

FOOD AND NUTRITION SERVICE

2012 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 43 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 almost 32 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, breastfeeding support to nursing mothers, 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 additional 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.

FNCS 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 65 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, 2010, there were 1,353 full-time permanent employees in the agencies. There were 530 employees in the Washington headquarters office; and 823 elsewhere, including in seven regional offices; 65 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	2010 Actual	2011 Estimated	Change	2012 Requested
Supplemental Nutrition Assistance Program	112	116	0	116
Child Nutrition Programs	164	176	0	176
Commodity Assistance Program	2	2	0	2
Supplemental Nutrition Program for Women, Infants and Children	22	22	0	22
Nutrition Programs Administration	999	1,045	0	1,045
Center for Nutrition Policy and Promotion	34	32	10	42
Total Available	1,333	1,393	10	1,403

Audit Reports of National Significance Issued for Fiscal Year 2010

OIG Audits Issued

Area	Number	Date	Title	Status
Financial Management	27703-2-HY	7-2010	Food and Nutrition Service Financial Statements for Fiscal Years 2010 and 2009	Report contained an unqualified opinion with no recommendations
SNAP	27703-2-HY	7-2010	State Fraud Detection Efforts for the Supplemental Nutrition Assistance Program	Pending administrative action by FNS
WIC	27703-1-CH	4-2010	Oversight of the Recovery Act WIC Contingency Funds	Report contained no recommendations for FNS
TEFAP	27703-1-AT	4-2010	Review of the Emergency Food Assistance Program	Pending administrative action by FNS
NSLP	27703-1-HQ(1)	3-2010	American Recovery and Reinvestment Act of 2009	Pending administrative action

Area	Number	Date	Title	Status
			Equipment Assistance Grants	by FNS
SNAP	27703-2-AT	3-2010	Recovery Act Impacts on the Supplemental Nutrition Assistance Program	Report contained a recommendation for USDA
SNAP	27099-1-HY	1-2010	Summary of Nationwide Electronic Benefits Transfer Operations	Report contained no recommendations for FNS
ARRA Management and Oversight	27703-01-HY	1-2010	Funds Provided by the American Recovery and Reinvestment Act for Management and Oversight of the Supplemental Nutrition Assistance Program	Report contained no recommendations for FNS
SNAP	27703-1-KC	12-2009	Supplemental Nutrition Assistance Program Benefits and the Thrifty Food Plan	Report contained no recommendations for FNS

GAO Audits Issued

Area	Number	Date	Title	Status
SNAP	GAO-10-956T	7-2010	Supplemental Nutrition Assistance Program: Payment Errors and Trafficking Have Declined, but Challenges Remain	GAO determined that FNS has taken action in response to prior recommendations.
Food Assistance Programs Potential Overlap of Smaller Programs	GAO-10-346	4-2010	Domestic Food Assistance: Complex System Benefits Millions, but Additional Efforts Could Address Potential Inefficiency and Overlap among Smaller Programs	On-going.

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
2010 Actual and Estimated 2011 and 2012

Item	Actual		Estimated		Estimated	
	2010		2011		2012	
	Amount	SY	Amount	SY	Amount	SY
Supplemental Nutrition Assistance Program.....	\$60,209,940,427	112	\$67,462,595,000	116	\$68,243,808,000	116
SNAP ARRA.....	10,781,519,196		10,743,707,000		11,910,091,000	
Child Nutrition Program:						
Appropriation.....	9,814,555,537	134	12,544,992,000	161	12,144,830,000	161
Permanent Appropriation.....	112,359,356	30	306,327,000	15	158,909,000	15
Transfer from Section 32.....	6,989,899,000		5,277,574,000		6,722,835,000	
CN ARRA.....	0		0		0	
Total - Child Nutrition Program.....	16,916,813,893	164	18,128,893,000	176	19,026,574,000	176
Special Supplemental						
Nutrition Program.....	7,180,681,503	22	7,658,995,000	22	7,571,249,000	22
WIC ARRA.....	64,110,812		0		0	
Commodity Assistance Program.....	287,344,515	2	286,660,000	2	270,219,000	2
TEFAP ARRA.....	54,609,180		0		0	
Nutrition Programs Administration.....	148,668,351	1,033	147,801,000	1,077	167,471,000	1,087
Congressional Hunger Center.....	3,000,000		3,000,000		3,000,000	
Total, Food and Nutrition Service Funds.....	95,646,687,877	1,333	104,431,651,000	1,393	107,192,412,000	1,403
<u>Obligations under other</u>						
<u>USDA Appropriations:</u>						
Office of the Chief Information Officer.....	160,000		0		0	
Office of Operations.....	51,320		0		0	
Center for Faith-Based & Community Initiatives.....	47,209		0		0	
Foreign Agricultural Service.....	336,454		0		0	
Office of the Inspector General.....	26,166		0		0	
National Appeals Division.....	57,156		0		0	
Farm Service Agency.....	180,450		0		0	
Rural Development.....	36,242		0		0	
Total, Agriculture Appropriations.....	894,997		0		0	
<u>Other Federal Funds:</u>						
Army Audit.....	14,938		0		0	
Veterans Affairs.....	1,023		0		0	
Labor.....	2,749		0		0	
Federal Executive Board.....	156,609		0		0	
Total, Other Federal Funds.....	175,319		0		0	
Total, Food and Nutrition Service.....	95,647,758,193	1,333	104,431,651,000	1,393	107,192,412,000	1,403

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
2010 Actual and Estimated 2011 and 2012

Grade	2010			2011			2012		
	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	190	131	321
GS-12.....	110	231	341	121	229	350	126	235	361
GS-11.....	49	296	345	54	305	359	54	304	358
GS-9.....	29	25	54	29	32	61	29	32	61
GS-8.....	5	6	11	5	6	11	5	6	11
GS-7.....	20	29	49	20	36	56	20	36	56
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.....	533	823	1,356	549	844	1,393	554	849	1,403
Unfilled Positions									
End-of Year.....	3	0	3						
Total, Permanent Full-Time Employment									
End-of Year.....	530	823	1,353	549	844	1,393	554	849	1,403
Staff Year Estimate	522	811	1,333	549	844	1,393	554	849	1,403

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 Supplemental Nutrition Assistance Program (SNAP). 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 three 10-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, 2010 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 2009	45	9	0	4	0	0	0	58	\$234
Change from 2009**	-13	+3	0	0	0	0	0	-10	+\$1
FY 2010	32	12	0	4	0	0	0	48	\$235
Change from 2010**	0	0	0	0	0	0	0	0	\$0
FY 2011	32	12	0	4	0	0	0	48	\$235
Change from 2011**	0	0	0	0	0	0	0	0	\$0
FY 2012	32	12	0	4	0	0	0	48	\$235

NOTES:

- * These numbers include vehicles that are owned by the agency, leased from commercial sources, and leased from GSA.

FOOD AND NUTRITION SERVICE

Child Nutrition Programs (including transfers of funds):

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; \$18,810,571,000, to remain available through September 30, 2013, 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 by sections 4405(b)(1)(A) and 4405(c)(1)(A): *Provided further*, That of the total amount available, \$16,516,000 shall be available to carry out section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.): *Provided further*, That of the total amount available, \$10,000,000 shall be available to implement section 23 of the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.): *Provided further*, That of the total amount available, \$25,000,000 shall be available to implement section 24 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.): *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".

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

CHILD NUTRITION PROGRAMS

Annualized Continuing Resolution, 2011 \$17,293,542,000
 Budget Estimate, 2012 18,810,571,000
 Change in Appropriation +1,517,029,000

Summary of Increases and Decreases
(On basis of appropriation)

Item of Change	2011 Estimated	Pay Costs	Program Changes	2012 Estimated
1. Meal Reimbursement Payments to States				
(a) School Lunch	\$9,831,095,000	0	\$1,052,924,000	\$10,884,019,000
(b) School Breakfast	3,093,970,000	0	243,729,000	3,337,699,000
(c) CACFP	2,686,344,000	0	132,061,000	2,818,405,000
(d) Summer Food Service Program	392,680,000	0	7,825,000	400,505,000
(e) Special Milk	12,512,000	0	557,000	13,069,000
Subtotal, Meal Reimbursements	16,016,601,000	0	1,437,096,000	17,453,697,000
2. State Administrative Expenses	208,651,000	0	70,383,000	279,034,000
3. Commodity Reimbursement/Procurement	1,019,914,000	0	-47,263,000	972,651,000
4. Mandatory Other Program Costs:	26,661,000	0	22,012,000	48,673,000
5. Discretionary Activities	21,715,000	0	34,801,000	56,516,000
Total Appropriation	17,293,542,000	0	1,517,029,000	18,810,571,000

PROJECT STATEMENT
(On basis of appropriation)

Project	2010 Actual	SY	2011 Estimated	SY	Increase or Decrease		2012 Estimated	SY
1. Meal Reimbursement Payments to States								
(a) School Lunch	\$9,967,068,000		\$9,831,095,000		\$1,052,924,000		\$10,884,019,000	
(b) School Breakfast	2,920,391,000		3,093,970,000		243,729,000		3,337,699,000	
(c) CACFP	2,640,923,000		2,686,344,000		132,061,000		2,818,405,000	
(d) Summer Food Service Program	387,264,000		392,680,000		7,825,000		400,505,000	
(e) Special Milk Program	12,673,000		12,512,000		557,000		13,069,000	
Subtotal, Meal Reimbursements	15,928,319,000		16,016,601,000		1,437,096,000	(1)	17,453,697,000	
2. State Administrative Expenses	193,258,000		208,651,000		70,383,000	(2)	279,034,000	
3. Commodity Reimbursement/Procurement	685,876,000		1,019,914,000		-47,263,000	(3)	972,651,000	
4. Mandatory Other Program Costs:								
(a) Food Safety Education	2,510,000		2,510,000		0		2,510,000	
(b) Coordinated Review	5,751,000		5,751,000		4,012,000	(4)	9,763,000	
(c) Computer Support	9,525,000		9,525,000		0		9,525,000	
(d) CACFP Training and Tech. Assist.	3,537,000		3,537,000		0		3,537,000	
(e) CN Studies	3,000,000		3,000,000		16,000,000	(5)	19,000,000	
(f) CN Payment Accuracy	2,338,000		2,338,000		0		2,338,000	
(g) Farm to School Team	0		0		2,000,000	(6)	2,000,000	
Subtotal, Mandatory Other Program Costs	26,661,000		26,661,000		22,012,000		48,673,000	
Subtotal, Mandatory	16,834,114,000		17,271,827,000		1,482,228,000		18,754,055,000	
5. Discretionary Activities:								
(a) Team Nutrition	15,016,000		15,016,000		0		15,016,000	
(b) HealthierUS Schools Challenge	699,000		699,000		801,000	(7)	1,500,000	
(c) Hunger Free Community Grants	5,000,000		5,000,000		0		5,000,000	
(d) School Garden Pilot	1,000,000		1,000,000		-1,000,000	(8)	0	
(e) School Breakfast Expansion Grants	0		0		10,000,000	(9)	10,000,000	
(f) State Childhood Hunger Grants	0		0		25,000,000	(10)	25,000,000	
Subtotal, Discretionary Activities	21,715,000		21,715,000		34,801,000		56,516,000	
Total Appropriation	16,855,829,000	134	17,293,542,000	161	1,517,029,000		18,810,571,000	161

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

PROJECT STATEMENT
(On basis of available funds)

Project	2010 Actual	SY	2011 Estimated	SY	Increase or Decrease		2012 Estimated	SY
1. Meal Reimbursement Payments to States								
(a) School Lunch	\$9,932,814,413		\$10,451,023,000		\$490,090,000		\$10,941,113,000	
(b) School Breakfast	2,895,355,659		3,115,300,000		222,399,000		3,337,699,000	
(c) CACFP	2,583,231,722		2,693,384,000		125,021,000		2,818,405,000	
(d) Summer Food Service Program	374,202,722		375,518,000		24,987,000		400,505,000	
(e) Special Milk Program	12,063,656		12,563,000		506,000		13,069,000	
Subtotal, Meal Reimbursements	15,797,668,172		16,647,788,000		863,003,000		17,510,791,000	
2. State Administrative Expenses	195,532,435		206,943,000		72,091,000		279,034,000	
3. Commodity Reimbursement/Procurement	735,781,506		907,919,000		64,732,000		972,651,000	
4. Mandatory Other Program Costs:								
(a) Food Safety Education	2,867,708		4,309,000		-1,799,000		2,510,000	
(b) Coordinated Review	16,463,891		6,429,000		3,334,000		9,763,000	
(c) Computer Support	20,008,126		9,525,000		0		9,525,000	
(d) CACFP Training and Tech. Assist.	5,843,465		4,664,000		-1,127,000		3,537,000	
(e) CN Studies	7,550,269		4,167,000		14,833,000		19,000,000	
(f) CN Payment Accuracy	1,751,842		2,845,000		-507,000		2,338,000	
(g) Farm to School Team	0		0		2,000,000		2,000,000	
Subtotal, Mandatory Other Program Costs	54,485,301		31,939,000		16,734,000		48,673,000	
Subtotal, Mandatory	16,783,467,414		17,794,589,000		1,016,560,000		18,811,149,000	
5. Discretionary Activities:								
(a) Team Nutrition	20,886,123		15,680,000		-664,000		15,016,000	
(b) HealthierUS Schools Challenge	101,000		1,297,000		203,000		1,500,000	
(c) Hunger Free Community Grants	0		10,000,000		-5,000,000		5,000,000	
(d) School Garden Pilot	0		1,000,000		-1,000,000		0	
(e) School Breakfast Expansion Grants	0		0		10,000,000		10,000,000	
(f) Childhood Hunger Challenge Grants	0		0		25,000,000		25,000,000	
Subtotal, Discretionary	20,987,123		27,977,000		28,539,000		56,516,000	
Total Obligations	16,804,454,537	134	17,822,566,000	161	1,045,099,000		18,867,665,000	161
Prior Year Recoveries/Collections	-261,875,064		0		0		0	
Unobligated Balance Start-of-Year	-306,654,268		-587,118,000		529,024,000		-58,094,000	
Unobligated Balance End-of-Year	587,117,955		58,094,000		-58,094,000		0	
Unobligated Balance Expiring	27,470,040		0		0		1,000,000	
Transfer to 12X3539 1/	5,315,800		0		0		0	
Total Appropriation	16,855,829,000	134	17,293,542,000	161	1,517,029,000		18,810,571,000	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)

Direct Appropriation and Transfer Activities	2010		2011		Increase or Decrease	2012	
	Actual	SY	Estimated	SY		Estimated	SY
Information Clearinghouse	\$250,000		\$250,000		0	\$250,000	
Food Service Management Institute	4,000,000		5,000,000		0	5,000,000	
Grants to States (Fresh Fruit and Veg. x-year funds)	25,000,000		134,000,000		-\$3,841,000	130,159,000	
Tech. Assistance Program Integrity	2,000,000		4,000,000		0	4,000,000	
Grants to States (Administrative Review)	4,000,000		4,000,000		0	4,000,000	
Summer Demonstration Projects <u>a/</u>	85,000,000		85,000,000		-85,000,000	0	
School Lunch Equipment Grants <u>a/</u>	25,000,000		25,000,000		-25,000,000	0	
CACFP Health and Nutrition Grants <u>a/</u>	8,000,000		8,000,000		-8,000,000	0	
Direct Certification Technical Assistance <u>a/</u>	25,000,000		25,000,000		-25,000,000	0	
Direct Certification Performance Bonuses	0		0		4,000,000	4,000,000	
Medicaid Direct Cert. Evaluation	0		5,000,000		-5,000,000	0	
Alternative Meal Claiming Evaluation	0		5,000,000		-5,000,000	0	
CACFP Nutrition Technical Assistance	0		10,000,000		-10,000,000	0	
CACFP Nutrition and Wellness Study	0		5,000,000		-5,000,000	0	
Professional Standards - Foodservice	0		5,000,000		-4,000,000	1,000,000	
Indirect Cost Study	0		2,000,000		-2,000,000	0	
Total Direct Appropriations/Transfers	178,250,000	30	322,250,000	15	-173,841,000	148,409,000	15

a/ Funds provided in Section 749 of the FY 2010 Agricultural Appropriations Act (P.L. 111-80) and are shown in FY 2011 under the terms and conditions of the continuing resolution, although it is not anticipated these funds will be obligated.

PROJECT STATEMENT
(On basis of available funds)

Direct Appropriation and Transfer Activities	2010		2011		Increase or Decrease	2012	
	Actual	SY	Estimated	SY		Estimated	SY
Information Clearinghouse	\$250,000		\$250,000		0	\$250,000	
Food Service Management Institute	4,000,000		5,000,000		0	5,000,000	
Grants to States (Fresh Fruit and Veg. x-year funds)	79,902,256		134,000,000		-\$3,841,000	130,159,000	
Tech. Assistance Program Integrity	1,581,447		4,884,000		-884,000	4,000,000	
Grants to States (Administrative Review)	7,033,908		9,421,000		-5,421,000	4,000,000	
Summer Demonstration Projects	1,565,332		83,435,000		-83,435,000	0	
School Lunch Equipment Grants	15,015,503		9,984,000		-9,984,000	0	
CACFP Health and Nutrition Grants	0		8,000,000		-8,000,000	0	
Direct Certification Technical Assistance	506,168		24,494,000		-24,494,000	0	
Direct Certification Performance Bonuses	0		0		4,000,000	4,000,000	
Medicaid Direct Cert. Evaluation	0		1,000,000		0	1,000,000	
Alternative Meal Claiming Evaluation	0		2,000,000		0	2,000,000	
CACFP Nutrition Technical Assistance	0		5,000,000		0	5,000,000	
CACFP Nutrition and Wellness Study	0		2,500,000		0	2,500,000	
Professional Standards - Foodservice	0		5,000,000		-4,000,000	1,000,000	
Indirect Cost Study	0		2,000,000		-2,000,000	0	
SFSP Rural Transportation Grants	0		122,000		-122,000	0	
Evaluation CACFP	0		8,000		-8,000	0	
Direct Certification and Verification	1,925,063		588,000		-588,000	0	
Evaluation of Effectiveness (Direct Cert.)	0		492,000		-492,000	0	
SFSP Evaluation	0		9,000		-9,000	0	
CACFP Audit Funds - X year	579,679		8,140,000		-8,140,000	0	
Total Obligation	112,359,356	30	306,327,000	15	-147,418,000	158,909,000	15
Transfer from 128/93539	-5,315,800		0		0	0	
Unobligated Balance Start of Year	-84,557,971		-164,314,000		-15,923,000	-180,237,000	
Collections/Recoveries	-8,549,174		0		0	0	
Expiring Funds	0		0		0	0	
Unobligated Balance End of Year	164,313,589		180,237,000		-10,500,000	169,737,000	
Total Direct Appropriations/Transfers	178,250,000	30	322,250,000	15	-173,841,000	148,409,000	15

Justification of Increases and Decreases

The FY 2012 request for the Child Nutrition Programs reflects a net increase of \$1,517,029,000.

- (1) An increase of \$1,437,096,000 for meal reimbursements (\$16,016,601,000 available in FY 2011).

Explanation of Change.

School Lunch Program: This program will require a net increase of \$1,052,924,000 in budget authority for an appropriation level of \$10,884,019,000 in FY 2012 (\$9,831,095,000 is available for FY 2011). This level of funding is 10.7 percent over the FY 2011 funding level and will be required to provide reimbursement for meal service currently projected for FY 2012. Based on actual performance to date, the total number of school lunches and snacks in FY 2012 (5.7 billion) is projected to increase by about 84.2 million over the current estimate for FY 2011 of 5.6 billion, which is a 1.5 percent increase. Student participation in the NSLP is continuing at approximately 62.6 percent of enrollment in participating schools. The current estimate for free lunches in FY 2012 projects an increase of 4.1 percent above the level of free lunches estimated to be served in FY 2011. Free lunches are estimated at 60.0 percent of all lunches served in FY 2012. 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 the William F. Goodling Child Nutrition Reauthorization Act of 1998 (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):

	2009-2010	2010-2011
Poverty Level	School Year	School Year
100 Percent	\$22,050	\$22,050
130 Percent	28,665	28,665
185 Percent	40,793	40,793

PROGRAM INDICATORS				
SCHOOL LUNCH PROGRAM PROGRAM PERFORMANCE DATA	2010 ACTUAL	2011 ESTIMATE	2012 ESTIMATE	CHANGE
Lunches Served (millions):				
Above 185% of poverty	1,829.8	1,744.7	1,704.6	-40.1
130% - 185% of poverty	502.0	492.7	483.5	-9.2
Below 130% of poverty	2,927.6	3,149.3	3,277.2	127.9
TOTAL, Lunches	5,259.4	5,386.7	5,465.3	78.6
Average Daily Participation (millions):	31.6	32.1	32.5	0.4
Lunch Rate per meal (blended) (cents):				
Above 185% of poverty	25.2	26.0	26.2	0.2
130% - 185% of poverty	203.7	206.8	210.8	4.0
Below 130% of poverty	243.8	246.9	250.9	4.0
Snacks Served (millions):				
Above 185% of poverty	8.9	8.3	8.1	-0.2
130% - 185% of poverty	1.0	0.9	0.9	0.0
Below 130% of poverty	207.6	214.9	220.7	5.8
TOTAL, Snacks	217.5	224.1	229.7	5.6
Snack subsidy per meal (blended)(cents):				
Above 185% of poverty	6.0	6.0	6.0	0.0
130% - 185% of poverty	37.0	37.2	38.0	0.8
Below 130% of poverty	74.0	74.4	76.2	1.8
TOTAL, Lunches and Snacks	5,476.9	5,610.8	5,695.0	84.2
TOTAL, Meal Reimbursement (millions)	\$9,932.8	\$10,451.0	\$10,941.1	\$490.1

School Breakfast Program: This program will require an increase of \$243,729,000 (about 7.9 percent) for an appropriation of \$3,337,699,000 in FY 2012 (\$3,093,970,000 is available for FY 2011). The current estimate projects an increase of 96.1 million breakfasts in FY 2012 (4.6 percent) above the current estimate for FY 2011. This includes a projected increase of about 90.8 million breakfasts in the free category. The estimate of total meals projected for FY 2012 is 2.2 billion.

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

PROGRAM INDICATORS				
SCHOOL BREAKFAST PROGRAM PROGRAM PERFORMANCE DATA	2010 ACTUAL	2011 ESTIMATE	2012 ESTIMATE	CHANGE
Meals Served (millions):				
Above 185% of poverty	322.8	318.8	317.9	-0.9
Reduce Price, Regular	24.0	24.4	25.1	0.7
Reduce Price, Severe Need	149.7	153.6	159.1	5.5
130%-185% of poverty, Total	173.7	178.0	184.2	6.2
Free, Regular	127.8	136.9	143.5	6.6
Free, Severe Need	1,333.6	1,457.2	1,541.4	84.2
Below 130% of poverty, Total	1,461.4	1,594.1	1,684.9	90.8
TOTAL, Meals	1,957.9	2,090.9	2,187.0	96.1
Average Daily participation (millions)	11.6	12.4	12.9	0.5
Average Subsidy Per Meal (cents):				
Paid	26.1	26.1	26.2	0.1
Reduced Price:				
Regular	116.5	118.5	120.6	2.1
Severe Need	144.5	146.6	149.6	3.0
Free:				
Regular	146.6	148.6	150.7	2.1
Severe Need	174.4	176.5	179.5	4.0
PROGRAM TOTAL (millions)	\$2,895.4	\$3,115.3	\$3,337.7	\$222.4

Child and Adult Care Food Program (CACFP): This program will require an increase of \$132,061,000 (about 4.9 percent) for an appropriation of \$2,818,405,000 in FY 2012 (\$2,686,344,000 is available for FY 2011). The current estimate projects an increase of 40.6 million meals above the FY 2011 estimate, which represents an increase of about 2.1 percent above the FY 2011 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 meals 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 122 of the Healthy, Hunger Free Kids Act of 2010 (P.L. 111-296), which expanded afterschool meals for at risk children to all States, although it is estimated that this increase will be minimal (less than \$500,000).

PROGRAM INDICATORS				
CHILD AND ADULT CARE FOOD PROGRAM PROGRAM PERFORMANCE DATA	2010 ACTUAL	2011 ESTIMATE	2012 ESTIMATE	CHANGE
Meals Served (millions):				
Centers:				
Above 185% of poverty	342.3	343.6	346.3	2.7
130% - 185% of poverty	83.2	83.5	84.2	0.7
Below 130% of poverty	889.5	930.6	967.9	37.3
TOTAL, Centers	1,315.0	1,357.7	1,398.4	40.7
Family Day Care Homes:				
Tier 1 (Low Income)	495.0	500.0	503.7	3.7
Tier 2 (Upper Income)	99.8	94.8	91.0	-3.8
TOTAL, Family Day Care Homes:	594.8	594.8	594.7	-0.1
Total Child Care Program Meals:	1,909.8	1,952.5	1,993.1	40.6
Average Subsidy per meal (cents): 1/				
Centers:				
Above 185% of poverty	17.5	17.8	18.2	0.4
130% - 185% of poverty	125.0	127.3	130.9	3.6
Below 130% of poverty	165.4	167.4	176.8	9.4
Family Day Care Homes				
Tier 1 (Low Income)	139.9	140.6	143.7	3.1
Tier 2 (Upper Income)	65.5	66.0	64.1	-1.9
Funding:				
Meal Reimbursement	\$2,420.9	\$2,525.7	\$2,645.3	\$119.6
Sponsor Admin	125.3	128.8	132.5	3.7
Audits	34.8	36.6	38.3	1.7
Training & Tech. Assistance	2.2	2.3	2.3	0.0
TOTAL (millions)	\$2,583.2	\$2,693.4	\$2,818.4	\$125.0
1/ Rates are a blend of all meals types.				

Summer Food Service Program: This program will require an increase of \$7,825,000 (about 2.0 percent) for an appropriation of \$400,505,000 in FY 2012 (\$392,680,000 is available for FY 2011). The current estimate projects an increase of approximately 6.9 million meals above the estimate for FY 2011, an increase of approximately 5.0 percent. In addition, the reimbursement rates will increase because of projected changes in the CPI for food away from home.

PROGRAM INDICATORS				
SUMMER FOOD SERVICE PROGRAM PROGRAM PERFORMANCE DATA	2010 ACTUAL	2011 ESTIMATE	2012 ESTIMATE	CHANGE
Meals Served (millions):				
Summer Food Program	134.2	138.2	145.1	6.9
Average Subsidy Per Meal (cents):				
Lunch	294.0	298.0	303.0	5.0
Breakfast	168.0	171.0	173.0	2.0
Supplements	68.0	69.0	70.0	1.0
PROGRAM TOTAL (millions)	\$374.2	\$375.5	\$400.5	\$25.0

Special Milk Program: This program will increase by \$557,000 (a 4.5 percent increase) for an appropriation of \$13,069,000 in FY 2012 (\$12,512,000 is available for FY 2011). This increased funding need is a result of a projected increase in the number of free half pints served from FY 2011 to FY 2012 and a projected increase in the reimbursement rates (although the number of paid pints is projected to decline by 3.2 percent, this is more than offset by the projected increase in free pints and the projected increase 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	2010 ACTUAL	2011 ESTIMATE	2012 ESTIMATE	CHANGE
Half Pints Served (millions):				
Paid (Above 130% of poverty)	66.3	62.9	60.9	-2.0
Free (130% of poverty or below)	5.8	6.0	6.1	0.1
TOTAL, Half pints	72.1	68.9	67.0	-1.9
Reimbursement Rates (cents):				
Paid	16.0	17.8	19.5	1.7
Free	16.9	18.7	20.6	1.9
PROGRAM TOTAL (millions)	\$12.1	\$12.6	\$13.1	\$0.5

- (2) An increase of \$70,383,000 for State Administrative Expenses (\$208,651,000 available for FY 2011).

Explanation of Change: An appropriation of \$279,034,000 will be needed in FY 2012 for State Administrative Expenses. This increase results from two factors. First, \$20,383,000 of the increase is due to 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 2012. 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 2009 for FY 2012).

Second, Section 201 of the Healthy, Hunger Free Kids Act of 2010 provides an additional \$50 million to States for State activities related to training, technical assistance, certification and oversight activities related to the implementation of the performance-based school lunch reimbursement rates authorized in that section, of which \$3 million is provided to support Federal administrative activities related to State oversight.

- (3) A decrease of \$47,263,000 for Commodity Reimbursement/Procurement (\$1,019,914,000 available for FY 2011).

Explanation of Change: An appropriation of \$972,651,000 will be needed to fund commodity reimbursement and procurement costs in FY 2012. This estimate is based on FNS receiving \$465 million in Section 32/Commodity Credit Corporation support for entitlement commodities. The funding level for FY 2012 reflects changes in the projected commodity reimbursement rates based on the Producer Price Index for commodities. The rate for SY 2010-11 is \$.2025, and the rate is projected to be \$.2025 for the SY 2011-12. 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 2012 request includes \$223,870,000 to cover the 12 percent requirement and procurement costs. This estimate is

based on approximately \$100.0 million in bonus USDA foods becoming available to schools as a result of USDA market support activities.

COMMODITY COST DATA				
(\$ MILLIONS)				
COMMODITY PURCHASES:	2010 ACTUAL	2011 ESTIMATE	2012 ESTIMATE	CHANGE
CN Appropriation:				
AMS/CCC Commodities	\$465.0	\$465.0	\$465.0	0.0
Section 6 Commodities/Cash/Procurement Costs	640.9	806.8	866.9	\$60.1
12% Commodity Floor Requirement	237.1	100.0	100.0	0.0
SCHOOL LUNCH TOTAL	1,343.0	1,371.8	1,431.9	60.1
Child & Adult Care Food Program:				
Commodities/Cash	93.6	99.8	104.4	4.6
Summer Food Service Program:				
Commodities	1.3	1.3	1.4	0.1
TOTAL COMMODITY COSTS	1,437.9	1,472.9	1,537.7	64.8
APPROPRIATION	\$685.9	\$1,019.9	\$972.7	-\$47.2

Mandatory Other Program Costs:

- (4) An increase of \$4,012,000 for the Coordinated Review Program (\$5,751,000 available for FY 2011).

Explanation of Change. An increase of \$4,012,000 for the Coordinated Review Program reflects the increased funds made available by Section 408 of the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296). State agencies will have significant monitoring and review responsibilities as a result of changes in the Act. States will be required to conduct audits and reviews in all school food authorities participating in the school breakfast and school lunch programs during a 3 year cycle (as opposed to current 5 year cycle); select schools (for review) in each Local Education Agency using established criteria; make findings available to the public; and submit a report to the Secretary each year containing results of the reviews.

- (5) An increase of \$16,000,000 for CN Studies (\$3,000,000 available for FY 2011).

Explanation of Change. This increase provides \$16,000,000 for additional studies to support CN program integrity and meal quality. These studies are needed to support continuous program improvements and effective policy and regulatory development in follow-up to the legislative changes of the Healthy, Hunger-Free Kids Act of 2010. Potential areas for additional research investment include assessments of school lunch, breakfast and child care meal quality, management of production costs and revenues, and certification accuracy.

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

Explanation of Change. This increase provides \$2,000,000 for a team to support local and regional food systems (see issue paper on page 30-22).

Discretionary Activities:

- (7) An increase of \$801,000 for Healthier US School Challenge (\$699,000 available for FY 2011).

Explanation of Change. This increase reflects an increase in awards to schools for the HealthierUS School Challenge (HUSSC). HUSSC recognizes schools that have met rigorous standards for nutritious food and beverage choices, nutrition education, physical education and opportunities for physical activity for students. In support of Administration objectives, FNS is committed to certifying 1,000 new HUSSC

schools in 2012 and another 1,000 schools 2013. Each HUSSC school receives a monetary incentive award, and this increase will fund the higher number of incentive awards planned.

- (8) A decrease of \$1,000,000 for School Garden Pilot.

Explanation of Change. \$1,000,000 was provided for this purpose in FY 2010 through a general provision and is shown in FY 2011 as part of the base under the terms and conditions of the continuing resolution but is not expected to be obligated. The 2012 budget does not propose funding for this pilot.

- (9) An increase of \$10,000,000 for the School Breakfast Expansion Grants.

Explanation of Change. This increase supports implementation of Section 105 of the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296). (See issue paper on page 30-23)

- (10) An increase of \$25,000,000 for the State Childhood Hunger Challenge Grants.

Explanation of Change. This increase supports implementation of Section 142 of the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296). (See issue paper on page 30-24).

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2012
CURRENT LAW**

Program: Child Nutrition Programs

Proposal: Farm to School Team

Rationale: The purpose of the USDA Farm to School Team is to support local and regional food systems by facilitating linkages between schools and their local food producers. The Team comprises both FNS and AMS staff members, who will work with local and State authorities, school districts, farmers, distributors, 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: analyze and assess variables that support or deter Farm to School activities; identify trends and best practices; communicate variables, trends, and best practices with internal and external stakeholders; expand the USDA 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 and guidance to schools and producers. The long-term goals of the 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 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
Budget Authority	\$0	\$0	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$10.0
Outlays	0.0	0.0	1.0	2.0	2.1	2.2	2.3	9.6

**FNCS PRESIDENT’S BUDGET FISCAL YEAR 2012
CURRENT LAW**

Program: Child Nutrition Programs

Proposal: School Breakfast Expansion Grants

Rationale: Funds would provide competitive grants to States for subgrants to local educational agencies and schools to establish, maintain, or expand the school breakfast program, as recently authorized by Section 105 of the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296). While on a typical school day, 32 million children participate in school lunch, less than 12 million take a school breakfast. These grants will support local efforts to improve access of school-age children to healthy breakfasts.

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

Budget Impact:
(\$ millions)

	FY 2010	FY 2011	FY 2012
Budget Authority	\$0.0	\$0.0	\$10.0

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2012
CURRENT LAW**

Program: Child Nutrition Programs

Proposal: State Childhood Hunger Challenge Grants

Rationale: Funds would provide competitive grants to Governors to carry out comprehensive and innovative strategies to end childhood hunger in their States, as recently authorized by Section 142 of the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296). Demonstrations may include projects that: enhance nutrition benefits, provide innovative benefit delivery models, improve coordination and targeting of assistance to prevent food insecurity and hunger, or enhance nutrition assistance outreach efforts. All demonstrations would be subject to rigorous, independent evaluation to assess impacts and identify successful anti-hunger strategies.

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

Budget Impact:
(\$ millions)

	FY 2010	FY 2011	FY 2012
Budget Authority	\$0.0	\$0.0	\$25.0

Food and Nutrition Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
2010 and Estimated 2011 and 2012

Child Nutrition Programs--Federal Salaries & Expenses						
	FY 2010 Amount	Staff Years	FY 2011 Amount	Staff Years	FY 2012 Amount	Staff Years
Alabama	\$0	0	\$0	0	\$0	0
Alaska	0	0	0	0	0	0
Arizona	33,401	0	33,401	0	33,401	0
Arkansas	0	0	0	0	0	0
California	1,202,645	12	1,202,645	12	1,202,645	12
Colorado	1,588,502	13	1,588,502	13	1,588,502	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	1,044,140	12	1,044,140	12	1,044,140	12
Hawaii	0	0	0	0	0	0
Idaho	0	0	0	0	0	0
Illinois	1,424,899	13	1,424,899	13	1,424,899	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	28,299	0	28,299	0	28,299	0
Massachusetts	287,724	13	287,724	13	287,724	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	1,186,904	14	1,186,904	14	1,186,904	14
New Mexico	0	0	0	0	0	0
New York	67,242	1	67,242	1	67,242	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	480,664	3	480,664	3	480,664	3
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	1,265,173	11	1,265,173	11	1,265,173	11
Utah	0	0	0	0	0	0
Vermont	0	0	0	0	0	0
Virginia	23,373,655	66	23,925,829	78	23,925,829	78
Washington	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0
West Virginia	40,624	1	40,624	1	40,624	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	307,583	3	307,583	3	307,583	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	552,174	0	0	0	0	0
Total	\$32,883,629	164	\$32,883,629	176	\$32,883,629	176

Note: Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

Child Nutrition Programs - Appropriation

Classification by Objects2010 Actual and Estimated 2011 and 2012

(in thousands of dollars)

	Personnel Compensation:	2010	2011	2012
	Washington D.C.	\$4,484	\$4,623	\$4,725
	Field	5,264	5,427	5,547
11	Total personnel compensation	9,749	10,051	10,272
12	Personnel benefits	2,528	2,606	2,663
13	Benefits for former personnel	0	0	0
	Total personnel compensation and benefits	12,276	12,657	12,935
	Other Objects:			
21	Travel and transportation of persons	1,127	1,142	1,158
22	Transportation of things	7	7	7
23.1	Rental payments to GSA			
23.2	Rental payments to others	808	819	830
23.3	Communications, utilities, and misc. charges			
24	Printing and reproduction	442	448	454
25	Other Services	13,824	14,017	14,213
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	267	271	275
25.7	Miscellaneous Services			
25.8	Fees			
26	Supplies and materials	735,782	907,919	972,651
31	Equipment	129	131	133
32	Land and structures			
41	Grants, subsidies and contributions	16,039,793	16,885,155	17,865,009
42	Insurance claims and indemnities			
43	Interest and dividends			
45	Special Payments			
92	Undistributed			
	Total other objects	16,792,178	17,809,909	18,854,730
	Total direct obligations	16,804,454	17,822,566	18,867,665

Totals for FY 2010 include ARRA Funds.

FOOD AND NUTRITION SERVICE

Child Nutrition Programs - Permanent Appropriation

Classification by Objects2010 Actual and Estimated 2011 and 2012

(in thousands of dollars)

	Personnel Compensation:	2010	2011	2012
	Washington D.C.	\$812	\$838	\$856
	Field	954	983	1,005
11	Total personnel compensation	1,766	1,821	1,861
12	Personnel benefits	437	450	460
13	Benefits for former personnel	0	0	0
	Total personnel compensation and benefits	2,203	2,271	2,321
	Other Objects:			
21	Travel and transportation of persons	318	322	327
22	Transportation of things	10	10	10
23.1	Rental payments to GSA			
23.2	Rental payments to others	4	4	4
23.3	Communications, utilities, and misc. charges			
24	Printing and reproduction	1	1	1
25	Other Services	1,022	1,037	1,052
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	14	14	14
31	Equipment	29	30	30
32	Land and structures			
41	Grants, subsidies and contributions	108,758	302,638	155,150
42	Insurance claims and indemnities			
43	Interest and dividends			
45	Special Payments			
92	Undistributed			
	Total other objects	110,156	304,056	156,588
	Total direct obligations	112,359	306,327	158,909

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>	<u>2012</u>
NSLP Equipment Grants.....	\$100,000,000	0	0	0

PROJECT STATEMENT
(On basis of available funds)

	2009 Actual	2010 Actual	2011 Estimated	2012 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		
	2010	2011	2012
Students benefiting from improved meals and more efficient operations	31.6 million	32.1 million	32.5 million

FY 2010 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. All funds were obligated by the end of FY 2009, and over 96 percent of the funds outlayed by the end of FY 2010 (\$96.5 million outlayed). The remaining balances are projected to outlay in FY 2011.

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 when they are away from home through nutritious meals and snacks based on the *Dietary Guidelines for Americans*. 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 children and teenagers in at-risk afterschool care programs and in emergency shelters. 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 elementary 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 Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296) was enacted on December 13, 2010. The Act amended the Richard B. Russell National School Lunch Act (NSLA) and the Child Nutrition Act of 1966 (CNA) in the areas of program access, improved school meals, healthy school nutrition environments, and integrity. The Act includes the following provisions:

- Upgrading the nutritional quality of school meals by increasing the federal reimbursement rate for school lunches by 6 cents for districts that comply with federal nutrition standards. This is the first real reimbursement rate increase in over 30 years.
- Improving the nutritional quality of all food in schools by providing USDA with the authority to set nutritional standards for all foods sold in schools, including in vending machines, the "a la carte" lunch lines, and school stores.
- Creates a pilot to increase the number of eligible children enrolled in the school meals programs by using Medicaid data to directly certify children who meet income requirements without requiring individual applications connecting approximately 115,000 new students to the school meals program.
- Enhances universal meal access for eligible children in high poverty communities by eliminating paper applications and using census data to determine school wide income eligibility.
- Provides more meals for at-risk children nationwide by allowing Child and Adult Care Food Program (CACFP) providers in all 50 states and the District of Columbia to be reimbursed for providing a meal to at-risk children after school paving the way for an additional 21 million meals to children annually.
- Empowers parents by requiring schools to make information more readily available to parents about the nutritional quality of school meals, as well as the results of any audits.
- Improves the quality of foods supplied to schools by building on and further advancing the work USDA has been doing to improve the nutritional quality of the commodities that schools get from USDA and use in their lunch and breakfast programs.
- Improves WIC by making it easier for children to get recertified as eligible for the program, requiring greater use of EBT technology (debit cards), and expanding support for breastfeeding.

The agency began the process of implementing the many new provisions in December 2010, and will continue the process throughout the fiscal year. FNS is in the process of engaging stakeholders and

developing regulations to implement provisions, particularly those related to establishing nutrition standards for nutritious school meals and all foods sold in schools, improving the school nutrition environment, expanding access to the Child Nutrition Programs, ensuring Program food safety, and increasing the efficiency and accuracy of eligibility determinations. See <http://www.fns.usda.gov/cnd/lunch/>, under “Reauthorization 2010” for more information.

