

FOOD AND NUTRITION SERVICE

2016 Explanatory Notes

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## FOOD AND NUTRITION SERVICE

### PURPOSE STATEMENT

The Food, Nutrition and Consumer Services mission area includes the Food and Nutrition Service and the Center for Nutrition Policy and Promotion.

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 15 domestic nutrition assistance programs. Its mission is to increase food security and reduce hunger in partnership with cooperating organizations by providing children and other low-income Americans access to food, a healthful diet, and nutrition education.

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, these 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 four Americans over the course of a year.

The Center for Nutrition Policy and Promotion (CNPP) was established in December 1994, pursuant to a Memorandum of Understanding between two mission areas in the U.S. Department of Agriculture - Research, Education, and Economics and the Food, Nutrition and Consumer Services.

CNPP's mission is to improve the health of Americans by developing and promoting dietary guidance that links the best evidence-based scientific research to the nutrition needs of consumers. Their responsibility is to develop integrated nutrition research and promotion programs and provide the best evidence-based scientific dietary guidance to the American public.

### **Descriptions of Programs:**

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The nutrition assistance programs described below work both individually and in concert with one another to improve the Nation's nutrition and health of children and other low-income Americans.

- *Supplemental Nutrition Assistance Program (SNAP)*: Authorized by the Food and Nutrition Act of 2008, SNAP is the cornerstone of the Nation's nutrition assistance safety net, touching the lives of nearly 47 million Americans. It provides nutrition assistance to participants, the majority of whom are children, the elderly, or people with disabilities, helping them put food on the table using benefits that can be redeemed at authorized food retailers 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. The Food and Nutrition Service is responsible for authorizing and monitoring participating retailers. 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, American Samoa, and the Commonwealth of the Northern Mariana Islands 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 living on or near reservations. State agencies and Indian Tribal Organizations (ITOs) that operate the program are responsible for eligibility certification, 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.

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- *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 34 million children in schools, child care institutions, and after school care programs. CACFP also supports meal service in adult day care centers. FNS provides cash and USDA-purchased foods 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 expenses, 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.

In addition, the Fresh Fruit and Vegetable Program (FFVP) provides access to fresh fruits and vegetables for students in low-income elementary schools across the nation. The Fresh Fruit and Vegetable Program, authorized and funded under Section 19 of the Richard B. Russell National School Lunch Act and expanded by the Food, Conservation and Energy Act of 2008, operates in selected low-income elementary schools in the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands. States select schools to participate based on criteria in the law and eligible participants are required to receive between \$50 and \$75 worth of fresh produce over the school year.

- *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. The WIC food package benefit 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 senior citizens and in some cases low-income infants and children up to age six, low-income pregnant and postpartum women. In recent years, there has been a shift towards low-income elderly in this program; in FY 2014, elderly participation comprised 98 percent of total participation. The Agricultural Act of 2014 discontinued the admission of new pregnant and postpartum women and children into the program. Those already in the program can continue to receive assistance until they are no longer eligible. 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 2014, 39 States, the District of Columbia, and two Indian reservations operated CSFP.
- *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

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operate programs according to Federal standards in exchange for program funds that cover all benefit costs, and a significant portion, if not all, 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-tenth 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 18 field offices/satellite locations as well as five SNAP compliance offices. A regional administrator directs each regional office. These offices maintain direct contact with State agencies that administer the FNS programs and conduct on-site management reviews of State operations. The Retailer Operations Division monitors the 261,150 stores and other outlets as of September 30, 2014 authorized to redeem SNAP benefits.

As of September 30, 2014, there were approximately 1,359 full-time permanent employees in the agency. There were 524 employees in the Washington headquarters office and 835 in the field. The chart below displays staff year utilization.

STAFF YEAR DISTRIBUTION (From All Sources of Funds)					
FNS Projects and CNPP	2013 Actual	2014 Actual	2015 Enacted	Change	2016 Estimate
Supplemental Nutrition Assistance Program	170	238	333	+40	373
Child Nutrition Programs	221	249	288	0	288
Commodity Assistance Program	1	2	3	0	3
Supplemental Nutrition Program for Women, Infants and Children	30	32	40	0	40
Nutrition Programs Administration	905	777	965	-3	962
Center for Nutrition Policy and Promotion*	32	27	35	+3	38
<b>Total Available</b>	<b>1,359</b>	<b>1,325</b>	<b>1,664</b>	<b>40</b>	<b>1,704</b>

\* CNPP Staff Year Distribution includes NPA and four program funding in the Child Nutrition Programs.

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**Audit Reports of National Significance Issued for Fiscal Year 2014**

OIG Audits Issued

Area	Number	Date	Title	Status
Financial Management	27401-0003-21	12-2013	Food and Nutrition Service Financial Statements for Fiscal Years 2013 and 2012	Report contained an unmodified opinion with no recommendations.
WIC	27004-0001-22	9-2014	States' Food Costs for the Food and Nutrition Service's Special Supplemental Nutrition Program for Women, Infants, and Children	Final action pending on open recommendations.

GAO Audits Issued

Area	Number	Date	Title	Status
NSLP	GAO-14-104	1-2014	School Lunch: Implementing Nutrition Changes Was Challenging and Clarification of Oversight Requirements Is Needed	Final action pending on open recommendations.
NSLP	GAO-14-262	5-2014	School-Meals Programs: USDA Has Enhanced Controls, but Additional Verification Could Help Ensure Legitimate Program Access	Final action pending on open recommendations.
NSLP	GAO-14-557	7-2014	School Meal Programs: Implications of Adjusting Income Eligibility Thresholds and Reimbursement Rates by Geographic Differences	Closed – no recommendations included in the report.

