 2011
Budget Authority	\$8.0

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2011
CURRENT LAW**

Program: Child Nutrition Programs

Proposal: School Lunch and Breakfast Cost Study III

Rationale: The level of Federal reimbursement for school meals affects the ability of schools to serve nutritious food and is of continuing concern to both USDA and Congress. In order to ensure that decisions on reimbursement levels are informed by up-to-date, high-quality information on the cost of producing meals and the sources and levels of revenues that cover those costs, FNS conducts a school meals cost study every few years.

This study would estimate the cost to produce reimbursable school meals in School Year 2012-13, building on the methodology used to collect this information in School Year 2005-06, but would incorporate additional information on nutritional quality. The study would compare costs charged to school food authorities (SFAs), both alone and in combination with other costs as well as those incurred by the school district in support of SFA operations, but not charged to the SFA, with the Federal subsidy levels for school meals. This will be the first national measure of school meal costs following the economic recession, and the first following publication of the Institute of Medicine report recommending updating of the school lunch and breakfast meal patterns and nutrition standards. Results, available in 2014, would include comparison to results obtained in the previous meal cost studies.

Goal: USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious and balanced meals.

Budget Impact:
(\$ in millions)

	FY 2011
Budget Authority	\$8.0

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2011
CURRENT LAW**

Program: Child Nutrition Programs

Proposal: Farm to School Tactical Team

Rationale: The purpose of the USDA Farm to School Tactical Team (Tactical Team) is to support local and regional food systems by facilitating linkages between schools and their local food producers. The Tactical Team is comprised of both FNS and AMS staff members, who will work with local and State authorities, school districts, farmers, and community partners to develop mechanisms to: assist schools in accessing local markets, enable food producers to effectively service their local schools, and facilitate communication between interested stakeholders. To assist in the growth of Farm to School activities, the team will conduct field work; analyze and assess variables that support or deter farm-to-school activities; identify trends and best practices; maintain a Farm to School Web site; engage in Webinars with interested parties to allow for information sharing of Farm to School obstacles and successes; and provide ongoing technical assistance to schools and producers. The long-term goals of the Tactical Team include: 1) Providing access to resources and information on beginning and maintaining Farm to School activities for schools, farmers and local community members; 2) Providing technical assistance to assist schools and farmers in the development, progression, and/or sustainability of a Farm to School activities; and 3) Identifying obstacles faced by schools and farmers in implementing and/or sustaining Farm to School activities and provide suggested solutions. The funding requested will fund six FTEs and technical assistance provided by Federal staff in support of this initiative.

Goal: USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious and balanced meals.

Budget Impact:
(\$ in millions)

	FY 2011
Budget Authority	\$2.0

FOOD AND NUTRITION SERVICE

Summary of Increases and Decreases – Proposed Legislation
(On basis of appropriation)

Item of Change	2011		
	Current Law	Program Changes	President's Request
Child Nutrition Programs	\$18,158,393,000	\$1,000,000,000	\$19,158,393,000

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2011
LEGISLATIVE PROPOSAL**

Proposal: Child Nutrition and WIC Reauthorization

Rationale: This proposal provides \$10,000,000,000 over ten years for a CN reauthorization package aimed at ending childhood hunger, improving nutrition quality, and strengthening program management. USDA's nutrition assistance programs, which serve one in five Americans, are the focus of the Federal effort to fight hunger and improve nutrition in the United States. These programs, which include the Child Nutrition Programs, are core components of the nutrition safety net for America's children.

Authorization for the Summer Food Service Program (SFSP) and for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) expired in September 2009, and the recent 2010 Agriculture Appropriations Act (P.L. 111-80) extended key program provisions through September 2010. Reauthorization is an opportunity to consider improvements to all of the Child Nutrition Programs, including the National School Lunch, School Breakfast, Summer Food Service, Special Milk, and Child and Adult Care Food Programs.

The President's budget supports a strong Child Nutrition and WIC reauthorization package that will ensure that schoolchildren have access to healthy meals and will help fulfill the President's pledge to end childhood hunger. The budget requests \$10 billion over ten years for program reforms aimed at improving program access, establishing high standards for the nutritional quality of food available in schools, exploring new strategies for reducing hunger and improving children's food choices, and improving program management.

Ending childhood hunger – Over 8 million families with children in the U.S. were food insecure in 2008, meaning that they did not have the resources to obtain enough nutritious food for an active and healthy life. In over 500,000 families, children were unable to get enough to eat. The Administration seeks program reforms that will help meet the President's pledge of ending childhood hunger by increasing access of children to the Federal nutrition programs, testing strategies to better reach and serve hungry children, and improving our understanding of the causes and consequences of childhood hunger.

Reducing childhood obesity and improving the diets of children – The high prevalence of childhood overweight and obesity is a looming public health crisis for the Nation. About 17 percent of school-age children are obese, a four-fold increase since the early 1970s. The Administration's reauthorization package supports improvement in the nutritional quality of foods and beverages served in school, strategies to encourage children's consumption of fruits, vegetables, whole grains, and low-fat dairy products, and strong wellness and physical education policies.

Raising program performance to better serve our children – All government programs rely on public confidence in their efficiency and integrity. The budget request expands technology and training and improves business processes to promote program integrity and reduce errors, and strengthens enforcement tools to resolve management problems.

Goal: USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious and balanced meals.

Budget Impact:
(\$ in millions)

	FY 2011
Budget Authority	\$1,000.0

Food and Nutrition Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
2009 and Estimated 2010 and 2011

Child Nutrition Programs						
	FY 2009 Amount	Staff Years	FY 2010 Amount	Staff Years	FY 2011 Amount	Staff Years
Alabama	0	0	0	0	0	0
Alaska	0	0	0	0	0	0
Arizona	0	0	0	0	0	0
Arkansas	0	0	0	0	0	0
California	\$1,131,033	11	\$1,205,361	12	\$1,205,654	12
Colorado	1,220,539	12	1,300,749	13	1,301,066	13
Connecticut	0	0	0	0	0	0
Delaware	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	0
Florida	0	0	0	0	0	0
Georgia	1,220,539	12	1,300,749	13	1,301,066	13
Hawaii	0	0	0	0	0	0
Idaho	0	0	0	0	0	0
Illinois	1,220,539	12	1,300,749	13	1,301,066	13
Indiana	0	0	0	0	0	0
Iowa	0	0	0	0	0	0
Kansas	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0
Maine	0	0	0	0	0	0
Maryland	76,284	1	81,297	1	81,317	1
Massachusetts	1,220,539	12	1,300,749	13	1,301,066	13
Michigan	0	0	0	0	0	0
Minnesota	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0
Missouri	0	0	0	0	0	0
Montana	0	0	0	0	0	0
Nebraska	0	0	0	0	0	0
Nevada	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0
New Jersey	1,302,925	13	1,388,550	14	1,388,888	14
New Mexico	0	0	0	0	0	0
New York	101,712	1	108,396	1	108,422	1
North Carolina	0	0	0	0	0	0
North Dakota	0	0	0	0	0	0
Ohio	0	0	0	0	0	0
Oklahoma	0	0	0	0	0	0
Oregon	0	0	0	0	0	0
Pennsylvania	381,418	4	406,484	4	406,583	4
Rhode Island	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0
Texas	1,157,478	11	1,233,544	12	1,233,844	12
Utah	0	0	0	0	0	0
Vermont	0	0	0	0	0	0
Virginia	21,500,082	66	21,325,378	74	21,511,936	80
Washington	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0
West Virginia	101,712	1	108,396	1	108,422	1
American Samoa	0	0	0	0	0	0
Freely Associated States	0	0	0	0	0	0
Guam	0	0	0	0	0	0
N. Mariana Islands	0	0	0	0	0	0
Puerto Rico	273,604	3	291,585	3	291,656	3
Virgin Islands	0	0	0	0	0	0
Indian Tribes	0	0	0	0	0	0
DOD Army/AF	0	0	0	0	0	0
Undistributed	347,570	0	0	0	0	0
TOTAL 1/	\$31,255,973	158	\$31,351,986	170	\$31,540,984	176

1/ Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

Child Nutrition Programs - Appropriation

Classification by Objects2009 Actual and Estimated 2010 and 2011

(in thousands of dollars)

	Personnel Compensation:	2009	2010	2011
	Washington D.C.	\$4,002	\$5,888	\$6,570
	Field	4,697	6,912	7,713
11	Total personnel compensation	8,699	12,800	14,283
12	Personnel benefits	1,917	2,305	2,533
13	Benefits for former personnel	0	0	0
	Total personnel compensation and benefits	10,616	15,105	16,816
	Other Objects:			
21	Travel and transportation of persons	883	893	907
22	Transportation of things	15	15	15
23.1	Rental payments to GSA			
23.2	Rental payments to others	158	160	163
23.3	Communications, utilities, and misc. charges			
24	Printing and reproduction	1,685	1,704	1,731
25	Other Services	14,392	14,550	14,783
25.1	Contractual Services Performed by Other Federal Agencies			
25.2	Related Expenditures			
25.3	Repair, Alteration or Maintenance of Equipment, Furniture or Structures			
25.4	Contractual Services - Other			
25.5	Agreements			
25.6	ADP Services and Supplies	135	136	138
25.7	Miscellaneous Services			
25.8	Fees			
26	Supplies and materials	717,209	686,492	1,039,737
31	Equipment	202	204	207
32	Land and structures	85	86	87
41	Grants, subsidies and contributions	14,700,389	16,317,089	17,206,858
42	Insurance claims and indemnities			
43	Interest and dividends			
45	Special Payments			
92	Undistributed			
	Total other objects	15,435,153	17,021,329	18,264,626
	Total direct obligations	15,445,769	17,036,434	18,281,442

FOOD AND NUTRITION SERVICE
Child Nutrition Programs - Permanent Appropriation

Classification by Objects
2009 Actual and Estimated 2010 and 2011
(in thousands of dollars)

	Personnel Compensation:	2009	2010	2011
	Washington D.C.	\$1,047	\$721	\$731
	Field	1,230	846	858
11	Total personnel compensation	2,277	1,567	1,589
12	Personnel benefits	537	297	301
13	Benefits for former personnel	0	0	0
	Total personnel compensation and benefits	2,814	1,864	1,890
	Other Objects:			
21	Travel and transportation of persons	92	93	94
22	Transportation of things	1	1	1
23.1	Rental payments to GSA			
23.2	Rental payments to others	2	2	2
23.3	Communications, utilities, and misc. charges			
24	Printing and reproduction	5	5	5
25	Other Services	227	229	233
25.1	Contractual Services Performed by Other Federal Agencies			
25.2	Related Expenditures			
25.3	Repair, Alteration or Maintenance of Equipment, Furniture or Structures			
25.4	Contractual Services - Other			
25.5	Agreements			
25.6	ADP Services and Supplies			
25.7	Miscellaneous Services			
25.8	Fees			
26	Supplies and materials	7	7	7
31	Equipment	12	12	12
32	Land and structures			
41	Grants, subsidies and contributions	56,293	260,807	119,256
42	Insurance claims and indemnities			
43	Interest and dividends			
45	Special Payments			
92	Undistributed			
	Total other objects	56,639	261,156	119,610
	Total direct obligations	59,453	263,020	121,500

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

SUMMARY OF RECOVERY ACT FUNDING

<u>Program/Project/Activity</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
NSLP Equipment Grants.....	\$100,000,000	0	0

PROJECT STATEMENT
(On basis of available funds)

	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
NSLP Equipment Grants	\$100,000,000	0	0	0
Total Obligation	100,000,000	0	0	0
Unobligated Balance Start of Year	0	0	0	0
Unobligated Balance End of Year	0	0	0	0
Total ARRA Appropriation	100,000,000	0	0	0

Program Implementation Activities:

Goals and Coordination Efforts:

The goals of the NSLP Equipment Grants are to improve program infrastructure and stimulate activity within the American economy through the purchase of school food service equipment.

Objectives:

- State agencies award grants that best represent the needs in their State, typically reflecting four focus areas:
 - Equipment that lends itself to improving the quality of school foodservice meals that meet the *Dietary Guidelines*. (e.g., purchasing an equipment alternative to a deep fryer);
 - Equipment that improves the safety of food served in the school meal programs. (e.g., cold/hot holding equipment, dish washing equipment, refrigeration, milk coolers, freezers, blast chillers, etc.);
 - Equipment that improves the overall energy efficiency of the school foodservice operations (e.g. purchase of an energy-efficient walk in freezer replacing an outdated, energy-demanding freezer); and
 - Equipment that allows school food authorities to support expanded participation in a school meal program. (e.g., equipment for serving meals in a non-traditional setting or to better utilize cafeteria space).
- State agencies must comply with the statutory requirement that grants are to be based on the need for equipment assistance in participating schools with priority (or more weight) given to schools in which not less than 50 percent of the students are eligible for free or reduced price meals.

Delivery Schedule:

The ARRA NSLP equipment grant funds were released to the regional offices on March 18, 2009, and State agencies received the funds within 48 hours.

Performance Measures:

	Target		
	2009	2010	2011
Students benefiting from improved meals and more efficient operations	31.2 million	32.1 million	32.6 million

FY 2009 Accomplishments:

Funds were allocated to State agencies based on the States' total school meals administrative expense allocation for FY 2009. Two provisions were mandated by ARRA: 1) the school participate in the NSLP, and 2) that priority be given to schools in which not less than 50 percent of the students are eligible for free or reduced price meals under the Richard B. Russell National School Lunch Act.

The ARRA NSLP equipment grant funds were released to the regional offices on March 18, 2009, and State agencies received the funds within a day or two afterwards. Funding to State agencies was based on a State's total school meals administrative expense allocation for FY 2009. To provide timely impact on the economy, State agencies were strongly encouraged to make NSLP equipment assistance grants (through a competitive grant process) to qualifying school food authorities not later than June 8, 2009. It was also recommended that State agencies encourage grant recipients (i.e., school food authorities), through whatever means available, to fully expend their NSLP equipment assistance grants within three (3) months of the award. Any funds not obligated by the State agency at the end of FY 2009 will be recovered and reallocated by FNS. All funds must be obligated by the end of FY 2010.

FY 2011/2012 Planned Activities:

All NSLP Equipment Grant funds were obligated in FY 2009 (a chart displaying the amounts allocated per State is included below); FNS will continue to monitor the outlay of those funds.

ARRA NSLP Equipment Grants	
State	Allocation
Alabama	\$1,956,100
Alaska	286,227
Arizona	2,208,964
Arkansas	1,274,260
California	12,864,683
Colorado	1,034,538
Connecticut	785,878
Delaware	233,284
District of Columbia	215,765
Florida	5,403,280
Georgia	4,420,793
Guam	215,764
Hawaii	348,600
Idaho	481,315
Illinois	3,657,300
Indiana	1,937,595
Iowa	823,633
Kansas	849,759
Kentucky	1,769,888
Louisiana	2,069,399
Maine	307,008
Maryland	1,231,398
Massachusetts	1,404,025
Michigan	2,555,174
Minnesota	1,270,665
Mississippi	1,720,968
Missouri	1,838,222
Montana	224,981
Nebraska	532,209
Nevada	679,103
New Hampshire	215,765
New Jersey	1,859,763
New Mexico	924,743
New York	5,990,474
North Carolina	3,313,727
North Dakota	215,764
Ohio	2,957,271
Oklahoma	1,519,638
Oregon	1,030,828
Pennsylvania	2,872,047
Puerto Rico	1,532,183
Rhode Island	268,131
South Carolina	1,836,195
South Dakota	255,465
Tennessee	2,275,738
Texas	11,517,159
Utah	721,186
Vermont	215,765
Virgin Islands	215,764
Virginia	1,891,294
Washington	1,588,047
West Virginia	649,800
Wisconsin	1,316,711
Wyoming	215,764
Total	100,000,000

CHILD NUTRITION PROGRAMS

STATUS OF PROGRAM

The Child Nutrition Programs account provides funding for the following meal programs: National School Lunch Program, School Breakfast Program, Special Milk Program, Child and Adult Care Food Program, Summer Food Service Program, and Fresh Fruit and Vegetable Program.

Program Mission

The Child Nutrition Programs improve the diets of children through nutritious meals and snacks based on the *Dietary Guidelines for Americans* when they are away from home. The National School Lunch and School Breakfast Programs provide such benefits in public and private elementary, middle and secondary schools, and in residential child care institutions. The Special Milk Program provides fluid milk to any participating public or non-profit private school or child care institution that does not participate in other Federally subsidized meal programs. The Child and Adult Care Food Program provides food for the nutritional well-being of young children and adults in day care homes and non-residential centers, and for teenagers in after-school programs in low-income areas. The Summer Food Service Program provides nutritious meals to children in low-income areas and in residential camps during the summer months, and at other times when school is not in session. In participating schools, the Fresh Fruit and Vegetable Program provides free fresh fruits and vegetables outside of the regular meal service to all students. These programs are administered in most States by the State education agency. Where State laws prohibit the State from disbursing funds to private schools and institutions, or in certain instances where States are unwilling to operate a program, FNS administers the program directly through its Regional Offices.

REAUTHORIZATION

The Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265, the “CN Reauthorization Act”), which amended the Richard B. Russell National School Lunch Act (NSLA) and the Child Nutrition Act of 1966 (CNA), changed the Child Nutrition Programs in the areas of program access, improved school meals, healthy school nutrition environments, and integrity. The agency has issued new regulations and is in the process of promulgating additional regulations to implement these provisions, which support an increased emphasis on food safety, increased efficiency and accuracy for eligibility determinations, and a reduction in administrative burden. See <http://www.fns.usda.gov/cnd/lunch/>, under “Reauthorization 2004,” for more information.

The upcoming Child Nutrition Programs reauthorization is an opportunity to consider improvements to the USDA’s Child Nutrition programs, including the National School Lunch Program (NSLP) and the School Breakfast Program (SBP). FNS will work with Congress to provide a strong reauthorization bill that improves program performance and program access as well as enhances meal quality and the school nutrition environment.

NATIONAL SCHOOL LUNCH PROGRAM

Program Mission

The NSLP provides funds to States for lunches served to students during lunch periods at school and for snacks served to children participating in after school care programs. The lunches must be consistent with the statutory and regulatory nutrition standards, which are based on the principles of the *Dietary Guidelines for Americans*. States are generally reimbursed on the basis of the number of lunches and snacks served to children in participating schools at reimbursement rates that vary according to family need. Reimbursement for snacks served by schools in needy areas is paid at the free meal rate.

The Federal Government pays a base rate for all meals served, including lunches to children whose family income is above 185 percent of the Federal poverty guidelines. A base value for USDA foods is also provided for all lunches. Children from families with incomes at or below 130 percent of the Federal poverty level qualify for free meals, while those from families with incomes between 130 and 185 percent

qualify for reduced price meals. For the period from July 1, 2009, to June 30, 2010, a child from a family of four with an annual income of \$28,665 or less will be eligible for free meals, and a child from a family of four with a family income of no more than \$40,793 will be eligible for reduced price meals. The per meal reimbursement rates for meals served are revised on July 1 of each year. The cash reimbursement for a free or reduced price lunch is the sum of Section 4 (base) and Section 11 (supplemental) reimbursement rates. School food authorities (SFAs) that served 60 percent or more free and reduced price lunches during the second preceding school year receive increased assistance at the rate of \$0.02 per meal served.

Facts in Brief

- On an average school day in fiscal year (FY) 2009, more than half of all school children in America were provided an NSLP lunch. At participating schools and residential child care institutions (RCCIs), approximately 61.9 percent of the enrolled students participated in the NSLP on a daily basis, up from 61.6 percent in FY 2008.
- In FY 2009, a total of 5.18 billion lunches were served in the NSLP, a 0.4 percent decrease from the 5.20 billion served in FY 2007, mainly due to a decrease in days of service from FY 2008 to FY 2009 (a 1.1 percent decrease from 180.15 days in FY 2008 to 178.18 days in FY 2009).
- On average, approximately 28.9 million lunches were served daily, a 0.6 percent increase from the FY 2008 daily average of 28.8 million lunches.
- In FY 2009, approximately 62.4 percent of total meals served were provided free or at a reduced price, up from 60.1 percent in FY 2008.
- The number of schools participating in the NSLP increased by 103 from FY 2008 to FY 2009, and a total of 101,721 schools and RCCIs participated in the NSLP.

Coordinated Review Effort

FNS and State agencies conduct NSLP reviews to assess school management of the NSLP, evaluate the accuracy of local meal service data, and provide training and technical support to schools to help ensure local program accountability.

Funds allocated for these reviews support the identification of errors that result in improper claims, and support the development of corrective action plans, which assist SFAs in identifying needed improvements to their certification and verification systems. Ultimately, the corrective action plans will result in more efficient distribution of program benefits to eligible children.

School Meals Initiative

The School Meals Initiative for Healthy Children (SMI), introduced in the mid-1990s, is a comprehensive effort by FNS and State agencies to assure that school children have access to and are encouraged to consume healthful, nutritious meals that taste good and are consistent with the most recent *Dietary Guidelines for Americans*. FNS studies indicate schools have made progress towards meeting the SMI nutrition goals, but more needs to be done to accomplish these goals.

FNS also continues to revise and update training and guidance materials for State agencies and school districts. These materials are posted on the Team Nutrition Web site and the Partner Web site and include:

- *The Road to SMI Success - A Guide for School Foodservice Directors;*
- *Nutritional Analysis Protocols - How to Analyze Menus for USDA's School Meals Programs;*
- *State Agency SMI Reviewers' Monitoring Guide;* and
- SMI Review Forms.

FNS completed two years of field training (i.e., accompanying State agencies and FNS regional staff on SMI reviews) to complement classroom training.

As part of improving the nutritional quality of school meals, the FNS contracted with the Institute of Medicine of the National Academies (IOM) to independently review and provide recommendations to update the meal patterns and nutrition standards for the NSLP and SBP. In October 2009, the IOM issued a

comprehensive report with eight recommendations addressing new nutrient targets and meal requirements for school meals, implementation and monitoring of the new requirements, and evaluation and research activities to guide future improvement.

The IOM report lays a scientific foundation for updating the NSLP and SBP, and will guide the agency's efforts to provide nutritious and low-cost school meals. USDA is engaged in a thorough review of the IOM recommendations and will develop a proposed rule to update the school meal programs based on IOM's final report. Stakeholders and the public will have ample opportunity to comment on USDA's proposed rule. After all public comments are considered, USDA will issue a final rule to implement the proposed changes.

Team Nutrition

Team Nutrition's goal is to improve children's lifelong eating and physical activity habits by using the principles of the *Dietary Guidelines for Americans* and MyPyramid. Team Nutrition activities strive to instill healthy behaviors in children to prevent nutrition-related health problems, including obesity, diabetes, and other nutrition related illnesses. Team Nutrition complements the President's efforts to confront the obesity epidemic and to improve the nutrition and health of all Americans.

FNS, in cooperation with the National Food Service Management Institute (NFSMI), provides training on the use of Team Nutrition materials to local program operators at State agency and Child Nutrition Programs association meetings. In addition, training is provided through menu planning, food procurement, financial management, leadership, and culinary skills workshops, and through hands-on technical assistance to schools and State agency personnel. Several online training programs are available on the NFSMI Web site at www.nfsmi.org, including procurement training for State agency personnel. A healthy meals hotline provides technical assistance to school food service personnel with questions about menu planning, nutrient requirements, food purchasing, and nutrient analysis. The USDA Recipes for Schools and USDA Recipes for Child Care are available on the NFSMI Web site at <http://www.nfsmi.org/Information/resourceguide.htm#RECIPES-INDEX> and have been revised through the NFSMI cooperative agreement. An updated Serving it Safe food safety manual was recently released. NFSMI also hosts the Child Nutrition Archives, which contain collections of archived materials and oral histories.

Grants: Since 1995, Team Nutrition has provided more than \$60 million in training grants to State agencies. These grants are intended to establish and enhance Statewide sustainable infrastructure and training systems to assist local agencies in implementation of USDA's nutrition requirements, the *Dietary Guidelines for Americans*, MyPyramid, and other nutrition-related goals.

Materials: Team Nutrition has developed more than 100 different materials of various types, providing nutrition education for children and their families, providing technical assistance for foodservice professionals, and encouraging community support for healthy children. All of the materials are available on the Team Nutrition Web site to download and order.

Following the release of the new MyPyramid food guidance system, FNS launched MyPyramid for Kids and MyPyramid for Preschoolers, child-friendly versions of MyPyramid targeted to school children and preschoolers that focus on making healthful food choices every day. Team Nutrition developed and distributed more than 100,000 MyPyramid for Kids classroom kits. These educational materials for elementary school age children include a child-friendly graphic and slogan, a two-sided classroom poster, classroom lesson plans for grades 1-6, the *Tips for Families* mini poster, and Blast Off, an interactive learning computer game. In 2009, Team Nutrition distributed over 1.7 million copies of Eat Smart. Play Hard.TM campaign materials through Team Nutrition elementary schools. These materials convey and reinforce the principles of the *Dietary Guidelines for Americans* and MyPyramid and emphasize how to make nutritious food choices and be physically active.

In 2009, Team Nutrition distributed more than 255,000 copies of MyPyramid Pointers to Help Your Preschooler Develop Healthy Habits to parents and caregivers of pre-school age children. The MyPyramid Pointers publication features the MyPyramid for Preschoolers graphic and strategies for helping

preschoolers develop healthy eating habits, including how to deal with picky eaters, introduce new foods and encourage physical activity. These pointers emphasize the influence parents have on their preschoolers' eating habits through role modeling and cooking and eating together. Also distributed to caregivers of preschool age children is Team Nutrition's new Two Bite Club Storybook which introduces young children to MyPyramid for Preschoolers and encourages them to taste new foods from each food group. Over 64,000 copies were ordered between July and September of 2009.

Middle and high schools and afterschool programs continued to receive *Nutrition Essentials*, which includes posters and lesson plans based on the *Dietary Guidelines* and MyPyramid. Developed for afterschool programs, *Empowering Youth with Nutrition and Physical Activity* provides innovative activities and games designed to teach youth how to make smart eating and physical activity choices.

Team Nutrition maintains a Directory of Chefs that are willing to volunteer their time in schools to inspire children about cooking and making healthful food choices. Currently, 180 chefs across the Nation are listed. The directory compliments USDA's new Chefs in the Cafeteria online resource tool. This tool connects chefs-to-schools and schools-to-chefs as a means for facilitating the sharing of ideas and techniques for improving the nutritional quality of foods offered in school cafeterias.

The HealthierUS School Challenge recognizes Team Nutrition schools that demonstrate a commitment to the health and well being of their students, and supports the President's goal to improve the health and well being of all Americans. Recently, FNS expanded The HealthierUS School Challenge to also recognize middle and high schools that take specific steps to improve their nutrition and physical activity environments. Previously, the voluntary challenge recognized only elementary schools that met rigorous criteria for the nutritional content of their school meals and provided nutrition and physical education as well as other opportunities for physical activity to students. Today, USDA has recognized over 600 elementary schools at one of four levels of superior performance: Bronze, Silver, Gold, and Gold of Distinction.

In addition, FNS provides support to school and childcare foodservice staff through the Web-based Healthy Meals Resource System, which provides access to print and electronic training materials and the Education and Training Materials Database – a database of common foods, USDA foods, and new recipes.

Procurement Training

FNS has been working in conjunction with the NFSMI to develop a Web-based procurement training to provide State agencies with a better understanding of how to best perform responsibilities in the area of school food authority procurements in the National School Lunch and Breakfast Programs. Overall, this training project is intended to:

- Enable State agencies to understand Federal requirements pertaining to the procurement process, especially the requirement for free and open competition;
- Help State agencies provide training to SFA's on the regulatory requirements governing procurement practices, including the final rule effective November 2007;
- Assist State agencies in their review of SFA compliance with the requirements governing the procurement process through Coordinated Review Efforts or other oversight efforts; and
- Provide technical assistance to SFAs on proper procurement practices.

FNS developed and made initial training available in FY 2009; additional training modules are under development.

SCHOOL BREAKFAST PROGRAM

Program Mission

The School Breakfast Program (SBP) provides funds to States for breakfasts served to students at or close to the beginning of their day at school. The SBP is available to the same schools and institutions that are eligible to participate in the NSLP. For each breakfast served, schools are reimbursed at established rates

for free, reduced price, and paid meals. Schools in which 40 percent of lunches served to students during the second preceding school year were served free or at a reduced price receive higher “severe need” reimbursements for breakfasts served free or at a reduced price.

Children from families that meet the income eligibility guidelines can qualify for free or reduced price breakfasts. The income eligibility guidelines for the SBP are the same as those for the NSLP. Per meal reimbursement rates for meals served are revised on July 1 of each year.

Facts in Brief

- In FY 2009, program availability rose to 88,060 institutions (an increase of 0.9 percent from FY 2008) with an enrollment of 44.5 million students (an increase of 1.5 percent from FY 2008). This is more than double the FY 1990 levels of 42,766 institutions with an enrollment of 20.7 million.
- The program was available to 88.2 percent of the students enrolled in schools participating in the lunch program in FY 2009, as compared to 50 percent in FY 1990. Average daily participation in FY 2009 was 11.0 million, an increase of approximately 3.8 percent from the prior year.
- The portion of total meals served free or at a reduced price was about 82.0 percent during FY 2009, up from 80.6 percent in FY 2008.
- Approximately 1.86 billion breakfasts were served in FY 2009, an increase of 2.5 percent over FY 2008. On average, 10.2 million breakfasts were served daily, compared to 9.8 million in FY 2008, or a 3.8 percent increase.

FNS continues to work with State agencies to improve participation by supporting creative approaches to breakfast service, such as classroom service of meals, kiosks, and increased use of alternative techniques to meal counting and claiming.

SPECIAL MILK PROGRAM

Program Mission

The Special Milk Program (SMP) has encouraged consumption of fluid milk since 1955. Any public or non-profit private school or child care institution that does not participate in other Federal meal programs, such as NSLP, SBP or Child and Adult Care Food Program (CACFP), may participate in the SMP. However, schools in the NSLP or SBP may also participate in the SMP to provide milk to children in half-day pre-kindergarten and kindergarten programs where these children do not have access to the school meal programs. Participating schools and child care institutions are reimbursed for part of the cost of milk served to children.

Facts in Brief

- The number of half pints served as part of the SMP decreased from 85.7 million in FY 2008 to 78.7 million in FY 2009, an 8.2 percent decrease. Overall, the number of half pints served has decreased from 181.3 million in FY 1990, a 56.6 percent decrease.
- A total of 5,611 schools, non-residential child care institutions and summer camps participated in the SMP in FY 2009, a 6.0 percent decrease from the FY 2008 level of 5,971. The number of participating schools and summer camps decreased by 390 and 46, respectively. Non-residential child care institutions increased by 76.
- The portion of half pints served free during FY 2009 was about 8.3 percent, as compared to 7.8 percent in FY 2008.

CHILD AND ADULT CARE FOOD PROGRAM

Program Mission

The Child and Adult Care Food Program (CACFP) provides cash and USDA foods, or cash in lieu of USDA foods, for food service to: children in non-residential child care centers and family or group day care homes; children and teenagers in afterschool programs in low-income areas; children, through age 18, who reside in homeless shelters; and chronically impaired adults and persons 60 years of age or older who are enrolled in adult day care centers.

In order to participate, child care centers must be either public or private non-profit or for-profit centers in which at least 25 percent of their enrollment or licensed capacity receive Title XX funds or are eligible for free or reduced price school meals. Adult day care centers must provide nonresidential adult day care, be either public or private non-profit, or for-profit centers in which at least 25 percent of their participants are eligible for free or reduced price meals or are receiving Title XIX or Title XX funds. All participating providers must be licensed or approved according to Federal, State or local standards. Outside-school-hours care programs and at-risk afterschool centers in areas where Federal, State or local licensing or approval is not required may participate in CACFP by meeting State or local health and safety standards. Funds are made available to the States for audit expenses associated with the administration of the CACFP. FNS directly administers the CACFP in the Commonwealth of Virginia. The Virginia Department of Health will begin direct administration of the Child and Adult Care Food Program effective October 1, 2010.

Centers receive applications from parents or adult participants and make eligibility determinations based on family size and income, essentially following the same guidelines used in the NSLP. Centers receive reimbursements based on a free, reduced price, or paid meal rate for each eligible meal type they serve (CACFP facilities may serve breakfasts, lunches, snacks, or suppers). Family or group day care homes receive reimbursement under a two-tier system intended to target program funds to support low-income children, while requiring less paperwork than would be necessary if the NSLP guidelines were used. Under this system, a higher reimbursement rate is paid to daycare homes located in areas where at least 50 percent of the children are eligible for free or reduced priced meals or where the provider's household size and income meet the established income criteria for free or reduced price meals. The higher rate of reimbursement may also be paid to providers who receive benefits under the SNAP. All other homes receive reimbursement at a lower rate, except where individual children who are enrolled for care in the home are determined to be eligible for the higher meal rate.

Facts in Brief

- In FY 2009, the combined average daily attendance in CACFP was approximately 3.3 million children and adults, virtually unchanged from FY 2008.
- Of 3.1 million children in average daily attendance in FY 2009, approximately 2.3 million were in child care centers and approximately 845,000 were in family day care homes.
- On average, in FY 2009 a CACFP child care center had about 46 children in attendance on an average day, and received slightly more than \$28,000 a year in meal reimbursement.
- By comparison, on average a family day care home cared for and fed six children on an average day, and received slightly less than \$5,500 a year in meal reimbursement.
- Total meal service was relatively unchanged from FY 2008 to FY 2009; a total of 1.90 billion meals were served in FY 2009.
- In FY 2009, approximately 81.8 percent of total meals served were provided free or at a reduced price, up from 81.4 percent in FY 2008.

Agency Expands Program Integrity Efforts

FNS continues to address management weaknesses identified by Federal and State reviews and Office of Inspector General (OIG) audits. Regulations finalizing two interim rules implementing the provisions of the Agricultural Risk Protection Act of 2000 and recommendations found in OIG audits are under development. In an effort to measure the effectiveness of the CACFP management improvement

regulations and guidance, FNS conducted 60 Child Care Assessment Projects between FY 2004 and FY 2007. The results of these evaluations have been issued. OIG is conducting a follow-up audit to further evaluate the effectiveness of the implemented management improvement regulations and guidance. The audit is expected to cover fiscal years 2007 through 2009 and will evaluate a sample of local, State, and Federal program administration.

Improving Nutrition

FNS is working to improve the nutrition and health of CACFP participants through two key efforts. FNS has contracted with IOM to review the CACFP meal patterns and make recommendations for bringing the program's nutritional requirements in line with the current *Dietary Guidelines for Americans* and other relevant scientific knowledge on the nutrition needs of the populations served by the program. FNS expects to receive the IOM recommendations in late 2010. Additionally, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (P.L. 111-80) authorized the Secretary to provide \$8 million in competitive grants to State agencies administering the CACFP for projects aimed at improving the health and nutrition of children in child care settings. FNS expects to award these grants in FY 2010.

SUMMER FOOD SERVICE PROGRAM

Program Mission

The Summer Food Service Program for Children (SFSP) provides funds for food service to needy children during their summer break from school or during lengthy breaks for children in year-round schools. Participating institutions must serve children in areas where poor economic conditions exist. Institutions must be public or private non-profit schools, government agencies, private non-profit organizations that meet certain criteria, residential camps, or National Youth Sports Programs. Meals are served free to all participants through age 18 and are limited to two meals (but not lunch and supper) or one meal and one snack. Summer camps or migrant programs may be reimbursed for up to three meals or two meals and one snack served to each eligible participant daily.

In addition to cash support, USDA foods are distributed to program sponsors that are schools, that prepare their own meals, or that obtain their meals from schools. Funds also are made available to conduct health inspections and to defray State and local administrative costs.

Facts in Brief

- During July 2009, the peak month of program operations, over 2.2 million children participated in the program on an average day, an increase of 4.2 percent over the slightly more than 2.1 million children that participated in FY 2008.
- During FY 2009, 34,596 feeding sites provided 133.1 million meals to needy children through the SFSP. This is an 2.6 percent increase from the 129.7 million meals provided in FY 2008, and a 5.7 percent increase in the number of feeding sites (up from 32,723 in FY 2007).
- In FY 2009, approximately 59.5 percent of the meals served were lunches (compared to 59.8 percent in FY 2008), 25.8 percent were breakfasts (25.6 percent in FY 2008), and the remaining 14.9 percent were suppers and supplements (14.6 percent in FY 2008).

Promotion of SFSP

Improving access to the SFSP has been a long standing priority for FNS. However, the program is still reaching only a fraction of the children in need of nutrition assistance when school is out. The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (P.L. 111-80) authorized the Secretary to conduct demonstration projects to develop and test methods of providing access to food for children in urban and rural areas during the summer months aimed at reducing or eliminating food insecurity and hunger among children and improving their nutritional status. The Act

provided \$85 million to conduct these demonstrations. FNS is working to develop demonstration projects that will include rigorous evaluation of the policy changes and alternative service delivery models tested.

FRESH FRUIT AND VEGETABLE PROGRAM

Program Mission

The Food Conservation and Energy Act of 2008 (P.L. 101-246, the “2008 Farm Bill”) permanently authorized the Fresh Fruit and Vegetable Program (FFVP) nationwide and provided a substantial increase in funding annually. The 2008 Farm Bill amended the NSLA by adding Section 19, which authorizes the new FFVP, and deleted Section 18(g), which provided prior program authority. Funding for school year (SY) 2008-2009 was \$40 million with an additional \$9.9 million available through the FY 2008 appropriations. The FY 2009 appropriations delayed \$49 million of the \$65 million available under the 2008 Farm Bill for SY 2009-2010 until FY 2010. In total, funding provided for SY 2009-2010, including recovered funds from the prior year, was \$72.5 million. The funding was made available to all fifty States, the District of Columbia, Guam, Puerto Rico and the Virgin Islands. FNS has taken the following steps to implement the new FFVP nationwide:

- Issued implementation, guidance and technical assistance materials;
- Held conference calls, with our Regional Offices and their State agencies to provide guidance on the implementation process, program operations and strategies for success;
- Presented twice at the School Nutrition Association Annual National Conference
- Updated the FFVP Guidance Manual to reflect new statutory authority;
- Continued to work with our Regional Offices and State agencies to provide guidance and technical assistance;
- Began development of a proposed regulation; and
- Began development of an on-line toolkit to encourage participation and to aid in the understanding of the FFVP.

RECOVERY ACT FUNDING

On February 17, 2009, the President signed into law the American Recovery and Reinvestment Act of 2009 (P.L. 111-5, the “ARRA”), which, among other programs, provided a one-time appropriation of \$100 million to carry out competitive grants at the local level for NSLP equipment assistance. Funds were allocated to State agencies based on the States’ total school meals administrative expense allocation for FY 2009. Two provision were mandated by ARRA: 1) the school participate in the NSLP, and 2) that priority be given to schools in which not less than 50 percent of the students are eligible for free or reduced price meals under the Richard B. Russell National School Lunch Act.

The goals of the ARRA NSLP equipment grants were to improve program infrastructure and to stimulate activity within the American economy through the purchase of school food service equipment. State agencies awarded grants that best represent the needs in their State, reflecting four focus areas:

- Equipment that lends itself to improving the quality of school foodservice meals that meet the *Dietary Guidelines for Americans*. (e.g., purchasing an equipment alternative to a deep fryer);
- Equipment that improves the safety of food served in the school meal programs. (e.g., cold/hot holding equipment, dish washing equipment, refrigeration, milk coolers, freezers, blast chillers, etc.);
- Equipment that improves the overall energy efficiency of the school foodservice operations (e.g., purchase of an energy-efficient walk in freezer replacing an outdated, energy-demanding freezer); and
- Equipment that allows SFA’s to support expanded participation in a school meal program. (e.g., equipment for serving meals in a non-traditional setting or to better utilize cafeteria space).

The ARRA NSLP equipment grant funds were released to the regional offices on March 18, 2009, and State agencies received the funds within 48 hours. To provide timely impact on the economy, State

agencies were strongly encouraged to make NSLP equipment assistance grants through a competitive grant process to qualifying school food authorities not later than June 8, 2009, and all States completed the grant award process in FY 2009. It was also recommended that State agencies encourage grant recipients (i.e., school food authorities), to fully expend their NSLP equipment assistance grants within three (3) months of the award.

FOOD SAFETY

Food safety education funds are used to reinforce and expand FNS' efforts to provide Child Nutrition Programs operators with continuous, effective training and technical assistance in food safety and food defense. FNS develops materials, ensures their delivery at all appropriate levels, makes training available at all possible levels, and facilitates the implementation of food safety requirements into the operators' food service operations.

Food defense activities

FNS initiated a food defense project following four years of nationwide awareness training conducted by FNS. The awareness training encouraged State and local program operators to develop food defense plans and pinpointed resource materials to assist in the development of the plans and then test the plans using the product developed from this project. The contract for the project was awarded and plans for the first pilot exercise in South Carolina were initiated. The project will culminate in the release of a turnkey package that State Agencies or school food authorities can use to conduct a tabletop exercise. The deliverable date for the resource kit is projected to be September 2010.

In FY 2009, FNS worked in collaboration with the U.S. Department of Education's Office of Safe and Drug-Free Schools on food defense as an essential component of a comprehensive emergency management plan for the Readiness and Emergency Management for Schools (REMS) program. REMS is a discretionary grant program to help school districts develop comprehensive plans for any emergency or crisis, including development or revision of food defense plans.

Food safety issues

Food Allergies – FNS hosted a food allergy working group meeting with partners from the Centers for Disease Control and Prevention (CDC). Participants represented the medical profession, industry groups, school food service at the State and district levels, and Federal partners from the Food and Drug Administration and the Department of Education to review education materials and training needs for school personnel. FNS sponsored a series of three Webinars on managing food allergies in schools in collaboration with the School Nutrition Foundation, focused on understanding allergy fundamentals, developing policy, and implementing policy. There were approximately 2,500 participants in the Webinars. FNS also sponsored a day session on food allergies at the 2009 Annual National Conference of the School Nutrition Association.

Safe Food Cooling – FNS is collaborating with the Food and Drug Administration's Center for Food Safety and Nutrition and the National Center for Food Safety and Technology on research into the effectiveness of current cooling practices used in schools that will establish best practices for cooling. Cooling practices were assessed prior to determining study protocol. During FY 2009, studies of cooling methods for specific foods were completed and computer models were developed for use in foodservice education programs

Produce Safety – FNS developed a produce safety fact sheet for school foodservice directors, which will be distributed through the National Food Service Management Institute on their Web-site and in print to State agencies. FNS worked with Agriculture Marketing Service to develop an agreement to create a "produce safety university" that will train State agencies and food service directors on produce purchasing and safety. FNS, the University of Maryland, and the Joint Institute for Food Safety and Nutrition planned a produce safety workshop to identify potential risks and mitigation steps for produce, which will be held in early FY 2010.

Norovirus Outbreak Prevention - FNS analysis of data from the Centers for Disease Control and Prevention found that norovirus is the leading cause of food borne outbreaks in schools. FNS partnered with the National Education Association Health Information Network to create and disseminate a booklet for school foodservice workers as well as custodians, teachers, and other staff on the prevention of norovirus outbreaks in schools through proper cleaning and sanitation.

Food Safety Complaints Involving USDA Foods - The Electronic Commodity Ordering System (ECOS) is a Web-based system that allows States to submit food quality or food safety complaints in the following categories: 1) quality issues, such as: Quality of Product, Foreign Material, Poor Packaging, and Cooking/Preparation; and 2) food safety issues, such as: Foreign Object, Allergic Reaction, Illness, Injury, or other potential food safety issues. In FY 2009, FNS continued to monitor and investigate food safety complaints such as problems with mixed fruit and diced chicken.

Rapid Alert System (RAS) - FNS implemented an electronic tracking and communication tool to support food safety activities in the NSLP and other USDA food distribution programs in FY 2006. The RAS, an integral part of ECOS, allows FNS to provide emergency food safety information to recipient States, such as hold and recall alerts and documentation about USDA purchased foods. The RAS also allows States to submit detailed information on recalled product disposition. In FY 2009, the RAS was used to recall approximately 1.6 million pounds of peanuts and peanut butter. The RAS was also used to facilitate a hold on 180,000 pounds of frozen blueberries. The RAS dramatically reduced the time required to notify program operators about the hold and recalls and obtain information on the disposition of the products from them.

Commodity Alert System - As an outcome of the Hallmark/Westland beef recall, FNS added a feature that allows the general public to sign-up to receive email notices on food safety issues for USDA foods that rise to the level of potentially significant public health concerns.

Food safety research, training, and other resources were developed by NFSMI using funds provided under food safety cooperative agreements with FNS. NFSMI will continue to conduct research, develop training resources, and conduct evaluations in the area of food safety.

Food Safety Inspection Compliance

The CN Reauthorization Act increased the required number of annual school food safety inspections from one to two. Reports submitted by the State agencies for SY 2007-2008 indicate that:

- 71,582 (70%) schools met or exceeded the requirement;
- 18,565 (18%) reported one inspection;
- 9,211 (9%) reported zero inspections; and
- 2,703 (3%) did not report any inspection data to their State agency.

The vast majority of required information has been reported to FNS by State agencies. FNS is working with some State agencies to get complete data. Reporting delays are generally due to communication problems between a State agency and the SFAs related to problems in new computer programming.

Some of the reasons cited by State agencies for schools not meeting the inspection requirement are:

- Insufficient funds/staff at State and local public health agencies to handle increased inspection load;
- The public health agencies prioritize inspections according to risk; schools are a low priority; and
- Lack of local public health inspectors in small towns and rural settings.

FNS will continue to communicate with State agencies, inspectors, and other stakeholders to ensure that schools make progress in meeting the inspection requirement. At the same time, State agencies will continue to assist their SFAs through technical assistance, administrative reviews, and other means. During administrative reviews, SFAs will be asked about the schedule of food safety inspections. Written guidance used by State agencies for administrative reviews has been recently updated to include the food safety inspection and reporting requirement.

ACQUISITION AND DISTRIBUTION OF USDA FOODS

Eight nutrition assistance programs incorporate USDA foods as part of the overall assistance provided to recipient agencies. The Farm Service Agency (FSA), Agricultural Marketing Service (AMS) and FNS work together to provide USDA foods to these programs in the types, forms, and quantities needed to meet planned levels of assistance. In addition to providing food to people who need it, purchases of USDA foods support domestic agricultural markets.

The USDA foods subsidy for the NSLP and CACFP is authorized by Section 6(c) of the NSLA and is based on a "rate per meal" concept which is adjusted each July 1 to reflect changes in the Producer Price Index for food used in schools and institutions. Similarly, Section 13(h) of the NSLA authorizes USDA foods for the SFSP. Additionally, Section 6(e) of the NSLA requires that in each school year, not less than 12 percent of all Federal nutrition assistance in the NSLP be provided in the form of USDA foods. When available, USDA also provides bonus foods acquired through the price support and surplus removal programs. The value of bonus food is counted towards the 12 percent requirement above.

The 2008 Farm Bill increased funding for the purchase of fruits, vegetables, and nuts for USDA's domestic nutrition assistance programs from \$390,000,000 in FY 2008 to \$393,000,000 in FY 2009, and provides for graduated annual increases in this funding in FY 2010 through FY 2012. At least \$50,000,000 of these funds, annually, must be used to purchase fresh fruits and vegetables for distribution to schools and service institutions.

FY 2009 USDA Foods Assistance Rate

For SY 2008-2009, schools, daycare centers and residential institutions were authorized to receive an average of 20.75 cents worth of USDA foods per lunch/supper served. The rate for USDA foods decreased to 19.50 cents on July 1, 2009, for SY 2009-2010. USDA foods provided to Child Nutrition Programs (excluding bonus and cash in lieu of entitlement USDA foods) totaled \$1,032.1 million for FY 2009.

Cash in Lieu of USDA Foods

Section 6(e) of the NSLA authorizes funds to be used to provide cash in lieu of USDA foods. The State of Kansas is permanently receiving cash payments in lieu of USDA foods as a result of the NSLA and Child Nutrition Act Amendments of 1975. Cash is also being received by sites that participated during the 1980s and early 1990s in alternative demonstration projects that provided cash or Commodity Letters of Credit in lieu of USDA foods. Some nonresidential child care institutions have also elected to receive their USDA foods entitlements in cash.

Electronic Commodity Ordering System

ECOS allows State agencies to submit orders for USDA foods directly into a centralized Web-based computer interface that provides greater access, input, and transparency to the food distribution process. Several State agencies have rolled out ECOS to the school district level. FNS expects some States to accomplish this roll-out prior to USDA's introduction of the new Web-Based Supply Chain Management (WBSCM) System that will replace the current outdated mainframe system used within USDA for the purchasing, tracking, shipping, and payment of USDA foods. Receiver organizations, such as warehouses and processors, continue to register in ECOS to monitor and acknowledge receipt of orders for USDA foods. The improvements in electronic communication enhance the timely flow of USDA foods throughout the program supply chain.

ECOS continues to be the system used by State agencies to submit requests for USDA foods. ITOs use ECOS to submit requests to their assigned Multi-Food National Warehouse. There are currently more than 9,000 users of ECOS. This user base includes USDA, State agencies, local school districts, area food banks, and receiving organizations. State Agencies that are utilizing ECOS in some fashion for their order collection activities at the recipient level are: Connecticut, New York Office of General Services (including the Board of Jewish Education), Connecticut Department of Social Services, District of Columbia State Education Office, Maryland Department of Education, Pennsylvania Department of

Agriculture, Virginia Department of Agriculture, Florida Department of Agriculture and Consumer Services, Georgia Department of Education, Kentucky Department of Agriculture, North Carolina Department of Agriculture and Consumer Services, Michigan Department of Education, Ohio Department of Job and Family Services, Louisiana Department of Agriculture and Forestry, Texas Department of Human Services, Nebraska Health and Human Services, Utah State Office of Education, and California Department of Education.

In FY 2009, critical ECOS system modifications were made only as needed to complete required business functions. Two release level updates were implemented for ECOS which provided needed functionality to assist in the transition towards WBSCM.

Bonus Donations of USDA Foods

USDA supports domestic production agriculture through the Surplus Removal Program administered by AMS and the Price Support Program of FSA. USDA foods acquired through these programs are donated to FNS for distribution to nutrition assistance programs as “bonus” foods. Distributions are limited to the types and quantities of product FNS determines can be used without waste, based on market needs, and the needs of FNS outlets and programs.

- **Surplus Removal Program:** In FY 2009, approximately \$126.6 million of perishable and semi-perishable bonus USDA foods were delivered to schools and other eligible child nutrition outlets under the Section 32 Surplus Removal Program authority. In addition, over \$54.2 million of fruit and vegetable products were delivered to schools under the 2008 Farm Bill.
- **Price Support Program:** In FY 2009, over \$51.7 million of cheese and milk products were purchased and donated to Child Nutrition Programs.

USDA Foods Administrative Expenses

USDA also funds some of the operational costs of the Processed Commodity Inventory Management System (PCIMS), which integrates the purchasing, tracking, shipping, and payment of USDA foods performed by FNS, AMS, and FSA. The three agencies are working on the development of the new WBSCM system to replace PCIMS and its satellite systems.

Department of Defense Fresh Produce Project

FNS and the Department of Defense (DoD) work together to enable school districts to obtain fresh produce. Under this joint venture, schools can use their USDA foods entitlement to order fresh produce through DoD’s contracting and distribution network. This project has grown steadily since its beginning in SY 1994-1995, and 47 States, Puerto Rico, the District of Columbia, Guam and the Virgin Islands spent a combined total of \$54.2 million in entitlement funds on produce through this program in SY 2008-2009. In addition to these Federal purchases, 35 States, Puerto Rico, the District of Columbia and the Virgin Islands used Section 4 and 11 funds to purchase over \$16.8 million in fresh produce directly from DoD.

STATE ADMINISTRATIVE EXPENSE FUNDS

Section 7 of the CNA authorizes funds to the States for program administration and for supervision and technical assistance in local school districts and child care institutions. In FY 2009, an initial amount of \$179.0 million was allocated for State Administrative Expenses (SAE), including \$102.4 million for administration of the school food programs, \$61.3 million for the administration of the CACFP, and \$15.2 million for the administration of the Food Distribution Program. In addition, \$3.1 million in SAE funds were reallocated to State agencies for approved projects.

Funds appropriated for SAE are available to States for obligation over a two-year period. The State agency may carry over up to 20 percent of the initial allocation. Each fiscal year, carryover exceeding the 20 percent limit is recovered by FNS.

CHILD NUTRITION PROGRAMS STUDIES AND EVALUATIONS

The following studies and reports were released by FNS in FY 2009 and are available on the FNS Web site at <http://www.fns.usda.gov/ora>.

Accuracy of LEA Processing of School Lunch Applications - Regional Office Review of Applications (RORA) 2007 - October 2008: This is the third in a series of annual reports assessing administrative error associated with local educational agency 2008 meals and snacks for free and reduced-price school meals. The percent of students with administrative errors in the processing of their applications for meal benefits has remained relatively stable over a 3-year period, with administrative error ranging between 3 and 4 percent.

Direct Certification in the National School Lunch Program: State Implementation Progress Report to Congress - December 2008: This is the first in an annual series of reports mandated by the 2008 Farm Bill. The 2004 Child Nutrition and WIC Reauthorization Act established a three year phase-in period, ending in school year 2008-2009, over which time all local education agencies are required to begin directly certifying SNAP participant children for free school meals. This report offers an interim assessment of State and local direct certification systems in SY 2007-2008, one year prior to full implementation of the 2004 Act's direct certification requirement.

Results of the Feasibility Study of Estimating the Risk of Meal Claiming Error in the Child and Adult Care Food Program (CACFP) - May 2009: The report examined the feasibility and accuracy of using sponsor monitoring data to assess the accuracy of CACFP meal claims in family day care homes. The report found that the tested method does not provide a reliable estimate of family home day care meal claiming error.

Child and Adult Care Food Program (CACFP) Assessment of Sponsor Tiering Determinations 2007 - May 2009: This is the third wave (2007) of a program assessment of the Family Day Care Home (FDCH) component of CACFP. The assessment provides a national estimate of the share of CACFP-participating family day care homes that are approved for an incorrect level of per meal reimbursement, or reimbursement "tier," for their circumstances. Tiering errors result in improper payments because misclassified FDCHs do not receive the appropriate level of reimbursement for the meals and snacks provided to the children. The assessment also estimates the dollar amount of improper payments attributable to FDCH tiering errors.

Child and Adult Care Food Program (CACFP): Improper Payments Data Collection Pilot Project - September 2009: The purpose of this pilot was to test possible methods that could lead to valid estimations of the number of meals served by FDCHs. The pilot tested methods based on observations of meal services, analysis of sign-in/sign-out (SISO) logs, and parent interviews. The pilot found that parent recalls, when restricted to their own children, do correspond to independent observations of meals served to their children by the day-care provider. Therefore, parent recalls hold promise for validating whether meals claimed for children of interviewed parents are erroneous.