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 2010-2011 school year, 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 income eligibility guidelines for the 2010-2011 school year did not change from the FY 2009 guidelines. 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) 2010, more than half of all school children in America were provided an NSLP lunch. At participating schools and Residential Child Care Institutions (RCCIs), approximately 62.6 percent of the enrolled students participated in the NSLP on a daily basis, up from 62.1 percent in FY 2009.
- In FY 2010, a total of 5.26 billion lunches were served in the NSLP, a 1.4 percent increase from the 5.19 billion served in FY 2009, partly due to an increase in days of service from FY 2009 to FY 2010 (an increase from 177.68 days in FY 2009 to 178.38 days in FY 2010) and partly due to an increase in average daily participation.
- On average, approximately 29.3 million lunches were served daily, a 0.9 percent increase from the FY 2009 daily average of 29.0 million lunches.
- In FY 2010, approximately 65.2 percent of total meals served were provided free or at a reduced price, up from 62.5 percent in FY 2009.
- The number of schools participating in the NSLP increased by 128 from FY 2009 to FY 2010, and a total of 101,565 schools and RCCIs participated in the NSLP.

Coordinated Review Effort

FNS and State agencies conduct 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 result in more efficient distribution of program benefits to eligible children.

Improving School Meals

As part of an ongoing initiative to improve 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 soon publish 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.

Salad Bars in Schools

In an effort to help implement salad bars in schools, FNS is offering technical assistance to Regional Offices and State Agencies. In September 2010, FNS offered a Webinar for States to answer questions about how to operate salad bars in schools. On October 8, 2010, FNS issued a policy memorandum to provide more in-depth information on how salad bars can effectively be used in the NSLP, and also highlight a variety of resources to assist schools in this effort. One of the primary goals of the memorandum was to clarify the various options for ensuring that meals served all or in part from a salad bar can receive reimbursement from the Federal government. The memo also included information on portion size, point of service, nutrient analysis and food safety for school meals. A Question and Answer document will be issued to further respond to technical assistance questions.

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. In addition, NFSMI has a toll free help desk that provides technical assistance to school food service personnel with questions about menu planning, nutrient requirements, food purchasing, and nutrient analysis and additional child nutrition topics. Revised USDA Recipes for Schools and USDA Recipes for Child Care are available on the NFSMI Web site at www.nfsmi.org under School Nutrition Programs. 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 \$65 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 implementing 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 has developed and distributed more than 290,000 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 FY 2010, Team Nutrition also distributed over 192,000 copies of *Team Up at Home*, a publication that encourages parents and children to complete hands-on activities together as they learn about the five food groups and physical activity.

Several Team Nutrition resources are also available to introduce young children to new foods and encourage the formation of healthful eating habits. In June 2010, Team Nutrition released a garden-themed nutrition education kit for preschool and kindergarten age children entitled *Grow It, Try It, Like It! Preschool Fun with Fruits and Vegetables*. Over 8,000 copies of the kit were distributed to childcare centers during FY 2010 to help educators implement hands-on activities, planting activities, and nutrition education activities that introduce children to fruits, vegetables and how food is grown.

Over 142,000 copies of Team Nutrition's Two Bite Club Storybook were also distributed to caregivers of preschool age children. This publication introduces young children to MyPyramid for Preschoolers and encourages them to taste new foods from each food group.

Middle and high schools and afterschool programs continued to receive *Nutrition Essentials* (7,461 copies), which includes posters and lesson plans based on the *Dietary Guidelines* and MyPyramid. Over 7,300 copies of *Empowering Youth with Nutrition and Physical Activity* were also distributed for use with afterschool programs. This publication provides innovative activities and games designed to teach youth how to make smart eating and physical activity choices.

Team Nutrition administers the Chefs Move to Schools Program, a component of the First Lady's *Let's Move!* Initiative that is designed to help connect chefs interested in volunteering their time with local schools for the purposes of improving school meals and teaching children about food and health. Since the program launched on June 4, 2010, over 2000 chefs and 1,400 schools have signed up to participate. Several resources were developed to assist schools and chefs in working together, including a HealthierUS School Challenge Primer and Getting Started guide.

Team Nutrition launched the *Recipes for Healthy Kids* competition on September 7, 2010, to draw on the talents of chefs, students, school nutrition professionals, and parents or other community members working together to develop tasty, nutritious, kid-approved foods that can be served at school and at home. School teams can submit original recipes that meet nutritional requirements in three categories: whole grain foods, dark green and/or orange vegetables, and dry beans and peas (legumes). The top ten recipes in each category will be published in a *Recipes for Healthy Kids* cookbook to share with schools and families.

USDA's HealthierUS School Challenge (HUSSC) recognizes Team Nutrition schools that have met rigorous standards for nutritious food and beverage choices, nutrition education, and physical education and opportunities for physical activity for students. The HUSSC was adopted under the First Lady's *Let's Move!* initiative in February 2010. USDA is working with partners in schools and the private sector to certify 625 new schools by June 2011 and add 1,000 schools per year for two years after that. USDA has certified over 272 new HUSSC schools meeting approximately 44 percent of the goal for 2011. Since the inception of HUSSC in 2004, USDA has awarded over 900 awards to schools in 38 States at four award levels: 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.

Direct Certification

Since School Year 2008-2009, all SFAs are required to directly certify for free school meals children whose households receive benefits through the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program). To support direct certification efforts, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (P.L. 111-80) provided \$22 million for grants to State agencies that administer NSLP and have the lowest rates of direct certification. Rates of direct certification are measured annually by FNS and made public in a Report to Congress released each October. On July 7, 2010, FNS released the Request for Applications (RFA) for the 2010 Direct Certification Grants to support States in improving Direct Certification rates. FNS is offering two types of grants: (1) planning grants, which will be awarded in two rounds; and (2) implementation grants, to be awarded on a rolling quarterly basis. Planning grants are intended for State agencies that know they need to improve their State's direct certification system, but may need to conduct additional research and planning activities to determine and plan for the most effective way of doing so. Implementation grants are intended for State agencies that know what they need to do to improve their State's direct certification systems, but lack the resources to implement those changes. State agencies that apply for a planning grant are expected to follow up with an implementation grant application within 210 days of the planning grant award date.

Procurement Training

FNS continues to work in conjunction with the NFSMI to further 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 2010, program availability rose to 88,623 institutions (an increase of 0.9 percent from FY 2009) with an enrollment of 45.4 million students (an increase of 2.2 percent from FY 2009). 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 90.1 percent of the students enrolled in schools participating in the lunch program in FY 2010, as compared to 50 percent in FY 1990. Average daily participation in FY 2010 was 11.6 million, an increase of approximately 5.1 percent from the prior year.
- The portion of total meals served free or at a reduced price was about 83.5 percent during FY 2010, up from 82.1 percent in FY 2009.
- Approximately 1.96 billion breakfasts were served in FY 2010, an increase of 4.9 percent over FY 2009. On average, 10.8 million breakfasts were served daily, compared to 10.2 million in FY 2009, or a 5.1 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 78.3 million in FY 2009 to 72.1 million in FY 2010, a 7.9 percent decrease. Overall, the number of half pints served has decreased from 181.3 million in FY 1990, a 60.2 percent decrease.
- A total of 5,669 schools, non-residential child care institutions and summer camps participated in the SMP in FY 2010, a 1.0 percent increase from the FY 2009 level of 5,611. The number of participating schools decreased by 339. Non-residential child care institutions and summer camps increased by 347 and 50, respectively.
- The portion of half pints served free during FY 2010 was about 8.1 percent, as compared to 8.3 percent in FY 2009.

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 and teenagers who reside in emergency 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 that provide nonresidential adult day care must 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.

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). 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. 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 whose households receive SNAP benefits. 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 2010, the combined average daily attendance in CACFP was approximately 3.4 million children and adults, an increase of 3.1 percent from FY 2009.
- Of 3.2million children in average daily attendance in FY 2010, approximately 2.4 million were in child care centers and approximately 850,000 were in family day care homes.
- On average, in FY 2010 a CACFP child care center had about 47 children in attendance on an average day, and received slightly less than \$30,000 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 more than \$5,500 a year in meal reimbursement.
- Total meal service increased slightly (0.5 percent) from FY 2009 to FY 2010; a total of 1.91 billion meals were served in FY 2010.
- In FY 2010, approximately 82.1 percent of total meals served were provided free or at a reduced price, up from 81.8 percent in FY 2009.

Agency Expands Program Integrity Efforts

FNS continues to address management weaknesses identified by Federal and State reviews and Office of Inspector General (OIG) audits. USDA is issuing a regulation finalizing two interim rules implementing the provisions of the Agricultural Risk Protection Act of 2000 and recommendations found in OIG audits. In an effort to measure the effectiveness of the CACFP management improvement regulations and guidance, FNS conducted 60 Child Care Assessment Project evaluations between FY 2004 and FY 2007. Based on the results of these evaluations, FNS has altered the State agency management evaluation process for FY 2010 and 2011 focusing exclusively on large sponsors of day care homes and unaffiliated centers and three areas that were most related to the ongoing sponsor management problems identified in the Child Care Assessment Project. FNS also provided training on these three management areas to CACFP State agency directors and sponsoring organizations during three large national professional association conferences.

Additionally, OIG has conducted 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. An audit report is expected in early FY 2011.

Improving Nutrition

FNS is working to improve the nutrition and health of CACFP participants through two key efforts. FNS contracted with the 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. On November 4, 2010, the IOM released a comprehensive report with recommendations for new food-based meal patterns for infants, children, and adults. The report also included recommendations for implementation of the new requirements and for evaluation and research activities to guide future program improvement. FNS will review the IOM recommendations carefully and explore opportunities for updating the CACFP meal requirements.

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. The purpose of the grants is to support projects aimed at improving the health and nutrition of children in child care settings. State agencies are required to use at least 50 percent of their grant funds to award sub-grants to local institutions. FNS announced grant awards to 14 States on November 18, 2010.

SUMMER FOOD SERVICE PROGRAM

Program Mission

The Summer Food Service Program for Children (SFSP) provides funds for food service to low-income 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 children 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 child each day.

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 2010, the peak month of program operations, approximately 2.3 million children participated in the program on an average day, an increase of 1.3 percent over the slightly more than 2.2 million children that participated in FY 2009.
- During FY 2010, 38,573 feeding sites provided 134.2 million meals to needy children through the SFSP. This is a 1.6 percent increase from the 132.1 million meals provided in FY 2009, and an 11.0 percent increase in the number of feeding sites (up from 34,740 in FY 2009).
- In FY 2010, approximately 59.0 percent of the meals served were lunches (compared to 59.5 percent in FY 2009), 26.1 percent were breakfasts (25.8 percent in FY 2009), and the remaining 14.9 percent were suppers and supplements (unchanged from FY 2009).

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) provided \$85 million to conduct demonstration projects aimed at reducing or eliminating food insecurity and hunger among children and improving their nutritional status.

The Act authorizes the Secretary to develop and test methods of providing access to food for low-income children in urban and rural areas during the summer months when schools are not in regular session. FNS has developed a series of demonstration projects that will include rigorous evaluation of the policy changes and alternative service delivery models tested.

There are two main types of demonstration projects that FNS is implementing:

- *Enhanced SFSP Demonstrations* will test changes to the existing structure and delivery mechanism of SFSP to determine if they lead to increased participation; and
- *Summer Electronic Benefits Transfer for Children* will provide summer food benefits using SNAP and WIC electronic benefit transfer (EBT) technology as the delivery mechanism, to give low-income families with children more resources to use at food stores during the summer.

The Enhanced SFSP Demonstrations began in summer 2010 with two initial demonstrations. The Extending Length of Operation Incentive Project was awarded to Arkansas to provide incentives to extend the duration of SFSP operations for sites open more than 40 days. The Activity Incentive Project was awarded to Mississippi to enhance the program with funding for enrichment activities to attract children to feeding sites. A contractor was selected to conduct administrative data collection and analysis for both 2010 and 2011 data for the Mississippi and Arkansas demonstrations.

Two additional Enhanced SFSP Demonstrations will begin in Summer 2011. The Home Delivery Demonstration Project will provide funds to test meal delivery in rural areas. The Food Backpacks Demonstration Project will provide funding for sponsors to give children food backpacks with meals to take home on the days that SFSP meals are not available. Awards for both projects will be made in February 2011.

The Summer Electronic Benefits Transfer for Children (SEBTC) project, which includes small-scale “proof-of-concept” demonstrations to test the feasibility of delivering summer food benefits to school children via WIC and SNAP EBT technology, will begin in Summer 2011. The awards for these demonstrations were announced in December 2010.

FRESH FRUIT AND VEGETABLE PROGRAM

Program Mission

Section 19 of the NSLA authorizes the Fresh Fruit and Vegetable Program (FFVP) and provides a steady source of funding through a transfer each July 1 from AMS' Section 32 funds (in FYs 2009 and 2010 the appropriations bills delayed approximately $\frac{3}{4}$ of the scheduled transfer from July 1 to the following October 1 to better align the availability of the funds with the school year). In total, funding provided for SY 2009-2010, including recovered funds from the prior year, was \$72.5 million, and for SY 2010-2011 was \$110.3 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;
- Presented workshops annually at the School Nutrition Association Annual National Conference
- Updated the FFVP Guidance Manual to reflect new statutory authority and address questions provided by State agencies;
- Continued to work with our Regional Offices and State agencies to provide guidance and technical assistance;
- Continued development of a proposed regulation; and
- Developed an on-line toolkit to encourage participation and 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 provisions were mandated by ARRA: 1) the school participate in the NSLP, and 2) 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 represented 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 SFAs 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.

In response to the significant demand from SFAs for equipment funding through ARRA, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (P.L. 111-80) provided \$25 million in funds for additional equipment purchases for schools that did not receive grants through ARRA. The funds were allocated to State agencies on the same basis as the ARRA equipment funds. State agencies could conduct a new competitive process to award funds, or they could select unfunded grants from their ARRA applications.

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.

Produce Safety – FNS hosted a workshop entitled “Produce Food Safety in Schools” in October 2009, attended by approximately 40 experts representing federal and State agencies, school districts, industry and academia to discuss priorities for education and research on food safety of fresh produce in schools. As a result of the workshop, FNS focused on produce safety education. First, FNS developed a produce safety fact sheet entitled “Best Practices: Handling Fresh Produce in Schools”, and worked with the National Food Service Management Institute (NFSMI), which designed, printed, and distributed 45,000 copies to State agencies. Second, FNS worked with the Agricultural Marketing Service (AMS) and NFSMI to develop a new initiative called “Produce Safety University” (PSU) to support the growing interest and participation in fresh produce programs in schools, such as the Fresh Fruit and Vegetable Program, farm-to-school initiatives, and school gardens. PSU is a week-long course in produce safety for State agency staff and local school district directors for the NSLP. Training addresses food safety risks associated with fresh produce; good agricultural, handling, and manufacturing practices of fresh produce; hands-on training for fresh whole and fresh cut produce in various states of wholesomeness; fresh produce purchasing, receiving, storage, preparation and service. A local field trip reinforces some of these principles. Three pilot classes were conducted in FY2010, reaching over 90 participants in 35 States. FNS and NFSMI are currently developing train-the-trainer materials designed to help course attendees train others to extend the reach of Produce Safety University. In FY2011, five PSU courses will be offered at AMS's training center in Fredericksburg, VA.

Norovirus Outbreak Prevention – FNS analysis of data from the Centers for Disease Control and Prevention (CDC) found that norovirus is the leading cause of food borne illness outbreaks in schools. FNS partnered

with the National Education Association Health Information Network to create and disseminate a booklet, *The Stomach Bug Book*, 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. In FY 2010 the booklet was translated into Spanish and distributed to State agencies upon request. Approximately 50,000 English language and 10,000 Spanish language copies were ordered by State agencies. FNS is working with NFSMI to develop norovirus educational resources for school foodservice staff, including fact sheets, standard operating procedures and a video.

Food Defense Awareness – 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 identified resource materials to assist in the development of the plans. The next step is to provide State and local program operators with a resource to test their plans. The contract for the project was awarded in FY 2010 and food defense table top exercises (TTX) conducted at three pilot sites across the country. A draft TTX resource kit was developed and will be field tested at three sites. The project will culminate in the release of a turnkey package that State agencies or school food authorities can use to conduct a school food defense tabletop exercise. The deliverable date for the resource kit is projected to be September 2011. FNS is working with NFSMI to develop and train a cadre of trained facilitators who can work with school districts on implementing a TTX.

In FY 2010, FNS continued the 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. FNS provided advanced training on food defense for the annual REMS conference for about 140 grantees.

Food Allergies – FNS worked with the School Nutrition Foundation (SNF) to produce four 15-minute audio podcasts targeting school foodservice staff and addressing management of food allergies in schools. These podcasts complement the 3-part Webinar series that FNS and SNF offered in FY2009. FNS is developing an appendix on food allergies that will be included in the Child Nutrition Division's document, *Accommodating Children with Special Dietary Needs in the School Nutrition Programs*. FNS and the NFSMI are collaborating to develop a series of fact sheets on the 8 major food allergens and related topics, such as roles and responsibilities of school foodservice staff and preventing cross-contamination.

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 on the effectiveness of current cooling practices used in schools that will provide evidence to 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, examining factors such as equipment (blast chiller, refrigerator, freezer, and chill stick), product depth (2" and 3"), and coverings (uncovered, plastic film, and aluminum foil). They are currently completing studies for additional food products and developing a computer model for cooling. FNS will work with NFSMI to develop educational materials based on the study results.

Food Safe Schools Action Guide – FNS collaborated with the CDC, as a member of the National Coalition for Food Safe Schools, to develop the *Food-Safe Schools Action Guide* (Action Guide) resource kit, which provides a practical process that highlights a team approach to school food safety. The Action Guide was released in 2004. In mid-FY2010 FNS awarded a contract to the University of Rhode Island to evaluate the Action Guide by surveying its users to capture which components are most and least effective and to assess the overall impact. The food safety information will be updated and enhanced by adding a food defense/emergency management section, a component on managing food allergies in schools, and information on handling a norovirus outbreak. Finally, a thorough and effective promotion, dissemination, and implementation strategy will be designed for the revised and updated Action Guide, which is projected to be available for release in two years. In late 2010 the survey of the Action Guide was completed and a data analysis report provided. The survey data will provide guidance on how to best revise the Action Guide to make it most user-friendly and helpful to the target audience.

Holds and Recalls – FNS is focusing on improving recall communications by reviewing and evaluating methods currently being used by State Distributing Agencies to communicate with schools and school districts regarding recalls. In early FY2011 FNS hosted a work group meeting with representatives from nine State Distributing Agencies to assist FNS in developing performance criteria and best practices for States and in designing a grants program for FNS to provide resources to states to upgrade their communications capacity. This initiative was announced by Secretary Vilsack on February 4, 2010. FNS also is working with NFSMI to develop educational materials on inventory tracking and management for district and school level food service employees.

Center of Excellence for Food Safety in Child Nutrition Programs – FNS is initiating a Center of Excellence to conduct research related to food safety in Child Nutrition Programs. There is no research entity that focuses on food safety research in schools, child care, and other FNS programs, yet there is a need for science-based research to provide the basis for food safety education programs. FNS has released a Request for Proposals to establish such a research center. This initiative, announced by Secretary Vilsack on February 4, 2010, is one of several USDA initiatives to improve the food safety of meals served to children.

Food Safety Complaints Involving USDA Foods - The Electronic Commodity Ordering System (ECOS) is a Web-based system that allows States to submit food quality and 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 2010, FNS continued to monitor and investigate food safety complaints such as a variety of problems with fruits and vegetables and bones in meats and seafood.

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 2010, the RAS was used to recall approximately 500 cases of powdered infant formula distributed as a part of the Commodity Supplemental Food Program from 2 States and the Multifood Warehouses. The product was part of a larger recall of the product by Abbott Nutrition. The RAS was also used to facilitate a hold on 23 truckloads of lowfat flour bakery mix after a complaint was received that the mix was contaminated with plastic. Investigation revealed that only 2 truckloads were affected. The affected truckloads were picked up and replaced by the vendor. 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. There are currently about 1,500 users signed up to receive notices.

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 Child Nutrition and WIC Reauthorization Act of 2004 increased the required number of annual school food safety inspections from one to two. Reports submitted by the State agencies for SY 2009-2010 indicate that:

- 78,261 (77%) schools met or exceeded the requirement;
- 14,519 (14%) reported one inspection;
- 7,437 (7%) reported zero inspections; and
- 959 (0.9%) did not report any inspection data to their State Agency.

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 includes 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 million in FY 2008 to \$393 million in FY 2009, \$399 million in FY 2010, and gradually increasing in FY 2010 through FY 2012. At least \$50 million of these funds, annually, must be used to purchase fresh fruits and vegetables for distribution to schools and service institutions.

FY 2010 USDA Foods Assistance Rate

For SY 2009-2010, schools, daycare centers and residential institutions were authorized to receive an average of 19.50 cents worth of USDA Foods per lunch/supper served. The rate for USDA Foods increased to 20.25 cents on July 1, 2010, for SY 2010-2011. USDA Foods provided to Child Nutrition Programs (excluding bonus and cash in lieu of entitlement USDA Foods) totaled \$1,186.4 million for FY 2010.

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. 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. There are currently more than 9,500 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.

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 2010, approximately \$45.2 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. This includes over \$7.2 million in bonus fruit and vegetable products delivered to schools under the 2008 Farm Bill.
- Price Support Program: In FY 2010, over \$16.9 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 and implementation 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 46 States, Puerto Rico, the District of Columbia, Guam and the Virgin Islands spent a combined total of \$65.5 million in entitlement funds on produce through this program in SY 2009-2010. In addition to these Federal purchases, 28 States, Puerto Rico, and the District of Columbia used Section 4 and 11 funds to purchase over \$11.2 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 2010, an initial amount of \$192.2 million was allocated for State Administrative Expenses (SAE), including \$109.5 million for administration of the school food programs, \$65.8 million for the administration of the CACFP, and

\$16.9 million for the administration of the Food Distribution Program. In addition, \$2.7 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 2010 and are available on the FNS Web site at <http://www.fns.usda.gov/ora>.

Child and Adult Care Food Program (CACFP) Assessment of Sponsor Tiering Determinations 2008 – March 2010; Child and Adult Care Food Program (CACFP) Assessment of Sponsor Tiering Determinations 2009 – September 2010: These assessments provide a national estimate of the share of CACFP-participating family daycare homes that are approved for an incorrect level of per meal reimbursement, or reimbursement "tier," for their circumstances. The latest report found that in 2009, improper payments due to errors in reimbursement levels totaled about \$7.5 million, or about 1 percent of payments to family day care homes.

Developing and Evaluating Methods for Using American Community Survey Data to Support the School Meals Program: Interim Report – September 2010: . The National Academies' Committee on National Statistics and Food and Nutrition Board convened a panel at USDA's request to examine the potential strengths and limitations of using data from the American Community Survey (ACS) or other sources to establish school and district-level estimates of the percentage of households with school children eligible for free and reduced-price meals will hold its second meeting. This first report presents the technical approach to their examination.

Selecting Policy Indicators and Developing Simulation Models for the National School Lunch and Breakfast Programs – June 2010: This report describes exploratory work to develop a simulation model based on data from the third School Nutrition Dietary Assessment Study to predict the potential implications of changes that may be coming in policies and practices related to school meals and school food environments.

School Meals: Building Blocks for Healthy Children – February 2010: 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 National School Lunch and School Breakfast Programs Nutrition Standards and Meal Requirements.

Regional Office Review of Applications (RORA) for School Meals 2008 – February 2010: This is the fourth in a series of annual reports that examines administrative error incurred during the local educational agency's approval process of applications for free and reduced-price meals in the National School Lunch Program (NSLP).

Direct Certification in the National School Lunch Program: State Implementation Progress Report to Congress – October 2009: This second in an annual series of reports assesses the effectiveness of State and local efforts to directly certify children for free school meals. Under direct certification, children are determined eligible for free school meals without the need for household applications by using data from other means-tested programs.

Analysis of Verification Summary Data School Year 2007-08 – October 2009: This report summarizes the results of the school year (SY) 2007-2008 application verification process for the National School Lunch Program and School Breakfast Program. Each year, Local Educational Agencies review a sample of applications that they approved for free or reduced-price school meal benefits at the start of the school year.

Direct Verification Pilot Study: Final Report – October 2009: Direct verification uses information collected by means-tested programs to verify eligibility for free and reduced-price meals without contacting applicants. Potential benefits of direct verification include: enhanced program integrity, less burden for households when no contact is needed, less work for school district officials, and fewer students with school meal benefits terminated because of the lack of a response to verification requests. This report evaluates the feasibility and effectiveness of direct verification by school districts through this pilot study.

CHILD NUTRITION PROGRAMS

FINANCING FOR FISCAL YEAR 2010

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-----	\$36,916	\$180,950,436	\$54,897,216	\$2,315,118	\$23,985,382	\$37,091,016	\$3,647,330	\$302,923,414
Alaska-----	7,631	28,086,639	6,879,697	634,143	2,337,817	7,842,262	1,035,378	46,823,566
Arizona-----	58,644	226,117,779	63,229,976	3,302,687	25,949,161	44,164,737	4,379,202	367,202,186
Arkansas-----	4,016	112,777,835	38,008,785	2,052,556	13,213,311	39,713,381	3,945,583	209,715,466
California-----	427,351	1,280,057,261	344,643,168	18,783,123	160,754,451	258,239,408	19,826,697	2,082,731,460
Colorado-----	139,348	111,046,382	26,244,150	1,244,739	15,518,863	22,527,868	2,545,490	179,266,840
Connecticut-----	263,705	76,238,140	19,325,440	1,257,985	12,574,055	13,814,630	1,394,001	124,867,956
Delaware-----	33,035	23,765,857	7,374,386	739,212	6,359,333	12,436,370	2,316,338	50,764,532
District of Columbia-----	23,320	19,160,301	5,664,013	447,028	2,148,240	3,808,402	3,376,268	34,627,572
Florida-----	30,848	576,245,440	161,208,718	8,414,975	72,935,261	153,835,688	23,532,156	996,203,086
Georgia-----	34,326	408,284,374	140,416,458	5,777,966	57,780,221	104,417,243	8,326,566	725,037,184
Hawaii-----	2,192	32,981,753	8,560,063	599,517	3,991,431	5,770,826	1,450,042	53,355,824
Idaho-----	189,138	46,424,251	15,050,782	670,172	6,359,549	6,170,616	4,181,293	79,045,801
Illinois-----	2,636,646	367,938,653	89,499,933	5,846,662	46,367,674	117,226,634	11,940,415	641,456,618
Indiana-----	209,105	211,101,355	55,019,160	808,000	32,111,314	42,096,505	7,404,037	348,749,476
Iowa-----	70,969	81,870,002	17,559,783	1,493,293	17,071,025	25,843,531	1,855,261	145,763,862
Kansas-----	82,667	85,428,750	21,893,826	1,453,224	12,545,043	33,017,788	2,193,396	156,614,695
Kentucky-----	73,638	158,266,090	56,719,783	1,248,886	22,811,058	29,593,182	6,547,065	275,252,702
Louisiana-----	31,032	185,096,845	60,736,720	3,643,441	21,069,029	65,809,909	7,717,735	344,104,711
Maine-----	28,647	30,000,150	9,028,766	688,766	6,565,673	9,766,788	1,249,099	55,327,888
Maryland-----	364,204	120,438,283	34,320,235	2,473,249	17,311,140	39,237,808	6,786,596	220,931,516
Massachusetts-----	339,264	136,042,227	35,702,521	2,600,938	22,352,650	53,607,265	7,463,178	258,108,042
Michigan-----	467,666	260,988,289	77,291,284	3,180,390	37,354,333	61,674,136	7,314,447	448,270,544
Minnesota-----	674,390	126,156,211	31,500,318	2,813,335	24,176,758	61,616,214	4,645,254	251,582,481
Mississippi-----	3,489	147,687,559	54,282,406	2,472,532	16,257,273	35,121,100	4,660,224	260,484,583
Missouri-----	401,279	168,538,811	54,636,115	2,884,271	25,909,210	44,680,141	8,145,901	305,195,728
Montana-----	16,216	22,955,192	6,061,396	1,256,988	3,919,994	10,311,915	1,239,231	45,760,933
Nebraska-----	52,314	53,324,277	11,787,469	1,148,336	11,305,096	28,318,205	2,316,676	108,252,372
Nevada-----	99,902	67,912,208	15,026,724	910,994	7,393,637	4,971,274	1,410,934	97,725,673
New Hampshire-----	198,437	21,336,500	4,354,977	657,112	4,683,980	3,720,583	765,905	35,717,495
New Jersey-----	587,990	195,044,140	46,272,792	3,572,382	30,521,648	61,564,994	6,742,872	344,306,817
New Mexico-----	5,181	82,177,268	31,090,383	1,726,925	9,299,823	34,161,654	5,698,274	164,159,507
New York-----	811,409	558,012,764	148,424,331	9,565,454	77,945,594	183,878,933	46,504,035	1,025,142,520
North Carolina-----	214,150	307,298,533	93,011,591	5,090,854	41,977,182	83,792,052	6,405,196	537,789,558
North Dakota-----	38,332	15,345,855	3,763,280	648,544	3,254,404	10,443,087	509,027	34,002,528
Ohio-----	494,604	301,336,793	85,829,182	2,855,880	45,322,970	84,890,618	10,980,202	531,710,250
Oklahoma-----	33,379	137,820,704	50,172,602	2,991,403	19,360,486	53,607,788	3,063,078	267,049,441
Oregon-----	125,256	95,277,527	31,388,490	2,004,866	13,407,766	29,683,297	5,247,252	177,134,474
Pennsylvania-----	545,761	284,607,405	72,728,857	4,427,600	45,859,585	81,559,007	12,832,887	502,561,103
Rhode Island-----	77,522	25,053,028	6,295,363	825,125	3,241,826	6,865,595	846,196	43,204,656
South Carolina-----	12,226	170,345,084	63,368,056	2,206,361	20,918,082	27,230,915	7,261,485	291,342,208
South Dakota-----	56,621	24,110,393	6,030,258	658,492	4,561,694	8,319,820	1,004,286	44,741,564
Tennessee-----	18,007	206,736,353	67,589,434	2,959,051	27,209,078	50,380,746	6,392,429	361,285,097
Texas-----	46,934	1,143,392,876	402,627,713	16,248,919	130,987,796	259,999,863	40,568,084	1,993,872,186
Utah-----	69,946	82,015,123	16,010,631	1,243,812	13,962,695	22,342,160	1,998,548	137,642,915
Vermont-----	89,345	12,791,410	4,542,032	563,738	2,139,476	4,495,994	454,277	25,076,272
Virginia-----	250,176	182,326,201	52,606,142	2,153,320	26,840,102	35,729,735	10,027,335	309,933,012
Washington-----	223,919	162,631,513	43,676,590	2,684,457	21,216,710	44,171,463	3,961,625	278,566,276
West Virginia-----	26,220	54,663,734	19,328,972	1,239,221	8,575,753	14,379,757	2,164,436	100,378,094
Wisconsin-----	1,117,789	140,282,388	33,898,403	2,225,692	23,944,884	38,696,502	5,549,913	245,715,571
Wyoming-----	28,022	12,578,573	3,082,683	397,498	2,304,740	5,188,630	549,499	24,129,647
American Samoa-----	0	0	0	0	0	0	0	0
Guam-----	0	6,305,982	2,100,813	315,583	144,062	342,724	0	9,209,164
North Mariana Islands-----	0	0	0	0	0	0	0	0
Puerto Rico-----	0	121,590,976	31,602,299	2,112,018	9,943,024	26,005,768	12,773,790	204,027,875
Trust Territory (excluding CNMI)-----	0	0	0	0	0	0	0	0
Virgin Islands-----	2,466	4,969,971	1,018,670	265,747	452,989	884,906	736,069	8,330,818
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	9,111,313	19,080	0	0	0	0	9,130,393
AMS/FSA/PCIMS-----	0	0	0	0	20,008,126	0	0	20,008,126
Board of Jewish ED-----	0	0	0	0	0	0	0	0
AAFES-----	0	0	0	0	567,291	0	0	567,291
Anticipated Adjustment-----	188,063	229,770,657	51,952,740	44,729,805	(112,030,117)	1,122,290	18,320,229	234,053,667
TOTAL-----	\$12,063,656	\$9,932,814,413	\$2,895,355,659	\$195,532,435	\$1,220,789,632	\$2,546,183,722	\$374,202,722	\$17,176,942,238

NOTE: Data is based on obligations as reported September 30, 2010. Commodities are based on food orders for fiscal year 2010.
Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE
CHILD NUTRITION PROGRAM
Quantity and Value of Commodities
Fiscal Year 2010

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 6/32 TYPE:		
APPLE SLICES, CANNED	9,710,064	\$4,793,055
APPLE SLICES, FRZ	8,474,400	2,598,645
APPLES, FRESH	4,230,639	3,619,776
APPLESAUCE, CANNED	33,790,427	11,847,901
APRICOTS, CANNED	2,511,655	1,399,730
APRICOTS, FRZ	850,080	979,229
BEANS, BABY LIMA CANNED	244,948	116,087
BEANS, BLACK TURTLE CANNED	209,952	74,269
BEANS, BLACK EYE PEA CANNED	1,224,723	395,056
BEANS, GARBANZO CANNED	699,840	262,370
BEANS, GREEN CANNED	25,333,536	10,476,964
BEANS, GREEN FRZ	3,704,400	1,479,163
BEANS, GRT NORTHERN CANNED	69,984	23,898
BEANS, KIDNEY CANNED	1,259,714	458,025
BEANS, PINK CANNED	629,856	259,874
BEANS, PINTO CANNED	5,668,714	1,949,024
BEANS, PINTO DRIED	600,000	224,544
BEANS, REFRIED CANNED	3,556,224	1,652,513
BEANS, SMALL RED CANNED	1,434,672	548,005
BEANS, VEGETARIAN CANNED	6,228,590	2,080,912
BEEF, BONELESS FRESH	9,200,000	15,148,108
BEEF, BULK COARSE	93,870,000	163,257,786
BEEF, CANNED	324,000	803,416
BEEF, CRUMBLE	2,480,000	4,743,896
BEEF, GROUND FRZ	36,785,240	63,457,335
BEEF, PATTIES	10,830,000	20,338,533
BEEF, SPECIAL TRIM FRZ	588,000	1,777,436
BLUEBERRIES, WILD FRZ	514,800	468,205
CARROTS, BABY CUT FRESH	543,354	463,731
CARROTS, CANNED	3,746,519	1,625,604
CARROTS, FRZ	4,791,600	1,592,051
CATFISH, FILET STRIPS	1,160,000	4,718,399
CHERRIES, CANNED	246,584	150,864
CHERRIES, FRZ	691,200	500,094
CHICKEN, BREADED FRZ	7,683,000	13,143,364
CHICKEN, BULK CHILLED	166,962,192	109,736,043
CHICKEN, CANNED	525,001	1,151,250
CHICKEN, CUT UP FRZ	10,760,000	8,671,430
CHICKEN, DICED FRZ	7,920,000	18,157,481
CHICKEN, DRUMS/LEGS/THIGHS CHILLED	13,428,000	7,410,782
CHICKEN, FAJITA STRIPS	11,037,000	18,749,666
CHICKEN, ROASTED FRZ	1,008,000	1,807,010
CORN COBS, FRZ	6,058,800	2,328,558
CORN, CANNED	26,101,489	10,333,024
CORN, FRZ	13,068,000	4,490,103
CRANBERRY SAUCE, CANNED	663,552	263,340
DPSC-FRESH PRODUCE		65,957,972
EGGS, LIQUID WHOLE BULK	15,264,000	8,294,254
EGGS, WHOLE FRZ	5,641,560	3,749,789
FRUIT MIX, CANNED	32,880,614	14,864,415
FRUIT-NUT MIX	682,864	1,350,396
HAM, FRZ	12,160,000	20,956,474
ORANGE JUICE	5,310,240	2,709,299
ORANGES, FRESH	674,085	230,584
PEACHES, CANNED	50,818,623	21,994,381
PEACHES, FRZ	18,580,958	16,338,885
PEARS, CANNED	31,410,006	17,785,460
PEARS, FRESH	445,500	186,030
PEAS, CANNED	5,799,886	2,568,420
PEAS, FRZ	3,862,800	1,661,983
POLLOCK, ALASKA FRZ	1,999,200	4,313,475
PORK, BONELESS PICNIC FRZ	12,766,380	13,399,821
PORK, CANNED	540,000	1,157,796
PORK, COOKED CRUMBLES	160,000	252,520
PORK, LEG ROAST	5,440,000	7,879,940
POTATOES, BULK	128,560,000	11,974,978
POTATOES, DEHY BULK	20,200,000	1,211,513
POTATOES, FRZ	50,252,400	24,347,745
RAISINS	2,187,360	2,899,363
SALSA, CANNED	7,685,448	3,106,742
SPAGHETTI SAUCE, CANNED	12,563,586	4,026,358
STRAWBERRIES	3,326,400	2,873,732
STRAWBERRIES, FRZ	11,567,520	12,070,194
SWEET POTATOES, BULK	4,560,000	856,180
SWEET POTATOES, CANNED	2,664,876	1,236,217
TOMATO PASTE, CANNED	3,657,754	2,047,349
TOMATO SAUCE, CANNED	4,096,484	1,276,332
TOMATO, TOTES CANNED	8,804,250	4,100,486
TOMATOES, CANNED	5,162,839	1,799,181
TUNA, POUCH	2,311,685	6,412,838
TURKEY HAM, FRZ	6,160,000	10,109,816
TURKEY ROAST, FRZ	6,280,000	9,773,786
TURKEY, BULK	39,888,000	32,571,657
TURKEY, DELI BREAST FRZ	11,440,000	28,059,447
TURKEY, TACO FILLING	2,847,000	4,159,745
TURKEY, THIGHS BULK	2,880,000	3,260,347
TURKEY, WHOLE FRZ	570,000	666,565
Total Section 6/32 Type	1,083,521,067	\$895,019,014

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

**Quantity and Value of Commodities
Fiscal Year 2010**

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
CHEESE, BARREL	31,520,000	\$53,640,019
CHEESE, BLEND SLICED	9,622,800	15,133,898
CHEESE, CHEDDAR	8,668,603	15,708,323
CHEESE, CHEDDAR REDUCED FAT	5,502,050	10,552,662
CHEESE, LOAVES	3,366,000	5,741,614
CHEESE, MOZZARELLA	71,760,600	121,594,875
CHEESE, SLICED	19,364,400	32,298,494
CORN, YELLOW BULK	1,147,500	142,023
CORNMEAL	342,720	70,560
FLOUR MIX, LOWFAT	38,880	39,070
FLOUR, ALL PURPOSE	12,753,520	2,861,137
FLOUR, BAKERS HARD WHEAT	19,095,300	3,693,591
FLOUR, BREAD	5,674,520	1,507,790
FLOUR, MASA	259,200	67,073
FLOUR, WHOLE WHEAT	5,195,520	1,122,356
FLOUR, YOSHON	1,679,600	336,024
GRITS	342,720	89,446
MACARONI	780,000	260,825
MACARONI, WHOLE GRAIN	1,456,000	495,429
MILK, UHT	114,429	61,891
OATS	640,352	192,684
OIL, SOYBEAN	776,160	601,866
OIL, VEGETABLE	13,422,749	7,133,128
PANCAKES, WHOLE GRAIN	997,920	752,846
PEANUT BUTTER	14,139,040	9,934,026
PEANUTS, ROASTED	207,360	322,790
RICE	6,048,000	2,062,485
RICE, BROWN	2,562,000	955,480
ROTINI	840,000	281,805
ROTINI, WHOLE GRAIN	2,233,000	831,276
SPAGHETTI	1,260,000	385,876
SPAGHETTI, WHOLE GRAIN	2,821,360	987,576
SUNFLOWER BUTTER	591,360	881,643
TORTILLAS, WHOLE GRAIN	1,255,500	578,902
Total Section 416 Type	246,479,163	\$291,319,483
Anticipated Adjustment		-112,030,117
AMS / FSA / PCIMS Admin. Expenses		20,008,126
TOTAL COMMODITY ENTITLEMENT	1,330,000,230	\$1,094,316,506
BONUS COMMODITIES		
	Pounds	Dollars
SECTION 32 TYPE:		
APPLE SLICES, CANNED	3,450,096	\$1,657,831
APPLE SLICES, FRZ	3,643,200	1,072,887
APPLES, FRESH	1,213,501	1,568,960
APPLESAUCE, CANNED	6,537,675	2,192,714
APRICOTS, CANNED	3,582,799	2,332,739
APRICOTS, FRZ	888,080	1,026,125
BLUEBERRIES, DRIED	355,840	1,449,819
BLUEBERRIES, WILD FRZ	4,274,640	3,644,268
CATFISH, FILET STRIPS	880,000	3,409,602
CHERRIES, DRIED	1,153,152	3,848,579
CHERRIES, FRZ	4,185,600	3,016,653
CHICKEN, DRUMS/LEGS/THIGHS QTRS	2,220,849	684,820
FRUIT MIX, CANNED	8,664,242	4,120,569
PEACHES, CANNED	17,219,722	7,119,885
PEARS, CANNED	7,132,758	4,201,509
POTATOES, BULK	45,480,000	3,061,034
POTATOES, DEHY BULK	10,760,000	391,843
POTATOES, FRESH	280,000	53,168
POTATOES, FRZ	1,009,900	359,243
Total Section 32 Type	122,932,054	\$45,212,248
BONUS COMMODITIES		
	Pounds	Dollars
SECTION 416 TYPE:		
CHEESE, CHEDDAR REDUCED FAT	883,200	\$1,926,336
MILK, REGULAR NONFAT DRY	18,477,192	15,186,546
Total Section 416 Type	19,360,392	\$17,112,882
Anticipated Adjustment		
TOTAL BONUS COMMODITIES	142,292,446	\$62,325,130
TOTAL -- ALL COMMODITIES	1,472,292,676	\$1,156,641,636
Cash In-Lieu of Commodities		126,473,126
GRAND TOTAL	1,472,292,676	\$1,283,114,762

Source: PCIMS -- Delivery order and contract information.
Bonus figures include Farm Bill and Barter/Seam procurements.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAM

Value of Commodities to States Entitlement and Bonus

Fiscal Year 2010

STATE OR TERRITORY	Entitlement	Bonus	Total
Alabama.....	\$22,479,054	\$742,370	\$23,221,424
Alaska.....	2,077,701	99,086	2,176,787
Arizona.....	23,833,723	1,688,154	25,521,877
Arkansas.....	11,643,536	519,685	12,163,221
California.....	149,142,031	5,141,593	154,283,624
Colorado.....	14,519,956	607,060	15,127,016
Connecticut.....	11,974,866	289,312	12,264,178
Delaware.....	3,558,349	179,316	3,737,665
District of Columbia.....	1,984,650	71,374	2,056,024
Florida.....	66,482,900	4,189,194	70,672,094
Georgia.....	53,099,134	3,405,577	56,504,711
Hawaii.....	3,662,506	92,918	3,755,424
Idaho.....	6,059,834	448,253	6,508,087
Illinois.....	40,890,329	2,019,710	42,910,039
Indiana.....	30,147,712	523,822	30,671,534
Iowa.....	15,757,264	1,363,843	17,121,107
Kansas.....	0	34,426	34,426
Kentucky.....	21,404,532	1,201,219	22,605,751
Louisiana.....	18,037,241	1,703,632	19,740,873
Maine.....	4,162,787	194,669	4,357,456
Maryland.....	15,498,031	2,012,240	17,510,271
Massachusetts.....	20,314,063	1,488,986	21,803,049
Michigan.....	34,443,924	1,294,869	35,738,793
Minnesota.....	20,872,880	480,041	21,352,921
Mississippi.....	14,932,692	669,178	15,601,870
Missouri.....	23,785,930	1,387,918	25,173,848
Montana.....	3,472,180	67,977	3,540,157
Nebraska.....	9,984,085	1,022,556	11,006,641
Nevada.....	7,217,623	159,836	7,377,459
New Hampshire.....	4,576,023	189,474	4,765,497
New Jersey.....	28,027,080	1,268,370	29,295,450
New Mexico.....	7,673,666	502,813	8,176,479
New York.....	69,756,762	4,675,031	74,431,793
North Carolina.....	38,040,113	2,998,416	41,038,529
North Dakota.....	2,731,952	152,890	2,884,842
Ohio.....	41,262,346	1,437,413	42,699,759
Oklahoma.....	17,189,800	527,684	17,717,484
Oregon.....	11,959,776	519,275	12,479,051
Pennsylvania.....	41,941,305	2,010,456	43,951,761
Rhode Island.....	2,942,241	14,616	2,956,857
South Carolina.....	19,791,609	933,636	20,725,245
South Dakota.....	4,116,881	35,067	4,151,948
Tennessee.....	25,171,974	966,797	26,138,771
Texas.....	119,018,109	6,106,488	125,124,597
Utah.....	12,848,445	435,959	13,284,404
Vermont.....	1,969,259	55,099	2,024,358
Virginia.....	24,716,869	2,028,432	26,745,301
Washington.....	19,117,402	2,238,660	21,356,062
West Virginia.....	7,924,140	389,911	8,314,051
Wisconsin.....	21,886,031	714,566	22,600,597
Wyoming.....	2,041,795	37,855	2,079,650
American Samoa.....	0		0
Guam.....	121,813		121,813
Northern Mariana Islands.....	0		0
Puerto Rico.....	9,088,983	283,964	9,372,947
Trust Territory.....	0		0
Virgin Islands.....	417,318	24,955	442,273
Indian Tribes Set Aside.....	0		0
Indian Tribes.....	0		0
Freely Associated States.....	0		0
Board of Jewish Education.....	0		0
DOD Army / AF.....	0		0
AAFES.....	567,291		567,291
AMS / FSA / PCIMS.....	20,008,126		20,008,126
Processors (received Chicken nationwide)		678,489	678,489
Undistributed.....	-112,030,117		-112,030,117
TOTAL.....	\$1,094,316,506	\$62,325,130	\$1,156,641,636

Source: PCIMS -- Delivery order and contract information.

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

**SCHOOL LUNCH PROGRAM
THOUSANDS OF LUNCHESES SERVED**

FISCAL YEAR 2010

STATE OR TERRITORY	TOTAL LUNCHESES SERVED			
	PAID	REDUCED PRICE	FREE	TOTAL
Alabama-----	33,142	7,930	56,675	97,748
Alaska-----	2,763	1,029	5,089	8,882
Arizona-----	30,580	9,976	71,025	111,580
Arkansas-----	17,251	6,158	34,491	57,900
California-----	119,548	69,403	385,692	574,643
Colorado-----	26,637	6,761	32,641	66,039
Connecticut-----	25,259	4,395	21,793	51,447
Delaware-----	6,211	990	7,370	14,570
District of Columbia-----	1,434	625	5,702	7,760
Florida-----	67,389	28,111	178,546	274,047
Georgia-----	71,956	18,791	126,499	217,246
Hawaii-----	8,109	2,120	7,653	17,881
Idaho-----	10,548	3,526	13,071	27,145
Illinois-----	63,931	15,114	116,271	195,317
Indiana-----	61,798	13,107	60,748	135,653
Iowa-----	37,701	5,740	21,697	65,138
Kansas-----	26,625	6,020	23,699	56,344
Kentucky-----	33,876	8,205	47,926	90,007
Louisiana-----	30,420	7,428	58,068	95,916
Maine-----	7,968	1,598	8,933	18,499
Maryland-----	27,288	6,846	35,761	69,895
Massachusetts-----	44,620	6,417	39,741	90,778
Michigan-----	51,469	12,152	80,783	144,404
Minnesota-----	57,664	9,346	33,112	100,123
Mississippi-----	14,653	6,013	47,586	68,252
Missouri-----	44,385	13,640	46,073	104,098
Montana-----	6,537	1,648	6,396	14,581
Nebraska-----	20,867	4,042	14,126	39,035
Nevada-----	8,384	3,461	21,183	33,027
New Hampshire-----	11,583	1,426	5,555	18,564
New Jersey-----	50,218	11,212	56,418	117,847
New Mexico-----	8,860	4,029	25,308	38,198
New York-----	102,633	28,489	167,287	298,408
North Carolina-----	51,639	15,166	94,961	161,766
North Dakota-----	8,644	1,125	3,852	13,621
Ohio-----	75,927	15,010	90,825	181,762
Oklahoma-----	22,831	7,297	41,839	71,968
Oregon-----	15,399	4,884	29,335	49,618
Pennsylvania-----	93,547	16,625	81,912	192,084
Rhode Island-----	4,382	1,212	7,692	13,286
South Carolina-----	25,005	6,639	53,933	85,577
South Dakota-----	9,302	1,659	6,568	17,529
Tennessee-----	35,821	9,202	64,796	109,819
Texas-----	146,437	49,505	360,408	556,351
Utah-----	29,460	6,585	21,854	57,899
Vermont-----	4,571	773	3,598	8,942
Virginia-----	59,374	11,278	52,153	122,805
Washington-----	32,093	9,967	48,258	90,319
West Virginia-----	13,588	3,261	15,984	32,834
Wisconsin-----	51,385	8,280	39,592	99,257
Wyoming-----	4,940	1,129	3,221	9,289
American Samoa-----	0	0	0	0
Guam-----	736	167	2,112	3,015
North Mariana Islands-----	0	0	0	0
Puerto Rico-----	9,260	5,386	39,221	53,867
Trust Territory (excluding NMI)-----	0	0	0	0
Virgin Islands-----	485	201	1,589	2,275
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-----	2,613	941	990	4,544
Anticipated Adjustment-----	0	0	0	0
TOTAL-----	1,829,746	502,043	2,927,608	5,259,396

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 2010

STATE OR TERRITORY	NUMBER OF SCHOOLS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,524	759	597
Alaska-----	444	116	56
Arizona-----	1,784	1,051	679
Arkansas-----	1,190	491	363
California-----	10,502	6,201	3,215
Colorado-----	1,730	808	419
Connecticut-----	1,101	539	301
Delaware-----	242	126	90
District of Columbia-----	227	70	48
Florida-----	3,541	2,662	1,573
Georgia-----	2,360	1,703	1,324
Hawaii-----	295	167	120
Idaho-----	705	244	172
Illinois-----	4,391	1,927	1,197
Indiana-----	2,216	1,121	816
Iowa-----	1,486	534	405
Kansas-----	1,599	515	367
Kentucky-----	1,354	683	561
Louisiana-----	1,625	785	611
Maine-----	670	191	111
Maryland-----	1,570	865	439
Massachusetts-----	2,273	976	544
Michigan-----	3,759	1,670	928
Minnesota-----	2,097	878	636
Mississippi-----	954	512	416
Missouri-----	2,566	972	667
Montana-----	811	150	88
Nebraska-----	972	299	250
Nevada-----	585	447	178
New Hampshire-----	490	198	109
New Jersey-----	2,694	1,301	718
New Mexico-----	796	318	233
New York-----	5,923	2,996	1,828
North Carolina-----	2,532	1,483	973
North Dakota-----	413	102	82
Ohio-----	4,028	1,885	1,154
Oklahoma-----	1,891	659	463
Oregon-----	1,377	565	320
Pennsylvania-----	3,821	1,808	1,153
Rhode Island-----	411	155	79
South Carolina-----	1,171	731	512
South Dakota-----	695	138	110
Tennessee-----	1,788	921	716
Texas-----	7,973	4,809	3,406
Utah-----	872	569	348
Vermont-----	352	93	54
Virginia-----	2,027	1,229	762
Washington-----	2,100	1,049	536
West Virginia-----	765	296	214
Wisconsin-----	2,491	888	606
Wyoming-----	356	88	56
American Samoa-----	0	0	0
Guam-----	46	34	18
North Mariana Islands-----	0	0	0
Puerto Rico-----	1,818	573	355
Trust Territory (excluding NMI)-----	0	0	0
Virgin Islands-----	65	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-----	97	52	27
Anticipated Adjustment-----	0	0	0
TOTAL-----	101,565	50,425	32,018

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 2010

STATE OR TERRITORY	NUMBER OF SCHOOLS AND INSTITUTIONS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,439	720	222
Alaska-----	340	90	20
Arizona-----	1,612	992	269
Arkansas-----	1,160	484	162
California-----	8,626	5,785	1,271
Colorado-----	1,506	691	117
Connecticut-----	643	307	75
Delaware-----	236	125	36
District of Columbia-----	217	68	24
Florida-----	3,418	2,607	636
Georgia-----	2,284	1,533	600
Hawaii-----	286	166	39
Idaho-----	662	243	73
Illinois-----	3,166	1,445	334
Indiana-----	1,943	1,014	238
Iowa-----	1,364	501	91
Kansas-----	1,426	459	102
Kentucky-----	1,336	677	254
Louisiana-----	1,525	744	253
Maine-----	616	179	41
Maryland-----	1,486	830	165
Massachusetts-----	1,626	672	137
Michigan-----	3,102	1,421	342
Minnesota-----	1,628	732	169
Mississippi-----	878	457	205
Missouri-----	2,325	906	254
Montana-----	714	132	27
Nebraska-----	712	238	62
Nevada-----	535	421	56
New Hampshire-----	420	170	25
New Jersey-----	1,813	853	188
New Mexico-----	768	312	136
New York-----	5,288	2,686	627
North Carolina-----	2,515	1,458	369
North Dakota-----	351	91	22
Ohio-----	3,099	1,432	404
Oklahoma-----	1,810	635	224
Oregon-----	1,289	546	146
Pennsylvania-----	3,172	1,550	372
Rhode Island-----	397	151	26
South Carolina-----	1,163	730	258
South Dakota-----	558	113	27
Tennessee-----	1,689	870	304
Texas-----	7,966	4,791	1,681
Utah-----	741	495	73
Vermont-----	327	89	23
Virginia-----	1,921	1,172	257
Washington-----	1,936	980	184
West Virginia-----	755	294	97
Wisconsin-----	1,638	674	163
Wyoming-----	293	77	16
American Samoa-----	0	0	0
Guam-----	42	31	8
North Mariana Islands-----	0	0	0
Puerto Rico-----	1,818	573	136
Trust Territory (excluding NMI)-----	0	0	0
Virgin Islands-----	42	16	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-----	88,623	45,430	12,045

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 2010

STATE OR TERRITORY	TOTAL BREAKFASTS SERVED					TOTAL
	PAID	REDUCED PRICE		FREE		
		REGULAR	SEVERE NEED	REGULAR	SEVERE NEED	
Alabama-----	4,994	378	2,190	2,224	26,799	36,584
Alaska-----	685	18	300	88	2,013	3,104
Arizona-----	6,620	358	3,095	2,163	30,650	42,887
Arkansas-----	3,809	136	2,333	901	18,460	25,639
California-----	23,814	1,379	23,199	6,331	168,767	223,490
Colorado-----	3,482	405	1,843	1,280	11,664	18,673
Connecticut-----	2,041	155	947	797	9,225	13,165
Delaware-----	1,354	82	287	627	3,211	5,560
District of Columbia-----	622	20	279	114	2,816	3,851
Florida-----	17,448	943	8,362	5,734	77,513	110,000
Georgia-----	16,201	1,102	6,947	5,992	66,576	96,819
Hawaii-----	1,842	195	492	629	2,860	6,018
Idaho-----	2,670	154	1,239	733	6,494	11,289
Illinois-----	6,575	512	3,183	3,404	44,532	58,206
Indiana-----	6,466	800	2,807	4,263	24,151	38,487
Iowa-----	3,903	631	750	2,776	6,120	14,179
Kansas-----	2,793	453	1,355	1,724	9,270	15,594
Kentucky-----	7,482	357	3,124	1,937	26,955	39,854
Louisiana-----	5,829	293	2,435	2,267	29,845	40,670
Maine-----	1,605	151	551	764	3,745	6,816
Maryland-----	6,173	313	2,242	1,750	15,240	25,718
Massachusetts-----	3,921	303	1,474	2,150	16,681	24,530
Michigan-----	8,547	462	3,139	3,572	37,188	52,907
Minnesota-----	6,555	1,231	1,897	3,863	11,471	25,017
Mississippi-----	3,205	78	2,315	499	28,256	34,352
Missouri-----	8,073	587	3,097	3,203	24,495	39,454
Montana-----	980	119	384	451	2,556	4,490
Nebraska-----	2,759	344	695	1,273	4,476	9,547
Nevada-----	1,161	90	867	465	7,278	9,861
New Hampshire-----	1,426	232	92	1,279	982	4,011
New Jersey-----	4,504	386	2,491	1,974	21,913	31,268
New Mexico-----	4,000	89	2,036	563	15,013	21,701
New York-----	19,075	1,596	7,995	6,955	68,832	104,453
North Carolina-----	9,383	494	4,684	3,450	44,859	62,871
North Dakota-----	1,355	165	148	681	1,152	3,502
Ohio-----	11,913	684	3,776	5,317	39,420	61,109
Oklahoma-----	6,221	282	3,027	1,374	23,997	34,902
Oregon-----	4,639	159	2,236	780	14,713	22,527
Pennsylvania-----	11,946	1,308	3,185	6,899	30,657	53,995
Rhode Island-----	677	42	284	290	3,006	4,299
South Carolina-----	7,210	238	2,799	1,664	31,397	43,308
South Dakota-----	931	177	232	621	2,488	4,449
Tennessee-----	6,748	373	3,296	2,438	32,722	45,577
Texas-----	40,866	2,579	19,269	15,306	194,373	272,394
Utah-----	2,175	445	915	1,984	6,140	11,659
Vermont-----	1,019	134	275	520	1,700	3,649
Virginia-----	9,399	898	2,918	5,575	21,096	39,887
Washington-----	4,172	526	3,261	0	19,738	27,697
West Virginia-----	4,168	143	1,328	632	8,740	15,011
Wisconsin-----	5,812	860	1,519	4,962	12,589	25,742
Wyoming-----	738	139	193	540	953	2,562
American Samoa-----	0	0	0	0	0	0
Guam-----	133	0	43	0	1,149	1,324
North Mariana Islands-----	0	0	0	0	0	0
Puerto Rico-----	2,482	8	1,825	39	16,194	20,548
Trust Territory (excluding NMI)-----	0	0	0	0	0	0
Virgin Islands-----	162	0	55	0	515	732
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--	1	3	0	5	0	9
Anticipated Adjustment-----	0	0	0	0	0	0
TOTAL-----	322,761	24,011	149,707	127,797	1,333,649	1,957,925

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 2010

STATE OR TERRITORY	NUMBER OF CENTERS/HOMES	PARTICIPATION PEAK MONTH (000)	TOTAL MEALS SERVED					
			CHILD CARE AND ADULT CENTERS				DAY CARE HOMES (000)	TOTAL (000)
			PAID (000)	REDUCED PRICE (000)	FREE (000)	TOTAL (000)		
Alabama-----	1,945	49	4,971	1,029	16,953	22,952	4,840	27,792
Alaska-----	643	12	1,799	302	1,359	3,460	1,237	4,697
Arizona-----	4,004	45	5,685	1,381	12,487	19,554	11,996	31,549
Arkansas-----	1,827	52	5,917	1,788	18,480	26,184	4,454	30,639
California-----	21,974	345	18,098	8,885	75,063	102,046	76,341	178,388
Colorado-----	2,478	41	5,130	908	8,317	14,356	5,198	19,554
Connecticut-----	1,250	20	1,692	713	4,831	7,236	3,005	10,241
Delaware-----	989	18	1,551	233	4,237	6,020	2,873	8,893
District of Columbia-----	203	6	716	137	2,022	2,874	161	3,035
Florida-----	5,813	207	19,610	8,124	77,352	105,086	10,088	115,174
Georgia-----	5,704	160	20,394	4,980	45,101	70,475	13,259	83,734
Utah-----	551	35	2,669	374	1,527	4,571	756	5,327
Idaho-----	577	10	1,408	298	1,876	3,582	1,638	5,220
Illinois-----	9,975	142	12,488	3,614	32,936	49,038	37,250	86,288
Indiana-----	3,040	72	6,235	816	11,679	18,730	15,517	34,247
Iowa-----	3,122	42	7,354	646	5,230	13,231	10,513	23,744
Kansas-----	4,487	53	5,309	949	4,926	11,184	16,305	27,488
Kentucky-----	1,560	50	6,846	1,489	13,938	22,273	2,385	24,659
Louisiana-----	7,381	65	3,887	1,185	15,712	20,785	21,009	41,794
Maine-----	1,321	13	884	133	1,449	2,466	5,236	7,702
Maryland-----	4,257	54	4,604	517	10,502	15,622	13,891	29,513
Massachusetts-----	5,929	61	4,429	1,418	16,081	21,928	17,815	39,743
Michigan-----	7,643	96	4,672	441	13,081	18,194	26,220	44,415
Minnesota-----	10,015	102	4,901	650	6,294	11,845	41,250	53,095
Mississippi-----	1,222	47	2,704	990	19,347	23,041	1,362	24,402
Missouri-----	2,805	73	8,664	1,050	17,321	27,035	8,676	35,711
Montana-----	1,025	16	1,275	208	2,072	3,555	4,217	7,771
Nebraska-----	3,324	46	5,074	487	6,053	11,615	12,636	24,251
Nevada-----	373	10	932	140	2,119	3,191	581	3,773
New Hampshire-----	326	8	1,341	191	1,421	2,954	742	3,696
New Jersey-----	2,041	78	6,016	3,026	30,532	39,573	1,694	41,268
New Mexico-----	4,706	43	3,043	834	8,351	12,229	10,120	22,349
New York-----	13,943	330	13,570	3,638	60,504	77,712	41,053	118,765
North Carolina-----	5,329	181	20,775	5,060	34,643	60,479	12,049	72,528
North Dakota-----	1,478	18	2,346	122	1,375	3,843	5,822	9,665
Ohio-----	6,128	136	13,919	2,191	31,851	47,961	16,439	64,400
Oklahoma-----	3,292	60	7,282	1,782	19,957	29,021	11,722	40,743
Oregon-----	3,275	51	1,709	176	6,102	7,987	10,580	18,567
Pennsylvania-----	4,956	146	13,998	3,074	35,023	52,095	9,284	61,379
Rhode Island-----	510	10	953	243	2,444	3,640	1,484	5,124
South Carolina-----	1,338	37	3,127	550	12,011	15,688	4,405	20,093
South Dakota-----	968	15	2,089	209	1,744	4,042	3,695	7,737
Tennessee-----	2,994	72	6,803	1,180	20,803	28,786	9,317	38,103
Texas-----	11,513	342	39,301	12,059	111,962	163,322	33,324	196,645
Utah-----	2,165	30	2,375	317	3,558	6,250	10,033	16,283
Vermont-----	705	8	607	84	907	1,597	1,998	3,595
Virginia-----	3,833	69	9,855	1,204	11,282	22,341	11,070	33,411
Washington-----	4,246	77	9,277	1,447	14,285	25,008	12,265	37,273
West Virginia-----	1,829	24	2,864	375	4,255	7,493	3,574	11,068
Wisconsin-----	3,995	67	9,344	953	11,468	21,765	10,935	32,699
Wyoming-----	596	10	1,219	273	1,132	2,624	2,082	4,706
American Samoa-----	0	0	0	0	0	0	0	0
Guam-----	35	1	182	10	138	330	20	350
North Mariana Islands-----	0	0	0	0	0	0	0	0
Puerto Rico-----	1,401	30	355	256	14,882	15,494	372	15,866
Trust Territory (excluding NMI)-----	0	0	0	0	0	0	0	0
Virgin Islands-----	38	1	68	36	504	608	0	608
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-----	197,077	3,784	342,315	83,182	889,476	1,314,973	594,788	1,909,761

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 2010

STATE OR TERRITORY	NUMBER OF SITES	PARTICIPATION (JULY) (000)	TOTAL MEALS SERVED (000)
Alabama-----	542	27	1,192
Alaska-----	104	4	222
Arizona-----	293	18	1,611
Arkansas-----	512	21	1,426
California-----	1,692	118	9,120
Colorado-----	310	10	891
Connecticut-----	204	9	462
Delaware-----	330	11	922
District of Columbia-----	317	35	1,363
Florida-----	2,724	130	9,605
Georgia-----	1,079	70	3,227
Hawaii-----	162	6	470
Idaho-----	236	21	1,347
Illinois-----	1,646	56	4,773
Indiana-----	1,100	55	2,769
Iowa-----	205	10	637
Kansas-----	219	18	770
Kentucky-----	1,884	50	2,385
Louisiana-----	316	26	2,773
Maine-----	187	8	448
Maryland-----	1,122	50	2,493
Massachusetts-----	822	52	2,818
Michigan-----	1,028	65	2,650
Minnesota-----	452	65	1,704
Mississippi-----	296	26	1,635
Missouri-----	577	25	2,936
Montana-----	188	7	419
Nebraska-----	188	9	819
Nevada-----	104	6	493
New Hampshire-----	108	5	270
New Jersey-----	1,013	44	2,525
New Mexico-----	648	38	1,882
New York-----	2,391	382	16,590
North Carolina-----	927	67	2,382
North Dakota-----	45	3	185
Ohio-----	1,560	69	3,998
Oklahoma-----	302	12	1,104
Oregon-----	667	38	1,805
Pennsylvania-----	2,295	72	5,201
Rhode Island-----	169	8	298
South Carolina-----	1,009	60	2,651
South Dakota-----	63	5	348
Tennessee-----	1,033	30	2,646
Texas-----	3,216	163	15,714
Utah-----	94	17	629
Vermont-----	104	3	162
Virginia-----	1,507	51	3,881
Washington-----	596	37	1,385
West Virginia-----	535	17	776
Wisconsin-----	557	91	2,016
Wyoming-----	64	4	200
American Samoa-----	0	0	0
Guam-----	0	0	0
North Mariana Islands-----	0	0	0
Puerto Rico-----	695	44	4,817
Trust Territory (excluding NMI)-----	0	0	0
Virgin Islands-----	136	0	334
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-----	38,573	2,265	134,177

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 2010

STATE OR TERRITORY	AVERAGE SERVED DAILY			TOTAL SERVED FY 2010		
	FREE (000)	PAID (000)	TOTAL (000)	FREE (000)	PAID (000)	TOTAL (000)
Alabama-----	0	1	1	3	222	225
Alaska-----	0	0	0	4	42	46
Arizona-----	0	2	2	55	299	354
Arkansas-----	0	0	0	3	21	24
California-----	1	10	11	154	2,436	2,589
Colorado-----	0	4	4	38	810	848
Connecticut-----	1	7	8	154	1,446	1,600
Delaware-----	0	1	1	0	204	204
District of Columbia-----	0	0	1	75	64	139
Florida-----	0	1	1	8	180	188
Georgia-----	0	1	1	0	209	209
Hawaii-----	0	0	0	0	14	14
Idaho-----	0	5	5	22	1,130	1,152
Illinois-----	12	84	96	1,970	14,125	16,094
Indiana-----	0	5	5	89	1,175	1,264
Iowa-----	0	1	1	10	419	429
Kansas-----	0	2	3	65	436	502
Kentucky-----	0	3	3	15	436	451
Louisiana-----	0	1	1	0	191	191
Maine-----	0	0	0	13	154	166
Maryland-----	0	14	14	8	2,232	2,240
Massachusetts-----	0	7	8	80	1,960	2,040
Michigan-----	1	13	14	185	2,639	2,824
Minnesota-----	0	17	17	21	4,095	4,117
Mississippi-----	0	0	0	0	22	22
Missouri-----	0	19	19	59	2,446	2,504
Montana-----	0	0	0	18	80	98
Nebraska-----	0	1	1	7	307	315
Nevada-----	0	0	0	9	602	611
New Hampshire-----	0	2	2	48	1,115	1,163
New Jersey-----	1	21	22	225	3,403	3,629
New Mexico-----	0	0	0	25	6	31
New York-----	1	20	21	1,524	3,324	4,848
North Carolina-----	0	4	4	48	1,224	1,272
North Dakota-----	0	0	0	3	224	227
Ohio-----	1	15	16	85	2,928	3,013
Oklahoma-----	0	1	1	1	204	205
Oregon-----	0	3	4	27	730	757
Pennsylvania-----	1	10	11	177	3,084	3,261
Rhode Island-----	0	1	1	32	428	460
South Carolina-----	0	0	0	70	0	70
South Dakota-----	0	1	1	13	327	340
Tennessee-----	0	0	0	102	0	102
Texas-----	0	1	1	146	132	278
Utah-----	0	2	2	10	414	424
Vermont-----	0	1	1	17	504	521
Virginia-----	0	9	9	0	1,539	1,539
Washington-----	0	5	6	7	1,341	1,349
West Virginia-----	0	1	1	16	143	159
Wisconsin-----	1	25	26	186	6,617	6,803
Wyoming-----	0	0	0	0	168	168
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	14	0	14
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-----	24	323	348	5,844	66,250	72,093

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 2010

STATE OR TERRITORY	O U T L E T S				OBLIGATIONS ^{1/}
	SCHOOLS	NON-RESIDENTIAL CHILD CARE INSTITUTIONS	SUMMER CAMPS	TOTAL	
Alabama-----	9	1	3	13	\$36,916
Alaska-----	3	0	3	6	7,631
Arizona-----	21	0	0	21	58,644
Arkansas-----	4	0	0	4	4,016
California-----	124	4	27	155	427,351
Colorado-----	48	1	11	60	139,348
Connecticut-----	158	0	12	170	263,705
Delaware-----	8	0	0	8	33,035
District of Columbia-----	4	0	0	4	23,320
Florida-----	3	0	2	5	30,848
Georgia-----	3	1	5	9	34,326
Hawaii-----	1	0	0	1	2,192
Idaho-----	152	44	14	210	189,138
Illinois-----	692	1	19	712	2,636,646
Indiana-----	54	0	27	81	209,105
Iowa-----	52	0	20	72	70,969
Kansas-----	89	0	3	92	82,667
Kentucky-----	5	431	0	436	73,638
Louisiana-----	7	0	0	7	31,032
Maine-----	18	0	10	28	28,647
Maryland-----	7	0	4	11	364,204
Massachusetts-----	103	40	42	185	339,264
Michigan-----	177	0	2	179	467,666
Minnesota-----	331	71	71	473	674,390
Mississippi-----	130	0	0	130	3,489
Missouri-----	156	0	0	156	401,279
Montana-----	22	0	3	25	16,216
Nebraska-----	39	0	10	49	52,314
Nevada-----	5	15	0	20	99,902
New Hampshire-----	60	9	33	102	198,437
New Jersey-----	141	0	6	147	587,990
New Mexico-----	5	0	0	5	5,181
New York-----	234	51	114	399	811,409
North Carolina-----	2	0	10	12	214,150
North Dakota-----	13	0	14	27	38,332
Ohio-----	150	0	37	187	494,604
Oklahoma-----	19	0	0	19	33,379
Oregon-----	42	7	19	68	125,256
Pennsylvania-----	153	29	33	215	545,761
Rhode Island-----	54	6	6	66	77,522
South Carolina-----	4	0	0	4	12,226
South Dakota-----	31	5	3	39	56,621
Tennessee-----	0	2	12	14	18,007
Texas-----	9	1	10	20	46,934
Utah-----	47	0	23	70	69,946
Vermont-----	15	5	47	67	89,345
Virginia-----	85	0	7	92	250,176
Washington-----	44	3	11	58	223,919
West Virginia-----	8	0	11	19	26,220
Wisconsin-----	405	242	56	703	1,117,789
Wyoming-----	0	6	7	13	28,022
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	188,144
TOTAL-----	3,947	975	747	5,669	\$12,063,656

^{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

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), \$7,390,100,000, to remain available through September 30, 2013: *Provided*, That notwithstanding section 17(h)(10) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(10)), 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, not less than \$83,000,000 shall be used for breastfeeding peer counselors and other related activities, and not less than \$10,000,000 shall be used for breastfeeding performance awards: *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.

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

Annualized Continuing Resolution, 2011	\$7,252,000,000
Budget Estimate, 2012	<u>7,390,100,000</u>
Change in Appropriation	+ <u>138,100,000</u>

Adjustments in 2011:

Annualized Continuing Resolution, 2011	\$7,252,000,000
General Provision a/	5,000,000
Rescission b/	-562,000,000

Adjusted base for 2011	\$6,695,000,000
Budget Estimate, Current Law 2012	<u>7,390,100,000</u>
Change from adjusted 2011	+ <u>695,100,000</u>

a/ General Provision 749 in the FY 2010 Agriculture Appropriations Act (P.L. 111-80) provided \$5 million for Breastfeeding Performance Awards.

b/ Section 841 of the Claims Resettlement Act of 2010 (P.L. 111-291) rescinded \$562,000,000 of the amounts made available for WIC; the rescission is shown as a reduction in budget authority although prior year funds were used.

Summary of Increases and Decreases – Current Law

(On basis of adjusted appropriation, for explanatory purposes this display does not include the rescission)

Item of Change	2011 Estimated	Pay Costs	Program Changes	2012 Estimated
Grants to States for Supplemental Food and Nutrition Services and Admin. Costs	\$7,073,150,000	0	\$119,950,000	\$7,193,100,000
Infrastructure	13,600,000	0	0	13,600,000
Technical Assistance	400,000	0	0	400,000
Breastfeeding Peer Counselors	80,000,000	0	3,000,000	83,000,000
Management Information Systems	60,000,000	0	0	60,000,000
Program Evaluation & Monitoring	15,000,000	0	0	15,000,000
Federal Admin. Oversight & Infrastructure	9,850,000	0	150,000	10,000,000
Coordination with Other Programs	0	0	5,000,000	5,000,000
Breastfeeding Performance Bonus <u>1/</u>	5,000,000	0	5,000,000	10,000,000
Adjusted Appropriation	7,257,000,000	0	133,100,000	7,390,100,000
Breastfeeding Bonus	-5,000,000	0	5,000,000	0
Total Appropriation	7,252,000,000	0	138,100,000	7,390,100,000

1/ General Provision 749 in the FY 2010 Agriculture Appropriations Act (P.L. 111-80) provided \$5 million for Breastfeeding Performance Awards, and these funds are shown in FY 2011 under the terms and conditions of the continuing resolution.

PROJECT STATEMENT
(On basis of appropriation)

Project	2010 Actual	SY	2011 Estimated	SY	Increase or Decrease	2012 Estimated	SY
Grants to States for Supplemental Food and Nutrition Services and Admin. Costs	\$7,073,150,000		\$7,073,150,000		\$119,950,000 (1)	\$7,193,100,000	
Infrastructure Grants	13,600,000		13,600,000		0	13,600,000	
Technical Assistance	400,000		400,000		0	400,000	
Breastfeeding Peer Counselors	80,000,000		80,000,000		3,000,000 (2)	83,000,000	
Management Information Systems	60,000,000		60,000,000		0	60,000,000	
Program Evaluation & Monitoring	15,000,000		15,000,000		0	15,000,000	
Federal Admin. Oversight	9,850,000		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	5,000,000		5,000,000		5,000,000 (5)	10,000,000	
WIC Contingency	0		0		0	0	
UPC Database (Permanent Approp.)	0		1,000,000		0	1,000,000	
Total Adjusted Appropriation	7,257,000,000	22	7,258,000,000	22	133,100,000	7,391,100,000	22
Breastfeeding Performance Bonus	-5,000,000		-5,000,000		5,000,000	0	
UPC Database (Permanent Approp.)	0		-1,000,000		0	-1,000,000	
Total Appropriation	7,252,000,000	22	7,252,000,000	22	138,100,000	7,390,100,000	22

PROJECT STATEMENT
(On basis of available funds)

Project	2010 Actual	SY	2011 Estimated	SY	Increase or Decrease	2012 Estimated	SY
Grants to States for Supplemental Food Nutrition Services and Admin. Costs	\$4,964,905,913		\$5,293,099,000		-\$60,588,000	\$5,232,511,000	
Infrastructure Grants	2,084,952,350		2,135,565,000		5,173,000	2,140,738,000	
Technical Assistance	7,917,518		16,559,000		-2,959,000	13,600,000	
Technical Assistance	392,599		408,000		-8,000	400,000	
Breastfeeding Peer Counselors	80,126,296		80,000,000		3,000,000	83,000,000	
Management Information Systems	30,201,843		89,798,000		-29,798,000	60,000,000	
Program Evaluation & Monitoring	3,185,963		26,814,000		-11,814,000	15,000,000	
Federal Admin. Oversight	3,999,021		15,752,000		-5,752,000	10,000,000	
Coordination with Other Programs	0		0		5,000,000	5,000,000	
Breastfeeding Performance Bonus	5,000,000		0		10,000,000	10,000,000	
ARRA WIC MIS	64,110,812		0		0	0	
UPC Database	0		1,000,000		0	1,000,000	
Total Obligations	7,244,792,315		7,658,995,000		-87,746,000	7,571,249,000	
Recovery of Prior Year Obligations:							
WIC Program	-525,329,473		-357,948,000		177,799,000	-180,149,000	
WIC Contingency	0		0		0	0	
WIC ARRA Contingency	0		0		0	0	
Unobligated Balances:							
Available Start of Year							
WIC Program	-8,445,963		-610,047,000		605,047,000	-5,000,000	
WIC Contingency	-125,000,000		-125,000,000		0	-125,000,000	
WIC ARRA MIS	-64,110,812		0		0	0	
WIC ARRA Contingency	-363,526,854		0		0	0	
Available End of Year							
WIC Program	610,046,718		5,000,000		0	5,000,000	
WIC Contingency	125,000,000		125,000,000		0	125,000,000	
WIC ARRA MIS	0		0		0	0	
WIC ARRA Contingency	0		0		0	0	
Transfer to CAP ARRA	28,000,000		0		0	0	
Recission (Pigford Settlement)	0		562,000,000		-562,000,000	0	
Lapse	47,215		0		0	0	
ARRA WIC Contingency Lapse	335,526,854		0		0	0	
Total Adjusted Appropriation	7,257,000,000	22	7,258,000,000	22	133,100,000	7,391,100,000	22
Breastfeed Performance Bonus	-5,000,000		-5,000,000		5,000,000	0	
UPC Database	0		-1,000,000		0	-1,000,000	
Total Appropriation	7,252,000,000	22	7,252,000,000	22	138,100,000	7,390,100,000	22

Justification of Increases and Decreases

The FY 2012 request for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) reflects an increase of \$138,100,000 from the pre-rescission FY 2011 Continuing Resolution funding level. The funding provided for WIC is two-year funding, and the availability of prior year funds is critical for ensuring the program is able to support anticipated participation levels within the level of appropriations provided. However, \$562,000,000 of the carryover funds that would have been available to support program operations in FY 2011 were rescinded in order to fund, in part, the settlement of the *Pigford* litigation. As a result, there will be less carryover resources from FY 2011 to support program operations in FY 2012, increasing the level of funding needed in FY 2012 to support anticipated participation.

- (1) An increase of \$119,950,000 for WIC Grants to States (\$7,073,150,000 available in FY 2011).

Explanation of Change. The WIC Program will have an expected increase in program cost in order to support 9.6 million program participants. The WIC Program is expected to be able to fully serve all participants in FY 2012 with the resources requested. The average monthly food cost per person is estimated to increase from \$42.43 in FY 2011 to \$43.06 in FY 2012. The average administrative cost per person is estimated to decrease from \$18.88 in FY 2011 to \$18.37 in FY 2012.

- (2) An increase of \$3,000,000 for Breastfeeding Peer Counselors (\$80,000,000 available in FY 2011).

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. In FY 2010, Congress provided \$80,000,000 for this activity, which was a significant increase from the \$14,850,000 provided in FY 2009, and the States fully obligated these funds within FY 2010. 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. State agencies are now implementing plans that institutionalize peer counseling as a core service in WIC. 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 2010, FNS entered into a cooperative agreement with Every Mother, Inc., to update the *Loving Support Peer Counseling Curricula* and also to conduct trainings for WIC State agencies. These revisions will reflect current science and program guidance.

- (3) An increase of \$150,000 for Federal Administrative Oversight (\$9,850,000 available in FY 2011).

Explanation of Change. This change will be used to improve Federal oversight of the EBT implementation process. Section 352(d) of the Healthy, Hunger-Free Kids Act of 2010 imposed a requirement that all WIC State agencies must implement EBT systems throughout the State by October 1, 2020. This is an aggressive implementation track and requires sufficient resources to ensure that FNS is able to provide the technical support required to meet this Congressionally-mandated deadline. EBT systems have the potential to enhance benefit delivery and improve accountability of food benefits and vendor payment systems. FNS is working with individual State agencies on initiatives to plan, develop and implement WIC EBT systems.

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

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

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

Explanation of Change. In FY 2012, \$10,000,000 is requested as part of the WIC base appropriation (\$5,000,000 was provided for this purpose in FY 2010 through a general provision and is shown in FY 2011 as part of the base under the terms and conditions of the continuing resolution). The funds will provide critical support to WIC State agencies to recognize 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, which will encourage States to further increase utilization rates.

Program Cost and Performance
Summary

Program Performance Data	2010 Actual	2011 Budget	Change	2012 Estimated
Program Expenditures (\$ in millions)				
Grants to States for Supplemental Food	\$4,701.7	\$5,134.3	-\$58.8	\$5,075.5
Nutrition Services and Administrative Costs	1,990.3	2,114.2	5.1	2,119.3
Program Evaluation and Monitoring	3.2	26.8	-11.8	15.0
Infrastructure Grants	7.9	16.6	-3.0	13.6
Technical Assistance	0.4	0.4	0.0	0.4
Breastfeeding Peer Counselors	80.1	80.0	3.0	83.0
Management Information Systems	30.2	89.8	-29.8	60.0
Fed. Admin. Oversight	4.0	15.8	-5.8	10.0
Coordination with Other Programs	0.0	0.0	5.0	5.0
Breastfeeding Performance Bonus	5.0	0.0	10.0	10.0
ARRA WIC MIS	64.1	0.0	0.0	0.0
UPC Database (Permanent Approp.)	0.0	1.0	0.0	1.0
Total Program Expense <u>a/</u>	6,886.9	7,478.9	-86.1	7,392.8
Structural Carryover	357.9	180.1	-1.7	178.4
Total Obligations	7,244.8	7,659.0	-87.8	7,571.2
Average Participation Per Month (in millions)	9.175	9.331	0.282	9.613
Average Food Cost Per Person Per Month	\$42.17	\$42.43	\$0.63	\$43.06
Average Admin. Cost Per Person Per Month	18.09	18.88	-0.51	18.37
Total Benefit Costs	60.26	61.31	0.12	61.43

a/ Based on projected program level.