School Meals: Building Blocks for Healthy Children - October 2009: This report, commissioned by FNS and prepared by the IOM, reviews and assesses the food and nutritional needs of school-aged children in the United States using the 2005 *Dietary Guidelines for Americans* and the IOM's Dietary Reference Intakes to provide a basis for recommended revisions to the NSLP and SBP Nutrition Standards and Meal Requirements. The goal is the development of a set of well-conceived, practical, and economical recommendations for standards that reflect current nutritional science, increase the availability of key food groups as appropriate, and allow these two meal programs to better meet the nutritional needs of children, foster healthy eating habits, and safeguard children's health.

CHILD NUTRITION PROGRAMS

FINANCING FOR FISCAL YEAR 2009

STATE OR TERRITORY	Special Milk	School Lunch	School Breakfast	State Administrative Expenses	Commodities and Cash In-Lieu of Commodities	Child And Adult Care	Summer Food Service	Total Program Contribution
Alabama-----	\$39,734	\$167,073,306	\$50,789,332	\$2,513,649	\$22,282,780	\$36,405,821	\$3,601,498	\$282,706,121
Alaska-----	10,556	25,923,657	6,100,629	592,390	1,935,022	7,885,572	922,688	43,370,514
Arizona-----	67,316	204,905,465	55,042,561	3,049,022	32,005,104	47,108,200	3,404,289	345,581,957
Arkansas-----	9,233	104,627,982	35,208,983	1,939,292	15,053,606	36,147,154	3,417,175	196,403,426
California-----	536,185	1,205,778,948	320,550,610	18,021,794	135,381,383	260,576,855	16,776,874	1,957,622,648
Colorado-----	165,720	98,879,433	23,563,429	1,227,797	18,746,500	21,503,495	2,154,031	166,240,404
Connecticut-----	329,900	69,618,850	17,092,215	1,173,170	13,186,747	12,916,917	1,523,323	115,841,123
Delaware-----	41,452	21,114,976	6,695,823	257,741	3,523,117	12,083,492	2,673,313	46,389,914
District of Columbia-----	9,157	16,434,035	4,659,806	458,315	1,617,383	4,394,295	3,123,291	30,696,282
Florida-----	42,779	501,060,164	140,832,868	8,400,510	76,962,962	141,560,331	24,871,409	893,731,023
Georgia-----	32,029	377,711,620	131,309,557	5,698,839	57,271,751	98,140,221	9,405,085	679,569,102
Hawaii-----	1,944	31,741,206	8,553,321	529,923	5,426,615	5,352,190	1,004,850	52,610,049
Idaho-----	218,344	41,207,120	14,234,580	822,421	6,797,550	6,210,570	4,425,645	73,916,231
Illinois-----	3,368,804	333,580,442	74,069,848	5,425,450	41,298,126	112,771,580	9,778,208	580,292,459
Indiana-----	252,244	186,936,443	48,127,355	2,017,515	31,401,739	39,889,197	6,777,723	315,402,216
Iowa-----	72,412	75,440,813	16,748,134	1,457,795	15,999,255	25,385,144	1,783,391	136,886,944
Kansas-----	108,584	78,399,657	20,209,693	1,354,780	13,212,927	32,394,439	2,152,860	147,832,939
Kentucky-----	104,905	147,464,694	52,597,185	1,658,259	23,237,892	27,062,659	7,037,171	259,162,756
Louisiana-----	31,802	169,178,606	55,087,229	3,492,950	24,035,908	61,321,622	8,020,069	321,168,186
Maine-----	33,600	26,941,847	7,988,155	681,684	4,804,307	9,776,527	1,097,919	51,324,039
Maryland-----	427,987	108,678,675	31,381,550	2,478,910	25,633,358	37,269,776	6,783,780	212,654,035
Massachusetts-----	392,242	123,770,386	32,683,573	3,413,251	25,909,825	51,612,926	6,360,442	244,142,644
Michigan-----	611,414	231,020,571	63,261,622	3,758,527	39,238,616	60,240,664	7,290,516	405,421,931
Minnesota-----	806,790	116,128,209	26,177,227	2,516,306	24,424,128	59,980,264	4,097,723	234,130,648
Mississippi-----	3,110	138,277,230	50,782,581	2,401,703	17,207,364	32,379,379	4,366,806	245,418,171
Missouri-----	554,174	159,264,635	51,488,740	2,560,753	21,898,576	42,175,355	11,279,576	289,221,809
Montana-----	22,217	20,393,434	5,485,270	619,629	3,326,901	9,953,845	1,104,807	40,906,105
Nebraska-----	46,806	48,570,056	11,045,170	1,084,850	10,883,190	27,585,248	1,936,756	101,152,076
Nevada-----	83,839	59,629,477	14,214,389	1,013,746	8,677,491	4,260,443	1,495,183	89,374,568
New Hampshire-----	193,760	19,528,941	3,927,375	402,241	4,664,540	3,607,194	798,737	33,122,788
New Jersey-----	745,758	173,540,218	41,647,354	3,124,639	28,197,537	59,936,710	8,096,240	315,288,456
New Mexico-----	6,705	75,455,514	29,448,331	1,921,463	10,903,419	34,803,235	6,153,453	158,692,120
New York-----	923,598	512,512,613	135,553,054	9,768,143	81,637,504	178,602,038	47,932,225	966,929,175
North Carolina-----	199,206	283,260,071	86,748,876	5,092,803	46,463,127	78,871,457	5,514,960	506,150,500
North Dakota-----	40,021	13,742,007	3,385,168	638,462	3,737,333	10,149,051	488,467	32,180,509
Ohio-----	573,029	273,508,404	79,043,362	4,486,307	51,651,788	80,672,368	9,856,168	499,791,426
Oklahoma-----	41,625	124,472,475	46,000,670	2,732,800	17,039,176	52,231,695	3,065,374	245,583,815
Oregon-----	137,808	84,203,282	28,311,335	2,319,125	12,416,556	28,051,817	4,574,475	160,014,397
Pennsylvania-----	613,289	259,774,192	63,821,783	4,538,646	51,584,364	75,796,031	12,939,869	469,068,175
Rhode Island-----	82,819	23,286,656	5,816,363	741,121	4,038,111	6,501,219	778,526	41,244,815
South Carolina-----	12,841	155,693,202	58,314,633	2,726,920	21,537,683	25,639,707	6,830,322	270,755,308
South Dakota-----	48,122	21,911,360	5,563,901	617,508	3,991,727	7,959,955	909,362	41,001,935
Tennessee-----	8,717	193,425,571	63,288,334	2,403,922	31,288,295	46,270,440	6,828,768	343,514,047
Texas-----	61,896	1,019,661,176	352,186,538	14,780,837	134,163,700	242,777,857	34,997,173	1,798,629,177
Utah-----	81,023	70,597,610	14,148,101	1,272,773	15,756,550	20,986,337	2,085,594	124,927,988
Vermont-----	78,657	11,504,185	4,060,018	406,899	2,476,458	4,427,966	485,850	23,440,034
Virginia-----	287,791	167,080,904	48,159,365	2,085,216	27,132,096	33,594,523	8,934,774	287,274,669
Washington-----	248,579	142,487,057	38,543,869	2,423,839	20,629,393	42,551,880	3,975,994	250,860,611
West Virginia-----	35,942	51,990,700	18,498,648	983,650	8,480,845	14,179,276	2,072,898	96,241,959
Wisconsin-----	1,172,260	122,786,382	28,767,892	2,207,184	20,921,560	39,299,338	5,196,292	220,350,908
Wyoming-----	15,462	10,887,883	2,683,162	702,279	2,577,318	4,859,092	437,267	22,162,463
American Samoa-----	0	0	0	0	0	0	0	0
Guam-----	0	5,610,416	1,932,212	273,687	175,770	326,550	0	8,318,635
North Mariana Islands-----	0	0	0	0	0	0	0	0
Puerto Rico-----	0	122,206,055	32,153,586	2,090,396	17,659,089	25,397,684	14,132,669	213,639,478
Trust Territory (excluding CNMI)-----	0	0	0	0	0	0	0	0
Virgin Islands-----	2,385	4,765,848	992,617	354,921	489,593	799,154	829,807	8,234,324
Indian Tribe Set Asi-----	0	0	0	0	0	0	0	0
Indian Tribes-----	0	0	0	0	0	0	0	0
Freely Associated Sts-----	0	0	0	0	0	0	0	0
DOD/AF/USMC/Navy-----	0	8,724,721	18,199	0	0	0	0	8,742,920
AMS/FSA/PCIMS-----	0	0	0	0	8,145,176	0	0	8,145,176
Board of Jewish ED-----	0	0	0	0	0	0	0	0
AAFES-----	0	0	0	0	634,988	0	0	0
Anticipated Adjustment-----	249,097	141,342,073	38,359,404	24,417,230	18,521,328	9,045,527	9,750,855	0
TOTAL-----	\$14,285,671	\$8,983,711,452	\$2,607,355,589	\$174,133,982	\$1,368,295,146	\$2,451,682,273	\$356,332,519	\$15,955,796,632

NOTE: Data is based on obligations as reported September 30, 2009. Commodities are based on food orders for fiscal year 2009.
Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE
CHILD NUTRITION PROGRAM
Quantity and Value of Commodities
Fiscal Year 2009

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 6/32 TYPE:		
APPLE SLICES	4,865,280	\$2,375,386
APPLES	1,529,689	786,161
APPLESAUCE 10	7,793,512	3,287,382
APRICOTS	1,994,738	1,219,543
BEANS, BLK TUTL 10	104,977	38,198
BEANS, BLKEYE CND	559,876	205,271
BEANS, GBZO CND	349,920	150,162
BEANS, GREAT NORTH 25	80,000	35,888
BEANS, GREAT NORTH CND	104,976	37,308
BEANS, GREEN 10	22,768,992	10,958,846
BEANS, GREEN FROZEN	3,952,500	2,154,188
BEANS, KIDNEY CND	804,820	317,684
BEANS, NAVY PEA 25	40,000	17,424
BEANS, PINK CND	944,784	412,024
BEANS, PINTO 25	560,000	216,064
BEANS, PINTO CND	4,024,088	1,484,596
BEANS, REFRIED	1,560,384	823,493
BEANS, S RED CND	804,816	367,222
BEANS, VEG 10	5,073,862	1,811,236
BEEF PATTIES, ALL 40	2,432,000	4,545,207
BEEF PATTIES, LEAN 40	1,178,000	2,360,822
BEEF PATTIES, SPP 40	2,964,000	4,560,162
BEEF, 40	27,474,400	49,391,604
BEEF, BULK COARSE	74,424,000	123,732,223
BEEF, CND 24 OZ	684,000	1,637,190
BEEF, CRUMB	2,280,000	3,991,872
BEEF, SPECIAL TRIM FRZ	1,260,000	3,590,742
BF BNLS FRSH COMBO	4,400,000	7,129,051
BF PTY LFT	114,000	270,811
BF PTY SPP CKDHSY 40	2,356,000	4,278,233
BONELESS PICNIC 60LB	11,965,980	10,512,912
CARROTS, 10	4,647,116	2,334,112
CARROTS, 30	3,564,000	1,502,158
CATFISH STRIPS	400,000	1,631,800
CHERRIES FRZ	76,800	70,450
CHICKEN BURGERS FRZ	234,000	477,554
CHICKEN CND	337,502	737,439
CHICKEN LEGS CHILL	6,300,000	3,885,520
CHICKEN, BREADED	7,761,000	13,736,499
CHICKEN, CHILLED BULK	159,408,000	108,129,593
CHICKEN, CUT-UP FROZEN	8,634,360	6,523,346
CHICKEN, DICED FROZEN	4,560,000	9,497,181
CHICKEN, FAJITA MEAT FROZEN	7,371,000	13,798,284
CHICKEN, LIGHT BULK	108,000	32,400
CHICKEN, THIGHS BULK	72,000	42,120
CORN COB	4,870,800	2,549,468
CORN LQD 10	21,026,210	10,280,697
CORN, FROZEN	11,995,800	6,688,163
CRANBERRY SAUCE	663,552	281,489
DPSC-FRESH PRODUCE		57,352,956
EGGS, WHOLE FROZEN	4,882,440	3,544,710
EGGS, WHOLE LIQUID	11,808,000	6,777,453
FRUIT MIX 10	32,735,610	22,555,229
HAM COOKED FRZ CUBE	1,520,000	2,705,998
HAM COOKED FRZ SLICED	4,520,000	7,815,749
HAM, FRZ WATERADD 40	4,780,000	6,260,736
ORANGES	748,983	262,011
PEACHES, CLING	49,435,871	32,965,434
PEACHES, CUP 4.4	8,049,360	7,823,494
PEACHES, FROZEN	228,000	158,195
PEARS, CANNED	36,970,569	23,652,882
PEARS, FRESH	567,000	250,911
PEAS, CANNED	4,466,997	2,296,531
PEAS, FROZEN	3,972,300	2,506,206
PORK C SLOPPY JOE	280,000	352,346
PORK, CANNED 24 OZ	684,000	1,310,267
PORK, ROAST FROZEN	5,160,000	6,016,451
POTATO ROUNDS, FROZEN	14,493,600	6,183,918
POTATO WEDGES, FROZEN	10,692,000	5,900,765
POTATOES, BULK, PROC	79,680,000	8,043,749
POTATOES, OVEN	9,108,000	5,107,551
POTATOES, RUSSET	120,000	34,672
RAISINS	548,496	737,822
SALSA, CANNED	6,887,890	3,196,894
SPAGHETTI SAUCE, CANNED	11,087,740	3,588,245
STRAWBERRIES	9,773,100	10,143,676
SWEET POTATOES	3,848,005	1,520,678
TOMATO PASTE, BULK	5,036,850	2,825,272
TOMATO PASTE, CANNED	2,277,727	1,503,437
TOMATO PASTE, DRUM	462,240	274,345
TOMATO SAUCE, CANNED	3,693,740	1,282,344
TOMATOES, DICED CANNED	4,255,863	1,941,333
TUNA 66.5	2,082,791	4,801,615
TUNA, POUCH	686,286	1,964,342
TURKEY, BREAST DELI FROZEN	9,540,000	16,389,515
TURKEY, CHILLED BULK	25,020,000	20,399,278
TURKEY, GROUND	200,000	259,000
TURKEY, HAM FROZEN	4,960,000	6,421,209
TURKEY, ROASTS FROZEN	10,920,000	15,464,707
TURKEY, TACO	2,418,000	3,252,264
TURKEY, WHOLE FROZEN	798,000	731,024
Total Section 6/32 Type	820,879,192	\$731,472,392

**FOOD AND NUTRITION SERVICE
CHILD NUTRITION PROGRAM (Cont.)**

**Quantity and Value of Commodities
Fiscal Year 2009**

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
BHW & BSW	19,184,400	\$3,794,313
CHEESE BARREL 500	28,040,000	40,996,411
CHEESE LOAVES	4,276,800	6,333,058
CHEESE MOZZARELLA	99,151,920	148,846,712
CHEESE, CHEDDAR	2,476,901	4,015,658
CHEESE, CHEDDAR, RED. FAT SHRED	5,606,400	8,874,514
CHEESE, CHEDDAR, REDUCED FAT	279,650	494,817
CHEESE, CHEDDAR, SHREDDED	6,180,000	10,347,113
CHEESE, KOSHER SLC	198,000	341,388
CHEESE, REDUCED SKIM SLC	10,216,800	14,823,695
CHEESE, SLICED	21,740,400	31,293,887
CORN, YELLOW	780,300	95,422
CORNMEAL	299,880	58,181
FLOUR	24,401,220	5,731,372
FLOUR MIX, LOWFAT	388,800	353,097
GRITS	214,200	52,433
MACARONI	1,338,000	581,170
MACARONI, WHOLE GRAIN	643,000	321,174
MASA 50 YELLOW	259,200	59,076
MILK, UHT	114,429	64,142
OATS, ROLLED	760,352	232,894
OIL, SOYBEAN LSF	850,079	607,451
OIL, VEGETABLE	11,897,775	6,219,542
PEANUT BUTTER	9,222,560	6,884,591
RICE, BROWN	1,974,000	749,521
RICE, L & M	8,862,000	4,155,257
RICE, PARBOILED	1,470,000	508,019
ROASTED RUNNER	69,120	117,504
ROTINI	1,064,000	489,619
ROTINI, WHOLE GRAIN	1,707,000	801,815
SPAGHETTI	1,822,000	685,724
SPAGHETTI, WHOLE GRAIN	2,195,000	937,778
SUNFLOWER BUTTER	480,480	730,442
Total Section 416 Type	268,164,666	\$300,597,790
Anticipated Adjustment		18,521,328
AMS / FSA / PCIMS Admin. Expenses		8,145,176
TOTAL COMMODITY ENTITLEMENT	1,089,043,858	\$1,058,736,686

BONUS COMMODITIES	Pounds	Dollars
SECTION 32 TYPE**:		
APPLE SLICES	15,402,502	\$11,657,647
APPLESAUCE	28,514,631	13,841,860
APRICOTS	4,954,842	3,807,977
BEANS	19,386,134	9,285,242
BLACKBERRY PRODUCTS	820,410	834,623
BLUEBERRIES	6,256,620	7,129,961
BONELESS PICNIC	640,320	587,493
CATFISH STRIPS	720,000	2,909,596
CHERRIES	1,389,696	4,951,922
CHICKEN	20,788,000	14,744,660
CRANBERRY PRODUCTS	346,500	1,083,367
HAM FROZEN	4,040,000	7,093,579
ORANGE J	17,577,120	7,528,014
PORK ROAST	1,840,000	2,272,037
POTATO PRODUCTS	1,880,000	147,159
RAISINS	1,342,656	1,803,304
SALSA	2,211,379	1,060,902
SPAGHETTI SAUCE	1,967,789	712,954
TOMATO PASTE	3,018,693	1,956,852
TOMATO SAUCE	906,301	322,400
TOMATOES, DICED	1,744,203	899,301
TURKEY PRODUCTS	18,199,157	27,114,151
WALNUTS	2,415,600	4,828,739
Total Section 32 Type	156,362,553	\$126,573,740

BONUS COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
CHEESE, CHEDDAR	6,144,000	\$8,970,240
CHEESE, REDUCED SKIM	10,058,400	14,112,724
INSTANT 2	645,120	903,168
MOZZ LT SHRED FRZ	6,163,920	9,818,467
NFD BULK 25 KG	10,747,361	8,803,822
PANCAKE	2,063,880	2,012,214
TORTILLAS	3,280,500	1,730,334
UHT MILK 1%	9,993,459	5,346,286
Total Section 416 Type	49,096,640	\$51,697,255
Anticipated Adjustment		
TOTAL BONUS COMMODITIES	205,459,193	\$178,270,995
TOTAL -- ALL COMMODITIES	1,294,503,051	\$1,237,007,681
Cash In-Lieu of Commodities		131,287,465
GRAND TOTAL	1,294,503,051	\$1,368,295,146

Source: PCIMS -- Delivery order and contract information.

** Figures include Farm Bill Procurements.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAM

Value of Commodities to States

Entitlement and Bonus

Fiscal Year 2009

STATE OR TERRITORY	Entitlement	Bonus	Total
Alabama.....	\$16,820,495	\$3,836,266	\$20,656,761
Alaska.....	1,424,393	235,750	1,660,143
Arizona.....	26,383,139	3,150,647	29,533,786
Arkansas.....	11,038,440	2,419,748	13,458,188
California.....	103,551,433	19,098,246	122,649,679
Colorado.....	15,406,715	2,308,715	17,715,430
Connecticut.....	10,851,608	1,708,354	12,559,962
Delaware.....	2,801,910	158,779	2,960,689
District of Columbia.....	1,333,731	74,904	1,408,635
Florida.....	59,813,839	10,632,819	70,446,658
Georgia.....	46,067,373	6,302,373	52,369,746
Hawaii.....	4,605,631	465,320	5,070,951
Idaho.....	5,108,068	1,351,735	6,459,803
Illinois.....	31,874,700	3,701,881	35,576,581
Indiana.....	26,744,434	2,634,294	29,378,728
Iowa.....	13,339,842	1,254,734	14,594,576
Kansas.....	0	0	0
Kentucky.....	18,243,770	3,567,829	21,811,599
Louisiana.....	17,374,423	3,917,792	21,292,215
Maine.....	3,399,935	964,744	4,364,679
Maryland.....	18,819,798	4,959,924	23,779,722
Massachusetts.....	20,252,737	3,516,031	23,768,768
Michigan.....	31,306,246	4,892,443	36,198,689
Minnesota.....	19,167,506	2,099,571	21,267,077
Mississippi.....	12,816,426	3,045,213	15,861,639
Missouri.....	16,670,982	3,036,542	19,707,524
Montana.....	2,476,058	382,890	2,858,948
Nebraska.....	7,824,081	1,798,053	9,622,134
Nevada.....	7,372,746	1,150,602	8,523,348
New Hampshire.....	3,723,758	829,004	4,552,762
New Jersey.....	20,463,146	5,049,786	25,512,932
New Mexico.....	7,643,457	1,626,671	9,270,128
New York.....	64,093,509	9,100,038	73,193,547
North Carolina.....	33,716,000	8,694,012	42,410,012
North Dakota.....	2,318,219	875,819	3,194,038
Ohio.....	39,004,248	8,411,887	47,416,135
Oklahoma.....	12,241,874	2,501,019	14,742,893
Oregon.....	9,496,865	1,476,389	10,973,254
Pennsylvania.....	42,224,279	5,353,618	47,577,897
Rhode Island.....	3,043,055	682,393	3,725,448
South Carolina.....	18,233,025	2,137,965	20,370,990
South Dakota.....	3,087,553	438,374	3,525,927
Tennessee.....	25,970,079	3,279,997	29,250,076
Texas.....	105,186,152	16,841,894	122,028,046
Utah.....	12,772,670	1,863,696	14,636,366
Vermont.....	1,679,915	615,367	2,295,282
Virginia.....	19,972,910	5,019,311	24,992,221
Washington.....	14,932,709	3,467,933	18,400,642
West Virginia.....	6,687,720	1,100,294	7,788,014
Wisconsin.....	16,519,791	2,116,316	18,636,107
Wyoming.....	2,088,320	224,181	2,312,501
American Samoa.....	0	0	0
Guam.....	121,813	30,050	151,863
Northern Mariana Islands.....	0	0	0
Puerto Rico.....	12,869,995	3,868,782	16,738,777
Trust Territory.....	0	0	0
Virgin Islands.....	453,673	0	453,673
Indian Tribes Set Aside.....	0	0	0
Indian Tribes.....	0	0	0
Freely Associated States.....	0	0	0
Board of Jewish Education.....	0	0	0
DOD Army / AF.....	0	0	0
AAFES.....	634,988	0	634,988
AMS / FSA / PCIMS.....	8,145,176	0	8,145,176
Undistributed.....	18,521,328	0	18,521,328
TOTAL.....	\$1,058,736,686	\$178,270,995	\$1,237,007,681

Source: PCIMS -- Delivery order and contract information.

Note: Figures include Farm Bill Procurements; Kansas receives all assistance as cash in lieu.

DPSC-FRESH PRODUCE values are from 2009 ECOS Entitlement Report.

**SCHOOL LUNCH PROGRAM
THOUSANDS OF LUNCHES SERVED**

FISCAL YEAR 2009

STATE OR TERRITORY	TOTAL LUNCHES SERVED			
	PAID	REDUCED PRICE	FREE	TOTAL
Alabama-----	35,712	8,580	53,028	97,320
Alaska-----	2,894	1,022	4,810	8,726
Arizona-----	33,423	10,828	65,015	109,265
Arkansas-----	18,133	6,201	32,881	57,214
California-----	132,682	74,252	370,014	576,948
Colorado-----	28,140	6,497	29,611	64,249
Connecticut-----	26,170	4,485	20,206	50,861
Delaware-----	6,723	1,063	6,590	14,375
District of Columbia-----	1,723	671	4,926	7,319
Florida-----	73,173	30,216	156,330	259,719
Georgia-----	78,248	20,642	118,339	217,228
Hawaii-----	9,681	2,491	7,143	19,315
Idaho-----	11,913	3,735	11,447	27,096
Illinois-----	66,046	15,308	108,062	189,416
Indiana-----	63,915	12,805	54,573	131,292
Iowa-----	39,768	5,874	20,094	65,736
Kansas-----	28,429	6,234	21,843	56,506
Kentucky-----	35,685	8,285	45,734	89,703
Louisiana-----	31,200	7,601	54,489	93,290
Maine-----	8,610	1,671	8,111	18,392
Maryland-----	30,980	7,629	32,104	70,713
Massachusetts-----	47,317	6,422	36,738	90,477
Michigan-----	55,108	12,662	72,385	140,155
Minnesota-----	61,593	11,088	29,255	101,936
Mississippi-----	15,990	6,423	45,554	67,967
Missouri-----	48,332	9,921	47,568	105,822
Montana-----	7,009	1,700	5,673	14,382
Nebraska-----	21,612	4,172	12,895	38,679
Nevada-----	10,653	3,898	18,345	32,896
New Hampshire-----	12,995	1,535	4,942	19,471
New Jersey-----	51,598	11,034	50,896	113,528
New Mexico-----	9,108	3,950	23,972	37,029
New York-----	105,455	29,195	157,151	291,801
North Carolina-----	57,845	16,572	88,329	162,746
North Dakota-----	8,506	1,084	3,517	13,108
Ohio-----	80,368	15,385	83,866	179,618
Oklahoma-----	24,869	7,673	38,165	70,707
Oregon-----	16,282	5,113	26,138	47,533
Pennsylvania-----	96,869	16,839	75,629	189,338
Rhode Island-----	4,828	1,300	7,286	13,414
South Carolina-----	27,234	7,079	50,214	84,527
South Dakota-----	9,576	1,655	6,051	17,282
Tennessee-----	40,042	9,997	61,551	111,590
Texas-----	151,929	51,304	328,328	531,561
Utah-----	31,841	6,439	18,614	56,895
Vermont-----	4,740	856	3,207	8,802
Virginia-----	62,459	11,684	48,316	122,459
Washington-----	33,835	10,738	42,165	86,738
West Virginia-----	14,312	3,276	15,685	33,272
Wisconsin-----	54,918	8,757	34,188	97,863
Wyoming-----	5,277	1,119	2,738	9,134
American Samoa-----	0	0	0	0
Guam-----	959	172	1,907	3,038
North Mariana Islands-----	0	0	0	0
Puerto Rico-----	9,567	5,569	40,655	55,791
Trust Territory (excluding NMI)-----	0	0	0	0
Virgin Islands-----	515	175	1,599	2,289
Indian Tribe Set Asi-----	0	0	0	0
Indian Tribes-----	0	0	0	0
Freely Associated States-----	0	0	0	0
DOD Army/AF/USMC/Navy-----	2,523	926	926	4,376
Anticipated Adjustment-----	0	0	0	0
TOTAL-----	1,949,309	521,802	2,709,870	5,180,981

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

**SCHOOL LUNCH PROGRAM
SCHOOLS, ENROLLMENT AND PARTICIPATION**

FISCAL YEAR 2009

STATE OR TERRITORY	NUMBER OF SCHOOLS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,520	756	601
Alaska-----	429	117	54
Arizona-----	1,715	1,033	653
Arkansas-----	1,196	488	360
California-----	10,751	6,268	3,260
Colorado-----	1,676	869	385
Connecticut-----	1,172	544	320
Delaware-----	242	127	92
District of Columbia-----	215	68	45
Florida-----	3,606	2,696	1,563
Georgia-----	2,393	1,671	1,314
Hawaii-----	301	180	92
Idaho-----	707	242	173
Illinois-----	4,335	1,887	1,172
Indiana-----	2,254	1,112	772
Iowa-----	1,492	536	401
Kansas-----	1,601	512	363
Kentucky-----	1,347	684	715
Louisiana-----	1,610	781	605
Maine-----	697	193	110
Maryland-----	1,569	863	438
Massachusetts-----	2,256	973	562
Michigan-----	3,811	1,688	939
Minnesota-----	2,114	916	622
Mississippi-----	950	516	419
Missouri-----	2,524	915	654
Montana-----	805	146	89
Nebraska-----	984	302	248
Nevada-----	576	423	188
New Hampshire-----	498	198	113
New Jersey-----	2,687	1,285	715
New Mexico-----	796	318	224
New York-----	5,887	2,989	1,835
North Carolina-----	2,509	1,487	977
North Dakota-----	413	101	83
Ohio-----	4,063	1,902	1,134
Oklahoma-----	1,894	652	445
Oregon-----	1,383	583	318
Pennsylvania-----	3,846	1,826	1,166
Rhode Island-----	430	158	82
South Carolina-----	1,168	733	510
South Dakota-----	688	137	108
Tennessee-----	1,772	929	594
Texas-----	7,869	4,713	3,320
Utah-----	861	540	340
Vermont-----	349	94	55
Virginia-----	2,034	1,214	759
Washington-----	2,105	1,033	541
West Virginia-----	755	297	216
Wisconsin-----	2,479	907	595
Wyoming-----	355	86	57
American Samoa-----	0	0	0
Guam-----	45	33	19
North Mariana Islands-----	0	0	0
Puerto Rico-----	1,831	611	394
Trust Territory (excluding NMI)-----	0	0	0
Virgin Islands-----	64	20	14
Indian Tribe Set Asi-----	0	0	0
Indian Tribes-----	0	0	0
Freely Associated States-----	0	0	0
DOD/ Army/AF/USMC/Navy-----	92	50	27
Anticipated Adjustment-----	0	0	0
TOTAL-----	101,721	50,404	31,852

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

**SCHOOL BREAKFAST PROGRAM
SCHOOLS, ENROLLMENT, AND PARTICIPATION**

FISCAL YEAR 2009

STATE OR TERRITORY	NUMBER OF SCHOOLS AND INSTITUTIONS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,414	703	225
Alaska-----	317	88	17
Arizona-----	1,563	973	230
Arkansas-----	1,169	482	164
California-----	8,756	5,456	1,197
Colorado-----	1,411	641	111
Connecticut-----	631	298	71
Delaware-----	238	126	33
District of Columbia-----	195	64	22
Florida-----	3,572	2,626	637
Georgia-----	2,313	1,506	589
Hawaii-----	286	177	41
Idaho-----	662	232	73
Illinois-----	3,084	1,404	290
Indiana-----	1,963	990	217
Iowa-----	1,365	513	89
Kansas-----	1,404	445	100
Kentucky-----	1,334	674	246
Louisiana-----	1,504	736	256
Maine-----	633	179	36
Maryland-----	1,478	813	158
Massachusetts-----	1,581	656	141
Michigan-----	3,107	1,408	284
Minnesota-----	1,623	740	145
Mississippi-----	870	458	213
Missouri-----	2,270	857	242
Montana-----	699	129	26
Nebraska-----	702	236	59
Nevada-----	533	397	56
New Hampshire-----	418	168	22
New Jersey-----	1,782	817	174
New Mexico-----	768	312	132
New York-----	5,225	2,650	588
North Carolina-----	2,490	1,468	379
North Dakota-----	347	90	20
Ohio-----	3,028	1,384	372
Oklahoma-----	1,807	626	217
Oregon-----	1,300	561	144
Pennsylvania-----	3,133	1,538	295
Rhode Island-----	417	154	25
South Carolina-----	1,160	731	259
South Dakota-----	545	106	25
Tennessee-----	1,674	863	251
Texas-----	7,867	4,699	1,577
Utah-----	719	461	73
Vermont-----	322	90	22
Virginia-----	1,904	1,132	242
Washington-----	1,939	951	174
West Virginia-----	758	295	105
Wisconsin-----	1,571	653	142
Wyoming-----	294	75	14
American Samoa-----	0	0	0
Guam-----	41	30	8
North Mariana Islands-----	0	0	0
Puerto Rico-----	1,831	611	142
Trust Territory (excluding NMI)-----	0	0	0
Virgin Islands-----	42	17	5
Indian Tribe Set Asi-----	0	0	0
Indian Tribes-----	0	0	0
Freely Associated States-----	0	0	0
DOD Army/AF/USMC/Navy-----	0	0	0
Anticipated Adjustment-----	0	0	0
TOTAL-----	88,060	44,492	11,375

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

**SCHOOL BREAKFAST PROGRAM
THOUSANDS OF BREAKFASTS SERVED**

FISCAL YEAR 2009

STATE OR TERRITORY	TOTAL BREAKFASTS SERVED					TOTAL
	PAID	REDUCED PRICE		FREE		
		REGULAR	SEVERE NEED	REGULAR	SEVERE NEED	
Alabama-----	5,427	384	2,420	1,975	25,314	35,520
Alaska-----	630	13	285	53	1,866	2,847
Arizona-----	6,801	414	3,202	2,255	26,717	39,389
Arkansas-----	3,900	175	2,250	1,084	17,407	24,817
California-----	24,925	1,644	23,899	7,218	159,305	216,991
Colorado-----	3,604	392	1,793	1,107	10,750	17,646
Connecticut-----	1,987	158	915	780	8,314	12,154
Delaware-----	1,475	110	309	639	2,886	5,420
District of Columbia-----	755	28	275	125	2,298	3,481
Florida-----	18,300	1,124	8,783	5,881	67,785	101,872
Georgia-----	17,393	1,250	7,463	6,225	62,849	95,180
Hawaii-----	2,426	257	600	653	2,765	6,700
Idaho-----	2,870	165	1,287	700	6,254	11,274
Illinois-----	6,060	533	2,728	3,115	37,737	50,173
Indiana-----	6,426	859	2,588	4,234	21,265	35,371
Iowa-----	4,345	593	871	2,308	6,233	14,349
Kansas-----	3,105	478	1,420	1,634	8,645	15,283
Kentucky-----	7,755	388	3,091	2,079	25,388	38,701
Louisiana-----	6,017	261	2,500	1,927	27,854	38,560
Maine-----	1,606	140	549	609	3,444	6,349
Maryland-----	6,737	388	2,420	1,808	13,834	25,187
Massachusetts-----	4,001	297	1,457	1,932	15,778	23,465
Michigan-----	7,421	481	2,897	3,214	31,028	45,042
Minnesota-----	6,415	1,182	1,712	3,543	9,450	22,302
Mississippi-----	3,506	51	2,494	284	27,157	33,492
Missouri-----	8,844	642	3,179	3,316	23,333	39,313
Montana-----	1,037	132	398	437	2,316	4,320
Nebraska-----	2,781	365	680	1,215	4,308	9,350
Nevada-----	1,727	133	945	754	6,661	10,220
New Hampshire-----	1,585	228	98	1,078	959	3,948
New Jersey-----	4,636	344	2,540	1,691	20,283	29,494
New Mexico-----	4,125	71	2,024	451	14,708	21,380
New York-----	18,628	1,529	8,105	5,888	65,000	99,151
North Carolina-----	10,691	573	5,240	3,366	42,281	62,151
North Dakota-----	1,316	164	148	623	1,058	3,309
Ohio-----	12,204	733	3,801	5,048	37,162	58,948
Oklahoma-----	6,503	325	2,996	1,570	22,243	33,636
Oregon-----	4,980	133	2,136	681	13,636	21,566
Pennsylvania-----	11,190	1,296	3,012	5,969	27,831	49,299
Rhode Island-----	700	52	294	322	2,798	4,166
South Carolina-----	7,826	308	2,954	1,867	29,134	42,090
South Dakota-----	959	183	226	581	2,355	4,304
Tennessee-----	7,470	456	3,547	2,780	30,746	44,999
Texas-----	41,331	2,776	19,152	14,996	172,389	250,644
Utah-----	2,467	397	994	1,526	5,655	11,039
Vermont-----	1,030	148	288	497	1,504	3,467
Virginia-----	9,705	993	2,929	5,574	19,382	38,583
Washington-----	4,365	531	3,572	0	17,539	26,007
West Virginia-----	4,309	138	1,330	577	8,643	14,997
Wisconsin-----	5,780	909	1,500	3,760	11,225	23,174
Wyoming-----	773	101	230	295	972	2,371
American Samoa-----	0	0	0	0	0	0
Guam-----	165	0	52	0	1,075	1,292
North Mariana Islands-----	0	0	0	0	0	0
Puerto Rico-----	2,621	10	1,913	68	16,959	21,571
Trust Territory (excluding NMI)-----	0	0	0	0	0	0
Virgin Islands-----	163	0	55	0	519	737
Indian Tribe Set Asi-----	0	0	0	0	0	0
Indian Tribes-----	0	0	0	0	0	0
Freely Associated States-----	0	0	0	0	0	0
DOD Army/AF/USMC/Navy--	0	3	0	5	0	9
Anticipated Adjustment-----	0	0	0	0	0	0
TOTAL-----	333,796	25,437	152,547	121,978	1,224,999	1,858,758

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

**CHILD AND ADULT CARE FOOD PROGRAM
PARTICIPATION AND MEALS SERVED**

FISCAL YEAR 2009

STATE OR TERRITORY	NUMBER OF CENTERS/HOMES	PARTICIPATION PEAK MONTH (000)	TOTAL MEALS SERVED					DAY CARE HOMES (000)	TOTAL (000)
			CHILD CARE AND ADULT CENTERS				TOTAL (000)		
			PAID (000)	REDUCED PRICE (000)	FREE (000)	TOTAL (000)			
Alabama-----	2,014	49	5,132	1,122	16,750	23,004	5,092	28,097	
Alaska-----	651	11	1,668	280	1,336	3,284	1,364	4,648	
Arizona-----	4,206	49	0	0	0	0	0	0	
Arkansas-----	1,833	47	6,467	1,558	13,651	21,676	13,250	34,926	
California-----	23,059	357	6,061	1,781	16,672	24,515	4,791	29,306	
Colorado-----	2,535	39	19,862	9,539	74,978	104,379	82,387	186,766	
Connecticut-----	1,279	20	5,120	892	7,734	13,746	5,615	19,361	
Delaware-----	1,060	17	1,701	787	4,472	6,960	3,071	10,031	
District of Columbia-----	223	7	1,474	267	3,963	5,705	3,169	8,873	
Florida-----	5,682	195	778	154	2,424	3,356	139	3,495	
Georgia-----	5,933	158	19,440	8,213	72,379	100,032	10,057	110,089	
Utah-----	536	10	21,042	5,465	41,581	68,088	14,658	82,746	
Idaho-----	604	11	190	7	138	334	21	355	
Illinois-----	9,962	137	2,819	350	1,457	4,626	748	5,374	
Indiana-----	3,026	67	1,569	309	1,898	3,775	1,761	5,536	
Iowa-----	3,148	41	12,572	3,445	31,825	47,842	37,699	85,542	
Kansas-----	4,588	71	6,280	857	11,111	18,248	15,365	33,613	
Kentucky-----	1,547	47	7,281	611	5,269	13,162	10,714	23,876	
Louisiana-----	7,030	63	5,240	904	4,759	10,903	16,591	27,494	
Maine-----	1,361	13	6,950	1,391	13,116	21,457	2,388	23,846	
Maryland-----	4,181	49	3,885	1,151	15,737	20,773	19,469	40,242	
Massachusetts-----	6,054	60	918	152	1,437	2,507	5,474	7,981	
Michigan-----	7,825	93	4,686	506	9,635	14,827	14,505	29,332	
Minnesota-----	10,095	98	4,522	1,424	15,360	21,306	18,195	39,501	
Mississippi-----	1,220	44	4,674	496	11,944	17,114	28,327	45,441	
Missouri-----	2,794	70	4,900	613	5,939	11,451	41,889	53,340	
Montana-----	1,011	15	2,551	960	18,258	21,769	1,432	23,201	
Nebraska-----	3,384	44	8,887	1,051	16,244	26,182	9,319	35,500	
Nevada-----	462	11	1,200	209	1,953	3,361	4,262	7,623	
New Hampshire-----	310	8	4,891	468	5,610	10,969	13,142	24,111	
New Jersey-----	2,095	80	1,115	198	1,940	3,254	650	3,903	
New Mexico-----	5,009	45	1,230	213	1,332	2,775	811	3,586	
New York-----	13,199	290	6,336	3,237	30,350	39,924	1,999	41,923	
North Carolina-----	5,431	136	3,143	880	8,171	12,194	11,086	23,279	
North Dakota-----	1,543	17	13,732	3,883	61,423	79,038	40,040	119,077	
Ohio-----	6,121	137	20,529	4,892	32,668	58,089	12,735	70,824	
Oklahoma-----	3,294	59	2,129	125	1,318	3,571	5,877	9,448	
Oregon-----	3,234	44	14,328	2,438	31,109	47,875	15,986	63,861	
Pennsylvania-----	4,848	139	7,617	1,788	19,550	28,955	12,187	41,143	
Rhode Island-----	535	10	1,766	147	5,617	7,530	10,761	18,291	
South Carolina-----	1,434	38	14,156	3,170	32,978	50,303	9,914	60,217	
South Dakota-----	961	14	388	229	15,050	15,667	383	16,050	
Tennessee-----	2,966	66	959	262	2,293	3,515	1,513	5,028	
Texas-----	11,305	316	3,098	574	11,561	15,234	4,469	19,703	
Utah-----	2,062	28	2,061	201	1,628	3,890	3,738	7,629	
Vermont-----	716	7	6,422	1,138	19,630	27,189	9,341	36,531	
Virginia-----	3,800	64	38,121	11,076	107,036	156,233	33,229	189,462	
Washington-----	4,346	77	2,673	352	3,319	6,343	9,458	15,801	
West Virginia-----	1,879	24	549	94	844	1,487	2,109	3,596	
Wisconsin-----	4,286	69	9,422	1,142	10,411	20,975	11,178	32,153	
Wyoming-----	586	12	57	33	471	561	0	561	
American Samoa-----	0	0	9,424	1,745	13,100	24,270	13,015	37,284	
Guam-----	34	1	2,925	388	4,034	7,347	3,937	11,285	
North Mariana Island-----	0	0	9,918	1,211	11,227	22,356	12,516	34,871	
Puerto Rico-----	1,536	33	1,183	246	1,013	2,442	2,095	4,537	
Trust Territory (excluding NMI)-----	0	0	0	0	0	0	0	0	
Virgin Islands-----	39	1	0	0	0	0	0	0	
Indian Tribe Set Asi-----	0	0	0	0	0	0	0	0	
Indian Tribes-----	0	0	0	0	0	0	0	0	
Freely Associated States-----	0	0	0	0	0	0	0	0	
DOD Army/AF/USMC/Navy-----	0	0	0	0	0	0	0	0	
Anticipated Adjustment-----	0	0	0	0	0	0	0	0	
TOTAL-----	198,872	3,608	346,040	84,626	855,704	1,286,370	613,920	1,900,290	

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

**SUMMER FOOD SERVICE PROGRAM
NUMBER OF SITES, PARTICIPATION AND MEALS SERVED**

FISCAL YEAR 2009

STATE OR TERRITORY	NUMBER OF SITES	PARTICIPATION (JULY) (000)	TOTAL MEALS SERVED (000)
Alabama-----	497	27	1,175
Alaska-----	79	2	210
Arizona-----	211	12	1,282
Arkansas-----	275	17	1,213
California-----	1,464	97	7,788
Colorado-----	191	13	769
Connecticut-----	194	10	575
Delaware-----	351	11	1,048
District of Columbia-----	270	35	1,262
Florida-----	2,635	128	10,403
Georgia-----	1,203	68	3,804
Hawaii-----	144	6	340
Idaho-----	242	23	1,471
Illinois-----	1,297	50	4,115
Indiana-----	942	55	2,604
Iowa-----	200	10	620
Kansas-----	187	17	765
Kentucky-----	1,609	55	2,632
Louisiana-----	341	27	2,880
Maine-----	157	7	388
Maryland-----	1,032	50	2,558
Massachusetts-----	864	51	2,425
Michigan-----	969	61	2,693
Minnesota-----	339	30	1,572
Mississippi-----	263	23	1,547
Missouri-----	549	35	4,152
Montana-----	186	0	384
Nebraska-----	161	8	700
Nevada-----	102	6	536
New Hampshire-----	99	4	288
New Jersey-----	1,020	50	3,059
New Mexico-----	654	43	2,114
New York-----	2,415	436	17,656
North Carolina-----	768	49	2,078
North Dakota-----	34	2	181
Ohio-----	1,514	65	3,611
Oklahoma-----	312	13	1,238
Oregon-----	580	37	1,604
Pennsylvania-----	1,847	97	5,332
Rhode Island-----	145	7	271
South Carolina-----	941	55	2,512
South Dakota-----	50	4	317
Tennessee-----	1,030	29	2,767
Texas-----	2,551	182	13,725
Utah-----	85	17	655
Vermont-----	96	3	179
Virginia-----	1,474	52	3,486
Washington-----	584	41	1,428
West Virginia-----	401	15	772
Wisconsin-----	504	45	1,976
Wyoming-----	49	3	160
American Samoa-----	0	0	0
Guam-----	0	0	0
North Mariana Islands-----	0	0	0
Puerto Rico-----	322	30	5,394
Trust Territory (excluding NMI)-----	0	0	0
Virgin Islands-----	167	7	365
Indian Tribe Set Aside-----	0	0	0
Indian Tribes-----	0	0	0
Freely Associated States-----	0	0	0
DOD Army/AF/USMC/Navy-----	0	0	0
Anticipated adjustment-----	0	0	0
TOTAL-----	34,596	2,219	133,078

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

**SPECIAL MILK PROGRAM
HALF-PINTS OF MILK SERVED**

FISCAL YEAR 2009

STATE OR TERRITORY	AVERAGE SERVED DAILY			TOTAL SERVED FY 2009		
	FREE (000)	PAID (000)	TOTAL (000)	FREE (000)	PAID (000)	TOTAL (000)
Alabama-----	0	1	1	2	221	223
Alaska-----	0	0	0	32	25	58
Arizona-----	0	2	2	58	317	374
Arkansas-----	0	0	0	3	49	52
California-----	1	12	12	191	2,841	3,032
Colorado-----	0	5	5	35	896	930
Connecticut-----	1	9	10	137	1,716	1,852
Delaware-----	0	2	2	0	230	230
District of Columbia-----	0	0	0	0	50	50
Florida-----	0	1	1	2	238	240
Georgia-----	0	1	1	0	181	181
Hawaii-----	0	0	0	0	11	11
Idaho-----	0	5	5	20	1,217	1,237
Illinois-----	14	98	112	2,373	16,269	18,642
Indiana-----	0	6	6	137	1,283	1,420
Iowa-----	0	1	1	8	407	415
Kansas-----	1	3	3	89	516	605
Kentucky-----	0	4	4	15	572	588
Louisiana-----	0	1	1	0	180	180
Maine-----	0	0	0	16	182	198
Maryland-----	0	15	15	7	2,384	2,391
Massachusetts-----	1	8	9	104	2,124	2,229
Michigan-----	1	15	17	229	3,222	3,450
Minnesota-----	0	18	18	4	4,553	4,557
Mississippi-----	0	0	0	0	17	17
Missouri-----	0	18	18	160	2,937	3,098
Montana-----	0	1	1	16	108	124
Nebraska-----	0	1	1	4	261	265
Nevada-----	0	0	0	7	467	474
New Hampshire-----	0	2	3	44	1,096	1,140
New Jersey-----	1	24	25	217	3,903	4,119
New Mexico-----	0	0	0	31	5	36
New York-----	1	22	23	1,587	3,545	5,132
North Carolina-----	0	5	5	85	1,048	1,133
North Dakota-----	0	0	0	3	231	234
Ohio-----	1	17	18	116	3,100	3,216
Oklahoma-----	0	1	1	37	196	233
Oregon-----	0	4	4	40	742	782
Pennsylvania-----	1	12	13	180	3,335	3,515
Rhode Island-----	0	1	1	29	451	480
South Carolina-----	1	0	1	68	0	68
South Dakota-----	0	1	1	9	267	275
Tennessee-----	0	0	0	46	0	46
Texas-----	1	1	1	214	123	337
Utah-----	0	2	2	9	451	459
Vermont-----	0	1	1	12	452	464
Virginia-----	0	10	10	0	1,605	1,605
Washington-----	0	6	6	7	1,412	1,419
West Virginia-----	0	1	1	28	174	202
Wisconsin-----	1	25	25	119	6,494	6,613
Wyoming-----	0	0	0	0	90	90
American Samoa-----	0	0	0	0	0	0
Guam-----	0	0	0	0	0	0
North Mariana Islands-----	0	0	0	0	0	0
Puerto Rico-----	0	0	0	0	0	0
Trust Territory (excluding NMI)-----	0	0	0	0	0	0
Virgin Islands-----	0	0	0	13	0	13
Indian Tribe Set Asi-----	0	0	0	0	0	0
Indian Tribes-----	0	0	0	0	0	0
Freely Associated States-----	0	0	0	0	0	0
DOD Army/AF/USMC/Navy-----	0	0	0	0	0	0
Anticipated Adjustment-----	0	0	0	0	0	0
TOTAL-----	27	361	388	6,542	72,192	78,733

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

SPECIAL MILK PROGRAM
NUMBER OF PARTICIPATING OUTLETS AND OBLIGATIONS BY STATE
FISCAL YEAR 2009

STATE OR TERRITORY	O U T L E T S				OBLIGATIONS ^{1/}
	SCHOOLS	NON-RESIDENTIAL CHILD CARE INSTITUTIONS	SUMMER CAMPS	TOTAL	
Alabama-----	5	1	2	8	\$39,734
Alaska-----	3	0	3	6	10,556
Arizona-----	24	0	0	24	67,316
Arkansas-----	8	0	0	8	9,233
California-----	137	4	35	176	536,185
Colorado-----	52	1	13	66	165,720
Connecticut-----	175	0	12	187	329,900
Delaware-----	8	0	0	8	41,452
District of Columbia-----	1	0	0	1	9,157
Florida-----	2	0	2	4	42,779
Georgia-----	16	0	4	20	32,029
Hawaii-----	2	0	0	2	1,944
Idaho-----	160	47	16	223	218,344
Illinois-----	763	1	16	780	3,368,804
Indiana-----	73	0	27	100	252,244
Iowa-----	52	0	19	71	72,412
Kansas-----	101	0	4	105	108,584
Kentucky-----	9	63	0	72	104,905
Louisiana-----	5	0	0	5	31,802
Maine-----	18	0	12	30	33,600
Maryland-----	7	0	5	12	427,987
Massachusetts-----	118	44	42	204	392,242
Michigan-----	215	0	2	217	611,414
Minnesota-----	424	53	17	494	806,790
Mississippi-----	107	0	1	108	3,110
Missouri-----	158	0	13	171	554,174
Montana-----	31	0	4	35	22,217
Nebraska-----	34	0	7	41	46,806
Nevada-----	7	14	0	21	83,839
New Hampshire-----	54	9	30	93	193,760
New Jersey-----	158	0	9	167	745,758
New Mexico-----	5	0	0	5	6,705
New York-----	241	51	139	431	923,598
North Carolina-----	6	0	14	20	199,206
North Dakota-----	11	0	15	26	40,021
Ohio-----	159	0	37	196	573,029
Oklahoma-----	19	0	1	20	41,625
Oregon-----	43	0	20	63	137,808
Pennsylvania-----	173	38	32	243	613,289
Rhode Island-----	64	7	7	78	82,819
South Carolina-----	3	0	0	3	12,841
South Dakota-----	27	4	3	34	48,122
Tennessee-----	0	2	0	2	8,717
Texas-----	9	1	10	20	61,896
Utah-----	48	0	22	70	81,023
Vermont-----	19	5	3	27	78,657
Virginia-----	78	1	8	87	287,791
Washington-----	42	5	11	58	248,579
West Virginia-----	8	0	12	20	35,942
Wisconsin-----	402	274	63	739	1,172,260
Wyoming-----	1	3	5	9	15,462
American Samoa-----	0	0	0	0	0
Guam-----	0	0	0	0	0
North Mariana Islands-----	0	0	0	0	0
Puerto Rico-----	0	0	0	0	0
Trust Territory (excluding NMI)-----	0	0	0	0	0
Virgin Islands-----	1	0	0	1	2,385
Indian Tribe Set Asi-----	0	0	0	0	0
Indian Tribes-----	0	0	0	0	0
Freely Associated States-----	0	0	0	0	0
DOD Army/AF/USMC/Navy-----	0	0	0	0	0
Anticipated Adjustment-----	0	0	0	0	249,096
TOTAL-----	4,286	628	697	5,611	\$14,285,671

^{1/} Obligations as reported September 30, 2009.

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC):

For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), [~~\$7,252,000,000~~] \$7,603,000,000, to remain

1. available through September 30, [2011] 2012, of which \$125,000,000 shall be placed in reserve, to remain until expended, to be allocated as the Secretary deems necessary, notwithstanding section 17(i) of such Act, to support participation should costs or participation exceed budget estimates: *Provided*, That notwithstanding section 17(g)(5) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)(5)), not more than \$15,000,000 of funds provided in this Act may be used for the purpose of evaluating program performance in the Special Supplemental Nutrition Program for Women, Infants and
2. Children: *Provided further*, [That notwithstanding section 17(h)(10)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(10)(A)),] of the amounts made available under this heading, not less than \$14,000,000 shall be used for infrastructure, not less than \$60,000,000 shall be used for management information systems, and not less than [~~\$80,000,000~~] \$83,000,000 shall be used for breastfeeding peer counselors and other related activities: *Provided further*, That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of such Act: *Provided further*, That none of the funds provided shall be available for activities that are not fully reimbursed by other Federal Government departments or agencies unless authorized by section 17 of such Act.

The first change provides language that restores the contingency fund.

The second change removes reference to an expired provision of the authorizing statute.

FOOD AND NUTRITION SERVICE

LEAD-OFF TABULAR STATEMENT
AND SUMMARY OF INCREASES AND DECREASESSPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND
CHILDREN (WIC) – CURRENT LAW

Appropriations Act, 2010	\$7,252,000,000
Budget Estimate, 2011	<u>7,603,000,000</u>
Increase in Appropriation	<u>+351,000,000</u>

Summary of Increases and Decreases – Current Law
(On basis of appropriation)

Item of Change	2010 Estimated	Program Changes	2011 Estimated
Grants to States for Supplemental Food and Nutrition Services and Admin. Costs	\$7,073,150,000	\$207,850,000	\$7,281,000,000
Infrastructure	13,600,000	0	13,600,000
Technical Assistance	400,000	0	400,000
Breastfeeding Peer Counselors	80,000,000	3,000,000	83,000,000
Management Information Systems	60,000,000	0	60,000,000
Program Evaluation & Monitoring	15,000,000	0	15,000,000
Federal Admin. Oversight & Infrastructure	9,850,000	150,000	10,000,000
Coordination with Other Pograms	0	5,000,000	5,000,000
Breastfeeding Performance Bonus <u>1/</u>	5,000,000	5,000,000	10,000,000
WIC Contingency	0	125,000,000	125,000,000
Adjusted Appropriation	7,257,000,000	346,000,000	7,603,000,000
Breastfeeding Bonus	-5,000,000	5,000,000	0
Total Appropriation	7,252,000,000	351,000,000	7,603,000,000

1/ The \$5 million for Breastfeeding Performance Bonus was provided in Section 749(i) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010. Funds for this activity in FY 2011 are requested as part of the WIC appropriation.