Food and Nutrition Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
2010 and Estimated 2011 and 2012

Women, Infants, and Children--Federal Salaries & Expenses						
	FY 2010 Amount	Staff Years	FY 2011 Amount	Staff Years	FY 2012 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	130,427	2	130,427	2	130,427	2
Colorado	123,894	1	123,894	1	123,894	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	119,442	1	119,442	1	119,442	1
Hawaii	0	0	0	0	0	0
Idaho	0	0	0	0	0	0
Illinois	126,203	2	126,203	2	126,203	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	122,422	1	122,422	1	122,422	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	128,623	1	128,623	1	128,623	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	157,110	1	157,110	1	157,110	1
Utah	0	0	0	0	0	0
Vermont	0	0	0	0	0	0
Virginia	8,376,031	13	8,457,159	13	8,457,159	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	81,128	0	0	0	0	0
TOTAL	\$9,365,280	22	\$9,365,280	22	\$9,365,280	22

FOOD AND NUTRITION SERVICE

WIC Program

Classification by Objects2010 Actual and Estimated 2011 and 2012

(in thousands of dollars)

	Personnel Compensation:	2010	2011	2012
	Washington D.C.	\$925	\$954	\$975
	Field	1,086	1,120	1,144
11	Total personnel compensation	2,011	2,074	2,119
12	Personnel benefits	503	519	530
13	Benefits for former personnel	0	0	0
	Total personnel compensation and benefits	2,515	2,593	2,650
	Other Objects:			
21	Travel and transportation of persons	275	279	283
22	Transportation of things	0	0	0
23.1	Rental payments to GSA			
23.2	Rental payments to others	5		
23.3	Communications, utilities, and misc. charges			
24	Printing and reproduction	119		
25	Other Services	6,308	6,397	6,487
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	50	51	52
31	Equipment	13		
32	Land and structures			
41	Grants, subsidies and contributions	7,235,508	7,649,675	7,561,777
42	Insurance claims and indemnities			
43	Interest and dividends	0		
45	Special Payments			
92	Undistributed			
	Total other objects	7,242,277	7,656,402	7,568,599
	Total direct obligations	7,244,792	7,658,995	7,571,249

Totals in 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>	<u>2012</u>
WIC MIS	\$100,000,000	0	0	0
WIC Contingency	400,000,000	0	0	0
Total Appropriation	500,000,000	0	0	0

PROJECT STATEMENT

(On basis of available funds)

	2009 Actual	2010 Estimated	2011 Estimated	2012 Estimated
WIC MIS	\$34,187,312	\$64,110,812	0	0
WIC Contingency	38,175,022	0	0	0
Total Obligation	72,362,334	64,110,812	0	0
Unobligated Balance Start of Year	0	-427,637,666	0	0
Unobligated Balance End of Year	427,637,666	0	0	0
Transfer to CAP ARRA	0	28,000,000	0	0
Lapse	0	335,526,854	0	0
Total ARRA Appropriation	500,000,000	0	0	0

WIC Management Information Systems - Program Implementation Activities:

Section 352(d) of the Healthy, Hunger-Free Kids Act of 2010 requires that all WIC State agencies implement EBT by October 1, 2020. In order to meet this aggressive implementation goal, 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 systems 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. As of September 2010, all of the \$100 million in Recovery Act funds were obligated by FNS. Forty-one WIC State agencies were awarded these funds for 53 separate technology projects. Just over \$34 million was awarded to 13 State agencies for existing technology projects. Approximately \$3 million was awarded for new EBT planning projects (nine State agencies), about \$5.5 million was awarded for new State Agency Model (SAM) transfers (two State agencies), and approximately \$57.4 million for miscellaneous technology projects that included upgrades to Web-based technology, improved telecommunications, system enhancements to modernize systems, and equipment upgrades.

EBT systems have 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. As of the end of FY 2010, at least 34 WIC State agencies, or just over one third of all WIC State agencies, are involved in some phase of EBT, either planning, development or implementation.

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 and conduct annual user group meetings to resolve implementation issues.

Objectives:

- Replace aging systems using the WIC Functional Requirements Document (FReD) 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, about \$34 million was awarded to 13 State agencies for existing technology projects.

FY 2010 Activities:

The funds to States were awarded through a competitive grant process. These funds are being 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 are being used to advance the goal of WIC EBT implementation nationwide. FNS is providing technical assistance to State agencies as needed, as well as conducting and facilitating users group meetings for the SAM systems and EBT to identify and resolve implementation issues. FNS is providing 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 were 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 about \$38 million in April 2009 to 14 WIC State agencies to cover food costs.

FY 2010 Activities:

The remaining WIC ARRA Contingency funds were not obligated in FY 2010, but \$28,000,000 of these funds were transferred to CAP ARRA for grants to States.

ARRA WIC Grants

State	FY 2009			FY 2010			ARRA
	Contingency	MIS	Total	Contingency	MIS	Total	Combined Total
Alabama	0	0	0	0	\$218,513	\$218,513	\$218,513
Alaska	0	0	0	0	2,487,150	2,487,150	2,487,150
Arizona	0	0	0	0	2,952,662	2,952,662	2,952,662
Arkansas	0	\$400,433	\$400,433	0	0	0	400,433
California	0	0	0	0	3,706,515	3,706,515	3,706,515
Colorado	0	1,022,022	1,022,022	0	444,066	444,066	1,466,088
Connecticut	\$1,362,164	0	1,362,164	0	391,270	391,270	1,753,434
Delaware	0	0	0	0	5,250,000	5,250,000	5,250,000
District of Columbia	370,164	0	370,164	0	582,421	582,421	952,585
Florida	0	0	0	0	3,874,445	3,874,445	3,874,445
Georgia	6,745,880	0	6,745,880	0	0	0	6,745,880
Hawaii	0	0	0	0	250,000	250,000	250,000
Idaho	0	0	0	0	2,556,978	2,556,978	2,556,978
Illinois	421,431	0	421,431	0	6,127,567	6,127,567	6,548,998
Kansas	0	0	0	0	3,784,300	3,784,300	3,784,300
Kentucky	0	2,582,070	2,582,070	0	0	0	2,582,070
Louisiana	1,638,740	0	1,638,740	0	576,302	576,302	2,215,042
Maine	0	1,484,356	1,484,356	0	0	0	1,484,356
Maryland	2,669,550	0	2,669,550	0	0	0	2,669,550
Massachusetts	0	0	0	0	909,000	909,000	909,000
Minnesota	1,348,995	0	1,348,995	0	2,935,346	2,935,346	4,284,341
Mississippi	3,286,846	0	3,286,846	0	0	0	3,286,846
Missouri	0	1,630,769	1,630,769	0	300,000	300,000	1,930,769
Montana	0	426,000	426,000	0	294,999	294,999	720,999
N. Carolina	0	17,276,448	17,276,448	0	0	0	17,276,448
Nebraska	0	0	0	0	182,700	182,700	182,700
Nevada	0	1,500,000	1,500,000	0	0	0	1,500,000
New Jersey	1,673,810	0	1,673,810	0	1,349,414	1,349,414	3,023,224
New Mexico	546,044	1,045,000	1,591,044	0	1,861,490	1,861,490	3,452,534
New York	5,468,978	0	5,468,978	0	8,224,337	8,224,337	13,693,315
North Dakota	0	0	0	0	68,975	68,975	68,975
Oklahoma	0	4,406,430	4,406,430	0	0	0	4,406,430
Oregon	0	0	0	0	391,650	391,650	391,650
Pennsylvania	0	0	0	0	1,218,431	1,218,431	1,218,431
Puerto Rico	10,482,184	0	10,482,184	0	421,250	421,250	10,903,434
Rhode Island	0	0	0	0	147,488	147,488	147,488
S. Carolina	1,322,291	0	1,322,291	0	0	0	1,322,291
South Dakota	0	0	0	0	1,907,672	1,907,672	1,907,672
Tennessee	0	0	0	0	481,720	481,720	481,720
Texas	0	950,000	950,000	0	9,827,925	9,827,925	10,777,925
Utah	0	0	0	0	206,000	206,000	206,000
Vermont	0	0	0	0	410,215	410,215	410,215
Virginia	0	585,822	585,822	0	0	0	585,822
Washington	837,945	0	837,945	0	0	0	837,945
Wisconsin	0	122,438	122,438	0	401,800	401,800	524,238
Wyoming	0	644,035	644,035	0	0	0	644,035
Unallocated	0	111,489	111,489	0	631,789	631,789	743,278
Total	38,175,022	34,187,312	72,362,334	0	64,110,812	64,110,812	136,473,146

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 represented \$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 Indian Tribal Organizations (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 for 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)	2005	2006	2007	2008	2009	2010
Women	1,966.2	2,023.3	2,093.3	2,153.2	2,182.4	2,138.0
Infants	2,047.1	2,076.2	2,165.6	2,222.5	2,224.2	2,174.4
Children <5	4,009.2	3,988.5	4,026.4	4,328.8	4,715.1	4,862.1
Total	8,022.6	8,088.0	8,285.2	8,704.5	9,121.7	9,174.5
Change from Prior Year	1.5%	0.8%	2.4%	5.1%	4.8%	0.6%
Food Cost Total (Million \$)	\$3,603	\$3,598	\$3,880	\$4,534	\$4,641	\$4,574
Avg./Person/Month	\$37.42	\$37.08	\$39.03	\$43.41	\$42.40	\$41.55
Change in Per Person Food Cost	-0.3%	-0.9%	5.3%	11.2%	-2.3%	-2.0%
Per Person Per Month Total (Food/Admin.) Cost	\$51.30	\$51.52	\$53.91	\$58.81	\$58.73	\$59.60

Source: Program Information Report, August 2010. Actual totals may be received in future reporting periods.

Reauthorization of the WIC Program

The Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296) reauthorized the WIC Program through 2015. Major provisions of the Act include: 1) allowing 1-year certification option for children; 2) requiring collection and publication of breastfeeding data at the State and local levels; 3) establishing exemplary breastfeeding recognition program at local or clinic level; 4) extending breastfeeding performance bonuses and increasing funding to \$10 million; 5) requiring food package review not less than every 10 years; 6) establishing new bid requirements for infant formula and all foods for which rebates are solicited; 7) requiring nationwide WIC EBT by 2020; and 8) requiring establishment of a Universal Product Code (UPC) database within 2 years where all States will be required to use the database. FNS will be implementing changes included in the Act during FYs 2011 and 2012.

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. 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. During FY 2010, FNS prepared several nutrition education materials for publication and dissemination, including the popular Two Bite Club storybook and its Spanish translation and two new MyPyramid for preschoolers TipSheets on the topics of Picky Eaters and Active Play.

FNS continues to work 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 almost 4.0 million hits in FY 2010. New training modules were recently completed for the Value Enhanced Nutrition Assessment (see below for more details) and modules are currently in development for two topics: WIC 101 and breastfeeding.

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 2010, FNS entered into a cooperative agreement with Every Mother, Inc., to update the *Loving Support* Peer Counseling Curricula and also to conduct trainings for WIC State agencies. These revisions will reflect current science and Program guidance. Every Mother will provide a 3-day train-the-trainer event on the updated curricula in each region during the fourth quarter of FY 2011. In FY 2010, FNS awarded \$80 million in grants as a result of the funding increase for breastfeeding peer counseling.

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. During FY 2010, Congress provided \$5 million for breastfeeding performance bonus awards for WIC State agencies with the most improved and highest breastfeeding rates among WIC participants. These awards are intended to recognize and reward State agencies demonstrating successful breastfeeding promotion and support efforts, and to build on the WIC Program’s longstanding efforts to promote breastfeeding as the optimal feeding method. Twenty State Agencies received breastfeeding performance bonuses. Although the awards could be used broadly for activities furthering the objectives of the WIC Program, many awardees used their funding for breastfeeding related activities (i.e., breastfeeding promotion campaigns, staff training, breastfeeding incentives, etc.).

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. FNS coordinated a meeting of the BPC in August 2010 – in conjunction with the meeting of the United States Breastfeeding Committee, which FNS attended 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.

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.

The interim rule allowed FNS to obtain feedback on the major changes as recommended by the National Academy of Sciences’ Institute of Medicine (IOM) while allowing implementation to move forward. When the interim rule comment period ended on February 1, 2010, FNS had received about 8,000 comments. FNS is currently reviewing and analyzing the comments received and the Department of Agriculture will issue a final rule after the review and analysis of public comments are complete.

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 20 years. The average monthly food cost has increased by approximately 38 percent since FY 1990, while general food inflation, as measured by the TFP, has increased by 71.6 percent.

The most successful strategy has been competitively bid infant formula rebate contracts between State agencies and infant formula manufacturers. In addition, 18 State agencies, including State agencies that are parties in three multi-State contracts, have rebate contracts for infant foods (cereal, vegetable, fruit, and meat). In FY 2010, State-reported rebate savings was \$1.7 billion. Approximately 60 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 (17) received discounts ranging from 82 to 89 percent and two received discounts of 70 and 77 percent. Seven geographic State agencies implemented contracts for FY 2010 with discounts ranging from 88 to 93 percent, with a median discount of 90 percent. To date, three geographic State agencies awarded contracts for FY 2011 with discounts ranging from 88 to 93 percent with a median discount of 89 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 2010.

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' technology goal to improve WIC system functionality through the replacement of automated legacy systems.

FY 2010 was the seventh year in which FNS awarded grant funds in support of the SAM Project. The three SAM consortia are: Successful Partners in Reaching Innovative Technology (SPIRIT), comprising 13 ITOs in New Mexico and Oklahoma; the Mountain Plains State Consortia, comprising three State agencies (Colorado, Wyoming and Utah); and Crossroads, comprising 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. These six State agencies that have transferred the SPIRIT system are in various stages of the transfer process.

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, as noted above, 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. As of September 2010, all of the \$100 million in Recovery Act funds were

obligated by FNS. Forty one WIC State agencies were awarded these funds for 53 separate technology projects. Just over \$34 million was awarded to 13 State agencies for existing technology projects. Approximately \$3 million was awarded for new EBT planning projects (nine State agencies), about \$5.5 million was awarded for new State Agency Model (SAM) transfers (two State agencies), and approximately \$57.4 million for miscellaneous technology projects that included upgrades to web based technology, improved telecommunications, system enhancements to modernize systems, and equipment upgrades.

EBT systems have 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. As of the end of FY 2010, at least 34 WIC State agencies, or just over one third of all WIC State agencies, are involved in some phase of EBT, either planning, development or implementation .

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. Three WIC State agencies (Michigan, Nevada and Chickasaw Nation, OK) have successfully implemented EBT using magnetic stripe cards with existing retailer equipment in an online real time capacity and now operate EBT Statewide. One other State WIC Program (Kentucky) is expanding its on-line system statewide.

In FY 2010, FNS awarded funds to eight WIC State agencies to begin planning work for EBT (California, Connecticut, Indiana, Iowa, Maine, New York, Rhode Island, and Washington). FY 2010 funds were also awarded to three State agencies for EBT implementation (Oklahoma, Virginia and West Virginia). Prior years' funding for EBT included the award of 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.

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 all women and children (ages 2 to 5 years), who meet eligibility requirements of the Program, also meet the requirement of nutrition risk based on *failure to meet Dietary Guidelines*. The report also found that traditional dietary assessment protocols do not accurately identify an individual's eligibility status based on nutrient intake. VENA Policy and Guidance (developed with the assistance of a joint workgroup of FNS and National WIC Association representatives) was issued to all WIC State agencies to assist State agencies in implementing VENA by FY 2010. The Guidance identifies nutrition assessment staff competencies and methods to enhance the delivery of individualized nutrition education and counseling. All WIC State agencies have implemented VENA; State agencies continue to provide ongoing training to local agency staffs to ensure compliance with VENA. In FY 2010, the Nutrition Services functional area of the online WIC Management Evaluation Tool was revised to update the nutrition assessment questions in order to address the required VENA competencies for State and local agencies. In addition, the WIC Works Resource System public website hosts a VENA village complete with three VENA competency online training modules, the VENA guidance document, and State developed training materials.

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 \$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, 100 percent of these funds were obligated by FNS as of September 2010. Forty one WIC State agencies were awarded ARRA funds for 53 separate technology projects. Just over \$34 million was awarded to 13 State agencies for existing

technology projects. Approximately \$3 million was awarded for new EBT planning projects (nine State agencies), about \$5.5 million was awarded for new State Agency Model (SAM) transfers (two State agencies), and approximately \$57.4 million for miscellaneous technology projects that included upgrades to Web based technology, improved telecommunications, system enhancements to modernize systems, and equipment upgrades. All Recovery Act funding was awarded through a competitive grant process. All Recovery Act funds are being monitored as part of the grant process and through the OMB Web site www.Federalreporting.gov.

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. FNS did not allocate any of the ARRA WIC contingency funds to WIC State agencies during FY 2010 because regular WIC funding was sufficient. Of the \$362 million remaining ARRA contingency funds, \$28 million was transferred to The Emergency Food Assistance Program (TEFAP) and \$334 million expired on September 30, 2010.

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

In FY 2010, 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 2010, FNS awarded a full grant to the State agencies of California and New York, and concept paper development grants to the Illinois and Massachusetts State agencies. The \$399,341 grant awarded to California focuses on extending, expanding and evaluating behavioral nutrition education to address the needs of caregivers of older infants and toddlers receiving WIC. New York's \$478,445 grant aims to 1) study factors associated with high retention 2) use a community informed approach to design and implement two sets of retention promotion strategies in four regions 3) assess impact of retention promotion, and 4) assess sustainability and transferability of the retention interventions. Illinois was awarded \$24,490 and Massachusetts was awarded \$25,000 for development of their respective concept papers. The Illinois concept paper aims to assess the characteristics that contribute to withdrawal and retention of children enrolled in WIC, whereas the Massachusetts concept paper aims to enhance referral and family support to women participating in WIC so that they are better able to focus on nutrition education and messages that promote healthy behaviors for their families.

State	Award
<i>Full Grants</i>	
California	\$399,341
New York	\$478,445
<i>Concept Paper</i>	
Illinois	\$24,490
Massachusetts	\$25,000

WIC Studies and Evaluations

The following study reports were released by FNS in FY 2010 and may be found on the FNS Web site at <http://www.fns.usda.gov/ora>.

WIC Breastfeeding Peer Counseling Study Final Implementation Report – June 2010: This study provides a comprehensive and systematic picture of the implementation of the *Loving Support* Peer Counseling Program. The *Loving Support* Peer Counseling Program is an initiative designed to increase breastfeeding initiation and duration rates for WIC participants, as well as to increase community support for WIC participants who breastfeed.

WIC Participant and Program Characteristics 2008 – January 2010: The WIC Participant and Program Characteristics (PC2008) report summarizes demographic characteristics of WIC participants nationwide in April 2008, along with information on participant income and nutrition risk characteristics. This report is the most recent in a series of reports that have been generated from WIC State management information systems biennially since 1992.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM (WIC)

PARTICIPATION AND PROGRAM FINANCING

FISCAL YEAR 2010

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION				PROGRAM GRANT 2/ (\$000)
	WOMEN	INFANTS	CHILDREN	TOTAL	
Alabama-----	33,051	37,508	74,441	145,001	\$116,410
Alaska-----	6,305	6,304	14,410	27,019	25,362
Arizona 1/-----	46,837	50,158	109,699	206,694	156,924
Arkansas-----	25,401	26,037	47,525	98,963	73,449
California-----	331,537	298,101	829,768	1,459,406	1,186,655
Colorado 1/-----	25,502	27,411	56,731	109,643	74,923
Connecticut-----	12,106	14,639	31,365	58,111	48,644
Delaware-----	4,829	5,975	12,813	23,617	16,537
District of Columbia-----	4,388	4,902	7,650	16,940	15,193
Florida-----	123,330	121,652	264,616	509,598	385,261
Georgia-----	74,021	75,385	162,459	311,865	281,061
Hawaii-----	8,697	8,672	19,660	37,029	34,105
Idaho-----	10,815	10,615	25,616	47,046	31,653
Illinois-----	71,894	82,895	152,411	307,201	245,794
Indiana-----	40,989	44,524	88,535	174,048	125,817
Iowa-----	16,701	17,384	40,600	74,685	52,565
Kansas-----	17,389	19,556	40,418	77,363	50,354
Kentucky-----	30,402	34,549	74,057	139,008	115,660
Louisiana-----	37,152	41,420	77,048	155,619	128,935
Maine 1/-----	5,819	5,894	15,405	27,118	19,930
Maryland-----	35,722	35,648	76,465	147,835	104,723
Massachusetts-----	28,621	28,074	69,758	126,454	92,062
Michigan-----	57,223	64,477	134,530	256,229	190,685
Minnesota-----	30,705	30,095	77,660	138,460	104,304
Mississippi 1/-----	19,935	28,323	53,966	102,224	99,875
Missouri-----	37,471	39,629	74,123	151,224	100,057
Montana-----	4,910	5,555	10,276	20,741	16,606
Nebraska 1/-----	10,088	10,670	24,509	45,267	34,271
Nevada 1/-----	17,323	17,850	39,169	74,343	49,185
New Hampshire-----	3,935	4,449	9,513	17,897	13,028
New Jersey-----	38,476	39,539	93,040	171,054	140,490
New Mexico 1/-----	14,981	15,512	34,979	65,472	50,037
New York 1/-----	125,776	122,471	263,917	512,164	438,477
North Carolina 1/-----	62,243	67,241	142,856	272,340	205,397
North Dakota 1/-----	3,278	3,457	7,886	14,621	13,072
Ohio-----	66,126	73,759	157,344	297,230	200,677
Oklahoma 1/-----	31,530	32,139	69,334	133,002	100,835
Oregon-----	26,615	24,299	63,225	114,140	79,838
Pennsylvania-----	58,178	64,473	139,381	262,032	201,107
Rhode Island-----	5,385	5,735	14,394	25,513	20,576
South Carolina-----	34,322	37,077	62,602	134,001	100,614
South Dakota 1/-----	4,938	5,335	12,517	22,790	18,740
Tennessee-----	42,634	45,621	82,332	170,588	127,115
Texas-----	256,577	246,690	532,953	1,036,220	587,751
Utah-----	19,063	18,456	37,870	75,389	46,725
Vermont-----	3,465	2,939	10,400	16,804	14,341
Virginia-----	39,857	39,401	81,142	160,400	106,761
Washington-----	45,319	41,386	108,086	194,791	172,842
West Virginia-----	11,990	12,238	27,569	51,798	40,886
Wisconsin-----	28,381	29,858	68,280	126,519	93,450
Wyoming 1/-----	3,344	3,317	7,005	13,665	10,188
American Samoa-----	1,391	1,166	4,233	6,789	8,583
Guam-----	1,754	1,894	4,410	8,058	9,916
North Mariana Island-----	977	849	2,955	4,781	5,909
Puerto Rico-----	37,025	39,933	115,127	192,084	252,567
Trust Territory (excluding NM)-----					
Virgin Islands-----	1,261	1,237	3,131	5,630	8,505
Indian Tribe Set Asi-----					
Indian Tribes-----					
Freely Associated States-----					
DOD Army/AF/USMC/Navy-----					
Undistributed-----					1,426
TOTAL-----	2,137,981	2,174,371	4,862,164	9,174,517	\$7,046,852

1/ Includes Indian Agencies.

2/ Excludes \$392,599 for WIC technical assistance, \$10,924,245 for WIC infrastructure grants, \$3,195,963 for program evaluations, \$5,000,000 for breastfeeding performance bonuses, \$3,999,021 for program initiatives, \$80,123,296 for Breastfeeding Peer Counselors, \$30,201,843 for MIS and \$64,110,812 in ARRA funds for MIS.

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

Supplemental Nutrition Assistance Program:

For necessary expenses to carry out the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), \$73,183,808,000, of which \$5,000,000,000, to remain available through September 30, 2013, 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 of the funds made available under this heading, \$1,000,000 may be used to provide nutrition education services to state agencies and Federally recognized tribes participating in the Food Distribution Program on Indian Reservations: *Provided further*, That of the funds made available under this heading, \$1,500,000 may be available for the Center for Nutrition Policy and Promotion: *Provided further*, That of the funds made available under this heading, \$9,000,000 may be available for grants to states and technical assistance to improve Supplemental Nutrition Assistance Program application timeliness: *Provided further*, That funds made available under this heading may be available 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.

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.

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

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) – CURRENT LAW

Annualized Continuing Resolution, 2011 a/.....	\$68,889,475,000
Budget Estimate, 2012 a/.....	<u>73,183,808,000</u>
Change in Appropriation	<u>+4,294,333,000</u>

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) – PROPOSED LEGISLATION

Budget Estimate, Current Law, 2012 a/.....	\$73,183,808,000
Change due to proposed legislation	<u>92,000,000</u>
Total, President's 2012 Budget Request.....	<u>+73,275,808,000</u>

a/ Excludes \$10,743,707,000 in FY 2011 and \$11,910,091,000 in FY 2012 provided by the ARRA.

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

Item of Change	2011 Estimated	Pay Costs	Program Changes	2012 Estimated
Benefit Costs	\$59,652,032,000	0	\$2,164,651,000	\$61,816,683,000
ARRA -- Benefits	10,486,716,000	0	1,173,390,000	11,660,106,000
Contingency Reserve	3,000,000,000	0	2,000,000,000	5,000,000,000
Administrative Costs:				
State Administrative Costs	3,243,000,000	0	89,000,000	3,332,000,000
Nutrition Ed. and Obesity Prevention Grant Program	375,000,000	0	6,000,000	381,000,000
Employment and Training	387,946,000	0	8,060,000	396,006,000
Mandatory Other Program Costs	110,780,000	0	3,578,000	114,358,000
Discretionary Other Program Costs	2,500,000	0	9,000,000	11,500,000
Total Administrative Costs	4,119,226,000	0	115,638,000	4,234,864,000
Nutrition Assistance for Puerto Rico	1,744,605,000	0	6,978,000	1,751,583,000
ARRA -- NAP	255,963,000	0	-6,978,000	248,985,000
American Samoa	7,006,000	0	28,000	7,034,000
ARRA -- American Samoa Benefits	1,028,000	0	-28,000	1,000,000
Food Distribution Program on Indian Reservations	96,958,000	0	5,788,000	102,746,000
TEFAP Commodities	247,500,000	0	1,250,000	248,750,000
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	79,633,182,000	0	5,460,717,000	85,093,899,000
ARRA Funding	-10,743,707,000	0	-1,166,384,000	-11,910,091,000
Total Appropriation	68,889,475,000	0	4,294,333,000	73,183,808,000

PROJECT STATEMENT
(On basis of appropriation)

Project	2010		2011		Increase or Decrease		2012	
	Actual	SY	Estimated	SY			Estimated	SY
Benefits:	\$49,616,620,000		\$59,652,032,000		\$2,164,651,000	(1)	\$61,816,683,000	
ARRA -- Benefits	10,376,281,196		10,486,716,000		1,173,390,000		11,660,106,000	
State Administrative Costs	3,043,000,000		3,243,000,000		89,000,000	(2)	3,332,000,000	
Nutrition Ed. and Obesity Prevention Grant Program	0		375,000,000		6,000,000	(3)	381,000,000	
Administrative Costs 100%	400,000,000		0		0		0	
ARRA -- Administrative Costs	150,000,000		0		0		0	
Employment and Training:								
Federal Funds 100%	110,000,000		110,000,000		0		110,000,000	
Federal Funds 50%	200,108,000		205,311,000		5,954,000		211,265,000	
Participant Costs 50%	70,794,000		72,635,000		2,106,000		74,741,000	
Subtotal, Employment and Training	380,902,000		387,946,000		8,060,000	(4)	396,006,000	
Mandatory Other Program Costs:								
Benefit & Retailer Redemption and Monitoring	19,396,000		28,951,000		318,000		29,269,000	
Certification of SSI Recipients for SNAP	18,000,000		20,375,000		336,000		20,711,000	
Payment Accuracy and Cooperative Services	8,163,000		8,163,000		62,000		8,225,000	
Web-Based Automation of Systems	0		0		7,500,000		7,500,000	
Retailer Integrity and Trafficking	8,128,000		8,128,000		23,000		8,151,000	
Computer Support	7,474,000		7,474,000		0		7,474,000	
Electronic Benefit Transfer Systems	5,587,000		5,587,000		4,054,000		9,641,000	
Nutrition Education and Program Information	10,026,000		10,026,000		1,861,000		11,887,000	
Program Evaluation and Modernization	11,500,000		11,500,000		0		11,500,000	
Increase Seniors Participation	10,576,000		10,576,000		-10,576,000		0	
Subtotal, Mandatory Other Program Costs	98,850,000		110,780,000		3,578,000		114,358,000	
Discretionary Other Program Costs:								
Application Timeliness	0		0		9,000,000		9,000,000	
Center for Nutrition Policy and Promotion	1,500,000		1,500,000		0		1,500,000	
FDPIR Nutrition Education	1,000,000		1,000,000		0		1,000,000	
Subtotal, Discretionary Other Program Costs	2,500,000		2,500,000		9,000,000		11,500,000	
Total, Other Program Costs	101,350,000	112	113,280,000	116	12,578,000	(5)	125,858,000	116
Total, Administrative Costs	4,075,252,000	112	4,119,226,000	116	115,638,000		4,234,864,000	116
Contingency Reserve	3,000,000,000		3,000,000,000		2,000,000,000		5,000,000,000	
Subtotal, Supplemental Nutrition Assistance Program	67,068,153,196	112	77,257,974,000	116	5,453,679,000		82,711,653,000	116
Nutrition Assistance for Puerto Rico	1,746,351,000		1,744,605,000		6,978,000	(6)	1,751,583,000	
ARRA -- Benefits NAP	254,217,000		255,963,000		-6,978,000		248,985,000	
Subtotal, NAP	2,000,568,000		2,000,568,000		0		2,000,568,000	
American Samoa	7,013,000		7,006,000		28,000	(7)	7,034,000	
ARRA -- American Samoa Benefits	1,021,000		1,028,000		-28,000		1,000,000	
Subtotal, American Samoa	8,034,000		8,034,000		0		8,034,000	
Food Distribution Program on Indian Reservations:								
USDA Foods in lieu of SNAP	75,878,000		59,818,000		5,120,000		64,938,000	
Distributing Agencies Expenses and Nut. Ed.	36,919,000		37,140,000		668,000		37,808,000	
Subtotal, FDPIR	112,797,000		96,958,000		5,788,000	(8)	102,746,000	
TEFAP	248,000,000		247,500,000		1,250,000	(9)	248,750,000	
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	
Program Access	5,000,000		5,000,000		0		5,000,000	
Total Adjusted Appropriation	69,459,700,196	112	79,633,182,000	116	5,460,717,000		85,093,899,000	116
SAE 100% DOD Supplemental	-400,000,000		0		0		0	
ARRA Funding	-10,781,519,196		-10,743,707,000		-1,166,384,000		-11,910,091,000	
Total Appropriation	58,278,181,000	112	68,889,475,000	116	4,294,333,000		73,183,808,000	116
Proposed Legislation	0		0		92,000,000		92,000,000	
Total Available or Estimated	58,278,181,000	112	68,889,475,000	116	4,386,333,000		73,275,808,000	116

PROJECT STATEMENT
(On basis of available funds)

Project	2010		2011		Increase or Decrease	2012	
	Actual	SY	Estimated	SY		Estimated	SY
Benefits:	\$54,042,200,453		\$61,056,019,000		\$815,664,000	\$61,871,683,000	
ARRA -- Benefits	10,613,853,115		10,486,716,000		1,173,390,000	11,660,106,000	
Administrative Costs	3,099,186,135		3,243,000,000		89,000,000	3,332,000,000	
Nutrition Ed. and Obesity Prevention Grant Program	0		375,000,000		6,000,000	381,000,000	
Administrative Costs 100%	239,511,326		160,489,000		-160,489,000	0	
ARRA -- Administrative Costs	149,999,607		0		0	0	
Employment and Training:							
Federal Funds 100%	109,162,190		115,000,000		0	115,000,000	
Federal Funds 50%	169,742,370		205,311,000		5,954,000	211,265,000	
Participant Costs 50%	65,476,736		72,635,000		2,106,000	74,741,000	
Subtotal, Employment and Training	344,381,296		392,946,000		8,060,000	401,006,000	
Mandatory Other Program Costs:							
Benefit & Retailer Redemption and Monitoring	19,395,999		28,951,000		318,000	29,269,000	
Certification of SSI Recipients for SNAP	17,705,700		20,375,000		336,000	20,711,000	
Payment Accuracy and Cooperative Services	8,069,952		8,163,000		62,000	8,225,000	
Web-Based Automation of Systems	0		0		7,500,000	7,500,000	
Retailer Integrity and Trafficking	8,029,209		8,128,000		23,000	8,151,000	
Computer Support	7,474,000		7,474,000		0	7,474,000	
Electronic Benefit Transfer Systems	5,452,114		5,587,000		4,054,000	9,641,000	
Nutrition Education and Program Information	9,843,803		10,026,000		1,861,000	11,887,000	
Program Evaluation and Modernization	10,728,150		11,500,000		0	11,500,000	
Increase Seniors Participation	5,851,138		10,576,000		-10,576,000	0	
Subtotal, Mandatory Other Program Costs	92,550,065		110,780,000		3,578,000	114,358,000	
Discretionary Other Program Costs:							
Application Timeliness	0		0		9,000,000	9,000,000	
Center for Nutrition Policy and Promotion	1,500,000		1,500,000		0	1,500,000	
FDPIR Nutrition Education	1,000,000		1,000,000		0	1,000,000	
Subtotal, Discretionary Other Program Costs	2,500,000		2,500,000		9,000,000	11,500,000	
Total, Other Program Costs	95,050,065		113,280,000		12,578,000	125,858,000	
Total, Administrative Costs	3,928,128,429		4,284,715,000		-44,851,000	4,239,864,000	
Subtotal, Supplemental Nutrition Assistance Program	68,584,181,997	112	75,827,450,000	116	1,944,203,000	77,771,653,000	116
Nutrition Assistance for Puerto Rico	1,746,351,000		1,744,605,000		6,978,000	1,751,583,000	
ARRA -- Benefits NAP	254,217,000		255,963,000		-6,978,000	248,985,000	
Subtotal, NAP	2,000,568,000		2,000,568,000		0	2,000,568,000	
American Samoa	5,204,357		7,006,000		28,000	7,034,000	
ARRA -- American Samoa Benefits	1,021,000		1,028,000		-28,000	1,000,000	
Subtotal, American Samoa	6,225,357		8,034,000		0	8,034,000	
USDA Foods in Lieu of SNAP	75,865,999		59,818,000		5,120,000	64,938,000	
Distributing Agencies Expenses and Nut. Ed.	36,889,994		37,140,000		668,000	37,808,000	
ARRA -- Equipment	1,366,717		0		0	0	
Subtotal, FDPIR	114,122,710		96,958,000		5,788,000	102,746,000	
TEFAP 1/	247,993,786		247,500,000		1,250,000	248,750,000	
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	16,219,773		3,644,000		-3,644,000	0	
Program Access	5,000,000		5,000,000		0	5,000,000	
Total Obligations	70,991,459,623	112	78,206,302,000	116	1,947,597,000	80,153,899,000	116
Recoveries	-14,187,310						
Unobligated Balance Start of Year	-3,534,733,907		-1,608,646,000		-1,408,950,000	-3,017,596,000	
Unobligated Balance End of Year	1,608,646,423		3,017,596,000		1,995,000,000	5,012,596,000	
Balance Lapsing	446,558,810		61,930,000		2,938,070,000	3,000,000,000	
Rescission Employment & Training Funds 2/	11,000,000		11,000,000		-11,000,000	0	
Collections from Reimbursable Obligations	-49,043,443		-55,000,000		0	-55,000,000	
Total Adjusted Appropriation	69,459,700,196	112	79,633,182,000	116	5,460,717,000	85,093,899,000	116
SAE 100% DOD Supplemental	-400,000,000		0		0	0	
ARRA Funds	-10,781,519,196		-10,743,707,000		-1,166,384,000	-11,910,091,000	
Total Appropriation, Adjusted	58,278,181,000	112	68,889,475,000	116	4,294,333,000	73,183,808,000	116
Proposed Legislation	0		0		92,000,000	92,000,000	
Total Available or Estimate	58,278,181,000	112	68,889,475,000	116	4,386,333,000	73,275,808,000	116

- 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 and FY 2011 to reflect a rescission of \$11,000,000 in unobligated funding pursuant to Title VII, Section 742 of P.L. 111-80.

Justification of Increases and Decreases

The FY 2012 request for SNAP reflects an increase of \$4,294,333,000 (not including changes resulting from ARRA adjustments).

- (1) An increase of \$2,164,651,000 for Benefit Costs (\$59,652,032,000 available in FY 2011).

Explanation of Change. In FY 2012, overall participation is estimated to decrease to an average level of 44.98 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 benefit per person per month is estimated to be at about \$136.22 in FY 2012.

A comparison of key program performance and cost indicators for FYs 2010 through 2012 is presented below:

Program Performance Cost Indicators			
Program Performance Indicators	2010 Estimate	2011 Estimate	2012 Estimate
Average participation per month (000)	40,302	45,005	44,981
Average unemployment rate (percent)	9.8	9.5	8.8
Thrifty Food Plan (TFP) ^{1/}	583.40	582.60	585.20
Maximum Allotment (4 person hh) based on the TFP	\$582.00	\$585.00	\$595.00
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)	\$133.79	\$135.04	\$136.22

^{1/} TFP estimates for FY 2011 and FY 2012 are based on the economic assumptions provided by OMB for the 2012 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 2009 decreased to 4.36 from a level of 5.01 in FY 2008. Previous to FY 2008, the rate fell each year since FY 1998, when the rate was 10.69 percent. The 4.36 percent error rate was achieved largely as a result of a temporary increase in the tolerance level for small errors to \$50 (from \$25) as provided for in the American Recovery and Reinvestment Act. A comparison of reported overpayment/underpayment error rates for FY 2008/2009 and estimated erroneous benefits through FY 2012 follows:

	2008 Actual	2009 Actual	2010 Target	2011 Target	2012 Target
Amount of Overpayments (\$ millions)	\$1,871	\$1,780	\$2,586	\$2,862	\$2,941
Overpayment Error Rate (percent)	4.01	3.54	3.54	3.54	3.25
Amount of Underpayments (\$ millions)	\$456	\$412	\$647	\$715	\$736
Underpayment Error Rate (percent)	1.00	0.82	0.82	0.82	0.75
Total Benefits Over/Under Issued in Error (\$ millions)	\$2,327	\$2,192	\$3,233	\$3,577	\$3,677
Total Error Rate (percent) <u>1/</u>	5.01	4.36	4.36	4.36	4.00
Amount of Combined Errors Offset (\$ millions)	\$1,415	\$1,368	\$1,939	\$2,147	\$2,205

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

- (2) An increase of \$89,000,000 for State Administrative Expenses (SAE) (\$3,243,000,000 available in FY 2011).

Explanation of Change. The FY 2012 estimate of \$3,332,000,000 for SAE is based on requested State budgets for FY 2011. 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 2011 base of \$3.753 billion is inflated by the State and local purchase deflator through FY 2012, the TANF offset is deducted and the estimated new performance bonus payments are added to estimate the SAE in FY 2012.

- (3) An increase of \$6,000,000 for the Nutrition Education Grant Program (\$375,000,000 available in FY 2011).

Explanation of Change. The estimated increase is due to an inflationary increase as specified in Section 28(d)(1) of the Food and Nutrition Act of 2008.

- (4) An increase of \$8,060,000 for Employment and Training (\$387,946,000 available in FY 2011).

Explanation of Change. The estimated increase is based on the following items: In FY 2012 the 50 percent State administrative costs increase to \$211,265,000 due to inflation (\$205,311,000 available in FY 2011). The 50 percent participants' dependent care and transportation costs increase to \$74,741,000 in FY 2012 due to inflation (\$72,635,000 available in FY 2011). The total estimated need for these two activities is \$286,006,000.

- (5) An increase of \$12,578,000 for other program costs as shown below (\$113,280,000 available in FY 2011.)

Other Program Costs			
	FY 2011	Change	FY 2012
Mandatory OPC	\$110,780,000	\$3,578,000	\$114,358,000
Discretionary OPC	2,500,000	9,000,000	11,500,000
Total Other Program Costs	113,280,000	12,578,000	125,858,000

The overall increase consists of the following:

Mandatory:

The increase consists of the following:

Mandatory -- Other Program Costs	Pay Costs	Other Changes	Total
Benefit & Retailer Redemption & Monitoring	0	\$318,000	\$318,000
Certification of SSI Recipients	0	336,000	336,000
Payment Accuracy and Cooperative Services	0	62,000	62,000
Retailer Integrity and Trafficking	0	23,000	23,000
Electronic Benefit Transfer Systems	0	4,054,000	4,054,000
Nutrition Education and Program Information	0	1,861,000	1,861,000
Web-Based Automation of Systems	0	7,500,000	7,500,000
Senior Participation	0	-10,576,000	-10,576,000
Total	0	3,578,000	3,578,000

Benefit & Retailer Redemption and Monitoring:

Explanation of Change. The increase reflects an inflationary adjustment that results in an increase of \$318,000 (\$28,951,000 available in FY 2011).

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

Explanation of Change. An increase of \$336,000 adjusts for inflation. 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 (\$20,375,000 available in FY 2011).

Payment Accuracy and Cooperative Services:

Explanation of Change. The increase reflects an inflationary adjustment that results in an increase of \$62,000 (\$8,163,000 available in FY 2011).

Retailer Integrity and Trafficking:

Explanation of Change. The increase reflects an inflationary adjustment that results in an increase of \$23,000 (\$8,128,000 available in FY 2011).

Electronic Benefit Transfer Systems:

Explanation of Change. The increase provides \$4,054,000 to expand the availability of point of sale terminals in Farmers' Markets that are not currently participating in SNAP to assist in the redemption of SNAP benefits, and also reflects an inflationary adjustment (\$5,587,000 available in FY 2011).

Nutrition Education and Program Information:

Explanation of Change. An increase of \$1,861,000 to support increased collaboration with State partners and other program stakeholders to improve the quality and efficacy of nutrition education and to improve program outreach to underserved populations. Also reflects inflationary adjustment (\$10,026,000 available in FY 2011).

Web-Based Automation of Systems:

Explanation of Change. The increase of \$7,500,000 to support the automation and digitization of State and Federal SNAP Quality Control process (\$0 available in FY 2011). Full modernization will reduce burdens on State partners and improve the efficiency and accuracy of the quality control process.

Increase Senior Participation:

Explanation of Change. The decrease of \$10,576,000 zeroes out funding provided in FY 2010 to test the effectiveness of using “leads data” from the SSA to increase participation in SNAP among elderly Medicare Low-Income Subsidy beneficiaries (LIS; also called “Extra help”).

Discretionary:

The increase consists of the following:

Application Timeliness:

Explanation of Change. The increase provides \$9,000,000 for FNS to work with States to improve business processes and the timeliness of processing applications. Vehicles for this work will include, but not be limited to, direct Federal assistance, Federal contractor technical assistance, and grants to States (\$0 available in FY 2011).

- (6) An increase of \$6,978,000 for Nutrition Assistance for Puerto Rico (\$1,744,605,000 available in FY 2011).

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.

- (7) An increase of \$28,000 for American Samoa (\$7,006,000 available in FY 2011).

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.

- (8) An increase of \$5,788,000 for Food Distribution Program for Indian Reservations (FDPIR) (\$96,958,000 available in FY 2011).

Explanation of Change. The increase consists of the following:

- An increase of \$5,120,000 in funding for procurement of commodities resulting from a lower FY 2012 beginning commodity inventory level when compared to 2011 and an increase in the cost of commodities in FY 2012 (\$59,818,000 available for procurement of USDA foods in FY 2011); and
- An increase of \$668,000 for inflation in administrative expenses for ITOs (\$37,140,000 available for distributing agency expenses in FY 2011).

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS

Program Performance Data	2010 Actual	2011 Estimate	Difference	2012 Estimate
Resources (\$000):				
Appropriation	\$112,797	\$96,958	\$5,788	\$102,746
Beginning Inventory (Federal and Local)	29,590	26,100	-2,300	23,800
Total Resources	142,387	123,058	3,488	126,546
Program Demand:				
Average Monthly Participation	84,609	87,147	1,743	88,890
Average Monthly Food Packages:				
FNS Purchased	\$57.25	\$58.02	\$1.43	\$59.45
Free Substitute	0.31	0.18	0.00	0.18
Total Monthly Food Package	57.56	58.20	1.43	59.63
Demand: (\$000)				
FDPIR USDA Food Costs	58,126	60,675	2,739	63,414
USDA Foods Purchases Admin.	1,427	1,443	20	1,463
Special Purchase of Bison	3,674	0	0	0
Demand, USDA Foods	63,227	62,118	2,759	64,877
State Administration	36,919	37,140	668	37,808
Total Demand	100,146	99,258	3,427	102,685
Use of Resources:				
Program Demand	100,146	99,258	3,427	102,685
Inventory Change	-3,490	-2,300	2,361	61
Remaining Available for Upward Adjustments	16,141	0	0	0
Total Funds Available	112,797	96,958	5,788	102,746
Balance End of Year:				
Ending Inventory	26,100	23,800	61	23,861
Commodity Obligations	78,866	59,818	5,120	64,938

Note: Inventory costs include additional storage and transportation costs for USDA foods moving from Federal inventories.

- (9) An increase of \$1,250,000 for Emergency Food Assistance Program (TEFAP) commodities (\$247,500,000 available in FY 2011).

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.

FOOD AND NUTRITION SERVICE

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

Item of Change	Fiscal Year 2012		
	Current Law	Program Change	Budget Request
Benefits	\$61,816,683,000	0	\$61,816,683,000
FY 2012 Extend ARRA ABAWD Provision	0	\$92,000,000	92,000,000
Contingency Reserve	5,000,000,000	0	5,000,000,000
Administrative Costs:			
State Administrative Costs	3,332,000,000	0	3,332,000,000
Nutrition Education Grant Program	381,000,000	0	381,000,000
Employment and Training	396,006,000	0	396,006,000
Mandatory Other Program Costs	114,358,000	0	114,358,000
Discretionary Other Program Costs	11,500,000	0	11,500,000
Subtotal, Administrative Costs	4,234,864,000	0	4,234,864,000
Nutrition Assistance for Puerto Rico	1,751,583,000	0	1,751,583,000
Food Distribution Program on Indian Reservations	102,746,000	0	102,746,000
TEFAP Commodities	248,750,000	0	248,750,000
American Samoa	7,034,000	0	7,034,000
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	73,183,808,000	92,000,000	73,275,808,000

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

- An increase of \$92 million in FY 2012 and \$49 million in 2013 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 expired at the end of Fiscal Year 2010. For more information, please refer to page 30-52.
- An increase of \$3.3 billion to extend the increase in ARRA benefits an additional 5 months to March 31, 2014. These costs are incurred in 2014 so no effect is shown on the 2012 table above.

**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 expired 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 2010	FY 2011	FY 2012
Mandatory Budget Authority	\$0	\$0	\$92.0

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2012
PROPOSED LEGISLATION**

- Program:** Supplemental Nutrition Assistance Program (SNAP)
- Proposal:** Restore the Recovery Act benefit cuts from Child Nutrition reauthorization.
- Rationale:** This proposal would restore SNAP benefit cuts included in The Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296), which accelerated the sunset date of SNAP Recovery Act benefits to October 31, 2013. This proposal would revert the sunset date back to March 31, 2014 – the date these benefits would have expired prior to enactment of The Healthy, Hunger-Free Kids Act of 2010.
- Goal:** USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals.

Budget Impact:
(\$ in millions)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Mandatory Budget Authority			\$3,294		
Mandatory Outlays			\$3,239	\$55	

Food and Nutrition Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
2010 and Estimated 2011 and 2012

Supplemental Nutrition Assistance Program--Federal Salaries & Expenses						
	FY 2010 Amount	Staff Years	FY 2011 Amount	Staff Years	FY 2012 Amount	Staff Years
Alabama	\$0	0	\$0	0	\$0	0
Alaska	0	0	0	0	0	0
Arizona	1,074	0	1,074	0	1,074	0
Arkansas	2,373	0	2,373	0	2,373	0
California	575,853	7	575,853	7	575,853	7
Colorado	1,462,500	13	1,462,500	13	1,462,500	13
Connecticut	539	0	539	0	539	0
Delaware	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	0
Florida	0	3	0	3	0	3
Georgia	1,031,178	5	1,031,178	5	1,031,178	5
Hawaii	150,129	1	150,129	1	150,129	1
Idaho	0	0	0	0	0	0
Illinois	2,700,330	8	2,700,330	8	2,700,330	8
Indiana	112,500	1	112,500	1	112,500	1
Iowa	225,000	2	225,000	2	225,000	2
Kansas	112,500	1	112,500	1	112,500	1
Kentucky	0	0	0	0	0	0
Louisiana	606,366	1	606,366	1	606,366	1
Maine	781,655	1	781,655	1	781,655	1
Maryland	1,222,851	2	1,222,851	2	1,222,851	2
Massachusetts	749,051	5	749,051	5	749,051	5
Michigan	0	0	0	0	0	0
Minnesota	1,152,775	1	1,152,775	1	1,152,775	1
Mississippi	0	0	0	0	0	0
Missouri	1,079,659	1	1,079,659	1	1,079,659	1
Montana	0	0	0	0	0	0
Nebraska	112,500	1	112,500	1	112,500	1
Nevada	0	0	0	0	0	0
New Hampshire	39,638	0	39,638	0	39,638	0
New Jersey	657,703	6	657,703	6	657,703	6
New Mexico	0	0	0	0	0	0
New York	168,531	1	168,531	1	168,531	1
North Carolina	2,305,550	2	2,305,550	2	2,305,550	2
North Dakota	0	0	0	0	0	0
Ohio	1,152,775	1	1,152,775	1	1,152,775	1
Oklahoma	834	0	834	0	834	0
Oregon	73,723	1	73,723	1	73,723	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	112,500	1	112,500	1	112,500	1
Tennessee	2,305,550	2	2,305,550	2	2,305,550	2
Texas	1,093,298	7	1,093,298	7	1,093,298	7
Utah	0	0	0	0	0	0
Vermont	0	0	0	0	0	0
Virginia	66,899,367	36	67,570,034	40	67,570,034	40
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	670,667	0	0	0	0	0
TOTAL	\$87,558,969	112	\$87,558,969	116	\$87,558,969	116

FOOD AND NUTRITION SERVICE
Supplemental Nutrition Assistance Program

Classification by Objects
2010 Actual and Estimated 2011 and 2012
(in thousands of dollars)

	Personnel Compensation:	2010	2011	2012
	Washington D.C.	\$4,834	\$4,984	\$5,093
	Field	5,674	5,850	5,979
11	Total personnel compensation	10,508	10,834	11,072
12	Personnel benefits	2,422	2,497	2,552
13	Benefits for former personnel	0	0	0
	Total personnel compensation and benefits	12,930	13,331	13,624
	Other Objects:			
21	Travel and transportation of persons	2,368	2,401	2,435
22	Transportation of things	106	107	108
23.1	Rental payments to GSA			
23.2	Rental payments to others			
23.3	Communications, utilities, and misc. charges	3,637	3,688	3,740
24	Printing and reproduction	639	648	657
25	Other Services	65,540	66,457	67,387
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	323,860	307,318	313,688
31	Equipment	125	126	128
32	Land and structures			
41	Grants, subsidies and contributions	70,582,256	77,812,226	79,752,132
42	Insurance claims and indemnities			
43	Interest and dividends	1		
45	Special Payments			
92	Undistributed			
	Total other objects	70,978,530	78,192,971	80,140,275
	Total direct obligations	70,991,460	78,206,302	80,153,899

FOOD AND NUTRITION SERVICE

Supplemental Nutrition Assistance Program

SUMMARY OF RECOVERY ACT FUNDING

Item of Change	2009	2010	2011	Increase or Decrease	2012
SNAP Benefits	\$4,803,560,000	\$10,376,281,196	\$10,486,716,000	\$1,173,390,000	\$11,660,106,000
SNAP Administrative Costs	145,000,000	150,000,000	0	0	0
Puerto Rico NAP	240,133,000	254,217,000	255,963,000	-6,978,000	248,985,000
FDPIR Equipment Grants	5,000,000	0	0	0	0
American Samoa Benefits	964,000	1,021,000	1,028,000	-28,000	1,000,000
Total Appropriation	5,194,657,000	10,781,519,196	10,743,707,000	1,166,384,000	11,910,091,000

PROJECT STATEMENT

(On basis of available funds)

	2009 Actual	Staff Years	2010 Actual	Staff Years	2011 Estimated	Staff Years	Increase or Decrease	2012 Estimated	Staff Years
Snap Benefits	\$4,333,248,756		\$10,613,853,115		\$10,486,716,000		\$1,173,390,000	\$11,660,106,000	
Snap Administrative Costs	144,997,380		149,999,607		0		0	0	
Puerto Rico NAP	240,133,000		254,217,000		255,963,000		-6,978,000	248,985,000	
FDPIR Equipment Grants	3,712,435		1,366,717		0		0	0	
American Samoa Benefits	964,000		1,021,000		1,028,000		-28,000	1,000,000	
Total Obligation	4,723,055,571	0	11,020,457,439	0	10,743,707,000	0	1,166,384,000	11,910,091,000	0
Recoveries	0		-1,636,503		0		0	0	
Unobligated Balance Start of Year	0		-471,601,429		0		0	0	
Unobligated Balance End of Year	471,601,429		0		0		0	0	
Balance Lapsing	0		234,299,689		0		0	0	
Total Adjusted Appropriation	5,194,657,000	0	10,781,519,196	0	10,743,707,000	0	1,166,384,000	11,910,091,000	0
Total Available or Estimated	5,194,657,000	0	10,781,519,196	0	10,743,707,000	0	1,166,384,000	11,910,091,000	0

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 \$9 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 worked 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 is monitoring and overseeing 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 are reporting on how they are spending ARRA SNAP SAE dollars using a separate form that mirrors the current data requirements but allows for tracking of the recovery dollars specifically.
- Food Distribution Program for Indian Reservations (FDPIR)
 - FDPIR experienced increased participation in FYs 2008 and 2009, and these funds were reinvested in the facilities and equipment needed to operate FDPIR. In many cases, due to recent economic conditions, ITOs and State Agencies (SAs) often lacked 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 were allocated to ITOs and SAs that administer FDPIR to ensure that the highest-priority needs were 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 received an increase of \$80 per month. Time limits were lifted for able bodied adults without dependents, unless the State agency opted to offer a qualifying work opportunity.
 - October 2010 – Distributed FY 2010 SAE funding to States. Time limits for able bodied adults without dependents were reinstated. The clock restarts for all affected households.
- FDPIR:
 - Most FDPIR funds were made available to ITOs and SAs in FY 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 required a longer obligation timeframe, stretching into FY 2010.

Performance Measures:

- SNAP
 - Every \$5 in new SNAP benefits generates \$9 in total economic activity. Using FNS estimates of new benefits issued, the total stimulative effect of new benefits is calculated.

	<u>Target</u>		
	<u>2010</u>	<u>2011</u>	<u>2012</u>
Increase in SNAP Benefits	\$10.6 billion	\$10.5 billion	\$11.7 billion
Total Stimulative Effect	\$19.1 billion	\$18.9 billion	\$21.1 billion

- **FDPIR:**
 - FDPIR programs that receive ARRA funds were 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 and FY 2010 Accomplishments:

The ARRA funds provided by SNAP increased SNAP participants' household income during the rescission to help boost the economy. During FY 2009, FNS quickly obligated \$4.7 billion, 91 percent, of the \$5.2 billion appropriated. During FY 2010, FNS obligated \$11.0 billion appropriated by ARRA. 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 and 2010.

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 purchase and 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 2010:

States Changing/Planning to Change to SNAP	29
States Changing to Alternate Name	8
States Still Using FSP	3
States Keeping Current Alternate Name	9
Undecided States	4
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

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 up to \$9 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.

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. Time limits for ABAWDs were reinstated on October 1, 2010. The clock restarts for all affected households.

Implementation of SNAP Provisions of the 2008 Farm Bill

The 2008 Farm Bill amended and renamed the Food Stamp Act of 1977 as the Food and Nutrition Act of 2008. 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 2010, 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 2010 averaged 40.3 million persons, representing a 20 percent increase from FY 2009. 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 2004 through 2010:

SNAP	2004	2005	2006	2007	2008	2009	2010
Avg. Participation (Millions)	23.85	25.67	26.67	26.47	28.41	33.49	40.30
Benefit Costs (Billions)	\$24.6	\$28.6	\$30.2	\$30.4	\$34.6	\$50.4	\$64.7
Average/Person/Month	\$86.03	\$92.72	\$94.32	\$95.64	\$101.52	\$125.31	\$133.79
% Of Population Participating	8.1	8.7	8.9	8.8	9.4	11.1	13.0
Persons Unemployed (Millions)	8.1	7.7	7.2	6.9	8.8	13.0	15.0

Note: 2009 and 2010 include ARRA

Participation Rates among Eligible People – The most recent figures on the rate of participation show that in 2008, 67 percent of all those who were eligible for SNAP participated in the program. In the same year, participants received over 84 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 2009, indicates that:

- 56 percent of all participants were children (under 18 years of age) or elderly (age 60 or older);
- The gross income of 86 percent of households was below the Federal poverty level;
- 42 percent of households were at or below 50 percent of poverty;
- 18 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	2003	2004	2005	2006	2007	2008	2009
Individuals:							
Average Number (in Millions)	20.9	23.5	24.9	25.6	25.9	27.8	33.5
% Children	50.8	50.2	50.0	49.2	49.1	48.6	47.5
% Elderly	8.5	8.2	8.2	8.7	8.7	9.1	8.3
% Female	58.9	58.8	59.1	58.7	58.6	58.5	57.3
% Registered for Work	9	9	9	10	11	11	13
Average Household Size	2.3	2.3	2.3	2.3	2.2	2.2	2.2
Households:							
Average Number (in Millions)	9.0	10.1	10.9	11.3	11.6	12.5	15.0
% Receiving Maximum Benefit	26	31	31	31	32	33	37
% Certified 12 Months or More	53	53	55	58	58	58	57
% With Earned Income	28	29	29	30	30	29	29
% With AFDC/TANF	17	16	15	13	12	11	10
Average Gross Monthly Income	\$640	\$643	\$648	\$673	\$691	\$701	\$711
Average Net Monthly Income	\$348	\$321	\$319	\$328	\$330	\$335	\$329
% With Zero Gross Income	12	13	14	14	14	16	18
% With Zero Net Income	26	29	30	31	31	33	36
% With Gross Monthly Incomes Less than \$400	29	30	30	29	28	29	31
% With No Countable Assets	70	69	70	70	70	73	78
% With Countable Assets of \$1 to \$500	21	22	22	21	21	20	16
Average Countable Assets	\$154	\$143	\$137	\$137	\$144	\$126	\$101
Average Countable Assets in Households with Elderly Members	\$347	\$293	\$279	\$258	\$302	\$238	\$210
% Below Poverty Level	88	88	89	87	87	87	86
% Below 50% Poverty Level	38	40	40	39	39	41	42
Average Shelter Deduction	\$146	\$178	\$186	\$203	\$303	\$319	\$343
Average Shelter Expense	\$366	\$405	\$416	\$458	\$490	\$507	\$544
% at Shelter Cap	10	13	14	15	16	16	18

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

General Activities

Regulations Issued in FY 2010

During FY 2010, two SNAP rulemaking actions were published in the Federal Register:

- *SNAP: Quality Control Provisions of Title IV of Public Law 107-171*: This final rule, published June 11, 2010, finalized provisions of an interim rule entitled “Non-Discretionary Quality Control Provisions of Title IV of Public Law 107-171” published on October 16, 2003, and a proposed rule entitled “Discretionary Quality Control Provisions of Title IV of Public Law 107-171” published on September 23, 2005. This rule finalized the quality control (QC) liability procedures; procedures for

resolving QC liabilities following appeal; deadlines for completing individual case reviews, the QC review process, and announcement of error rate; eliminated enhanced administrative funding for low error rates; revised the negative case review procedures; revised procedures for households that break up while subject to the penalty for refusal to cooperate with a QC review; and made additional policy changes and technical corrections.

- *SNAP Issuance Restructuring Rule*: Updated Part 274 of the Code of Federal regulations regarding issuance to reflect the end of food stamp coupons.

Grants to Improve Program Access and Eligibility Determination

On September 14, 2010, FNS announced the awardees of the FY 2010 SNAP participation grants. These grants are targeted to State agencies, public health or educational entities, or private nonprofit entities and are for projects that simplify SNAP application and eligibility systems and improve access to program benefits for low-income households. This year's grants focused on supporting partnerships between SNAP and private non-profit organizations and on applying process improvement processes to States' operational systems. For FY 2010, FNS awarded eight grants.

- **Nebraska Health and Human Services, Division of Children and Family Services (DHHS)**, in partnership with the Food Bank of Lincoln and the Food Bank of the Heartland received \$824,611 to expand its document imaging system to allow applicants to electronically submit verification documents from any Internet capable location. In addition, DHHS will provide mobile computer sites with support staff at food pantries across the state. Process Improvement Procedures (PIP) already developed will remain in place and continue to be applied to this project.
- **South Carolina Office of Rural Health (SCORH)**, an affiliate of the Benefit Bank, in partnership with the South Carolina Department of Social Services (SCDSS) received \$613,153 to implement a project to allow electronic submission of SNAP applications. The project involves three components: 1) building an electronic eGateway "bridge" between The Benefit Bank of South Carolina and the State's eligibility system; 2) streaming online application data to the Client History and Information Profile (CHIP mainframe computer) and 3) piloting a client-friendly kiosk in Charleston County's SCDSS office to evaluate the client's ability to complete independently an online SNAP application.
- **Oregon Department of Human Services (DHS)**, in partnership with SNAP Steering and Planning Committees received \$638,527 to expand capacity to use scanning and imaging technology in self-sufficiency centers throughout the State. This proposal builds upon existing modernization initiatives to move away from use of paper applications and paper-dependent processes.
- **California Statewide Automated Welfare System (SAWS) Consortium IV (CIV)** and the 39 member counties received \$607,075 to enhance the functionality of the C4Yourself and C-IV Systems to increase and sustain SNAP participation. Enhancements to C4 Yourself will include: evaluating customers who apply for CalWORKS (TANF) and Medi-Cal (Medicaid) for SNAP eligibility; adding "No Wrong Door" to allow customers to apply for SNAP regardless of their county of residence; adding links to application forms in other languages; adding new "Community Partner Registration" section for partnering organizations; adding "Report My Changes" section and adding "Submit My Documents" section to upload electronic copies of required documents.
- **Texas Health and Human Resources Commission** received \$301,811 to use the Customer Flow Management Tool System to improve certification and recertification processes in eligibility offices. The system will be piloted in three offices (Eberhart, Rutherford and Round Rock) that use the Texas Integrated Eligibility Redesign System.
- **Oklahoma Department of Human Services** received \$991,373 to train key staff in a process improvement procedure; expand use of the electronic case files through de-centralized imaging in

various locations such as interview rooms, reception desks, hospitals, schools and other field locations; and provide greater access to The Work Number, which allows workers to access proof of employment.

- **End Hunger Connecticut!**, a non-profit anti-hunger organization, in partnership with the Connecticut Department of Social Services (DSS), received \$91,279 to expand use of e-Fax (technology that provides for the transmission of data in hard copy or e-mail over telephone lines) to all DSS offices and to some other smaller organizations.
- **Virgin Islands Department of Human Services** received \$932,171 to develop an online application system that will simplify the SNAP application process and allow for assistance from a web-based portal anywhere; including a partnering agency that provides needs based services to the poor.

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 2009 were awarded in June and September 2010. The following States received awards:

BEST PAYMENT ACCURACY		
State	Payment Error Rate (PER)	Bonus Amount
Florida	0.7	\$7,754,744
South Dakota	0.94	\$336,136
Wisconsin	1.11	\$1,894,828
Delaware	1.15	\$407,494
Nebraska	1.54	\$538,955
Washington	1.81	\$2,969,984
Georgia	2.10	\$4,187,866
Ohio	2.3	\$4,875,956
National Average	4.36	

MOST IMPROVED PAYMENT ACCURACY				
State	FY 2008 PER	FY 2009 PER	Change	Bonus Amount
Wisconsin	7.38	1.11	-6.27	See best above
Maine	8.36	2.51	-5.85	\$860,779
Guam	9.36	4.24	-5.12	\$173,258
Total				\$24,000,000

BEST NEGATIVE ERROR RATE		
State	Rate	Bonus Amount
Nebraska	0.00	\$312,031
South Dakota	0.7	\$214,062
New Hampshire	1.5	\$241,959
Maine	2.1	\$467,482
National Average	9.41	

MOST IMPROVED NEGATIVE ERROR RATE				
State	FY 2008	FY2009	Change	Bonus Amount
Florida	17.98	5.70	-12.28	\$3,797,503
Wisconsin	12.85	4.56	-8.29	\$966,963
Total				\$6,000,000

BEST PROGRAM ACCESS INDEX		
State	Rate	Bonus Amount
Maine	96.32	\$875,722
Oregon	87.34	\$2,458,679
District of Columbia	86.96	\$540,954
Vermont	86.05	\$375,889
Tennessee	82.02	\$3,925,070
Alaska	80.90	\$295,630

MOST IMPROVED PROGRAM ACCESS INDEX				
State	FY 2008	FY2009	Change	Bonus Amount
Vermont	67.93	86.05	18.12	See best above
Washington	62.75	78.20	15.44	\$3,026,355
Oregon	73.48	87.34	13.86	See best above
Rhode Island	58.60	71.73	13.13	\$501,701
Total				\$12,000,000

BEST APPLICATION PROCESSING TIMELINESS RATE		
State	Rate	Bonus Amount
District of Columbia	97.14	\$358,809
West Virginia	96.27	\$731,426
Kentucky	96.14	\$1,544,614
Massachusetts	96.11	\$1,636,834
South Dakota	96	\$241,318
Louisiana	95.9	\$1,486,999
Total		\$6,000,000

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. Almost \$90 million in delinquent debt were collected through TOP in calendar year 2010. Approximately \$1.3 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 2010, FNS continued to monitor the Indiana Eligibility Modernization Project. The project, which processes 42 percent of the State caseload, 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 December 14, 2009, Indiana terminated its contract with IBM due to poor delivery of services, including application timeliness and customer service. Indiana took over management of subcontractors.

In January, 2010, Indiana began implementing 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. FNS intends to issue an updated version of the report in early 2011.

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 nutrition 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.

The 2002 Farm Bill significantly expanded the array of State policy options, and 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. In 2010, USDA targeted advertising in four States (California, Florida, Texas and Colorado) with low SNAP participation. The advertising aired over a four month period in California, Florida and Texas, and for two months in Colorado. Advertising aired in 19 media markets. The locations featured both English and Spanish language spots. In some cases, bonus and donated time extended play longer and increased the value of the paid advertising campaign significantly. California, Florida and Texas used their own State phone numbers. Colorado used the national toll free number. While the ads aired, there was a significant increase in calls and packets. Specifically, there was a 306 percent increase in requests for information packets (compared to the same period in 2003 when no advertising occurred) with a 270 percent increase in English-language requests and a 691 percent increase in Spanish-language requests.
- *Toolkits:* In FY 2010, six new chapters were developed for the outreach toolkits. The new chapters provide guidance on evaluation of projects, utilizing trusted community messengers in outreach efforts, introduction to social media, outreach to senior populations, a guide on how to develop local SNAP

materials and a Spanish-language glossary. 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 2010, 61,722 packets of information in English and Spanish were distributed to toll-free number callers.
- *SNAP Outreach Grants:* In FY 2009, community and faith-based organizations were awarded 14 grants 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. In FY 2010 those organizations continued to implement their projects.
- *Pre-screening Tool:* The English and Spanish versions of the online pre-screening tool were maintained in FY 2010. 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 (e.g., brochures, posters and flyers) free 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 2010, an average of 561,000 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 affected by the current economy. Several updated and new publications will arrive in early 2011, including the How to Get Food Help Guide to FNS Programs, SNAP Myths, SNAP Guide for Seniors in large print, and many more. These new publications will be available free for download and via the online order form.
- *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 community leaders, community action agencies, hunger advocacy organizations, faith-based groups, food banks, university extension programs, and other groups interested in giving potentially eligible non-participants the tools to make an informed decision about applying for nutrition assistance. In FY 2010, membership in the Outreach Coalition grew due to interest in eliminating hunger within the nation’s communities. The Coalition participated in webinars on increasing participation in the Summer Food Service Program and SNAP Outreach in Your Community. In addition, the Hunger Champion Award and Golden Grocer Award programs honored local offices and retailers who provided exemplary outreach in their communities.
- *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 2010, 38 States had approved outreach plans and an additional eight 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 2010, approved Federal funds totaled over \$380 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. It was developed in collaboration with key State, local, and academic partners over four years and approved by OMB in FY 2007. EARS is the national reporting system for SNAP-Ed that describes what kinds of educational services are provided and how the resources are allocated. EARS was implemented over a 3year period, beginning in FY 2008 requiring States to report financial data only. EARS was fully implemented as of December 31, 2010, by all State agencies, so all parts of the EARS reporting form must be completed and submitted each year.

EARS is not an evaluation tool but will provide FNS with national data that will inform management decisions, support policy initiatives, provide documentation for legislative, budget and other requests, and support planning within the agency. Over time, the EARS data will provide a picture of SNAP-Ed trends.

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 600 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 were 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 Wave I.

Wave I is preparing to close its impact data collection efforts, meeting or exceeding the response rates necessary to evaluate results at rigorous levels of statistical significance. Process data collections - the interview of nutrition educators, administrators and SNAP clients to qualitatively examine the efficacy and logistics of the interventions – continue at all four demonstration projects.

Three additional demonstrations were selected in FY 2010 for Wave II. These are a year-long intervention for Appalachian elementary school students (University of Kentucky), an evaluation of FNS's *Eat Smart, Live Strong* curriculum for older Americans (Michigan State University), and a social marketing campaign led by the Iowa Nutrition Network. Wave II is currently in its formative stages. Appropriate survey instruments, sampling and study plans are currently being developed in cooperation with the Wave II demonstration projects.

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, 18 States are operating CAP demonstrations: Arizona, Florida, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, New Jersey, New Mexico, New York, North Carolina, Pennsylvania, South Carolina, South Dakota, Texas, Virginia and Washington. One State, Wisconsin, has an approved plan but has not yet implemented it. Another State, West Virginia, has submitted a proposal that is under review by FNS.

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 2009 Certification Payment Error Rates

The FY 2009 national average certification payment error rate, announced in June 2010, was 4.36 percent; 47 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 2009 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 24, 2010, FNS notified four 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
Texas	\$3,959,213
Indiana	1,210,511
Maryland	742,238
Iowa	205,730

In addition, four States (Arizona, Illinois, Michigan, and Missouri) exceeded the FY 2009 threshold for the first year. Potential liabilities will be established if any of these four States have a payment error rate in FY 2010 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 were expected to have tested their systems and to have found them capable of detecting multiple applications or duplicate participation by all household members. FNS received responses from all States on their ability to test all D-SNAP household applications for duplicate participation. While the vast majority have tested and confirmed that their systems can check all D-SNAP household members for duplicate participation, some State have still indicated problems. FNS will be working with these States.

FNS continues to work on a proposed D-SNAP regulation the agency expects to publish in FY 2011. 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 greater number of disasters in FY 2010 than in 2009, and several of the programs were large scale operations in urban areas. 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 2010:

Month	State	Disaster Type	Households	Benefits
May 2010	MS	Tornado	3,169	\$1,226,639
May 2010	MS	Floods	822	384,140
May 2010	TN	Floods	17,969	6,449,922
August 2010	KY	Floods	3,645	746,923
August 2010	IL	Floods	45,436	21,903,748
August 2010	IA	Floods	1,757	726,056
Total FY 2010			72,798	\$31,437,428

Court Suit Activity in SNAP

During FY 2010 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 and 2008 Farm Bills 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 29 percent of SNAP households had earned income in FY 2010.

States reported 6.7 million new work registrants in FY 2010, a 20 percent increase from FY 2009. Since an additional 4.8 million work registrants were already receiving SNAP benefits at the beginning of the fiscal year, a total of 11.4 million SNAP recipients were subject to E&T participation in FY 2010. States reported that 7.3 percent, or 829,655, of these work registrants, including 303,563 ABAWDs, actually participated in E&T components. States reported that 90,877 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 162,425 SNAP recipients participated in an E&T component each month.

In FY 2010, FNS allocated \$121.5 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 \$11.5 million in 100 percent Federal E&T funds carried over from FY 2009 to supplement some State grants. Obligations resulting from Federal funds allocated to States totaled \$95.8 million, which is \$16.3 million less than in FY 2009. Additionally, the Federal Government matched \$156.8 million in State funds spent to administer the E&T Program in FY 2010. The Federal Government also matched \$54.1 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:** 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. All coupon close-out activities are complete.
- **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 2010, which are available at <http://www.fns.usda.gov/ora>. These include:

- **Characteristics of Supplemental Nutrition Assistance Households: Fiscal Year 2009**, which describes the demographic and economic circumstances of SNAP households and participants;
- **Trends in Supplemental Nutrition Assistance Program Participation Rates: 2001-2008**, which estimates the percentage of eligible people who participate in the program, examining different sub-groups and comparing trends over time; and
- **Implementing Supplemental Nutrition Assistance Program in Puerto Rico: A Feasibility Study**, which was mandated by the Food, Conservation and Energy Act of 2008, and identifies the policy changes required for and estimated costs associated with returning Puerto Rico to SNAP.

Work on two congressionally mandated or authorized studies began in FY 2010:

- **Evaluation of the Healthy Incentives Pilot (HIP)** will test the impact of financial incentives at the point of sale on the consumption of fruits and vegetables. In FY2010 the HIP pilot site and evaluation contractor were competitively selected. HIP implementation will take place in late 2011 in Hampden County, Massachusetts.
- **Evaluation of Combined Application for SNAP and Medicare Part D Low-Income Subsidy**, which was authorized by the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010, will assess three approaches to increasing SNAP participation among the recipients of Medicare Part D. Three demonstration sites and an evaluation contractor were competitively selected.

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 1.3 million people were served monthly during FY 2010.
- In FY 2010, total benefit costs were \$1.928 billion, or about \$123.58 per person per month for nutrition assistance program recipients.
- Puerto Rico spent an estimated \$72 million of Federal funds on administrative activities in FY 2010, 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 FYs 2008 through 2010 are as follows:

NUTRITION ASSISTANCE FOR PUERTO RICO Summary of Funding

	2008 Actual (\$ 000)	2009 Actual (\$ 000)	2010 Estimated (\$ 000)
Benefit Costs	\$1,569,236	\$1,929,142	\$1,928,168
Administrative Costs	52,841	70,726	72,000
Nutrition Education Program	444	700	400
Total Federal Funds	1,622,521	2,000,568	2,000,568
State Administrative Costs	52,841	70,726	72,000
Total Program Costs	1,675,362	2,071,294	2,072,568

As noted above, in 2010 FNS completed a study mandated by the Food, Conservation and Energy Act of 2008 on the policy changes required for and estimated costs associated with returning Puerto Rico to SNAP. **Implementing Supplemental Nutrition Assistance Program in Puerto Rico: A Feasibility Study** suggests that SNAP would provide a significantly larger volume of benefits to Puerto Rico than the NAP, but at a greatly increased cost and with major changes to program rules.

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: 1.3 million persons, or 32.5 percent of Puerto Rico's total estimated population of 4 million people, participated in the program in FY 2010. Monthly participation for FYs 2008 through 2010 are as follows:

NUTRITION ASSISTANCE FOR PUERTO RICO

Summary of Participation

	2008 Actual	2009 Actual	2010 Estimated
Average Number of Persons (million)	1.11	1.19	1.3
Average Number of Households	515,001	561,711	610,000
Average Household Size (persons)	2.16	2.13	2.13
Average Benefit Per Household	\$248	\$246	\$263

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 2010, \$6.225 million in grant funds (\$1,021,000 ARRA) were authorized to be expended under American Samoa's block grant.

Facts in Brief

- A monthly average of 3,388 persons, or about 5.2 percent of American Samoa's total estimated population of 64,827, were served during FY 2010.
- In FY 2010, average monthly benefit costs were \$439,654, or \$129.77 per person.
- American Samoa spent \$1,116,769 for administrative activities for FY 2010. 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 2010, \$12.148 million in grant funds were provided to CNMI.

Facts in Brief

- A monthly average of 8,922 people, or 10.3 percent of CNMI's total estimated population of 86,616, were served during FY 2010.
- In FY 2010, average benefit costs were \$97.43 per person per month.
- The CNMI spent \$1,417,444 on administrative activities for FY 2010. 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 2010, five States and 100 ITOs administered 112 programs on 276 Indian reservations, pueblos, rancherias, and Alaska Native Villages. Nutrition assistance was provided to an average of 84,605 persons per month at a cost to FNS of \$47.45 per food package in FY 2010, with an average monthly per person administrative cost of \$34.81.

Recovery Act Funding

FDPIR received \$5 million in ARRA funding. These funds were 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 was awarded in FY 2010.

FDPIR PARTICIPATION AND COST

	2004	2005	2006	2007	2008	2009	2010
Average Participation (in Thousands)	104.3	99.0	89.9	86.6	90.1	95.4	84.6
Per Person Per Month Food Cost (Entitlement)	\$39.14	\$40.69	\$38.93	\$44.40	\$54.52	\$54.54	\$47.45
Total FNS Food Cost (\$ in Millions)	\$48.99	\$48.35	\$41.32	\$46.94	\$55.32	\$62.90	\$48.17

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.

FNS had sufficient funds within the FDPIR FY 2010 appropriation for a limited bison purchase from a Native American producer that will allow all FDPIR participants to obtain one pound of bison per month for about six months. Deliveries are expected to begin as early as February 2011. Future purchases will depend on funds availability.

Improved Access to Fresh Fruits and Vegetables and Expanded Offerings

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 2010, 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.

The variety of fresh produce items offered in FDPIR increased significantly from 23 items in FY 2009 to 36 items in FY 2010. New items offered include avocados, seedless grapes, cherries, kiwi, honey dew melon, nectarines and plums. Many items are only available on a seasonal basis.

Program Expansion

In FY 2010, a new ITO comprised of the Alabama and Coushatta Tribes of Texas was approved to administer FDPIR. The ITO is located in the Polk County area of Texas and is distributing USDA Foods to approximately 200 clients per month.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
SUMMARY OF BENEFIT COSTS, PARTICIPATION AND STATE ADMINISTRATIVE FUNDING
FISCAL YEAR 2010

STATE OR TERRITORY	AVERAGE PARTICIPATION IN THOUSANDS		TOTAL VALUE OF BENEFITS ISSUED (\$000)	AVERAGE MONTHLY BENEFIT PER PERSON	STATE ADMINISTRATIVE FUNDING (\$000)
	PERSONS	HOUSEHOLDS			
Alabama-----	805	345	\$1,226,019	\$126.90	\$41,166
Alaska-----	76	30	159,414	173.78	12,101
Arizona-----	1,018	439	1,587,702	129.95	26,636
Arkansas-----	467	198	686,401	122.59	33,614
California-----	3,239	1,391	5,694,127	146.52	590,983
Colorado-----	405	176	687,709	141.62	35,300
Connecticut-----	336	180	569,684	141.26	33,272
Delaware-----	113	51	171,155	126.77	13,785
District of Columbia-----	118	66	195,893	137.77	12,704
Florida-----	2,603	1,371	4,416,943	141.40	91,236
Georgia-----	1,591	682	2,565,170	134.35	73,726
Hawaii-----	138	69	358,145	216.01	12,757
Idaho-----	194	78	299,552	128.65	7,942
Illinois-----	1,646	775	2,784,474	141.00	122,420
Indiana-----	813	348	1,291,225	132.29	47,373
Iowa-----	340	157	526,119	128.84	22,595
Kansas-----	270	123	402,630	124.40	21,533
Kentucky-----	778	353	1,186,291	127.05	47,676
Louisiana-----	826	353	1,285,916	129.75	61,471
Maine-----	230	114	356,097	129.17	12,380
Maryland-----	561	266	877,976	130.45	47,989
Massachusetts-----	749	407	1,165,908	129.70	47,993
Michigan-----	1,776	866	2,808,763	131.77	143,503
Minnesota-----	430	210	623,637	120.77	60,627
Mississippi-----	576	248	846,543	122.54	31,179
Missouri-----	901	409	1,361,301	125.86	53,537
Montana-----	114	51	176,507	129.51	11,633
Nebraska-----	163	71	237,577	121.60	13,960
Nevada-----	278	129	414,596	124.23	19,263
New Hampshire-----	104	50	151,814	121.21	8,123
New Jersey-----	622	304	1,030,293	138.03	114,653
New Mexico-----	357	151	541,806	126.54	26,408
New York-----	2,758	1,463	4,984,900	150.63	349,059
North Carolina-----	1,346	611	2,072,127	128.24	79,517
North Dakota-----	60	27	95,015	132.21	7,465
Ohio-----	1,607	751	2,733,690	141.72	99,846
Oklahoma-----	582	251	899,656	128.71	52,655
Oregon-----	705	374	1,067,273	126.19	69,957
Pennsylvania-----	1,575	740	2,332,575	123.43	186,005
Rhode Island-----	139	73	237,618	142.49	8,428
South Carolina-----	797	360	1,256,298	131.34	21,597
South Dakota-----	95	40	153,075	133.80	8,019
Tennessee-----	1,224	574	1,966,108	133.86	49,876
Texas-----	3,552	1,407	5,447,397	127.82	240,950
Utah-----	247	99	366,903	123.58	26,848
Vermont-----	86	42	124,312	121.11	10,401
Virginia-----	786	365	1,213,496	128.63	94,582
Washington-----	956	475	1,386,586	120.87	66,876
West Virginia-----	341	155	486,940	118.94	17,379
Wisconsin-----	715	317	998,701	116.36	52,497
Wyoming-----	35	14	51,675	123.75	6,022
American Samoa 1/-----	0	0	4,795	0.00	0
CNMI 1/-----	0	0	9,852	0.00	0
Guam-----	37	12	96,773	218.39	1,605
Virgin Islands-----	20	8	42,942	176.04	5,044
Anticipated Adjustment-----	0	0	-60,042	0.00	134,530
TOTAL-----	40,302	18,618	\$64,656,054	\$133.79	\$3,488,697

NOTE: 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.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
FIRMS AUTHORIZED TO RECEIVE AND REDEEM SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS
Fiscal Year 2010

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	484	0	8	1	0	0	1	0	0	0	494
Alabama	4,035	0	27	1	2	29	1	0	0	0	4,095
Arkansas	2,077	0	16	0	19	0	2	24	0	0	2,138
Arizona	3,599	0	8	2	1	0	2	2	106	0	3,720
California	20,958	1	230	3	6	0	26	2	1,081	0	22,307
Colorado	2,213	2	7	0	10	0	1	5	0	0	2,238
Connecticut	2,087	0	18	1	1	0	0	0	0	0	2,107
District of Columbia	420	0	1	0	0	0	2	0	0	0	423
Delaware	673	0	3	0	2	0	3	0	0	0	681
Florida	12,834	0	66	0	7	32	5	6	9	0	12,959
Georgia	8,384	1	5	0	4	2	3	0	0	0	8,399
Guam	230	0	0	0	0	0	0	0	0	0	230
Hawaii	897	0	7	7	2	2	1	2	0	0	918
Iowa	2,415	0	12	0	33	0	0	12	0	0	2,472
Idaho	769	0	0	0	1	0	0	0	0	0	770
Illinois	8,254	0	22	0	53	31	7	17	1	86	8,471
Indiana	4,190	0	3	1	8	0	7	13	0	0	4,222
Kansas	1,514	0	14	0	15	4	1	10	0	0	1,558
Kentucky	4,127	0	25	0	3	3	1	0	0	0	4,159
Louisiana	4,220	0	5	0	2	2	8	0	0	0	4,237
Massachusetts	4,181	0	71	10	9	123	7	1	0	7	4,409
Maryland	3,123	0	16	1	5	23	8	2	0	0	3,178
Maine	1,439	0	11	0	10	1	1	1	0	2	1,465
Michigan	8,826	2	25	0	34	38	5	23	47	0	9,000
Minnesota	2,709	0	6	0	10	0	1	12	0	2	2,740
Missouri	4,058	0	13	0	1	1	10	5	0	0	4,088
Mississippi	2,860	1	0	0	2	0	0	2	0	0	2,865
Montana	651	0	2	0	16	9	2	1	0	3	684
North Carolina	6,711	1	6	0	24	0	1	9	0	0	6,752
North Dakota	444	0	3	0	20	3	0	7	0	1	478
Nebraska	907	0	10	0	0	0	2	0	0	0	919
New Hampshire	869	0	4	0	2	2	1	1	0	0	879
New Jersey	5,584	2	26	0	1	8	6	0	0	1	5,628
New Mexico	1,291	1	2	0	0	0	0	0	0	0	1,294
Nevada	1,407	1	7	1	0	1	4	0	0	0	1,421
New York	16,877	0	106	0	27	202	11	28	0	0	17,251
Ohio	7,926	0	37	0	8	1	2	5	1	0	7,980
Oklahoma	3,039	0	11	1	19	0	0	17	0	0	3,087
Oregon	2,963	0	29	0	11	28	8	5	1	1	3,046
Pennsylvania	9,410	1	14	0	15	14	25	23	0	0	9,502
Rhode Island	913	0	11	2	9	4	2	1	0	0	942
South Carolina	3,994	1	4	0	0	0	2	0	2	0	4,003
South Dakota	620	0	2	0	10	17	0	5	0	0	654
Tennessee	5,648	0	19	0	5	28	1	4	0	2	5,707
Texas	15,232	1	26	0	0	1	2	0	0	0	15,262
Utah	1,115	0	9	0	1	2	0	1	0	0	1,128
Virginia	5,179	1	14	0	2	4	1	0	0	0	5,201
Virgin Islands	95	2	1	0	0	0	1	0	0	0	99
Vermont	608	0	1	0	1	1	0	0	0	0	611
Washington	4,314	0	26	0	7	8	6	5	0	0	4,366
Wisconsin	3,100	0	8	1	19	1	5	5	0	0	3,139
West Virginia	2,090	3	0	0	8	0	0	2	0	0	2,103
Wyoming	250	0	6	0	2	0	0	1	0	0	259
Total	212,813	21	1,003	32	447	625	185	259	1,248	105	216,738

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS
PARTICIPATION AND FUNDING
FISCAL YEAR 2010

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION	FOOD COSTS <u>1/</u>	ADMINISTRATIVE FUNDING <u>2/</u>	ARRA EQUIPMENT	TOTAL FOOD AND ADMIN.
Alaska-----	128	\$69,079	\$474,106	0	\$543,185
Arizona-----	12,546	7,193,612	4,014,617	\$104,889	11,313,118
California-----	7,054	3,765,175	2,364,669	0	6,129,844
Colorado-----	578	291,379	318,166	0	609,545
Idaho-----	1,753	943,436	556,098	85,500	1,585,034
Kansas-----	397	229,032	200,771	3,970	433,773
Michigan-----	1,346	804,057	1,098,303	0	1,902,360
Minnesota-----	2,111	1,195,946	1,623,858	13,140	2,832,944
Mississippi-----	864	389,696	352,042	0	741,738
Montana-----	2,555	1,581,910	2,371,727	8,000	3,961,637
Nebraska-----	1,048	586,909	411,662	11,343	1,009,914
Nevada-----	1,422	712,119	543,531	0	1,255,650
New Mexico-----	2,948	1,604,273	1,513,177	18,998	3,136,448
New York-----	381	179,309	364,578	50,481	594,368
North Carolina-----	426	246,983	181,411	0	428,394
North Dakota-----	3,788	2,182,996	1,895,889	3,000	4,081,885
Oklahoma-----	28,350	16,451,271	8,672,676	480,716	25,604,663
Oregon-----	672	381,456	735,905	0	1,117,361
South Dakota-----	8,428	5,140,521	3,354,224	227,999	8,722,744
Texas <u>3/</u> -----	0	0	191,141	0	191,141
Utah-----	294	146,044	130,502	0	276,546
Washington-----	3,711	2,023,604	1,891,554	63,197	3,978,355
Wisconsin-----	3,276	1,729,526	1,815,603	220,852	3,765,981
Wyoming-----	532	325,984	265,371	62,110	653,465
AMS / FSA / PCIMS / Computer Support-----	0	797,954	0		797,954
Undistributed-----	0	26,893,726	1,548,413	12,522	28,454,661
TOTAL-----	84,605	\$75,865,999	\$36,889,994	\$1,366,717	\$114,122,710

SOURCE: FPRS FNS-152 data - Food distributed to participants in fiscal year 2010.