PROJECT STATEMENT
(On basis of appropriation)

Project	2009 Actual	2010 Estimated	SY	Increase or Decrease		2011 Estimated	SY
Grants to States for Supplemental Food and Nutrition Services and Admin. Costs	\$6,706,150,000	\$7,073,150,000		\$207,850,000	(1)	\$7,281,000,000	
Infrastructure Grants	13,600,000	13,600,000		0		13,600,000	
Technical Assistance	400,000	400,000		0		400,000	
Breastfeeding Peer Counselors	14,850,000	80,000,000		3,000,000	(2)	83,000,000	
Management Information Systems	0	60,000,000		0		60,000,000	
Program Evaluation & Monitoring	0	15,000,000		0		15,000,000	
Federal Admin. Oversight	0	9,850,000		150,000	(3)	10,000,000	
Coordination with Other Programs	0	0		5,000,000	(4)	5,000,000	
Breastfeeding Performance Bonus	0	5,000,000		5,000,000	(5)	10,000,000	
WIC Contingency	125,000,000	0		125,000,000	(6)	125,000,000	
ARRA, P.L. 111-5							
WIC Contingency	400,000,000	0		0		0	
WIC MIS	100,000,000	0		0		0	
Subtotal, ARRA	500,000,000	0		0		0	
Total Adjusted Appropriation	7,360,000,000	7,257,000,000	22	346,000,000		7,603,000,000	22
ARRA Funds	-500,000,000	0		0		0	
Breastfeeding Bonus	0	-5,000,000		5,000,000	(5)	0	
Total Appropriation	6,860,000,000	7,252,000,000	22	351,000,000		7,603,000,000	22

PROJECT STATEMENT
(On basis of available funds)

Project	2009 Actual	2010 Estimated	SY	Increase or Decrease	2011 Estimated	SY
Grants to States for Supplemental Food	\$5,099,296,351	\$5,591,785,000		\$130,341,000	\$5,722,126,000	
Nutrition Services and Admin. Costs	1,832,994,174	1,970,509,000		168,011,000	2,138,520,000	
Infrastructure Grants	8,089,594	13,600,000		0	13,600,000	
Technical Assistance	385,478	400,000		0	400,000	
Breastfeeding Peer Counselors	14,940,717	80,000,000		3,000,000	83,000,000	
Management Information Systems	0	60,000,000		0	60,000,000	
Program Evaluation & Monitoring	0	15,000,000		0	15,000,000	
Federal Admin. Oversight	0	9,850,000		150,000	10,000,000	
Coordination with Other Programs	0	0		5,000,000	5,000,000	
Breastfeeding Performance Bonus	0	5,000,000		5,000,000	10,000,000	
ARRA Contingency	38,175,022	0		0	0	
ARRA WIC MIS	34,187,312	65,813,000		-65,813,000	0	
Total Obligations	7,028,068,648	7,811,957,000		245,689,000	8,057,646,000	
Recovery of Prior Year Obligations:						
WIC Program	-208,102,103	-480,698,000		-98,948,000	-579,646,000	
WIC Contingency	0	0		0	0	
WIC ARRA Contingency	0	0		0	0	
Unobligated Balances:						
Available Start of Year						
WIC Program	-21,050,174	-8,446,000		8,446,000	0	
WIC Contingency	0	-125,000,000		0	-125,000,000	
WIC ARRA MIS	0	-65,813,000		65,813,000	0	
WIC ARRA Contingency	0	-361,825,000		361,825,000	0	
Available End of Year						
WIC Program	8,445,963	0		0	0	
WIC Contingency	125,000,000	125,000,000		125,000,000	250,000,000	
WIC ARRA MIS	65,812,688	0		0	0	
WIC ARRA Contingency	361,824,978	0		0	0	
ARRA WIC Contingency Lapse	0	361,825,000		-361,825,000	0	
Total Adjusted Appropriation	7,360,000,000	7,257,000,000	22	346,000,000	7,603,000,000	22
ARRA WIC Funds	-500,000,000	0		0	0	
Breastfeeding Promotion Bonus	0	-5,000,000		5,000,000	0	
Total Appropriation	6,860,000,000	7,252,000,000	22	351,000,000	7,603,000,000	22

Justification of Increases and Decreases

The FY 2011 request for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) reflects an increase of \$351,000,000.

- (1) An increase of \$207,850,000 for WIC Grants to States (\$7,073,150,000 available in FY 2010).

Explanation of Change. The WIC Program will have an expected increase in program costs that will be offset by a larger than expected carryover balance from FY 2010, which will be used to support 10 million program participants. As a result, the WIC Program is expected to be able to fully serve all participants in FY 2011 with the resources requested. The average monthly food cost per person is estimated to increase from \$43.98 in FY 2010 to \$45.59 in FY 2011. The average administrative cost per person is estimated to increase from \$17.29 in FY 2010 to \$17.72 in FY 2011. In addition, the funding provided supports a \$2 increase in the cash value voucher for fruits and vegetables for children.

- (2) An increase of \$3,000,000 for Breastfeeding Peer Counselors (\$80,000,000 available in FY 2010).

Explanation of Change. This change will be used to support and expand breastfeeding peer counselor programs. The use of breastfeeding peer counselors has proven to be an effective method of increasing breastfeeding duration.

- (3) An increase of \$150,000 for Federal Administrative Oversight (\$9,850,000 available in FY 2010).

This change will be used to improve the application process.

- (4) An increase of \$5,000,000 for Coordination with Other Programs.

This funding supports efforts to improve the coordination with other programs as well as modernization of Federal Information Technology Infrastructure.

- (5) An increase of \$10,000,000 for Breastfeeding Performance Bonus.

Explanation of Change. In FY 2011, \$10,000,000 is requested as part of the WIC base appropriation. The funds will provide an increased level for performance bonuses to WIC State agencies for exemplary breastfeeding promotion and support practices at their local agencies and clinics. State agencies that achieve high or improved measurements of breastfeeding infant participation will be recognized. In FY 2010, \$5,000,000 was provided for Breastfeeding Performance Bonuses under Section 749(i)(4)(A) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (general provision), not included in the base appropriation.

An increase of \$125,000,000 for the WIC Contingency Fund.

- (6) Explanation of Change. This funding increase is intended to support participation in the latter half of FY 2011, if needed.

Program Cost and Performance
Summary

Program Performance Data	2009 Actual	2010 Budget	Change	2011 Estimated
Program Expenditures (\$ in millions)				
Grants to States for Supplemental Food	\$4,618.6	\$5,012.1	\$489.9	\$5,502.0
ARRA Contingency Food	38.2	0.0	0.0	0.0
Nutrition Services and Administrative Costs	1,833.0	1,970.5	168.0	2,138.5
ARRA Contingency Admin	0.0	0.0	0.0	0.0
Program Evaluation and Monitoring	0.0	15.0	0.0	15.0
Infrastructure Grants	8.1	13.6	0.0	13.6
Technical Assistance	0.4	0.4	0.0	0.4
Breastfeeding Peer Counselors	14.9	80.0	3.0	83.0
Management Information Systems	0.0	60.0	0.0	60.0
Fed. Admin. Oversight	0.0	9.9	0.1	10.0
Coordination with Other Programs	0.0	0.0	5.0	5.0
Breastfeeding Performance Bonus	0.0	5.0	5.0	10.0
ARRA WIC MIS	34.2	65.8	-65.8	0.0
Total Program Expense <u>a/</u>	6,547.4	7,232.3	605.2	7,837.5
Structural Carryover	480.7	579.6	-359.5	220.1
Total Obligations	7,028.1	7,811.9	245.7	8,057.6
Average Participation Per Month (in millions)	9.119	9.498	0.559	10.057
Average Food Cost Per Person Per Month	\$42.55	\$43.98	\$1.61	\$45.59
Average Admin. Cost Per Person Per Month	16.75	17.29	0.43	17.72
Total Benefit Costs	59.30	61.27	2.04	63.31

a/ Based on projected program level.

Food and Nutrition Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
2009 and Estimated 2010 and 2011

Women, Infants, and Children						
	FY 2009 Amount	Staff Years	FY 2010 Amount	Staff Years	FY 2011 Amount	Staff Years
Alabama	0	0	0	0	0	0
Alaska	0	0	0	0	0	0
Arizona	0	0	0	0	0	0
Arkansas	0	0	0	0	0	0
California	0	0	\$133,936	2	\$133,936	2
Colorado	0	0	124,645	1	124,645	1
Connecticut	0	0	0	0	0	0
Delaware	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	0
Florida	0	0	0	0	0	0
Georgia	0	0	122,021	1	122,021	1
Hawaii	0	0	0	0	0	0
Idaho	0	0	0	0	0	0
Illinois	0	0	126,485	2	126,485	2
Indiana	0	0	0	0	0	0
Iowa	0	0	0	0	0	0
Kansas	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0
Maine	0	0	0	0	0	0
Maryland	0	0	0	0	0	0
Massachusetts	0	0	126,115	1	126,115	1
Michigan	0	0	0	0	0	0
Minnesota	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0
Missouri	0	0	0	0	0	0
Montana	0	0	0	0	0	0
Nebraska	0	0	0	0	0	0
Nevada	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0
New Jersey	0	0	125,451	1	125,451	1
New Mexico	0	0	0	0	0	0
New York	0	0	0	0	0	0
North Carolina	0	0	0	0	0	0
North Dakota	0	0	0	0	0	0
Ohio	0	0	0	0	0	0
Oklahoma	0	0	0	0	0	0
Oregon	0	0	0	0	0	0
Pennsylvania	0	0	0	0	0	0
Rhode Island	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0
Texas	0	0	123,076	1	123,076	1
Utah	0	0	0	0	0	0
Vermont	0	0	0	0	0	0
Virginia	0	0	4,118,271	13	4,118,271	13
Washington	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0
American Samoa	0	0	0	0	0	0
Freely Associated States	0	0	0	0	0	0
Guam	0	0	0	0	0	0
N. Mariana Islands	0	0	0	0	0	0
Puerto Rico	0	0	0	0	0	0
Virgin Islands	0	0	0	0	0	0
Indian Tribes	0	0	0	0	0	0
DOD Army/AF	0	0	0	0	0	0
Undistributed	0	0	0	0	0	0
TOTAL 1/	\$0	0	\$5,000,000	22	\$5,000,000	22

1/ Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

WIC Program

Classification by Objects2009 Actual and Estimated 2010 and 2011

(in thousands of dollars)

	Personnel Compensation:	2009	2010	2011
	Washington D.C.	0	\$870	\$882
	Field	0	1,021	1,035
11	Total personnel compensation	0	1,891	1,917
12	Personnel benefits	0	351	356
13	Benefits for former personnel	0	0	0
	Total personnel compensation and benefits	0	2,242	2,273
	Other Objects:			
21	Travel and transportation of persons	0	126	128
22	Transportation of things	0	2	2
23.1	Rental payments to GSA			
23.2	Rental payments to others			
23.3	Communications, utilities, and misc. charges			
24	Printing and reproduction			
25	Other Services	0	2,065	2,098
25.1	Contractual Services Performed by Other Federal Agencies			
25.2	Related Expenditures			
25.3	Repair, Alteration or Maintenance of Equipment, Furniture or Structures			
25.4	Contractual Services - Other			
25.5	Agreements			
25.6	ADP Services and Supplies			
25.7	Miscellaneous Services			
25.8	Fees			
26	Supplies and materials	0	565	574
31	Equipment			
32	Land and structures			
41	Grants, subsidies and contributions	\$7,028,069	7,806,957	8,052,571
42	Insurance claims and indemnities			
43	Interest and dividends			
45	Special Payments			
92	Undistributed			
	Total other objects	7,028,069	7,809,715	8,055,373
	Total direct obligations	7,028,069	7,811,957	8,057,646

Totals in FY 2009 and FY 2010 include ARRA Funds.

FOOD AND NUTRITION SERVICE

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND CHILDREN (WIC)

SUMMARY OF RECOVERY ACT FUNDING

<u>Program/Project/Activity</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
WIC MIS	\$100,000,000	0	0
WIC Contingency	400,000,000	0	0
Total Appropriation	500,000,000	0	0

PROJECT STATEMENT

(On basis of available funds)

	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
WIC MIS	\$34,187,312	\$65,812,688	-\$65,812,688	0
WIC Contingency	38,175,022	0	0	0
Total Obligation	72,362,334	65,812,688	-65,812,688	0
Unobligated Balance Start of Year	0	-427,637,666	427,637,666	0
Unobligated Balance End of Year	427,637,666	0	0	0
Lapse	0	361,824,978	-361,824,978	0
Total ARRA Appropriation	500,000,000	0	0	0

WIC Management Information Systems - Program Implementation Activities:

Goals and Coordination Efforts:

- Upgrade WIC systems through the transfer of State Agency Model (SAM) systems.
- Advance the use of WIC electronic benefits transfer (EBT) systems in the WIC Program.
- Modernize WIC systems through technology enhancements.
- Provide technical assistance to State agencies as needed.
- Conduct annual users group meetings for SAM and EBT to identify and resolve implementation issues.
- Provide networking opportunities through Federal/State/local technology conferences.

Objectives:

- Replace aging systems using the WIC Functional Requirements Document (FRoD) as a guide for system design and development.
- Promote and fund, to the extent possible, SAM and SAM transfers.
- Require new MIS to support functionality needed to implement EBT.
- Promote the use of technical standards and common business practices.
- Support current EBT projects through statewide implementation and involve additional State agencies in EBT planning activities.

Delivery Schedule:

- Each project will have a timeline for completion. The performance period will vary depending on type of project funded.

FY 2009 Accomplishments:

Of the \$100 million available for technology, just over \$34 million was awarded to 13 State agencies for existing technology projects.

FY 2010 Planned Activities:

The funds to States are being awarded through a competitive grant process. These funds will be used to modernize and upgrade WIC systems through technology enhancements and through the transfer of state-of-the-art, model WIC systems. In addition, funds will be used to advance the goal of WIC EBT implementation nationwide. FNS will provide technical assistance to State agencies as needed, conduct and facilitate users group meetings for the SAM systems and EBT to identify and resolve implementation issues. FNS will provide networking opportunities through Federal/State/local technology conferences. Technology goals will be accomplished by 1) replacing aging systems using the WIC FReD as a guide for system design and development; 2) promotion and funding for SAM and SAM transfers; 3) requiring that new MIS systems support functionality needed to implement EBT; 4) requiring that systems be developed using technical standards and common business practices; and 5) continued support for current EBT projects through Statewide implementation and involvement of additional State agencies in EBT planning activities. Approximately \$1 million will be used for administrative purposes in FY 2010.

WIC Contingency Funds - Program Implementation Activities:Goals and Coordination Efforts:

- To support participation should costs or participation exceed budget estimates.

Objectives:

- To serve all eligible persons seeking WIC services.

Delivery Schedule:

- Quarterly allocations, as needed.

Performance Measures:

- Average monthly WIC participation.

FY 2009 Accomplishments:

The ARRA provided the WIC Program with \$400 million to support WIC participation should costs or participation exceed budget estimates. Of this amount, FNS allocated just over \$38 million in April 2009 to 14 WIC State agencies to cover food costs.

FY 2010 Planned Activities:

There are currently no plans to obligate the remaining WIC ARRA Contingency funds.

ARRA WIC Grants

State	FY 2009			FY 2010		
	Contingency	MIS	Total	Contingency	MIS	Total
Alabama	0	0	0	0	\$218,513	\$218,513
Alaska	0	0	0	0	2,487,150	2,487,150
Arizona	0	0	0	0	2,952,662	2,952,662
Arkansas	0	\$400,433	\$400,433	0	0	0
California	0	0	0	0	3,706,515	3,706,515
Colorado	0	1,022,022	1,022,022	0	444,066	444,066
Connecticut	\$1,362,164	0	1,362,164	0	391,270	391,270
Delaware	0	0	0	0	5,250,000	5,250,000
District of Columbia	370,164	0	370,164	0	582,421	582,421
Florida	0	0	0	0	3,874,445	3,874,445
Georgia	6,745,880	0	6,745,880	0	0	0
Hawaii	0	0	0	0	250,000	250,000
Idaho	0	0	0	0	2,556,978	2,556,978
Illinois	421,431	0	421,431	0	6,127,567	6,127,567
Kansas	0	0	0	0	3,784,300	3,784,300
Kentucky	0	2,582,070	2,582,070	0	0	0
Louisiana	1,638,740	0	1,638,740	0	576,302	576,302
Maine	0	1,484,356	1,484,356	0	0	0
Maryland	2,669,550	0	2,669,550	0	0	0
Massachusetts	0	0	0	0	909,000	909,000
Minnesota	1,348,995	0	1,348,995	0	2,935,346	2,935,346
Mississippi	3,286,846	0	3,286,846	0	0	0
Missouri	0	1,630,769	1,630,769	0	300,000	300,000
Montana	0	426,000	426,000	0	294,999	294,999
N. Carolina	0	17,276,448	17,276,448	0	0	0
Nebraska	0	0	0	0	182,700	182,700
Nevada	0	1,500,000	1,500,000	0	0	0
New Jersey	1,673,810	0	1,673,810	0	1,349,414	1,349,414
New Mexico	546,044	1,045,000	1,591,044	0	1,861,490	1,861,490
New York	5,468,978	0	5,468,978	0	8,224,337	8,224,337
North Dakota	0	0	0	0	68,975	68,975
Oklahoma	0	4,406,430	4,406,430	0	0	0
Oregon	0	0	0	0	391,650	391,650
Pennsylvania	0	0	0	0	1,218,431	1,218,431
Puerto Rico	10,482,184	0	10,482,184	0	421,250	421,250
Rhode Island	0	0	0	0	147,488	147,488
S. Carolina	1,322,291	0	1,322,291	0	0	0
South Dakota	0	0	0	0	1,907,672	1,907,672
Tennessee	0	0	0	0	481,720	481,720
Texas	0	950,000	950,000	0	9,827,925	9,827,925
Utah	0	0	0	0	206,000	206,000
Vermont	0	0	0	0	410,215	410,215
Virginia	0	585,822	585,822	0	0	0
Washington	837,945	0	837,945	0	0	0
Wisconsin	0	122,438	122,438	0	401,800	401,800
Wyoming	0	644,035	644,035	0	0	0
Undistributed		111,489	111,489		1,070,087	1,070,087
Total	38,175,022	34,187,312	72,362,334	0	65,812,688	65,812,688

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND CHILDREN (WIC)

STATUS OF PROGRAM

Program Mission

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) provides nutritious supplemental foods, nutrition education, and health care referrals at no cost to low-income pregnant, postpartum, and breast-feeding women, to infants, and to children up to their fifth birthday, who are determined by health professionals to be at nutritional risk. "Low-income" is defined as at or below 185 percent of poverty. For the period of July 1, 2009, to June 30, 2010, this represents \$40,793 for a family of four. WIC also promotes breastfeeding as the feeding method of choice for infants, provides drug abuse education, promotes immunization, and other aspects of healthy living..

FNS makes funds available to participating State health agencies and ITOs that in turn distribute the funds to participating local agencies. State and local agencies use WIC funds to pay the costs of specified supplemental foods provided to WIC participants and to pay specified nutrition services and administration (NSA) costs, including the cost of nutrition assessments, blood tests for anemia, nutrition education, breastfeeding promotion, and health care referrals.

Facts in Brief

Selected Characteristics of WIC Participants

WIC Participants	April 1998	April 2000	April 2002	April 2004	April 2006	April 2008
Infants	25.5%	26.3%	25.7%	25.7%	25.9%	25.5%
Children	51.2%	49.6%	50.1%	49.8%	48.9%	49.5%
Women	23.3%	24.1%	24.1%	24.5%	25.1%	25.0%
Under 18 Years Old	9.1%	8.0%	6.8%	6.3%	6.2%	6.1%
Breastfeeding	4.8%	5.3%	5.7%	6.0%	6.7%	6.9%
Black	22.9%	21.9%	20.2%	20.0%	19.6%	19.6%
Hispanic	32.3%	35.3%	38.1%	39.2%	41.2%	42.1%
White	39.2%	37.4%	35.9%	34.8%	55.3%	60.3%
On SNAP (Food Stamps)	26.6%	19.6%	17.5%	19.8%	21.8%	22.6%
On Medicaid	48.3%	49.5%	54.3%	61.1%	63.2%	62.0%
On TANF	17.0%	12.1%	9.6%	9.4%	9.3%	6.5%
Poverty Status:						
0-50%	28.1%	26.5%	26.5%	28.6%	29.3%	29.6%
51-100%	28.7%	29.1%	27.4%	28.6%	30.5%	31.2%
101-130%	12.5%	13.7%	13.4%	13.1%	13.4%	13.4%
131-150%	6.1%	7.1%	6.7%	6.2%	6.4%	6.1%
151-185%	6.6%	8.4%	8.2%	7.7%	7.6%	7.4%
Mean Income (whole \$)	\$12,479	\$13,819	\$14,550	\$14,758	\$15,577	\$16,535
Mean Household Size (persons)	3.9	4.0	4.0	4.0	4.0	4.1
One Person Households	2.1%	1.8%	1.5%	1.3%	1.3%	1.2%
Enrollment in 1 st Trimester	46.6%	47.7%	48.4%	50.7%	51.2%	50.6%
Enrollment in 2 nd Trimester	37.8%	39.0%	39.8%	38.4%	37.9%	37.4%

Source: WIC Participant and Program Characteristics reports 1998-2008

Note: The 2006 WIC Participant and Program Characteristics Report was the first to contain data on race and ethnicity applying the new data collection procedures required by the Office of Management and Budget (OMB). Because the 2006 race/ethnicity categories differ significantly from previous reports, explicit comparison across years is not possible.

Program Participation and Costs

Average Monthly Participation (In Thousands)	2004	2005	2006	2007	2008	2009
Women	1,931.7	1,966.2	2,023.3	2,093.3	2,153.2	2,181.8
Infants	2,015.2	2,047.1	2,076.2	2,165.6	2,222.5	2,223.3
Children <5	3,957.5	4,009.2	3,988.5	4,026.4	4,328.8	4,714.3
Total	7,904.4	8,022.6	8,088.0	8,285.2	8,704.5	9,119.4
Change from Prior Year	3.6%	1.5%	0.8%	2.4%	5.1%	4.8%
Food Cost Total (Million \$)	\$3,562	\$3,603	\$3,598	\$3,880	\$4,534	\$4,657
Avg./Person/Month	\$37.54	\$37.42	\$37.08	\$39.03	\$43.41	\$42.55
Change in Per Person Food Cost	6.6%	-0.3%	-0.9%	5.3%	11.2%	-0.3%
Per Person Per Month Total (Food/Admin.) Cost	\$50.99	\$51.30	\$51.52	\$53.91	\$58.81	\$59.30

Source: Program Information Report, September 2008. Actual totals may be received in future reporting periods.

Reauthorization of the WIC Program

In anticipation of the reauthorization of the WIC Program in 2009, FNS held a series of listening sessions around the country to help clarify the needs and concerns of program cooperators, participants, and partners at the State and local levels. FNS also published a Federal Register notice to solicit comments from individuals who were not able to attend the listening session. All of the programs authorized under the Child Nutrition Act, including WIC, were extended for one year (until September 30, 2010), through a provision in the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Act for 2010 (Public Law 111-80).

Nutrition Education: An Important Benefit

Nutrition education is integral to the success of the WIC Program and is an important part of the WIC benefit package. The statute requires that 1/6th of the amounts States spend for nutrition service and education must go for nutrition education and breastfeeding promotion. Nutrition education is conducted through individual or group sessions and through the provision of materials designed to achieve a positive change in dietary and physical activity habits and improve health status. Participants are also counseled on the importance of WIC foods in preventing and overcoming specific risk conditions identified during certification activities. Special emphasis is given to appropriate infant feeding and to breastfeeding support and promotion. In FY 2009, FNS published a revised Infant Nutrition and Feeding Guide, which is the reference handbook for WIC and Commodity Supplemental Food Program staff who provide nutrition education to parents and caretakers of infants. Program regulations require States to offer at least two nutrition education contacts for each participant during each certification period, and to promote breastfeeding to all pregnant women unless contraindicated.

FNS is working in cooperation with the Food and Nutrition Information Center, which is located at the National Agricultural Library, to expand availability of nutrition services tools for WIC State and local agency staff through the WIC Works Resource System, located on the USDA Web site at <http://www.nal.usda.gov/wicworks>. Features of the WIC Works Resource System include: (1) WIC-Talk, an online discussion forum; (2) WIC Sharing Center, where State-developed materials can be downloaded; (3) WIC Learning Center, where WIC staff can improve their nutrition services skills; (4) WIC databases for educational materials and information about WIC formulas; and (5) WIC Learning Online, a Web-based course for staff development and continuing education. The WIC Works Resource System received over 3.6 million hits in FY 2009.

Breastfeeding Promotion Efforts

The WIC Program promotes breastfeeding as the best form of nutrition for infants through the provision of support and encouragement to new mothers and through nutrition education during pregnancy. In addition, to encourage breastfeeding, WIC mothers who decide to breastfeed receive a more substantial food package

and are eligible to receive WIC for a longer period of time than non-breastfeeding postpartum women. The number of participating postpartum women determines the minimum amount of WIC NSA funding, States are required to dedicate toward breastfeeding promotion and support. In FY 2003, FNS began the development of “Using *Loving Support* to Implement Best Practices in Peer Counseling,” a project designed to prepare staff within the WIC Program to implement and expand breastfeeding peer counseling programs. This project serves as a guide for local programs in designing, building and sustaining peer counseling programs. The goal of the project is to equip WIC Programs with the tools necessary to implement and manage a research-based peer counseling model that is effective and feasible.

In FY 2008, State agencies spent \$116.5 million for breastfeeding promotion and support. During FY 2009, \$14.9 million was allocated among all WIC State agencies to continue States’ implementation of an effective and comprehensive peer counseling program and/or to expand an existing program. State agencies are now implementing plans that institutionalize peer counseling as a core service in WIC. For FY 2010, the allocation for State agencies to build upon and expand breastfeeding peer counseling efforts was increased to \$80 million. In addition, FNS developed the competency-based breastfeeding training curriculum, “Using *Loving Support* to Grow and Glow in WIC: Breastfeeding Training for Local WIC Staff” and provided training in a “train-the-trainer” format for key WIC State agency staff in each FNS region in FY 2009. The project ensures all local agency WIC staff are equipped with the necessary skills to successfully promote and support breastfeeding among WIC participants.

FNS continues to partner with other member organizations to sponsor the bi-annual meetings of the Breastfeeding Promotion Consortium (BPC). The mission of the BPC is to be a forum for the Federal Government and breastfeeding advocacy groups to promote, protect and support breastfeeding. The BPC comprises over 30 organizations, including professional and public health associations, government agencies and breastfeeding advocacy groups. Meetings are held in conjunction with the meetings of the United States Breastfeeding Committee, which FNS attends as the government liaison.

WIC Food Package

On December 6, 2007, the Department published an interim final rule revising the WIC food packages. The revisions align the WIC food packages with the 2005 *Dietary Guidelines for Americans* and infant feeding practice guidelines of the American Academy of Pediatrics. State agencies were required to implement the provisions contained in the interim rule no later than October 1, 2009. Only one State agency failed to meet this deadline and has been placed under a corrective action plan requiring implementation by December 1, 2009. The interim final rule comment period ends on February 1, 2010 and USDA will issue a final rule after review and analysis of public comments.

FNS provided extensive guidance and technical assistance to assist WIC State agencies in implementing the new WIC food packages. FNS provided training for WIC staff at FNS Regional Office meetings, and worked with the National WIC Association to train staff during conferences and national State-wide conference calls. FNS developed frequently asked questions to assist State agencies throughout the implementation period, and created guidance and conducted trainings related to new breastfeeding provisions of the interim rule.

Cost Containment Initiatives

In an effort to use food grants more efficiently, all geographic WIC State agencies and most ITOs have implemented cost containment strategies, including competitive bidding, rebates, least cost brands and use of economically-priced package sizes. Savings generated by such actions are used by State agencies and ITOs to provide benefits to more participants within the same total budget. Due to the success of cost saving measures, average per person WIC food costs have grown much more slowly than general food inflation over the last 19 years. The average monthly food cost has increased by approximately 45 percent since FY 1990, while general food inflation, as measured by the TFP, has increased by 74 percent.

The most successful strategy has been competitively bid infant formula rebate contracts between State agencies and infant formula manufacturers. In addition, 20 State agencies, including State agencies that are parties in four multi-State contracts, have rebate contracts for infant foods (juice, cereal, vegetable, fruit, and meat). In FY 2009, State-reported rebate savings was \$1.9 billion. Approximately sixty percent (29) of the geographic State agencies (excluding Mississippi and Vermont) received a 90 to 95 percent discount on the wholesale cost of infant formula. Most of the remaining geographic State agencies (16) received discounts ranging from 82 to 89 percent and three received discounts ranging from 70 to 79 percent. Four geographic State agencies implemented contracts for FY 2009 with discounts ranging from 85 to 91 percent, with a median discount of 91 percent. To date, six geographic State agencies awarded contracts for FY 2010 with discounts ranging from 90 to 93 percent with a median discount of 91.5 percent. FNS continues to closely monitor infant formula rebates.

The Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265) required State agencies to establish cost containment systems to ensure that the WIC Program pays competitive prices for WIC foods. The law also contains provisions regarding vendors that derive more than 50 percent of their annual food sales from WIC redemptions, and further requires that State agencies ensure that use of such vendors does not result in higher food costs than if participants used regular vendors (average payments to above-50-percent vendors cannot be higher than average payments to regular vendors). FNS published an interim final rule on November 29, 2005, implementing the new provisions. By law, State agencies were required to implement the rule provisions by December 30, 2005. FNS published a final rule to complete the implementation of these provisions of the law on October 8, 2009 (74 FR 51745). FNS continued to provide training and technical assistance to assist States in implementing their vendor cost containment systems throughout FY 2009.

State Agency Model (SAM) Project

The SAM Project is an initiative to develop model WIC MIS through multiple State agency consortia. It also includes the transfer of these models to other WIC State agencies in order to eliminate systems development duplication and streamline the MIS procurement process. The SAM Project is consistent with FNS' five-year technology plan to improve WIC system functionality through the replacement of automated legacy systems.

FY 2009 was the sixth year in which FNS awarded grant funds to the three consortia. The consortia are: Successful Partners in Reaching Innovative Technology (SPIRIT), comprised of 13 ITOs in New Mexico and Oklahoma; the Mountain Plains State Consortia, comprised of three State agencies (Colorado, Wyoming and Utah); and Crossroads, comprised of four State agencies in the Mid-Atlantic and Southeast regions (Virginia, West Virginia, North Carolina and Alabama). Development of the first model system, SPIRIT, was completed in FY 2007 and enhanced in FY 2008 and FY 2009. With the completion of the SPIRIT model, FNS provided funding to the first transfer State agencies in FY 2007 (Arkansas, Missouri and Montana) and one additional State agency (Maine) in FY 2008. In FY 2009, two additional State agencies (Alaska and Minnesota) received funding to transfer the SPIRIT system.

Electronic Benefit Transfer (EBT)

Upgrading WIC management information systems (MIS) is a priority for the WIC Program. State-of-the-art, robust systems are needed to support EBT implementation. To achieve this, FNS is supporting the development of State Agency Model (SAM) systems and the transfer of those systems to State agencies in need of a new MIS. The implementation of SAM system provides the technology infrastructure needed to support EBT. Concurrently, FNS is promoting EBT in State agencies that can support it, with the goal of nationwide EBT implementation. In FY 2009, \$100 million in Recovery Act funds were appropriated to the WIC program, of that amount, approximately \$34 million was awarded to 41 State agencies for WIC SAM and EBT projects as well as for other technology improvements.

EBT systems hold the potential to enhance benefit delivery and improve accountability of food benefits and vendor payment systems. FNS is working with, and providing funds to, individual State agencies on initiatives to plan, develop and implement WIC EBT systems. Since FY 1995, FNS has provided approximately \$50 million in for EBT project development. To date, five WIC State agencies (Wyoming; Texas; New Mexico; Isleta, NM; and Cherokee, OK) have successfully implemented EBT projects using smartcard technology. These State agencies are operating EBT systems Statewide or, in the case of Isleta and Cherokee, throughout the jurisdiction of the tribal organization.

In addition to the smartcard pilot projects, FNS continues to support online technology, which has proven successful in the WIC Program. The Michigan and Nevada WIC Programs have successfully implemented EBT using magnetic stripe cards with existing retailer equipment in an online real time capacity and now operate EBT Statewide. Two other State WIC Programs (Kentucky and Chickasaw Nation) are developing on-line systems as well. Data collected from these projects will be evaluated to help determine the future of WIC EBT technologies.

In FY 2009, FNS awarded Recovery Act funds to nine States (Alabama, Colorado, Delaware, the District of Columbia, Illinois, Missouri, Montana, Oregon, and Pennsylvania) to conduct EBT planning activities. In addition, Wisconsin received funds to augment planning activities that began in FY 2008. Virginia also received funds for their EBT initiative, which has evolved into a joint planning project with West Virginia. Fourteen State agencies have been funded to date for EBT planning purposes.

Value Enhanced Nutrition Assessment (VENA)

In 1999, FNS contracted with the IOM Food and Nutrition Board to review the assessment of dietary risk. The VENA initiative is a response to the resulting IOM Report, *Dietary Risk Assessment in the WIC Program*, published in 2002, which determined that traditional dietary assessment protocols do not identify nutritional inadequacies for individuals with sufficient precision to target enhanced services. VENA Policy and Guidance (developed with the assistance of a joint workgroup of FNS and National WIC Association representatives) was sent to all WIC State agencies in February 2006 to assist State agencies in implementing VENA by the target date of FY 2010. The Guidance identifies nutrition assessment staff competencies and methods to enhance the delivery of individualized nutrition education and counseling. As of FY 2010, all WIC State agencies have implemented VENA. State agencies will provide ongoing training to local agency staffs to ensure compliance with VENA. In addition, online training modules related to VENA competencies are available through the WIC Learning Online System and the WIC Works Resource System; these modules can be accessed directly by State and local WIC agency staff at their own convenience, as needed.

RECOVERY ACT FUNDING

In FY 2009, the WIC Program received a total of \$500 million in American Recovery and Reinvestment Act (ARRA) funds. Of this amount, \$400 million was provided to support WIC participation, and approximately \$100 million was provided to establish, improve, or administer WIC management information systems to include changes necessary to meet new legislative or regulatory requirements.

WIC Management Information Systems: Of the \$100 million available for technology, just over \$34 million was awarded to 13 State agencies for existing technology projects. Approximately \$1 million will be used for administrative purposes in FY 2010. The remaining funds, approximately \$65 million, will be awarded in the first quarter of FY 2010. The funds to States are being awarded through a competitive grant process. These funds will be used to modernize and upgrade WIC systems through technology enhancements and through the transfer of state-of-the-art, model WIC systems. In addition, funds will be used to advance the goal of WIC EBT implementation nationwide. FNS will provide technical assistance to State agencies as needed, conduct and facilitate users group meetings for the SAM systems and EBT to identify and resolve implementation issues. FNS will provide networking opportunities through Federal/State/local technology conferences. Technology goals will be accomplished by 1) replacing aging systems using the WIC Functional Requirements Document (FRd) as a guide for system design and development; 2) promotion

and funding for SAM and SAM transfers; 3) requiring that new MIS systems support functionality needed to implement EBT; 4) requiring that systems be developed using technical standards and common business practices; and 5) continued support for current EBT projects through statewide implementation and involvement of additional State agencies in EBT planning activities.

WIC Contingency Funds: The ARRA provided the WIC Program with \$400 million to support WIC participation should costs or participation exceed budget estimates. Of this amount, FNS allocated \$38 million in April 2009 to 14 WIC State agencies to cover food costs.

WIC Special Project Grants – Revitalizing Quality Nutrition Services in the WIC Program

In FY 2009, FNS provided grant awards to States as part of FNS’ Revitalizing Quality Nutrition Services in WIC (RQNS) initiative, whose goal is to improve and strengthen the effectiveness of WIC nutrition services. In FY 2009, FNS awarded a full grant to the State agencies of Vermont and Washington, and a concept paper development grant to the State agency of Washington. The \$586,000 grant awarded to Vermont focuses on developing, implementing, and evaluating innovative strategies to use the new breastfeeding food packages to increase breastfeeding rates among WIC participants. Washington’s \$479,000 grant will use the new WIC fruit and vegetable benefit to establish sustainable partnerships with local food systems groups and bring new resources and innovative ideas to WIC nutrition services. Washington was also awarded a grant of \$20,000 for one year to identify barriers to services, best practices, and culturally appropriate service models to improve WIC participation and health outcomes for eligible Native American tribal members.

State	Award
<i>Full Grants</i>	
Vermont	\$586,000
Washington	\$479,000
<i>Concept Paper</i>	
Washington	\$20,000

WIC Studies and Evaluations

The following study reports were released by FNS in FY 2009 and may be found on the FNS Web site at <http://www.fns.usda.gov/ora>.

Dynamics of WIC Program Participation By Infants and Children 2001 to 2003 – April 2009: This report provides information on the participation patterns of infants and children who were enrolled in WIC from FY 2001 through FY 2003. Information on the dynamics of WIC participation leads to a better understanding of overall trends in the WIC caseload and the factors that affect participation.

WIC Eligibles and Coverage - 1994 to 2007: Estimates of the Population of Women, Infants, and Children Eligible for WIC Benefits – September 2009: This report offers updated estimates of the population that met these criteria and was eligible for WIC benefits in each of the years 1994 through 2007. The estimates are based on a methodology developed in 2003 by the Committee on National Statistics of the National Research Council, refined for this report, to better reflect actual breastfeeding practice and reported cessation among postpartum women.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM (WIC)

PARTICIPATION AND PROGRAM FINANCING

FISCAL YEAR 2009

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION				PROGRAM GRANT 2/ (\$000)
	WOMEN	INFANTS	CHILDREN	TOTAL	
Alabama-----	33,620	37,981	69,209	140,810	\$119,439
Alaska-----	6,184	6,246	13,383	25,813	25,450
Arizona 1/-----	49,969	53,096	105,782	208,846	162,169
Arkansas-----	24,846	26,119	43,131	94,096	72,497
California-----	338,467	314,956	785,518	1,438,941	1,097,495
Colorado 1/-----	25,969	27,095	54,865	107,930	73,984
Connecticut-----	13,232	15,660	31,263	60,155	50,471
Delaware-----	5,017	6,326	12,648	23,991	17,123
District of Columbia-----	4,691	5,071	7,702	17,464	17,457
Florida-----	126,767	124,416	254,361	505,544	378,536
Georgia-----	78,960	79,515	165,195	323,670	271,014
Hawaii-----	8,774	8,813	18,734	36,320	35,704
Idaho-----	10,620	10,519	25,037	46,175	32,546
Illinois-----	74,182	85,693	149,995	309,870	233,769
Indiana-----	41,814	44,625	83,668	170,107	123,548
Iowa-----	17,367	17,547	40,731	75,645	54,742
Kansas-----	18,320	19,386	39,283	76,989	50,037
Kentucky-----	31,557	34,088	75,702	141,346	112,655
Louisiana-----	37,290	41,735	69,650	148,675	125,173
Maine 1/-----	5,962	5,850	14,844	26,656	19,598
Maryland-----	36,620	36,974	72,796	146,390	102,419
Massachusetts-----	30,922	29,146	68,096	128,164	94,153
Michigan-----	54,716	59,187	128,585	242,488	189,146
Minnesota-----	32,601	31,675	77,310	141,586	108,236
Mississippi 1/-----	23,526	32,984	54,968	111,478	99,298
Missouri-----	37,737	40,679	71,840	150,256	100,086
Montana-----	4,972	5,300	10,359	20,631	16,081
Nebraska 1/-----	10,686	10,990	23,909	45,585	33,917
Nevada 1/-----	17,025	16,931	33,873	67,829	44,056
New Hampshire-----	4,213	4,508	9,641	18,362	13,988
New Jersey-----	39,688	42,158	87,100	168,945	127,936
New Mexico 1/-----	15,724	16,750	37,684	70,157	51,550
New York 1/-----	129,611	125,394	263,645	518,649	429,944
North Carolina 1/-----	64,721	68,155	141,403	274,279	218,123
North Dakota 1/-----	3,285	3,505	7,787	14,578	13,401
Ohio-----	69,706	78,387	155,558	303,651	209,747
Oklahoma 1/-----	31,180	32,406	66,478	130,064	104,047
Oregon-----	27,404	24,990	60,854	113,248	80,474
Pennsylvania-----	58,137	63,090	139,646	260,873	206,418
Rhode Island-----	5,622	5,960	14,090	25,672	20,627
South Carolina-----	35,029	37,548	62,176	134,753	104,221
South Dakota 1/-----	5,014	5,757	12,204	22,975	17,853
Tennessee-----	44,635	47,853	82,344	174,832	135,101
Texas-----	244,307	242,889	505,258	992,454	624,153
Utah-----	18,829	18,347	35,359	72,535	46,722
Vermont-----	3,551	3,290	10,655	17,496	14,446
Virginia-----	41,744	39,611	78,795	160,150	114,429
Washington-----	46,542	42,823	103,969	193,334	144,716
West Virginia-----	12,534	12,493	28,032	53,060	41,989
Wisconsin-----	29,770	30,430	67,674	127,874	90,344
Wyoming 1/-----	3,398	3,344	6,595	13,338	10,004
American Samoa-----	1,419	1,204	4,448	7,071	8,199
Guam-----	1,518	1,734	4,022	7,274	10,109
North Mariana Island-----	916	837	2,469	4,221	4,831
Puerto Rico-----	39,457	39,910	120,845	200,212	253,613
Trust Territory (excluding NMI)-----					
Virgin Islands-----	1,430	1,330	3,108	5,868	8,264
Indian Tribe Set Asi-----					
Indian Tribes-----					
Freely Associated States-----					
DOD Army/AF/USMC/Navy-----					
Undistributed-----					4,420
TOTAL-----	2,181,796	2,223,304	4,714,274	9,119,374	\$6,970,466

1/ Includes Indian Agencies.

2/ Excludes \$385,478 for WIC technical assistance, \$8,089,594 for WIC infrastructure grants, \$14,940,717 for Breastfeeding Peer Counselors, and \$34,187,312 in ARRA funds for MIS. Totals may not add due to rounding.

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Supplemental Nutrition Assistance Program:

For necessary expenses to carry out the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), [~~\$58,278,181,000~~] \$68,206,790,000, of which [~~\$3,000,000,000~~] \$5,000,000,000, to remain available through September 30, [2011] 2012, shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided*, That funds provided herein shall be expended in accordance with section 16 of the Food and Nutrition Act of 2008: *Provided further*, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further*, That funds made available for Employment and Training under this heading shall remain available until expended, notwithstanding section 16(h)(1) of the Food and Nutrition Act of 2008: *Provided further*, That funds made available under this heading may be used to enter into contracts and employ staff to conduct studies, evaluations, or to conduct activities related to program integrity provided that such activities are authorized by the Food and Nutrition Act of 2008.

1. For making after May 31 of the current fiscal year, benefit payments to individuals and payments to States or other non-Federal entities for the necessary current year expenses of carrying out the Food and Nutrition Act above the anticipated level, such sums as may be necessary.
2. [Sec. 1001. There are hereby appropriated such sums as may be necessary, for an additional amount for ``Food and Nutrition Service--Supplemental Nutrition Assistance Program" for necessary current year expenses to carry out the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.): *Provided*, That such amount shall be used only in such amounts and at such times as may become necessary to carry out program operations: *Provided further*, That amounts so appropriated are designated as emergency requirements and necessary to meet emergency needs pursuant to sections 403 and 423(b) of S. Con. Res. 13 (111th Congress), the concurrent resolution on the budget for fiscal year 2010.]
 [Sec. 1002. (a) In General.--For the costs of State administrative expenses associated with administering the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), there are hereby appropriated \$400,000,000, which shall remain available until September 30, 2011.]
 [(b) Allocation of Funds.--Funds described in subsection (a) shall be made available as grants to State agencies as follows--]
 [(1) 75 percent of the amounts available shall be allocated to States based on the share of each State of households that participate in the supplemental nutrition assistance program as reported to the Department of Agriculture for the most recent 12-month period for which data are available, adjusted by the Secretary (as of the date of enactment) for participation in disaster programs under section 5(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(h));]
 [(2) 25 percent of the amounts available shall be allocated to States based on the increase in the number of households that participate in the supplemental nutrition assistance program as reported to the Department of Agriculture over the most recent 12-month period for which data are available, adjusted by the Secretary (as of the date of enactment) for participation in disaster programs under section 5(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(h)); and]
 [(3) Not later than 60 days after the date of enactment of this Act, the Secretary shall make available to States amounts based on paragraphs (1) and (2) of this subparagraph.]
 [(c) Reallocation of Funds.--Funds unobligated at the State level in fiscal year 2010 may be recovered and reallocated to the States in fiscal year 2011.]
 [(d) Emergency Designation.--Amounts in this section are designated as emergency requirements and necessary to meet emergency needs pursuant to sections 403 and 423(b) of S. Con. Res. 13 (111th Congress), the concurrent resolution on the budget for fiscal year 2010.]

The first change provides indefinite funding authority for carrying out the Food and Nutrition Act above the anticipated level of program benefits and other non-Federal expenses.

The second change deletes unnecessary language from the Department of Defense Appropriations Act, 2010 (P.L. 111-118) that is superseded by the language added in the first change.

FOOD AND NUTRITION SERVICE
LEAD-OFF TABULAR STATEMENT
AND SUMMARY OF INCREASES AND DECREASES

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) – CURRENT LAW

Appropriations Act, 2010 a/	\$58,278,181,000
Budget Estimate, 2011 a/	68,206,790,000
Increase in Appropriation	<u>+9,928,609,000</u>

Adjustments in 2010:

Appropriations Act, 2010	\$58,278,181,000
DOD Supplemental	<u>+400,000,000</u>

Adjusted base for 2010	\$58,678,181,000
Budget Estimate, Current Law, 2011	68,206,790,000
Increase over adjusted 2010	<u>+9,528,609,000</u>

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) – PROPOSED LEGISLATION

Budget Estimate, Current Law, 2011 a/	\$68,206,790,000
Change due to proposed legislation	<u>462,000,000</u>
Net Request, President's 2011 Budget Request	<u>+68,668,790,000</u>

a/ Excludes \$10,459,789,000 in FY 2010 and \$11,935,785,000 in FY 2011 provided by the ARRA.

Summary of Increases and Decreases – Current Law
(On basis of adjusted appropriation)

Item of Change	2010 Estimated	Pay Costs	Program Changes	2011 Estimated
Benefit Costs	\$49,623,934,000	0	\$7,570,377,000	\$57,194,311,000
ARRA -- Benefits	10,054,551,000	0	1,615,476,000	11,670,027,000
Contingency Reserve	3,000,000,000	0	2,000,000,000	5,000,000,000
Administrative Costs:				
State Administrative Costs	3,043,000,000	0	341,000,000	3,384,000,000
State Administrative Costs 100%	400,000,000	0	-400,000,000	0
ARRA -- Administrative Costs	150,000,000	0	-150,000,000	0
Employment and Training	380,902,000	0	7,044,000	387,946,000
Other Program Costs	94,036,000	\$169,000	24,778,000	118,983,000
Total Administrative Costs	4,067,938,000	169,000	-177,178,000	3,890,929,000
Nutrition Assistance for Puerto Rico	1,746,351,000	0	-10,478,000	1,735,873,000
ARRA -- NAP	254,217,000	0	10,478,000	264,695,000
Food Distribution Program on Indian Reservations	112,797,000	0	-2,739,000	110,058,000
TEFAP Commodities	248,000,000	0	-1,500,000	246,500,000
American Samoa	7,013,000	0	-42,000	6,971,000
ARRA -- American Samoa Benefits	1,021,000	0	42,000	1,063,000
Commonwealth of the Northern Mariana Islands	12,148,000	0	0	12,148,000
Community Food Project	5,000,000	0	0	5,000,000
Program Access	5,000,000	0	0	5,000,000
Total Adjusted Appropriation	69,137,970,000	169,000	11,004,436,000	80,142,575,000
SAE 100% DOD Supplemental	-400,000,000	0	400,000,000	0
ARRA Funding	-10,459,789,000	0	-1,475,996,000	-11,935,785,000
Total Appropriation	58,278,181,000	169,000	9,928,440,000	68,206,790,000

PROJECT STATEMENT
(On basis of adjusted appropriation)

Project	2009		2010		Increase or Decrease	2011	
	Actual	SY	Actual	SY		Estimated	SY
Benefits:	\$45,599,291,000		\$49,623,934,000		\$7,570,377,000	(1)	\$57,194,311,000
ARRA -- Benefits	4,803,560,000		10,054,551,000		1,615,476,000		11,670,027,000
Administrative Costs	2,750,000,000		3,043,000,000		341,000,000	(2)	3,384,000,000
Administrative Costs 100%	0		400,000,000		-400,000,000		0
ARRA -- Administrative Costs	145,000,000		150,000,000		-150,000,000		0
Employment and Training:							
Federal Funds 100%	110,000,000		110,000,000		0		110,000,000
Federal Funds 50%	195,037,000		200,108,000		5,203,000		205,311,000
Participant Costs 50%	57,235,000		70,794,000		1,841,000		72,635,000
Subtotal, Employment and Training	362,272,000		380,902,000		7,044,000	(3)	387,946,000
Other Program Costs:							
Mandatory:							
Benefit & Retailer Redemption and Monitoring	17,344,000		19,396,000		9,555,000	(4a)	28,951,000
Certification of SSI Recipients for SNAP	10,654,000		10,686,000		3,299,000	(4b)	13,985,000
Subtotal, Mandatory	27,998,000		30,082,000		12,854,000		42,936,000
Discretionary:							
Payment Accuracy and Cooperative Services	8,056,000		8,163,000		62,000		8,225,000
Retailer Integrity and Trafficking	8,084,000		8,128,000		23,000		8,151,000
Computer Support	7,474,000		7,474,000		0		7,474,000
Electronic Benefit Transfer Systems	5,498,000		5,587,000		4,054,000		9,641,000
Nutrition Education and Program Information	14,506,000		12,526,000		18,530,000		31,056,000
Program Evaluation and Modernization	11,500,000		11,500,000		0		11,500,000
Increase Seniors Participation	0		10,576,000		-10,576,000		0
Subtotal, Discretionary	55,118,000		63,954,000		12,093,000	(4c)	76,047,000
Total, Other Program Costs	83,116,000	104	94,036,000	116	24,947,000	(4)	118,983,000
Total, Administrative Costs	3,340,388,000	104	4,067,938,000	116	-177,009,000		3,890,929,000
Contingency Reserve	3,000,000,000		3,000,000,000		2,000,000,000		5,000,000,000
Subtotal, Supplemental Nutrition Assistance Program	56,743,239,000	104	66,746,423,000	116	11,008,844,000		77,755,267,000
Nutrition Assistance for Puerto Rico	1,760,435,000		1,746,351,000		-10,478,000	(5)	1,735,873,000
ARRA -- Benefits NAP	240,133,000		254,217,000		10,478,000		264,695,000
Food Distribution Program on Indian Reservations:							
USDA Foods in lieu of SNAP	78,896,000		75,878,000		-2,960,000		72,918,000
Distributing Agencies Expenses and Nut. Ed.	36,018,000		36,919,000		221,000		37,140,000
ARRA -- Equipment	5,000,000		0		0		0
Subtotal, FDPIR	119,914,000		112,797,000		-2,739,000	(6)	110,058,000
TEFAP Commodities	250,000,000		248,000,000		-1,500,000	(7)	246,500,000
American Samoa	7,070,000		7,013,000		-42,000	(8)	6,971,000
ARRA -- American Samoa Benefits	964,000		1,021,000		42,000		1,063,000
Commonwealth of the Northern Mariana Islands	12,148,000		12,148,000		0		12,148,000
Community Food Project	5,000,000		5,000,000		0		5,000,000
Health and Nutrition Pilot Projects	20,000,000		0		0		0
Program Access	5,000,000		5,000,000		0		5,000,000
Total Adjusted Appropriation	59,163,903,000	104	69,137,970,000	116	11,004,605,000		80,142,575,000
SAE 100% DOD Supplemental	0		-400,000,000		400,000,000		0
ARRA Funding	-5,194,657,000		-10,459,789,000		-1,475,996,000		-11,935,785,000
Total Appropriation	53,969,246,000	104	58,278,181,000	116	9,928,609,000		68,206,790,000
Proposed Legislation 1/	0		0		462,000,000		462,000,000
Total Available or Estimated	53,969,246,000	104	58,278,181,000	116	10,390,609,000		68,668,790,000

Note: Excludes \$1,000,000 in permanent appropriated no year funds for FY 2009 for a study on comparable access to supplemental nutrition assistance benefits in Puerto Rico. Funding provided by Section 4142 the Food, Conservation, and Energy Act of 2008, P.L. 110-246.

1/ Of this amount, \$426 million is provided through a government-wide initiative funded by a general government fund.