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.

3/ Texas did not serve participants in FY 2010.

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 2010

ENTITLEMENT COMMODITIES	Indian Reservations	
	Pounds	Dollars
SECTION 6/32 TYPE:		
APPLESAUCE, CANNED	409,950	\$181,365
APRICOTS, CANNED	182,250	110,336
BEANS, BLACK CANNED	142,292	61,660
BEANS, GREEN CANNED	936,120	487,899
BEANS, GRT NORTHERN DRIED	241,920	113,794
BEANS, KIDNEY CANNED	498,022	216,456
BEANS, LIMA DRIED	241,920	124,591
BEANS, PINTO CANNED	142,292	56,458
BEANS, PINTO DRIED	1,353,360	548,560
BEANS, REFRIED CANNED	697,680	325,928
BEANS, VEGETARIAN CANNED	416,640	177,607
BEEF STEW, CANNED	189,000	178,826
BEEF, CANNED	504,000	1,343,470
BEEF, GROUND FRZ	2,191,000	4,218,368
BEEF, ROUND ROAST FRZ	1,080,000	3,779,504
BISON, FRZ	640,000	3,673,600
CARROTS, CANNED	109,350	59,922
CHICKEN, CANNED	262,500	549,721
CHICKEN, CUT UP FRZ	787,500	773,467
CORN, CANNED	1,202,411	500,869
DPSC-FRESH PRODUCE		5,035,567
EGG MIX	432,000	1,251,474
HAM, FRZ	540,000	877,745
HOMINY, CANNED	862,920	407,087
JUICE, APPLE BOTTLED	2,094,090	572,512
JUICE, CRANAPPLE BOTTLED	1,141,440	413,526
JUICE, GRAPE BOTTLED	1,715,814	998,328
JUICE, GRAPEFRUIT BOTTLED	392,370	150,904
JUICE, ORANGE BOTTLED	3,316,962	1,376,818
JUICE, TOMATO BOTTLED	613,350	187,080
MIXED FRUIT, CANNED	731,700	414,110
PEACHES, CANNED	1,380,825	763,182
PEARS, CANNED	713,475	515,761
PEAS, CANNED	266,400	126,888
PLUMS, DRIED	108,000	124,999
POTATOES, CANNED	367,200	169,362
POTATOES, DEHY	540,000	728,444
PUMPKIN, CANNED	72,900	52,437
RAISINS	544,320	625,351
SOUP, TOMATO CANNED	372,488	258,340
SOUP, VEGETABLE CANNED	319,275	256,418
SPAGHETTI SAUCE, CANNED	583,200	240,656
SPINACH, CANNED	101,745	52,169
SWEET POTATOES, CANNED	68,850	37,450
TOMATO SAUCE, CANNED	413,100	153,065
TOMATOES, CANNED	422,820	190,732
TUNA, CANNED	162,000	364,716
VEGETABLES, MIXED CANNED	246,488	118,549
Total Section 6/32 Type	30,751,939	\$33,946,071

FOOD AND NUTRITION SERVICE**FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (Cont.)****Quantity and Value of Commodities****Fiscal Year 2010**

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
BUTTERY SPREAD, LIGHT TUB	466,704	\$448,620
CEREAL, CORN	81,648	134,450
CEREAL, CORN AND RICE	144,774	205,737
CEREAL, CORN FLAKES	139,132	153,035
CEREAL, OATS	88,032	143,387
CEREAL, RICE	144,225	188,871
CEREAL, WHT BRAN	192,097	252,349
CHEESE, BLEND SLICED	752,400	1,145,386
CHEESE, LOAVES	2,138,400	3,542,224
CORNMEAL	1,285,200	214,993
CRACKERS, UNSALTED	489,600	569,088
EGG NOODLES	818,400	432,321
FARINA	310,464	136,596
FLOUR MIX, LOWFAT	1,267,170	1,199,454
FLOUR, ALL PURPOSE	5,845,960	1,165,403
FLOUR, WHOLE WHEAT	385,560	69,842
MAC N CHEESE	480,762	364,570
MACARONI	662,400	237,856
MILK, EVAPORATED CANNED	2,937,600	1,672,267
MILK, UHT	4,679,398	1,683,412
OATS	1,179,360	882,053
OIL, VEGETABLE	1,097,712	628,642
PEANUT BUTTER	517,766	450,502
PEANUTS, ROASTED	414,720	613,514
RICE	519,600	164,101
ROTINI, WHOLE GRAIN	92,000	37,677
SPAGHETTI	1,056,960	324,209
Total Section 416 Type	28,188,044	\$17,060,559
DOD Regional Pilot		
AMS / FSA / PCIMS / Computer Support		\$797,954
Anticipated Adjustment		24,061,415
TOTAL COMMODITY ENTITLEMENT	58,939,983	\$75,865,999
BONUS COMMODITIES	Pounds	Dollars
SECTION 32 TYPE:		
NONE		
Total Section 32 Type	0	\$0
SECTION 416 TYPE:		
MILK, INSTANT NONFAT DRY	269,568	\$377,395
Total Section 416 Type	269,568	\$377,395
Anticipated Adjustment	0	0
TOTAL BONUS COMMODITIES	269,568	\$377,395
TOTAL -- ALL COMMODITIES	59,209,551	\$76,243,394
Anticipated Adjustment	0	0
GRAND TOTAL	59,209,551	\$76,243,394

Source: PCIMS -- Delivery order and contract information.

FOOD AND NUTRITION SERVICE

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, \$249,619,000, to remain available through September 30, 2013: *Provided*, 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 2012 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, 2013: *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.

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

COMMODITY ASSISTANCE PROGRAM (CAP) – CURRENT LAW

Annualized Continuing Resolution, 2011	\$247,979,000
Budget Estimate, 2012	<u>249,619,000</u>
Change in Appropriation	<u>+1,640,000</u>

Summary of Increases and Decreases
(On basis of appropriation)

Item of Change	2011 Estimated	Pay Costs	Program Changes	2012 Estimated
Commodity Supplemental Food Program	\$171,409,000	0	\$5,379,000	\$176,788,000
Farmers' Market Nutrition Program	20,000,000	0	0	20,000,000
Emergency Food Assistance Program <u>a/</u>	49,500,000	0	500,000	50,000,000
Nuclear Affected Islands	575,000	0	6,000	581,000
Disaster Assistance	495,000	0	5,000	500,000
TEFAP Infrastructure Grants	6,000,000	0	-6,000,000	0
IT Modernization and Support	0	0	1,750,000	1,750,000
Total CAP Appropriation	247,979,000	0	1,640,000	249,619,000

a/ The SNAP appropriation provides an estimated \$247,500,000 in FY 2011 and \$248,750,000 in FY 2012 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	2010 Actual	SY	2011 Estimated	SY	Increase or Decrease		2012 Estimated	SY
Commodity Supplemental Food Program	\$171,409,000		\$171,409,000		\$5,379,000	(1)	\$176,788,000	
Farmers' Market Programs								
Farmers' Market Nutrition Program	20,000,000		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	40,600,000		40,600,000		0		40,600,000	
Emergency Food Assistance Program								
Administrative Costs	49,500,000		49,500,000		500,000	(2)	50,000,000	
Other Programs								
Nutrition Services Incentive Program <u>b/</u>	2,722,303		2,268,000		-2,268,000		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	6,000,000		6,000,000		-6,000,000	(6)	0	
Total Adjusted Appropriation	271,301,303	2	270,847,000	2	-628,000		270,219,000	2
Transfers (SFMNP and NSIP)	-23,322,303		-22,868,000		2,268,000		-20,600,000	
Total Appropriation	247,979,000	2	247,979,000	2	1,640,000		249,619,000	2

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

b/ Administration of NSIP was reassigned 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 amount for FY 2012 cannot currently be determined and will be available in FY 2012.

PROJECT STATEMENT
(On basis of available funds)

Project	2010 Actual	SY	2011 Estimated	SY	Increase or Decrease	2012 Estimated	SY
1. Commodity Supplemental Food Program							
USDA Food Purchases	\$143,053,375		\$151,319,000		-\$16,580,000	\$134,739,000	
Administrative Costs	38,838,228		41,305,000		744,000	42,049,000	
Total CSFP Obligations	181,891,603		192,624,000		-15,836,000	176,788,000	
Recovery of Prior Year Obligations	-18,500,068		-13,190,000		13,190,000	0	
Unobligated Balances:							
Available Start of Year	-7,697		-8,025,000		8,025,000	0	
Available End of Year	8,025,000		0		0	0	
Balance Lapsing	162		0		0	0	
Total Appropriation, CSFP	171,409,000		171,409,000		5,379,000	176,788,000	
2. Farmers' Market Program's							
Seniors Farmers' Market Nutrition Program (transfer)	22,459,007		20,606,000		-6,000	20,600,000	
Farmers' Market Nutrition Program	22,089,142		20,003,000		-3,000	20,000,000	
Total FMP Obligations	44,548,149		40,609,000		-9,000	40,600,000	
Transfer from CCC	-20,600,000		-20,600,000		0	-20,600,000	
Recovery of Prior Year Obligations	-3,929,053		0		0	0	
Unobligated Balances:							
Available Start of Year	-98,566		-9,000		9,000	0	
Available End of Year	8,995		0		0	0	
Balance Lapsing	70,475		0		0	0	
Total Appropriation, FMP	20,000,000		20,000,000		0	20,000,000	
3. Emergency Food Assistance Program a/							
Administrative Costs	49,834,426		49,500,000		500,000	50,000,000	
SNAP/TEFAP Admin. (non add)	(17,206,000)		(24,750,000)		(125,000)	(24,875,000)	
SNAP/TEFAP USDA Foods (non add)	(230,794,000)		(222,750,000)		(1,125,000)	(223,875,000)	
Total TEFAP Obligations	49,834,426		49,500,000		500,000	50,000,000	
Recovery of Prior Year Obligations	-460,156		0		0	0	
Unobligated Balances:							
Available Start of Year	0		0		0	0	
Available End of Year	0		0		0	0	
Balance Lapsing	125,730		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	0		0		0	0	
TEFAP Administrative Costs	54,609,180		0		0	0	
Total ARRA Obligations	54,609,180		0		0	0	
Recovery of Prior Year Obligations	-1,618,134		0		0	0	
Unobligated Balances:							
Available Start of Year	-25,000,000		0		0	0	
Transfer from WIC ARRA	-28,000,000		0		0	0	
Balance Lapsing	8,954		0		0	0	
Total Appropriation, ARRA	0		0		0	0	
5. Other Programs:							
Nutrition Services Incentive Program (NSIP) (transfer) b/	4,230,174		2,485,000		-2,485,000	0	
Nuclear Affected Islands	575,000		575,000		6,000	581,000	
Disaster Assistance	309,129		823,000		-323,000	500,000	
IT Modernization and Support	0		0		1,750,000	1,750,000	
TEFAP Infrastructure Grants	5,956,034		44,000		-44,000	0	
Total Other Program Obligations	11,070,337		3,927,000		-1,096,000	2,831,000	
Transfer from DHHS	-2,722,303		-2,268,000		2,268,000	0	
Recovery of Prior Year Obligations	-1,015,959		0		0	0	
Unobligated Balances:							
Available Start of Year	-880,307		-589,000		-5,411,000	-6,000,000	
Available End of Year	589,292		6,000,000		-6,000,000	0	
Balance Lapsing	28,940		0		6,000,000	6,000,000	
Total Appropriation, Other Programs	7,070,000		7,070,000		-4,239,000	2,831,000	
Total CAP Obligations	341,953,695	2	286,660,000	2	-16,441,000	270,219,000	2
Total Appropriation	247,979,000	2	247,979,000	2	1,640,000	249,619,000	2

- a/ The SNAP appropriation provides \$248,000,000 for The Emergency Food Assistance Program for the procurement of USDA Foods in FY 2010, \$247,500,000 in FY 2011 and an estimated \$248,750,000 in FY 2012. Beginning in FY 2009, up to 10 percent of the funding is permitted to be used for TEFAP administrative costs.
- b/ Administration of NSIP was reassigned 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 amount for FY 2012 cannot currently be determined and will be available in FY 2012.

Justification of Increases and Decreases

The FY 2012 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 2011).

Explanation of Change: This increase is due to inflation in food costs and administrative expenses and the amount requested will support the current caseload and participation levels. The average monthly food cost per person will increase from an estimated \$27.41 for women, infants, and children in FY 2011 to \$28.12 in FY 2012, and from \$20.22 to \$20.75 for the elderly.

- (2) An increase of \$500,000 in the Emergency Food Assistance Program (\$49,500,000 available in FY 2011).

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 2011).

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 2011).

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

- (5) An increase of \$1,750,000 for IT Modernization and Support.

Explanation of Change: This will provide funding for Information Technology Modernization and Support (see issue paper on page 30-65).

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

Explanation of Change: This decrease results from discontinuing a grant program provided in FY 2010 that was intended to be available only for one year.

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

<u>STATE / TRIBAL ORG.</u>	<u>2010</u>	<u>2011a/</u>
Alaska	2,460	2,190
Arizona	12,965	12,965
California	73,710	77,017
Colorado	17,627	18,221
District of Columbia	6,647	6,647
Illinois	16,525	17,473
Indiana	4,273	4,528
Iowa	3,438	2,997
Kansas	5,122	5,156
Kentucky	22,328	23,630
Louisiana	74,689	68,520
Michigan	82,086	80,000
Minnesota	15,070	15,969
Mississippi	9,014	9,552
Missouri	15,000	15,895
Montana	10,000	8,177
Nebraska	13,396	12,342
Nevada	6,909	7,321
New Hampshire	7,264	7,364
New Mexico	21,108	16,778
New York	32,068	33,981
North Carolina	1,142	1,142
North Dakota	2,765	2,780
Oglala Sioux, SD	608	608
Ohio	19,400	20,436
Oregon	2,187	1,641
Pennsylvania	32,674	34,588
Red Lake, MN	98	92
South Carolina	5,205	5,516
South Dakota	5,212	4,231
Tennessee	13,213	13,513
Texas	31,958	33,858
Vermont	4,000	3,365
Washington	5,098	5,314
<u>Wisconsin</u>	<u>10,270</u>	<u>10,882</u>
SUBTOTAL	585,529	584,689
 <u>NEW STATES b/</u>		
Arkansas	2,817	2,985
Delaware	2,500	2,500
Georgia	2,817	2,985
Maine	2,817	2,985
New Jersey	2,817	2,985
Oklahoma	2,817	2,985
<u>Utah</u>	<u>2,817</u>	<u>2,817</u>
SUBTOTAL	19,402	20,242
 TOTAL CASELOAD	 604,931	 604,931

a/Reflects tentative caseload assigned on December 30, 2010.

b/ 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.

	2010 Actual (000)	2011 Estimated (000)	Difference (000)	2012 Estimated (000)
RESOURCES--START OF YEAR :				
Appropriation	\$171,409	\$171,409	\$5,379	\$176,788
Cash Carry-In/Recoveries	18,507	21,215	-21,215	0
Beginning Inventory (Federal-State-Local)	36,719	46,444	9,729	56,173
TOTAL RESOURCES	226,635	239,068	-6,107	232,961
DEMAND:				
1. Program Performance Data:				
Caseload (Calendar Year)	604,931	604,931	0.000	604,931
Participation (Fiscal Year)	518,900	604,931	0.000	604,931
<i>Women-Infants-Children</i>	<i>21,139</i>	<i>20,505</i>	<i>-0.615</i>	<i>19,890</i>
<i>Elderly</i>	<i>497,761</i>	<i>584,426</i>	<i>0.615</i>	<i>585,041</i>
Avg. Food Cost Person/Month (whole \$):				
Women-Infants-Children	27.00	27.41	0.71	28.12
<i>FNS Funded a/</i>	<i>25.97</i>	<i>26.19</i>	<i>0.20</i>	<i>26.39</i>
<i>Free (donated)</i>	<i>1.03</i>	<i>1.22</i>	<i>0.51</i>	<i>1.73</i>
Elderly	19.90	20.22	0.53	20.75
<i>FNS Funded a/</i>	<i>18.77</i>	<i>19.06</i>	<i>-0.02</i>	<i>19.04</i>
<i>Free (donated)</i>	<i>1.13</i>	<i>1.16</i>	<i>0.55</i>	<i>1.71</i>
2. Food Costs:				
Food Distribution Costs	\$118,704	\$140,129	-\$187	\$139,942
<i>Women-Infants-Children</i>	<i>6,588</i>	<i>6,443</i>	<i>-144</i>	<i>6,299</i>
<i>Elderly</i>	<i>112,116</i>	<i>133,686</i>	<i>-43</i>	<i>133,643</i>
Commodity Administrative Costs	1,434	1,461	16	1,477
Total Food Costs	120,138	141,590	-171	141,419
3. State Administrative Expenses	38,838	41,305	744	42,049
TOTAL DEMAND	158,976	182,895	573	183,468
BALANCES-- YEAR-END:				
Funds (Carry-out)	8,025	0	0	0
Ending Inventory	59,634	56,173	-6,680	49,493
Commodity Purchases	143,053	151,319	-16,580	134,739
Inventory Change	22,915	9,729	-16,409	-6,680

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 2012
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 2010	FY 2011	FY 2012
Budget Authority	\$0	\$0	\$1.75

Food and Nutrition Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
2010 and Estimated 2011 and 2012

Commodity Assistance Program--Federal Salaries & Expenses						
	FY 2010 Amount	Staff Years	FY 2011 Amount	Staff Years	FY 2012 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	1,101,185	2	1,122,228	2	1,122,228	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	21,043	0	0	0	0	0
TOTAL	\$1,122,228	2	\$1,122,228	2	\$1,122,228	2

FOOD AND NUTRITION SERVICE

Commodity Assistance Program

Classification by Objects2010 Actual and Estimated 2011 and 2012

(in thousands of dollars)

	Personnel Compensation:	2010	2011	2012
	Washington D.C.	\$84	\$87	\$89
	Field	99	102	104
11	Total personnel compensation	183	189	193
12	Personnel benefits	45	47	48
13	Benefits for former personnel	0	0	0
	Total personnel compensation and benefits	228	235	240
	Other Objects:			
21	Travel and transportation of persons	25	25	25
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	844	856	868
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	3	3	3
25.7	Miscellaneous Services			
25.8	Fees			
26	Supplies and materials	147,254	153,736	134,739
31	Equipment	1		
32	Land and structures			
41	Grants, subsidies and contributions	193,599	131,805	134,344
42	Insurance claims and indemnities			
43	Interest and dividends			
45	Special Payments			
92	Undistributed			
	Total other objects	341,726	286,425	269,979
	Total direct obligations	341,954	286,660	270,219

Totals for FY 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>	<u>2012</u>
TEFAP Commodities	\$100,000,000	0	0	0
TEFAP Administrative Funds	50,000,000	0	0	0
Total ARRA Appropriation	150,000,000	0	0	0

PROJECT STATEMENT
 (On basis of available funds)

	2009 Actual	2010 Actual	2011 Estimated	2012 Estimated
TEFAP Commodities	\$100,000,000	0	0	0
TEFAP Administrative Funds	25,000,000	\$54,609,180	0	0
Total Obligations	125,000,000	54,609,180	0	0
Unobligated Balance Start of Year	0	-25,000,000	0	0
Recovery of Prior Year Obligations	0	-1,618,134	0	0
Unobligated Balance End of Year	25,000,000	0	0	0
Transfer from WIC ARRA	0	-28,000,000	0	0
Lapse	0	8,954	0	0
Total ARRA Appropriation	150,000,000	0	0	0

Program Implementation Activities:

Goals and Coordination Efforts:

Help ensure that Americans affected by the economic crisis receive adequate food and nutrition services.

Objectives:

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 continued through 2010.

Performance Measures:

FNS is tracking 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.

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 Activities:

The TEFAP administrative funds carried over into FY 2010 were 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. In addition, \$28 million was transferred from the WIC ARRA Contingency funds for distribution to State agencies in FY 2010.

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 persons age 60 and over. The program operates in parts of 39 States, the District of Columbia, and through two Indian Tribal Organizations (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.

Facts in Brief

- In 2010, 604,931 caseload slots were allocated to participating States and ITOs.
- For FY 2010, program participation averaged 518,892 monthly.
- From FY 2009 to 2010, monthly participation of women, infants, and children decreased from 23,322 to 21,140, while elderly participation increased from 443,293 to 497,753.
- In FY 2010, Congress specifically provided funding to permit seven new CSFP States to begin program operations, and Arkansas, Delaware, Georgia, Maine, New Jersey, Oklahoma and Utah began offering CSFP during the second quarter of FY 2010.

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/}	2004	2005	2006	2007	2008	2009	2010
Women	11,038	9,180	6,729	5,281	4,792	3,389	2,953
Infants	7,670	6,337	4,482	3,241	2,686	1,593	1,275
Children Less than 6	44,208	36,988	28,815	24,748	23,449	18,340	16,911
Total WIC Type	62,916	52,505	40,026	33,270	30,927	23,322	21,139
Elderly	458,798	459,929	422,323	432,804	444,380	443,293	497,753
Total, CSFP	521,714	512,433	462,349	466,075	475,307	466,615	518,892

^{1/} Based on National Databank version 8.2 data through September FY 2010. 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 then 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 2010, \$67.89 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 congregate 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

TEFAP received \$100 million in ARRA food funding and \$50 million in ARRA administrative funding. In FY 2010, an additional \$28 million from the WIC ARRA contingency fund was reprogrammed as TEFAP administrative funds. These funds are being used to help food banks, soup kitchens, and food pantries provide food assistance to the increased number of individuals seeking help 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 for allowable State or local costs associated with the distribution of USDA or privately-donated food. States began placing orders for foods purchased with ARRA funds in March 2009, and the first deliveries began in May of 2009. Deliveries continued 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 that 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 TEFAP in FY 2010. These included: dehydrated potatoes, dried plums, raisins, frozen ground beef, frozen whole chicken, frozen ham, frozen turkey roast, blackeye beans, garbanzo beans, great northern beans, light kidney beans, lentils, lima beans, pinto beans, egg mix, shell eggs, lowfat 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 1 percent milk, bran flakes, corn flakes, oat cereal, rice cereal, corn cereal, and corn and rice cereal; and the following canned items: 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, cran-apple juice, grape juice, grapefruit juice, orange juice, tomato juice, apricots, applesauce, mixed fruit, freestone and cling peaches, pears, beef, beef stew, chicken, pork, and salmon.

Bonus Food

In FY 2010, USDA purchased USDA Foods under its market support authorities for donation to TEFAP. An additional \$17 million in bonus fruit and vegetable products was delivered to TEFAP outlets under the 2008 Farm Bill bringing the total amount of bonus products delivered to TEFAP outlets in FY 2010 to \$345.5 million. Bonus USDA Foods include products made from: apples, apricots, beef, blueberries, catfish, cheese, cherries, chicken, cranberries, dates, figs, juice, lamb, milk, mixed fruit, peaches, pears, plums, pork, potatoes, soups, strawberries, and tomatoes.

Barter Food

Included in the bonus totals, TEFAP also received USDA Foods valued at \$47.1 million in FY 2010 through FSA's Commodity Credit Corporation (CCC) barter program (including product acquired through a third-party). USDA Foods distributed included: canned soups, and other further-processed items. Schools and other institutions also received \$1.9 million in cheese products in FY 2010.

FY 2010 TEFAP Spending

In FY 2010, \$49.5 million 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 2010 appropriation for TEFAP food, which occurs in the SNAP account, was \$248 million, the level authorized by Section 42014 of the 2008 Farm Bill. The FY 2010 Agriculture Appropriations Act also provided an additional \$60 million for the purchase of cheese for TEFAP.

TEFAP Summary
(Includes ARRA funds)

(In millions)	2004	2005	2006	2007	2008	2009	2010
State Administrative Expenses	\$59.2	\$58.6	\$63.5	\$58.0	\$57.1	\$88.6	\$121.7
Bonus Foods	233.0	154.3	67.0	58.2	178.1	373.7	346.6
Entitlement Foods	128.5	130.5	136.1	130.6	182.3	336.2	231.9
TOTAL	421.1	344.4	267.6	246.8	417.5	798.5	700.2

The State Administrative Expenses shown in the table above include administrative funds, food funds converted to administrative funds, ARRA funds (FY 2009 and FY 2010), and administrative funds recovered from the previous year. In FY 2009 and FY 2010, appropriations language permitted States to use up to 10 percent of their TEFAP food funds as administrative funds. In FY 2009, of the \$25 million eligible for conversion, States chose to convert \$13.8 million into administrative funds. In FY 2010, of the \$24.8 million eligible for conversion, States chose to convert \$17.2 million into administrative funds. The balance of the funds was used to purchase food.

The 2008 Farm Bill requires that the authorized level of TEFAP entitlement food funds provided under the SNAP account be adjusted annually by the percentage change in the Thrifty Food Plan (TFP), which is also used to adjust the benefit level in SNAP. For FY 2010, the legislatively-mandated formula provided \$248.5 million for TEFAP entitlement food funds, a decrease from the \$250 million provided in FY 2009 as a result of a decrease in the TFP. The amounts shown for FY 2009 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; FY 2009, \$0.02 million; and FY 2010, \$0.01 million. 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, and \$393 million in FY 2009. In FY 2010, \$399 million was available. A significant portion of these funds were allocated for TEFAP food purchases.

The Emergency Food Assistance Program Infrastructure Grants

The Emergency Food Assistance Program Infrastructure Grant program provides local emergency feeding organizations, such as food banks, food pantries, and soup kitchens, with funds to expand and improve their infrastructure, including their storage and distribution facilities. Grants are awarded to eligible organizations through a competitive grant process. The program is authorized by the Farm Bill and was funded for the first time in FY 2010 at \$6 million.

During FY 2010, FNS awarded almost \$6 million in grants to 39 eligible organizations. Almost \$3.3 million was awarded to 19 organizations in 17 States serving rural communities. The remaining funds were awarded to an additional 20 organizations in 15 States that serve a mix of rural, suburban, and urban communities. The awards will help local emergency feeding organizations expand their capacity to serve low-income people, provide more fresh fruits and vegetables, safely store and distribute more frozen and refrigerated products, and accept more and larger varieties of food donations.

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, older infants, and children participating in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), 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 2010, the FMNP was operated by 45 State agencies and ITOs.

In FY 2009, the FMNP provided coupons to 2,242,321 WIC participants. The participants redeemed their coupons at 6,297 authorized farmers' markets and roadside stands, providing revenue to 17,543 small family farmers.

WIC Farmers' Market Nutrition Program

	2006	2007	2008	2009	2010
Funding (\$000)	\$23,814	\$22,109	\$21,402	\$21,750	\$22,089
WIC Recipients	2,497,162	2,347,866	2,297,668	2,234,751	*
Farmers' Markets**	5,032	5,588	5,765	6,297	*
Farmers	14,259	15,062	16,016	17,543	*

*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 against considering the value of SFMNP benefits as income when determining eligibility for other Federal, State or local programs; and (3) prohibition against the collection of State or local sales tax on any purchase of food with SFMNP benefits.

During FY 2010, the SFMNP operated in a total of 42 States, the District of Columbia, Puerto Rico, and seven Federally-recognized ITOs. The grant funds 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.

	2006	2007	2008	2009	2010
Funding (\$000)	\$15,844	\$16,204	\$21,838	\$22,466	\$20,600
SFMNP Recipients	825,691	697,739	953,324	809,711	*
Farmers	14,575	14,128	16,603	18,714	*
Farmers' Markets	2,911	2,727	3,147	3,684	*
Roadside Stands	2,323	2,300	2,512	3,061	*
Community Supported Agriculture Programs	260	155	199	159	*

*Data not yet available

Pacific Island and Disaster Assistance

Program Mission

Certain islands in nuclear-affected zones of the Republic of the Marshall Islands receive nutrition assistance as authorized by the Compact of Free Association Amendments Act of 2003 (P.L. 108-188). Under the terms of a memorandum of understanding between USDA and the Republic of the Marshall

Islands, the assistance is currently provided as cash in-lieu of USDA Foods and administrative funds. 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 are also eligible to receive bonus food, as available.

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, if 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.
- Bonus USDA Foods valued at just over \$650,000 were distributed to charitable institutions in FY 2010.

COMMODITY SUPPLEMENTAL FOOD PROGRAM
PROJECTS, PARTICIPATION AND FOOD COST

FISCAL YEAR 2010

STATE OR TERRITORY	PROJECTS	AVERAGE MONTHLY PARTICIPATION (FNS-153)					FOOD COSTS IN DOLLARS 1/	ADMINISTRATIVE COST IN DOLLARS 2/
		WOMEN	INFANTS	CHILDREN	ELDERLY	TOTAL		
Alaska-----	2	4	0	119	1,923	2,046	\$422,451	\$17,832
Arizona-----	11	295	0	921	11,966	13,182	2,752,611	902,463
Arkansas-----	15	0	0	0	1,468	1,468	369,601	84,818
California-----	6	179	155	1,999	61,048	63,381	14,867,972	4,666,707
Colorado-----	7	447	372	2,022	14,283	17,123	4,278,349	1,078,757
Delaware-----	1	0	0	0	433	433	95,951	127,294
District of Columbia-----	1	4	0	166	6,242	6,411	1,440,277	451,265
Georgia-----	3	0	0	2	1,514	1,515	340,515	132,670
Illinois-----	1	4	0	272	14,364	14,640	3,051,779	1,061,287
Indiana-----	2	0	0	0	4,264	4,264	1,032,779	290,094
Iowa-----	2	37	5	159	2,811	3,013	683,493	230,299
Kansas-----	3	19	0	121	4,531	4,672	1,064,615	327,800
Kentucky-----	6	19	8	130	19,700	19,858	4,536,114	1,403,558
Louisiana-----	1	142	94	735	67,011	67,982	15,037,341	4,900,911
Maine-----	5	0	0	0	1,215	1,215	249,369	131,547
Michigan-----	17	592	556	4,921	71,663	77,732	18,031,383	5,496,441
Red Lake, Minnesota-----	1	0	0	4	88	92	17,078	6,653
Minnesota-----	4	70	0	862	13,627	14,559	3,373,123	1,006,147
Mississippi-----	1	0	0	122	7,652	7,774	1,777,966	477,224
Missouri-----	6	0	0	2	11,588	11,590	2,630,542	919,649
Montana-----	12	0	0	87	7,579	7,666	1,591,571	624,741
Nebraska-----	8	144	14	709	11,476	12,342	2,624,929	825,232
New Jersey-----	3	0	0	0	1,245	1,245	248,337	143,435
Nevada-----	3	23	18	120	6,416	6,578	1,516,039	357,975
New Hampshire-----	7	818	0	873	5,515	7,207	1,621,536	419,096
New Mexico-----	4	53	29	661	15,552	16,294	3,632,881	1,352,624
New York-----	3	40	0	868	31,148	32,056	6,924,592	2,160,124
North Carolina-----	1	0	0	0	1,146	1,146	265,095	77,836
North Dakota-----	6	0	0	0	2,668	2,668	688,399	188,293
Ohio-----	6	0	0	5	17,853	17,858	3,989,518	1,252,383
Oklahoma-----	1	0	0	0	1,336	1,336	289,874	82,093
Oregon-----	3	0	0	2	1,481	1,483	329,629	133,659
Pennsylvania-----	1	6	0	25	20,501	20,532	4,940,620	1,911,188
South Carolina-----	3	0	0	0	4,581	4,581	1,070,537	294,121
South Dakota-----	2	0	0	0	3,372	3,372	770,346	237,477
Ogala Sioux, S.D.-----	1	5	4	150	428	587	141,092	41,277
Tennessee-----	4	43	13	257	13,052	13,364	3,221,374	897,185
Texas-----	3	0	5	82	20,638	20,725	4,683,065	1,488,059
Utah-----	1	0	0	103	90	194	51,983	141,426
Vermont-----	1	5	0	41	3,296	3,342	807,693	265,433
Washington-----	6	1	1	254	4,120	4,376	1,025,024	321,798
Wisconsin-----	1	2	0	118	6,868	6,988	1,625,923	608,974
AMS/FSA/PCIMS Admin. Exp.---	0	0	0	0	0	0	1,434,000	0
Anticipated Adjustment-----	0	0	0	0	0	0	23,506,009	1,300,383
3/ TOTAL-----	175	2,953	1,275	16,911	497,753	518,892	\$143,053,375	\$38,838,228

SOURCE: FPRS FNS-153 data - Food distributed to participants in fiscal year 2010.

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 2010

ENTITLEMENT COMMODITIES	Pounds	Dollars	ARRA Pounds	ARRA Dollars
<i>SECTION 6/32 TYPE:</i>				
APPLESAUCE, CANNED	12,737,404	\$5,561,932		
APRICOTS, CANNED	1,225,807	777,834		
BEANS, BLACK EYE CANNED	4,339,900	1,881,116		
BEANS, BLACK EYE DRIED	1,128,960	653,620		
BEANS, GARBANZO DRIED	40,320	20,244		
BEANS, GREEN CANNED	12,609,170	6,700,558		
BEANS, GRT NORTHERN DRIED	1,673,280	814,195		
BEANS, KIDNEY CANNED	4,837,918	2,078,862		
BEANS, KIDNEY DRIED	1,088,640	542,052		
BEANS, LENTILS DRIED	1,169,280	534,257		
BEANS, LIMA DRIED	725,760	392,962		
BEANS, PINTO DRIED	10,221,120	4,209,629		
BEANS, REFRIED, CANNED	4,810,320	2,247,441		
BEANS, VEGETARIAN, CANNED	5,807,640	2,472,953		
BEEF STEW, CANNED	16,142,760	15,559,307		
BEEF, CANNED	1,584,000	4,168,837		
BEEF, CHILI W/O BEANS CANNED	54,828	83,380		
BEEF, GROUND FRZ	5,392,680	10,306,146		
CARROTS, CANNED	7,212,959	3,869,103		
CHICKEN, CANNED	4,219,701	8,476,770		
CHICKEN, WHOLE FRZ	14,810,400	10,300,153		
CORN, CANNED	22,662,497	9,112,972		
EGG MIX	468,000	1,346,736		
EGGS, 15 DOZ SHELL	4,218,783	2,625,207		
HAM, FRZ	2,628,000	4,146,651		
JUICE, APPLE BOTTLED	9,131,524	2,503,666		
JUICE, CHERRY APPLE BOTTLED	2,068,861	778,425		
JUICE, CRANAPPLE BOTTLED	2,639,580	937,143		
JUICE, GRAPE BOTTLED	3,524,444	2,089,065		
JUICE, GRAPEFRUIT BOTTLED	677,730	253,561		
JUICE, ORANGE BOTTLED	7,764,749	3,245,497		
JUICE, TOMATO BOTTLED	1,712,161	530,680		
MIXED FRUIT, CANNED	9,882,583	5,623,026		
PEACHES, CANNED	8,340,779	4,569,704		
PEARS, CANNED	6,454,144	4,709,308		
PEAS, CANNED	4,597,220	2,179,829		
PLUMS, DRIED	648,000	838,722		
PORK, CANNED	1,764,000	3,644,393		
POTATOES, CANNED	8,187,480	3,765,732		
POTATOES, DEHY	1,890,000	2,602,105		
PUMPKIN, CANNED	619,652	447,155		
RAISINS	1,320,336	1,519,437		
SALMON, CANNED	2,918,069	5,843,841		
SOUP, TOMATO CANNED	2,855,744	1,964,344		
SOUP, VEGETABLE CANNED	3,973,206	3,210,665		
SPAGHETTI SAUCE, CANNED	17,678,299	7,242,003		
SPINACH, CANNED	3,298,260	1,698,088		
SWEET POTATOES, CANNED	2,673,913	1,456,764		
TOMATO SAUCE, CANNED	7,573,534	2,795,170		
TOMATOES, CANNED	3,907,838	1,719,391		
TUNA, CANNED	32,400	75,528		
TURKEY ROAST, FRZ	840,000	1,335,798		
VEGETABLES, MIXED CANNED	10,999,838	5,332,903		
<i>Total Section 6/32 Type</i>	269,784,471	\$171,794,860	0	\$0
<i>SECTION 416 TYPE:</i>				
ENTITLEMENT COMMODITIES	Pounds	Dollars		
CEREAL, CORN	492,578	\$791,603		
CEREAL, CORN AND RICE	1,314,538	1,831,408		
CEREAL, CORN FLAKES	3,181,149	3,515,436		
CEREAL, OATS	296,352	472,837		
CEREAL, RICE	1,147,392	1,502,687		
CEREAL, WHT BRAN	672,899	828,611		
CHEESE, CHEDDAR SHRED	5,798,520	12,910,387		
CHEESE, CHEDDAR SHRED RDU	2,817,360	6,467,116		
CHEESE, CHEDDAR	8,751,600	17,834,996		
CHEESE, MOZZ	10,229,400	22,559,050		
EGG NOODLES	4,319,520	2,343,159		
FLOUR MIX, LOWFAT	3,744,180	3,601,833		
GRITS	4,112,640	1,057,087		
MAC N CHEESE	29,754	22,393		
MACARONI	8,680,800	3,166,481		
MILK, UHT	6,656,400	2,408,659		
OATS	6,124,896	1,997,439		
OIL, VEGETABLE	4,421,341	2,540,771		
PEANUT BUTTER	16,853,977	14,671,397	1,321,926	\$1,153,627
PEANUTS, ROASTED	207,360	303,364		
RICE	24,876,000	8,529,449		
ROTINI, WHOLE GRAIN	3,984,000	1,508,220		
SPAGHETTI	16,897,200	5,238,140		
<i>Total Section 416 Type</i>	135,609,856	\$116,102,523	1,321,926	\$1,153,627
Anticipated Transportation/misc		2,597,150		
Cash In-Lieu of Commodities - CNMI		\$35,099		0
AMS/FSA/PCIMS/Computer Support		2,233,507		0
Anticipated Adjustment		-44,769,353		
TOTAL COMMODITY ENTITLEMENT	405,394,327	\$247,993,786	1,321,926	\$1,153,627

FOOD AND NUTRITION SERVICE

THE EMERGENCY FOOD AND ASSISTANCE PROGRAM (Cont.)

Quantity and Value of Commodities

Fiscal Year 2010

BONUS COMMODITIES	Pounds	Dollars
SECTION 32C TYPE:		
APPLES, FRESH	2,525,761	\$1,042,811
APPLESAUCE, CANNED	47,385,111	23,156,477
APRICOTS, CANNED	9,732,170	6,527,889
BEEF, ROUND ROAST FRZ	10,720,000	37,396,974
BLUEBERRIES, WILD FRZ	9,469,440	9,826,368
CATFISH, FILET STRIPS	1,440,000	4,975,200
CHERRIES, DRIED	4,139,520	14,687,427
CHICKEN, DRUMS/LEGS/THIGHS QT	26,314,811	10,685,281
CRANBERRIES, DRIED	1,452,240	2,284,313
CRANBERRY SAUCE, CANNED	14,320,800	7,167,178
DATES	936,000	2,673,736
FIGS	4,675,968	4,973,664
JUICE, APPLE BOTTLED	51,150,781	\$15,058,434
JUICE, CHERRY APPLE BOTTLED	44,944,205	18,452,083
JUICE, CRANAPPLE BOTTLED	19,226,133	7,005,425
LAMB	432,000	1,893,398
MIXED FRUIT, CANNED	6,415,241	3,375,514
PEACHES, CANNED	20,084,031	9,648,777
PEACHES, FRZ	5,562,992	4,961,829
PEARS, CANNED	3,973,077	2,561,482
PEARS, FRESH	2,349,000	1,121,157
PLUMS, DRIED	9,576,000	10,825,510
PORK, CANNED	252,000	472,444
PORK, PATTIES	17,898,000	36,204,810
POTATOES, FRESH	54,960,000	9,863,145
POTATOES, FRZ	25,486,500	11,638,307
STRAWBERRIES, FRZ	1,890,000	2,290,542
STRAWBERRIES, SLICED TUBS	4,641,168	4,681,037
TOMATOES	12,680,000	5,819,567
<i>Total Section 32C Type</i>	414,632,949	\$271,270,779
BONUS COMMODITIES		
	Pounds	Dollars
SECTION 416 TYPE:		
CHEESE, CHEDDAR	2,296,800	\$7,793,692
CHEESE, CHEDDAR SHRED	884,520	3,508,596
CHEESE, CHEDDAR SHRED RDU	229,320	723,068
CHEESE, MOZZ	589,680	1,209,035
MILK, INSTANT NONFAT DRY	19,407,355	27,170,297
MILK, UHT	12,290,152	5,690,861
SOUP, CHEDDAR CHEESE CRTN	12,306,600	4,818,599
SOUP, MUSHROOM CRTN	15,999,481	11,445,013
SOUP, TOMATO CRTN	20,114,461	13,009,321
<i>Total Section 416 Type</i>	84,118,369	\$75,368,482
Anticipated Adjustment	0	0
TOTAL BONUS COMMODITIES	498,751,318	\$346,639,261
TOTAL -- ALL COMMODITIES		
Entitlement	405,394,327	\$247,993,786
ARRA	1,321,926	1,153,627
Bonus 32C	498,751,318	346,639,261
Anticipated Adjustment	0	-61,975,771
GRAND TOTAL	905,467,571	\$533,810,903

Source: PCIMS -- Delivery order and contract information.

Note: Entitlement figures include ARRA funds & \$60m dairy provided by the 2010 Agriculture Appropriation.
Bonus figures include Farm Bill and Barter/Seam procurements.

FOOD AND NUTRITION SERVICE
THE EMERGENCY FOOD ASSISTANCE PROGRAM
Administrative Funds / Entitlement and Bonus Commodities
Fiscal Year 2010

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.....	789,577	\$870,837	\$1,660,414	\$4,913,542	\$34,137	\$6,177,916	\$11,125,595	\$12,786,009
Alaska.....	83,544	92,813	176,357	557,353		1,348,784	1,906,137	2,082,494
Arizona.....	1,046,206	1,162,414	2,208,620	6,129,105	34,136	7,655,834	13,819,075	16,027,695
Arkansas.....	483,578	517,770	1,001,348	2,888,393	25,602	4,038,276	6,952,271	7,953,619
California.....	6,409,704	6,862,913	13,272,617	36,214,359	15,557	48,104,258	84,334,174	97,606,791
Colorado.....	687,156	763,447	1,450,603	3,822,324	9,393	4,868,672	8,700,389	10,150,992
Connecticut.....	438,943	468,796	907,739	2,685,262	20,138	2,954,607	5,660,007	6,567,746
Delaware.....	109,451	117,191	226,642	967,793	8,534	1,102,027	2,078,354	2,304,996
District of Columbia.....	118,360	59,778	178,138	674,506		613,752	1,288,258	1,466,396
Florida.....	3,021,411	3,235,045	6,256,456	18,244,921	13,855	20,400,608	38,659,384	44,915,840
Georgia.....	1,648,818	1,740,401	3,389,219	10,153,494	19,960	11,281,156	21,454,610	24,843,829
Hawaii.....	146,403	133,941	280,344	884,902		1,039,079	1,923,981	2,204,325
Idaho.....	217,243	241,368	458,611	1,368,900	50,722	1,901,101	3,320,723	3,779,334
Illinois.....	1,994,692	2,202,000	4,196,692	11,284,490		12,604,649	23,889,139	28,085,831
Indiana.....	1,040,337	1,113,896	2,154,233	6,056,123		7,123,051	13,179,174	15,333,407
Iowa.....	375,455	402,002	777,457	2,133,099		2,583,774	4,716,873	5,494,330
Kansas.....	363,820	389,545	753,365	2,229,466	12,915	2,456,944	4,699,325	5,452,690
Kentucky.....	816,393	907,066	1,723,459	4,644,095		5,583,277	10,227,372	11,950,831
Louisiana.....	732,210	813,587	1,545,797	4,134,990		5,932,822	10,067,812	11,613,609
Maine.....	196,153	217,931	414,084	1,095,980		1,271,395	2,367,375	2,781,459
Maryland.....	611,873	655,137	1,267,010	3,970,787		3,678,443	7,649,230	8,916,240
Massachusetts.....	849,564	943,857	1,793,421	4,887,518	13,999	5,587,370	10,488,887	12,282,308
Michigan.....	1,938,679	2,153,841	4,092,520	11,151,775	338,502	13,756,292	25,246,569	29,339,089
Minnesota.....	696,384	773,662	1,470,046	3,999,346	102,089	4,909,475	9,010,910	10,480,956
Mississippi.....	613,400	309,798	923,198	3,614,021	33,662	3,993,294	7,640,977	8,564,175
Missouri.....	932,941	998,906	1,931,847	5,462,231		6,580,160	12,042,391	13,974,238
Montana.....	146,153	161,188	307,341	854,267		1,007,262	1,861,529	2,168,870
Nebraska.....	202,214	216,513	418,727	1,163,220		1,382,685	2,545,905	2,964,632
Nevada.....	426,646	215,478	642,124	2,780,622	18,258	2,634,583	5,433,463	6,075,587
New Hampshire.....	124,176	149,067	273,243	863,271	67,799	1,075,228	2,006,298	2,279,541
New Jersey.....	1,086,848	1,198,924	2,285,772	6,337,065		9,580,026	15,917,091	18,202,863
New Mexico.....	324,402	347,339	671,741	1,828,724	34,136	2,285,567	4,148,427	4,820,168
New York.....	2,990,388	3,322,489	6,312,877	17,186,298	152,665	20,942,999	38,281,962	44,594,839
North Carolina.....	1,630,110	1,745,371	3,375,481	10,009,841		12,842,032	22,851,873	26,227,354
North Dakota.....	75,743	84,159	159,902	456,808		625,095	1,081,903	1,241,805
Ohio.....	1,934,146	2,146,986	4,081,132	11,929,449		13,322,923	25,252,372	29,333,504
Oklahoma.....	557,808	615,160	1,172,968	3,533,907	8,534	4,342,710	7,885,151	9,058,119
Oregon.....	683,602	759,477	1,443,079	4,095,193		5,026,516	9,121,709	10,564,788
Pennsylvania.....	1,787,301	1,985,747	3,773,048	10,321,121		14,018,065	24,339,186	28,112,234
Rhode Island.....	179,392	192,077	371,469	1,129,461		922,342	2,051,803	2,423,272
South Carolina.....	845,914	905,726	1,751,640	4,783,013		6,222,576	11,005,589	12,757,229
South Dakota.....	100,217	110,526	210,743	559,999		590,201	1,150,200	1,360,943
Tennessee.....	1,106,184	1,184,399	2,290,583	6,398,224		6,252,323	12,650,547	14,941,130
Texas.....	3,918,512	4,353,893	8,272,405	22,375,490		25,900,390	48,275,880	56,548,285
Utah.....	290,331	322,578	612,909	1,590,973	11,506	2,209,409	3,811,888	4,424,797
Vermont.....	82,380	90,869	173,249	501,520	17,068	822,314	1,340,902	1,514,151
Virginia.....	949,225	1,046,996	1,996,221	5,341,922	59,417	7,079,608	12,480,947	14,477,168
Washington.....	963,873	1,070,861	2,034,734	5,463,574	16,907	7,239,420	12,719,901	14,754,635
West Virginia.....	297,845	318,905	616,750	2,203,747		3,149,686	5,353,433	5,970,183
Wisconsin.....	770,966	825,479	1,596,445	4,328,409		5,384,467	9,712,876	11,309,321
Wyoming.....	54,994	60,655	115,649	337,785		604,525	942,310	1,057,959
American Samoa.....			0				0	0
Guam.....	14,307	15,317	29,624	70,162		214,097	284,259	313,883
Northern Mariana Island.....	7,075	7,575	14,650	35,099			35,099	49,749
Puerto Rico.....	1,560,734	1,388,250	2,948,984	7,131,835	34,136	3,388,687	10,554,658	13,503,642
Trust Territory.....			0				0	0
Virgin Islands.....	16,219	8,192	24,411	152,708		26,509	179,217	203,628
Indian Tribes Set Asi.....			0				0	0
Freely Associated States.....			0				0	0
AMS/FSA/PCIMS/CompSup...			0	2,233,507			2,233,507	2,233,507
Estimated transportation/misc..			0	2,597,150			2,597,150	2,597,150
Undistributed.....	17,550,844	1,611,042	19,161,886	-61,975,771			-61,975,771	-42,813,885
3/ TOTAL.....	\$67,040,844	\$54,609,180	\$121,650,024	\$230,787,368	\$1,153,627	\$346,639,261	\$578,580,256	\$700,230,280

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 \$17,206,4182/ TEFAP CAP administrative funds made available as commodity funds \$10,000.3/ Totals may not add due to rounding.

WIC FARMERS MARKET NUTRITION PROGRAM
PARTICIPATION AND PROGRAM FINANCING
FISCAL YEAR 2009 and 2010

STATE OR TERRITORY	Fiscal Year 2009 TOTAL PARTICIPATION <u>1/</u>				Fiscal Year 09 PROGRAM GRANT	Fiscal Year 10 PROGRAM GRANT
	WOMEN	INFANTS	CHILDREN	TOTAL		
Alabama-----***	7,374	0	20,580	27,954	\$392,164	\$137,252
Alaska-----	4,657	1,202	10,251	16,110	224,485	224,485
Arizona-----	2,831	0	5,951	8,782	234,783	234,783
Arkansas-----	10,194	0	16,638	26,832	189,632	189,632
California-----	115,122	50,654	294,712	460,488	2,397,794	2,499,368
Connecticut-----	14,683	0	41,795	56,478	317,251	330,690
District of Columbia-----	5,280	0	8,364	13,644	301,302	314,066
Florida-----	10,185	144	19,800	30,129	283,709	283,709
Georgia-----	10,444	3,588	18,590	32,622	1,013,366	1,056,293
Illinois-----	15,347	0	28,457	43,804	387,006	403,400
Indiana-----	14,366	0	15,846	30,212	254,192	264,960
Iowa-----	3,240	0	29,985	33,225	496,388	517,416
Kentucky-----	4,134	576	9,678	14,388	224,462	224,462
Louisiana-----	121	25	96	242	6,667	6,667
Maine-----	1,637	0	5,823	7,460	75,000	75,000
Maryland-----	12,802	3,154	26,669	42,625	341,338	355,798
Massachusetts-----	34,751	0	48,996	83,747	470,001	489,911
Michigan-----	5,873	0	15,290	21,163	398,995	415,897
Minnesota-----	13,056	4,151	30,611	47,818	307,024	320,030
Mississippi <u>2/</u> -----	2,233	67	4,992	7,292	89,500	93,291
Missouri-----	0	0	0	0	235,070	**
Montana-----	1,511	0	2,571	4,082	57,353	59,782
New Hampshire-----	4,693	0	10,264	14,957	107,623	107,623
New Jersey-----	23,228	0	25,000	48,228	1,227,898	1,279,913
New Mexico <u>2/</u> -----	3,710	224	7,771	11,705	319,104	319,104
New York-----	106,228	85,360	155,682	347,270	3,446,188	3,593,015
North Carolina-----	11,193	0	9,108	20,301	282,877	282,877
Ohio-----	8,812	0	24,269	33,081	520,358	542,401
Oklahoma Chickasaw-----	737	417	2,013	3,167	75,000	75,000
Oklahoma Osage Tribe-----	217	262	785	1,264	31,325	31,325
Oklahoma Choctaw Nation*-----	0	0	0	0	0	90,361
Oregon-----	5,793	3,065	16,330	25,188	365,721	381,213
Pennsylvania-----	37,744	0	80,204	117,948	1,789,814	1,865,634
Puerto Rico-----	18,453	8,364	51,891	78,708	1,806,240	1,882,755
Rhode Island-----	4,668	0	13,896	18,564	152,322	152,322
South Carolina-----	4,854	0	7,133	11,987	128,669	128,669
Tennessee-----	2,894	0	4,468	7,362	75,000	78,177
Texas-----	79,331	0	172,007	251,338	1,277,117	1,277,117
Vermont-----	595	149	1,897	2,641	75,000	78,177
Virginia-----**	0	0	0	0	0	**
Washington-----	36,860	0	79,236	116,096	588,247	613,166
West Virginia-----	2,807	0	6,248	9,055	70,000	72,965
Wisconsin-----	32,635	0	70,289	102,924	618,673	644,881
Guam-----	1,200	0	2,670	3,870	95,556	95,556
Undistributed-----	0	0	0	0	0	0
TOTAL-----	676,493	161,402	1,396,856	2,234,751	\$21,750,214	\$22,089,142

1/ Participation data reflects Fiscal Year 2009. Participation data for Fiscal Year 2010 is not due until February 2011.

2/ Includes Indian Tribal Organizations.

* New State agency ** Did not participate in the program *** State agency reduced grant amount for FY10

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

NUTRITION SERVICES INCENTIVE PROGRAM

Quantity and Value of Commodities

Fiscal Year 2010

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 6/32 TYPE:		
APPLE SLICES, CANNED	106,704	\$50,716
APPLESAUCE, CANNED	190,755	60,191
APRICOTS, CANNED	184,680	101,973
BEANS, GREEN CANNED	69,312	28,834
BEANS, GREEN FRZ	136,800	52,394
BEEF, BONELESS FRESH	40,000	67,927
BEEF, BULK COARSE	42,000	73,182
BEEF, GROUND FRZ	454,760	754,419
CHICKEN, BREADED FRZ	39,000	67,908
CHICKEN, BULK CHILLED	149,808	89,704
CHICKEN, CUT UP FRZ	160,000	145,275
CORN, CANNED	36,252	13,731
CORN, FRZ	158,400	50,367
PEACHES, CANNED	296,774	131,533
PEAS, CANNED	72,048	30,252
PEAS, FRZ	136,800	54,521
PORK, LEG ROAST	160,000	226,441
SPAGHETTI SAUCE, CANNED	37,842	11,594
STRAWBERRIES, CUPS FRZ	1,080	1,112
TOMATO SAUCE, CANNED	217,512	64,717
TOMATOES, CANNED	244,188	79,273
TURKEY ROAST, FRZ	120,000	193,155
Total Section 6/32 Type	3,054,715	\$2,349,219
ENTITLEMENT COMMODITIES		
SECTION 416 TYPE:		
CHEESE, BARREL	80,000	\$122,289
FLOUR MIX, LOWFAT	38,880	34,341
ROTINI	7,000	2,332
Total Section 416 Type	125,880	\$158,962
Anticipated Adjustment		\$904,855
AMS / FSA / PCIMS Admin. Expenses		25,000
TOTAL COMMODITY ENTITLEMENT	3,180,595	\$3,438,036
BONUS COMMODITIES		
SECTION 32 TYPE:		
NONE		
Total Section 32 Type	0	0
BONUS COMMODITIES		
SECTION 416 TYPE:		
NONE		
Total Section 416 Type	0	0
3/ Anticipated Adjustment	0	0
TOTAL BONUS COMMODITIES	0	0
TOTAL -- ALL COMMODITIES	3,180,595	\$3,438,036
Cash In-Lieu of Commodities		0
GRAND TOTAL	3,180,595	\$3,438,036

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 2010

State or Territory	Entitlement	Bonus	Total
Alabama.....	-	-	-
Alaska.....	-	-	-
Arizona.....	-	-	-
Arkansas.....	-	-	-
California.....	-	-	-
Colorado.....	-	-	-
Colorado.....	-	-	-
Connecticut.....	\$27,015	-	\$27,015
Delaware.....	183,423	-	183,423
District of Columbia.....	-	-	-
Florida.....	-	-	-
Georgia.....	-	-	-
Hawaii.....	-	-	-
Idaho.....	24,758	-	24,758
Illinois.....	-	-	-
Indiana.....	-	-	-
Iowa.....	198,052	-	198,052
Kansas.....	370,742	-	370,742
Kentucky.....	-	-	-
Louisiana.....	-	-	-
Maine.....	-	-	-
Maryland.....	-	-	-
Massachusetts.....	1,179,280	-	1,179,280
Michigan.....	-	-	-
Minnesota.....	-	-	-
Mississippi.....	-	-	-
Missouri.....	-	-	-
Montana.....	378,774	-	378,774
Nebraska.....	-	-	-
Nevada.....	139,037	-	139,037
New Hampshire.....	-	-	-
New Jersey.....	-	-	-
New Mexico.....	-	-	-
New York.....	-	-	-
North Carolina.....	-	-	-
North Dakota.....	-	-	-
Ohio.....	-	-	-
Oklahoma.....	7,100	-	7,100
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.....	25,000	-	25,000
3/ TOTAL.....	904,855	-	904,855
TOTAL.....	\$3,438,036	\$0	\$3,438,036

Source: PCIMS -- Delivery order and contract information.
Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE
Disaster Assistance and Disaster Feeding
Quantity and Value of Commodities
Fiscal Year 2010

ENTITLEMENT COMMODITIES	Disaster Feeding	
	Pounds	Dollars
SECTION 6/32 TYPE:		
BEEF STEW, CANNED	36,000	\$35,410
BEEF, GROUND FRZ	16,320	31,100
CHICKEN, BULK CHILLED	72,000	49,068
PEARS, CANNED	3,002	1,744
Total Section 6/32 Type	127,322	\$117,322
ENTITLEMENT COMMODITIES		
SECTION 416 TYPE:		
FLOUR MIX, LOWFAT	3,870	\$3,615
FLOUR, ALL PURPOSE	23,120	4,615
MILK, UHT	3,302	1,121
PEANUT BUTTER	32,495	28,713
SPAGHETTI	2,640	1,051
Total Section 416 Type	65,427	\$39,115
Anticipated Transp. & Storage DOD Regional Pilot AMS /FSA /PCIMS /Comp. Supp Anticipated Adjustment		\$0
TOTAL COMMODITY ENTITLEMENT	192,749	\$156,437
BONUS COMMODITIES		
SECTION 32 TYPE:		
NONE		
Total Section 32 Type	0	\$0
BONUS COMMODITIES		
SECTION 416 TYPE:		
NONE		
Total Section 416 Type	0	\$0
Anticipated Adjustment		0
TOTAL BONUS COMMODITIES	0	\$0
TOTAL -- ALL COMMODITIES	192,749	\$156,437
Anticipated Adjustment		
GRAND TOTAL	192,749	\$156,437

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 2010

State or Territory	Entitlement	Bonus	Total
Alabama.....			-
Alaska.....			-
Arizona.....			-
Arkansas.....			-
California.....			-
Colorado.....			-
Connecticut.....			-
Delaware.....			-
District of Columbia.....			-
Florida.....			-
Georgia.....			-
Hawaii.....			-
Idaho.....			-
Illinois.....			-
Indiana.....			-
Iowa.....			-
Kansas.....			-
Kentucky.....			-
Louisiana.....			-
Maine.....			-
Maryland.....			-
Massachusetts.....			-
Michigan.....			-
Minnesota.....			-
Mississippi.....			-
Missouri.....			-
Montana.....			-
Nebraska.....			-
Nevada.....			-
New Hampshire.....			-
New Jersey.....			-
New Mexico.....	\$35,410		\$35,410
New York.....			-
North Carolina.....			-
North Dakota.....	70,987		70,987
Ohio.....			-
Oklahoma.....	47,245		47,245
Oregon.....			-
Pennsylvania.....	1,744		1,744
Rhode Island.....			-
South Carolina.....			-
South Dakota.....			-
Tennessee.....			-
Texas.....			-
Utah.....			-
Vermont.....			-
Virginia.....			-
Washington.....			-
West Virginia.....			-
Wisconsin.....			-
Wyoming.....			-
American Samoa.....			-
Fed Micronesia (chuuk)			-
Guam.....			-
Northern Mariana Island.....			-
Puerto Rico.....	1,051		1,051
Trust Territory.....			-
Virgin Islands.....			-
Indian Tribes Set Asi.....			-
Indian Tribes.....			-
Freely Associated States.....			-
DOD Army / AF.....			-
AMS / FSA / PCIMS.....			-
Undistributed.....			-
Estimated Transportation/Misc			-
TOTAL.....	\$156,437	\$0	\$156,437

Source: PCIMS -- Delivery order and contract information.

FOOD AND NUTRITION SERVICE

Nutrition Programs Administration:

For necessary administrative expenses of the Food and Nutrition Service for carrying out any domestic nutrition assistance program, \$170,471,000: *Provided*, That of the funds provided herein, \$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.

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

NUTRITION PROGRAMS ADMINISTRATION

Annualized Continuing Resolution, 2011\$150,801,000
 Budget Estimate, 2012170,471,000
 Change in Appropriation +19,670,000

Summary of Increases and Decreases
(On basis of appropriation)

Item of Change	2011 Estimated	Pay Costs	Program Changes	2012 Estimated
Direct Program, FNS and CNPP ^{a/}	\$147,801,000	0	0	\$147,801,000
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	0	19,670,000	170,471,000

^{a/} The FY 2011 estimate for the administrative expenses of the Center for Nutrition Policy and Promotion is \$3,913,000; the FY 2012 request is \$12,913,000.

PROJECT STATEMENT
(On basis of appropriation)

Project	2010 Actual	SY	2011 Estimated	SY	Increase or Decrease	2012 Estimated	SY
Food and Nutrition Service/CNPP	\$147,309,035	1,033	\$147,801,000	1,077	\$19,670,000	\$167,471,000	1,087
Congressional Hunger Center	3,000,000		3,000,000		0	3,000,000	
Congressional Relations	289,000		0		0	0	
Miscellaneous Reimbursements	1,070,316		0		0	0	
Balance Lapsing	491,965		0		0	0	
Total Obligations	152,160,316	1,033	150,801,000	1,077	19,670,000	170,471,000	1,087
Transfer from Congressional Relations	-289,000		0				
Rescission	0		0				
Transfer from Miscellaneous Reimbursements	-1,070,316		0				
Total Appropriation	150,801,000	1,033	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 2012
Supplemental Nutrition Assistance Program	\$74,188,000
Child Nutrition Programs	38,640,000
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	24,729,000
Commodity Assistance Program	17,001,000
Subtotal	154,558,000
Congressional Hunger Center	3,000,000
Center for Nutrition Policy and Promotion	12,913,000
Total Request, Nutrition Programs Administration	170,471,000

Justification of Increases and Decreases

A net increase of \$19,670,000 for the Nutrition Assistance Programs (\$150,801,000 available in FY 2011) consisting of:

- (1) An increase of \$5,170,000 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 30-74).

- (2) 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 \$100 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 30-75).

- (3) 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 30-76).

- (4) 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 30-78).

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2012
CURRENT LAW**

- Program:** Nutrition Programs Administration – Investment in Improved Program Administration
- Proposal:** FNS requests funding 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, and FNS's role is integral in achieving those objectives. However, the serious erosion of staffing levels over consecutive years, combined with a dramatic, concurrent growth in the size and complexity of the programs, has had a detrimental effect on the agency. The staffing shortfall has seriously undercut 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 that are essential in preserving the public's confidence and support for the nutrition assistance programs. FNS needs funding that will preserve its current level of staff years and enable it to provide support for the nutrition assistance programs. Additional funding is critical to maintain the current staffing levels that support the agency's ability to manage the complex Federal nutrition assistance programs, as well as provide funding for other key initiative. Requested increases will support investments in key areas including:
- Policy and Regulatory Development.** Congress and the Administration have set an extraordinarily ambitious and high-profile policy agenda for nutrition programs. The recently enacted "Healthy, Hunger-Free Kids Act of 2010" adds new program, oversight and evaluation requirements to the Special Nutrition Programs which will help FNS lead the government in ending childhood hunger and reverse the trend of increasing obesity among our children. The agency is required to implement Institute of Medicine recommendations to reform school meal standards within two years, and is also focused on completing prompt implementation of the Child Nutrition and WIC reauthorization regulations while preparing for the next Farm Bill legislative cycle.
- 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.
- 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 2009, 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 from the NPA account have been provided to support the design, development, or implementation of these studies to ensure that they yield the rigorous evidence required by policymakers
- Goal:** USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals

Budget Impact:
(\$ in millions)

	FY 2010	FY 2011	FY 2012
Budget Authority	\$0.0	\$0.0	\$5.17

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2012
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 \$100 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.

The Food and Nutrition Service has just transitioned all its administrative funding into the Departments FMMI financial management system and must complete the integration of its programmatic funding into FMMI in order to consolidate its financial operations. The current FNS program accounting system (IPAS) is over 13 years old, is not used by any other federal agency, and must either be replaced (our move into FMMI) or upgraded to conform to current federal standards. Continued use of this software 'as is' is a major risk for the Department since this software is an 'orphan' - not supported by any vendor and is written in outdated software and based on old technology. Finding technical experts familiar with this software has become a major challenge and is very expensive. The upgrade solution is also not a good solution - it will be very costly since all the software will need to be re-written, is at best a very short term fix, and does not move the Agency or Department to a consolidated financial operation

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

Budget Impact:
(\$ in millions)

	FY 2010	FY 2011	FY 2012
Budget Authority	\$0.0	\$0.0	\$3.5

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2012
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 2012 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 2010	FY 2011	FY 2012
Budget Authority	\$0.0	\$0.0	\$9.0

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2012
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.

The funding will be used to upgrade our critical computer and telecommunications infrastructure that includes hundreds of routers, switches, concentrators, over 300 servers, and high capacity UPS and data storage units. This equipment has passed its expected useful life and is putting at risk our ability to support program delivery and maintain the integrity of our computer operations.

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

Budget Impact:

(\$ in millions)

	FY 2010	FY 2011	FY 2012
Budget Authority	\$0.0	\$0.0	\$2.0

Food and Nutrition Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
2010 and Estimated 2011 and 2012

Nutrition Programs Administration--Federal Salaries & Expenses						
	FY 2010 Amount	Staff Years	FY 2011 Amount	Staff Years	FY 2012 Amount	Staff Years
Alabama	0	0	0	0	0	0
Alaska	0	0	0	0	0	0
Arizona	\$252,792	2	\$263,560	2	\$264,528	2
Arkansas	293,246	3	305,737	3	306,860	3
California	8,413,383	72	8,768,997	72	8,803,976	72
Colorado	5,699,158	51	5,941,910	51	5,963,743	51
Connecticut	124,028	1	129,311	1	129,786	1
Delaware	0	0	0	0	0	0
District of Columbia	3,271,028	2	3,282,572	2	3,283,611	2
Florida	182,142	2	189,900	2	190,598	2
Georgia	7,561,611	77	7,883,693	77	7,912,661	77
Hawaii	197,115	2	205,511	2	206,266	2
Idaho	0	0	0	0	0	0
Illinois	5,272,854	47	5,497,448	47	5,517,648	47
Indiana	225,000	2	234,584	2	235,446	2
Iowa	225,000	2	234,584	2	235,446	2
Kansas	225,000	2	234,584	2	235,446	2
Kentucky	195,157	2	203,470	2	204,217	2
Louisiana	462,655	5	482,362	5	484,134	5
Maine	1,979	0	2,063	0	2,071	0
Maryland	347,238	3	362,028	3	363,359	3
Massachusetts	6,504,325	55	6,781,373	55	6,806,290	55
Michigan	562,500	5	586,459	5	588,614	5
Minnesota	1,244,170	3	1,297,165	3	1,301,931	3
Mississippi	241,984	12	252,291	12	253,218	12
Missouri	225,000	2	234,584	2	235,446	2
Montana	337,500	3	351,876	3	353,169	3
Nebraska	225,000	2	234,584	2	235,446	2
Nevada	0	0	0	0	0	0
New Hampshire	172,164	2	179,497	2	180,157	2
New Jersey	8,360,651	79	8,716,768	79	8,748,796	79
New Mexico	0	0	0	0	0	0
New York	1,518,862	16	1,583,557	16	1,589,376	16
North Carolina	409,695	4	427,146	4	428,715	4
North Dakota	112,500	1	117,292	1	117,723	1
Ohio	562,500	5	586,459	5	588,614	5
Oklahoma	210,508	2	219,474	2	220,281	2
Oregon	513,079	6	534,933	6	536,899	6
Pennsylvania	179,892	1	187,554	1	188,244	1
Rhode Island	321	0	335	0	336	0
South Carolina	370,787	4	386,580	4	388,001	4
South Dakota	0	0	0	0	0	0
Tennessee	217,726	2	227,000	2	227,834	2
Texas	7,538,141	66	7,859,223	66	7,888,101	66
Utah	337,500	3	351,876	3	353,169	3
Vermont	0	0	0	0	0	0
Virginia	87,668,903	478	84,719,294	522	104,154,750	532
Washington	0	0	0	0	0	0
Wisconsin	225,000	2	234,584	2	235,446	2
Wyoming	0	0	0	0	0	0
West Virginia	101,599	1	105,927	1	106,316	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	386,398	3	402,856	3	404,337	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	491,909	0	0	0	0	0
TOTAL	\$151,668,000	1,033	\$150,801,000	1,077	\$170,471,000	1,087

Note: Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

Nutrition Programs Administration

Classification by Objects2010 Actual and Estimated 2011 and 2012

(in thousands of dollars)

	Personnel Compensation:	2010	2011	2012
	Washington D.C.	\$43,064	\$44,399	\$47,698
	Field	50,553	52,120	55,993
11	Total personnel compensation	93,617	96,519	103,691
12	Personnel benefits	24,027	24,772	26,579
13	Benefits for former personnel	537	27	28
	Total personnel compensation and benefits	118,181	121,318	130,298
	Other Objects:			
21	Travel and transportation of persons	2,871	2,528	2,528
22	Transportation of things	14	12	12
23.1	Rental payments to GSA	14	12	12
23.2	Rental payments to others	363	320	320
23.3	Communications, utilities, and misc. charges	1,320	1,163	1,163
24	Printing and reproduction	251	221	221
25	Other Services	0	0	0
25.1	Contractual Services Performed by Other Federal Agencies	6,053	5,330	5,330
25.2	Related Expenditures	52	46	46
25.3	Repair, Alteration or Maintenance of Equipment, Furniture or Structures	218	192	192
25.4	Contractual Services - Other	10,421	8,816	19,506
25.5	Agreements	4,086	3,598	3,598
25.6	ADP Services and Supplies	1,363	1,200	1,200
25.7	Miscellaneous Services	224	197	197
25.8	Fees	68	60	60
26	Supplies and materials	2,663	2,344	2,344
31	Equipment	406	357	357
32	Land and structures	0	0	0
41	Grants, subsidies and contributions	3,000	3,000	3,000
42	Insurance claims and indemnities	96	84	84
43	Interest and dividends	4	3	3
45	Special Payments	0	0	0
92	Undistributed	0	0	0
	Total other objects	33,486	29,483	40,173
	Total direct obligations	151,668	150,801	170,471

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. 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 2010 are cited below by program and activity.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)

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 216,738 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 2010 accomplishments supported by the NPA appropriation and related to SNAP include:

Implementation of Farm Bill Changes: The 2008 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 2010, 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 2008 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 2009 was 4.36 percent, representing the sixth consecutive year with a payment error rate under 6 percent. The rate reflects an over-issuance rate of 3.53 percent and an under-issuance rate of 0.82 percent. In FY 2010, FNS continued an aggressive payment accuracy improvement program that balanced the need to maintain program access.
- *Recipient Claims:* State agencies collected about \$223.4 million in recipient claims in FY 2010, the most recent year for which preliminary 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 2010.
- *Store Tracking and Redemption System (STARS):* FNS delivered dashboard functionality to its STARS system to help ease the administrative burden of managing a significantly increased workload as a result of rising retailer participation.
- *Anti-fraud Locator using EBT Retailer Transactions (ALERT):* FNS began development of 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 2010, FNS staff authorized or reauthorized 71,216 firms to participate in SNAP. FNS utilized contractor store visits to verify the initial or continued eligibility of 28,314 stores participating in SNAP. In this same period, 16,175 firms were withdrawn from participation because of changes in ownership, business closings, or nonconformance with authorization criteria. In addition, 1,551 stores were fined or disqualified temporarily or permanently for noncompliance with law or SNAP regulations. At the end of FY 2010, 216,738 stores were authorized to participate in SNAP, an increase of 22,985 stores from FY 2009 and of 41,644 stores over the last three fiscal years.

During FY 2009, there were investigations of 5,365 stores nationwide. Approximately 34 percent (1,823) of these investigations documented evidence of SNAP violations. Of the 1,823 positive investigations, FNS investigators uncovered trafficking in 340 stores.

- *SNAP Retailer Locator:* In FY 2010, FNS released the SNAP Retailer Locator to help program recipient and partners - food banks, state eligibility workers - locate the closest authorized retailer that welcomes SNAP benefits. The mapping tool empowers recipients with information to make informed shopping decisions and expand their food purchasing power.

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 State RFP approvals, contract approvals, as well as oversight of State conversions from one EBT vendor's system to a new vendor's system. In FY 2010 FNS approved five RFPs, five contracts, one contract extension, and five EBT contract amendments.

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 2010 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 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 meal 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 2010 accomplishments supported by the NPA appropriation related to the Child Nutrition Programs include:

Child Nutrition Reauthorization: In FY 2010, FNS continued implementation of the Child Nutrition and WIC Reauthorization Act of 2004. The Healthy, Hunger-Free Kids Act of 2010 reauthorized the Child Nutrition Programs, including various improvements to the USDA Child Nutrition Programs, such as NSLP and the SBP.

- *Regulations* - Publication of Regulations in the Federal Register in FY 2010, including:

- School Food Safety (HACCP) Requirements
- Geographic Preference Options in Procuring Unprocessed Foods
- At-Risk Afterschool Meals

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 2010, 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: USDA's HealthierUS School Challenge (HUSSC) recognizes Team Nutrition schools that have met rigorous standards for nutritious food and beverage choices, nutrition education, and physical education and opportunities for physical activity for students. The HUSSC was adopted under the First Lady's *Let's Move!* initiative in February 2010. USDA is working with partners in schools and the private sector to certify 625 new schools by June 2011 and add 1,000 schools per year for two years after that. USDA has certified over 272 new HUSSC schools meeting approximately 44 percent of the goal for 2011. Since the inception of HUSSC in 2004, USDA has awarded over 900 awards to schools in 38 States at four award levels: 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 2010 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 four WIC State agencies in FY 2010 to pursue innovative projects that revitalize quality nutrition services. The grants awarded in FY 2010 will focus on two areas: promoting greater retention of children participating in WIC and targeting triggers of overfeeding in older infants and toddlers. .
- *Breastfeeding Promotion and Support Activities* –FNS entered into a cooperative agreement with Every Mother, Inc., to update the Loving Support Peer Counseling Curricula and also to conduct trainings for WIC State agencies. FNS awarded \$80 million in grants as a result of the funding increase for breastfeeding peer counseling. FNS awarded \$5 million of breastfeeding performance bonuses to WIC State agencies exhibiting the most improved and highest breastfeeding rates among WIC participants. FNS continues to partner with other member organizations to sponsor the bi-annual meetings of the Breastfeeding Promotion Consortium (BPC).
- *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. New modules were recently completed for the

Value Enhanced Nutrition Assessment (see below), and modules are currently in development for two topics, WIC 101 and breastfeeding. The WIC Works website was also redesigned in FY 2010.

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. By 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.

Expanding EBT: In our continued efforts to expand WIC EBT, FNS awarded FY 2010 funds to eight States (California, Connecticut, Indiana, Iowa, Maine, New York, Rhode Island and Washington) to conduct EBT planning activities. In addition, Oklahoma, Virginia and West Virginia received funds to implement WIC EBT. To date, at least 34 State agencies are in various stages of EBT activity, ranging from planning to statewide implementation.

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 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (P.L. 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 USDA Foods. The agency also provides USDA Foods to four nuclear-affected Pacific islands and delivers food-based relief to the victims of disasters.

More information about the CAP programs during FY 2010 is 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, and in FY 2008 FNS participated in system design sessions and initiated system development activity. In FY 2009, system development continued and testing began. In FY 2010, WBSCM went live with limited functionality, and in FY 2011 WBSCM will go live with full functionality.
- *USDA Foods Communication Initiative* - FNS is in the third 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, new materials, resources, and outreach strategies will be used to help nutrition professionals, school administrators, parents, Congress, the media, and other key organizations will help program managers understand the significant improvements that have been made to USDA Foods.

Food Safety: In FY 2010, FNS continued to enhance food safety initiatives in support of USDA's goal to "Ensure that all of America's Children Have Access to Safe, Nutritious and Balanced Meals". 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 Food Safety Inspection Service's 2010 Food Safety Education Conference, which was held in Atlanta, Georgia, in March 2010. 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 (CDC) to conduct a workgroup to discuss food allergy management in schools. FNS also participated on the Steering Committee of the CDC Environmental Health Service Network. FNS is a member of the National Academies of Science's Institute of Medicine's Food Forum.
- *Liaison Work with Other Food Safety Partners:* FNS worked with the National Education Association Health Information Network to produce a norovirus prevention resource, in both English and Spanish, 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 and provide food safety training at schools. FNS worked with SNA and the Food Allergy and Anaphylaxis Network to conduct a work group on food allergy management. FNS coordinated with the Department of Education to provide advanced training to grantees in the Readiness and Emergency Management for Schools grant program. The agency also works with National Food Service Management Institute 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 regarding use of these messages in the FNS programs. The messages are designed to help low-income mothers and children meet the current *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. The agency is now working with key stakeholders to expand this initiative by adding messages and related content to motivate program participants to eat recommended amounts of whole grains, fat free and 1% fat milk and milk products, fruits and vegetables and to help kids form healthy eating habits early in life. These messages can be easily integrated into educational activities, campaigns, materials and communication tools, and have been incorporated into MyPyramid guidance for preschool children and in resources developed by State and local programs.

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 Collaborative on Childhood Obesity Research, 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 Data 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 2010

For Federally managed Federal debt, FNS continued its vigorous pursuit of debt owed the agency by billing \$36 million in new receivables during the fiscal year. Year-end outstanding debts for the FY increased from the previous year by \$13 million. The overall debt resolution rate achieved was about 47 percent.

Federally Managed Federal Debt Profile
FY 2007 – FY 2010
(\$ millions)

Debt Management Category	2007	2008	2009	2010
Accounts Receivable	\$55	\$58	\$39	\$43
Collections	28	41	43	27
Litigation	15	1	2	1
Past due	16	15	7	9
Recipient Claims	181	208	288	271

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 2008 – FY 2010
(\$ Millions)

<u>Claims Activity</u>	2008	2009	2010
Claims Established	\$330	\$367	\$460
Claims Collected	271	260	287
Ending Balance	1,208	1,242	1,340

^{u/} Figures provided on the FNS-209 are preliminary and subject to change.