PROJECT STATEMENT
(On basis of available funds)

Project	2009		2010		Increase or Decrease	2011	
	Actual	SY	Estimated	SY		Estimated	SY
Benefits:	\$45,961,048,101		\$54,137,513,000		\$3,111,798,000	\$57,249,311,000	
ARRA -- Benefits	4,333,248,756		10,524,862,000		1,145,165,000	11,670,027,000	
Administrative Costs	2,914,044,720		3,295,000,000		89,000,000	3,384,000,000	
Administrative Costs 100%	0		400,000,000		-400,000,000	0	
ARRA -- Administrative Costs	144,997,380		150,000,000		-150,000,000	0	
Employment and Training:							
Federal Funds 100%	112,120,760		114,500,000		0	114,500,000	
Federal Funds 50%	190,614,723		200,108,000		5,203,000	205,311,000	
Participant Costs 50%	64,556,948		70,794,000		1,841,000	72,635,000	
Subtotal, Employment and Training	367,292,431		385,402,000		7,044,000	392,446,000	
Other Program Costs:							
Mandatory							
Benefit & Retailer Redemption and Monitoring	17,279,073		19,396,000		9,555,000	28,951,000	
Certification of SSI Recipients for SNAP	10,654,000		10,686,000		3,299,000	13,985,000	
Subtotal, Mandatory	27,933,073		30,082,000		12,854,000	42,936,000	
Discretionary:							
Payment Accuracy and Cooperative Services	7,821,272		8,163,000		62,000	8,225,000	
Retailer Integrity and Trafficking	8,007,614		8,128,000		23,000	8,151,000	
Computer Support	7,420,977		7,474,000		0	7,474,000	
Electronic Benefit Transfer Systems	5,456,158		5,587,000		4,054,000	9,641,000	
Nutrition Education and Program Information	14,428,027		12,526,000		18,530,000	31,056,000	
Program Evaluation and Modernization	10,804,074		11,500,000		0	11,500,000	
Increase Senior Participation	0		10,576,000		-10,576,000	0	
Subtotal, Discretionary	53,938,122		63,954,000		12,093,000	76,047,000	
Total, Other Program Costs	81,871,195	104	94,036,000	116	24,947,000	118,983,000	116
Total, Administrative Costs	3,508,205,726	104	4,324,438,000	116	-429,009,000	3,895,429,000	116
Subtotal, Supplemental Nutrition Assistance Program	53,802,502,583	104	68,986,813,000	116	3,827,954,000	72,814,767,000	116
Nutrition Assistance for Puerto Rico	1,760,435,000		1,746,351,000		-10,478,000	1,735,873,000	
ARRA -- Benefits NAP	240,133,000		254,217,000		10,478,000	264,695,000	
Food Distribution Program on Indian Reservations:							
USDA Foods in Lieu of SNAP	78,894,805		75,878,000		-2,960,000	72,918,000	
Distributing Agencies Expenses and Nut. Ed.	35,971,071		36,919,000		221,000	37,140,000	
ARRA -- Equipment	3,712,435		1,288,000		-1,288,000	0	
Subtotal, FDIPIR	118,578,311		114,085,000		-4,027,000	110,058,000	
TEFAP USDA Foods 1/	249,999,990		248,000,000		-1,500,000	246,500,000	
American Samoa	5,218,601		7,013,000		-42,000	6,971,000	
ARRA -- American Samoa Benefits	964,000		1,021,000		42,000	1,063,000	
Commonwealth of the Northern Mariana Islands	12,148,000		12,148,000		0	12,148,000	
Community Food Project	9,983,709		5,000,000		0	5,000,000	
Health and Nutrition Pilot Projects	115,282		19,885,000		-19,885,000	0	
Program Access	4,761,831		5,000,000		0	5,000,000	
Total Obligations	56,204,840,307	104	71,399,533,000	116	3,802,542,000	75,202,075,000	116
Recoveries	-11,622,825		0		0	0	
Unobligated Balance Start of Year	-2,788,931,940		-3,063,133,000		1,745,964,000	-1,317,169,000	
ARRA Unobligated Balance Start of Year	0		-471,601,000		471,601,000	0	
Unobligated Balance End of Year	3,063,132,452		1,317,169,000		3,706,079,000	5,023,248,000	
ARRA Unobligated Balance End of Year	471,601,429		0		0	0	
Balance Lapsing	1,770,092,947		0		1,289,421,000	1,289,421,000	
ARRA Balance Lapsing	0		2,000		-2,000	0	
Transfer to CNP	500,000,000		0		0	0	
Rescission Employment & Training Funds 2/	0		11,000,000		-11,000,000	0	
Collections from E&T 100% obligations	-567,634		0		0	0	
Collections from Reimbursable Obligations	-39,641,736		-55,000,000		0	-55,000,000	
Total Adjusted Appropriation	59,168,903,000	104	69,137,970,000	116	11,004,605,000	80,142,575,000	116
SAE 100% DOD Supplemental	0		-400,000,000		400,000,000	0	
Transfer Community Food Project	-5,000,000		0		0	0	
ARRA Community	-5,194,657,000		-10,459,789,000		-1,475,996,000	-11,935,785,000	
Total Appropriation	53,969,246,000	104	58,278,181,000	116	9,928,609,000	68,206,790,000	116
Proposed Legislation 3/	0		0		462,000,000	462,000,000	
Total Available or Estimate	53,969,246,000	104	58,278,181,000	116	10,390,609,000	68,668,790,000	116

Note: Excludes \$1,000,000 in permanent appropriated no year funds for FY 2009 for a study on comparable access to supplemental nutrition assistance benefits in Puerto Rico. Funding provided by Section 4142 the Food, Conservation, and Energy Act of 2008, P.L. 110-246.

- 1/ Up to 10 percent of the funding provided for The Emergency Food Assistance Program (TEFAP) for the procurement of commodities is permitted to be used for TEFAP administrative costs.
- 2/ Appropriated Employment & Training funds are adjusted in FY 2010 to reflect a rescission of \$11,000,000 in unobligated funding pursuant to Title VII, Section 742 of P.L. 111-80.
- 3/ Of this amount, \$426 million is provided through a government-wide initiative funded by a general government fund.

Justification of Increases and Decreases

The FY 2011 request for SNAP reflects an increase of \$9,928,609,000. Justification does not include changes resulting from ARRA adjustments.

- (1) An increase of \$7,570,377,000 for Benefit Costs (\$49,623,934,000 available in FY 2010).

Explanation of Change. In FY 2011, overall participation is estimated to increase to an average level of 43.26 million participants per month due to changes in unemployment and general economic conditions resulting from the recent recession. In addition to the increase in appropriations above, additional funding is being provided to maintain the maximum allotment at \$668 per month for a four-person household as provided for in the ARRA. With this additional funding, the average benefits per person per month are estimated to be at about \$132.76 in FY 2011.

A comparison of key program performance and cost indicators for FY 2009 through 2011 is presented below:

Program Performance Cost Indicators			
Program Performance Indicators	2009 Estimate	2010 Estimate	2011 Estimate
Average participation per month (000)	33,722	40,538	43,260
Average unemployment rate (percent)	8.4	10.1	9.5
Thrifty Food Plan (TFP) 1/	\$583.40	\$580.10	\$588.40
Maximum Allotment (4 person hh) based on the TFP	\$583.00	\$580.00	\$588.00
Maximum Allotment (4 person hh) – beginning April 1, 2009	\$668.00	\$668.00	\$668.00
Overall average benefit per person per month including 13.6 percent ARRA increase above the TFP (P.L. 111-5)	\$124.45	\$132.93	\$132.76

1/ TFP estimates for FY 2010 and FY 2011 are based on the economic assumptions provided by OMB for the 2011 President's Budget.

Because SNAP statute and regulations require complex individual and household calculations to determine eligibility and benefit levels, erroneous or false information can result in the overpayment or underpayment of benefits. Some households may intentionally or inadvertently misreport their circumstances that affect eligibility and benefits (e.g., income, resources, household composition); other households may fail to report changes in their circumstances. Eligibility workers may fail to act promptly on reported changes, may fail to correctly apply Federal policies, and may make arithmetic errors. FNS works with States to keep all of these errors to a minimum. FNS activities include sponsoring National, regional, and State conferences; providing direct technical assistance to individual States; and facilitating the exchange of effective payment accuracy strategies among States.

The actual total error rate for FY 2008 decreased to 5.01 from a level of 5.64 in FY 2007. Previous to FY 2007, the rate fell each year since FY 1998, when the rate was 10.69 percent. A comparison of reported overpayment/underpayment error rates for FY 2007 and FY 2008 and estimated erroneous benefits through FY 2011 follows:

	2007 Actual	2008 Actual	2009 Target	2010 Target	2011 Target
Amount of Overpayments (\$ millions)	\$1,389	\$1,871	\$2,012	\$2,586	\$2,757
Overpayment Error Rate (percent)	4.58	4.01	4.0	4.0	4.0
Amount of Underpayments (\$ millions)	\$321	\$456	\$503	\$647	\$689
Underpayment Error Rate (percent)	1.06	1.00	1.0	1.0	1.0
Total Benefits Over/Under Issued in Error (\$ millions)	\$1,710	\$2,327	\$2,515	\$3,233	\$3,446
Total Error Rate (percent) ^{1/}	5.64	5.01	5.0	5.0	5.0
Amount of Combined Errors Offset (\$ millions)	\$1,068	\$1,415	\$1,509	\$1,940	\$2,068

^{1/} These targets may be adjusted in consideration of program growth, state budget constraints, and other related factors.

- (2) An increase of \$341,000,000 for State Administrative Expenses (SAE) (\$3,043,000,000 available in FY 2010).

Explanation of Change. The FY 2011 estimate of \$3,384,000,000 for SAE is based on estimated State obligations of \$3.295 billion in FY 2010. FY 2010 State obligations are estimated by multiplying a historical obligation rate by total SAE budgets requested by states for FY 2010. The offset for SNAP obligations, which is funded from Temporary Assistance for Needy Families (TANF) and mandated in the Agriculture Research Act, is added and new performance bonus payments are deducted. The resulting FY 2010 base of \$3.444 billion is inflated by the State and local purchase deflator through FY 2011, the TANF offset is deducted and the estimated new performance bonus payments are added to estimate the SAE in FY 2011.

- (3) An increase of \$7,044,000 for Employment and Training (\$380,902,000 available in FY 2010).

Explanation of Change. The estimated increase is based on the following items: In FY 2011 50 percent State administrative costs increase to \$205,311,000, due to inflation (\$200,108,000 available in FY 2010). The 50 percent participants' dependent care and transportation costs increase to \$72,635,000 in FY 2011 due to inflation (\$70,794,000 available in FY 2010). The total estimated need for these two activities is \$277,946,000.

- (4) An increase of \$24,947,000 for other program costs as shown below (\$94,036,000 available in FY 2010.)

Other Program Costs			
	Mandatory	Discretionary	Total Request
FY 2010 Estimate	\$30,082,000	\$63,954,000	\$94,036,000
Change	12,854,000	12,093,000	24,947,000
Total Request, FY 2011	42,936,000	76,047,000	118,983,000

The overall increase consists of the following:

Mandatory:

- (a) Benefit & Retailer Redemption and Monitoring:

Explanation of Change. The increase consists of the following:

- An inflationary adjustment resulted in an increase of \$155,000.
- An increase of \$9,400,000 to maintain benefit and retailer redemption and monitoring. This increase will support the non-discretionary transition of the critical Account Management Agent (AMA), which supports the transaction of all SNAP benefits, from an antiquated mainframe

environment to a client/server infrastructure. This will improve system reliability and security and will support modernization of the ALERT fraud detection system (\$19,396,000 available in FY 2010). For more information, please refer to page 30-52.

(b) Certification of Supplemental Security Income (SSI) Recipients for SNAP:

Explanation of Change. An increase of \$3,299,000 adjusts for the significant increase in the average SNAP participants since FY 2009. These funds are used for certifying SSI recipients for supplemental nutrition assistance and utilizing Social Security Administration (SSA) data to ensure accurate SNAP benefit determinations (\$10,686,000 available in FY 2010).

Discretionary:

(c) An increase of \$12,093,000 for Discretionary Other Program Costs (\$63,954,000 available in FY 2010).

Explanation of Change. The increase consists of the following:

- An increase of \$169,000 for salaries and benefit pay cost.
- An increase of \$4,000,000 in funding to provide point of sale terminals to all Farmers' Markets nationally that are not currently participating in SNAP to assist in the redemption of SNAP benefits. For more information, please refer to page 30-53.
- An increase of \$6,000,000 for Healthy Incentives Pilot (HIP). For more information, please refer to page 30-54.
- An increase of \$12,500,000 for Community networks to encourage healthy eating. For more information, please refer to page 30-55.
- A decrease of 10,576,000 for Seniors Participation. In FY 2010, funding was provided to test innovative strategies to reduce participation barriers among seniors by using Social Security Administration (SSA) data.

Discretionary -- Other Program Costs	Pay Costs	Pay Related	Other Changes	Total
Payment Accuracy and Cooperative Services	\$62,000	0	0	\$62,000
Retailer Integrity and Trafficking	23,000	0	0	23,000
Computer Support	0	0	0	0
Electronic Benefit Transfer Systems	54,000	0	\$4,000,000	4,054,000
Nutrition Education and Program Information	30,000	0	18,500,000	18,530,000
Program Evaluation and Modernization	0	0	0	0
Increase Seniors Participation	0	0	-10,576,000	-10,576,000
Total	169,000	0	11,924,000	12,093,000

(5) A decrease of \$10,478,000 for Nutrition Assistance for Puerto Rico (\$1,746,351,000 available in FY 2010).

Explanation of Change. The Farm Security and Rural Investment Act of 2002 (P.L. 107-171), provides for an inflationary adjustment for Nutrition Assistance for Puerto Rico based on the percent change in the TFP. In addition to the decrease in the appropriation above, additional funding is being provided to maintain a level of funding that is 13.6 percent above the June 2008 TFP as provided for in the ARRA.

(6) A decrease of \$2,739,000 for Food Distribution Program for Indian Reservations (FDPIR) (\$112,797,000 available in FY 2010).

Explanation of Change. The decrease consists of the following:

- A decrease of \$2,960,000 in funding for procurement of commodities resulting from a higher FY 2011 beginning commodity inventory level when compared to 2010 and an increase in the cost of commodities in FY 2011 (\$75,878,000 available for procurement of USDA foods in FY 2010); and

- An increase of \$221,000 for inflation in administrative expenses for ITOs (\$36,919,000 available for distributing agency expenses in FY 2010).

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS

Program Performance Data	2009 Actual	2010 Estimate	Difference	2011 Estimate
Resources (\$000):				
Appropriation <u>1/</u>	\$114,914	\$112,797	-\$2,739	\$110,058
Beginning Inventory (Federal and Local)	13,594	29,590	2,788	32,378
Total Resources	128,508	142,387	49	142,436
Program Demand:				
Average Monthly Participation	95,369	100,137	0	100,137
Average Monthly Food Packages:				
FNS Purchased	\$54.54	\$60.42	\$0.48	\$60.90
Free Substitute	2.85	1.50	0.01	1.51
Total Monthly Food Package	57.39	61.92	0.49	62.41
Demand: (\$000)				
FDPIR USDA Food Costs <u>2/</u>	62,417	72,603	577	73,180
USDA Foods Purchases Admin.	483	487	4	491
Special Purchase of Bison	0	0	0	0
Demand, USDA Foods	62,900	73,090	581	73,671
State Administration	35,971	36,919	221	37,140
Total Demand	98,871	110,009	802	110,811
Use of Resources:				
Program Demand	98,871	110,009	802	110,811
Inventory Change	15,995	2,788	-3,541	-753
Lapsed Funds	48	0	0	0
Total Funds Available	114,914	112,797	-2,739	110,058
Balance End of Year:				
Ending Inventory	29,590	32,378	-753	31,625
Purchases	78,895	75,878	-2,960	72,918

1/ FY 2009 excludes \$5 million provided by the Recovery Act for equipment.

2/ Inventory costs include additional storage and transportation costs for USDA foods moving from Federal inventories.

- (7) A decrease of \$1,500,000 for The Emergency Food Assistance Program (TEFAP) (\$248,000,000 available in FY 2010).

Explanation of Change. The Food, Conservation, and Energy Act of 2008 (P.L. 110-246), provides for changes in the amount of funding available for the procurement of USDA foods to be distributed through TEFAP, based on the percent change in the TFP. Up to 10 percent of the total available is permitted to be used for TEFAP administrative costs.

- (8) A decrease of \$42,000 for American Samoa (\$7,013,000 available in FY 2010).

Explanation of Change. The Food, Conservation, and Energy Act of 2008 (P.L. 110-246), provides for changes in the amount of funding available for the supplemental nutrition assistance grant program in American Samoa based on the percent change in the TFP. In addition to the appropriation above, additional funding is being provided to maintain a level of funding that is 13.6 percent above the June 2008 TFP as provided for in the ARRA.

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2011
CURRENT LAW**

- Program:** Supplemental Nutrition Assistance Program – Account Management Agent (AMA) Migration
- Proposal:** FNS requests funding to migrate AMA from mainframe platform to upgraded platform and support modernization of the ALERT fraud detection system
- Rationale:** AMA was developed and is maintained by the Federal Reserve Bank (FRB) Richmond at the request of FNS as a front-end for the United States Treasury's Automated Standard Application for Payments (ASAP) system. AMA's purpose is to manage the ASAP SNAP accounts for FNS in support of its EBT process which utilizes electronic debit cards to deliver SNAP benefits. The debit cards carry a SNAP benefits balance reduced by the amount of purchases when a transaction is conducted at the food retailer. The retailer is subsequently reimbursed by the state's EBT processor.

AMA was implemented in 1996 as a mainframe application with only two State project accounts. The application was converted into a Web application in 2005 and now services 54 State project accounts. In 2009, AMA processed approximately \$50.4 billion in SNAP issuances. ASAP provides the source from which the State EBT processor obtains the funds to reimburse retailers. AMA provides the means by which the processor enters SNAP obligations (AMA issuances) to fund the ASAP account (ASAP authorizations) from which the processor obtains the disbursements (ASAP payments). AMA is critical to EBT operations.

AMA mainframe databases, shared with ASAP, reside in the Federal Reserve Information Technology (FRIT) environment at CC1 Federal Reserve East Rutherford Operations Center (EROC). AMA updates the shared databases with account and issuance/authorization transactions. AMA also accesses ASAP payment data in the shared databases for reporting and reconciliation purposes.

A study performed by FRIT concluded that the mainframe was no longer viable and costs for support will increase significantly if applications remain on the mainframe due to fewer applications sharing the costs. Additional risks include a lack of resources, subject matter experts who are knowledgeable of the mainframe environment, and software products and languages used by AMA to keep the mainframe in operation over the long term.

Treasury is planning to move ASAP to another platform in 2011. The ASAP migration of the mainframe will require AMA's interface with ASAP to be redesigned. Without migrating AMA to the upgraded ASAP platform, there is a significant risk that AMA will not run with the new platform, leaving AMA's functionality vulnerable, since ASAP and AMA share some of the same data tables. In addition, Treasury Web Application Infrastructure may no longer support non-treasury applications. Consequently, AMA will eventually need to move its front-end processing to a new platform anyway to ensure the SNAP issuance process is not interrupted. If migrated later, it will likely be at a greater cost.

- Goal:** USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals.

Budget Impact:
(\$ in millions)

	FY 2011
Mandatory Budget Authority	\$9.4

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2011
CURRENT LAW**

- Program:** Supplemental Nutrition Assistance Program – 100 Percent Funding for Farmers' Market Electronic Benefit Transfer (EBT) Terminals
- Proposal:** FNS requests funding to provide point of sale terminals to all Farmers' Markets nationally that are not currently participating in SNAP
- Rationale:** There are approximately 4,700 farmers' markets operating across the Nation. At the end of 2008 only 753 markets were authorized to accept SNAP benefits. Of those, approximately 715 were performing electronic transactions. The rest participated by using manual vouchers exclusively. We estimate that 3,985 markets do not have electronic equipment.

It is an FNS priority to ensure that SNAP participants have access to the healthy foods offered at farmers' markets. Increasing access at farmers' markets will not only promote healthy eating practices, but will support the local farmer within the surrounding community. A variety of reasons why farmers' markets do not participate in SNAP exist, but by far, the primary reason involves cost of the equipment. Per law, all authorized SNAP retailers must be afforded the opportunity to participate in the EBT system at no cost. While standard EBT equipment, which requires access to electricity and a phone line, is available at no cost to retailers, there is no requirement that States must provide wireless devices free of charge. Unfortunately, most farmers' markets do not have access to phones or electricity at the market location and most State agencies cannot afford to provide wireless terminals to farmers' markets. Current regulations provide these vendors with manual vouchers. However, this process is cumbersome and risky if the retailer is unable to call for voucher authorization at the time of purchase. Accomplishing this priority will require additional funding to equip markets with EBT technology.

FNS has determined that the most efficient way to equip markets for SNAP is to provide one wireless terminal per market, which can be used to purchase tokens that can be accepted by any market vendor for SNAP-eligible items. These terminals would also be able to accept credit and debit cards. In order to equip all markets to handle SNAP transactions, at least 3,373 additional terminals would be needed.

- Goal:** USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals.

Budget Impact:
(\$ in millions)

	FY 2011
Budget Authority	\$4.0

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2011
CURRENT LAW**

Program: Supplemental Nutrition Assistance Program

Proposal: Enhanced Healthy Incentives Pilot (HIP) Test

Rationale: FNS is preparing to implement and evaluate a pilot project, authorized and funded at \$20 million by the 2008 Farm Bill, to test the impact of a financial reward triggered by the purchase of fruits and vegetables on the overall amount of those foods consumed by SNAP households. Under the pilot, buying targeted fruit or vegetable products using SNAP benefits will result in participants earning additional purchasing power, which will be added to the participants SNAP benefit amount. For example, if a HIP participant uses SNAP benefits to purchase \$10 of target fruits and vegetables, that participant will earn an incentive payment of \$3.

Whereas the test of a financial incentive is the question posed by the authorizing legislation, some have argued that incentives alone may not have the desired effect unless accompanied by a program of nutrition education and promotion. The proposed funding would allow the agency to add a group of SNAP participants in the pilot community that receive both the financial incentive and nutrition education and compare their dietary intakes to those of persons receiving just the incentive. This additional information and analysis would show whether or not adding education to the incentive has a greater impact than the incentive alone.

Solicitations for a pilot demonstration site and for the project evaluation were released in December 2009. FNS will competitively select the pilot demonstration site by August 2010. This will be followed by the planning, testing and training phase in preparation for the 15 month full-scale operation of the pilot from December 2011 through February 2013.

Goal: USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals.

Budget Impact:
(\$ in millions)

	FY 2011
Budget Authority	\$6.0

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2011
CURRENT LAW**

Program: Supplemental Nutrition Assistance Program

Proposal: Community Networks to Encourage Healthy Eating

Rationale: This pilot project, authorized but not funded by the 2008 Farm Bill, will test the impact of a community-wide approach that targets large numbers through multiple means of communication and influence to raise the general awareness of healthy eating, shift social norms, create more opportunities to make healthy food choices, and reward such choices when made. It offers a potentially effective alternative to strategies that offer occasional health messages delivered through select communication channels. In an environment where calorie dense foods are widely available and promoted with substantial advertising budgets, changing food choices through these more limited strategies offer a relatively modest chance for success.

The proposed test will assess the cost-effectiveness of incorporating multiple spheres of influence involving local policy, institutional (e.g., school, retailer) practices, community communications and interpersonal education to change eating behavior among SNAP participants. This project will be implemented through competitively awarded grants to one or more State SNAP agencies and their local community partners, along with an independent evaluation contract.

Goal: USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals.

Budget Impact:
(\$ in millions)

	FY 2011
Budget Authority	\$12.5

FOOD AND NUTRITION SERVICE

Summary of Increases and Decreases – Proposed Legislation
(On basis of appropriation)

Item of Change	Fiscal Year 2011		
	Current Law	Program Change	Budget Request
Benefits	\$57,194,311,000	\$462,000,000	\$57,656,311,000
Contingency Reserve	5,000,000,000	0	5,000,000,000
Administrative Costs:			
State Administrative Costs	3,384,000,000	0	3,384,000,000
Employment and Training	387,946,000	0	387,946,000
Other Program Costs	118,983,000	0	118,983,000
Subtotal, Administrative Costs	3,890,929,000	0	3,890,929,000
Nutrition Assistance for Puerto Rico	1,735,873,000	0	1,735,873,000
Food Distribution Program on Indian Reservations	110,058,000	0	110,058,000
TEFAP Commodities	246,500,000	0	246,500,000
American Samoa	6,971,000	0	6,971,000
Commonwealth of the Northern Mariana Islands	12,148,000	0	12,148,000
Community Food Project	5,000,000	0	5,000,000
Program Access	5,000,000	0	5,000,000
Total Available	68,206,790,000	462,000,000	68,668,790,000

Explanation of Proposed Legislation: The increase consists of the following:

- An increase of \$25 million in FY 2011 to extend the ARRA provision that eliminates the time limits for Able-Bodied Adults without Dependents (ABAWDs) for an additional fiscal year. ARRA reversed section 6(o) of the Food and Nutrition Act of 2008, which restricts ABAWDs from receiving SNAP benefits for more than 3 months every 3 years. The ARRA provisions on ABAWDs are set to expire at the end of Fiscal Year 2010. For more information, please refer to page 30-57.
- An increase of \$91,000,000 over 10 years to exclude refundable tax credits from countable income and assets in the month of receipt and for the following 12 months beginning tax year 2009 for both applicants and beneficiaries. SNAP currently excludes EITC from income eligibility and benefit determination. This policy is part of a broader initiative to exclude all refundable tax credits from income and assets across all federally funded means-tested programs. For more information, please refer to page 30-58.
- An increase of \$9,393,000,000 over 10 years to increase the asset limit to \$10,000 in SNAP. In general, SNAP levels are currently set at \$3,000 for households with elderly or disabled members; \$2,000 for households without elderly or disabled members. This policy is part of a broader initiative to establish a common asset limit across all federally funded programs for certain populations. For more information, please refer to page 30-59.

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2011
PROPOSED LEGISLATION**

- Program:** Supplemental Nutrition Assistance Program (SNAP)
- Proposal:** FNS proposes to extend the ARRA provision that eliminates the time limits for Able-Bodied Adults without Dependents (ABAWDs) for an additional fiscal year. ARRA reversed section 6(o) of the Food and Nutrition Act of 2008, which restricts ABAWDs from receiving SNAP benefits for more than 3 months every 3 years. The ARRA provisions on ABAWDs are set to expire at the end of FY 2010.
- Rationale:** Extending ARRA's ABAWD provision would improve ABAWDs' access to nutritious food because they will not be subject to time restraints. The extension would also improve the administration of the program by reducing waiver workload. With high levels of unemployment, large areas of the country would qualify for geographic ABAWD waivers. Reinstating ABAWD policy would require the States to apply for waivers, and FNS to approve those waivers, using valuable resources that are best used on administering the program during this time of caseload growth. Since FNS expects many States to qualify for geographic ABAWD waivers, extending ARRA's ABAWD provision will not significantly change the implementation of the program. States would continue to have the ability to disqualify ABAWDs from SNAP if they fail to comply with an Employment and Training Program.
- Goal:** USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals.

Budget Impact:

(\$ in millions)

	FY 2011
Mandatory Budget Authority	\$25.0

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2011
PROPOSED LEGISLATION**

- Program:** Supplemental Nutrition Assistance Program (SNAP)
- Proposal:** Exclude all refundable tax credits in the month of receipt and for the following 12 months beginning in tax year 2009 for all federally funded means-tested programs.
- Rationale:** This proposal, which directly impacts SNAP, will exclude lump sum tax credits, including the Earned Income, Child, American Opportunity, and Make Work Pay, for 12 months following the month of receipt. This policy will prevent beneficiaries from experiencing a disruption in eligibility and benefits in the wake of new and refundable tax credits. It also simplifies administration of the program by creating a common rule for refundable tax credits.
- Goal:** USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals.

Budget Impact:

(\$ in millions)

	FY 2011
Mandatory Budget Authority	\$11.0

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2011
PROPOSED LEGISLATION**

Program: Supplemental Nutrition Assistance Program (SNAP)

Proposal: Establish a national asset limit floor of \$10,000.

Rationale: Current asset rules across a variety of programs are antiquated, inconsistent, and present obstacles for low-income individuals who aspire to achieve self-sufficiency. This proposal establishes a national asset limit floor across human services, food, and cash assistance programs for working-age individuals and families. For certain programs that serve beneficiaries other than working populations, such as SNAP, the asset limit floor will apply to all program beneficiaries.

As a government-wide policy, this will apply to all federally funded means-tested programs, regardless of whether benefits are administered at the State or Federal level. The goal is to streamline eligibility, decrease confusion for families receiving benefits from multiple programs, and allow families to save toward self-sufficiency.

Goal: USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals.

Budget Impact

(\$ in millions):

	FY 2011
Mandatory Budget Authority	\$426.0

Food and Nutrition Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
2009 and Estimated 2010 and 2011

Supplemental Nutrition Assistance Program						
	FY 2009 Amount	Staff Years	FY 2010 Amount	Staff Years	FY 2011 Amount	Staff Years
Alabama	0	0	0	0	0	0
Alaska	0	0	0	0	0	0
Arizona	\$27,299	0	\$28,031	0	\$29,056	0
Arkansas	40,949	0	42,046	0	43,584	0
California	6,468,041	12	6,784,188	13	6,810,779	13
Colorado	983,204	6	1,013,834	6	1,044,281	6
Connecticut	0	0	0	0	0	0
Delaware	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	0
Florida	2,326,237	3	2,445,703	3	2,446,534	3
Georgia	1,640,853	5	1,713,387	5	1,731,751	5
Hawaii	419,041	3	430,270	3	446,013	3
Idaho	0	0	0	0	0	0
Illinois	941,819	7	967,055	7	1,002,440	7
Indiana	136,496	1	140,153	1	145,281	1
Iowa	136,496	1	140,153	1	145,281	1
Kansas	136,496	1	140,153	1	145,281	1
Kentucky	0	0	0	0	0	0
Louisiana	1,133,089	1	1,192,018	2	1,191,305	2
Maine	1,231,366	2	1,292,928	2	1,295,908	2
Maryland	1,163,118	2	1,222,851	2	1,223,267	2
Massachusetts	737,512	4	761,559	4	782,775	4
Michigan	0	0	0	0	0	0
Minnesota	1,094,871	1	1,152,775	1	1,150,626	1
Mississippi	0	0	0	0	0	0
Missouri	1,094,871	1	1,152,775	1	1,150,626	1
Montana	0	0	0	0	0	0
Nebraska	136,496	1	140,153	1	145,281	1
Nevada	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0
New Jersey	4,103,585	9	4,299,242	10	4,323,566	10
New Mexico	0	0	0	0	0	0
New York	177,444	1	182,199	1	188,865	1
North Carolina	2,189,741	2	2,305,550	2	2,301,253	2
North Dakota	0	0	0	0	0	0
Ohio	1,094,871	1	1,152,775	1	1,150,626	1
Oklahoma	0	0	0	0	0	0
Oregon	96,912	1	99,509	1	103,150	1
Pennsylvania	0	0	0	0	0	0
Rhode Island	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0
South Dakota	136,496	1	140,153	1	145,281	1
Tennessee	2,189,741	2	2,305,550	2	2,301,253	2
Texas	1,913,844	7	1,993,692	7	2,022,313	7
Utah	0	0	0	0	0	0
Vermont	0	0	0	0	0	0
Virginia	30,327,918	28	31,931,863	38	31,872,351	38
Washington	35,489	0	36,440	0	37,773	0
Wisconsin	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0
American Samoa	0	0	0	0	0	0
Freely Associated States	0	0	0	0	0	0
Guam	0	0	0	0	0	0
N. Mariana Islands	0	0	0	0	0	0
Puerto Rico	0	0	0	0	0	0
Virgin Islands	0	0	0	0	0	0
Indian Tribes	0	0	0	0	0	0
DOD Army/AF	0	0	0	0	0	0
Undistributed	1,838,332	0	0	0	0	0
TOTAL 1/	\$63,952,626	104	\$65,207,001	116	\$65,376,500	116

1/ Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE
Supplemental Nutrition Assistance Program

Classification by Objects

2009 Actual and Estimated 2010 and 2011

(in thousands of dollars)

	Personnel Compensation:	2009	2010	2011
	Washington D.C.	\$4,612	\$5,248	\$5,311
	Field	5,415	6,160	6,234
11	Total personnel compensation	10,027	11,408	11,545
12	Personnel benefits	1,989	2,262	2,294
13	Benefits for former personnel	0	0	0
	Total personnel compensation and benefits	12,016	13,670	13,839
	Other Objects:			
21	Travel and transportation of persons	2,197	2,221	2,245
22	Transportation of things	156	158	160
23.1	Rental payments to GSA			
23.2	Rental payments to others			
23.3	Communications, utilities, and misc. charges	2,227	2,251	2,276
24	Printing and reproduction	987	998	1,009
25	Other Services	42,741	43,211	43,686
25.1	Contractual Services Performed by Other Federal Agencies			
25.2	Related Expenditures			
25.3	Repair, Alteration or Maintenance of Equipment, Furniture or Structures			
25.4	Contractual Services - Other			
25.5	Agreements			
25.6	ADP Services and Supplies			
25.7	Miscellaneous Services			
25.8	Fees			
26	Supplies and materials	315,509	299,499	295,193
31	Equipment	1,329	1,344	1,359
32	Land and structures			
41	Grants, subsidies and contributions	55,827,673	71,036,181	74,842,308
42	Insurance claims and indemnities			
43	Interest and dividends	5	0	0
45	Special Payments			
92	Undistributed			
	Total other objects	56,192,824	71,385,863	75,188,236
	Total direct obligations	56,204,840	71,399,533	75,202,075

FOOD AND NUTRITION SERVICE

Supplemental Nutrition Assistance Program

SUMMARY OF RECOVERY ACT FUNDING

Item of Change	2009	2010	Increase or Decrease	2011
SNAP Benefits	\$4,803,560,000	\$10,054,551,000	\$1,615,476,000	\$11,670,027,000
SNAP Administrative Costs	145,000,000	150,000,000	-150,000,000	0
Puerto Rico NAP	240,133,000	254,217,000	10,478,000	264,695,000
FDPIR Equipment Grants	5,000,000	0	0	0
American Samoa Benefits	964,000	1,021,000	42,000	1,063,000
Total Appropriation	5,194,657,000	10,459,789,000	1,475,996,000	11,935,785,000

PROJECT STATEMENT

(On basis of available funds)

	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
Snap Benefits	\$4,333,248,756	\$10,524,862,000	\$1,145,165,000	\$11,670,027,000
Snap Administrative Costs	144,997,380	150,000,000	-150,000,000	0
Puerto Rico NAP	240,133,000	254,217,000	10,478,000	264,695,000
FDPIR Equipment Grants	3,712,435	1,288,000	-1,288,000	0
American Samoa Benefits	964,000	1,021,000	42,000	1,063,000
Total Obligation	4,723,055,571	10,931,388,000	1,004,397,000	11,935,785,000
Unobligated Balance Start of Year	0	-471,601,000	471,601,000	0
Unobligated Balance End of Year	471,601,429	0	0	0
Balance Lapsing	0	2,000	-2,000	0
Total Adjusted Appropriation	5,194,657,000	10,459,789,000	1,475,996,000	11,935,785,000
Total Available or Estimated	5,194,657,000	10,459,789,000	1,475,996,000	11,935,785,000

Program Implementation Activities:

Goals and Coordination Efforts:

- Supplemental Nutrition Assistance Program (SNAP):
 - Utilize the economic multiplier effects of SNAP to stimulate the economy. Every \$5 in new SNAP benefits generates a total of \$9.20 in total economic activity. SNAP recipients will likely spend the increased benefits quickly. Eighty percent of all benefits are redeemed within two weeks of receipt, and 97 percent are spent within a month.
 - FNS is working closely with State partners to implement the provisions of the Recovery Act in a timely manner. All States issued increased benefits to recipients starting April 2009. FNS issued six sets of questions and answers to assist States with implementation of the law.
 - FNS also participated in conference calls with States to brief them on the Recovery Act, share implementation information and answer questions. In addition, FNS sponsored a Webinar with over 200 participants ranging from States to national advocacy organizations to faith and neighborhood based organizations. The Webinar served to inform these groups about SNAP and the Recovery Act and encourage them to act as messengers with their own stakeholders.
 - FNS will monitor and oversee State partner program operations as they spend Recovery Act funds using an existing set of reporting and monitoring tools. This includes regular financial and program activity level reporting, management evaluations, program access reviews, and payment accuracy (quality control) reviews.
 - States will report on how they are spending ARRA SNAP SAE dollars using a separate form that mirrors the current data requirements (collected via form SF 269) but allows for tracking of the

recovery dollars specifically. Recovery Act funds make up approximately 5 percent of current State administrative expenses of the program.

- Food Distribution Program for Indian Reservations (FDPIR)
 - FDPIR has experienced increased participation over the last year, and these funds reinvest in the facilities and equipment needed to operate FDPIR. In many cases, FDPIR caseloads have expanded due to recent economic conditions, and ITOs and State Agencies (SAs) often lack funds to make expensive capital investments in the warehouses and food distribution equipment needed to serve FDPIR recipients.

Objectives:

- SNAP:
 - Put Recovery Act benefit dollars into the wallets of needy people quickly and accurately.
 - Distribute SAE quickly to assist States to administer the program and deliver benefits to a growing number of low income people.
- FDPIR:
 - FDPIR funds will be allocated to ITOs and SAs that administer FDPIR to ensure that the highest-priority needs are met.

Delivery Schedule:

- SNAP:
 - March 17, 2009 – Distributed FY 2009 SAE funding to States.
 - April 1, 2009 – SNAP recipients began to receive increased benefits each month as a result of ARRA. For example, a household of four will receive an increase of \$80 per month. Time limits are lifted for able bodied adults without dependents, unless the State agency opts to offer a qualifying work opportunity.
 - October 2010 – Distributed FY 2010 SAE funding to States. Time limits for able bodied adults without dependents are reinstated. The clock restarts for all affected households.
- FDPIR:
 - Most FDPIR funds were made available to ITOs and SAs in 2009 subject to receipt of an approved budget from the ITO or SA. FDPIR ITOs/SAs that purchased equipment obligated funds relatively quickly, but those making facility upgrades are likely to require a longer obligation timeframe, stretching into FY 2010.

Performance Measures:

SNAP:

- SNAP:
 - Every \$5 in new SNAP benefits generates a total of \$9.20 in total economic activity. Using FNS estimates of new benefits issued, the total stimulative effect of new benefits is calculated.

	<u>Target</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Increase in SNAP Benefits	\$4.3 billion	\$10.5 billion	\$11.7 billion
Total Stimulative Effect	\$7.9 billion	\$19.3 billion	\$21.5 billion

- **FDPIR:**

- FDPIR programs that receive ARRA funds will be asked to report on their progress in completing equipment purchases or facility upgrades as a measure of ARRA achievement.

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Percent of FDPIR Funds Obligated	74%	26%	NA

FY 2009 Accomplishments:

The ARRA funds provided by SNAP increased SNAP participants' household income during the recession to help boost the economy. FNS quickly obligated \$4.7 billion, 91 percent, of the \$5.2 billion appropriated by ARRA during FY 2009. FNS expects the remaining unobligated amount to be obligated during FY 2010. Considering that the combined historical outlay rate for SNAP is 97 percent, and that a multiplier effect mentioned earlier exists, SNAP fulfilled its role in contributing to economic improvement in 2009.

FY 2011/2012 Planned Activities:

FNS will continue to provide the supplemental ARRA benefits to SNAP participants. FNS plans to monitor the obligation and outlay of all ARRA funds in FY 2011 and 2012.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

STATUS OF PROGRAM

Program Mission

The Supplemental Nutrition Assistance Program (SNAP) works to raise nutrition levels of low-income households by ensuring access to a nutritious, healthful diet for households through nutrition assistance and nutrition education. This access provides the opportunity for low-income recipients to consume a diet consistent with the *Dietary Guidelines for Americans*. It enables low-income households to obtain a more nutritious diet by issuing monthly allotments of benefits redeemable for food at retail stores.

Eligibility and allotment amounts are based on household size, income, and expenses; eligibility is also based on assets, citizenship or legal immigration status, work requirements, and other factors. Benefits are adjusted annually to reflect changes in the June cost of the Thrifty Food Plan (a market basket of foods that meet the recommendations of the *Dietary Guidelines for Americans* for a low-cost diet for a four-person reference family). The Federal Government pays the full cost of benefits and funds approximately half of the expenses incurred by the States to administer the program.

The SNAP account also includes Nutrition Assistance for Puerto Rico (NAP), American Samoa and the Commonwealth of the Northern Mariana Islands, the Food Distribution Program on Indian Reservations (FDPIR), and the funding for USDA Foods used in The Emergency Food Assistance Program (TEFAP).

Program Name Change

Section 4101 of the Food Conservation and Energy Act of 2008 (P.L. 101-246, "Farm Bill") changed the name of the Food Stamp Program to SNAP as of October 1, 2008. The new name reflects the changes made in the program to meet the needs of clients, including improved accessibility, a focus on nutrition and an increase in benefit amounts.

While SNAP is the Federal name for the program, States maintain the flexibility to name their own programs. FNS is strongly encouraging States to change their program names to SNAP or another name of their choice and not to maintain the Food Stamp Program name. FNS is tracking State name change decisions. As of November 2009:

States Changing/Planning to Change to SNAP	28
States Changing to Alternate Name	8
States Still Using FSP	3
States Keeping Current Alternate Name	9
Undecided States	5
Total *	53

* Includes the 50 United States, District of Columbia, Guam and the U.S. Virgin Islands.

Name change implementation continued with updates to forms, regulations, and publications. New informational materials are developed as needs arise.

RECOVERY ACT IMPLEMENTATION AND FUNDING

On February 17, 2009, the ARRA was signed into law. ARRA included several provisions to stimulate the economy by increasing SNAP benefits, increasing administrative funding to States, and temporarily suspending the time limits for Able Bodied Adults without Dependents (ABAWDs). These changes provide a direct economic stimulus. Every \$5 in new SNAP benefits generates a total of \$9.20 in total economic activity. SNAP recipients spend the benefits quickly. Eighty percent of all benefits are redeemed within two weeks of receipt, and 97 percent are spent within a month. A detailed list of ARRA SNAP provisions is included below.

On April 1, 2009, SNAP recipients began to receive increased benefits each month as a result of ARRA. For example, a household of four received an increase of \$80 per month. Time limits were also lifted for ABAWDs, unless the State agency opted to offer a qualifying work opportunity.

On March 17, 2009, FNS distributed \$145 million in FY 2009 SNAP State Administrative Expense (SAE) funding to States. In October 2009, FNS distributed \$150 million in FY 2010 SAE ARRA funds to States. These funds represent approximately five percent of current State administrative expenses of the program. States will report on how they are spending ARRA (SAE) dollars using a separate form that mirrors the current data requirements (collected via form SF 269) but allows for specific tracking of the recovery dollars.

In order to assist States with successful implementation of ARRA provisions, FNS held a series of telephone conferences with its Regional Offices and State agencies to explain the new provisions and issued an implementation memorandum on February 23, 2009, to State agencies on relevant SNAP provisions. FNS also issued additional information in a question and answer format on specific questions raised by State agencies and made all written information available on the agency's public Web site. Time limits for ABAWDs will be reinstated on October 1, 2010. The clock restarts for all affected households.

SNAP-RELATED ARRA PROVISIONS IMPLEMENTED ON APRIL 1, 2009	
ARRA Section Number and Provision	Description
101(a) and (b). Maximum Benefit Increase	Increases the maximum SNAP benefit by using 113.6 percent of the June 2008 value of the Thrifty Food Plan. The minimum benefit for one and two person households is also adjusted. This new maximum benefit is a price floor and cannot be lowered once the provision ends on September 30, 2009.
101(a)(1). Consolidated Block Grant for Puerto Rico and American Samoa	Block grants in Puerto Rico and American Samoa will be calculated using 113.6 percent of the June 2008 value of the TFP for fiscal year 2009. Future block grants cannot be reduced below this level.
101(b)(3). Maximum Benefit Increase – Quality Control (QC)	The QC variance exclusion for errors related to implementation of the adjusted benefits begins on April 1, 2009, and continues until October 1, 2010.
101(b)(4). Requirements for the Secretary – Client Overissuance Claims	Overissued benefits from the implementation of the ARRA provisions are excluded when calculating the claim against a household until October 1, 2010.
101(b)(5). Requirements for Secretary – Quality Control	The \$25 tolerance level in 7 CFR 275.12(f)(2) shall be raised to \$50 until October 1, 2010.
101(c). Administrative Expenses	Within 60 days of enactment of ARRA, FNS will allocate \$145 million in SAE funds across SNAP State agencies for fiscal year 2009. FNS will allocate \$150 million across these agencies for fiscal year 2010. Seventy-five percent of the amount available for each fiscal year will be allocated based on the number of households participating in SNAP in each State. Twenty-five percent will be allocated based on the increase in the number of households that participate in SNAP. Both of these calculations are based on the most recent 12 month period for which data are available. From the amounts above, FNS was allocated a total of \$4.5 million for management and oversight activities.

101(e)(1). Treatment of Jobless Workers	ABAWDs shall not be subject to time limits until October 1, 2010. ABAWDs must continue to comply with the requirements of an Employment and Training Program. States are not required to track ABAWDs, use exemptions or request waivers during this time
101(e)(1). Treatment of Jobless Workers– Quality Control	The QC variance exclusion for improperly disqualifying ABAWDs because they receive 3 months of benefits in a 36 month period will begin April 1, 2009, and continue through September 30, 2010.
SNAP-RELATED ARRA PROVISIONS IMPLEMENTED SUBSEQUENT TO APRIL 1, 2009	
ARRA Section Number and Provision	Description
101(a)(1) and (2). Maximum Benefit Increases for FY 2010 and Subsequent Years	The benefit levels for FY 2010 and subsequent years will be based on the greater of 113.6 percent of the value of the TFP in June 2008 and the value of the TFP in June of 2009 and each subsequent year.
101(e)(2). Treatment of Jobless Workers	On October 1, 2010, State agencies shall disregard any period during which an individual received SNAP benefits prior to October 1, 2010.

Implementation of SNAP Provisions of the 2008 Farm Bill

On June 18, 2008, Congress enacted the 2008 Farm Bill, which amended and renamed the Food Stamp Act of 1977 as the Food and Nutrition Act of 2008 (FNA). In addition to the name change, the 2008 Farm Bill contains various provisions that affect program eligibility, benefit amounts, and program administration, including changes mandated by the law and those that provide greater flexibility for State agencies.

A number of 2008 Farm Bill SNAP provisions were effective October 1, 2008, and all State agencies implemented these changes on that date.

During FY 2009, FNS continued the process of developing proposed rulemakings to codify the 2008 Farm Bill provisions in program regulations. While some provisions were fully or partially implemented prior to final regulations, other provisions require regulations before implementation can be enforced.

Facts in Brief

Program Participation

SNAP participation for FY 2009 averaged 33.7 million persons, representing an 18.7 percent increase from FY 2008. The majority of the increase reflects the impact of changing economic conditions, and Federal and State efforts to improve program access through policy and practice.

The following table displays data on benefit costs and participation for FYs 2003 through 2009:

SNAP Program	2003	2004	2005	2006	2007	2008	2009
Avg. Participation (Million)	21.26	23.85	25.67	26.67	26.47	28.41	33.72
Benefit Costs (Billion)	\$21.4	\$24.6	\$28.6	\$30.2	\$30.4	\$34.6	\$50.3
Average/Person/Month	\$83.93	\$86.03	\$92.72	\$94.32	\$95.64	\$101.52	\$124.45
% Of Population Participating	7.3	8.1	8.7	8.9	8.8	9.4	11.1
Persons Unemployed (In Millions)	8.8	8.1	7.7	7.2	6.9	8.8	13.0

Note: 2009 includes ARRA

Participation Rates among Eligible People – The most recent figures on the rate of participation show that in 2007, 66 percent of all those who were eligible for SNAP participated in the program, as compared with 54 percent in 2002. In that same year, participants received over 80 percent of all benefits that would be issued if every eligible person participated, indicating that the program is effectively targeted to those most in need.

Characteristics of SNAP Recipients – The most recent survey of household characteristics, conducted during 2008, indicates that:

- 57.7 percent of all participants were children (under 18 years of age) or elderly (age 60 or older);
- The gross income of 87 percent of households was below the Federal poverty level;
- 41 percent of households were at or below 50 percent of poverty;
- 16 percent of SNAP households had no income; and
- The proportion of households with earnings remained close to the all-time high while the proportion of households with public assistance income reached an all-time low.

The following data describes SNAP recipients in terms of individuals and households:

Characteristics of SNAP Recipients	2002	2003	2004	2005	2006	2007	2008
Recipients:							
Average Number (in Millions)	19.0	20.9	23.5	24.9	25.6	25.9	27.8
% Children	51.0	50.8	50.2	50.0	49.2	49.1	48.6
% Elderly	8.9	8.5	8.2	8.2	8.7	8.7	9.1
% Registered for Work	9	9	9	9	10	11	11
Average Household Size	2.3	2.3	2.3	2.3	2.3	2.2	2.2
Households:							
Average Number (in Millions)	8.2	9.0	10.1	10.9	11.3	11.6	12.5
% Receiving Maximum Benefit	24	26	31	31	31	32	33
% Headed by Women	71	72	72	71	71	70	70
% Certified 12 Months or More	54	53	53	55	58	58	58
% With Earned Income	28	28	29	29	30	30	29
% With AFDC/TANF	21	17	16	15	13	12	11
Average Gross Monthly Income	\$633	\$640	\$643	\$648	\$673	\$691	\$701
Average Net Monthly Income	\$355	\$348	\$321	\$319	\$328	\$330	\$335
% With Zero Gross Income	11	12	13	14	14	14	16
% With Zero Net Income	24	26	29	30	31	31	33
% With Gross Monthly Incomes Less than \$400	28	29	30	30	29	28	29
% With No Countable Assets	69	70	69	70	70	70	73
% With Countable Assets of \$1 to \$500	22	21	22	22	21	21	20
Average Countable Assets	\$134	\$154	\$143	\$137	\$137	\$144	\$126
Average Countable Assets in Households with Elderly Members	\$264	\$347	\$293	\$279	\$258	\$302	\$238
% Below Poverty Level	88	88	88	89	87	87	87
% Below 50% Poverty Level	36	38	40	40	39	39	41
Average Shelter Deduction	\$131	\$146	\$178	\$186	\$203	\$303	\$319
Average Shelter Expense	\$339	\$366	\$405	\$416	\$458	\$490	\$507
% at Shelter Cap	9	10	13	14	15	16	16

Source: Supplemental Nutrition Assistance Program Quality Control Sample – Data may not match FY data from other sources.

General Activities

Regulations Issued in FY 2009

During FY 2009 two SNAP rulemaking actions were published in the Federal Register:

- *FSP: Revisions to Bonding Requirements for Violating Retail and Wholesale Food Concerns* – This final rule, published December 30, 2008, revised the bonding requirements that are imposed against retailers and wholesalers that redeem SNAP benefits and have violated program rules.
- *SNAP: Clarifications and Corrections to Recipient Claim Establishment and Collection Standards* – This proposed rule, published April 2, 2009, corrects and clarifies provisions of the final rule on recipient claims published at 65 FR 41752, July 6, 2000.

Grants to Improve Program Access and Eligibility Determination

On September 9, 2009, FNS announced the awardees of the FY 2009 SNAP participation grants. These grants are targeted to State agencies, public health or educational entities, or private nonprofit entities. The latter includes: community or faith-based organizations, food banks, or other emergency feeding organizations. This year's grants focused on retention of eligible households in SNAP and supporting partnerships between SNAP and private non-profit organizations. For FY 2009, FNS awarded seven grants.

- **New Hampshire Department of Health and Human Services**, in partnerships with Southern New Hampshire Services, Inc. on behalf of the New Hampshire Community Action Association and the New Hampshire Local Welfare Administrators Association, received a grant to expand its existing electronic application system to allow individual low-income citizens to both apply and recertify their eligibility for SNAP from anywhere with an Internet connection.
- **Michigan Department of Human Services (DHS)** received a grant to implement in 107 of Michigan's most populated field offices self-service kiosks that will allow Michigan residents to verify eligibility for the Food Assistance Program (FAP) benefits; submit a formal application for assistance; track and receive personalized information about their current FAP benefits; and report household or income changes to their local DHS office.
- **Oklahoma Department of Human Services** received a grant to implement the "Oklahoma Access Project", which includes the development of an online system for SNAP applications and for recipients to access and update their personal data.
- **Ohio Department of Job and Family Services, in partnership with the Ohio Association of Second Harvest Foodbanks and the Ohio Benefits Bank**, received funding for the Ohio SNAP Online Web-based Application and Change Reporting Electronic Submission systems. Clients will be able to apply for new SNAP benefits or submit changes to their current cases via the internet twenty-four/seven.
- **Florida Department of Elder Affairs, in partnership with the Florida Department of Children and Families**, received a grant to operate a SNAP participation telephone-based pilot project utilizing Web-based and telephone-signature technology. The project will target elders age 60 or older who are likely to be eligible for SNAP benefits but do not participate in the program.
- **Georgia Department of Human Resources** received funding to improve access to SNAP benefits by eligible clients by enhancing the Common Point of Access to Social Services (COMPASS), Georgia's online application system. The State plans to expand the level of accessibility and automation currently available through COMPASS to the review process, thereby improving the retention of eligible clients and reducing some of the "manual" office processes.

- **City of New York Human Resources Administration, in partnership with the Food Bank for New York and the New York City Coalition Against Hunger**, received a grant to implement the Food Stamp Recertification Improvement Project, which will streamline the SNAP recertification process and improve the retention of eligible participants.

Program Access Review Guide

FNS revised the Program Access Review Guide to reflect increased guidance in planning and conducting the reviews and to clearly identify regulatory requirements associated with program access. The guide establishes uniform expectations for FNS Regional Offices and State agencies to monitor program access at local SNAP certification offices. Reviewers examine case files and interview SNAP staff, clients, and program advocates to determine whether a local SNAP office is in compliance with program access requirements. It is expected that State agencies will adapt this guidance when monitoring the program access portion of the Management Evaluation reviews of their SNAP project areas.

State Performance Bonuses

The Farm Security and Rural Investment Act of 2002 (P.L. 107-171, the “2002 Farm Bill”) established a performance system offering incentives for a broad array of achievements coupled with a reduced vulnerability to liabilities for excessive error rates. This performance system replaced the former Quality Control liabilities and Enhanced Funding system, which focused solely on error rates. This performance system awards \$48 million in bonuses each year to States with high or improved performance for actions taken to correct errors, reduce the rates of error, and improve eligibility determinations, or for other activities that demonstrate effective administration, as determined by FNS. Bonuses provided under this system link two of the program’s performance measures: increases in the program payment accuracy rate and increases in access and participation as measured by the Program Access Index. The first bonuses for performance in 2003 were awarded in June and September 2004. The bonuses for performance in 2008 were awarded in June and September 2009. The following States received awards:

BEST PAYMENT ACCURACY				
State	Payment Error Rate			Bonus Amount
Florida	0.85%			\$7,179,612
South Dakota	1.00			348,590
Georgia	2.50			4,062,236
Mississippi	2.64			1,889,234
North Carolina	2.65			4,078,374
Wyoming	2.69			190,780
Nebraska	2.75			594,360
Virgin Islands	3.22			147,801
National Average	5.10			
MOST IMPROVED PAYMENT ACCURACY				
State	FY 2007	FY 2008	Change	Bonus Amount
Georgia	8.13%	2.50%	-5.63	SEE BEST ABOVE
Ohio	9.17	4.29	-4.88	\$5,100,407
Delaware	9.36	5.52	-3.84	408,606
Total				24,000,000
LOWEST NEGATIVE ERROR RATE				
State	Rate			Bonus Amount
Nebraska	0.00%			\$744,700
South Dakota	0.47			424,182
Idaho	0.72			605,479
New Hampshire	1.44			486,756
National Average	10.87			

MOST IMPROVED NEGATIVE ERROR RATE				
State	FY 2007	FY 2008	Change	Bonus Amount
Colorado	12.46%	7.25%	-5.21	\$1,454,277
Oklahoma	11.22	4.71	-6.51	2,284,606
Total				6,000,000
BEST PROGRAM ACCESS INDEX				
State	Rate			Bonus Amount
Missouri	90.0%			\$2,580,379
District of Columbia	79.6			476,947
Tennessee	74.7			3,342,208
Oregon	73.5			2,021,483
MOST IMPROVED PROGRAM ACCESS INDEX				
State	FY 2007	FY 2008	Change	Bonus Amount
Maryland	53.9%	63.9%	9.95	\$1,420,511
Delaware	57.1	67.0	9.93	356,813
Wisconsin	48.8	58.6	9.73	1,528,075
Alaska	63.2	72.9	9.73	273,584
Total				12,000,000

FNS continues its aggressive efforts to collect debts owed to SNAP, collecting delinquent recipient debts through the Treasury Offset Program (TOP), which is the collection mechanism by which Federal payments to individuals, such as tax refunds and Federal salary and benefit payments, are offset to pay outstanding debts. Over \$93 million in delinquent debt were collected through TOP in calendar year 2009. Approximately \$1.2 billion has been collected through TOP (and its predecessor, the Federal Tax Refund Offset Program) since FNS began this effort as a pilot project in 1992. These claims may not have been collected without Federal collection programs being made available to the State agencies that manage these debts.

FNS Monitoring Efforts Related to Indiana Eligibility Modernization Project

During FY 2009, FNS continued to monitor the Indiana Eligibility Modernization Project closely as the State agency tested the new service delivery model which processes 42 percent of the State caseload. The new service delivery model allows SNAP applicants to apply for and manage benefits via a call center and online systems, in addition to the traditional local office setting.

On October 15, Governor Mitch Daniels announced that Indiana will terminate its contract with IBM on December 14, 2009, and provided a two month time frame during which Indiana and IBM will negotiate a disengagement plan. The contract was canceled for poor delivery of services, including application timeliness and customer service.

Indiana plans to implement a "hybrid" system that incorporates the best of the modernization initiative (such as call centers, document imaging, and online applications) with the "as is" system. In addition to specialized reports developed specifically for this project, FNS has monitored the implementation and operation of the new system through its routine and ongoing reporting systems. Since the project began, FNS staff has also conducted over 50 visits to local Indiana offices to observe operations. FNS will continue to conduct frequent on-site visits during this transition period.

FNS continues to report quarterly to Congress on the agency's oversight of the Indiana Eligibility Project as required under the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010, P.L. 111-80.

State Options

In 2009, FNS issued the 8th edition of the State options report – a survey of State choices in areas where States may make policy choices.

SNAP statutes, regulations, and waivers provide State agencies with numerous policy options. State agencies use this flexibility to improve how the program works to meet the nutritional needs of low-income people across the Nation. Choosing certain options can facilitate program design goals, such as removing or reducing barriers to access and sustaining participation for low-income families and individuals, providing better support for those working or looking for work, targeting benefits to those most in need, streamlining administration and field operations, and coordinating SNAP activities with those of other programs. With the passage of the 2002 Farm Bill, the array of State policy options was significantly expanded in several key areas:

<i>Option</i>	<i>Number of States</i>
Simplified (Reduced) Reporting – Expanded to Other Households	47
Transitional Benefits	19
Simplified Definition of Income	43
Simplified Definition of Resources	37
Vehicle Rules: Excludes All Vehicles	39
Vehicle Rules: Not All – But At Least One Vehicle Excluded	11
Simplified Homeless Housing Costs	27
Mandatory Standard Utility Allowance	44
Child Support Expense Income Exclusion	13
Electronic Application Filing	25
Waiver of Face-to-Face Interview	34
Call Centers	27
Document Imaging	20

In addition to the above listed options, the 2008 Farm Bill provided States with additional latitude. Under this new legislation, States may reduce paperwork burdens on households with seniors and people with disabilities by extending the “simplified reporting” option to them. States also are allowed to extend transitional SNAP benefits to participants in State-only funded programs, as well as Temporary Assistance for Needy Families (TANF). Benefits may be moved off-line after six months of inactivity and may be expunged after 12 months of inactivity. States have the option of allowing households to apply for SNAP benefits and establish a filing date over the telephone by way of the State establishing an electronic recorded voice signature.

SNAP Outreach

Working to increase the participation of the SNAP eligible population is a key part of achieving program nutrition objectives. FNS implements outreach activities to educate potentially eligible low-income people about the nutrition benefits of participating in SNAP. In addition, FNS supports the outreach efforts of States and community organizations by providing tools and resources that can be used “off-the-shelf” or customized by a State or community. All of these educational activities seek to dispel myths and misperceptions about the program and share accurate information to help potentially eligible people make informed participation decisions. Outreach supports FNS’ goal of increasing access and participation among eligible households.

- National Media Campaign:* The goals of the national media campaign are to position SNAP as a nutrition assistance program, help overcome stigma, teach potential applicants where and how to apply, and highlight FNS’ commitment to ensure that all eligible people receive benefits with dignity and respect. Over two months in FY 2009, English language radio advertisements targeting the working poor and low-income elderly aired in 24 media markets and five State-wide radio networks. Nine of the locations also featured Spanish language advertisements during both months. In some cases, bonus and donated time extended play longer than two months and increased the value of the

paid advertising campaign significantly. As a result of the advertising campaign, markets with a toll-free number received the highest recorded number of requests for program information packets since 2003. The remaining markets used State-specific toll-free numbers.

- *Toolkits:* In FY 2009, three new chapters were developed for the outreach toolkits. The new chapters introduce the SNAP name, provide a how-to guide to make radio buys, and offer guidance for optimizing press releases. The new toolkit chapters help partners at the State and local level, including community and faith-based organizations, implement outreach and media activities. The toolkits include “how to” information, “fill in” templates, and examples of outreach materials.
- *Toll Free Information Line:* FNS continued to provide a toll free information line in English and Spanish as a service for low-income people to learn more about SNAP including how to apply. Callers can listen to recorded information, obtain referrals to their States for more direct help and information, and request a packet of information by leaving a mailing address with an operator. During FY 2009, nearly 60,000 packets of information were distributed to toll-free number callers.
- *SNAP Outreach Grants:* In FY 2009, fourteen grants were awarded to community and faith-based organizations to implement and test innovative outreach strategies to educate and inform non-participating low-income people about the benefits of SNAP and how to apply. The maximum grant award was \$75,000. The following organizations received grants:
 - Boys and Girls Club of Benton County, Inc. (Bentonville, Arkansas)
 - Community Action Partnership of Orange County (CAPOC) (Garden Grove, California)
 - Cuban American National Council, Inc. (Miami, Florida)
 - Family Resource Centers of Northeastern Nevada (Elko, Nevada)
 - Goodwill Industries of the Springfield/Hartford Area, Inc. (Springfield, Massachusetts)
 - Greater Erie Community Action Committee (Erie, Pennsylvania)
 - Heartland Rural Health Network, Inc. (Avon Park, Florida)
 - Helping Others Make the Effort, Inc. (Kissimmee, Florida)
 - International Relief and Development (Arlington, Virginia)
 - Lutheran Social Service of Minnesota (Moorhead, Minnesota)
 - Migrant Health Promotion, Inc. (Weslaco, Texas)
 - Ohio District 5 Area Agency on Aging, Inc. (Mansfield, Ohio)
 - Puerto Rican Family Institute Inc. (New York, New York)
 - United Way of El Paso County (El Paso, Texas)
- *Pre-screening Tool:* The English and Spanish versions of the online pre-screening tool were maintained in FY 2009. This easy to use tool tells users if they might be eligible for benefits and estimates the amount of benefits they might receive. Where available, the site links the user to a State’s pre-screening tool, which can incorporate State-specific policies. The FNS tool also links users to <http://www.GovBenefits.gov> to find out if they might be eligible for other benefit programs.
- *Educational Materials:* FNS continued to distribute English and Spanish educational and outreach materials, such as brochures, posters and flyers, at no cost to State and local agencies and other organizations. Outreach toolkits provide ideas and resource materials to help State and local partners implement effective localized outreach campaigns that reinforce national messages. In FY 2009, approximately 700,000 items were shipped each month. In addition, FNS assessed the need for and initiated development of additional products to increase nutrition program participation among low-income Hispanic and older American populations, the homeless, and individuals newly impacted by the current economy.
- *Translated Materials:* FNS continued to make SNAP informational materials in 35 languages available through its Web site for easy downloading and duplication at the State and local level. The documents, which were focus-tested with native speakers to ensure cultural and linguistic appropriateness, are designed to provide basic information about the program and dispel myths and misunderstandings that may discourage eligible people from applying. An “I Speak” document is also

available so that applicants can indicate their preferred language to the caseworker and accommodations can be made.

- *Outreach Coalition:* FNS continued to manage and support an Outreach Coalition comprised of more than 1,300 leaders, community action agencies, hunger advocacy organizations, faith-based groups, individuals, food banks, university extension programs, and other groups or individuals interested in giving potentially eligible non-participants the tools to make an informed decisions about applying for nutrition assistance. In FY 2009, the Outreach Coalition held a meeting and Webinar on ending childhood hunger as well as numerous Webinars focused on important topics, such as Farm Bill changes relative to SNAP.
- *State Outreach Plans:* States have the option of providing outreach as part of their program operations, and FNS reimburses up to 50 percent of the allowable administrative costs for these activities. At the end of FY 2009, 27 States had approved outreach plans, seven States had submitted outreach plans with approval pending, and an additional nine States also performed outreach activities.

SNAP Nutrition Education (SNAP-Ed) - Promoting Healthier Eating Habits and Active Lifestyles

The goal of SNAP-Ed is to improve the likelihood that persons eligible for SNAP will make healthy food choices within a limited budget and choose physically active lifestyles consistent with the current *Dietary Guidelines for Americans* and MyPyramid. Because the *Dietary Guidelines for Americans* and MyPyramid are the foundation of nutrition education for SNAP, it is essential that program materials use current science-based, behaviorally-focused messages that reflect the most current science on human nutrition. Effective SNAP-Ed supports the FNS goal of improving the eating and lifestyle behaviors of low-income Americans.

Under current regulations, State SNAP agencies have the option to provide, as part of their administrative operations, nutrition education for persons eligible for SNAP. States seeking Federal funding for SNAP-Ed must submit a State SNAP-Ed plan to FNS for approval each year that outlines SNAP-Ed activities and a corresponding budget for that year. USDA reimburses 50 percent of the cost of approved activities.

With increased interest in recent years in promoting health and addressing diet-related diseases, SNAP-Ed has grown substantially. In FY 1992, Federal funding for SNAP-Ed efforts totaled \$661,000 used by seven State agencies. By comparison, in FY 2009, approved Federal funds totaled over \$343 million with 52 State agencies providing SNAP-Ed. With this increased spending, SNAP-Ed requires more agency staffing and resources to provide policy guidance, resources and information/training in order to facilitate consumer focused interventions targeting SNAP eligible populations and SNAP participants.

FNS developed the Education and Administrative Reporting System (EARS) to capture uniform information about SNAP Ed activities, audiences, messages, strategies and information about the cost of nutrition education initiatives across States. EARS is the national reporting system for SNAP-Ed. It was developed in collaboration with key State, local, and academic partners over four years and approved by OMB in FY 2007. All States are implementing the EARS form over a three-year period which began in FY 2008, with full implementation in FY 2010.

For FY 2008, all State agencies and 95 of 96 Implementing Agencies (IAs) submitted the required financial data. The reports show that about three-quarters of SNAP-Ed funds covered program delivery costs, while the remainder covered administrative costs. Twenty-three IAs (33 percent of the 96 IAs) completed all applicable parts of the EARS form.

FNS will continue to analyze data, encourage States to submit more complete and precise data in FY 2010, and identify and share best practices for collecting participation and contact data.

Other Specific SNAP-Ed Activities

SNAP-Ed Connection: This Web site is a dynamic online resource center for State and local SNAP-Ed providers. It is the hub of all nutrition education resources and provides easy access to those materials developed specifically for SNAP-Ed educators.

- The **Recipe Finder Database** is one of the most popular components on the SNAP-Ed Connection Web site. Available in both English and Spanish, this database of over 400 recipes is primarily for nutrition educators working with the SNAP eligible population. Educators can search for relevant nutrition topics and specific recipes to help SNAP-Ed recipients make healthy, low-cost food choices. The Web site can be accessed at: <http://snap.nal.usda.gov>.
- **Nutrition Through the Seasons:** This product is a unique and dynamic resource for SNAP-Ed professionals that highlights seasonal nutrition education materials. SNAP-Ed providers can use *Nutrition Through the Seasons* to find timely resources, tools and materials to help plan appropriate seasonal programming for participants.
- **Eat Right When Money's Tight Resource Section:** This section includes a tip sheet that provides information on how to shop for a nutritious diet while on a limited budget. Other resources available in this section include print-ready nutrition education materials focused on food budgeting, low cost recipes, and professional reports and statistics on food resource management.

Eat Smart Live Strong (ESLS) is an intervention designed to improve fruit and vegetable consumption and increase physical activity among low-income 60-74 year olds participating in or eligible for FNS nutrition assistance programs. The *Eat Smart Live Strong* Activity Kit uses a variety of engaging, educational approaches to promote two key behaviors: increase fruit and vegetables consumption to 3 ½ cups per day and physical activity to at least 30 minutes most days of the week.

Maximizing the Message: Helping Moms and Kids Make Healthier Food Choices provides 16 nutrition messages for low-income moms and children. The publication also features supporting content and guidance for State and local programs in using and disseminating these messages in consistent, consumer relevant ways. They are designed to assist mothers and children in making specific diet-related changes that put the 2005 *Dietary Guidelines for Americans* into practice.

Models of SNAP-Ed and Evaluation: FNS is conducting two rounds of independent and rigorous impact evaluations of SNAP-Ed projects to identify models of effective SNAP-Ed interventions and practical impact evaluation. Demonstrations are competitively selected based on their promise of success and potential to provide strong evidence of what is possible through SNAP nutrition education. FNS selected four projects in the first round:

- Pennsylvania State University's "Eating Competencies" Web-based intervention;
- New York State Department of Health's "Eat Well, Play Hard in Childcare Settings" intervention for pre-school children in Child and Adult Care Food Program Centers;
- Chickasaw Nation Nutrition Service's "Eagle Play" intervention for pre-K through 3rd grade students; and
- University of Nevada's "All 4 Kids" intervention for pre-school children at Head Start Centers.

Three additional demonstrations will be selected in FY 2010.

SNAP/Supplemental Security Income Combined Application Projects (CAP)

The CAP demonstrations make it much easier for the elderly and disabled Supplemental Security Income recipients to receive SNAP benefits by reengineering the SNAP application process and eliminating the need for this population to visit the local SNAP office. The combination of standardized benefits, minimal need for independent verification, and normally no need to go to the local office has produced significant increases in participation within the target population.

- To date, 15 States are operating CAP demonstrations: Arizona, Florida, Kentucky, Louisiana, Massachusetts, Michigan, Mississippi, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Texas, Virginia and Washington.
- Three States are approved, but have not yet implemented: New Mexico, South Dakota and Wisconsin.
- Two States are pending approval: Maryland and West Virginia.
- Four States are planning to submit proposals as part of the CAP expansion: Delaware, Idaho, Rhode Island and Utah.

Program Coordination

The Food and Nutrition Act of 2008 gives State agencies the option to operate a Simplified SNAP (SSNAP), which allows a State to determine SNAP benefits using its TANF rules, SNAP rules, or a combination of both. A “Mini” SSNAP is a subset of the broader SSNAP authority and allows a State agency to replace its TANF or SNAP work-related rules with the other program’s rules. These rule changes are limited to households receiving both TANF and SNAP benefits.

FY 2008 Certification Payment Error Rates

The FY 2008 national average certification payment error rate, announced in June 2009, was 5.01 percent; 35 States had an error rate below 6.00 percent.

Regulations require State agencies to analyze data and develop corrective action plans to reduce or eliminate program deficiencies when their combined payment error rate is above the 6.00 percent threshold or their negative error rate exceeds one percent. Corrective action is also required when underpayments result from State agency rules, practices, or procedures. Most States have developed corrective actions to address deficiencies revealed in their FY 2008 quality control data.

FNS Regional Offices work directly with States to assist them in developing effective corrective action strategies to reduce payment errors. Regional Offices provide technical assistance to States through data analysis, policy interpretation, training, development and monitoring of corrective action strategies, facilitating the information exchange with and among States through annual payment accuracy conferences, State exchange funding, and special error reduction funds.

FNS utilizes a tier system for identifying States requiring the most focused intervention, based on high error rates or a Regional Office assessment, so that those States receive special attention. This ensures that technical assistance is available to States that are in first-year liability status or at risk for future liability status.

States Notified of Liability Status Under the Quality Control (QC) Provisions of the Farm Bill

On June 26, 2009, FNS notified three States that they have incurred a financial liability for having a poor QC error rate for at least two consecutive years. Liability amounts were established against the following States:

State	Liability Amount
Maine	\$463,184
West Virginia	425,772
New Mexico	91,524

In addition, nine States (Connecticut, Maryland, Indiana, Wisconsin, Louisiana, Texas, Iowa, Alaska and Guam) exceeded the FY 2008 threshold for the first year. Potential liabilities will be established if any of these nine States have a payment error rate in FY 2009 that has a 95 percent statistical probability that the State's payment error rate exceeds 105 percent of the national performance measure for payment error rates.

Disaster Supplemental Nutrition Assistance Program (D-SNAP)

FNS continues to work to strengthen State agency D-SNAP readiness and operations. On December 17, 2008, FNS promulgated guidance for testing duplicate participation systems. Specifically by October 1, 2010, all State agencies are expected to have tested their systems and find them capable of detecting multiple applications or duplicate participation by all household members. In July 2009, FNS gathered information on the status of State testing and found that almost all State agencies have built a duplicate participation check system as prescribed in FNS policy, and that approximately half of State agencies have already tested those systems in advance of the October 1, 2010 deadline.

FNS began drafting a proposed D-SNAP regulation, which the agency expects to publish in FY 2010. Currently, D-SNAP is operated using interim regulations, but those regulations do not substantially expand upon the D-SNAP language in the Food and Nutrition Act. The proposed regulation will provide detailed guidance on all phases of program operations.

FNS responded to a smaller number of disasters in FY 2009 than in recent years, and each program operated was small or moderate in size. The FNS role in D-SNAP operations includes analyzing and responding to State agency requests to operate D-SNAP, waiving applicable certification and issuance policy for ongoing households to ease program administration, providing on-site monitoring of State operations to ensure timely and accurate delivery of benefits, and providing operational guidance to States when issues arise.

The following summarizes disaster assistance provided in FY 2009:

Month	State	Disaster Type	Households	Benefits
April 2009	AR	Tornados	84	\$28,310
April 2009	MN	Floods	26	11,531
February 2009	OK	Tornado	120	44,675
September 2009	IL	Floods	27,252	12,635,125
Total FY 2009			27,482	12,719,641

Court Suit Activity in SNAP

During FY 2009 there were no SNAP-related court suits in which the Department was named as a defendant.

Employment and Training (E&T)

The Food Security Act of 1985 required States to establish an E&T Program to help able-bodied SNAP recipients find work or gain the skills, training, and experience that lead to employment. The 2002 Farm

Bill and the 2008 Farm Bill authorized \$90 million per year to operate the E&T Program, and an additional \$20 million per year for States that commit to serving all at-risk ABAWDs, i.e., those who are subject to the three month SNAP participation limit. States may receive 50 percent matching funds beyond these amounts to operate the program. About 26 percent of SNAP recipients were registered for work in FY 2009, and approximately two-thirds of work registrants were subject to the requirements of the E&T Program. States exempted the remainder from participation.

States reported 5.6 million new work registrants in FY 2009, a 33 percent increase from FY 2008. Since an additional 3.3 million work registrants were already receiving SNAP benefits at the beginning of the fiscal year, a total of 8.9 million SNAP recipients were subject to E&T participation in FY 2009. States reported that 10.1 percent, 902,242, of these work registrants, including 319,756 ABAWDs, actually participated in E&T components. States reported that 115,316 qualifying education, training, and workfare slots were filled by at-risk ABAWDs each month nationwide. This means they were able to maintain their SNAP eligibility while they gained the skills, training and experience that will lead to employment and reduced dependence on SNAP benefits. In addition, another 205,337 SNAP recipients participated in an E&T component each month.

In FY 2009, FNS allocated \$120.9 million in 100 percent Federal E&T grant funds. This included the \$90 million regular allocation, \$20 million for States committed to serving all their at-risk ABAWDs, and an additional \$10.9 million in 100 percent Federal E&T funds carried over from FY 2008 to supplement some State grants. Obligations resulting from Federal funds allocated to States totaled \$112.1 million, which is \$2.4 million more than in FY 2008. Additionally, the Federal Government matched \$190.6 million in State funds spent to administer the E&T Program in FY 2009. The Federal Government also matched \$64.5 million in State funds spent to reimburse E&T participants for dependent care, transportation, and other expenses incurred in complying with E&T Program requirements.

Electronic Benefit Transfer Systems

Electronic benefit transfer (EBT) systems, which replaced the coupon-based method for providing SNAP benefits, became effective nationwide in June 2004. Each recipient household is issued a plastic benefit card with a magnetic stripe to make food purchases. The cards are associated with benefit accounts, which are debited when food purchases are made. In about half the States, EBT cards are also used for TANF and other cash benefit programs.

In all States, the EBT systems are online systems with cards that have magnetic stripes. These systems are interoperable, which means that recipients may shop in FNS-authorized food retailers in any State.

- **Coupon Deobligation:** Paper coupons remained in circulation because recipients had not spent all of the coupons issued before EBT implementation. The Food and Nutrition Act of 2008 instructed FNS to end coupon obligations one year from enactment of the 2008 Farm Bill. Thus, June 17, 2009, was the last day that clients were able to use remaining paper coupons at licensed retail stores. FNS directed stores to information on coupon redemption through a nationwide mailing, and used our Web site, trade networks, and other avenues to notify retailers of the deadline. The Federal Reserve assisted in notifying member banks, and States were provided with information for clients. Coupon closeout at member banks will continue through the end of the 2009 calendar year.
- **Integrity – STARS:** FNS re-engineered retailer administration functions to ensure effective use of staff and financial resources through automation. This initiative included redesign of the retailer reauthorization process to collect updated store data online. These data are fed through an automated system that evaluates each retailer's response and risk level to flag firms for further scrutiny.
- **Integrity – ALERT:** FNS awarded a contract to build a next generation ALERT system to add new analytical capabilities, integrate a geographic information system solution, and incorporate data mining activities in order to significantly improve program integrity.

Studies and Evaluations

FNS published three major reports related to SNAP during FY 2009, which are available at <http://www.fns.usda.gov/ora>. These include:

- **Characteristics of FSP Households 2008**, which describes the demographic and economic circumstances of SNAP households and participants;
- **Trends in Food Stamp Program Participation Rates: 2000-2007**, which estimates the percentage of eligible people who participate in the program, examining different sub-groups and comparing trends over time; and
- **Reaching Those in Need: State Food Stamp Participation Rates in 2007**, which estimates the percentage of eligible people who participate in SNAP by State and provides estimates for all individuals and for those in households with earnings.

Work on two congressionally mandated studies began in FY 2009:

- **Evaluation of the Healthy Incentives Pilot** will test the impact of financial incentives at the point of sale on the consumption of fruits and vegetables; and
- **Feasibility of Returning the Commonwealth of Puerto Rico to the SNAP** will identify the policy changes required for and estimate costs associated with such a change.

Community Food Projects

The Community Food Projects program is authorized under section 25 of the Food and Nutrition Act of 2008. The Community Food Projects Competitive Grants Program supports the development of Community Food Projects with a one-time infusion of Federal dollars to make such projects self-sustaining. Funds have been authorized for this program in the amount of \$5 million per year. While funded through the SNAP account, the National Institute of Food and Agriculture manages the program.

NUTRITION ASSISTANCE FOR PUERTO RICO (NAP)

Program Mission

The Omnibus Budget Reconciliation Act of 1981 added a new Section 19 to the Food Stamp Act of 1977, as amended, which replaced SNAP in Puerto Rico with a block grant, effective July 1, 1982. Section 19 of the Food and Nutrition Act of 2008, as amended, retains the authority for the Puerto Rico nutrition assistance block grant. The block grant requires that Puerto Rico submit and gain approval from the Secretary for a program plan each year. The plan must assess the food and nutrition needs of the island's most needy residents, describe the assistance needed, describe how it would be provided to the neediest residents, describe the amount of administrative expense needed, and meet such other requirements as the Secretary might prescribe by regulation. The Secretary is required to provide for the review of programs for assistance under Section 19 and is allowed to provide appropriate technical assistance for such programs.

Facts in Brief

- An average of 1.19 million people were served monthly during FY 2009.
- In FY 2009, total benefit costs were \$1.929 billion, or about \$135.08 per person per month for nutrition assistance program recipients.
- Puerto Rico spent an estimated \$70.7 million of Federal funds on administrative activities in FY 2009, which are matched by an equivalent amount of State funds.
- On September 1, 2001, Puerto Rico began targeting 75 percent of nutrition assistance benefits to the purchase of food while continuing to provide 25 percent of benefits in cash through the Commonwealth's EBT system.

Federal Responsibilities of the Block Grant

Puerto Rico proposes in July for the fiscal year beginning on the following October 1 its annual program plan that identifies the costs of benefits, administration and other projects. FNS must review and approve the Commonwealth's annual plan and monitor program operations to ensure program integrity. These monitoring activities include reviewing financial reports of obligations and expenditures and on-site management reviews of selected program operations. The cost of these components for FY 2007, FY 2008 and FY 2009 are as follows:

NUTRITION ASSISTANCE FOR PUERTO RICO Summary of Funding

	2007 Actual (\$ 000)	2008 Actual (\$ 000)	2009 Estimated (\$ 000)
Benefit Costs	\$1,496,030	\$1,569,236	\$1,929,142
Administrative Costs	54,710	52,841	70,726
Nutrition Education Program	427	444	700
Total Federal Funds	1,551,167	1,622,521	2,000,568
State Administrative Costs	54,710	52,841	70,726
Total Program Costs	1,605,877	1,675,362	2,071,294

Participation

From its inception, the SNAP in Puerto Rico served a much higher proportion of the total population than was true of the United States as a whole, due to the significantly lower living standards in Puerto Rico. This continues to be the case under the block grant program: 1.19 million persons, or 30.3 percent of Puerto Rico's total estimated population of 3.958 million people, participated in the program in FY 2009. Monthly participation for FYs 2007, 2008 and 2009 are as follows:

NUTRITION ASSISTANCE FOR PUERTO RICO Summary of Participation

	2007 Actual	2008 Actual	2009 Estimated
Average Number of Persons (million)	1.07	1.11	1.19
Average Number of Households	492,884	515,001	561,711
Average Household Size (persons)	2.18	2.16	2.13
Average Benefit Per Household	\$247	\$248	\$246

NUTRITION ASSISTANCE FOR AMERICAN SAMOA

Program Mission

The American Samoa Nutrition Assistance Program began on July 1, 1994, and was authorized by Public Law 96-597 (December 24, 1980). The program is now authorized in Section 19 of the Food and Nutrition Act of 2008. In FY 2009, \$8.034 million in grant funds (\$964,000 ARRA) were authorized to be expended under American Samoa's block grant.

Facts in Brief

- A monthly average of 3,079 persons, or about 4.7 percent of American Samoa's total estimated population of 64,827, were served during FY 2009.
- In FY 2009, average monthly benefit costs were \$347,298, or \$112.79 per person.
- American Samoa spent \$807,227 for administrative activities for FY 2009. Block grant funding provides 100 percent of administrative and benefits costs.
- The program serves the low-income elderly, blind and disabled population.
- American Samoa prints its own food coupons.

Federal Responsibilities of the Block Grant

American Samoa submits a memorandum of understanding each fiscal year specifying how the program will be operated, including eligibility requirements to stay within the capped block grant amount. FNS must review and approve the annual memorandum of understanding and monitor program operations to ensure program integrity. These monitoring activities include reviewing financial reports of obligations and expenditures and on-site management reviews of selected program operations.

NUTRITION ASSISTANCE FOR THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Program Mission

The Commonwealth of the Northern Mariana Islands' (CNMI) nutrition assistance program began on July 2, 1982. The program was authorized by Public Law 96-597 (December 24, 1980), which allowed USDA to extend programs administered by the Department to the CNMI and other territories. In FY 2009, \$12.148 million in grant funds were provided to CNMI.

Facts in Brief

- A monthly average of 7,837 people, or 9.05 percent of CNMI's total estimated population of 86,616, were served during FY 2009.
- In FY 2009, average benefit costs were \$88.49 per person per month.
- The CNMI spent \$1,244,293 on administrative activities for FY 2009. Block grant funding provides 100 percent of administrative and benefit costs.
- CNMI is allowed to set its own eligibility standards to stay within the capped block grant.
- Thirty percent of each allotment consists of coupons earmarked for the purchase of local commodities (food and nonfood items such as fishing equipment, garden supplies and livestock) to provide work incentives, develop self-sufficiency, and stimulate economic development and local food production.
- CNMI prints its own food coupons.

Federal Responsibilities of the Block Grant

The CNMI submits a memorandum of understanding each fiscal year, specifying how the program will be operated, including eligibility requirements to stay within the capped block grant amount. FNS must review and approve the annual memorandum of understanding and monitor program operations to ensure

program integrity. These monitoring activities include reviewing financial reports of obligations and expenditures and on-site management reviews of selected program operations.

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (FDPIR)

Program Mission

FDPIR is an alternative to the SNAP for low-income households on Indian reservations and low-income Indian households in designated service areas near reservations or in Oklahoma. FDPIR implements section 4(b) of the Food and Nutrition Act of 2008, as amended, to allow ITOs to operate a food distribution program for households who prefer USDA Foods to regular SNAP benefits. ITOs that are determined capable are permitted to administer FDPIR.

Facts in Brief

- In FY 2009, five States and 99 ITOs administered 111 programs on 271 Indian reservations, pueblos, rancherias, and Alaska Native Villages. Nutrition assistance was provided to an average of 95,369 persons per month at a cost to FNS of \$54.54 per food package in FY 2009, with an average monthly per person administrative cost of \$31.47.

Recovery Act Funding

FDPIR received \$5 million in ARRA funding. These funds are being used by ITOs and State agencies that administer FDPIR to purchase equipment and infrastructure improvements. Funds in the amount of \$3.8 million were awarded in FY 2009, and the remaining balance of \$1.3 million will be awarded in FY 2010.

FDPIR PARTICIPATION AND COST

	2003	2004	2005	2006	2007	2008	2009
Average Participation (in Thousands)	107.6	104.3	99.0	89.9	86.6	90.1	95.4
Per Person Per Month Food Cost (Entitlement)	\$36.07	\$39.14	\$40.69	\$38.93	\$44.40	\$54.52	\$54.54
Total FNS Food Cost (\$ in Millions)	\$46.57	\$48.99	\$48.35	\$41.32	\$46.94	\$55.32	\$62.90
Percent Change in unit Per Person Food Cost	6.7%	8.5%	4.0%	-4.3%	14.1%	22.8%	0.0%

Note: Total Per Person Food Costs differ from commodity procurement obligations due to inventory level changes.

Food Package Improvements

FNS continuously reviews the FDPIR food package, in consultation with program customers, to improve its nutritional profile and acceptability. On a regular basis, a work group consisting of tribally appointed FDPIR directors, procurement specialists from FSA and AMS, nutrition and health experts from the Indian Health Service and the Centers for Disease Control and Prevention (CDC), and FNS nutritionists and program staff considers changes to the food package and makes recommendations to FNS. The work group is continuing to focus on ways to reduce saturated fat, sugar, and sodium and is also exploring ways to improve the desirability and convenience of products in the food package.

Improved Access to Fresh Fruits and Vegetables

In FDPIR, the Fresh Produce Program began as a pilot program in FY 1996 at two sites. This initiative, a joint venture with the Department of Defense, provides fresh fruits and vegetables that program participants may select in lieu of canned goods. In FY 2009, about 91 percent of the FDPIR programs were enrolled in the Fresh Produce Program, allowing most FDPIR participants to receive a variety of fresh fruits and vegetables that would otherwise be very difficult for them to obtain.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
SUMMARY OF BENEFIT COSTS, PARTICIPATION AND STATE ADMINISTRATIVE FUNDING

FISCAL YEAR 2009

STATE OR TERRITORY	AVERAGE PARTICIPATION IN THOUSANDS		VALUE OF REGULAR BENEFITS ISSUED (\$000)	VALUE OF ARRA BENEFITS ISSUED (\$000)	TOTAL VALUE OF BENEFITS ISSUED (\$000)	AVERAGE MONTHLY BENEFIT PER PERSON	REGULAR STATE ADMINISTRATIVE FUNDING (\$000)	ARRA STATE ADMINISTRATIVE FUNDING ^{2/} (\$000)	TOTAL STATE ADMINISTRATIVE FUNDING (\$000)
	PERSONS	HOUSEHOLDS							
Alabama-----	679	281	\$886,763	\$84,186	\$970,949	\$119	\$35,584	\$2,542	\$38,126
Alaska-----	64	25	118,172	11,452	129,624	168	\$10,941	231	\$11,171
Arizona-----	814	341	1,115,463	108,383	1,223,846	125	\$48,210	3,363	\$51,573
Arkansas-----	411	173	521,533	48,455	569,987	116	\$27,760	1,411	\$29,171
California-----	2,670	1,123	4,006,064	378,294	4,384,358	137	\$503,655	10,795	\$514,451
Colorado-----	319	138	458,392	44,266	502,657	131	\$34,370	1,217	\$35,587
Connecticut-----	258	139	381,068	36,091	417,159	135	\$31,488	1,259	\$32,748
Delaware-----	91	40	117,906	11,192	129,098	118	15,399	379	15,778
District of Columbia-----	103	57	146,041	13,466	159,507	129	13,951	526	14,476
Florida-----	1,952	1,002	2,704,818	263,556	2,968,375	127	74,984	10,135	85,120
Georgia-----	1,286	535	1,774,225	169,615	1,943,840	126	59,659	5,160	64,819
Hawaii-----	115	58	249,791	23,892	273,684	199	14,729	549	15,278
Idaho-----	136	54	183,161	17,776	200,937	123	10,510	532	11,042
Illinois-----	1,462	677	2,127,177	195,595	2,322,771	132	115,453	6,033	121,486
Indiana-----	707	301	981,185	90,064	1,071,249	126	45,179	3,049	48,229
Iowa-----	295	136	384,073	35,785	419,857	119	22,369	1,328	23,698
Kansas-----	219	100	274,991	26,573	301,564	115	14,780	850	15,630
Kentucky-----	702	316	917,413	84,681	1,002,095	119	48,981	2,854	51,835
Louisiana-----	724	303	1,030,245	88,891	1,119,137	129	58,337	2,667	61,004
Maine-----	201	100	267,701	25,003	292,705	121	13,447	914	14,362
Maryland-----	454	212	610,420	58,263	668,683	123	45,511	2,067	47,578
Massachusetts-----	628	336	846,382	79,222	925,604	123	42,323	3,327	45,650
Michigan-----	1,450	694	1,925,473	181,398	2,106,871	121	132,424	6,187	138,610
Minnesota-----	345	165	430,850	41,826	472,677	114	55,207	1,387	56,593
Mississippi-----	506	214	631,672	59,396	691,068	114	28,207	1,889	30,095
Missouri-----	1,033	360	1,038,527	97,086	1,135,613	92	47,897	3,241	51,138
Montana-----	92	41	122,753	11,812	134,564	121	9,174	333	9,507
Nebraska-----	134	57	163,463	15,605	179,068	112	14,385	445	14,829
Nevada-----	200	93	260,094	25,680	285,774	119	14,774	869	15,643
New Hampshire-----	79	38	106,070	9,879	115,949	122	6,477	352	6,829
New Jersey-----	500	243	686,337	63,823	750,159	125	101,409	2,235	103,644
New Mexico-----	291	119	374,676	36,169	410,845	118	28,881	1,110	29,992
New York-----	2,323	1,232	3,613,436	341,597	3,955,033	142	335,069	12,138	347,207
North Carolina-----	1,137	506	1,484,609	140,889	1,625,497	119	73,759	4,615	78,374
North Dakota-----	53	24	72,733	6,832	79,565	125	7,005	205	7,209
Ohio-----	1,357	625	1,979,748	187,371	2,167,118	133	98,461	5,518	103,979
Oklahoma-----	473	200	608,188	58,258	666,447	117	42,818	1,649	44,467
Oregon-----	581	303	758,531	72,879	831,409	119	54,864	2,800	57,664
Pennsylvania-----	1,338	632	1,739,126	161,662	1,900,788	118	169,749	5,646	175,395
Rhode Island-----	102	52	155,390	15,074	170,464	139	7,073	471	7,545
South Carolina-----	688	302	916,027	85,665	1,001,692	121	16,408	2,858	19,265
South Dakota-----	74	31	101,485	9,794	111,278	125	8,978	261	9,239
Tennessee-----	1,072	491	1,465,143	138,533	1,603,676	125	53,184	4,464	57,649
Texas-----	3,003	1,183	4,041,143	357,981	4,399,124	122	196,272	13,843	210,115
Utah-----	185	74	239,240	24,018	263,258	118	24,740	686	25,426
Vermont-----	72	35	90,567	8,671	99,238	115	8,302	304	8,606
Virginia-----	652	296	841,972	80,908	922,880	118	91,820	2,617	94,437
Washington-----	761	376	954,660	92,081	1,046,741	115	55,420	3,424	58,844
West Virginia-----	306	138	373,906	34,550	408,456	111	16,242	1,223	17,465
Wisconsin-----	548	235	619,088	60,678	679,767	103	37,966	2,313	40,279
Wyoming-----	27	11	33,728	3,347	37,075	115	5,641	89	5,730
American Samoa ^{1/} -----	0	0	5,219	964	6,183	0	0	0	0
CNMI ^{1/} -----	0	0	12,148	0	12,148	0	0	0	0
Guam-----	32	10	72,035	6,727	78,763	208	1,690	87	1,777
Virgin Islands-----	16	6	30,816	2,884	33,700	172	5,240	52	5,291
Anticipated Adjustment-----	0	0	-73,419	5,477	-67,942	0	-123,108	0	-123,108
TOTAL-----	33,722	15,232	\$45,978,415	\$4,334,213	\$50,312,628	\$124.45	\$2,914,045	\$144,500	\$3,058,545

NOTES:

These data are based in part on preliminary data submitted by State and local agencies subject to change as revised reports are received.
Totals may not add due to rounding.

^{1/} These entities receive a fixed grant and do not report participation.

^{2/} Excludes \$497,000 in ARRA state administrative funding which was provided to FNS for management and oversight.

**SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
FIRMS AUTHORIZED TO RECEIVE AND REDEEM FOOD STAMP BENEFITS
Fiscal Year 2009**

State or Territory	Retailers	Wholesalers	Drug/Alcohol Treatment Centers	Shelter for Battered Women and Children	Communal Dining Facility	Group Living Arrangement	Home less Meal Provider	Meal Delivery Service	Private Restaurant/Meal Delivery	Senior Citizens Center/Residential Building	Total
Alaska	468	0	9	2	0	0	1	0	0	0	480
Alabama	3,597	0	26	1	2	27	1	0	0	0	3,654
Arkansas	1,880	0	15	0	19	0	1	24	0	0	1,939
Arizona	3,373	0	10	2	1	1	2	2	101	0	3,492
California	19,475	2	268	2	7	0	20	1	608	0	20,383
Colorado	1,996	2	6	0	10	0	1	5	0	0	2,020
Connecticut	1,811	0	16	1	1	0	0	0	0	0	1,829
District of Columbia	379	0	1	0	0	0	1	0	0	0	381
Delaware	569	0	3	0	2	0	2	0	0	0	576
Florida	11,020	0	63	0	7	31	4	6	0	0	11,131
Georgia	6,749	1	4	0	3	2	3	0	0	0	6,762
Guam	232	0	0	0	0	0	0	0	0	0	232
Hawaii	862	0	7	4	2	2	1	2	0	0	880
Iowa	2,347	0	14	0	66	0	0	18	0	0	2,445
Idaho	705	0	0	0	1	0	0	0	0	0	706
Illinois	7,447	0	21	0	52	31	6	18	1	75	7,651
Indiana	3,801	0	2	1	8	0	7	13	0	0	3,832
Kansas	1,376	0	14	0	15	4	1	10	0	0	1,420
Kentucky	3,839	0	21	0	3	2	1	0	0	0	3,866
Louisiana	3,984	0	6	0	2	2	8	0	0	0	4,002
Massachusetts	3,494	0	68	11	9	123	8	1	0	7	3,721
Maryland	2,699	0	16	0	5	23	5	1	0	0	2,749
Maine	1,311	0	11	0	11	1	1	1	0	2	1,338
Michigan	7,927	1	26	0	32	37	4	20	29	0	8,076
Minnesota	2,471	0	6	0	9	0	1	12	0	2	2,501
Missouri	3,784	0	12	0	1	1	9	5	0	0	3,812
Mississippi	2,655	1	0	0	2	0	0	2	0	0	2,660
Montana	591	0	1	0	16	9	3	1	0	3	624
North Carolina	5,691	1	7	0	33	0	0	15	0	0	5,747
North Dakota	423	0	3	0	20	2	0	8	0	0	456
Nebraska	869	0	9	0	0	0	2	0	0	0	880
New Hampshire	747	0	4	0	2	2	1	1	0	0	757
New Jersey	4,688	1	27	0	1	4	5	0	0	1	4,727
New Mexico	1,202	1	2	0	0	0	0	0	0	0	1,205
Nevada	1,208	1	8	1	2	1	2	0	0	0	1,223
New York	15,346	0	103	0	30	184	12	32	0	0	15,707
Ohio	7,236	0	36	0	8	1	3	7	0	0	7,291
Oklahoma	2,761	0	14	1	19	0	0	17	0	0	2,812
Oregon	2,769	0	32	0	6	24	5	3	1	1	2,841
Pennsylvania	8,369	2	15	0	15	13	22	23	0	0	8,459
Rhode Island	804	0	10	2	3	4	3	1	0	0	827
South Carolina	3,402	1	4	0	0	0	2	0	2	0	3,411
South Dakota	573	0	2	0	10	17	0	5	0	0	607
Tennessee	4,777	0	17	0	7	34	1	4	0	0	4,840
Texas	13,617	1	32	0	0	2	2	1	1	0	13,656
Utah	1,037	0	9	0	1	3	0	1	0	0	1,051
Virginia	4,435	1	15	0	2	6	1	0	0	0	4,460
Virgin Islands	99	1	1	0	0	0	0	0	0	0	101
Vermont	500	0	1	0	1	1	0	0	0	0	503
Washington	3,969	0	27	0	8	8	6	6	0	0	4,024
Wisconsin	2,734	0	8	1	17	1	4	3	0	0	2,768
West Virginia	1,976	4	0	0	8	0	0	2	0	0	1,990
Wyoming	239	0	6	0	2	0	0	1	0	0	248
Total	190,313	21	1,038	29	481	603	162	272	743	91	193,753

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS
PARTICIPATION AND FUNDING
FISCAL YEAR 2009

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION	FOOD COSTS <u>1/</u>	ADMINISTRATIVE FUNDING <u>2/</u>	ARRA EQUIPMENT	TOTAL FOOD AND ADMIN.
Alaska-----	107	\$60,138	\$298,827	0	\$358,965
Arizona-----	14,772	8,183,878	3,956,986	\$376,228	12,517,092
California-----	7,412	4,046,551	2,254,407	483,367	6,784,325
Colorado-----	536	273,968	217,096	0	491,064
Idaho-----	1,868	1,015,278	543,074	52,970	1,611,322
Kansas-----	399	232,508	210,341	176,200	619,049
Michigan-----	1,635	993,601	1,081,252	62,690	2,137,543
Minnesota-----	2,248	1,280,452	1,440,393	346,028	3,066,873
Mississippi-----	1,027	403,709	249,101	11,198	664,008
Montana-----	3,046	1,792,437	2,300,543	63,000	4,155,980
Nebraska-----	1,126	612,250	450,750	175,000	1,238,000
Nevada-----	1,570	900,865	513,024	63,296	1,477,185
New Mexico-----	3,340	1,836,236	1,545,931	136,919	3,519,086
New York-----	434	202,723	342,633	29,456	574,812
North Carolina-----	496	274,169	127,573	50,712	452,454
North Dakota-----	4,329	2,597,326	1,863,324	350,000	4,810,650
Oklahoma-----	31,092	18,633,808	8,944,637	138,070	27,716,515
Oregon-----	837	484,511	682,928	26,340	1,193,779
South Dakota-----	10,315	6,233,895	3,101,705	725,958	10,061,558
Utah-----	245	121,669	97,956	0	219,625
Washington-----	4,028	2,327,990	1,802,352	223,532	4,353,874
Wisconsin-----	3,849	2,094,661	1,712,627	121,726	3,929,014
Wyoming-----	660	377,242	260,251	99,745	737,238
AMS / FSA / PCIMS / Computer Support-----	0	482,636	0	0	482,636
Undistributed-----	0	23,432,303	1,973,360	0	25,405,663
TOTAL-----	95,369	\$78,894,805	\$35,971,071	\$3,712,435	\$118,578,311

SOURCE: FPRS FNS-152 data - Food distributed to participants in fiscal year 2009.

1/ Total value of entitlement foods. Costs do not include bonus commodities, food losses, storage and transportation for certain items (Group A fruits and vegetables, all Group B commodities), the value of food used for nutrition education, or the Department of Defense Regional Pilot.

2/ Administrative funding represents the total of Federal outlays and unliquidated obligations.

NOTE: These data are based in part on preliminary reports submitted by State and local agencies and are subject to change as revisions are received. Totals reflect Federal obligations and differ from State reported data.

FOOD AND NUTRITION SERVICE
FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS
Quantity and Value of Commodities
Fiscal Year 2009

ENTITLEMENT COMMODITIES	Indian Reservations	
	Pounds	Dollars
SECTION 6/32 TYPE:		
APPLE JUICE, CANNED	3,320,040	\$1,409,178
APPLESAUCE, CANNED	706,050	426,269
APRICOTS, CANNED	232,650	154,447
BEANS, GREAT NORTHERN	161,280	81,285
BEANS, GREEN CANNED	1,436,806	709,985
BEANS, KIDNEY LIGHT	426,876	225,148
BEANS, LIMA	201,600	145,374
BEANS, PINTO	1,335,360	536,611
BEANS, REFRIED	293,760	159,417
BEANS, VEG	511,680	246,356
BEEF, CANNED	648,000	1,528,384
BEEF, FROZEN GROUND	2,360,000	4,210,722
BEEF, ROUND ROAST	1,120,000	3,667,296
BEEF, STEW	756,000	707,303
CARROTS, CANNED	524,250	302,569
CHICKEN, CANNED	375,000	690,254
CHICKEN, CUT UP	2,035,200	1,867,395
CORN, CANNED CREAM	510,300	251,183
CORN, CANNED WHOLE KERNEL	1,845,511	863,576
CRAN APPLE JUICE	2,070,540	1,364,696
DPSC-FRESH PRODUCE*		5,997,582
EGG MIX	648,000	1,660,084
FRUIT, MIXED	1,140,525	776,198
GRAPE JUICE	1,672,192	957,119
GRAPEFRUIT JUICE	634,478	240,481
HAM WATERADD	612,000	795,269
ORANGE JUICE, CANNED	2,891,520	1,138,073
PEACHES, CANNED	1,902,150	1,393,972
PEARS, CANNED	1,209,150	898,371
PEAS, CANNED	791,213	451,523
PLUMS, D 24	324,000	513,675
POTATOES CANNED	514,080	273,283
POTATOES, DEHYDRATED	1,050,000	1,612,815
PUMPKIN, CANNED	72,900	52,205
RAISINS 24	777,600	828,507
SPAGHETTI SAUCE	1,239,300	538,629
SPINACH, CANNED	339,150	204,192
SWEET POTATOES, CANNED	137,700	64,200
TOMATO JUICE, CANNED	1,512,414	529,661
TOMATO SAUCE, CANNED	1,101,600	461,961
TOMATO SOUP	709,500	469,064
TOMATOES, CANNED	1,021,815	424,436
TUNA, CANNED	388,800	740,285
TURKEY HAM	440,000	788,040
VEG MIX 300	569,700	307,685
VEG SOUP	780,450	636,155
Total Section 6/32 Type	43,351,140	\$42,300,913

FOOD AND NUTRITION SERVICE**FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (Cont.)****Quantity and Value of Commodities****Fiscal Year 2009**

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
BUTTERY SPREAD	1,020,914	\$982,702
CEREAL, CORN & RICE	154,833	258,445
CEREAL, DRY CORN	420,482	577,309
CEREAL, DRY OATS	208,338	413,272
CEREAL, DRY RICE	299,784	435,706
CEREAL, WB FLAKES	213,653	359,023
CHEESE 30 LVS	2,930,400	4,119,691
CHEESE REDUCED SKIM SLC	1,108,800	1,422,493
CORNMEAL	1,370,880	229,717
CRACKERS	720,000	835,200
EGG NOODLES	1,003,560	762,124
FARINA	349,272	198,831
FLOUR MIX, LOWFAT	1,582,080	1,406,275
FLOUR WW	599,760	122,565
FLOUR, ALL PURPOSE	7,582,680	1,565,750
MACARONI	1,296,600	655,180
MACARONI AND CHEESE	714,096	718,461
MILK, EVAPORATED	3,047,760	1,493,912
MILK, UHT FLUID 1%	5,185,800	1,800,493
OATS	1,605,240	1,042,633
OIL, VEGETABLE	2,042,964	1,090,746
PEANUT BUTTER	838,823	754,581
PEANUTS, ROASTED	544,320	892,473
RICE	1,569,000	520,545
ROTINI, WHOLE GRAIN	578,000	332,085
SPAGHETTI	1,395,600	539,273
Total Section 416 Type	38,383,639	\$23,529,485
AMS / FSA / PCIMS / Computer Support		\$482,636
Anticipated Adjustment		12,581,771
TOTAL COMMODITY ENTITLEMENT	81,734,779	\$78,894,805
	Indian Reservations	
BONUS COMMODITIES	Pounds	Dollars
SECTION 32 TYPE:		
HAM, WATERADDED	144,000	\$194,040
Total Section 32 Type	144,000	\$194,040
BONUS COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
INSTANT 2	363,648	\$509,107
Total Section 416 Type	363,648	\$509,107
TOTAL BONUS COMMODITIES	507,648	\$703,147
TOTAL -- ALL COMMODITIES	82,242,427	\$79,597,952
Anticipated Adjustment	0	0
GRAND TOTAL	82,242,427	\$79,597,952

Source: PCIMS -- Delivery order and contract information.

*DPSC-FRESH PRODUCE includes Farm Bill funds (32A).

FOOD AND NUTRITION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Commodity Assistance Program:

For necessary expenses to carry out disaster assistance and the Commodity Supplemental Food Program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note); the Emergency Food Assistance Act of 1983; special assistance for the nuclear affected islands, as authorized by section 103(f)(2) of the Compact of Free Association Amendments Act of 2003 (Public Law 108–188); and the Farmers' Market Nutrition Program, as authorized by section 17(m) of the Child Nutrition Act of 1966,

1. [~~\$247,979,000~~] \$249,619,000, to remain available through September 30, [2011] of which \$6,000,000 shall be for emergency food program infrastructure grants authorized by section 209 of the Emergency Food Assistance Act of
2. 1983: *Provided*, That of the amount provided, \$5,000,000 is to begin service in 7 additional States that have plans approved by the Department for the commodity supplemental food program] 2012: *Provided [further]*, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program: *Provided further*, That notwithstanding any other provision of law, effective with funds made available in fiscal year [2010] 2011 to support the Seniors Farmers' Market Nutrition Program, as authorized by section 4402 of the Farm Security and Rural Investment Act of 2002, such funds shall remain available through September 30, [2011] 2012: *Provided further*, That of the funds made available under section 27(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)), the Secretary may use up to 10 percent for costs associated with the distribution of commodities.

The first change eliminates language related to funding for infrastructure grants provided in FY 2010.

The second change eliminates language related to funds dedicated to new States in CSFP which is no longer necessary. The appropriation level includes sufficient funding to maintain caseload levels of the seven additional states.

FOOD AND NUTRITION SERVICE

LEAD-OFF TABULAR STATEMENT
AND SUMMARY OF INCREASES AND DECREASESCOMMODITY ASSISTANCE PROGRAM (CAP) – CURRENT LAW

Appropriations Act, 2010	\$247,979,000
Budget Estimate, 2011	<u>249,619,000</u>
Increase in Appropriation.....	<u>+1,640,000</u>

Summary of Increases and Decreases – Current Law
(On basis of appropriation)

Item of Change	2010 Estimated	Program Changes	2011 Estimated
Commodity Supplemental Food Program	\$171,409,000	\$5,379,000	\$176,788,000
Farmers' Market Nutrition Program	20,000,000	0	20,000,000
The Emergency Food Assistance Program <u>a/</u>	49,500,000	500,000	50,000,000
TEFAP Infrastructure	6,000,000	-6,000,000	0
Nuclear Affected Islands	575,000	6,000	581,000
Disaster Assistance	495,000	5,000	500,000
IT Modernization and Support	0	1,750,000	1,750,000
Total CAP Appropriation	247,979,000	1,640,000	249,619,000

a/ The SNAP appropriation provides an estimated \$248,000,000 in FY 2010 and \$246,500,000 in FY 2011 to The Emergency Food Assistance Program (TEFAP) for the procurement of USDA foods. Up to 10 percent of this amount is permitted to be used for TEFAP administrative costs.

PROJECT STATEMENT
(On basis of appropriation)

Project	2009 Actual	SY	2010 Estimated	SY	Increase or Decrease		2011 Estimated	SY
1. Commodity Supplemental Food Program	\$160,430,000		\$171,409,000		\$5,379,000	(1)	\$176,788,000	
2. Farmers' Market Programs								
Farmers' Market Nutrition Program	19,800,000		20,000,000		0		20,000,000	
Senior Farmers' Market Nutrition Program (transfer) <u>a/</u>	20,600,000		20,600,000		0		20,600,000	
Total Adjusted FMP	40,400,000		40,600,000		0		40,600,000	
3. The Emergency Food Assistance Program								
Administrative Costs	49,500,000		49,500,000		500,000	(2)	50,000,000	
4. ARRA, P.L. 111-5								
TEFAP Commodities	100,000,000		0		0		0	
TEFAP Administrative Costs	50,000,000		0		0		0	
5. Other Programs								
Nutrition Services Incentive Program (transfer) <u>b/</u>	2,681,000		2,544,000		-2,544,000		0	
Nuclear Affected Islands	575,000		575,000		6,000	(3)	581,000	
Disaster Assistance	495,000		495,000		5,000	(4)	500,000	
IT Modernization and Support	0		0		1,750,000	(5)	1,750,000	
TEFAP Infrastructure Grants	0		6,000,000		-6,000,000	(6)	0	
Total Adjusted Appropriation	404,081,000	2	271,123,000	2	-904,000		270,219,000	
ARRA Funds	-150,000,000		0		0		0	
Transfers (SFMNP and NSIP)	-23,281,000		-23,144,000		2,544,000		-20,600,000	
Total Appropriation	230,800,000	2	247,979,000	2	1,640,000		249,619,000	

a/ Section 4406(c)(1) of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246) authorized the transfer Of \$20,600,000 from the Commodity Credit Corporation (CCC) for the SFMNP.

b/ Administration of NSIP was transferred to DHHS in FY 2003, though FNS continues to be involved in the purchase of USDA Foods. Obligations for commodity procurement for NSIP are funded under an agreement with DHHS. Public Law 110-19, effective April 23, 2007, authorizes the transfer of NSIP funds from DHHS for the purchase of USDA foods and related expenses. The NSIP transfer amount cannot currently be determined and will be available in FY2011.