Financial Management (FM) Regional Office Reviews

The FM organization conducts assessments of regional offices 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.

Financial Statements Audit

FNS received an unqualified (“clean”) opinion on the FY 2010 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 2010, the agency has reached a critical point regarding necessary administrative resources.

ADMINISTRATIVE MANAGEMENT INITIATIVES

Human Capital Management

In FY 2010, 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 continues to maintain and improve a workforce qualified to pursue that goal by implementing programs to improve their efficiency, diversity and capabilities. FNS is a USDA leader in training and leadership development, and will expand efforts to incorporate workforce and succession planning into the agency’s strategic and other planning processes.

Training and Development

The following initiatives are designed to sustain a learning environment that drives continuous improvement in accomplishment of human capital and FNS programmatic goals. FNS University (FNSU) is the primary source of professional and personal growth opportunities for FNS employees, and several important changes took place in 2010. The University is now structured around four “colleges”, to better represent the comprehensive nature of the program, and courses and training opportunities are expanded and increased in each:

- **College of Orientation:** programs designed to provide comprehensive on-boarding services and orientation to employees new to FNS, and to new supervisors in the agency. The programs included in this college are:
 - FNS-101 Nationwide New Employee Orientation
 - Human Resources Management for New FNS Supervisors
 - FNSU Mentoring Program (in development)

- **College of Self-Development:** programs designed to encourage employees to build life skills. The programs included in this college are:
 - Job Enrichment Program
 - Learning Labs
 - Tuition Reimbursement Program
 - AgLearn
 - Career G-O-A-L-S
 - FNSU & ACE College Equivalency Program
 - FNSU Training Library

- **College of Technical Program Training:** a major investment into moving FNSU into the area of job-related technical training. The effort emphasizes a standardized course development process and the use of agency subject-matter experts to design and teach the courses. In addition, Human Resources has increased efforts to see that quality developmental and experiential opportunities are assured in conjunction with established Federal internship programs. The programs in this college are:
 - Strategically Aligned Trainings (in development)
 - 1890 National Scholars Program
 - Federal Career Intern Program
 - Presidential Management Fellowship Program
 - Field Academy

- **College of Leadership and Management:** a greatly increased emphasis on providing technical and soft-skills training to agency supervisors and managers, as well as leadership development training to a broad grade-range of employees. The programs in this college are:
 - The Leadership Institute
 - Managerial Growth Opportunity Program
 - Executive Development Program
 - Supervision by the Book
 - Supervisory Excellence Program
 - The Aspiring Leaders Program (in development)

Additional information on FNSU's major programs:

- Leadership Institute -- FNSU's premier, intensive 16-month program is FNS' principal succession planning tool for the next decade of leaders, which has undergone a major review resulting in improvements to an already excellent program. Ten participants were selected through a competitive process to participate in the Class of 2011 of the LI. The first of four week-long Core Seminars were held in Charlottesville, VA September 13-17, 2010. The Institute is designed to provide employees with leadership skills that will benefit them and the agency now and in the future. The program also provides knowledge management opportunities and career growth for a broad number of agency employees, in their roles as developmental coaches, mentors, action learning team members, participant supervisors, and project sponsors. The LI allows FNS to minimize its skill and competency gaps, raise the bar on our goals and initiatives, and maintain a highly qualified and satisfied workforce producing quality outputs.
- Learning Labs – Learning Labs are day-long or two-day seminars on management and leadership skills and OPM competencies, open to all employees. Learning Lab topics are determined by the Foundations of Continual Learning skill gap analysis, employee training needs assessments, and listening sessions. Some Learning Labs are tailored to fit regional office or National Office needs, while others address nationwide skill gaps. 2010 labs focused on skill sets in Conflict Resolution, Influence and Negotiating, Vision, and Partnering. Additional training sessions included Computer Software proficiency, The R Factor (communications), IDP Development, Managing Virtual Employees, Myers-Briggs assessments, Emotional Intelligence, and Hermann Brain Dominance.
- Tuition Reimbursement Program (TRP) – Permanent FNS employees can receive partial reimbursement for mission-related courses and or conferences taken on the employee's own time and at their own expense, currently not to exceed \$2,000 per person/per fiscal year. Through TRP, full-time FNS employees can apply for reimbursement of 75 percent of their tuition fees when they take approved courses from one of the five schools of study: Management & Leadership, Public Policy, Communications, Nutrition Sciences and/or Information Technology.

Employees who have taken classes through the TRP have gained knowledge through career development, which benefits both parties: FNS retains highly motivated and qualified individuals, and the employee attains job and workplace satisfaction. Employees are able to transfer the knowledge they gain from the mission-related courses to strengthen their skill base and career options. TRP not only provides an incentive to increase and enhance continual learning, but also provides financial assistance for those employees who might need it.

- Supervisory Excellence Program (SEP) -- A mandatory program for FNS supervisors and managers that satisfies an internal agency requirement for ongoing supervisory training. The National Employee Development Team, which oversees FNS University and its programs, is currently reviewing the SEP to assure it remains current and includes potential improvements such as recommended AgLearn courses to supplement FNSU offerings; making FNSU and other offerings available via streaming to managers' desktops; a reading program; and in-depth training offered by established sources such as the Federal Executive Institute, the Center for Creative Learning, and others based on assessed need.
- Strategically Aligned Trainings (SATs) – FNSU is continuing to move forward in providing job-related technical training in addition to the soft-skills training that it has been providing for years. The agency has obtained Authoring Instructional Material version 2 (AIM2) software as a vehicle to standardize the development of instructor-led classroom training. To date ten developer accounts have been created for various courses, and additional subject matter experts are pending identification and training. Additionally, USDA has procured Course Avenue software to be able to develop web-based training under a shared licensing agreement, which the agency intends to utilize.
- FNS-101 – FNS' comprehensive and informative new employee orientation program, expanded this year into a nationwide program. New regional and National Office employees participate in this 3-day program, in which attendees receive introductions to all facets of the agency, through briefings

from each functional area and from employee services. Additionally, the program includes mandatory U.S. Constitution training and a tour of a local food bank. On the third day of the program, regional employees spend the day with their National Office counterparts, and National Office employees travel to the Mid-Atlantic Regional Office to meet their regional counterparts. This program has been a great success in introducing new employees to the agency.

- A Web-based introduction to FNS for new employees, coupled with direct orientation services provided in local organizations, “Mobile Learning Lab” trips to local cooperators, and program briefings on mission service delivery. As part of FNSU 2010, this program will expand to include new regional employees in the experience. It will also add an additional day of structured training so that participants can meet with their counterparts either in the Regions or at the National Office in order to see how their work inter-relates.
- Field Academy – The core curriculum of FNSU Learning Labs presented in a week-long academy in a central location for up to 20 percent of field staff yearly who, because of their geographic location, cannot attend labs at a regional campus or the National Office campus.
- FNS Mentoring Program – (under development) The mission of the FNS Mentoring Program is to facilitate personal and professional growth and development among employees through the sharing of skills, information and knowledge. Following a successful pilot of the program in the Mid-Atlantic Regional Office in FY 2009, a nationwide pilot is planned for early FY 2011.
- Aspiring Leaders Program -- (under development) This program will prepare and equip employees at the GS 5-11 levels with leadership development skills for the 21st century, and complement the agency’s Leadership Institute. The program is structured around a week-long seminar designed for classroom learning, and will utilize a blended approach by incorporating self-study assignments, on-line training, and a reading program to be completed outside the classroom before and after the seminar. The program will focus on OPM competencies such as diversity, communication skills, conflict management, problem solving, interpersonal skills and other competencies necessary to leadership.

Workforce, Succession, and Recruitment Planning

The agency is committed to implementing and managing its talent through workforce planning, succession planning and recruitment initiatives to attract and develop quality applicants. FNS develops three-year plans based on skill gaps and competencies and critical positions identified by supervisors and managers. Working with managers, succession and recruitment planning is an integral part of the planning process in order to develop a quality workforce to better perform the agency’s goal of improving the Nation’s nutrition and health.

In addition to programs already mentioned which have an employee retention impact, including the TRP and the Career Enhancement Opportunity Program, the agency:

- Continues efforts to retain or reduce hiring timelines in accordance with OPM-prescribed measures.
- Continues use of the Career Patterns approach, a “21st Century Approach to Attracting Talent”.
- Utilizes results from the OPM Employee Viewpoint Survey on an ongoing, annual basis to determine where improvements need to be made in the areas of succession planning, work life, leadership, employee development, and other employee retention areas.
- Develops a strategic direction: the context or “big picture” under which the Agency operates.
- Analyzes the workforce by developing a workforce profile, skill gap analysis and strategies for filling gaps.

These initiatives provide the thrust and backdrop for succession planning, and the Agency is currently participating with the USDA-wide effort to update its workforce plan and succession plan.

Procurement Outreach to Small and Disadvantaged Business

In FY 2010, FNS continued its long-standing emphasis on procurement from small and disadvantaged businesses. The agency exceeded all but two of its procurement goals (met all goals but one SDVOSB) for FY 2010, including 34 percent of all contract spending awarded to small businesses and exceeding the 8(a) award goal by 5 percent. FNS also held two very successful small business roundtable sessions including one specifically for Information Technology.

Information Technology and Egovernment

In FY 2010, FNCS implemented a Retailer Locator capability to allow recipients to easily locate the 210,000 stores that accept SNAP benefits. Utilized cloud computing and GIS technologies to speed development and lower costs. FNS also developed a technical model to support the Apps for Healthy Kids (A4K) competition. The solution allowed for mass access and security controls to ensure the integrity of the site. A4K was a call to the public to use the FNS nutrition dataset to create Web-based learning applications that motivate children to eat more healthfully. The competition is a key component of the *Let's Move!* initiative and a flagship open government project for USDA. A4K resulted in 91 submissions. FNS implemented multiple upgrades to the Store Tracking and Redemption System (STARS) and the Online Store Application (OSA), automating retailer management and compliance processes. In FY 2010, 62% of applications were received electronically and nearly 40,000 retailers processed their applications online since its release in 2008. FNS also completed the development of a state pilot system for an online SNAP Quality Control system. The online solution improves quality and security of data submissions and eliminates paper based processes.

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 systematic evidence-based nutrition research reviews; program-focused consumer economic analyses; and nutrition education resources and on-line tools. CNPP translates nutrition guidance into consumer-focused nutrition promotion and outreach programs to help improve the dietary and physical activity behaviors of all Americans through behavior-change-based principles. CNPP also helps devise cost-effective strategies to target nutrition programs to different customers by analyzing consumer dietary needs, characteristics, behaviors and lifestyles.

The Center for Nutrition Policy and Promotion (CNPP) is committed to providing short- and long-term opportunities to reinforce the Administration's vision to ensure America's children (and their families) have access to safe, nutritious, and balanced meals. CNPP is committed to providing the science-based nutrition guidance that results in helping Americans of all ages make healthful dietary, food and lifestyle choices.

CNPP focuses on identifying, developing and implementing public health strategies and policies based on the most current evidence-based science that will result in positive consumer behavior changes regarding dietary practices and active lifestyles. In doing so, the goal is to help reduce the obesity epidemic in the United States, reduce the incidences of diet-related chronic diseases, and improve the overall health of Americans. Thus, CNPP has a key contribution to the USDA's priority of ensuring that America's children (and their families) have access to nutritious, balanced meals by developing and promoting up-to-date credible scientific, evidence-based dietary guidance and nutrition education. CNPP serves a diverse consumer base, including the populations served by nutrition assistance programs. Thus, guidance and education are designed to reach this diverse consumer base where they learn, work, play, shop, access and prepare foods.

CNPP's Programming Links Evidence-Based, Credible 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 – USDA's 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 Informs Recommendations of 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 2010, the NEL supported the 2010 *Dietary Guidelines* process. Consequently, the DGAC used evidence-based reviews to weight the preponderance of the science to answer over 180 questions, which led to the recommendations included in *Report of the Dietary Guidelines Advisory Committee on the Dietary Guidelines for Americans, 2010* (<http://www.cnpp.usda.gov/DietaryGuidelines.htm>).

After the NEL work for the DGAC was completed, the Evidence Analysis Library Division of CNPP focused the work of the NEL in 2010 to conduct systematic evidence-based review studies on the effectiveness of nutrition education interventions and instructional designs in classroom settings. This research initiative will result in the development of a portfolio of NEL evidence-based research that USDA will use to determine the most effective means of delivering nutrition education to schoolchildren. The first three projects will help answer questions related to: (1) the use of digital media to deliver nutrition education; (2) the effect parental involvement has on the effectiveness of nutrition education; and (3) identification of adults who are most effective for delivering nutrition education.

Between 2010 and 2012, CNPP will continue to 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. The CNPP will continue to develop the NEL as the USDA's premiere depository of evidence-based science that provides answers to key nutrition policy questions. Future work includes evaluating the quality of research to support the effectiveness of nutrition labeling.

Dietary Guidelines 2010: Translating Advisory Committee Recommendations into National Nutrition Policy: The *Dietary Guidelines for Americans* are used in SNAP and in the Child Nutrition and WIC Programs to guide nutrition standards and benefit levels for participants 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. On June 14, 2010, the DGAC submitted its *Report of the Dietary Guidelines Advisory Committee on the Dietary Guidelines 2010* to the Secretaries of Agriculture and Health and Human Services. The DGAC, in its report, concluded "that good health and optimal functionality across the life span are achievable goals but require a lifestyle approach including a total diet that is energy balanced and nutrient dense. Now, as in the past, a disconnect exists between dietary recommendations and what Americans actually consume. On average, Americans of all ages consume too few vegetables, fruits, high-fiber whole grains, low-fat milk and milk products and seafood, and they eat too much added sugars, solid fats, refined grains and sodium. SoFAS (added sugars and solid fats) contribute approximately 35 percent of calories to the American diet. This is true for children, adolescents, adults and older adults, and for both males and females. Reducing the intake of SoFAS can lead to a badly needed reduction in energy intake and inclusion of more healthful foods into the total diet."

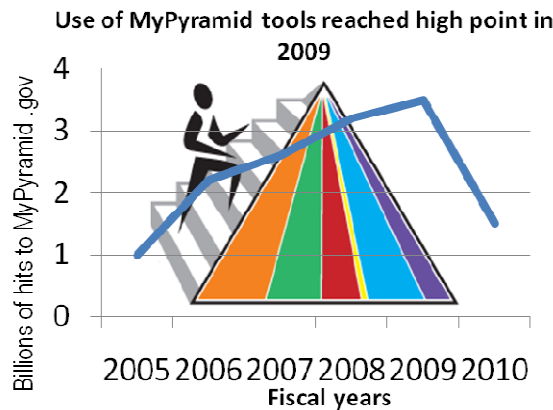
After the submission of the report, USDA and DHHS were responsible for creating and releasing the Dietary Guidelines policy document. These actions are designed to provide dietary guidance based on the latest

evidence-based science, guidance that also forms the foundation for Federal nutrition assistance programs and obesity outreach initiatives such as Apps for Healthy Kids, Recipes for Healthy Kids and *Let's Move!*

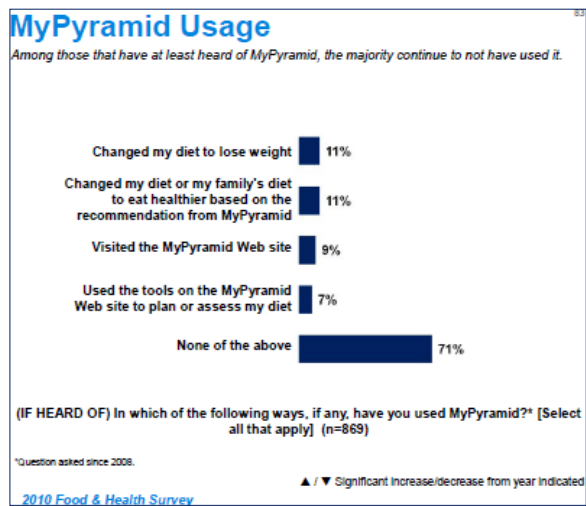
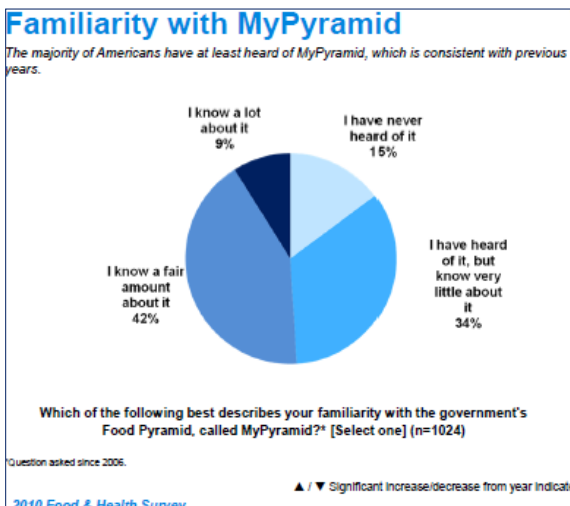
In 2011 and 2012, the focus on dietary guidance will be on communicating messages to the public and delivery of effective nutrition education to various population groups, especially schoolchildren. CNPP is building cutting-edge systems designed to foster behavioral changes toward positive dietary practices and active lifestyles, and increasing 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.

Updates to USDA’s Dietary Guidelines Food Guidance System: Motivating Positive Nutrition and Physical Activity Behavior:

Since the release of the MyPyramid food guidance system, 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 as 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. However, a saturation point has been reached with this generation of tools, which are based on the 2005 *Dietary Guidelines*. As the chart provided below shows, the use of the MyPyramid tools increased each year between 2005 (April to September) and 2009, moving from 1.0 billion to 3.5 billion hits. However, in 2010 use of the MyPyramid Web site dropped to 1.6 billion hits. This drop may result from the public’s anticipation of the 2010 *Dietary Guidelines* and because after five years the saturation point had been reached.



The 2010 Food and Health Survey is a nationwide survey conducted by the International Food Information Council Foundation. This survey shows that 85% of the respondents are familiar with MyPyramid or have heard about it. Other results from the survey show that 29 percent of the nationwide sampling used MyPyramid in some way to change their diets.



With the development and release of the 2010 *Dietary Guidelines*, USDA's food guidance system must be updated to reflect consumer-tested, actionable, consistent, understandable, and behavior-change oriented messages that the Department wants to communicate about healthful eating and active lifestyles. With updates to this system, the goal is that millions of Americans will apply the nutrition messages to an action that promotes better food choices and physical activity behaviors, and seek more information to apply to dietary planning using USDA's on-line educational tools.

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. USDA's nutrition and food guidance system has a major role in increasing the effectiveness of nutrition education materials. In 2012, CNPP will continue its work of developing and updating electronic tools that will encourage Americans to think about what it means to have a healthful diet, to base their actions upon credible nutrition science, and to use consumer-tested tools to achieve their personal goals. Of note is that, in 2012, CNPP will be building on the success of its Apps for Healthy Kids competition that was conducted jointly with the First Lady's *LetsMove!* initiative in 2010, as part of the Administration's Open Government/data.gov effort. Under the umbrella of the *Let'sMove!* campaign to end childhood obesity within a generation, the competition challenged innovators and entrepreneurs to use CNPP's nutrition dataset at data.gov to create tools and games that deliver nutrition and health concepts in a fun and engaging way. By challenging software developers, game designers, students and other innovators to develop fun and appealing software, tools and games, children, especially "tweens" (ages 9-12), could be driven directly or through their parents to eat better and be more physically active. Nearly 100 qualified submissions were received nationwide and 12 winners, selected by judges and national voting, were recognized publicly and given cash prizes for their efforts. The success of this effort paved the way for plans that will be employed in 2012 for more challenges and crowd-sourcing opportunities to connect with the public in collaborative efforts toward ending childhood obesity.

Healthy Eating Index-2005 to be Updated to 2010 Version: Health studies indicate that, although the rise in obesity in the U.S. has slowed, the percentage of Americans who are obese is still high. Furthermore, health statistics show that the food choices that many Americans are making are promoting the risk of chronic diet-related diseases, such as hypertension, diabetes and coronary heart disease. The HEI is the validated dietary assessment tool designed to measure compliance with key diet-quality recommendations of the *Dietary Guidelines for Americans*. Results from studies of the American diet show that 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.

Table 1. Estimated mean Healthy Eating Index-2005 total and component scores, all and low-income populations, United States, 2003-04

Component (maximum score)	Age 2 and older All incomes (n=8,272) Score (CI) ¹	Age 2 and older Low income ² (n=3,293) Score (CI)	Age 2 and older Higher income (n=4,979) Score (CI)	Age 2-18 years Low income ³ (n=2,148) Score (CI)	Age 2-18 years Higher income (n=1,405) Score (CI)
Total Fruit (5)	2.9 (2.6, 3.1)	2.9 (2.5, 3.2)	2.9 (2.5, 3.2)	3.3 (2.9, 3.7)	3.1 (2.8, 3.4)
Whole Fruit (5)	3.1 (2.8, 3.5)	2.8 (2.4, 3.2)	3.2 (2.8, 3.7)	2.7 (2.2, 3.2)	2.8 (2.3, 3.3)
Total Vegetables (5)	3.2 (3.2, 3.3)	3.0 (2.9, 3.2)*	3.3 (3.2, 3.4)*	2.5 (2.4, 2.6)*	2.2 (2.1, 2.4)*
Dark Green and Orange Vegetables and Legumes (5)	1.2 (1.1, 1.3)	1.0 (0.9, 1.1)*	1.2 (1.1, 1.4)*	0.6 (0.5, 0.8)	0.6 (0.4, 0.7)
Total Grains (5)	5.0 (5.0, 5.0)	5.0 (5.0, 5.0)	5.0 (5.0, 5.0)	5.0 (5.0, 5.0)	5.0 (5.0, 5.0)
Whole Grains (5)	0.9 (0.8, 1.0)	0.8 (0.7, 0.9)*	0.9 (0.9, 1.0)*	0.7 (0.6, 0.9)	0.7 (0.7, 0.8)
Milk (10)	6.2 (5.9, 6.6)	6.3 (5.9, 6.7)	6.2 (5.8, 6.7)	8.4 (7.8, 8.9)	8.5 (7.9, 9.1)
Meat and Beans (10)	10.0 (10.0, 10.0)	9.9 (9.4, 10.0)	10.0 (10.0, 10.0)	8.4 (7.8, 8.9)	8.1 (7.6, 8.7)
Oils (10)	7.3 (7.0, 7.6)	7.1 (6.6, 7.6)	7.4 (7.0, 7.8)	6.8 (6.2, 7.5)	6.8 (6.4, 7.1)
Saturated Fat (10)	5.9 (5.6, 6.1)	5.9 (5.5, 6.3)	5.8 (5.5, 6.1)	4.9 (4.2, 5.6)	5.6 (5.0, 6.1)
Sodium (10)	4.0 (3.8, 4.1)	4.4 (4.2, 4.7)*	3.8 (3.6, 4.0)*	4.6 (4.3, 4.9)	4.2 (3.9, 4.5)
Calories from Solid Fats, Alcoholic beverages, and Added Sugars (20)	7.8 (7.3, 8.4)	7.4 (6.6, 8.2)	8.0 (7.5, 8.5)	8.3 (7.5, 9.1)	7.8 (6.9, 8.7)
Total HEI-2005 score (100)	57.5 (56.0, 59.0)	56.5 (54.3, 58.8)	57.8 (56.2, 59.4)	56.4 (53.9, 58.9)	55.4 (52.6, 58.2)

¹95% confidence interval.

²Household income <130% of the Federal poverty level.

³Household income <185% of the Federal poverty level.

* Significant difference between income levels (p<0.05).

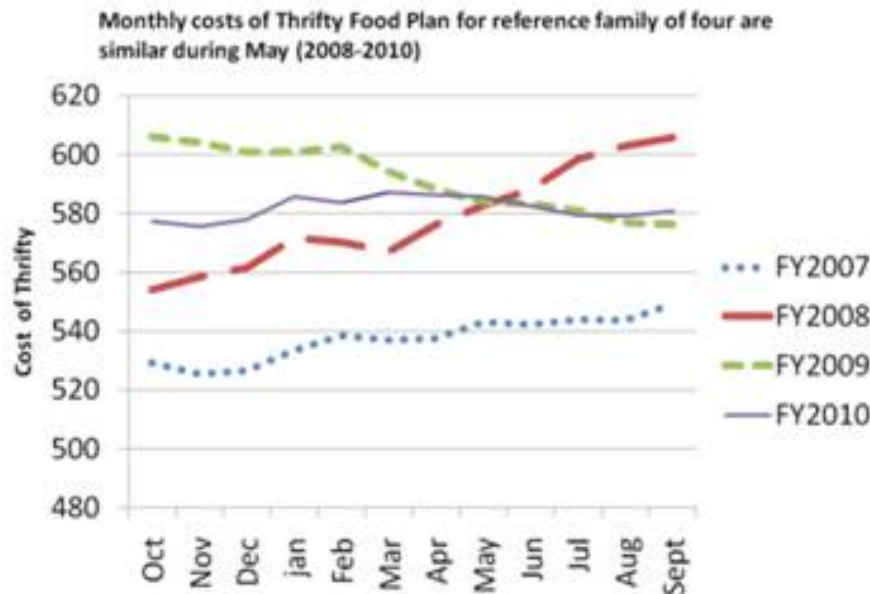
Source of data: National Health and Nutrition Examination Survey, 2003-04.

To be a relevant indicator of the status of the American diet, the Healthy Eating Index will be updated to reflect the 2010 *Dietary Guidelines for Americans*. By 2012, CNPP will have completed its update of the Healthy Eating Index and will begin characterizing the diet of different segments of the U.S. population.

Monitoring of Food and Nutrient Intake

USDA Food Plans and Monthly Updates Support Food Assistance Delivery and Food Security: CNPP develops the USDA Food Plans, which are market baskets of foods that represent a healthy diet at various low-income levels. The Thrifty (TFP), 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 for fiscal year 2008 through 2010 show that the cost of the TFP was most similar during May in each year (\$582.60 to \$585.80). The TFP began low in fiscal year 2008 and rose to its highest level by the end of the year: \$554.20 to \$605.80. In fiscal years 2009 and 2010, the TFP began high and tended to drop (see chart). 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* 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 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 four 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 activities all support USDA Strategic Goal, "Ensure that all of America's children have access to safe, nutritious and balanced meals."

USDA Strategic Goal	Strategic Objective	Programs that Contribute	Key Outcome
USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious and balanced meals	<u>Agency Strategic Goal/Objective 4.1:</u> Increase 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 	Key Outcome 1: Reduce the number of households with children who experience very low food security by 100,000. (USDA High-Priority Performance Goal) Key Outcome 2: Reduce dollars lost through program errors.
	<u>Agency Strategic Goal/Objective 4.2:</u> Promote Healthy Diet and Physical Activity Behaviors	<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 	Key Outcome 3: Reduce the rate of childhood obesity in the United States. Key Outcome 4: Improve all food sold in schools. (USDA High-Priority Performance Goal)

Key Outcome:

Key Outcome 1: Reduce the number of households with children who experience very low food security by 100,000. (USDA High-Priority Performance Goal)

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), the National School Lunch Program (NSLP), and the School Breakfast Program (SBP).
- 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 40.3 million persons per month in FY 2010. The percentage of the eligible population participating was 66.3 percent in FY 2008, the most recent year for which data is available.
- In FY 2010, the National School Lunch Program had average daily participation of 31.6 million children, and served 57.2 percent of school children in the United States.
- In FY 2010, the School Breakfast Program had average daily participation of 11.6 million children, and served 20.9 percent of school children in the United States.
- Participation in the WIC Program increased to 9.2 million in FY 2010.
- A total of 41 States have implemented broad-based categorical eligibility for SNAP benefits.

Selected Accomplishments Expected at the FY 2012 Proposed Resource Level:

- The Supplemental Nutrition Assistance Program will serve an average of 44.98 million persons per month and reach 71.3 percent of the target population.
- The National School Lunch Program will reach average daily participation of 32.5 million children and serve 57.9 percent of the target population.
- The School Breakfast Program will reach average daily participation of 12.9 million children and serve 23.0 percent of the target population.
- The WIC Program will serve a monthly average of 9.6 million women, infants, and children.

Key Outcome 2: Reduce dollars lost through program errors.

Long-term Performance Measures: Maintain or increase the SNAP payment accuracy rate.

Selected Past Accomplishments toward Achievement of the Key Outcome:

- The FY 2009 SNAP certification error rates were the lowest in the history of the program.

Selected Accomplishments Expected at the FY 2012 Proposed Resource Level:

- The SNAP payment accuracy rate will be at 96.0 percent.

Key Outcome 3: Reduce the rate of childhood obesity in the United States.

Long-term Performance Measures:

- Reduce the prevalence of obesity (a Body Mass Index at or above the 95th percentile for their age) among children and adolescents in the United States.
- Increase the percentage of adults who consume five or more servings of fruits and vegetables daily.
- Increase the distribution of nutrition guidance, education, and promotion tools.
- 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:

- FNS launched the Healthy Incentives Pilot (HIP), which provides a 30 percent incentive for the purchase of fruits and vegetables to randomly selected SNAP participants with the goal of increasing their fruit and vegetable consumption and improving their overall diet.
- CNPP released its newest educational tool: MyFood-A-Pedia, located at MyPyramid.gov, a mobile tool that provides consumers quick access to nutrition information for more than a thousand foods..
- Over 1,600 farmers' markets were authorized to redeem SNAP benefits in FY 2010, and redeemed \$7.5 million in benefits.

Selected Accomplishments Expected at the FY 2012 Proposed Resource Level:

- The prevalence of overweight among children and adolescents will drop to 16.2 percent.
- FNCS will distribute 4.0 billion pieces of nutrition guidance.
- 2,000 farmers' markets will be authorized to redeem SNAP benefits, and redeem \$9.0 million in benefits.

Key Outcome 4: Improve all foods sold in schools. (USDA High-Priority Performance Goal)

Long-term Performance Measure:

- Increase the number of Healthier US Schools across the Nation.

Selected Past Accomplishments toward Achievement of the Key Outcome:

- FNS proposed updated nutrition standards for school meals, based on Institute of Medicine recommendations.
- Over 200 new HealthierUS schools were certified by the end of 2010.

Selected Accomplishments Expected at the FY 2012 Proposed Resource Level:

- Reach 2,350 new HealthierUS schools.
- Use new authority in the Healthy, Hunger-Free Kids Act to propose national nutrition standards for non-program foods served in schools during the school day.

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: Reduce the number of households with children who experience very low food security by 100,000. (USDA High Priority 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 over 450,000 families in 2009, with nearly one million 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.

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					
	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Target	2012 Target
U.S. households with very low food security among children (thousands)	323	506	469	387.5*	328.1	240.6
Rates of eligible populations participating in:						
• The Supplemental Nutrition Assistance Program (SNAP)	65.8%	66.3%	67.5%*	68.8%*	70.0%	71.3%
• The National School Lunch Program (NSLP)	54.9%	55.5%	56.6%	57.2%	57.5%	57.9%
Participation levels in:						
• Average monthly SNAP (millions)	26.5	28.4	33.7	40.3	45.0	45.0
• Average daily NSLP (millions)	30.5	30.9	31.2	31.6	32.1	32.5
• Average monthly WIC (millions)	8.3	8.7	9.1	9.2	9.3	9.6

*Figures are targets; actual data not yet available

Means and Strategies: In order to advance the goal and 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 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.
- Implement provisions of the Healthy, Hunger-Free Kids Act of 2010 that 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.

Key Agency Outcome 2: 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: Maintain or increase the SNAP payment accuracy rate.

Key Performance Targets:

Annual Performance Goals and Indicators	Fiscal Year					
	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Target	2012 Target
SNAP payment accuracy rate.	94.4%	95.0%	95.6%	95.6%*	95.6%	96.0%

*Figure is a target; actual data not yet available

Means and Strategies: In order to advance the goal and 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.

Key Agency Outcome 3: 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 show that the prevalence of obesity has increased among children and adolescents, reaching 16.9% in 2007-08. 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.

In addition, 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 such as SNAP with benefits that can be redeemed through such vendors can help low-income families take advantage of improved access to healthful choices.

Key Performance Measures:

- Reduce the prevalence of obesity (a Body Mass Index at or above the 95th percentile for their age) among children and adolescents in the United States.
- Increase the percentage of adults who consume five or more servings of fruits and vegetables daily.
- Increase the distribution of nutrition guidance, education, and promotion tools.
- 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					
	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Target	2012 Target
Prevalence of overweight among children and adolescents	16.9%		16.6%*		16.2%	
Percentage of adults who consume five or more servings of fruits and vegetables daily	24.4%	Not avail.	23.4%	34.0%*	37.2%	40.4%
Nutrition guidance, education, and promotion tools distributed (e-hits and print materials)	2.6 billion	3.2 billion	3.5 billion	1.5 billion	3.9 billion	4.0 billion
SNAP-authorized direct marketing farmers and farmers' markets	532	753	946	1,611	1,800	2,000
SNAP redemptions in farmers' markets	\$1.6 million	\$2.7 million	\$4.4 million	\$7.5 million	\$8.25 million	\$9.0 million

*Overweight data from the National Health and Nutrition Examination Survey reported biennially

Means and Strategies: In order to advance the goal and achieve the performance targets, USDA will:

- Promote the 2010 *Dietary Guidelines for Americans* and augment supporting educational tools and systems to promote more healthful 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.
- 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.
- Equip farmers' markets across the country with point-of-sale devices to redeem SNAP benefits. As of mid-2009, the Agriculture Marketing Service reports that there were over 6,100 farmers markets operating throughout the U.S. Based on those figures, nearly 75% of 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.

Key Agency Outcome 4: Improve all foods sold in schools (USDA High Priority 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.

The Healthier US Schools Challenge establishes rigorous criteria for schools' food quality, participation in meal programs, physical activity, physical education, and nutrition education—the key components that make for healthy and active kids—and provides recognition for schools that meet these criteria. Because Challenge schools have succeeded in improving the quality of the food they serve and other aspects of the school nutrition environment, certification of additional Challenge schools represents a key result that contributes to this outcome.

- *Key Performance Measure:* Increase the number of Healthier US Schools across the Nation.

Note: Since the beginning of HealthierUS School Challenge, USDA has tracked awards, rather than certified schools, reflecting the fact that some schools have earned multiple awards, and that the certification for awards expire over time. Between 2004 and September 2010, 854 awards were given to schools in 39 States. The Department has transitioned to certified schools as a metric, and is tracking progress in expanding that number. At the end of FY 2010, 331 schools were certified, including 233 new schools in FY 2010. The targets below reflect the Let's Move goal of 1,250 HealthierUS schools by June 2011, with an additional 1,000 schools in each of the two years that follow.

Key Performance Targets:

Annual Performance Goals and Indicators	Fiscal Year					
	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Target	2012 Target
Number of new HealthierUS Schools.	N/A	N/A	N/A	233	1,350	2,350

Means and Strategies: In order to advance the goal and achieve the performance targets, USDA will:

- Finalize and 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.
- Use new authority in the Healthy, Hunger-Free Kids Act to develop and implement national nutrition standards for non-program foods served in schools during the school day.
- 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.

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 2010	FY 2011	FY 2012
Child Nutrition Program			
Child Nutrition Programs			
School Lunch Program	\$9,932,814	\$10,451,023	\$10,941,113
School Breakfast Program	2,895,356	3,115,300	3,337,699
Child and Adult Care Food Program	2,583,232	2,693,384	2,818,405
Summer Food Service Program	374,203	375,518	400,505
Special Milk Program	12,064	12,563	13,069
State Administrative Expense	195,532	206,943	279,034
Total, Cash Grants to States	15,993,201	16,854,731	17,789,825
USDA Foods (Sec 6e Entitlement)	735,782	907,919	972,651
Child Nutrition Program Other Program Costs	75,472	59,916	105,189
Child Nutrition Program Permanent Activities	112,359	306,327	158,909
Nutrition Programs Administration (Allocation to this program)	36,189	35,972	38,640
Other Program Costs 2/	527,325	527,325	527,325
Total Cost	\$17,480,328	\$18,692,190	\$19,592,539
FTEs	414	437	437
Unit Costs			
Child Nutrition Total Cost per Meal Served (\$/service unit) 3/	\$1.82	\$1.86	\$1.93
Performance Measure: Avg. daily NSLP participation (millions)	31.6	32.1	32.5
Performance Measure: Avg. daily SBP participation (millions)	11.6	12.4	12.9
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)			
Cash Grants to States: Food & NSA (inclusive of projected carryout)	\$7,049,858	\$7,428,664	\$7,373,249
Infrastructure Grants	7,918	16,559	13,600
Technical Assistance	393	408	400
Breastfeeding Peer Counselors	80,126	80,000	83,000
Management Information Systems	30,202	89,798	60,000
Program Evaluation and Monitoring	3,186	26,814	15,000
Federal Administrative Oversight and Infrastructure	3,999	15,752	10,000
Coordination with Other Programs	0	0	5,000
Breastfeeding Performance Bonus	5,000	0	10,000
ARRA WIC MIS	64,111	0	0
UPC Database (Permanent Approp.)	0	1,000	1,000
Nutrition Programs Administration (Allocation to this program)	23,161	23,022	24,729
Other Program Costs	0	0	0
Total Cost	\$7,267,954	\$7,682,017	\$7,595,978
FTEs	182	189	189
Unit Costs			
WIC (Total Annual Cost per Participant) 4/	\$792.15	\$823.28	\$790.18
Performance Measure: Average monthly WIC participation (millions)	9.2	9.3	9.6

PROGRAM / ACTIVITY	FY 2010	FY 2011	FY 2012
Supplemental Nutrition Assistance Program Account			
Supplemental Nutrition Assistance Program (SNAP)	\$57,820,329	\$65,340,734	\$66,111,547
ARRA SNAP Benefits and Admin. Funds	10,763,853	10,486,716	11,660,106
Nutrition Assistance for Puerto Rico (NAP)	1,746,351	1,744,605	1,751,583
ARRA NAP Funds	254,217	255,963	248,985
Food Distribution Program on Indian Reservation (FDPIR)	112,756	96,958	102,746
ARRA FDPIR Equipment Funds	1,367	0	0
The Emergency Food Assistance Program (TEFAP) Commodities	247,994	247,500	248,750
American Samoa	5,204	7,006	7,034
ARRA American Samoa Benefits	1,021	1,028	1,000
Program Access/ Community Food Project/ CNMI	38,368	25,792	22,148
Nutrition Programs Administration (Allocation to this program)	69,482	69,066	74,188
Other Program Costs 5/	377	377	377
Total Cost	\$71,061,319	\$78,275,745	\$80,228,464
FTEs	591	618	618
Unit Costs			
SNAP (Total Annual Cost per Participant) 6/	\$1,703.50	\$1,686.54	\$1,729.86
FDPIR (Total Annual Cost per Participant) 7/	\$1,077.93	\$966.65	\$922.36
Performance Measure: Average monthly SNAP participation (millions)	40.3	45.0	45.0
Commodity Assistance Program Account			
Commodity Supplemental Food Program (CSFP)	\$181,892	\$192,624	\$176,788
Emergency Food Assistance Program (TEFAP) Administrative Cost	49,834	49,500	50,000
ARRA TEFAP Administrative Funds	54,609	0	0
TEFAP Infrastructure Grants	5,956	44	0
Farmers' Market Programs			
Farmers' Market Nutrition Program	22,089	20,003	20,000
Seniors' Farmers' Market Program	22,459	20,606	20,600
Commodity Assistance (Nuc. Affected Isld, Disaster Asst., NSIP Comm.)	5,114	3,883	1,081
IT Modernization and Support	0	0	1,750
Nutrition Programs Administration (Allocation to this program)	15,923	15,828	17,001
Other Program Costs 8/	366,987	366,987	366,987
Total Cost	\$724,864	\$669,475	\$654,207
FTEs	112	117	117
Unit Costs			
CSFP (Total Annual Cost per Participant) 9/	\$385.11	\$348.09	\$321.91
Performance Measure: Average monthly CSFP participation (thousands)	518.900	604.931	604.931
Nutrition Programs Administration Account (Center for Nutrition Policy and Promotion)			
Center for Nutrition Policy and Promotion	\$3,913	\$3,913	\$12,913
Congressional Hunger Center Fellows	3,000	3,000	3,000
Nutrition Programs Administration (Allocation to this program)	NA	NA	NA
Other Program Costs	0	0	0
Total Cost	\$6,913	\$6,913	\$15,913
FTEs	34	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	\$96,541,377	\$105,326,340	\$108,087,101
Less Other Program Costs	894,689	894,689	894,689
Total FNS Program Cost	\$95,646,688	\$104,431,651	\$107,192,412
FTEs	1,333	1,393	1,403

Notes

1/ Reflects current and prior year resources, supplementals and recissions as appropriate.

Child Nutrition Programs Account

2/ Includes entitlement, bonus, and 12 percent shortfall USDA foods purchased in support of the program from Sections 32 and 416 funds.

3/ 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)

4/ WIC average monthly participation assumptions: FY 2010: 9.175 million; FY 2011: 9.331 million; FY 2012: 9.613.

Supplemental Nutrition Assistance Program Account

5/ Includes FDPIR bonus USDA foods.

6/ SNAP Average Monthly Participation Assumptions: FY 2010: 40.3 million; FY 2011: 45.0 million; FY 2012: 45.0 million.

7/ FDPIR Average Monthly Participation Assumptions: FY 2010: 84,609; FY 2011: 87,147; FY 2012: 88,890.

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 2010: 518,900; FY 2011: 604,931; FY 2012: 604,931.