PROJECT STATEMENT
(On basis of available funds)

Project	2009 Actual	SY	2010 Estimated	SY	Increase or Decrease	2011 Estimated	SY
1. Commodity Supplemental Food Program							
USDA Food Purchases	\$134,044,024		\$132,596,000		\$2,875,000	\$135,471,000	
Administrative Costs	31,419,668		38,838,000		2,479,000	41,317,000	
Total CSFP Obligations	165,463,692		171,434,000		5,354,000	176,788,000	
Recovery of Prior Year Obligations	-4,891,273		-18,000		18,000	0	
Unobligated Balances:							
Available Start of Year	-149,493		-7,000		7,000	0	
Available End of Year	7,074		0		0	0	
Total Appropriation, CSFP	160,430,000		171,409,000		5,379,000	176,788,000	
2. Farmers' Market Program's							
Seniors Farmers' Market Nutrition Program (transfer)	22,466,411		20,654,000		-54,000	20,600,000	
Farmers' Market Nutrition Program	21,750,214		20,045,000		-45,000	20,000,000	
Total FMP Obligations	44,216,625		40,699,000		-99,000	40,600,000	
Transfer from CCC	-20,600,000		-20,600,000		0	-20,600,000	
Recovery of Prior Year Obligations	-3,792,264		0		0	0	
Unobligated Balances:							
Available Start of Year	-123,547		-99,000		99,000	0	
Available End of Year	99,186		0		0	0	
Total Appropriation, FMP	19,800,000		20,000,000		0	20,000,000	
3. The Emergency Food Assistance Program <u>a/</u>							
Administrative Costs	49,811,234		49,500,000		500,000	50,000,000	
SNAP/TEFAP Admin. (non add)	(13,802,194)		(24,800,000)		150,000	(24,650,000)	
SNAP/TEFAP USDA Foods (non add)	(236,197,796)		(223,200,000)		1,350,000	(221,850,000)	
Total TEFAP Obligations	49,811,234		49,500,000		500,000	50,000,000	
Recovery of Prior Year Obligations	-311,234		0		0	0	
Unobligated Balances:							
Available Start of Year	0		0		0	0	
Available End of Year	0		0		0	0	
Total Appropriation, TEFAP	49,500,000		49,500,000		500,000	50,000,000	
4. ARRA, P.L. 111-5							
TEFAP USDA Foods	100,000,000		0		0	0	
TEFAP Administrative Costs	25,000,000		25,000,000		-25,000,000	0	
Total ARRA Obligations	125,000,000		25,000,000		-25,000,000	0	
Recovery of Prior Year Obligations	0		0		0	0	
Unobligated Balances:							
Available Start of Year	0		-25,000,000		25,000,000	0	
Available End of Year	25,000,000		0		0	0	
Total Appropriation, AARA	150,000,000		0		0	0	
5. Other Programs:							
Nutrition Services Incentive Program (NSIP) (transfer) <u>b/</u>	2,298,390		3,287,000		-3,287,000	0	
Nuclear Affected Islands	575,000		575,000		6,000	581,000	
Disaster Assistance	830,505		632,000		-132,000	500,000	
IT Modernization and Support	0		0		1,750,000	1,750,000	
TEFAP Infrastructure Grants	0		6,000,000		-6,000,000	0	
Total Other Program Obligations	3,703,895		10,494,000		-7,663,000	2,831,000	
Transfer from DHHS	-2,681,232		-2,544,000		2,544,000	0	
Recovery of Prior Year Obligations	-352,941		0		0	0	
Unobligated Balances:							
Available Start of Year	-473,435		-880,000		880,000	0	
Available End of Year	873,713		0		0	0	
Total Appropriation, Other Programs	1,070,000		7,070,000		-4,239,000	2,831,000	
Total CAP Obligations	388,195,446	2	297,127,000	2	-26,908,000	270,219,000	2
Total Adjusted Appropriation	380,800,000	2	247,979,000	2	1,640,000	249,619,000	2
ARRA Funds	-150,000,000		0		0	0	
Total Appropriation	230,800,000	2	247,979,000	2	1,640,000	249,619,000	2

- a/ The SNAP appropriation provides \$250,000,000 for The Emergency Food Assistance Program for the procurement of USDA Foods in FY 2009. An estimated \$248,000,000 is provided in FY 2010 and \$246,500,000 in FY 2011. Beginning in FY 2009, up to 10 percent of the funding is permitted to be used for TEFAP administrative costs. The FY 2009 TEFAP administrative obligations include \$20,000 converted to food.
- b/ NSIP transferred to DHHS in FY 2003, but FNS continues to be involved in the purchase of USDA Foods. Obligations for commodity procurement for NSIP are funded under an agreement with DHHS. Public Law 110-19, effective April 23, 2007, authorizes the transfer of NSIP funds from DHHS for the purchase of USDA Foods and related expenses. The NSIP transfer amount cannot currently be determined and will be available in FY2011.

Justification of Increases and Decreases

The FY 2011 request for the Commodity Assistance Program reflects an increase of \$1,640,000.

- (1) An increase of \$5,379,000 for the Commodity Supplemental Food Program (\$171,409,000 available in FY 2010).

Explanation of Change: This increase will support the FY 2011 caseload level and higher caseload utilization levels (utilization of caseload is expected to be lower than normal in FY 2010 due to the entry of seven new States and the expansion of caseload in existing States. Caseload utilization is expected to return to normal in FY 2011). The average monthly food cost per person will increase from an estimated \$30.30 for women, infants, and children in FY 2010 to \$30.65 in FY 2011, and from \$21.71 to \$22.00, respectively for the elderly. The administrative grant per caseload slot is projected to increase from \$67.89 in FY 2010 to \$69.99 in FY 2011.

- (2) An increase of \$500,000 in The Emergency Food Assistance Program (\$49,500,000 available in FY 2010).

Explanation of Change: This increase will restore the base funding activity to \$50,000,000.

- (3) An increase of \$6,000 in Nuclear Affected Islands program (\$575,000 available in FY 2010).

Explanation of Change: This increase restores funding to the authorized level of \$581,000.

- (4) An increase of \$5,000 in Disaster Assistance program (\$495,000 available in FY 2010).

Explanation of Change: This increase restores funding to the authorized level of \$500,000.

- (5) An increase of \$1,750,000 for the Commodity Assistance Program account.

Explanation of Change: This will provide funding for Information Technology Modernization and Support (see issue paper on page 30-72).

- (6) A decrease of \$6,000,000 in TEFAP Infrastructure Grants for FY 2011.

Explanation of Change: This decrease is due to funding available for TEFAP Infrastructure Grants for FY 2010 and not included in FY2011.

**COMMODITY SUPPLEMENTAL FOOD PROGRAM
CALENDAR YEAR AUTHORIZED CASELOAD LEVELS
FOR WIC AND ELDERLY**

<u>STATE / TRIBAL ORG.</u>	<u>2009</u>	<u>2010</u>
Alaska	2,109	2,460
Arizona	14,473	12,965
California	53,827	73,710
Colorado	17,277	17,627
District of Columbia	6,647	6,647
Illinois	13,676	16,525
Indiana	4,273	4,273
Iowa	3,255	3,438
Kansas	4,822	5,122
Kentucky	15,712	22,328
Louisiana	64,689	74,689
Michigan	77,586	82,086
Minnesota	14,071	15,070
Mississippi	7,014	9,014
Missouri	9,315	15,000
Montana	6,809	10,000
Nebraska	12,924	13,396
Nevada	5,909	6,909
New Hampshire	7,253	7,264
New Mexico	16,371	21,108
New York	31,068	32,068
North Carolina	1,160	1,142
North Dakota	2,799	2,765
Oglala Sioux, SD	608	608
Ohio	15,589	19,400
Oregon	1,314	2,187
Pennsylvania	14,583	32,674
Red Lake, MN	98	98
South Carolina	3,705	5,205
South Dakota	2,812	5,212
Tennessee	13,366	13,213
Texas	15,984	31,958
Vermont	3,639	4,000
Washington	3,666	5,098
<u>Wisconsin</u>	<u>5,070</u>	<u>10,270</u>
SUBTOTAL	473,473	585,529
<u>NEW STATES a/</u>		
Arkansas		2,817
Delaware		2,500
Georgia		2,817
Maine		2,817
New Jersey		2,817
Oklahoma		2,817
<u>Utah</u>		<u>2,817</u>
SUBTOTAL		19,402
TOTAL CASELOAD	473,473	604,931

a/ The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (P.L. 111-80) earmarked \$5 million for new States with approved State plans.

	2009 Actual (000)	2010 Estimated (000)	Difference (000)	2011 Estimated (000)
RESOURCES--START OF YEAR :				
Appropriation	\$160,430	\$171,409	\$5,379	\$176,788
Cash Carry-In/Recoveries	5,040	17,707	-17,707	0
Beginning Inventory (Federal-State-Local)	28,557	36,719	10,384	47,103
TOTAL RESOURCES	194,027	225,835	-1,944	223,891
DEMAND:				
1. <u>Program Performance Data:</u>				
Caseload (Calendar Year)	473.473	604.931	0.000	604.931
Participation (Fiscal Year)	466.659	585.461	19.082	604.543
Participation				
<i>Women-Infants-Children</i>	23.322	21.421	-1.071	20.350
<i>Elderly</i>	443.337	564.040	20.153	584.193
<u>Avg. Food Cost Person/Month (whole \$):</u>				
Women-Infants-Children	29.81	30.30	0.35	30.65
<i>FNS Funded a/</i>	26.55	28.00	-0.25	27.75
<i>Free (donated)</i>	3.26	2.30	0.60	2.90
Elderly	21.56	21.71	0.29	22.00
<i>FNS Funded a/</i>	18.77	19.47	-0.29	19.18
<i>Free (donated)</i>	2.79	2.24	0.58	2.82
2. <u>Food Costs:</u>				
Food Distribution Costs	\$107,287	\$138,979	\$2,256	\$141,235
<i>Women-Infants-Children</i>	7,430	7,197	-420	6,777
<i>Elderly</i>	99,857	131,782	2,676	134,458
Commodity Administrative Costs	895	915	10	925
3. <u>State Administrative Expenses</u>				
	31,420	38,838	2,479	41,317
TOTAL DEMAND	139,602	178,732	4,745	183,477
BALANCES--YEAR-END:				
Funds (Carry-out)	7	0	0	0
Ending Inventory	54,418	47,103	-6,689	40,414
Purchases	134,044	150,278	-14,807	135,471
Inventory Change	25,861	10,384	-17,073	-6,689

a/ In addition to reported food package costs, the number also reflects costs associated with storage/transportation, losses and nutrition education expenditures.

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2011
CURRENT LAW**

Program: Commodity Assistance Program

Proposal: Information Technology Modernization and Support

Rationale: According to 7 CFR 250, State Distributing Agencies (SDAs) must maintain records of where USDA foods have been distributed; SDAs must disseminate the FNS recall message to each Recipient Agency (RA) that is affected. If RAs do not receive timely information from SDAs, it may be because SDAs lack efficient technologies to quickly notify RAs about recalls.

FNS proposes to fund information technology enhancement at SDAs to assist them in fulfilling their responsibility to quickly identify and inform the RAs that received recalled products, including but not limited to:

- Tracking and improving traceability of recalled foods. (Pilot Bar Code/Radio Frequency ID \$1.0 million);
- Communicating with recipient agencies about recalled foods;
- Enabling Web-based information postings (\$600,000 to do requirements/business process for above 2 bullets);
- Notification service contract (\$150,000);
- Rapid Alert System; and
- Self-Registration Notification Service (Commodity Alert System).

As technologies improve and change, these information technology systems will need to be updated and enhanced.

Goal: USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious and balanced meals.

Budget Impact:

(\$ in millions)

	FY 2011
Budget Authority	\$1.75

Food and Nutrition Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
2009 and Estimated 2010 and 2011

Commodity Assistance Program						
	FY 2009 Amount	Staff Years	FY 2010 Amount	Staff Years	FY 2011 Amount	Staff Years
Alabama	0	0	0	0	0	0
Alaska	0	0	0	0	0	0
Arizona	0	0	0	0	0	0
Arkansas	0	0	0	0	0	0
California	0	0	0	0	0	0
Colorado	0	0	0	0	0	0
Connecticut	0	0	0	0	0	0
Delaware	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	0
Florida	0	0	0	0	0	0
Georgia	0	0	0	0	0	0
Hawaii	0	0	0	0	0	0
Idaho	0	0	0	0	0	0
Illinois	0	0	0	0	0	0
Indiana	0	0	0	0	0	0
Iowa	0	0	0	0	0	0
Kansas	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0
Maine	0	0	0	0	0	0
Maryland	0	0	0	0	0	0
Massachusetts	0	0	0	0	0	0
Michigan	0	0	0	0	0	0
Minnesota	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0
Missouri	0	0	0	0	0	0
Montana	0	0	0	0	0	0
Nebraska	0	0	0	0	0	0
Nevada	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0
New Jersey	0	0	0	0	0	0
New Mexico	0	0	0	0	0	0
New York	0	0	0	0	0	0
North Carolina	0	0	0	0	0	0
North Dakota	0	0	0	0	0	0
Ohio	0	0	0	0	0	0
Oklahoma	0	0	0	0	0	0
Oregon	0	0	0	0	0	0
Pennsylvania	0	0	0	0	0	0
Rhode Island	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0
Texas	0	0	0	0	0	0
Utah	0	0	0	0	0	0
Vermont	0	0	0	0	0	0
Virginia	0	0	\$170,000	2	\$171,000	2
Washington	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0
American Samoa	0	0	0	0	0	0
Freely Associated States	0	0	0	0	0	0
Guam	0	0	0	0	0	0
N. Mariana Islands	0	0	0	0	0	0
Puerto Rico	0	0	0	0	0	0
Virgin Islands	0	0	0	0	0	0
Indian Tribes	0	0	0	0	0	0
DOD Army/AF	0	0	0	0	0	0
Undistributed	0	0	0	0	0	0
TOTAL	\$0	0	\$170,000	2	\$171,000	2

FOOD AND NUTRITION SERVICE

Commodity Assistance Program

Classification by Objects2009 Actual and Estimated 2010 and 2011

(in thousands of dollars)

	Personnel Compensation:	2009	2010	2011
	Washington D.C.	0	\$59	\$60
	Field	0	70	70
11	Total personnel compensation	0	129	130
12	Personnel benefits	0	41	41
13	Benefits for former personnel	0	0	0
	Total personnel compensation and benefits	0	170	171
	Other Objects:			
21	Travel and transportation of persons			
22	Transportation of things			
23.1	Rental payments to GSA			
23.2	Rental payments to others			
23.3	Communications, utilities, and misc. charges			
24	Printing and reproduction			
25	Other Services			
25.1	Contractual Services Performed by Other Federal Agencies			
25.2	Related Expenditures			
25.3	Repair, Alteration or Maintenance of Equipment, Furniture or Structures			
25.4	Contractual Services - Other	565	0	0
25.5	Agreements			
25.6	ADP Services and Supplies			
25.7	Miscellaneous Services			
25.8	Fees			
26	Supplies and materials	236,342	135,882	135,300
31	Equipment			
32	Land and structures			
41	Grants, subsidies and contributions	151,288	161,075	134,748
42	Insurance claims and indemnities			
43	Interest and dividends			
45	Special Payments			
92	Undistributed			
	Total other objects	388,195	296,957	270,048
	Total direct obligations	388,195	297,127	270,219

Totals for FY 2009 and 2010 include ARRA Funds.

FOOD AND NUTRITION SERVICE
 COMMODITY ASSISTANCE PROGRAMS
SUMMARY OF RECOVERY ACT FUNDING

<u>Program/Project/Activity</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
TEFAP Commodities	\$100,000,000	0	0
TEFAP Administrative Funds	50,000,000	0	0
Total ARRA Appropriation	150,000,000	0	0

PROJECT STATEMENT
 (On basis of available funds)

	2009 Actual	2010 Estimated	2011 Estimated
TEFAP Commodities	\$100,000,000	0	0
TEFAP Administrative Funds	25,000,000	\$25,000,000	0
Total Obligations	125,000,000	25,000,000	0
Unobligated Balance Start of Year	0	-25,000,000	0
Unobligated Balance End of Year	25,000,000	0	0
Total ARRA Appropriation	150,000,000	0	0

Program Implementation Activities:

Goals and Coordination Efforts:

These funds will be used to help ensure that Americans affected by the economic crisis receive adequate food and nutrition services.

Objectives:

These funds will be used to help food banks, soup kitchens and food pantries provide food assistance due to recent economic conditions. TEFAP commodity funding will be used to purchase foods that States order on behalf of their emergency food assistance network. TEFAP administrative funding may be used to offset allowable State or local costs associated with the distribution of USDA or privately-donated food.

Delivery Schedule:

States began placing orders for food in March 2009, and the first deliveries began in May of 2009. Deliveries will continue through 2010.

Performance Measures:

FNS will track the percentage of food assistance that each State orders and the amount of administrative funds obligated by each State as a measure of ARRA achievement. These funds are not expected to directly create any jobs.

	Target		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Value of Food Ordered for Distribution to Food Banks, Soup Kitchens and Food Pantries	\$100 million	0	0

FY 2009 Accomplishments:

These funds were used to help food banks, soup kitchens, and food pantries; they provided food assistance due to recent economic conditions. Funds were used to purchase foods that States ordered on behalf of their emergency food assistance network.

FY 2010 Planned Activities:

The remaining TEFAP administrative funds carrying over into FY 2010 are provided to States to help defray State and local costs associated with the transportation, processing, storage, and distribution of USDA foods or foods secured from other sources such as the private sector.

ARRA TEFAP Grants

State or Territory	2009 ARRA TEFAP Admin Funds	2009 ARRA Entitlement Commodities	2010 ARRA TEFAP Admin Funds
Alabama.....	\$400,093	\$1,558,530	\$398,777
Alaska.....	51,750	204,883	42,194
Arizona.....	496,020	1,925,731	528,387
Arkansas.....	273,611	1,053,468	244,231
California.....	3,110,696	12,373,436	3,237,223
Colorado.....	367,982	1,456,400	347,048
Connecticut.....	221,698	859,162	221,689
Delaware.....	54,471	209,350	55,279
District of Columbia.....	59,863	234,801	59,778
Florida.....	1,389,393	5,526,508	1,525,964
Georgia.....	814,265	3,234,203	832,736
Hawaii.....	64,670	262,256	73,941
Idaho.....	96,446	328,810	109,718
Illinois.....	1,060,048	4,253,076	1,007,421
Indiana.....	486,571	1,983,559	525,423
Iowa.....	198,957	800,623	189,624
Kansas.....	189,962	741,104	183,748
Kentucky.....	414,572	1,694,105	412,319
Louisiana.....	391,142	1,558,779	369,803
Maine.....	102,771	409,654	99,068
Maryland.....	311,003	1,272,215	309,027
Massachusetts.....	428,940	1,688,715	429,073
Michigan.....	995,933	3,605,590	979,131
Minnesota.....	361,222	1,323,343	351,709
Mississippi.....	326,572	1,274,374	309,798
Missouri.....	491,616	1,959,452	471,182
Montana.....	72,219	285,551	73,815
Nebraska.....	111,094	443,565	102,129
Nevada.....	200,526	792,420	215,478
New Hampshire.....	68,405	194,125	67,766
New Jersey.....	544,427	2,171,783	548,913
New Mexico.....	173,322	643,761	163,839
New York.....	1,550,447	6,018,633	1,510,296
North Carolina.....	776,812	3,091,426	823,288
North Dakota.....	42,713	159,583	38,254
Ohio.....	998,642	3,978,163	976,841
Oklahoma.....	290,852	1,150,405	281,721
Oregon.....	313,007	1,231,357	345,254
Pennsylvania.....	911,240	3,648,268	902,677
Rhode Island.....	90,527	366,217	90,602
South Carolina.....	406,041	1,625,538	427,229
South Dakota.....	53,359	210,109	50,615
Tennessee.....	572,968	2,282,069	558,679
Texas.....	2,056,661	8,214,604	1,979,046
Utah.....	148,064	574,005	146,632
Vermont.....	42,032	144,570	41,606
Virginia.....	466,167	1,789,383	479,406
Washington.....	483,566	1,901,504	486,804
West Virginia.....	160,832	634,454	150,427
Wisconsin.....	405,296	1,631,008	389,377
Wyoming.....	27,398	102,659	27,775
American Samoa.....	0	0	0
Guam.....	8,150	31,290	7,225
Northern Mariana Island.....	4,096	0	3,573
Puerto Rico.....	851,824	3,330,386	788,250
Trust Territory.....	0	0	0
Virgin Islands.....	9,046	27,201	8,192
Indian Tribes Set Asi.....	0	0	0
Freely Associated States.....	0	0	0
AMS/FSA/PCIMS/CompSup.....	0	0	0
Estimated transportation/misc.....	0	250,000	0
Undistributed.....	0	1,283,836	0
TOTAL.....	\$25,000,000	\$100,000,000	\$25,000,000

COMMODITY ASSISTANCE PROGRAM

STATUS OF PROGRAM

The Commodity Assistance Program (CAP) account combines funding for the Commodity Supplemental Food Program, administrative expenses for the Emergency Food Assistance Program, assistance to the Nuclear Affected Islands, Disaster Relief, the Senior Farmers' Market Nutrition Program, and the WIC Farmers' Market Nutrition Program.

Commodity Supplemental Food Program

Program Mission

The Commodity Supplemental Food Program (CSFP) provides supplemental USDA foods to low-income pregnant, postpartum and breastfeeding women, infants, children up to age six and the elderly. The program operates in 32 States, the District of Columbia, and through two ITOs. The foods provided are purchased by USDA utilizing funds appropriated for the program each year as well as funds provided for the support of domestic agricultural markets through the removal of agricultural market surpluses and price support activities. CSFP participants receive monthly food packages containing USDA foods. Food packages are designed to address the specific nutritional needs of women, infants, children, and elderly clients. They include such nutritious foods as canned fruits and vegetables, juices, meats, fish, peanut butter, cheese, cereal and grain products, and dairy products. Infants receive formula and rice cereal. USDA also provides administrative funding to States. The FY 2010 Agriculture Appropriations Act provides funding for additional seven States including Arkansas, Delaware, Georgia, Maine, New Jersey, Oklahoma, and Utah.

Facts in Brief

- In 2009, 473,473 caseload slots were allocated to participating States and ITOs.
- For FY 2009, program participation averaged 466,659 monthly.
- From FY 2008 to 2009, monthly participation of women, infants, and children decreased from 30,927 to 23,322, while elderly participation decreased from 444,380 to 443,337.

Program Participation and Caseload Utilization

Each year, to the extent that resources are available, FNS assigns a base caseload to all of the States and ITOs participating in the program. Base caseload equals the greatest of (1) monthly average participation for the previous fiscal year, (2) monthly average participation for the final quarter of the previous fiscal year, or, in certain limited circumstances, (3) participation during September of the previous fiscal year. Base caseload cannot exceed total caseload for the previous year. If resources are available, States may also be eligible to receive additional caseload in the following year, in response to their requests for such caseload and FNS' determination of the number of slots that States can effectively use.

CSFP Average Monthly Participation

Participation ^{1/}	2003	2004	2005	2006	2007	2008	2009
Women	11,064	11,038	9,180	6,729	5,281	4,792	3,389
Infants	8,131	7,670	6,337	4,482	3,241	2,686	1,593
Children Less than 6	47,071	44,208	36,988	28,815	24,748	23,449	18,340
Total WIC Type	66,266	62,916	52,505	40,026	33,270	30,927	23,322
Elderly	389,392	458,798	459,929	422,323	432,804	444,380	443,337
Total, CSFP	455,659	521,714	512,433	462,349	466,075	475,307	466,659

^{1/} Based on National Databank version 8.2 data through September FY 2009. Due to rounding, the sum of the average participation by women, infants, children and elderly may not equal the total average participation.

Free Foods: Under market support authorities, FSA and AMS conduct price-support and surplus-removal procurements of food to aid American agriculture. This food may be donated to FNS, which decides how to allocate them among its programs. If this food can be used in the CSFP food package (e.g., canned green beans but not pudding), FNS may choose to provide it to CSFP. The availability of such food depends entirely on market conditions that cannot be predicted or controlled. To the extent that free food is used in CSFP, the average amount of CSFP appropriations needed to complete each food package is reduced. Thus, free food enables FNS to provide more food packages than could be funded exclusively with CSFP appropriations. Though the volume of free food available to CSFP may vary significantly from year to year, FNS uses historical data to project a certain value of free food per food package that will be available.

Bonus Foods: Bonus foods are also purchased to support agricultural markets and donated to FNS. If these foods are compatible with the CSFP food package and FNS decides to provide them as a part of the food package, they are “free” foods, as discussed above. If the donated foods do not meet food package requirements, FNS may decide to offer them to program participants in addition to the food package. Donated foods offered in addition to the food package are called bonus foods. The presence or absence of bonus foods does not affect the number of food packages provided through the program.

Administrative Funding

Section 4201 of the 2002 Farm Bill (P.L. 107-171) established the method of calculating administrative funds for State agencies in CSFP. State agencies are provided an administrative grant per assigned caseload slot, adjusted each year for inflation. For FY 2009, \$66.36 was the legislatively mandated administrative grant per assigned caseload slot. Allowable administrative costs include nutrition education, warehousing, food delivery, participant certification, and other costs associated with State and local administration of the program.

The Emergency Food Assistance Program

Program Mission

The Emergency Food Assistance Program (TEFAP) supplements the diet of needy Americans through donations of nutritious USDA foods to States. States provide the food to local agencies for distribution to households for home consumption and to organizations that prepare meals for needy people. Recipients of food for home use must meet program eligibility criteria set by the States. USDA also provides TEFAP administrative funding to States to support the storage and distribution of USDA foods and foods from other sources, including private donations.

Facts in Brief

- TEFAP foods and administrative funds are allocated to States based on a formula that considers the number of unemployed people in each State and the number of persons in each State with incomes below the poverty level.
- States may direct their “fair share” of TEFAP foods to: (1) distribution to needy households, (2) provision of meals to the needy at congregating feeding sites, or (3) a combination of the two.
- Each State is responsible for selecting organizations to participate in the program, allocating foods and administrative funds among such organizations, and establishing eligibility criteria. Many local TEFAP agencies are faith-based organizations and many depend significantly on volunteers.

RECOVERY ACT FUNDING

On February 17, 2009, the President signed into law the ARRA (P. L. 111-5). TEFAP received \$100 million in ARRA food funding, as well as \$50 million in ARRA administrative funding. These funds are being used to help food banks, soup kitchens, and food pantries provide food assistance to the increased

number of individuals seeking it due to recent economic conditions. Food funds are being used to purchase foods that States order on behalf of their emergency food assistance network. Administrative funds are being used to for allowable State or local costs associated with the distribution of USDA or privately-donated food. States began placing orders for food in March 2009, and the first deliveries began in May of 2009. Deliveries will continue through 2010.

Administrative Funding

TEFAP administrative funds are provided to States under the CAP account to help defray State and local costs associated with the transportation, processing, storage and distribution of USDA foods or foods secured from other sources such as the private sector. Unless expressly prohibited by appropriations legislation, a State can also choose to convert TEFAP administrative funds to food funds which are used by USDA to purchase additional USDA foods. States can also use administrative funds to support food rescue activities such as gleaning and other food recovery efforts. In these ways, administrative funds are efficiently leveraged to increase the total flow of food, from all sources, through the TEFAP network.

Entitlement Foods

Funds for TEFAP food purchases are provided under the SNAP account. A great variety of healthful foods were purchased specifically for distribution in the TEFAP in FY 2009. These included: dehydrated potatoes, frozen ground beef, frozen whole chicken, frozen ham, frozen turkey roast, blackeye beans, great northern beans, light kidney beans, lima beans, pinto beans, egg mix, large eggs, low fat bakery mix, egg noodles, white and yellow corn grits, spaghetti, macaroni, oats, peanut butter, roasted peanuts, rice, whole grain rotini, vegetable oil, ultra-high temperature fluid one percent milk, bran flakes, corn flakes, oat cereal, rice cereal, corn cereal, and corn and rice cereal. The following canned items were also purchased: green beans, blackeye beans, low sodium kidney beans, refried beans, low sodium vegetarian beans, carrots, cream corn, whole kernel corn, peas, sliced potatoes, pumpkin, low sodium spaghetti sauce, spinach, sweet potatoes, tomatoes, diced tomatoes, low sodium tomato sauce, mixed vegetables, reduced sodium tomato soup, reduced sodium vegetable soup, apple juice, cherry apple juice, grape juice, grapefruit juice, orange juice, tomato juice, apricots, applesauce, mixed fruit, freestone and cling peaches, pears, plums, beef, beef stew, chicken, pork, and tuna.

Bonus Food

In FY 2009, USDA purchased USDA foods under its market support authorities for donation to TEFAP. An additional \$57.9 million in bonus fruit and vegetable products was delivered to TEFAP outlets under the Food, Conservation, and Energy Act of 2008 (P.L. 101-246, the "2008 Farm Bill") bringing the total amount of bonus products delivered to TEFAP outlets in FY 2009 to \$373.7 million. Bonus USDA foods included: apple products, beans, blueberries, catfish, chicken, lamb, orange juice, milk products, pears, pork, turkey, tomato products, and walnuts.

Barter Food

Included in the Bonus totals, TEFAP also received USDA foods valued at \$47.1 million in FY 2009 through FSA's Commodity Credit Corporation (CCC) barter program, this amount included product acquired through a third-party. USDA foods distributed included: canned chicken, canned tuna, and further-processed items.

FY 2009 TEFAP Spending

In FY 2009, \$49,500,000 was appropriated for TEFAP administrative funds, and the Secretary was authorized to make available up to 10 percent of TEFAP food funds to support administrative costs. The FY 2009 appropriation for TEFAP food, which occurs in the SNAP account, was \$250 million, the level authorized by Section 42014 of the 2008 Farm Bill.

TEFAP Summary
(Includes ARRA funds)

(In millions)	2003	2004	2005	2006	2007	2008	2009
State Administrative Expenses	\$59.7	\$59.2	\$58.6	\$63.5	\$58.0	\$57.1	\$88.6
Bonus Foods	242.1	233.0	154.3	67.0	58.2	178.1	373.7
Entitlement Foods	130.3	128.5	130.5	136.1	130.6	182.3	336.2
TOTAL	433.1	421.1	344.4	267.6	246.8	417.5	798.5

The State Administrative Expenses shown in the table above include administrative funds, food funds converted to administrative funds, and administrative funds recovered from the previous year. In FYs 2004-2008, appropriation language permitted the use of up to \$10 million of the TEFAP food funding, appropriated under the SNAP account, to provide administrative funds to the States. In all five years, most States opted to convert most or their entire fair share” of these food funds to administrative funds. In FY 2004, \$9.3 million was converted; in FY 2005, \$8.5 million was converted; in FY 2006, \$7.8 million was converted; in FY 2007, \$7.8 million was converted; and in FY 2008, \$7.7 million was converted. In FY 2009, appropriations language permitted the States the use of up to 10 percent in TEFAP food funds (\$25 million) as administrative funds, of which \$13.8 million was converted. The balance of the funds was used to purchase foods.

The 2008 Farm Bill increased the authorized level of TEFAP entitlement food funds provided under the SNAP account in FY 2009 to \$250 million. The amounts shown for entitlement foods in the table above include \$100 million provided for TEFAP by the ARRA. They also include administrative funds that States chose to use instead to increase their food entitlements: FY 2001, \$0.5 million; FY 2002, \$0.6 million; FY 2004, \$0.1 million; FY 2006, \$0.1 million; FY 2007, \$0.1 million; FY 2008, \$0.4 million; and FY 2009, \$0.02 million. In FY 2003, appropriations legislation prohibited use of administrative funds under the CAP account to increase States’ food allocations, and in FY 2005, no States elected to use administrative funds to increase their food entitlements.

The 2008 Farm Bill also increased the amount of Section 32 funds available for the purchase of fruits, vegetables and nuts for use in domestic nutrition assistance programs from \$200 million to \$390 million in FY 2008. For FY 2009, \$393 million was available. A significant portion of these funds were allocated for TEFAP food purchases.

WIC Farmers’ Market Nutrition Program

The WIC Farmers’ Market Nutrition Program (FMNP) provides a direct link between nutrition and the Nation’s small resource farmers by providing women, infants, and children special coupons to purchase and consume fresh local fruits, vegetables and herbs directly from farmers, farmers’ markets and roadside stands. As a result, the FMNP has enhanced local agricultural economies by promoting the development of farmers’ markets, which has increased the customer base for small local farmers and become a major income source. During FY 2009, the FMNP was operated by 45 State agencies and ITOs.

In FY 2008, the FMNP provided coupons to 2,297,668 WIC participants. The participants redeemed their coupons at 5,765 authorized Farmers’ Markets and roadside stands, providing revenue to 16,016 small family farmers.

WIC Farmers' Market Nutrition Program

	2005	2006	2007	2008	2009
Funding (\$000)	\$28,067	\$23,814	\$22,109	\$21,402	\$21,750
WIC Recipients	2,686,210	2,497,162	2,347,866	2,297,668	*
Farmers' Markets**	4,714	5,032	5,588	5,765	*
Farmers	14,323	14,259	15,062	16,016	*

*Data not yet available

**Farmers' Markets data includes roadside stands.

Senior Farmers' Market Nutrition Program**Program Mission**

The purposes of the Senior Farmers' Market Nutrition Program (SFMNP) are to: (1) provide resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, herbs and honey from farmers' markets, roadside stands and community supported agriculture programs to low-income seniors; (2) increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic farmers' markets, roadside stands, and community support agriculture programs; and (3) develop or aid in the development of new and additional farmers' markets, roadside stands and community supported agriculture programs.

Section 4231 of the 2008 Farm Bill provided \$20.6 million annually, from FY 2008 through FY 2012, to operate the SFMNP and added the following new provisions: (1) honey as an eligible food; (2) prohibition of considering the value of SFMNP benefits as income when determining eligibility for other Federal, State or local programs; and (3) prohibition of the collection of State or local sales tax on any purchase of food with SFMNP benefits.

FY 2009 Grantees

During FY 2009, the SFMNP added 2 new States (Oklahoma and Texas), and operated in a total of 42 States, the District of Columbia, Puerto Rico, and seven Federally-recognized ITOs. The grant funds are used to provide low-income seniors with coupons that can be exchanged for eligible foods at farmers' markets, roadside stands and community supported agriculture programs. A State agency may spend up to 10 percent of its total SFMNP grant to cover costs associated with the operation and administration of the SFMNP.

	2005	2006	2007	2008	2009
Funding (\$000)	\$15,000	\$15,844	\$16,204	\$21,838	\$22,466
SFMNP Recipients	771,285	825,691	697,739	953,324	*
Farmers	14,668	14,575	14,128	16,603	*
Farmers' Markets	2,663	2,911	2,727	3,147	*
Roadside Stands	2,001	2,323	2,300	2,512	*
Community Supported Agriculture Programs	237	260	155	199	*

*Data not yet available

Pacific Island and Disaster Assistance**Program Mission**

Certain islands in nuclear-affected zones of the Republic of the Marshall Islands received cash-in-lieu of USDA foods and administrative funds. This assistance is authorized by the Compact of Free Association Amendments Act of 2003, (P.L. 108-188). USDA previously provided nutrition assistance under this account to the former Trust Territory of the Pacific Islands; however, as the trust relationship ended for the Federated States of Micronesia, the Republic of Palau, and the Republic of the Marshall Islands, this assistance was phased out. Under its Compact of Free Association, Palau is not eligible to receive emergency assistance.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (P.L. 93-288) assigns certain responsibilities relating to disaster food assistance to the Secretary of Agriculture. Other duties have been assigned to the Secretary by Executive Order #12673. These include using, pursuant to the authority of the Act, funds appropriated under Section 32 to purchase USDA foods for assistance in major disasters or emergencies when other food supplies are not readily available.

Nutrition Services Incentive Program (NSIP)

Program Mission

The NSIP provides cash and USDA foods to States for distribution to local organizations that prepare nutritionally sound meals served through meals-on-wheels programs or in senior citizen centers and similar settings where the elderly participate in social and rehabilitative activities. The program promotes good health through nutrition assistance and by reducing the isolation experienced by the elderly.

In 2003, Congress transferred NSIP funding and the allocation of resources in this program from USDA to DHHS. However, State Agencies on Aging could still choose to receive all or part of their NSIP allotments in the form of USDA foods. They were also permitted to receive bonus food, as available. In 2006, pursuant to P.L. 109-365, Congress rescinded States' option to receive USDA foods. However, in 2007, this option was reinstated through P.L. 110-19.

USDA's role is to purchase and deliver food to States that elect to receive it. DHHS provides funding to USDA for purchases of USDA foods and related administrative expenses. FNS and DHHS' Administration on Aging enter into annual agreements to ensure the effective provision of USDA foods to State Agencies on Aging.

Surplus USDA Foods for Charitable Institutions and Summer Camps

Program Mission

Charitable institutions and summer camps are eligible to receive bonus USDA foods, as available. These are provided through price-support and surplus removal authority to a wide variety of institutions serving needy persons. Charitable institutions and summer camps do not receive USDA foods through specific program appropriations.

Facts in Brief

- Under Section 416 price support and Section 32 surplus removal authorities, USDA foods are acquired by the CCC and AMS and are made available at no cost to a variety of institutional types, including nonprofit charitable institutions serving needy persons and summer camps for children, among many others.
- To be eligible, an institution must be nonprofit, tax-exempt under the Internal Revenue Code, and serve meals on a regular basis. Among the charitable institutions eligible to receive USDA Foods are: homes for the elderly, hospitals that offer general and long term health care, soup kitchens, meals-on-wheels programs, and schools, service institutions, or nonresidential child care institutions that do not participate in any of the Child Nutrition Programs.
- Due to favorable market conditions, bonus USDA foods were not available to charitable institutions and summer camps in FY 2009.

FOOD AND NUTRITION SERVICE
COMMODITY SUPPLEMENTAL FOOD PROGRAM
Quantity and Value of Commodities

Fiscal Year 2009

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 6/32 TYPE:		
APPLE JUICE, CANNED	18,956,794	\$7,808,841
APPLESAUCE, CANNED	2,518,543	1,535,252
APRICOTS, CANNED	692,550	457,519
BEANS, CANNED	1,173,480	577,791
BEANS, DRY	5,720,640	2,953,670
BEANS, GREEN CANNED	4,109,019	2,133,284
BEEF CHILI, NO BEAN, CANNED	1,224,000	1,876,807
BEEF STEW, CHUNKY	2,399,940	2,264,458
BEEF, CANNED	1,578,600	3,799,027
CARROTS, CANNED	3,181,502	1,984,849
CHICKEN, CANNED BONED	1,383,752	2,819,387
CORN, CANNED WHOLE KERNEL	4,266,506	2,134,611
FRUIT, MIXED CANNED	2,999,590	2,030,042
GRAPE J	14,538,937	8,403,474
ORANGE JUICE, CANNED	13,135,567	5,254,921
PEACHES, CANNED	3,102,732	2,254,617
PEARS, CANNED	2,175,304	1,614,140
PEAS, CANNED	3,111,079	1,860,910
PLUMS, CANNED	182,250	118,778
POTATOES, CANNED	918,000	489,636
SALMON, CANNED	769,950	1,334,979
SPINACH, CANNED	998,235	596,718
SWEET POTATOES, CANNED	1,233,677	758,699
TOMATO JUICE, CANNED	4,358,444	1,551,390
TOMATOES, CANNED	1,067,605	490,205
TUNA, CANNED	1,489,230	2,945,799
VEG MIX CANNED	2,845,578	1,643,677
Total Section 6/32 Type	100,131,504	\$61,693,481
ENTITLEMENT COMMODITIES		
SECTION 416 TYPE:		
CEREAL, DRY CORN	2,599,260	\$3,399,188
CEREAL, DRY CORN & RICE	1,532,972	2,533,847
CEREAL, DRY OATS	1,048,494	2,043,572
CEREAL, DRY RICE	1,205,292	1,732,826
CEREAL, INFANT RICE	16,640	55,911
CEREAL, WB FLAKES	1,787,728	2,880,619
CHEESE, REDUCED FAT	10,850,400	15,252,487
FARINA	1,319,472	767,588
FORMULA, INFANT	155,521	1,653,189
GRITS, CORN	771,120	191,030
MACARONI	3,732,600	1,824,789
MILK, EVAPORATED	15,459,120	7,639,510
OATS, ROLLED	2,001,600	711,959
PEANUT BUTTER	4,254,458	3,850,628
RICE, MILLED	4,626,000	1,598,292
ROTINI, WHOLE GRAIN	204,000	96,382
SPAGHETTI	3,290,400	1,228,694
Total Section 416 Type	54,855,077	\$47,460,511
Anticipated Adjustment		\$23,994,786
AMS / FSA / PCIMS Admin. Expenses		895,246
TOTAL COMMODITY ENTITLEMENT	154,986,581	\$134,044,024

FOOD AND NUTRITION SERVICE
COMMODITY SUPPLEMENTAL FOOD PROGRAM (Cont.)
Quantity and Value of Commodities

Fiscal Year 2009

BONUS COMMODITIES	Pounds	Dollars
SECTION 32 TYPE: ORANGE JUICE	4,855,202	\$1,853,980
Total Section 32 Type	4,855,202	\$1,853,980

BONUS COMMODITIES	Pounds	Dollars
SECTION 416 TYPE: INSTANT 2	5,066,109	\$7,092,553
Total Section 416 Type	5,066,109	\$7,092,553
Anticipated Adjustment	0	0
TOTAL BONUS COMMODITIES	9,921,311	\$8,946,533
TOTAL -- ALL COMMODITIES	164,907,892	\$142,990,557
Adjustment		0
Cash In-Lieu of Commodities		0
GRAND TOTAL	164,907,892	\$142,990,557

Source: PCIMS -- Delivery order and contract information.

COMMODITY SUPPLEMENTAL FOOD PROGRAM
PROJECTS, PARTICIPATION AND FOOD COST

FISCAL YEAR 2009

STATE OR TERRITORY	PROJECTS	AVERAGE MONTHLY PARTICIPATION (FNS-153)				TOTAL	FOOD COSTS IN DOLLARS 1/	ADMINISTRATIVE COST IN DOLLARS 2/
		WOMEN	INFANTS	CHILDREN	ELDERLY			
Alaska-----	2	6	1	134	1,939	2,080	\$433,343	\$11,463
Arizona-----	11	229	0	867	11,869	12,965	2,784,199	922,860
California-----	6	282	234	2,305	50,430	53,250	11,965,675	3,571,960
Colorado-----	7	548	452	2,458	13,829	17,287	4,245,591	1,145,406
District of Columbia-----	1	11	9	202	6,226	6,447	1,195,325	444,960
Illinois-----	1	21	0	517	12,987	13,525	2,336,641	907,540
Indiana-----	2	0	0	0	4,303	4,303	916,145	283,772
Iowa-----	1	27	4	141	3,067	3,238	664,562	217,362
Kansas-----	3	17	2	110	4,575	4,704	1,022,246	324,086
Kentucky-----	6	26	15	132	15,562	15,735	3,228,392	935,245
Louisiana-----	1	107	79	535	62,223	62,944	12,985,542	4,296,910
Michigan-----	17	830	655	5,145	70,990	77,620	17,253,348	5,143,695
Red Lake, Minnesota-----	1	0	0	3	96	99	15,660	6,503
Minnesota-----	4	72	3	938	12,933	13,946	3,023,707	933,752
Mississippi-----	1	0	0	195	6,811	7,006	1,481,761	464,985
Missouri-----	6	5	0	12	9,323	9,340	2,007,971	610,283
Montana-----	12	0	0	101	6,700	6,801	1,325,895	451,414
Nebraska-----	8	203	13	736	11,845	12,797	2,533,575	798,285
Nevada-----	3	33	29	131	5,538	5,730	1,261,810	353,080
New Hampshire-----	7	767	0	846	5,551	7,164	1,473,259	434,315
New Mexico-----	4	52	36	639	14,863	15,589	3,109,527	937,364
New York-----	3	73	41	1,164	29,400	30,678	6,187,338	2,061,672
North Carolina-----	1	0	0	1	1,137	1,137	236,123	38,158
North Dakota-----	6	0	0	0	2,737	2,737	602,716	185,741
Ohio-----	6	0	0	18	15,495	15,513	3,337,258	1,033,491
Oregon-----	3	0	0	6	1,313	1,318	269,763	87,264
Pennsylvania-----	1	10	0	41	14,515	14,566	3,136,786	967,031
South Carolina-----	3	0	0	4	3,700	3,705	768,370	245,864
South Dakota-----	2	0	0	0	2,812	2,812	579,734	130,653
Ogala Sioux, S.D.-----	1	8	6	138	447	599	124,683	31,021
Tennessee-----	4	54	13	340	12,791	13,198	2,614,796	352,722
Texas-----	3	1	10	113	15,430	15,554	3,381,540	1,059,687
Vermont-----	1	7	2	43	3,521	3,573	766,777	241,252
Washington-----	6	1	0	244	3,399	3,645	761,527	243,044
Wisconsin-----	1	8	0	84	4,982	5,073	1,150,841	336,130
AMS/FSA/PCIMS Admin. Exp.--	0	0	0	0	0	0	0	0
Anticipated Adjustment-----	0	0	0	0	0	0	34,861,597	1,910,698
3/ TOTAL-----	145	3,389	1,593	18,340	443,337	466,659	\$134,044,024	\$31,419,668

SOURCE: FPRS FNS-153 data - Food distributed to participants in fiscal year 2009.

1/ Total value of FNS funded entitlement foods. Costs do not include free commodities, bonus commodities, food losses, storage and transportation for certain items (Group A fruits and vegetables, all Group B commodities), or the value of food used for nutrition education.

2/ Total outlays and unliquidated obligations.

3/ Totals may not add due to rounding.

NOTE: These data are based in part on preliminary reports submitted by State and local agencies and are subject to change as revisions are received.

FOOD AND NUTRITION SERVICE
THE EMERGENCY FOOD AND ASSISTANCE PROGRAM

Quantity and Value of Commodities

Fiscal Year 2009				
ENTITLEMENT COMMODITIES	Pounds	Dollars	ARRA Pounds	ARRA Dollars
<i>SECTION 6/32 TYPE:</i>				
APPLE JUICE, CANNED	5,422,654	\$2,210,678	0	0
APPLESAUCE, CANNED	8,002,030	4,627,105	5,576,860	\$3,275,643
APRICOTS HALVES, CANNED	933,762	616,002	0	0
BEANS REFRIED, CANNED	2,974,320	1,598,308	0	0
BEANS VEGETARIAN, CANNED	3,235,320	1,576,201	0	0
BEANS, B LIMA 2	585,600	407,096	0	0
BEANS, BLKEYE	4,192,919	2,181,283	0	0
BEANS, GREEN CANNED	12,142,195	6,277,359	0	0
BEANS, GRT NORTH 2	1,935,360	968,683	0	0
BEANS, KIDNEY	5,250,675	2,736,102	0	0
BEANS, PINTO	9,333,120	4,170,334	0	0
BEEF STEW, CANNED	16,428,060	15,451,878	0	0
BEEF, CANNED	2,633,400	6,107,819	1,008,000	2,311,079
BEEF, GROUND	4,880,000	8,372,129	0	0
CARROTS, CANNED	6,646,068	4,131,808	0	0
CHERRY APPLE JUICE	3,141,364	1,612,899	0	0
CHICKEN, CANNED	2,520,016	5,041,933	0	0
CHICKEN, CUT UP	57,600	53,367	0	0
CHICKEN, WHOLE	12,672,000	9,172,825	7,326,000	5,314,467
CORN, CANNED CREAM	2,879,558	1,566,220	0	0
CORN, CANNED KERNEL	14,555,262	7,332,210	0	0
CRANBERRY APPLE JUICE	1,141,741	539,838	0	0
EGG MIX	360,000	878,219	0	0
EGGS 15 DOZ	2,126,260	1,511,458	2,767,509	1,573,037
GRAPE J	2,619,615	1,531,792	0	0
GRAPEFRUIT JUICE	460,142	171,911	0	0
HAM	2,880,000	4,121,672	6,760,000	12,173,976
MIXED FRUIT, CANNED	9,747,377	6,162,578	3,098,254	2,233,879
ORANGE JUICE, CANNED	6,317,827	2,544,059	0	0
PEACHES, CANNED	8,226,508	5,562,767	11,440,370	9,707,762
PEARS, CANNED	7,331,883	5,460,333	0	0
PEAS, CANNED	6,777,580	4,053,837	0	0
PORK, CANNED	3,204,000	6,068,674	9,792,000	19,295,692
POTATOES, DEHY 12	1,680,000	2,508,010	0	0
POTATOES, SLICED	2,093,040	1,125,305	0	0
PUMPKIN, CANNED	984,158	704,779	0	0
RAISINS	38,880	41,044	0	0
SALMON, CANNED	8,850	16,006	0	0
SPAGHETTI SAUCE, CANNED	11,846,288	5,273,577	0	0
SPINACH, CANNED	4,021,185	2,373,373	0	0
SWEET POTATOES, CANNED	2,449,807	1,511,489	0	0
TOMATO JUICE, CANNED	2,873,311	1,022,437	0	0
TOMATO SAUCE, CANNED	3,683,482	1,601,266	0	0
TOMATO SOUP	3,050,856	2,132,646	0	0
TOMATOES, CANNED	5,803,251	2,646,034	0	0
TUNA, CANNED	5,379,570	10,443,416	0	0
TURKEY ROASTS	3,400,000	5,005,998	6,400,000	12,111,564
VEGETABLE MIX	8,613,258	4,980,078	0	0
VEGETABLE SOUP	5,569,585	4,525,151	0	0
<i>Total Section 6/32 Type</i>	233,109,737	\$170,729,986	54,168,993	\$67,997,099
<i>SECTION 416 TYPE:</i>				
ENTITLEMENT COMMODITIES	Pounds	Dollars		
CEREAL, CORN	4,203,552	\$5,484,446	0	0
CEREAL, CORN & RICE	1,105,890	1,819,697	0	0
CEREAL, OATS	529,622	1,040,167	0	0
CEREAL, RICE	2,143,596	3,099,709	0	0
CEREAL, WB FLAKES	706,372	1,154,140	0	0
CHEESE MOZZ	0	0	1,202,256	\$2,241,945
CHEESE REDUCED	0	0	9,028,800	13,994,357
EGG NOODLES	3,903,960	2,795,964	0	0
EVAP 24	110,160	55,488	0	0
FLOUR MIX, LOW FAT	2,694,720	2,403,003	0	0
FORMULA DRY	972	10,332	0	0
GRITS	5,055,120	1,313,866	0	0
MACARONI	8,429,520	4,115,338	0	0
MILK, UHT FLUID 1%	15,247,799	5,261,038	0	0
OATS	5,364,288	1,876,813	0	0
PEANUT BUTTER	12,636,035	11,403,153	12,752,651	12,213,863
PEANUTS, ROASTED	129,600	213,256	1,296,000	2,018,900
RICE	26,061,000	9,946,447	0	0
ROTINI, WHOLE GRAIN	2,686,000	1,459,424	0	0
SPAGHETTI	15,428,400	5,828,879	0	0
VEGETABLE OIL	3,826,788	2,007,227	0	0
<i>Total Section 416 Type</i>	110,263,394	\$61,288,387	24,279,707	\$30,469,065
Anticipated Transportation/misc		0		\$250,000
Cash In-Lieu of Commodities - CNMI		\$40,618		0
AMS/FSA/PCIMS/Computer Support		1,432,493		0
Anticipated Adjustment		2,726,312		1,283,836
TOTAL COMMODITY ENTITLEMENT	343,373,131	\$236,217,796	78,448,700	\$100,000,000

FOOD AND NUTRITION SERVICE
THE EMERGENCY FOOD AND ASSISTANCE PROGRAM (Cont.)

Quantity and Value of Commodities

Fiscal Year 2009

BONUS COMMODITIES	Pounds	Dollars
SECTION 32C TYPE**:		
APPLE JUICE	10,495,824	\$4,283,257
APPLESAUCE	12,174,348	7,209,990
APRICOTS, CANNED	6,597,483	4,698,582
BEANS	71,428,101	36,775,456
BLUEBERRIES	18,445,872	20,942,531
CARROTS	5,977,810	3,790,593
CATFISH STRIPS	600,000	2,050,558
CHERRIES	2,336,400	2,330,102
CHERRY APPLE JUICE	2,820,303	1,638,162
CHICKEN	40,235,520	31,029,191
CHICKEN CANNED	5,437,517	10,780,519
GRAPE J	3,963,682	2,195,837
LAMB LEG ROAST	288,000	948,041
LAMB SHOULDER CHOPS	648,000	2,362,464
ORANGE JUICE	57,341,423	22,539,060
PEAS, CANNED	5,467,515	3,228,409
PORK, CANNED	15,444,000	29,464,935
PORK, PATTY FC	30,514,000	56,933,070
POTATO PRODUCTS	5,910,480	3,972,756
SPAGHETTI SAUCE	5,103,014	2,250,142
TOMATO JUICE	1,181,433	408,438
TOMATO SAUCE	4,303,131	1,846,894
TOMATOES	6,880,000	4,471,659
TOMATOES, CANNED	704,701	369,121
TUNA	6,253,200	12,973,872
TURKEY BREAST	3,496,000	5,310,440
TURKEY DELI	11,588,000	20,027,622
TURKEY ROASTS	4,840,000	6,131,216
WALNUTS	10,850,112	22,910,065
<i>Total Section 32C Type</i>	351,325,869	\$323,872,981
BONUS COMMODITIES		
	Pounds	Dollars
SECTION 416 TYPE**:		
INSTANT 2	17,794,559	\$24,912,382
PB SMTH	2,760,489	2,455,564
UHT MILK	57,802,149	22,507,245
<i>Total Section 416 Type</i>	78,357,197	\$49,875,191
Anticipated Adjustment	0	0
TOTAL BONUS COMMODITIES	429,683,066	\$373,748,172
TOTAL -- ALL COMMODITIES		
Entitlement	343,373,131	\$236,217,796
ARRA	78,448,700	100,000,000
Bonus 32C	429,683,066	373,748,172
Anticipated Adjustment	0	0
GRAND TOTAL	851,504,897	\$709,965,968

Source: PCIMS -- Delivery order and contract information.

Note: Entitlement figures include ARRA funds.

Bonus Figures include Farm Bill and Barter/Seam Procurements.

Commodity Entitlement funds include \$20,000 made available from TEFAP Administrative funds

FOOD AND NUTRITION SERVICE
THE EMERGENCY FOOD ASSISTANCE PROGRAM
Administrative Funds / Entitlement and Bonus Commodities
Fiscal Year 2009

State or Territory	TEFAP Admin Funds <u>1/</u>	ARRA TEFAP Admin Funds	Total Admin. Funds	Entitlement Commodities <u>2/</u>	ARRA Entitlement Commodities	Bonus Commodities*	Total Food	Total Admin. and Food
Alabama.....	\$797,285	\$400,093	\$1,197,378	\$3,953,501	\$1,558,530	\$6,557,067	\$12,069,098	\$13,266,476
Alaska.....	154,876	51,750	206,626	429,160	204,883	1,632,743	2,266,786	2,473,412
Arizona.....	1,484,465	496,020	1,980,485	4,373,517	1,925,731	7,306,146	13,605,394	15,585,879
Arkansas.....	585,239	273,611	858,850	2,692,262	1,053,468	4,947,056	8,692,786	9,551,636
California.....	9,309,543	3,110,696	12,420,239	27,625,021	12,373,436	45,442,573	85,441,030	97,861,269
Colorado.....	733,297	367,982	1,101,279	3,619,161	1,456,400	5,525,496	10,601,057	11,702,336
Connecticut.....	457,025	221,698	678,723	2,156,829	859,162	3,513,006	6,528,997	7,207,720
Delaware.....	108,548	54,471	163,019	548,564	209,350	1,015,344	1,773,258	1,936,277
District of Columbia.....	165,703	59,863	225,566	542,467	234,801	1,295,178	2,072,446	2,298,012
Florida.....	3,268,714	1,389,393	4,658,107	13,196,257	5,526,508	19,540,338	38,263,103	42,921,210
Georgia.....	2,106,127	814,265	2,920,392	7,558,027	3,234,203	14,291,407	25,083,637	28,004,029
Hawaii.....	108,872	64,670	173,542	664,847	262,256	1,392,811	2,319,914	2,493,456
Idaho.....	190,964	96,446	287,410	947,526	328,810	1,795,627	3,071,963	3,359,373
Illinois.....	2,221,800	1,060,048	3,281,848	10,332,852	4,253,076	15,956,515	30,542,443	33,824,291
Indiana.....	1,035,410	486,571	1,521,981	4,729,461	1,983,559	7,098,192	13,811,212	15,333,193
Iowa.....	490,589	198,957	689,546	1,851,342	800,623	2,817,649	5,469,614	6,159,160
Kansas.....	378,547	189,962	568,509	1,854,908	741,104	2,913,596	5,509,608	6,078,117
Kentucky.....	1,240,712	414,572	1,655,284	3,689,311	1,694,105	5,469,955	10,853,371	12,508,655
Louisiana.....	1,170,590	391,142	1,561,732	3,484,937	1,558,779	6,167,551	11,211,267	12,772,999
Maine.....	283,740	102,771	386,511	934,049	409,654	2,048,769	3,392,472	3,778,983
Maryland.....	930,755	311,003	1,241,758	2,762,788	1,272,215	4,140,175	8,175,178	9,416,936
Massachusetts.....	1,142,086	428,940	1,571,026	3,928,721	1,688,715	6,355,088	11,972,524	13,543,550
Michigan.....	2,844,751	995,933	3,840,684	8,969,146	3,605,590	13,677,716	26,252,452	30,093,136
Minnesota.....	1,081,048	361,222	1,442,270	3,164,431	1,323,343	5,142,469	9,630,243	11,072,513
Mississippi.....	765,776	326,572	1,092,348	3,087,690	1,274,374	5,022,592	8,069,586	9,161,934
Missouri.....	1,421,669	491,616	1,913,285	4,362,484	1,959,452	16,355,804	22,677,740	24,591,025
Montana.....	172,803	72,219	245,022	686,522	285,551	1,311,052	2,283,125	2,528,147
Nebraska.....	321,383	111,094	432,477	983,756	443,565	1,416,917	2,844,238	3,276,715
Nevada.....	399,598	200,526	600,124	1,948,139	792,420	1,914,169	4,654,728	5,254,852
New Hampshire.....	136,313	68,405	204,718	676,074	194,125	1,133,071	2,003,270	2,207,988
New Jersey.....	1,629,335	544,427	2,173,762	4,792,472	2,171,783	8,670,561	15,634,816	17,808,578
New Mexico.....	451,042	173,322	624,364	1,604,454	643,761	2,919,537	5,167,752	5,792,116
New York.....	3,662,704	1,550,447	5,213,151	14,511,628	6,018,633	23,452,588	43,982,849	49,196,000
North Carolina.....	1,547,992	776,812	2,324,804	7,699,806	3,091,426	11,553,794	22,345,026	24,669,830
North Dakota.....	121,356	42,713	164,069	389,515	159,583	768,788	1,317,886	1,481,955
Ohio.....	1,990,044	998,642	2,988,686	9,771,156	3,978,163	15,299,190	29,048,509	32,037,195
Oklahoma.....	579,597	290,852	870,449	2,813,334	1,150,405	5,137,385	9,101,124	9,971,573
Oregon.....	623,744	313,007	936,751	3,067,133	1,231,357	4,840,585	9,139,075	10,075,826
Pennsylvania.....	2,727,114	911,240	3,638,354	8,109,979	3,648,268	13,198,915	24,957,162	28,595,516
Rhode Island.....	180,398	90,527	270,925	850,987	366,217	1,217,326	2,434,530	2,705,455
South Carolina.....	1,086,651	406,041	1,492,692	3,758,360	1,625,538	6,397,824	11,781,722	13,274,414
South Dakota.....	138,632	53,359	191,991	484,347	210,109	545,188	1,239,644	1,431,635
Tennessee.....	1,141,782	572,968	1,714,750	5,703,905	2,282,069	6,183,821	14,169,795	15,884,545
Texas.....	4,921,082	2,056,661	6,977,743	19,385,098	8,214,604	27,306,489	54,906,191	61,883,934
Utah.....	362,581	148,064	510,645	1,374,469	574,005	2,396,630	4,345,104	4,855,749
Vermont.....	83,760	42,032	125,792	414,146	144,570	1,149,537	1,708,253	1,834,045
Virginia.....	1,395,121	466,167	1,861,288	4,137,182	1,789,383	8,973,575	14,900,140	16,761,428
Washington.....	1,157,053	483,566	1,640,619	4,597,638	1,901,504	7,248,630	13,747,772	15,388,391
West Virginia.....	426,056	160,832	586,888	1,496,174	634,454	3,621,903	5,752,531	6,339,419
Wisconsin.....	1,212,949	405,296	1,618,245	3,583,166	1,631,008	6,288,536	11,502,710	13,120,955
Wyoming.....	54,596	27,398	81,994	297,255	102,659	798,532	1,198,446	1,280,440
American Samoa.....	0	0	0	0	0	0	0	0
Guam.....	16,240	8,150	24,390	76,095	31,290	331,749	439,134	463,524
Northern Mariana Island.....	8,162	4,096	12,258	40,618	0	0	40,618	52,876
Puerto Rico.....	2,549,299	851,824	3,401,123	7,258,621	3,330,386	3,377,538	13,966,545	17,367,668
Trust Territory.....	0	0	0	0	0	0	0	0
Virgin Islands.....	17,910	9,046	26,956	87,703	27,201	73,077	187,981	214,937
Indian Tribes Set Asi.....	0	0	0	0	0	0	0	0
Freely Associated States.....	0	0	0	0	0	0	0	0
AMS/FSA/PCIMS/CompSup.....	0	0	0	1,432,493	0	0	1,432,493	1,432,493
Estimated transportation/misc.....	0	0	0	0	250,000	0	250,000	250,000
Undistributed.....	0	0	0	2,726,312	1,283,836	115,472	4,125,620	4,125,620
3/ TOTAL.....	\$63,593,428	\$25,000,000	\$88,593,428	\$236,217,796	\$100,000,000	\$373,748,172	\$709,965,968	\$798,559,396

Source: PCIMS -- Delivery order and contract information.

* Figures include Farm Bill and Barter/Seam Procurements.

1/ TEFAP SNAP commodity funds made available as administrative funds \$13,802,1942/ TEFAP CAP administrative funds made available as commodity funds \$20,000.3/ Totals may not add do to rounding

WIC FARMERS MARKET NUTRITION PROGRAM
PARTICIPATION AND PROGRAM FINANCING
FISCAL YEAR 2008 and 2009

STATE OR TERRITORY	Fiscal Year 2008 TOTAL PARTICIPATION ^{1/}				Fiscal Year 08 PROGRAM GRANT	Fiscal Year 09 PROGRAM GRANT
	WOMEN	INFANTS	CHILDREN	TOTAL		
Alabama-----	8,631	0	22,716	31,347	\$380,323	\$392,164
Alaska-----	4,629	889	9,587	15,105	217,707	224,485
Arizona-----	4,901	0	8,520	13,421	227,694	234,783
Arkansas-----	8,635	0	13,988	22,623	183,906	189,632
California-----	117,461	55,268	268,625	441,354	2,325,395	2,397,794
Connecticut-----	13,320	0	37,908	51,228	307,672	317,251
District of Columbia-----	6,405	0	8,975	15,380	292,205	301,302
Florida-----	11,047	199	20,593	31,839	275,143	283,709
Georgia-----	9,190	3,017	15,773	27,980	982,769	1,013,366
Illinois-----	15,143	0	27,260	42,403	375,321	387,006
Indiana-----	9,417	6,075	14,884	30,376	246,517	254,192
Iowa-----	3,260	0	26,376	29,636	481,400	496,388
Kentucky-----	4,520	739	10,040	15,299	217,685	224,462
Louisiana-----	244	8	193	445	6,667	6,667
Maine-----	1,570	0	5,030	6,600	75,000	75,000
Maryland-----	27,356	0	24,256	51,612	331,032	341,338
Massachusetts-----	35,349	1	66,780	102,130	455,810	470,001
Michigan-----	6,895	258	16,299	23,452	386,948	398,995
Minnesota-----	16,065	5,085	35,079	56,229	297,754	307,024
Mississippi ^{2/} -----	3,030	74	5,323	8,427	89,500	89,500
Missouri-----	3,677	933	4,356	8,966	227,972	235,070
Montana-----	1,806	0	3,519	5,325	57,353	57,353
New Hampshire-----	4,512	1,393	9,295	15,200	104,373	107,623
New Jersey-----	0	0	48,228	48,228	1,190,823	1,227,898
New Mexico ^{2/} -----	4,283	272	7,847	12,402	309,922	319,104
New York-----	111,501	90,351	158,175	360,027	3,342,131	3,446,188
North Carolina-----	10,834	0	7,604	18,438	274,336	282,877
Ohio-----	8,844	0	23,239	32,083	504,646	520,358
Oklahoma Chickasaw-----	810	319	1,825	2,954	75,000	75,000
Oklahoma Osage Tribe-----	409	351	985	1,745	31,325	31,325
Oregon-----	6,489	3,475	16,817	26,781	354,678	365,721
Pennsylvania-----	45,496	0	96,680	142,176	1,735,773	1,789,814
Puerto Rico-----	18,868	8,206	50,526	77,600	1,751,703	1,806,240
Rhode Island-----	4,965	0	13,307	18,272	147,723	152,322
South Carolina-----	3,670	0	6,616	10,286	124,784	128,669
Tennessee-----	0	0	0	0	75,000	75,000
Texas-----	77,720	0	160,190	237,910	1,238,556	1,277,117
Vermont-----	732	108	1,924	2,764	75,000	75,000
Virginia-----	11,111	0	23,584	34,695	291,212	0
Washington-----	37,616	0	75,094	112,710	570,486	588,247
West Virginia-----	2,936	0	6,237	9,173	70,000	70,000
Wisconsin-----	32,620	0	65,298	97,918	599,993	618,673
Guam-----	1,493	0	3,636	5,129	92,671	95,556
Undistributed-----	0	0	0	0	0	0
TOTAL-----	697,460	177,021	1,423,187	2,297,668	\$21,401,908	\$21,750,214

^{1/} Participation data reflects Fiscal Year 2008. Participation data for Fiscal Year 2009 is not due until February 2010.

^{2/} Includes Indian Tribal Organizations.

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE**Disaster Assistance and Disaster Feeding****Quantity and Value of Commodities**

Fiscal Year 2009

ENTITLEMENT COMMODITIES	Disaster Feeding	
	Pounds	Dollars
SECTION 6/32 TYPE:		
Apple Slices	414	\$182
Applesauce	598	189
Beef Products	1,419	2,387
Blackberries	257	232
Corn	504	206
Eggs	358	289
Mixed Fruit	782	341
Pears	552	243
Salsa	598	199
Tomato Sauce	414	100
Total Section 6/32 Type	5,895	\$4,367

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
Rice	305	\$96
Cheese	852	1,676
Rotini	278	121
Milk, UHT 2%	512	264
Total Section 416 Type	1,947	\$2,157
Anticipated Transp. & Storage		\$6,870
DOD Regional Pilot		0
AMS /FSA /PCIMS /Comp. Supp		0
Anticipated Adjustment		6,870
TOTAL COMMODITY ENTITLEMENT	7,842	\$13,395

BONUS COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
NONE	0	0
TOTAL BONUS COMMODITIES	0	0
TOTAL -- ALL COMMODITIES	7,842	\$13,395
Anticipated Adjustment		
GRAND TOTAL	7,842	\$13,395

Source: PCIMS -- Delivery order and contract information.

FOOD AND NUTRITION SERVICE
DISASTER ASSISTANCE & DISASTER FEEDING
Value of Commodities to States
Entitlement and Bonus
Fiscal Year 2009

State or Territory	Entitlement	Bonus	Total
Alabama.....	0	0	0
Alaska.....	\$6,524	0	\$6,524
Arizona.....	0	0	0
Arkansas.....	0	0	0
California.....	0	0	0
Colorado.....	0	0	0
Connecticut.....	0	0	0
Delaware.....	0	0	0
District of Columbia.....	0	0	0
Florida.....	0	0	0
Georgia.....	0	0	0
Hawaii.....	0	0	0
Idaho.....	0	0	0
Illinois.....	0	0	0
Indiana.....	0	0	0
Iowa.....	0	0	0
Kansas.....	0	0	0
Kentucky.....	0	0	0
Louisiana.....	0	0	0
Maine.....	0	0	0
Maryland.....	0	0	0
Massachusetts.....	0	0	0
Michigan.....	0	0	0
Minnesota.....	0	0	0
Mississippi.....	0	0	0
Missouri.....	0	0	0
Montana.....	0	0	0
Nebraska.....	0	0	0
Nevada.....	0	0	0
New Hampshire.....	0	0	0
New Jersey.....	0	0	0
New Mexico.....	0	0	0
New York.....	0	0	0
North Carolina.....	0	0	0
North Dakota.....	0	0	0
Ohio.....	0	0	0
Oklahoma.....	0	0	0
Oregon.....	0	0	0
Pennsylvania.....	0	0	0
Rhode Island.....	0	0	0
South Carolina.....	0	0	0
South Dakota.....	0	0	0
Tennessee.....	0	0	0
Texas.....	0	0	0
Utah.....	0	0	0
Vermont.....	0	0	0
Virginia.....	0	0	0
Washington.....	0	0	0
West Virginia.....	0	0	0
Wisconsin.....	0	0	0
Wyoming.....	0	0	0
American Samoa.....	0	0	0
Fed Micronesia (chuuk).....	0	0	0
Guam.....	0	0	0
Northern Mariana Island.....	0	0	0
Puerto Rico.....	0	0	0
Trust Territory.....	0	0	0
Virgin Islands.....	0	0	0
Indian Tribes Set Asi.....	0	0	0
Indian Tribes.....	0	0	0
Freely Associated States.....	0	0	0
DOD Army / AF.....	0	0	0
AMS / FSA / PCIMS.....	0	0	0
Undistributed.....	0	0	0
Estimated Transportation/Misc.....	6,870	0	6,870
TOTAL.....	\$13,395	0	\$13,395

Source: PCIMS -- Delivery order and contract information.

FOOD AND NUTRITION SERVICE
NUTRITION SERVICES INCENTIVE PROGRAM
Quantity and Value of Commodities
Fiscal Year 2009

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 6/32 TYPE:		
BEANS GREEN	116,412	\$52,574
BEEF BONELESS FR COMBO	40,000	61,176
BEEF, 40	245,600	410,832
CATFISH STRIPS	40,000	162,200
CHICKEN, CHILLED BULK	216,000	168,728
CHICKEN, CUT-UP FROZEN	80,000	63,348
CHICKEN, DICED	40,000	77,492
CHICKEN, FAJITA	39,000	71,431
CORN, FRZ	82,200	33,582
FRUIT MIX	36,253	27,389
HAM, FRZ	60,000	94,075
PEACHES, CLING CANNED	229,437	139,393
PEACHES, CUP	44,880	39,167
PEARS, CANNED	36,024	24,746
PEAS, FROZEN	86,700	46,590
PORK ROAST	120,000	134,637
STRAWBERRIES	85,500	82,601
SWEET POTATOES	2,025	917
TOMATO SAUCE	40,227	14,106
TOMATOES, DICED CANNED	69,768	29,172
TURKEY, ROASTS FROZEN	120,000	143,868
Total Section 6/32 Type	1,830,026	\$1,878,024

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
CHEDDAR SHRED	2,400	\$3,428
CHEESE BARREL	40,000	57,389
FLOUR	42,840	8,898
WHOLE GRAIN MACARONI	1,000	523
WHOLE GRAIN ROTINI	1,000	508
WHOLE GRAIN SPAGHETTI	1,000	435
Total Section 416 Type	88,240	\$71,181
Anticipated Adjustment		\$340,570
AMS / FSA / PCIMS Admin. Expenses		8,615
TOTAL COMMODITY ENTITLEMENT	1,918,266	\$2,298,390

BONUS COMMODITIES	Pounds	Dollars
SECTION 32 TYPE:		
NONE		
Total Section 32 Type	0	0

BONUS COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
NONE		
Total Section 416 Type	0	0
3/ Anticipated Adjustment	0	0
TOTAL BONUS COMMODITIES	0	0
TOTAL -- ALL COMMODITIES	1,918,266	\$2,298,390
Cash In-Lieu of Commodities		0
GRAND TOTAL	1,918,266	\$2,298,390

Source: PCIMS -- Delivery order and contract information.

FOOD AND NUTRITION SERVICE
NUTRITION SERVICES INCENTIVE PROGRAM
Value of Commodities to States
Entitlement and Bonus
Fiscal Year 2009

State or Territory	Entitlement	Bonus	Total
Alabama.....	-	-	-
Alaska.....	-	-	-
Arizona.....	-	-	-
Arkansas.....	-	-	-
California.....	-	-	-
Colorado.....	-	-	-
Colorado.....	-	-	-
Connecticut.....	-	-	-
Delaware.....	\$114,568	-	\$114,568
District of Columbia.....	-	-	-
Florida.....	-	-	-
Georgia.....	-	-	-
Hawaii.....	-	-	-
Idaho.....	31,077	-	31,077
Illinois.....	-	-	-
Indiana.....	-	-	-
Iowa.....	119,947	-	119,947
Kansas.....	273,110	-	273,110
Kentucky.....	-	-	-
Louisiana.....	-	-	-
Maine.....	-	-	-
Maryland.....	-	-	-
Massachusetts.....	1,069,879	-	1,069,879
Michigan.....	-	-	-
Minnesota.....	-	-	-
Mississippi.....	-	-	-
Missouri.....	-	-	-
Montana.....	165,355	-	165,355
Nebraska.....	-	-	-
Nevada.....	175,269	-	175,269
New Hampshire.....	-	-	-
New Jersey.....	-	-	-
New Mexico.....	-	-	-
New York.....	-	-	-
North Carolina.....	-	-	-
North Dakota.....	-	-	-
Ohio.....	-	-	-
Oklahoma.....	-	-	-
Oregon.....	-	-	-
Pennsylvania.....	-	-	-
Rhode Island.....	-	-	-
South Carolina.....	-	-	-
South Dakota.....	-	-	-
Tennessee.....	-	-	-
Texas.....	-	-	-
Utah.....	-	-	-
Vermont.....	-	-	-
Virginia.....	-	-	-
Washington.....	-	-	-
West Virginia.....	-	-	-
Wisconsin.....	-	-	-
Wyoming.....	-	-	-
American Samoa.....	-	-	-
Guam.....	-	-	-
Northern Mariana Island.....	-	-	-
Puerto Rico.....	-	-	-
Trust Territory.....	-	-	-
Virgin Islands.....	-	-	-
Indian Tribes Set Asi.....	-	-	-
Indian Tribes.....	-	-	-
Freely Associated States.....	-	-	-
DOD Army / AF.....	-	-	-
AMS/FSA /PCIMS/COM.....	8,615	-	8,615
3/ TOTAL.....	340,570	-	340,570
TOTAL.....	\$2,298,390	\$0	\$2,298,390

Source: PCIMS -- Delivery order and contract information.

FOOD AND NUTRITION SERVICE

The estimate includes appropriation language for this item as follows (new language underscored):

Nutrition Programs Administration:

For necessary administrative expenses of the Food and Nutrition Service for carrying out any domestic nutrition assistance program, [\$147,801,000] \$172,087,000: *Provided*, \$3,000,000 shall be used for the purposes of section 4404 of Public Law 107-171, as amended by section 4401 of Public Law 110-246.

This change in language provides funding for the Hunger Fellows Program.

FOOD AND NUTRITION SERVICE
LEAD-OFF TABULAR STATEMENT
AND SUMMARY OF INCREASES AND DECREASES

NUTRITION PROGRAMS ADMINISTRATION

Appropriations Act, 2010.....\$147,801,000
Budget Estimate, 2011 172,087,000
Increase in Appropriation.....+24,286,000

Adjustments in 2010:

Appropriations Act, 2010.....\$147,801,000
Congressional Hunger Center.....3,000,000

Adjusted base for 2010.....\$150,801,000
Budget Estimate, Current Law 2011 172,087,000
Increase over adjusted 2010.....+21,286,000

SUMMARY OF INCREASES AND DECREASES

(On basis of adjusted appropriation)

Item of Change	2010 Estimated	Pay Costs	Program Changes	2011 Estimated
Direct Program, FNS and CNPP ^{a/}	\$147,801,000	\$1,616,000	0	\$149,417,000
Congressional Hunger Center	3,000,000	0	0	3,000,000
Investment in Improved Program Administration	0	0	\$5,170,000	5,170,000
Financial Management Systems Modernization	0	0	3,500,000	3,500,000
Develop and Promote Dietary Guidance	0	0	9,000,000	9,000,000
IT Modernization & Support	0	0	2,000,000	2,000,000
Total Appropriation	150,801,000	1,616,000	19,670,000	172,087,000

^{a/} The FY 2010 estimate for the administrative expenses of the Center for Nutrition Policy and Promotion is \$3,913,000; the FY 2011 request is \$12,913,000.

PROJECT STATEMENT
(On basis of adjusted appropriation)

Project	2009 Actual	SY	2010 Budget	SY	Increase or Decrease	2011 Estimated	SY
Food and Nutrition Service/CNPP	\$141,991,236	1,005	\$147,801,000	1,077	\$21,286,000	\$169,087,000	1,127
Congressional Hunger Center	2,347,000		3,000,000		0	3,000,000	
Congressional Relations	290,000		0		0	0	
Miscellaneous Reimbursements	906,973		0		0	0	
Balance Lapsing	603,764		0		0	0	
Total Obligations	146,138,973	1,005	150,801,000	1,077	21,286,000	172,087,000	1,127
Transfer from Congressional Relations	-290,000		0				
Rescission	0		0				
Transfer from Miscellaneous Reimbursements	-906,973		0				
Total Appropriation	144,942,000	1,005	150,801,000	1,077			

Administrative Expenses Breakout by FNS Programs

(This is an informational display linking administrative funding and program activities.)

FNS Program	FY 2011
Supplemental Nutrition Assistance Program	\$81,210,000
Child Nutrition Programs	39,044,000
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	21,864,000
Commodity Assistance Program	14,056,000
Subtotal	156,174,000
Congressional Hunger Center	3,000,000
Center for Nutrition Policy and Promotion	12,913,000
Total Request, Nutrition Programs Administration	172,087,000

Justification of Increases and Decreases

A net increase of \$21,286,000 for the Nutrition Assistance Programs (\$150,801,000 available in FY 2010) consisting of:

- (1) An increase of \$1,616,000 to fund increased pay costs.

Explanation of Change. The requested increase for pay costs will fund personnel costs generated by pay raises approved by the President.

- (2) An increase of \$5,170,000 and 40 staff years to enhance resources to meet FNS' core responsibilities of program administration, grantee oversight and protection of the integrity of program operations.

Explanation of Change. This funding will increase staff focused on implementing programs in a way that improves access to nutrition assistance, advances the public trust and enhances the nutritional quality of the nutrition assistance programs. This increase is consistent with FNS' leading role in Administration priorities including ending childhood hunger and combating obesity. (For additional information, see page 30-82.)

- (3) FNS requests \$3,500,000 to modernize its financial management systems.

Explanation of Change. FNS must upgrade and integrate its outdated financial management system in accordance with Departmental requirements for the Financial Management Modernization Initiative (FMMI) and the Office of Management and Budget's Line of Business initiative to develop common business processes and systems for financial management. FNS relies heavily on this software to control \$80 billion in Federal appropriations and must now align itself with the Departmental FMMI plan to ensure that the agency is able to maintain the integrity of its financial accounts. (For additional information, see page 30-83.)

- (4) An increase of \$9,000,000 and 10 staff years for the Center for Nutrition Policy and Promotion for nutrition education activities and to promote the 2010 Dietary Guidelines for Americans and for nutrition curriculum development.

Explanation of Change. The funding requested by the Center for Nutrition Policy and Promotion (CNPP) will be used to continue implementing the scientific evidence-based approach to nutrition guidance, promote the 2010 *Dietary Guidelines for Americans* to ensure that nutrition education has the greatest impact on diet quality, perform evidence-based systematic review of nutrition education research to guide effective nutrition education interventions in schools and communities, and build and maintain educational tools and systems that Americans can use to adopt behaviors that lead to more healthful eating and active lifestyles. These initiatives will help make a significant contribution to USDA's goal to help Americans develop eating behaviors that are more consistent with the *Dietary Guidelines for Americans*. CNPP will use foundational work in research, policy development and promotion to build cutting edge systems that will result in positive consumer behavior changes regarding dietary practices and active lifestyles to help reduce the obesity epidemic, reduce incidences of diet-related chronic diseases, and improve the overall health of Americans. (For additional information, see page 30-84.)

- (5) An increase of \$2,000,000 for IT modernization and support associated with the NPA account.

Explanation of Change. Funding will provide a dedicated source of funding to support FNS' internal computer infrastructure. This initiative will improve the security of FNS computer operations in order to make the agency less vulnerable to cyber attacks, faulty data, and disruptions in service. It will also support technology tools that can improve benefit delivery to program participants, to streamline program administration for our State and local partners, to improve nutrition education and to enhance program integrity and stewardship of Federal resources. (For additional information, see page 30-86.)

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2011
CURRENT LAW**

Program: Nutrition Programs Administration – Investment in Improved Program Administration

Proposal: FNS requests funding to increase staff focused on implementing programs in a way that improves access to nutrition assistance, advances the public trust and enhances the nutritional quality of the nutrition assistance programs.

Rationale: The President and the Secretary have established an aggressive set of policy goals for the Food, Nutrition and Consumer Services (FNCS) mission area. FNS plays key roles in achieving those objectives. The budget requests additional staff to support recent growth in the size and complexity of nutrition programs to enhance the agency's ability to successfully achieve the Administration's goals, undertake important new initiatives, and maintain the high levels of program integrity and fiscal stewardship essential to preserving public confidence in and support for the nutrition assistance programs.

Requested increases will support investments in key areas including:

Policy and Regulatory Development. The Administration has set an extraordinarily ambitious and high-profile policy agenda for nutrition programs. FNS is seeking to use Child Nutrition/WIC reauthorization to lead the government in ending childhood hunger and reverse the trends of increasing obesity among our children. The agency must implement Institute of Medicine recommendations to reform school meals standards within two years, and is also focused on completing prompt implementation of 2008 Farm Bill regulations while preparing for the next legislative cycle. Additional resources are needed to ensure that USDA is fully responsive with high-quality policy and regulatory work to meet these goals.

Program Monitoring and Oversight. Robust Federal oversight, monitoring, and technical assistance are essential to the identification, prevention and resolution of problems before they grow into crises, and impact clients. The school meals programs are currently incurring high levels of erroneous payments, and the Administration is seeking strong action to reduce them across government. Additional resources would be used to provide stronger oversight, and earlier intervention and technical assistance to address these problems.

Program Evaluation and Analysis. Because of the emphasis on nutrition assistance program reform and innovation, Congress and the Administration have worked together to secure a massive increase in program demonstration and evaluation funding – over \$150 million in 2010. This is a fivefold increase over last year, and includes such high-profile projects as the Summer Feeding Demonstration Programs, the Recovery Act-funded SNAP evaluation, and the Healthy Incentives Pilot. No new staff resources have been provided to support the design and development of these studies to ensure that they yield the rigorous evidence required by policymakers. Additional resources are needed to ensure maximum value is derived from this substantial investment in research and development.

Goal: USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals.

Budget Impact:
(\$ in millions)

	FY 2011
Budget Authority	\$5.17

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2011
CURRENT LAW**

Program: Nutrition Programs Administration – Financial Management Systems Modernization

Proposal: FNS requests funding to upgrade and integrate its outdated program financial management system in accordance with Departmental requirements for its Financial Management Modernization Initiative (FMMI) and its ongoing efforts to develop common business processes and systems for financial management. FNS' Integrated Program Accounting System (IPAS) is not part of the current USDA financial system.

Rationale: The IPAS is the agency's primary mission critical financial system for FNS that was implemented in May 2001 using BearingPoint Performance Series client server software developed in 2000. This software was Joint Financial Management Improve Program (JFMIP) certified at that time and was offered through the mandatory General Services Administration (GSA) Financial Management Systems Software (FMSS) Multiple Award Schedule for use by Federal agencies.

BearingPoint no longer markets this suite of financial management software and the software is no longer on the approved list of JFMIP financial management software. FNS's current release of the software is the last approved version that BearingPoint will directly support and it is nearing the end point of its useful life. FNS relies heavily on this software to control over \$80 billion in Federal appropriations and must now align itself with the Departmental FMMI plan to ensure that the agency is able to maintain the integrity of its financial accounts and maintain compliance with all Federal financial requirements. Without an upgraded system, FNS will not be able to comply with the requirements of FMMI.

Since IPAS 1) is one of the primary mission area financial management subsystems within USDA, 2) supports all the program and grant funding and accounting requirements for the agency's SNAP and Special Nutrition Programs, and 3) is subject to annual financial statement audits, FNS must now take action to integrate its financial management processes directly with USDA's FMMI in order to ensure that an uninterrupted flow of funding will be available to its grantees.

Based on the requirements imposed on FNS by USDA FMMI and the critical need to ensure the integrity of the flow of Federal funds to agency grantees, FNS proposes to begin the process to integrating its financial management system with the Departmental FMMI.

Goal: USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals.

Budget Impact:
(\$ in millions)

	FY 2011
Budget Authority	\$3.5

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2011
CURRENT LAW**

- Program:** Nutrition Programs Administration - Develop and Promote Cutting-Edge Evidence-Based Dietary Guidance That (1) Encourages Americans to Adopt Better Behaviors for Healthful Eating and Active Lifestyles, and (2) Makes Nutrition Education More Effective.
- Proposal:** The Center for Nutrition Policy and Promotion (CNPP) is requesting \$9,000,000 and 10 staff years in FY 2011 to (1) continue implementing the scientific evidence-based approach to nutrition guidance, (2) promote the 2010 *Dietary Guidelines for Americans* to ensure that nutrition education has the greatest impact on diet quality, (3) perform evidence-based systematic review of nutrition education research to guide effective nutrition education interventions in schools and communities, and (4) build and maintain educational tools and systems that Americans can use to adopt behaviors that lead to more healthful eating and active lifestyles.
- Rationale:** The funding requested will help CNPP make a significant contribution to USDA's goal to help Americans in general and children in particular develop eating behaviors that are more consistent with the *Dietary Guidelines for Americans*. CNPP will use foundational work in research, policy development, and promotion to build cutting-edge systems that will result in positive consumer behavior regarding dietary practices and active lifestyles to help reduce the obesity epidemic, reduce incidences of diet-related chronic diseases, and improve the overall health of Americans.

Nutrition Evidence Library (\$1,000,000) - Recommendations of the Dietary Guidelines Advisory Committee (DGAC) are developed using a transparent, systematic review process guided by the Nutrition Evidence Library (NEL) personnel. This process includes searching, selecting, critically evaluating, synthesizing and grading scientific evidence and posting the evidence for public view in the USDA's NEL. The *Guidelines* in turn support Federal nutrition policy and educational curriculum and tools. Subsequent to supporting the work of the DGAC, the Evidence Analysis Library, in which the NEL is located, will review scientific (basic), applied, and consumer research to answer policy-based questions about diet, health, education, and nutrition-related behaviors. Thus, CNPP will:

- Continue to populate the Evidence Analysis Library with evidence analyses that answer specific policy questions and provide an evidence-base for food, nutrition, and nutrition education practice decisions, as well as organize a robust topic nomination process and expert involvement in systematic reviews.
- Publicize results of evidence analysis projects through in-person, in-print and a variety of electronically-based media and educational formats.
- Increase staffing to support increased demands of Evidence Analysis Library development.

2010 Dietary Guidelines for Americans (\$2,000,000) - Every 5 years, an expert DGAC recommends revisions of the *Dietary Guidelines for Americans* to the Secretaries of USDA and DHHS. After review of these recommendations, the Departments issue a policy document, as well as information consumers can use to establish healthful diets and active lifestyles. To translate the recommendations and policy statements into information that consumers can use, CNPP will:

- Conduct research on promising strategies to positively influence consumer eating behavior and to evaluate the effectiveness of strategies for delivery of nutrition education in multiple settings and for diverse audiences of varied socio-economic levels.

- Implement a communications plan for the 2010 *Dietary Guidelines for Americans* to increase the visibility, reach, and adoption of *Guidelines* recommendations in all population segments.
- Increase staffing to support research and implementation of the 2010 *Dietary Guidelines for Americans*.

MyPyramid Food Guidance System (\$4,000,000) - The MyPyramid graphic is USDA’s symbol for healthful diets and active lifestyles for Americans. And MyPyramid.gov is the USDA’s major e-government nutrition education connection with consumers who are seeking sound, scientifically based advice on ways to eat healthfully and “move more.” To enhance MyPyramid materials and tools, CNPP will:

- Conduct technical research to continue updating and developing the underlying food intake patterns for the food guidance system, including access to up-to-date food composition and consumption data and conduct research on use and effectiveness of MyPyramid materials and interactive tools.
- Develop enhanced interactive tools for MyPyramid.gov with components and functionalities that are most promising as drivers of behavioral change fostered through school and community-based nutrition education.
- Conduct consumer research to evaluate the potential of specific recommendations and delivery systems to result in improved dietary intakes and physical activity levels among diverse audiences, at all socio-economic levels.
- Provide for sufficient hardware and software capability to support increasing use of MyPyramid.gov tools and applications.
- Increase staffing to support development and testing of enhanced personalized, interactive, and targeted applications and tools, and customer support.

Making Nutrition Education More Effective (\$2,000,000) - Nutrition education is a core part of increasing children’s awareness of the importance of eating healthfully and exercising to maintain healthy weight and prevent diet-related illnesses. To support attainment of the USDA’s Goal 4, CNPP will:

- Conduct systematic evidence-based reviews of nutrition education research on designing classroom instruction and methods of evaluation to guide making nutrition education in schools more effective.
- Enhance MyPyramid Food Guidance System tools that give parents and family nutrition gatekeepers information to help them and children make better food choices.
- Increase the materials distributed through various channels to the general public, schools, and agencies that serve children and their families.
- Increase the efforts reported through the State Nutrition Action Council (SNAC), producing a clearinghouse on cross-cutting nutrition education topics, projects, and materials focused on meeting the nutrition needs of children and families.
- Increase staffing to support development and use of nutrition education efforts in the schools.

Goal: USDA Strategic Goal: Ensure that all of America’s children have access to safe, nutritious, and balanced meals.

Budget Impact:
(\$ in millions)

	FY 2011
Budget Authority	\$9.0

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2011
CURRENT LAW**

Program: Nutrition Programs Administration - IT Modernization and Support

Proposal: Funding will support expanded use of technology tools to improve benefit delivery to program participants, to streamline program administration for State and local program partners, to improve nutrition education and to enhance program integrity and our stewardship of Federal resources.

Rationale: FNS does not have a dedicated source of funding to support its internal computer infrastructure requirements. This limits FNS' ability to adequately plan for security upgrades, perform needed computer maintenance, and maintain the high level of computer operation required to support ongoing program operations. FNS needs to ensure that it has the resources necessary to support the programmatic systems critical to the delivery of its nutrition assistance.

The funding requested would yield many positive results. It will directly support improved computer security, computer operations, improved customer service, and most significantly support for program operations and service delivery of our benefits. Increasing programmatic demands for information technology services may not be able to be supported under our existing infrastructure. FNS is also increasingly being targeted for cyber attack and must ensure the integrity of its computer operations and program delivery. The agency works in close collaboration with the Department's Office of the Chief Information Officer (OCIO) to ensure that common standards and practices are in place; however, dedicated agency resources are also needed to support ongoing infrastructure needs. An outdated infrastructure makes the agency more vulnerable to attack which could lead to program delivery disruptions.

Goal: USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals.

Budget Impact:
(\$ in millions)

	FY 2011
Budget Authority	\$2.0

Food and Nutrition Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
2009 and Estimated 2010 and 2011

Nutrition Programs Administration						
	FY 2009 Amount	Staff Years	FY 2010 Amount	Staff Years	FY 2011 Amount	Staff Years
Alabama	0	0	0	0	0	0
Alaska	0	0	0	0	0	0
Arizona	\$16,509	3	\$15,225	3	\$16,466	3
Arkansas	17,760	3	16,379	3	17,714	3
California	3,009,341	73	3,080,107	78	3,496,897	79
Colorado	2,005,552	70	2,037,901	74	2,306,401	75
Connecticut	11,920	2	10,993	2	11,889	2
Delaware	0	0	0	0	0	0
District of Columbia	2,352,960	1	3,005,496	1	3,005,944	1
Florida	363,442	6	374,005	6	425,602	7
Georgia	2,740,763	75	2,799,414	80	3,175,378	81
Hawaii	18,296	3	16,874	3	18,249	3
Idaho	0	0	0	0	0	0
Illinois	4,097,492	76	4,210,597	81	4,788,574	82
Indiana	339,602	2	352,019	2	401,825	2
Iowa	345,562	3	357,515	3	407,769	3
Kansas	5,960	1	5,496	1	5,944	1
Kentucky	345,562	3	357,515	3	407,769	3
Louisiana	363,382	6	373,950	6	425,543	7
Maine	0	0	0	0	0	0
Maryland	16,389	3	15,115	3	16,347	3
Massachusetts	1,004,624	67	998,334	71	1,118,758	71
Michigan	697,084	7	720,527	7	821,483	8
Minnesota	3,020,664	12	3,135,191	13	3,580,761	14
Mississippi	17,879	3	16,489	3	17,833	3
Missouri	685,165	5	709,534	5	809,595	6
Montana	17,879	3	16,489	3	17,833	3
Nebraska	5,960	1	5,496	1	5,944	1
Nevada	0	0	0	0	0	0
New Hampshire	11,920	2	10,993	2	11,889	2
New Jersey	3,479,566	89	3,558,416	95	4,038,471	96
New Mexico	0	0	0	0	0	0
New York	423,039	16	428,969	17	485,045	17
North Carolina	685,165	5	709,534	5	809,595	6
North Dakota	5,960	1	5,496	1	5,944	1
Ohio	29,799	5	27,482	5	29,721	5
Oklahoma	11,920	2	10,993	2	11,889	2
Oregon	31,706	5	29,241	6	31,624	6
Pennsylvania	14,125	2	13,027	3	14,088	3
Rhode Island	0	0	0	0	0	0
South Carolina	23,839	4	21,986	4	23,777	4
South Dakota	0	0	0	0	0	0
Tennessee	685,165	5	709,534	5	809,595	6
Texas	386,438	68	373,591	72	404,033	72
Utah	1,346,490	6	1,397,083	6	1,595,412	7
Vermont	0	0	0	0	0	0
Virginia	116,524,242	357	120,479,100	386	138,067,210	428
Washington	335,192	1	347,952	1	397,426	1
Wisconsin	11,920	2	10,993	2	11,889	2
Wyoming	5,960	1	5,496	1	5,944	1
West Virginia	11,920	2	10,993	2	11,889	2
American Samoa	0	0	0	0	0	0
Freely Associated States	0	0	0	0	0	0
Guam	0	0	0	0	0	0
N. Mariana Islands	0	0	0	0	0	0
Puerto Rico	21,098	4	19,457	4	21,043	4
Virgin Islands	0	0	0	0	0	0
Indian Tribes	0	0	0	0	0	0
DOD Army/AF	0	0	0	0	0	0
Undistributed	593,764	0	0	0	0	0
TOTAL 1/	\$146,138,973	1,005	\$150,801,000	1,077	\$172,087,000	1,127

1/ Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

Nutrition Programs Administration

Classification by Objects2009 Actual and Estimated 2010 and 2011

(in thousands of dollars)

	Personnel Compensation:	2009	2010	2011
	Washington D.C.	\$41,199	\$45,080	\$48,125
	Field	48,363	52,920	56,495
11	Total personnel compensation	89,562	98,000	104,620
12	Personnel benefits	22,105	22,440	23,770
13	Benefits for former personnel	24	24	27
	Total personnel compensation and benefits	111,691	120,464	128,417
	Other Objects:			
21	Travel and transportation of persons	2,245	2,245	2,245
22	Transportation of things	11	11	11
23.1	Rental payments to GSA	32	32	32
23.2	Rental payments to others	537	537	537
23.3	Communications, utilities, and misc. charges	1,935	1,700	1,700
24	Printing and reproduction	300	300	300
25	Other Services	0	0	0
25.1	Contractual Services Performed by Other Federal Agencies	3,890	3,890	3,890
25.2	Related Expenditures	0	0	0
25.3	Repair, Alteration or Maintenance of Equipment, Furniture or Structures	184	184	429
25.4	Contractual Services - Other	13,901	11,981	23,069
25.5	Agreements	3,436	3,436	3,436
25.6	ADP Services and Supplies	1,422	1,422	1,422
25.7	Miscellaneous Services	68	68	68
25.8	Fees	56	56	56
26	Supplies and materials	1,485	1,285	1,285
31	Equipment	1,905	100	2,100
32	Land and structures	1	0	0
41	Grants, subsidies and contributions	2,347	3,000	3,000
42	Insurance claims and indemnities	83	83	83
43	Interest and dividends	7	7	7
45	Special Payments	0	0	0
92	Undistributed	603	0	0
	Total other objects	34,448	30,337	43,670
	Total direct obligations	146,139	150,801	172,087

NUTRITION PROGRAMS ADMINISTRATION

STATUS OF PROGRAM

The Nutrition Programs Administration (NPA) appropriation funds operating expenses for administering the nutrition assistance programs of FNS. It also includes the budget of the Center for Nutrition Policy and Promotion (CNPP).

FNS Administrative Resources – A Critical Program Management and Oversight Tool

FNS employees play a central role in managing the Federal nutrition assistance programs. While the programs operate in partnership with State agencies and local service providers, FNS is solely responsible for:

- Developing program policies and regulations to ensure program design and operation are consistent with the law and current nutrition science;
- Disbursing and accounting for Federal funds provided to those who operate the programs; and
- Monitoring program operations and conducting oversight, technical assistance and evaluation to ensure that programs are managed and operated consistent with law, and to maximize their effectiveness and value to clients and taxpayers.

Meeting these responsibilities is central to accomplishing core program objectives, including ensuring access to benefits for eligible individuals, improving the nutrition of program recipients, and strengthening program integrity. The Child Nutrition and WIC Reauthorization Act of 2004 resulted in new management and oversight responsibilities in several areas including program expansion activities (e.g., the SFSP and CACFP eligibility pilots); the expansion of the “Simplified Summer Program” and the FFVP; activities related to healthier eating (e.g., school wellness); and improvements in program integrity in the Child Nutrition Programs. Ongoing efforts to improve SNAP payment accuracy, CACFP management, WIC vendor cost containment, and school meals certification accuracy are critical to the agency’s mission and require intensive staff focus and travel funding.

While substantial funding is also provided to States to operate these programs, State agencies have fundamentally different financial incentives than the Federal Government. In many areas, the cost of program problems or inefficiencies affects Federal expenditures, while the cost to resolve them has an impact on the States. Therefore, strong Federal policy and oversight are fundamental to ensuring effective levels of program accountability.

Although information technology improvements have resulted in large productivity gains in the past decade, many of FNS’ functions are labor-intensive and require ongoing attention. Since the NPA appropriation funds most of the salaries and administrative expenses of FNS, it is integral to ensuring and leveraging the effective use of other program appropriations. Over the last two decades, FNS staff levels have decreased by about fifty percent, a particularly significant reduction considering the growing fiduciary responsibilities of the agency and the increasing complexity of the programs it administers. The reduction in staff has occurred while FNS Federal nutrition assistance programs have increased in size, number, and complexity and new legislation has increased workload. Administrative funding for FNS accounts for about 1/4 of 1 percent of the total investment in nutrition assistance. Especially in the context of limited resources, increasing this investment in proper fiscal and program management for an agency managing approximately \$100 billion including ARRA funding must be a top priority.

The most significant accomplishments under this NPA appropriation during FY 2009 are cited below by program and activity.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

In SNAP, formerly known as the Food Stamp Program, NPA funding is used for a range of critically important functions. FNS develops policies and procedures for the administration of the program, provides State agency oversight to ensure compliance with program rules, and provides technical assistance to States. The agency also reviews State quality control activities, determines the effectiveness and efficiency of State administration, and reviews and approves planning documents for computer system acquisitions and electronic benefit transfer issuance systems. FNS authorizes and monitors 193,753 retail and wholesale firms that are approved to accept SNAP benefits, and maintains fiscal accountability for SNAP benefits. It also allocates employment and training funds to the States.

Highlights of FY 2009 accomplishments supported by the NPA appropriation and related to SNAP include:

Implementation of Farm Bill Changes: The Food, Energy and Conservation Act of 2008 (the Farm Bill) included multiple provisions that reinforce long-term agency priorities. These include: strengthening integrity; simplifying administration; maintaining State flexibility; improving health through nutrition education; and improving access. FNS has been responsible for ensuring the effective and efficient implementation of these changes.

State Oversight: FNS, through its seven Regional Offices, conducts various on-site reviews of State and local SNAP offices each year. In FY 2009, FNS continued to perform Management Evaluation System Reviews (MEs) which are designed to cover national program priorities and known vulnerable areas. Program Access Reviews, a major component of MEs, were also conducted at the State and local levels.

FNS encourages States to consider ways to increase efficiencies in and the effectiveness of their program administration and operations. FNS continues to share promising practices and provide State exchange funds to facilitate State and local agency travel to observe innovative practices which may be transferable. FNS also works with an increasing number of State agencies that are contemplating large-scale changes to their business models for delivering social services.

FNS provides technical assistance and performs strong oversight of States to ensure that their modernization projects and other innovations are implemented in a successful manner to deliver program benefits more effectively and efficiently, using fewer resources without sacrificing customer service, program access or program integrity.

Improving Benefit Delivery: FNS made important advances in promoting the nutrition benefits of SNAP to eligible people through nutrition education efforts and a national outreach effort. Furthermore, in response to changes in the Farm Bill, the agency worked hard to ensure that new SNAP provisions are well-understood and correctly implemented.

Improving Program Integrity: FNS made important advances in its efforts to improve payment accuracy and retailer integrity.

- *Payment Accuracy:* The program payment error rate for FY 2008 was 5.01 percent, representing the fifth consecutive year that the payment error rate is under 6 percent. The rate reflects an over-issuance rate of 4.01 percent and an under-issuance rate of 1.00 percent. To maintain this trend in FY 2009, FNS continued an aggressive payment accuracy improvement program that balanced the need to maintain program access.
- *Recipient Claims:* State agencies collected about \$259.6 million in recipient claims in FY 2009, the most recent year for which final figures are available. FNS continued to monitor corrective actions performed by States to address previously identified deficiencies in recipient claims systems. Forty-four States had claims systems without significant problems as of April 2009.

- *Store Tracking and Redemption System (STARS)*: FNS re-engineered retailer administration functions to ensure effective use of staff and financial resources through use of automation. This initiative included re-design of the retailer re-authorization process to collect updated store data online that is fed through an automated system that evaluates each retailer's response and risk level to flag firms for further scrutiny.
- *Anti-fraud Locator using EBT Retailer Transactions (ALERT)*: FNS awarded a contract to build a next generation ALERT system to add new analytical capabilities, integrate a GIS solution, and incorporate data mining activities in order to significantly improve program integrity.
- *Retailer Oversight and Integrity*: In FY 2009, FNS staff authorized or reauthorized 55,891 firms to participate in SNAP. FNS utilized contractor store visits to verify the initial or continued eligibility of 38,218 stores participating in SNAP. In this same period, 15,878 firms were withdrawn from participation because of changes in ownership, business closings, or nonconformance with authorization criteria. In addition, 1,459 stores were fined or disqualified temporarily or permanently for noncompliance with law or SNAP regulations. At the end of FY 2009, 193,753 stores were authorized to participate in SNAP, an increase of 18,659 stores from FY 2008 and of 31,740 stores over the last three fiscal years.

During FY 2009, there were investigations of 4,234 stores nationwide. Approximately 35 percent (1,467) of these investigations documented evidence of SNAP violations. Of the 1,467 positive investigations, FNS investigators uncovered trafficking in 225 stores.

Electronic Benefit Transfer (EBT) Systems: FNS continues oversight of States as their EBT contracts end and they procure subsequent EBT systems through the Request for Proposal (RFP) process. This process includes RFP approvals, contract approvals, as well as oversight of State conversions from one EBT vendor's system to a new vendor's system.

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (FDPIR)

Through the FDPIR, FNS acquires and distributes USDA Foods to participating Indian Tribal Organizations (ITOs) and State agencies for distribution to low-income persons and families. Cash assistance also is provided to the ITOs/State agencies to help finance the administrative cost of operating the program. FNS sets standards for participant and provider eligibility and provides training and other assistance to program partners as needed.

Highlights of FY 2009 accomplishments supported by the NPA appropriation and related to the FDPIR include:

Food Package Review: FNS continued its commitment to improve the food package offered under FDPIR by partnering with the National Association of Food Distribution Programs on Indian Reservations. A work group, representing program directors, Federal partners, nutritionists, and USDA food procurement specialists, is focusing on ways to better meet the nutritional needs and food preferences of program participants. In the current review cycle, the panel seeks to reduce saturated fat, sugar, and sodium in the food package and explore "healthier" alternatives to some current products. The work group continues to explore ways to increase the convenience and acceptability of products offered and adjusts pack sizes/guide rates to better meet the needs of one-person households.

Improved Customer Service: FNS continues to implement a comprehensive plan to significantly improve customer service and program efficiency by expanding the use of long-term, indefinite delivery/indefinite quantity contracting and request for proposal contracting. This will help to ensure constant availability of desired USDA foods and reduce costs.

CHILD NUTRITION PROGRAMS

In the Child Nutrition Programs, the NPA appropriation funds the staff expenses for developing policies, procedures and standards used to administer the programs and determine eligibility, and providing Federal oversight to ensure that the programs are operating effectively and in compliance with law and regulations.

FNS is improving access and accuracy in the school meals programs by mandated direct certification of children in SNAP households and by enhancing the verification process for those who must continue to complete paper applications to participate. In addition, provisions to simplify the application process for families will allow more eligible children to benefit from nutritious school meals. In areas where the State agencies cannot or do not assume operational responsibility, FNS directly administers the Child Nutrition Programs.

Highlights of FY 2009 accomplishments supported by the NPA appropriation related to the Child Nutrition Programs include:

Child Nutrition Reauthorization: In FY 2009, FNS continued implementation of the Child Nutrition and WIC Reauthorization Act of 2004. Congress is expected to use the upcoming Child Nutrition Programs reauthorization as an opportunity to consider improvements to the USDA Child Nutrition Programs, including the NSLP and the SBP.

USDA is committed to a strong reauthorization bill that improves program access, enhances meal quality and the school nutrition environment and improves program performance. FNS is working with Congress to ensure that the Administration's goals are part of the Child Nutrition Programs reauthorization process.

- *Regulations* - Publication of Regulations in the Federal Register in FY 2009, including:
 - School Food Safety Inspections
 - Marketing and Sale of Fluid Milk in Schools
 - School Breakfast Programs Severe Need Assistance
 - Verification of Eligibility for Free and Reduced Price Meals in the NSLP and SBP

Nutrition Awareness: Team Nutrition's goal is to improve children's lifelong eating and physical activity habits by using the principles of the *Dietary Guidelines for Americans* and MyPyramid. It strives to instill healthy behaviors in children to prevent nutrition-related health problems, including obesity, diabetes, and other nutrition related illnesses. Team Nutrition complements the President's efforts to confront the obesity epidemic and to improve the nutrition and health of all Americans.

- *MyPyramid for Kids and MyPyramid for Preschoolers:* During FY 2009, Team Nutrition continued to distribute MyPyramid for Kids materials to educate elementary school age children on the MyPyramid food guidance system. Team Nutrition also developed and distributed several materials for parents and caregivers of preschool age children that provide strategies for helping young children develop healthy eating habits that last a lifetime and educate parents about age-appropriate foods and physical activities for preschool age children.
- *HealthierUS School Challenge:* The HealthierUS School Challenge recognizes Team Nutrition schools that demonstrate a commitment to the health and well being of their students, and supports the President's goal to improve the health and well being of all Americans. Recently, FNS expanded the HealthierUS School Challenge to also recognize middle and high schools that take specific steps to improve their nutrition and physical activity environments. Previously, the voluntary challenge recognized only elementary schools that met rigorous criteria for the nutritional content of their school meals and provided nutrition and physical education as well as other opportunities for physical activity to students. To date, USDA has recognized over 600 elementary schools at one of four levels of superior performance: Bronze, Silver, Gold, and Gold of Distinction.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

NPA funds the Federal administration of the WIC Program. FNS uses these funds to manage the allocation of grant resources to State Departments of Health and others to support program operations. NPA also supports the development of policies, procedures, and standards used in administering the program, and monitoring of State agency operations to ensure program effectiveness and compliance with law and regulation.

Highlights of FY 2009 accomplishments supported by the NPA appropriation and related to the WIC Program include:

Revitalizing Quality WIC Nutrition Services: FNS made important advances in improving nutrition education services in the program.

- *WIC Special Project Grants* - FNS awarded Special Project Grants to three WIC State agencies in FY 2009 to pursue innovative projects that revitalize quality nutrition services. The grants will focus on improving breastfeeding rates and fruit and vegetable consumption among WIC participants.
- *Breastfeeding Promotion and Support Activities* –In an effort to ensure that all local agency WIC staff are equipped with the necessary skills to successfully promote and support breastfeeding among WIC participants, FNS developed the competency-based breastfeeding training curriculum, “Using *Loving Support* to Grow and Glow in WIC: Breastfeeding Training for Local WIC Staff” and provided training in a “Train-the-Trainer” format for key WIC State agency staff in each FNS region in FY 2009.
- *WIC Works Resource System* - FNS, in partnership with the National Agricultural Library, continues to expand the WIC Works Resource System, which provides electronic nutrition information and resources to State and local WIC staff and provides opportunities for WIC staff to share State-developed materials and earn continuing education credits through online education.

National Maternal Nutrition Intensive Course: Improving staff development, competencies, and retention are a priority of the WIC Program. Since FY 2000, WIC has provided funding for the University of Minnesota to conduct the annual National Maternal Nutrition Intensive Course. The course offers in-service training for WIC State and local agency staff to increase knowledge and improve skills needed to deliver quality nutrition services to pregnant and postpartum women. In recent years, WIC has provided funding to add an enhanced distance learning component to the course, enabling greater numbers of WIC staff from around the country to participate. This course provides one of the few opportunities for WIC staff to receive science-based training to increase their technical skills.

Focusing Nutrition Assessment and Education: FNS continued work with the National WIC Association on the joint Value Enhanced Nutrition Assessment in WIC (VENA) workgroup. The VENA initiative is a response to the IOM Report, *Dietary Risk Assessment in the WIC Program*, published in 2002, which determined that traditional dietary assessment protocols do not identify nutritional inadequacies for individuals with sufficient precision to target enhanced services. VENA Policy and Guidance (developed with the assistance of a joint workgroup of FNS and National WIC Association representatives) was sent to all WIC State agencies in February 2006. The Guidance identifies nutrition assessment staff competencies and methods to enhance the delivery of individualized nutrition education and counseling. As of the start of FY 2010, all WIC State agencies have implemented VENA. State agencies will provide ongoing training to local agency staffs to ensure compliance with VENA.

In FY 2009, FNS awarded Recovery Act funds to nine States (Alabama, Colorado, Delaware, the District of Columbia, Illinois, Missouri, Montana, Oregon, and Pennsylvania) to conduct EBT planning activities. In addition, Wisconsin received funds to augment planning activities that began in FY 2008. Virginia also

received funds for their EBT initiative, which has evolved into a joint planning project with West Virginia. Fourteen State agencies have been funded to date for EBT planning purposes.

Enhancing Program Management and Oversight: In an effort to improve the management evaluation process, FNS completed a revision of the State Technical Assistance Review guidance.

Expanding Services to the Military: FNS continued to provide assistance to the Department of Defense in administering its WIC-like Overseas Program. In early FY 2010, FNS implemented the legislative provision contained in the Consolidated Appropriations Act for 2010 (Public Law 111-80) to exclude from WIC income eligibility determination calculations all combat-related payments made to service members and/or their households.

Vendor Cost Containment: FNS continued to work with State agencies to ensure their vendor cost containment systems comply with the vendor cost containment provisions of the Child Nutrition and WIC Reauthorization Act of 2004.

COMMODITY ASSISTANCE PROGRAM

The NPA appropriation funds the staff administrative expenses of the Commodity Assistance Program (CAP). In addition to providing commodities, also known as USDA foods, for the Child Nutrition Programs, FNS makes nutritious foods available to State agencies for distribution to low-income people through the Commodity Supplemental Food Program (CSFP) and The Emergency Food Assistance Program (TEFAP), and administrative resources to States to support the distribution of these commodities. The agency also provides USDA foods to four nuclear-affected Pacific islands and delivers food-based relief to the victims of disasters.

A range of management initiatives that improved operations in the CAP programs during FY 2009 are described under “Acquisition and Distribution of USDA Foods” in the Child Nutrition Programs section.

Special USDA Foods Initiatives: FNS continues to work closely with its partners and customers, such as schools and industry, and with its three sister agencies within USDA –FSA, AMS, and FSIS – to improve service to its customers, streamline operations, and maintain support for American agriculture. Highlights of FNS’s most recent efforts in this area include:

- *Processed Commodity Information Management System (PCIMS) Replacement* - PCIMS is a mission-critical system that USDA relies on to buy, inventory, manage, and deliver USDA foods to customers. PCIMS is currently used and supported by FNS, AMS, and FSA. Initiation of the PCIMS replacement system project, known as Web-Based Supply Chain Management (WBSCM) began in FY 2006. The WBSCM contract was awarded in early FY 2007. In FY 2008, FNS participated in system design sessions and initiated system development activity and in FY 2009, system development continued and testing began. Testing and training will continue throughout FY 2010.
- *USDA Foods Communication Initiative* - FNS is in the second year of the USDA Foods Communication Initiative to support USDA nutrition assistance programs by improving the public perception of USDA foods. Through the initiative, FNS intends to increase stakeholder and public awareness of how USDA foods contribute to meeting the *Dietary Guidelines for Americans*, support local wellness policies, and are high quality, healthy options benefiting schools and other recipients. Additionally, this initiative will help program managers understand the significant improvements that have been made to USDA foods, and how to best use them to the benefit of program participants.

Food Safety: In FY 2009, FNS continued to enhance food safety initiatives in support of USDA’s goal of “Promoting Healthier Eating Habits and Lifestyles”. Major initiatives were related to both food defense and food safety, and complemented the food safety education activities described under the Child Nutrition Programs section.

- *Liaison Work with Other Federal Food Safety Partners:* FNS provided technical support for the FSIS 2010 Food Safety Education Conference planned for March 2010 in Atlanta, Georgia. FNS worked with the Office of Homeland Security to update the Sector Specific Plan and to participate on an Interagency Work Group with the Department of Homeland Security's Office of Health Affairs. FNS coordinated with the Centers for Disease Control and Prevention to conduct a workgroup to discuss food allergy management in schools. FNS also participated on the Department of Health and Human Services' committee to formulate the food safety components of Healthy People 2020.
- *Liaison Work with Other Food Safety Partners:* FNS worked with the National Education Association Health Information Network to produce a norovirus prevention resource for schools. FNS coordinated with the School Nutrition Association (SNA) to provide several Webinars on food allergy management for school meals programs operators. FNS provided a grant to the National Environmental Health Association to promote food-safe schools to their target audience of health inspectors, who often conduct the food safety inspections at schools. FNS worked with SNA and the Food Allergy and Anaphylaxis Network to conduct a work group on food allergy management. The agency also works with NFSMI on food safety education and training for Child Nutrition Programs nationwide.

CROSS-PROGRAM NUTRITION INITIATIVES

Federal nutrition assistance programs are designed to work together to form a nutrition safety net that promotes access to food and improved nutrition for the children and low-income people they serve. While FNS activities support the effective administration of each program individually, many of our administrative efforts are designed to improve coordination across programs to achieve goals and outcomes that they share, including promoting healthy eating and active living behaviors among those eligible to participate in Federal nutrition assistance programs. To assist States in advancing this critical part of the FNS mission, the agency develops guidance materials and policy documents; nutrition education resources, training and implementation support. The agency also disseminates knowledge and new information about effective strategies and other activities, and works with nutrition-focused public and private entities to coordinate and promote nutrition education for the FNS target populations.

FNS also encourages and provide resources to facilitate across programs collaboration and consistent application of nutrition knowledge in agency policy, regulations, guidance and technical assistance. For example, the agency disseminated a set of core nutrition messages supporting content and provided training and guidance use of these messages in the FNS programs. The messages are designed to help low-income mothers and children meet the *2005 Dietary Guidelines for Americans* and establish child feeding practices that support the development of healthy eating habits. WIC, schools and child care programs across the country are now using these consumer-tested messages to support nutrition education activities. They can be easily integrated into educational activities, campaigns, materials and communication tools, and have been incorporated into MyPyramid guidance for preschool children.

FNS supports and coordinates nutrition-related committees on behalf of Departmental leadership, and serves in leadership and liaison roles for a number of internal/external organizations, including working with DHHS on Healthy People 2020 Objectives, participating in the National Physical Activity Plan, National More Matters Fruit and Vegetable partnership and many others.

FINANCIAL MANAGEMENT INITIATIVES

FNS continues to provide needed technical assistance to States which are renegotiating contracts for the continuation of EBT services.

The Account Management Agent (AMA) system/EBT has successfully rolled out its Web-based platform. Enhancements to the software are now under development. AMA release 4.0 upgrades will augment some of the reporting capabilities, increase the awareness of system issues by providing automated notifications of these issues, automate some of the current manual processes, and provide better communication to users through broadcast messages on the AMA.gov Web page.

The AMA was developed by FNS as a payment authorization and account management interface for the United States Department of Treasury's Automated Standard Application for Payments (ASAP) system. Both systems reside at the Federal Reserve Bank of Richmond and are integrated into one seamless process. The AMA's purpose is to manage the ASAP SNAP accounts for FNS in support of their EBT process, which utilizes electronic debit cards. The debit cards carry a SNAP benefits balance reduced by the amount of purchases when swiped by the retailer. The retailer is subsequently reimbursed by the State's EBT contractor.

A historic record of States' Monthly Funding Limits is in place to provide for better funding estimates. This is monitored regularly by the Program Reports Analysis and Monitoring branch.

Accounting and Financial Tracking Improvements

FNS continues to maintain its strong record of financial management oversight. FNS implemented updates to the Standard General Ledger and Financial Statements mandated for FY 2009.

Debt Collection Activity in FY 2009

For Federally managed Federal debt, FNS continued its vigorous pursuit of debt owed the agency by billing \$43 million in new receivables during the fiscal year. Year-end outstanding debts for the FY increased from the previous year by \$61 million. The overall debt resolution rate achieved was about 50 percent.

Federally Managed Federal Debt Profile FY 2007 – FY 2009 (\$ millions)

Debt Management Category	2007	2008	2009
Accounts Receivable	\$55	\$58	\$39
Collections	28	41	43
Litigation	15	1	2
Past due	16	15	7
Recipient Claims	181	208	288

In its accounts receivable, FNS also records the Federal "share" of the value of recipient overpayments established by SNAP State agencies. State agencies are allowed to retain a portion of the claims collected. The receivable consists of the total claims established less the States' share.

For Federal Debts managed by SNAP State agencies, such agencies establish claims against households for errors in issuing program benefits to these households. These overpayments can result from the client's incorrect reporting of household circumstances, through client fraud, or by State administrative error.

SNAP Recipient Claims Activity FY 2007 – FY 2009 (\$ Millions)

Claims Activity <u>1</u>	2007	2008	2009
Claims Established	\$232	\$254	\$276
Claims Collected	180	225	217
Ending Balance	1,192	1,198	1,209

¹ Figures provided on the FNS-209 are preliminary and subject to change.

Financial Management (FM) Regional Office Reviews

The FM organization conducted five self-assessments of regional offices during FY 2009 with the objective of ensuring the propriety of financial operations and transactions within FNS. These reviews have been instrumental in raising the confidence level of management officials within the agency over the past several fiscal years.

Financial Management Reviews (FMRs)

In addition to the reviews that HQ staff conduct of the regional offices, the regions also conduct FMRs of participating State agencies and ITOs to obtain reasonable assurance that the financial information reported by such grantees is correct and complete and in compliance with Federal standards and regulations. For FYs 2009 and 2010, FNS plans to increase the scope and numbers of FMRs conducted to specifically target the reviews to meet the oversight and transparency requirements of the ARRA. FNS's goal is to conduct on-site reviews and/or desk audits for half of the State agencies and ITOs receiving Recovery Act funds in all programs by the end of FY 2010.

Financial Statements Audit

FNS received an unqualified ("clean") opinion on the FY 2009/2008 Financial Statements, meaning that the agency met the highest auditing standards. While FNS was able to provide reasonable assurance relating to internal controls, financial reporting and financial systems for FY 2009, the agency has reached a critical point regarding necessary administrative resources.

ADMINISTRATIVE MANAGEMENT INITIATIVES

Human Capital Management

In FY 2009, FNS continued to focus on strategic management of human capital – the Federal Government's most important and valuable asset -- with emphases on employee development, decreasing skill gaps, workforce planning, performance management, diversity, and organizational efficiency:

- FNS University (FNSU) - Nearly 900 training opportunities were available to FNS employees through one- and 1-1/2 day learning labs and seminars offered at the National Office and in all Regional Offices. The labs for 2009 were based upon the results of the agency's 2006 Foundation of Continual Learning skill gap analysis. In addition to the learning labs, FNSU training opportunities include the Field Academy, the Leadership Institute, the Tuition Reimbursement Program, and the Supervisory Excellence Program.
- Administered the 2009 Foundation of Continual Learning (FOCL) skill gap assessment. This survey, administered every three years, is used to develop the major portion of the FNSU corporate training program. For the 2009 iteration, the survey was changed to measure OPM's 28 leadership competencies. The curriculum for FNSU in 2010, 2011, and 2012 will reflect the competencies with the greatest proficiency gap as measured by the survey.
- Field Academy – Over 50 field office employees attended the seventh annual Field Academy, which included courses on problem-solving, stress tolerance, interpersonal skills, communication skills, records management, FOIA responsibilities, and the importance of protecting "Sensitive but Unclassified" information.
- Leadership Institute - FNS' intensive 16 month program is designed to build leadership skills for selected GS/GM 11-14 employees. This program is the agency's primary succession planning tool. In FY 2009, a comprehensive review of the program and its curriculum was undertaken by a team of program graduates. Enhancements will be implemented in January of 2010, when the Class of 2011 will be inducted.

- Supervisory Excellence Program (SEP) – In 2009, a new SEP 2-day seminar was developed and piloted to good participants reviews. The seminar, “Supervision by the Book”, is a comprehensive review of a broad range of supervisory topics which will be presented agencywide in FY 2010 for remedial purposes, and then on a regular basis after that. Also in 2009, the very successful *Human Resources Management for New FNS Supervisors* seminar was held. Nearly 30 new supervisors attended. In addition, in 2009 a monthly series of short training sessions, mandatory for all supervisors and managers, were implemented on a selection of timely topics, such as performance management, position descriptions, and labor management issues.
- Tuition Reimbursement Program (TRP) – This program provides reimbursement for employees who successfully complete dean-approved courses on their own time and at their own expense. Course tuition is reimbursed at the rate of 75 percent, up to a yearly \$2,000. Processed over 90 TRP applications in 2009. Approximately 76 applications were approved and a total of \$44,354 in reimbursements have been disbursed to date.
- FNSU-101 (New Employee Orientation): In 2009, made major improvements to the FNSU new employee onboarding process for full implementation in 2010, including:
 - ✓ Contact is made with supervisors of new employees well before onboarding day, and they are provided a comprehensive checklist of the things they need to do for and with their new employees in the days, weeks, and month after they arrive.
 - ✓ New employees now meet with the Administrator and four Associate Administrators on their first day.
 - ✓ New employees now receive an in-depth tour of the FNS Intranet, including Employee Personal Page, FNS University, ARC Web-site/Contacts, E-Forms, E-Library, Shuttle Schedule, Parking, Occupant Emergency Plan, TSP Web-site, OPM Web-site, amongst others.
 - ✓ New employees now receive a building tour of the FNCS facilities, including places to eat, health unit, fitness center, mailroom, parking – Patty Gross, supply room, conference rooms, credit union, IT Help Desk, break room, Breastfeeding Mothers’ Room, Union Office, FNS Library, Civil Rights, and Administrators Suite.
 - ✓ New employees receive a briefing on Records Management, which is being coordinated with the Regional Offices via videoteleconference (VTC). Additional briefings will be added to this segment of the on-boarding, which will bring the activities up to a full-day in length.
- Implemented a Web-based Exit Interview system, so that data can be collected on the factors leading to the departure of employees. The data will be used by management to increase retention and the quality of work life.

Procurement Outreach to Small and Disadvantaged Business

In FY 2009, FNS continued its long-standing emphasis on procurement from small and disadvantaged businesses. The agency exceeded all but two of its procurement goals for FY 2009, including 49.5 percent of all contract spending awarded to small businesses and exceeding the 8(a) award goal by 8 percent. FNS also held two very successful small business roundtable sessions including one specifically for Information Technology.

Information Technology and Egovernment

In FY 2009, FNCS completed the consolidation of our network structure and implemented virtualization in our server environment. These upgrades improved the management and control of our network and systems and provided the agency with significant cost savings and potential for future cost avoidance. FNS continues to work to upgrade its information security program incorporating new security tools and practices that strengthen our operations, complying with the Federal Information Security Management Act requirements. We implemented an agency-wide, two-factor authentication solution for remote access to our network, enabling agency users to securely access network systems, effectively expanding the potential use of telework and improving the disaster recovery capabilities of the agency.

CENTER FOR NUTRITION POLICY AND PROMOTION

Program Mission

The U.S. Department of Agriculture is the lead Federal agency in human nutrition, charged with providing research-based human nutrition guidance, education and outreach to all American consumers, as well as scientifically guided nutrition assistance programs. The mission of the Center for Nutrition Policy and Promotion (CNPP), the focal nutrition policy agency in USDA, is to improve the health of Americans by developing and promoting dietary guidance that links scientific research to the nutrition needs of consumers. CNPP links nutrition research findings to consumers by using an integrated program of nutrition education, promotion, and program-focused economic and evidence-based research. CNPP translates nutrition guidance into consumer-oriented promotion programs to improve the dietary behavior of all Americans through behavior-change-based initiatives. CNPP also helps devise cost-effective strategies to target nutrition programs to different customers by analyzing consumer dietary needs, characteristics, behaviors, and lifestyles. CNPP serves a diverse consumer base—including the populations served by food and nutrition assistance programs.

CNPP's Programming Continues to Link Science to the Nutrition Needs of Consumers

Description	Base Programming Areas
Nutrition Education, Promotion, and Analyses	<ul style="list-style-type: none"> • Nutrition Evidence Library • <i>Dietary Guidelines for Americans</i> • MyPyramid Food Guidance System • Healthy Eating Index • Nutrition Education Tools/Tool Kits
Monitoring of Food and Nutrient Intake	<ul style="list-style-type: none"> • USDA Food Plans • U.S. Food Supply Series

Nutrition Education, Promotion, and Analyses

USDA Nutrition Evidence Library Supports the 2010 Dietary Guidelines Advisory Committee (DGAC):

The Nutrition Evidence Library (NEL) is designed to help USDA monitor, assess, gather, analyze, and consult on the scientific evidence in support of nutrition, food, dietary guidance, nutrition education, and nutrition research policies and outreach programs. In 2009-2010, its major function was to support the 2010 *Dietary Guidelines* process. Consequently, the DGAC has been using evidence-based reviews to weight the preponderance of the science reported in many sources, including information derived by the USDA NEL.

The NEL staff managed the evidence analysis process—assigning and reviewing worksheets, developing evidence summary paragraphs and overview tables, and working with subcommittees of the DGAC. During the development of the recommendations for 2005 *Dietary Guidelines for Americans*, the DGAC reviewed the science to answer 35 questions. During the current deliberations, this DGAC is reviewing the science to answer 180 questions, about 5 times as many as before. The dependence on evidence-based reviews has improved the degree of thoroughness of the DGAC's work.

Consideration of such a large number of questions is possible because of the capacity of the USDA NEL, a system of tools allowing for the review of the most up-to-date literature available on nutrition, food, public health, dietary guidance, nutrition education, and nutrition research policies and outreach programs.

After the DGAC's work is complete, the NEL will be expanded to include topics of evidence-based reviews and a broader-based evidence library to support Federal and external organizations as a research entity with the unique capability of showing the weight of evidence to support policies, the gaps where additional research is needed, and serving as a repository of the most up-to-date literature available.

Dietary Guidelines Advisory Committee—Reviewing Science for the 2010 Dietary Guidelines for Americans: The *Dietary Guidelines for Americans* are used in the SNAP, Child Nutrition, and WIC Programs to guide nutrition standards and benefit levels for clients ages 2 and up. The *Dietary Guidelines for Americans* are also used as the science-based foundation in all Federal nutrition education and promotion programs government-wide, including ones supporting Federal nutrition assistance, as well as most private sector nutrition education and promotion efforts. It is critical that the *Dietary Guidelines for Americans* be both scientifically up-to-date and in touch with the realities of contemporary living. Thus Public Law 101-445 requires USDA and DHHS to review the *Dietary Guidelines for Americans* at least every 5 years. The 13-member 2010 DGAC, appointed by the Secretaries of USDA and DHHS decided that revisions to the 2005 *Dietary Guidelines for Americans* were warranted. Thus, during the most recent meeting, the fourth, held November 4-5, 2009, the discussion focused on seven topic areas:

- Nutrient Adequacy;
- Carbohydrates and Proteins;
- Sodium, Potassium, and Water;
- Energy Balance and Weight Management;
- Food Safety and Technology;
- Fatty Acids; and
- Ethanol.

During the fourth meeting, the chair of the DGAC described the NEL process as one that would strengthen the Advisory Report and in turn enhance its value to inform the Federal Government in the development of policy. Because of the volume of questions, the DGAC will be able to propose conclusions (based on the evidence) on its questions, including “what if” questions answered by food-pattern modeling conducted by the CNPP. This modeling allows for the evaluation of the amounts of nutrients that could be consumed from various combinations of foods (i.e., dietary patterns) to obtain adequate intake.

At the fifth meeting, scheduled for early 2010, the DGAC will propose conclusions on the remaining questions and reach general consensus on the science. At the sixth and final meeting, to be held during spring 2010, the DGAC will present and vote on its Advisory Report.

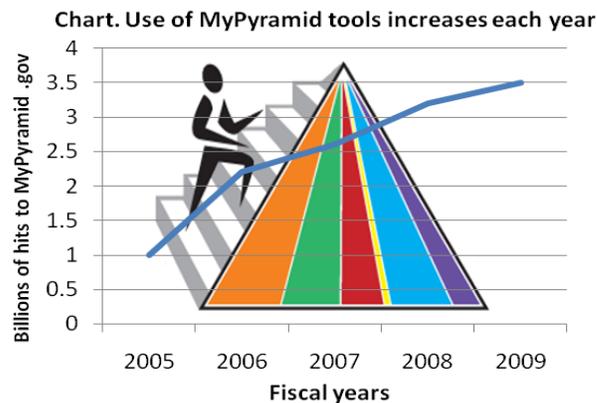
In 2011, the focus on dietary guidance will transition to communicating messages to the public and delivery of effective nutrition education to various population groups, especially schoolchildren. CNPP is building cutting-edge systems designed to foster behavioral changes toward positive dietary practices and active lifestyles, as well as increase the distribution of materials, to help reduce the obesity epidemic, reduce incidences of diet-related chronic diseases, through prevention-focused interventions, and improve the overall health of Americans. In addition, CNPP will implement systematic evidence-based reviews of research reports on obesity and nutrition education interventions to determine the most effective communication strategies and classroom and community-based instructional design and the best methods of measuring the success of such interventions.

USDA’s Dietary Guidelines Food Guidance System called MyPyramid—Enhancements to Help Americans Change Their Dietary Practices: The MyPyramid operationalizes the *Dietary Guidelines* by employing the tenets of successful nutrition education about foods and dietary patterns through personalization, variety, proportionality, physical activity, moderation, and gradual improvement. The collection of tools and toolkits, located at <http://www.MyPyramid.gov>, now consists of the following:

- MyPyramid Tracker;
- MyPyramid Plan;
- MyPyramid for Kids;
- MyPyramid for Preschoolers;
- MiPiramide;
- MyPyramid for Pregnancy and Lactation (MyPyramid for Moms);
- MyPyramid Menu Planner;
- My-Food-A-Pedia;
- PodCasts;
- Public Service Announcements;

- A 10-Tip Series (easy-to-follow information on nutrition); and
- Partnering with MyPyramid information.

Since the release of the MyPyramid system of nutrition education information, CNPP has continually updated the content at the widely used MyPyramid Web-site to meet the nutrition-education needs of the general population, as well the needs of specific groups. These “Generation 1” changes to the Web-site have resulted in a positive trend in its use—a reflection of people’s searching for and using science-based nutrition information and trust in the Federal Government to provide quality information to guide dietary behavioral practices. As the chart below shows, the use of the MyPyramid tools increased each year. In 2005 (April to September), there were 1.0 billion hits to MyPyramid.gov, followed by 2.2 billion hits in 2006, 2.6 billion in 2007, 3.2 billion in 2008 and 3.5 billion in 2009.



The 2009 Food and Health Survey, a nationwide survey conducted by the International Food Information Council Foundation, shows that many Americans are familiar with MyPyramid: about 80 percent of Americans were familiar with it. Other results from the survey showed that one-quarter of Americans reported using MyPyramid to change the diet to lose weight (12 percent), change their or their family’s diet to eat more healthfully (11 percent), visited the Web site (8 percent), or used MyPyramid tools to plan or assess their diet (7 percent).

The USDA is actively planning and implementing strategies that are designed to reduce obesity, especially childhood obesity, by increasing the effectiveness of nutrition education materials used by nutrition educators, researchers, health professionals, the general population, and by the population served by the nutrition assistance programs. The USDA’s nutrition and food guidance system has a major role in increasing the effectiveness of nutrition education materials.

The USDA has developed a comprehensive conceptual framework to move the nutrition education materials and tools of the MyPyramid Food Guidance System to “Generation 2.” This framework consists of using effective communications and marketing strategies what will help consumers identify and adopt the *Dietary Guidelines for Americans* as “the gold standard” of credible, science-based nutrition advice and information. To do so, USDA will focus on the following:

- Branding and Messaging;
- Partnering Opportunities;
- Tools and Products;
- Marketing and Dissemination; and
- Targeting Audience Resources: Identification of specialized or underserved populations.

Healthy Eating Index-2005 Trends Indicate Improvement Needed in American Diet: Health studies indicate that although the rise in obesity in the U.S. has plateaued, the percentage of Americans who are obese is still high. The Healthy Eating Index (HEI) -2005 captures what is happening on a day-to-day basis in many American households: Most people have a diet that needs to improve in key areas:

- More whole grains;
- More whole fruits (than fruit juice);
- More dark-green and orange vegetables;
- Less sodium; and
- Less added sugars and solid fats.

The HEI-2005 is viewed by USDA, as well as by other Federal agencies and researchers, as the dietary assessment tool designed to measure compliance with key diet-quality recommendations of the 2005 *Dietary Guidelines for Americans*. Examples of such acceptance include the following:

- The Federal Inter-Agency Forum on Aging-Related Statistics accepted USDA's proposal to have the HEI-2005 included as the diet-quality indicator in its 2010 edition of the report on key indicators of well-being.
- The Federal Interagency Forum on Child and Family Statistics included the HEI among 40 key indicators of well-being in *America's Children: Key National Indicators of Well-being, 2009*. USDA reported the HEI-2005 scores for children (aged 2 to 17) in three age groups for 2003-2004. Results showed that for most aspects of the diet, quality declined with as the child's age increased (see table).
- The HEI-2005 was featured at the closing plenary session of the International Conference on Diet and Activity Methods. A past chair of the DGAC used the HEI-2005 as an example of the importance of dietary assessment research methods in the setting of policy.
- In the 2009 *State of the USA Health Indicators: Letter Report*, the Institute of Medicine believed it was important to track HEI scores as indicators of the health of the U.S. population, given the relationship of diet to health.

The CNPP will continue to monitor the quality of the American diet by using the HEI-200. The HEI will be updated, as required by Federal guidance policy.

Monitoring of Food and Nutrient Intake

USDA Food Plans and Monthly Updates Support Food Assistance Delivery and Food Security: The Thrifty, Low-Cost, Moderate-Cost and Liberal Food Plans comprise the USDA Food Plans. These food plans specify the type and quantity of foods that people *could* consume at home to have a nutritious diet at a minimal cost. The TFP, consisting of model market baskets of foods, serves as a national standard for a nutritious diet at a minimal cost. It also serves as the basis for setting and adjusting maximum SNAP benefits. The Low-Cost Food Plan is used by bankruptcy courts in determining the portion of income to allocate to necessary food expenses for those seeking bankruptcy. The Moderate-Cost and Liberal Food Plans are used by the Department of Defense in setting the Basic Allowance for Subsistence rate for all enlistees. Many divorce courts use the USDA food plans to set fair alimony and child support payments.

CNPP continues to report the monthly costs of the Food Plans: Cost of Food at Home. Published at <http://www.cnpp.usda.gov>, the information allows users to follow trends in the cost of food at home for various family types. Data from recent years show that for the reference family of four, the cost of the TFP reached a high of \$606 at the beginning of FY 2009 and continued to trend downward, dropping to \$576.40 in September 2009, about \$29 dollar less than the cost in September 2008 (see chart below). These trends are a reflection of market-place dynamics.

The updates to the USDA Food Plans are based on the most recent food and nutrition recommendations. Thus, preliminary work of the CNPP Food Prices Database has begun so that after the release of the 2010 *Dietary Guidelines for Americans*, the CNPP will be able to determine whether it is possible to obtain a healthful diet that meets current nutritional standards at a cost equal to the previous cost of the previous plans.

FOOD AND NUTRITION SERVICE

Summary of Budget and Performance Statement of Goals and Objectives

The Food and Nutrition Service (FNS) was established August 8, 1969, by Secretary's Memorandum No. 1659 and Supplement 1 pursuant to the authority contained in 5 U.S.C. 301 and the Reorganization Plan No. 2 of 1953. FNS increases food security and reduces hunger in partnership with cooperating organizations by providing children and low-income people access to food, a healthful diet, and nutrition education in a manner that supports American agriculture and inspires public confidence. FNS administers the U.S. Department of Agriculture's 15 nutrition assistance programs. These programs, which serve one in five Americans over the course of a year, are designed to provide low-income persons with access to a more nutritious diet, to improve the eating habits of the Nation's children, and to help America's farmers by providing an outlet for food purchased under agricultural support authorities. The agency's goals fully support the USDA Strategic Goal: "Ensure that all of America's children have access to safe, nutritious and balanced meals."

USDA Strategic Goal	Strategic Goal/Objective	Programs that Contribute	Key Agency Outcome
USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious and balanced meals	<u>Agency Strategic Goals/Objectives 1:</u> Ensure Access to Nutritious Food	<ul style="list-style-type: none"> ● Supplemental Nutrition Assistance Program ● Child Nutrition Programs ● Special Supplemental Nutrition Program for Women, Infants and Children (WIC) ● Commodity Assistance Program ● Food Distribution Program on Indian Reservations ● The Emergency Food Assistance Program 	<ul style="list-style-type: none"> ● Reduce the number of households with children who experience very low food security by 100,000.
	<u>Agency Strategic Goals/Objectives 2:</u> Promote Healthier Eating Habits and Lifestyles	<ul style="list-style-type: none"> ● Supplemental Nutrition Assistance Program ● Child Nutrition Programs ● Special Supplemental Nutrition Program for Women, Infants and Children (WIC) ● Center for Nutrition Policy and Promotion 	<ul style="list-style-type: none"> ● Reduce the rate of childhood obesity in the United States. ● Establish national standards that improve the quality of food sold in schools throughout the school day. ● Reduce food deserts by creating economic opportunities for farmers and food entrepreneurs to vend in low access areas.
	<u>Agency Strategic Goals/Objectives 3:</u> Improve Program Management and Customer Service	<ul style="list-style-type: none"> ● Supplemental Nutrition Assistance Program ● Child Nutrition Programs ● Special Supplemental Nutrition Program for Women, Infants and Children (WIC) 	<ul style="list-style-type: none"> ● Reduce dollars lost through program errors.

Key Agency Outcome:

Key Agency Outcome 1.1: Reduce the number of households with children who experience very low food security by 100,000.

Long-term Performance Measures:

- Reduce U.S. households with very low food security among children.
- Increase the percentage of eligible people participating in the Supplemental Nutrition Assistance Program (SNAP) and the National School Lunch Program.
- Support participation in the major Federal nutrition assistance programs for all eligible people seeking benefits.

Selected Past Accomplishments toward Achievement of the Key Outcome:

- The Supplemental Nutrition Assistance Program served an average of 33.7 million persons per month in FY 2009. The percentage of the eligible population participating was 65.8 percent in FY 2007, the most recent year for which data is available.
- In FY 2009, the National School Lunch Program had average daily participation of 31.2 million children, and served 55.6 percent of school children in the United States.
- Participation in the WIC Program increased to 9.1 million in FY 2009.

Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:

- The Supplemental Nutrition Assistance Program will serve an average of 43.3 million persons per month and reach 68.5 percent of the target population.
- The National School Lunch Program will reach average daily participation of 32.6 million children and serve 57.5 percent of the target population.
- The WIC Program will serve a monthly average of 10.1 million women, infants, and children.
- 100,000 fewer U.S. households will experience very low food security among children.

Key Agency Outcome 2.1: Reduce the rate of childhood obesity in the United States.**Long-term Performance Measures:**

- Reduce the prevalence of overweight (a Body Mass Index at or above the 95th percentile for their age) among children and adolescents in the United States; increase the number of materials distributed to the population
- Improve the Healthy Eating Index (HEI) scores – a measure of diet quality reflecting consistency with the Dietary Guidelines and MyPyramid – for people in households with incomes under 130 percent of poverty, and for the general population.
- Increase the distribution of nutrition guidance, education, and promotion tools.

Selected Past Accomplishments toward Achievement of the Key Outcome:

- The Center for Nutrition Policy and Promotion made the Interactive Healthy Eating Index available online so that consumers can receive a quick summary measure of their diet quality.
- In FY 2008, the Food Distribution Program on Indian Reservations increased participation in the Fresh Produce Initiative to nearly 91 percent of the FDPIR programs, allowing participants to receive a variety of fresh fruits and vegetables which would otherwise be difficult for them to obtain.
- Team Nutrition produces a comprehensive nutrition education program targeting school children, parents, teachers, and food service staff.

Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:

- The prevalence of overweight among children and adolescents will drop to 16.0 percent.
- USDA will seek to improve Healthy Eating Index scores for the U.S. population to 59.0.
- USDA will seek to improve Healthy Eating Index scores for people in households with incomes under the 130 percent of poverty to 57.9.
- FNCS will distribute 3.9 billion pieces of nutrition guidance.

Key Agency Outcome 2.2: Establish national standards that improve the quality of food sold in schools throughout the school day.

Long-term Performance Measures: Secure authority and implement national nutrition standards for non-program foods served in schools during the school day.

- Develop and implement updated nutrition standards for school meals, based on Institute of Medicine recommendations.
- Make healthful, nutritious options for students available to every student participating in the school meals programs.

Selected Past Accomplishments toward Achievement of the Key Outcome:

- Foods of minimal nutritional value prohibited in food service area during meal periods.
- Nutrition standards are defined in program rules for lunches and breakfasts.

Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:

- FNCS will solicit public input on nutrition standards for non-program foods sold in schools during the school day.

Key Agency Outcome 2.3: Reduce food deserts by creating economic opportunities for farmers and food entrepreneurs to vend in low access areas.

Long-term Performance Measures: Increase the number of farmers' markets authorized to redeem SNAP benefits.

- Increase the volume of SNAP redemptions made through number of farmers' markets.

Selected Past Accomplishments toward Achievement of the Key Outcome:

- Farmers' Markets authorized to redeem SNAP Benefits reached 753 in FY 2008.
- SNAP benefits redeemed at Farmers' Markets reach \$2.7 million in FY 2008.

Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:

- 1,300 farmers' markets will be authorized to redeem SNAP benefits.
- SNAP benefits redeemed at Farmers' Markets will reach \$4.7 million.
- Farm to School Tactical Team will be created to support local and regional food systems by facilitating linkages between schools and their local food producers.

Key Outcome 3.1: Reduce dollars lost through program errors.

Long-term Performance Measures:

- Increase SNAP payment accuracy rate.

Selected Past Accomplishments toward Achievement of the Key Outcome:

- The FY 2008 SNAP certification error rates were the lowest in the history of the program.

Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:

- The SNAP payment accuracy rate will be maintained at 95.0 percent.

FOOD AND NUTRITION SERVICE

Summary of Budget and Performance Key Performance Outcomes and Measures

USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious and balanced meals

Key Agency Outcome 1.1: Reduce the number of households with children who experience very low food security by 100,000. (USDA High Performance Goal)

Most American households have access at all times to enough nutritious food for an active and healthy lifestyle. However, too many households with children do not have money or other resources to assure this access. In 2007, over six million households with children were food insecure. In over 300,000 families, with nearly 700,000 children, one or more children simply do not get enough to eat – they had to cut the size of their meals, skip meals, or even go whole days without food at some time during the year.

President Obama has committed the Administration to ending hunger among children by 2015. USDA is the Federal agency responsible for managing the domestic nutrition assistance programs, which work individually and in concert with one another to improve the Nation's nutrition and health. The FNS request supports this outcome by continuing the commitment to provide benefits to every eligible person who wishes to participate in the major nutrition assistance programs.

Key Performance Measures:

- Reduce U.S. households with very low food security among children.
- Increase the percentage of eligible people participating in the Supplemental Nutrition Assistance Program and the National School Lunch Program.
- Support participation in the major Federal assistance programs for all eligible people seeking benefits.

Key Performance Targets:

Annual Performance Goals and Indicators	Fiscal Year					
	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
U.S. households with very low food security among children (thousands)	221	323	Not yet avail.	400*	350	300
Rates of eligible populations participating in:						
• The Supplemental Nutrition Assistance Program (SNAP)	67.3%	65.8%	66.5%*	67.3%*	68.0%	68.5%
• The National School Lunch Program (NSLP)	54.6%	54.9%	55.5%	56.6%*	57.2%	57.5%
Participation levels in:						
• Average monthly SNAP (millions)	25.7	26.5	28.4	33.7	40.5	43.3
• Average daily NSLP (millions)	30.1	30.5	30.9	31.2	32.1	32.6
• Average monthly WIC (millions)	8.1	8.3	8.7	9.1	9.5	10.1

*Figures are targets; actual data not yet available

Means and Strategies: In order to achieve the performance targets, USDA will:

- Fund and manage the major nutrition assistance programs to ensure access for all those eligible who wish to participate.
- Increase participation rates in USDA nutrition programs through aggressive and creative outreach, customer service improvements, earned media activities, and research and analysis to identify reasons for participation gaps.

- Streamline applications, and make other policy and operational changes to programs and policies to make for easier access to nutrition assistance programs, especially for children.
- Engage State, local, and community leaders; form partnerships with allied organizations, advocacy groups, and local, State, and Federal communities.
- Use Child Nutrition Reauthorization to improve program access and expand eligibility for children in need.
- Identify and publicize issues surrounding childhood hunger. Utilize media to communicate food sources for families in need.
- Create a new contingency fund to offer additional flexibility in responding to pandemics, emergencies and disasters when the more significant resources authorized under the Stafford Act for large-scale disasters are diminished, depleted, or do not apply.

Key Agency Outcome 2.1: Reduce the rate of childhood obesity in the United States.

Diet is linked to many of the most prevalent and devastating health conditions we face in the United States, including overweight and obesity; coronary heart disease; hypertension; and the risk of stroke, diabetes, and some cancers. Data from NHANES surveys (1976–1980 and 2003–2006) show that the prevalence of obesity has increased: for those aged 6–11 years, prevalence increased from 6.5 percent to 17.0 percent; and for those aged 12–19 years, prevalence increased from 5.0 percent to 17.6 percent. This rapid increase in the prevalence of obesity and overweight among both children and adolescents is a matter of great public health concern.

Reducing the rate of obesity and improving the health of all Americans, including those in the USDA nutrition assistance programs, are central to the mission of the Center for Nutrition Policy and Promotion (CNPP) and fundamental purposes of establishing the *Dietary Guidelines for Americans* and communicating them through the MyPyramid, the bedrock components of Federal nutrition policy and nutrition education programs. USDA will use its nutrition assistance programs and its broader nutrition education efforts as key opportunities to promote more healthful eating and physical activity across the Nation.

Key Performance Measures:

- Reduce the prevalence of overweight (a Body Mass Index at or above the 95th percentile for their age) among children and adolescents in the United States; increase the number of materials distributed to the population
- Improve the Healthy Eating Index (HEI) scores – a measure of diet quality reflecting consistency with the *Dietary Guidelines* and MyPyramid – for people in households with incomes under 130% of poverty, and for the general population.
- Increase the distribution of nutrition guidance, education, and promotion tools.

Key Performance Targets:

Annual Performance Goals and Indicators	Fiscal Year					
	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
Prevalence of overweight among children and adolescents	16.3%	Not yet avail.	Not yet avail.	Not yet avail.	16.0%*	
Healthy Eating Index scores for						
• people in households with incomes under 130% of poverty	Not yet avail.	Not yet avail.	Not yet avail.	Not yet avail.	57.7	57.9
• for the general population	Not yet avail.	Not yet avail.	Not yet avail.	Not yet avail.	58.8	59.0
Nutrition guidance, education, and promotion tools distributed (e-hits and print materials)	1.5 billion	2.6 billion	3.2 billion	Not yet avail.	3.0 billion	3.9 billion

*Overweight data from the National Health and Nutrition Examination Survey reported biennially

Means and Strategies: In order to achieve the performance targets, USDA will:

- Promote the 2010 *Dietary Guidelines for Americans* and augment supporting educational tools and systems to promote more healthy eating and active lifestyles, including the design of new nutrition education, communication, and promotion methods, to ensure that nutrition education and guidance investments have the greatest impact.
- Partner with Federal health and education agencies, and other public and private sector entities, to promote the use of common messaging, support increased consumption of fruits and vegetables and encourage healthy school nutrition environments.
- Expand the Healthy Initiatives Pilot (HIP), which is testing the impact of point-of-sale incentives on consumption of fruit and vegetables, to assess the impact of adding nutrition education to the incentive.
- Demonstrate and test the impact of an innovative community-wide approach to raise awareness of healthy eating, create more opportunities to improve food choices, and reward such choices when made, as authorized by the 2008 Farm Bill.
- Plan and implement strategies related to the development of the 2010 *Dietary Guidelines* so that Federal nutrition guidance continues to be based strongly on a preponderance of the scientific literature.

Key Agency Outcome 2.2: Establish national standards that result in improved quality of food sold in schools throughout the school day (USDA High Performance Goal)

Most American children attend schools that offer the National School Lunch Program and the School Breakfast Program, which have nutrition standards based on the *Dietary Guidelines for Americans*. However, meals in most schools require improvement to meet these standards.

Schools also offer foods in addition to and in competition with the meal program offerings, in the cafeteria, in snack bars, and in vending machines. In contrast to program meals, these foods are not required to meet any Federal nutrition standards. These “competitive foods” too often tempt children to displace the more balanced meals they receive from the meals programs, and they set an unnecessarily bad nutritional example that helps train children in poor dietary habits. Improving the food made available to school children during the school day will help improve the nutritional intake and dietary habits of America’s children at school and everywhere else.

Key Performance Measures:

- Secure authority and implement national nutrition standards for non-program foods served in schools during the school day.
- Develop and implement updated nutrition standards for school meals, based on Institute of Medicine recommendations.
- Make healthful, nutritious options for students available to every student participating in the school meals programs

Key Performance Targets:

Annual Performance Goals and Indicators	Fiscal Year					
	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
National standards for non-program foods in schools during school day	Foods of minimal nutritional value prohibited in food service area during meal periods.				Secure authority via CN reauthorization	Publish Advance Notice of Proposed Rule
National standards for nutritional content of school meals	Nutrition standards are defined in program rules at 7 CFR 210.10 for lunches & 220.8 for breakfasts				IOM completes recommendations	Publish proposed rule

Annual Performance Goals and Indicators	Fiscal Year					
	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
Percentage of elementary/secondary schools offering meal options consistent with <i>Dietary Guidelines</i> for total fat	Not available*				100/100	100/100

*Most recent data available for 2003/04, when 93% of elementary schools and 86% of secondary schools offered low-fat options.

Means and Strategies: In order to achieve the performance targets, USDA will:

- Issue revised nutritional requirements for school based on Institute of Medicine recommendations for standards that will best conform to the *Dietary Guidelines for Americans*. These changes will then be implemented through aggressive and creative outreach to State administering agencies and schools.
- Work with Congress to devise practical requirements to be included in the upcoming Child Nutrition Reauthorization so that necessary policy and operational changes to programs can be implemented with dispatch in all of the Nation's schools.
- Engage State, local, and school food service leaders; form partnerships with allied organizations, advocacy groups, and local, State, and Federal communities.
- Identify and publicize issues surrounding the need for improved nutritional quality of food offered in schools and other aspects of the school nutrition environment, as well as how children can improve their dietary and physical activity habits to improve their diets and reduce overweight and obesity.

Key Agency Outcome 2.3: Reduce food deserts by creating economic opportunities for farmers and food entrepreneurs to vend in low access areas (USDA High Performance Goal)

Limited access to nutritious food and relatively easier access to less nutritious food may be linked to poor diets and, ultimately, to obesity and diet-related diseases. Increasing the opportunities for farmers and food entrepreneurs to vend in low access areas will reduce food and transportation costs and improve access to a more nutritious food supply for many households. Nutrition assistance programs with benefits that can be redeemed through such vendors can help low-income families take advantage of improved access to healthful choices. In particular:

- *SNAP* provides household benefits that can be redeemed at retail food outlets; currently, about 900 farmers markets are authorized to redeem *SNAP* benefits.
- *The WIC Farmers' Market Nutrition Program (WIC FMNP)* and the *Senior Farmers Market Nutrition Program (SFMNP)* boost sales of fresh fruits and vegetables at farmers markets, especially in areas where consumers are more likely to face food insecurity problems.

Key Performance Measures:

- Increase the number of farmers' markets authorized to redeem *SNAP* benefits.
- Increase the volume of *SNAP* redemptions made through number of farmers' markets.

Key Performance Targets:

Annual Performance Goals and Indicators	Fiscal Year					
	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
SNAP-authorized farmers' markets	Not avail.	Not avail.	753	900*	1,100	1,300
SNAP redemptions in farmers' markets	Not avail.	Not avail.	\$2.7 million	\$3.2 million*	\$4.0 million	\$4.7 million

*Figures are targets; actual data not yet available

Means and Strategies: In order to achieve the performance targets, USDA will:

- Launch a “Farm to School Tactical Team” to support local and regional food systems by facilitating linkages between schools and their local food producers. The Tactical Team is comprised of both FNS and Agricultural Marketing Service staff members, who will work with local and State authorities, school districts, farmers, and community partners to develop mechanisms to assist schools in accessing local markets, enable food producers to effectively service their local schools, and facilitate communication between interested stakeholders.
- Equip farmers’ markets across the country with point-of-sale devices to redeem SNAP benefits. Nearly 4,000 of the approximately 4,700 farmers’ markets operating across the Nation do not have electronic equipment to redeem SNAP benefits.
- Work with SNAP clients to raise awareness of the availability and advantages of using SNAP benefits at farmers’ markets.
- Once the fruit and vegetable vouchers that are part of the new WIC food package are implemented by WIC State agencies, FNS will encourage States to authorize farmers markets as WIC vendors.
- Continue to promote the WIC FMNP among WIC participants, and SFMNP among low-income seniors.

Key Agency Outcome 3.1: Reduce dollars lost through program errors.

USDA is strongly committed to maintaining a high level of stewardship and integrity in the nutrition assistance programs and preventing errors. Effective program management helps ensure that those families and individuals most in need of nutrition assistance receive it and that the funds intended for this purpose are not diminished by waste or program abuse. USDA plans to make use of all available opportunities, including new communication and eGovernment technologies, to serve our customers, work with partners, and administer our programs as effectively as possible.

Key Performance Measure: Increase the SNAP payment accuracy rate.

Key Performance Targets:

Annual Performance Goals and Indicators	Fiscal Year					
	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
SNAP payment accuracy rate.	94.2%	94.4%	95.0%	95.0%*	95.0%	95.0%

*Figure is a target; actual data not yet available

Means and Strategies: In order to achieve the performance targets, USDA will:

- Support State efforts to improve SNAP benefit accuracy through oversight, training, technical assistance and “promising practices” information sharing.
- Manage and improve systems to disburse and account for program resources.
- Promote effective program operations at the State and local levels through strong Federal oversight, training and technical assistance.

Food and Nutrition Service
Full Cost by Strategic Goal
Program Level (Dollars in Thousands) 1/

USDA Strategic Goal: Ensure That America's Children Have Access to Safe, Nutritious and Balanced Meals

PROGRAM / ACTIVITY	FY 2009	FY 2010	FY 2011
Child Nutrition Program			
Child Nutrition Programs			
School Lunch Program	\$8,983,711	\$10,218,168	\$10,713,047
School Breakfast Program	2,607,356	2,897,802	3,117,863
Child and Adult Care Food Program	2,451,682	2,615,929	2,728,754
Summer Food Service Program	356,333	376,521	397,226
Special Milk Program	14,286	11,888	10,597
State Administrative Expense	174,134	193,258	208,653
Total, Cash Grants to States	14,587,501	16,313,566	17,176,140
USDA Foods (Sec 6e Entitlement)	716,879	674,492	1,039,737
Child Nutrition Program Discretionary Activities	41,388	48,376	65,565
ARRA NSLP Equipment Grants	100,000	0	0
Child Nutrition Program Permanent Activities	59,453	263,020	121,500
Nutrition Programs Administration (Allocation to this program)	34,104	35,972	39,044
Other Program Costs 5/	643,271	643,271	643,271
Total Cost	\$16,182,597	\$17,978,697	\$19,085,257
FTEs	402	431	447
Unit Costs			
Child Nutrition Total Cost per Meal Served (\$/service unit) 6/	\$1.71	\$1.83	\$1.91
Performance Measure: Avg. daily NSLP participation (millions)	31.2	32.1	32.6
Performance Measure: Avg. daily SBP participation (millions)	11.0	11.7	12.2
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)			
Cash Grants to States: Food & NSA (inclusive of projected carryout)	\$6,932,291	\$7,562,294	\$7,860,646
ARRA Contingency Grants to States	38,175	0	0
Infrastructure Grants	8,090	13,600	13,600
Technical Assistance	385	400	400
Breastfeeding Peer Counselors	14,941	80,000	83,000
Management Information Systems	0	60,000	60,000
Program Evaluation and Monitoring	0	15,000	15,000
Federal Administrative Oversight and Infrastructure	0	9,850	15,000
Breastfeeding Performance Bonus	0	5,000	10,000
ARRA WIC MIS	34,187	65,813	0
Nutrition Programs Administration (Allocation to this program)	19,097	20,144	21,864
Other Program Costs	0	0	0
Total Cost	\$7,047,166	\$7,832,101	\$8,079,510
FTEs	137	168	174
Unit Costs			
WIC (Total Annual Cost per Participant) 7/	\$772.80	\$824.61	\$803.37
Performance Measure: Average monthly WIC participation (millions)	9.1	9.5	10.1

PROGRAM / ACTIVITY	FY 2009	FY 2010	FY 2011
Supplemental Nutrition Assistance Program Account			
Supplemental Nutrition Assistance Program (SNAP)	\$49,324,256	\$58,311,951	\$61,144,740
ARRA SNAP Benefits and Admin. Funds	4,478,246	10,674,862	11,670,027
Nutrition Assistance for Puerto Rico (NAP)	1,760,435	1,746,351	1,735,873
ARRA NAP Funds	240,133	254,217	264,695
Food Distribution Program on Indian Reservation (FDPIR)	114,866	112,797	110,058
ARRA FDPIR Equipment Funds	3,712	1,288	0
The Emergency Food Assistance Program (TEFAP) Commodities	250,000	248,000	246,500
American Samoa	5,219	7,013	6,971
ARRA American Samoa Benefits	964	1,021	1,063
Program Access/ Community Food Project/ CNMI	27,009	42,033	22,148
Nutrition Programs Administration (Allocation to this program)	70,934	74,822	81,210
Other Program Costs <u>2/</u>	703	703	703
Total Cost	\$56,276,477	\$71,475,058	\$75,283,988
FTEs	612	660	680
Unit Costs			
SNAP (Total Annual Cost per Participant) <u>3/</u>	\$1,597.48	\$1,703.56	\$1,685.00
FDPIR (Total Annual Cost per Participant) <u>4/</u>	\$1,123.26	\$1,140.16	\$990.82
Performance Measure: Average monthly SNAP participation (millions)	33.7	40.5	43.3
Commodity Assistance Program Account			
Commodity Supplemental Food Program (CSFP)	\$165,464	\$171,434	\$176,788
The Emergency Food Assistance Program (TEFAP) Administrative Cost	49,811	49,500	50,000
ARRA TEFAP Administrative Funds	25,000	25,000	0
ARRA TEFAP Commodity Funds	100,000	0	0
TEFAP Infrastructure Grants	0	6,000	0
Farmers' Market Programs			
Farmers' Market Nutrition Program	21,750	20,045	20,000
Seniors' Farmers' Market Program	22,466	20,654	20,600
Commodity Assistance (Nuc. Affected Isld, Disaster Asst., NSIP Comm.)	3,704	4,494	1,081
IT Modernization and Support	0	0	1,750
Nutrition Programs Administration (Allocation to this program)	12,277	12,950	14,056
Other Program Costs <u>8/</u>	382,695	382,695	382,695
Total Cost	\$783,167	\$692,772	\$666,970
FTEs	90	96	100
Unit Costs			
CSFP (Total Annual Cost per Participant) <u>9/</u>	\$373.74	\$308.10	\$307.23
Performance Measure: Average monthly CSFP participation (thousands)	466.659	585.461	604.543
Nutrition Programs Administration Account (Center for Nutrition Policy and Promotion)			
Center for Nutrition Policy and Promotion	\$6,183	\$3,913	\$12,913
Congressional Hunger Center Fellows	2,347	3,000	3,000
Nutrition Programs Administration (Allocation to this program)	NA	NA	NA
Other Program Costs	0	0	0
Total Cost	\$8,530	\$6,913	\$15,913
FTEs	28	32	42
Performance Measure: Pieces of nutrition guidance distributed	2.5 billion	3.0 billion	3.9 billion

Total for Strategic Goal

Subtotal FNS Program Cost	\$80,297,937	\$97,985,540	\$103,131,638
Less Other Program Costs	1,026,669	1,026,669	1,026,669
Total FNS Program Cost	\$79,271,268	\$96,958,872	\$102,104,969
FTEs	1,269	1,387	1,443

Notes

1/ Reflects current and prior year resources, supplementals and recissions as appropriate.

Supplemental Nutrition Assistance Program Account

2/ Includes FDPIR bonus USDA foods.

3/ SNAP Average Monthly Participation Assumptions: FY 2009: 33.7 million; FY 2010: 40.5 million; FY 2011: 43.3 million.

4/ FDPIR Average Monthly Participation Assumptions: FY 2009: 95,369; FY 2010: 100,137; FY 2011: 100,137.

Child Nutrition Programs Account

5/ Includes entitlement, bonus, and 12 percent shortfall USDA foods purchased in support of the program from Sections 32 and 416 funds.

6/ Unit cost calculated based on full cost of Child Nutrition account divided by all units of service funded under this account.

Special Supplemental Nutrition Program for Women, Infants and Children (WIC)

7/ WIC average monthly participation assumptions: FY 2009: 9.1 million; FY 2010: 9.5 million; FY 2011: 10.1.

Commodity Assistance Program Account

8/ Includes bonus USDA foods for TEFAP, CSFP, Disaster, Summer Camps, Prisons, Nuclear Affected Island, and other commodity assistance.

9/ CSFP average monthly participation assumptions: FY 2009: 466,659; FY 2010: 585,461; FY 2011: 604,543.