**THE CENTER FOR NUTRITION POLICY AND PROMOTION**

As a 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, including populations receiving nutrition assistance. The Center for Nutrition Policy and Promotion (CNPP) is USDA's focal agency for developing and promoting dietary guidance that links the best evidence-based scientific research to the nutrition needs of Americans. Instrumental in planning and implementing this work are the Center's Office of Nutrition Guidance and Analysis and the Office of Nutrition Marketing and Communications. Its mission is to improve the health of Americans by developing and promoting dietary guidance that links the best evidence-based scientific research to the nutrition needs of consumers. Its responsibility is to develop integrated nutrition research and promotion programs and provide the best evidence-based scientific dietary guidance to the American public.

**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 develops and implements cost-effective strategies and programs for targeted audiences 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 Americans**

CNPP leads the development and implementation of the *Dietary Guidelines for Americans* for USDA. The *Dietary Guidelines* form the basis for federal nutrition programs, standards, and education for the general public, providing

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ways to improve the overall health of Americans through proper nutrition. They are based on the preponderance of scientific knowledge and, as mandated by Congress, they are published every five years.

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

CNPP establishes and maintains USDA's Nutrition Evidence Library (NEL) to conduct systematic reviews that use the best evidence-based scientific research to answer important food and nutrition-related questions. These objective and transparent scientific reviews inform Federal policies and programs, including the *Dietary Guidelines for Americans*. Using this evidence-based approach ensures compliance with the Consolidated Appropriations Act, 2001 (P.L. 106-554), the *Data Quality Act or Information Quality Act*, which mandates that Federal agencies ensure the quality, objectivity, utility, and integrity of the information used to form Federal guidance. The NEL works with a multidisciplinary group of leading scientific experts, using state-of-the-art methods to objectively identify, evaluate, describe and synthesize food and nutrition research which focuses on foods, beverages, food groups, and dietary patterns, highlighting the amounts and combinations of foods and beverages that promote health. Reviews also focus on dietary behaviors and environmental factors which promote adoption of healthy eating patterns. The NEL serves as the USDA model upon which other USDA agencies approach the review of science to support the policies for which they are responsible.

### **Coordinates Nutrition Promotion and Education Policy within USDA**

CNPP leads the coordination of nutrition education materials for USDA through the USDA Dietary Guidance Working Group. Chaired by CNPP staff, this Group reviews all of USDA's and DHHS' nutrition publications and materials to ensure consistency with the *Dietary Guidelines*. CNPP staff are also representatives on many inter- and intra-agency committees to provide nutrition expertise. For example, CNPP represents USDA on the DHHS Healthy People initiative in the areas of food, nutrition, and obesity.

### **Promotes Consumer-Oriented Nutrition Messages**

CNPP helps consumers put the *Dietary Guidelines* into action by developing innovative and compelling nutrition education programs and information and promoting, educating, and communicating them to the public. The MyPlate Food Guidance System provides current Federal nutrition guidance, as well as a coordinated calendar designed to consistently communicate key consumer behavior messages based on the *Dietary Guidelines for Americans* to nutrition educators, health professionals, and consumers. Additionally, CNPP develops and disseminates millions of print online tools and resources to assist millions of users in applying and tracking their progress to meet the nutrition recommendations via the personalized SuperTracker interactive tool. Through these and other efforts, 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.

CNPP also works collaboratively with FNS and its program areas to help encourage healthier food choices among program participants. In the past year, CNPP has produced various nutrition education resources for SNAP, WIC, and Child Nutrition and worked collaboratively with these programs and the Food Distribution Division on the "What's Cooking? USDA Mixing Bowl" project.

### **Collaborates with Public/Private Groups to Promote Nutrition**

CNPP leads USDA's efforts to communicate nutrition messages through a wide variety of mechanisms, including [www.ChooseMyPlate.gov](http://www.ChooseMyPlate.gov), GovDelivery, the Nutrition Communicators Network, MyPlate Food Guidance System, nutrition assistance programs, commodity and agricultural groups, food industry, trade associations, public health organizations, and the media. 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 120 National Strategic Partners and over 7,300 Community Partners, and 3,000 MyPlate On Campus Ambassadors to magnify the reach of MyPlate tools and nutrition messages.

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

CNPP conducts policy analyses of socio-economic, food behavior, and food disappearance data that supports national policy and the promotion of healthful eating in America. Working in collaboration with other Federal

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agencies, CNPP conducts large-scale analyses that support policymaking for domestic nutrition assistance and setting a national agenda for nutrition security. CNPP develops USDA's Food Plans including the Thrifty Food Plan, upon which SNAP benefit levels 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 provides families with the costs of household expenditures, including food.

CNPP staff contribute to activities related to nutrition monitoring of foods and nutrients available for consumption. Further, CNPP measures diet quality as a gauge of the nutritional well-being of the U.S. population. The Healthy Eating Index, the measure of overall diet quality, is used by the Department to determine the degree to which the population's eating habits are consistent with the *Dietary Guidelines for Americans*.

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**Available Funds and Staff Years  
(Dollars in Thousands)**

Item	2013 Actual		2014 Actual		2015 Estimate		2016 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Supplemental Nutrition Assistance Program	\$76,414,587	173	\$71,122,152	238	\$78,849,296	333	\$78,772,069	373
SNAP ARRA.....	6,060,739		5,796,384		0		0	
<b>Child Nutrition Program:</b>								
Appropriation.....	11,803,986	185	11,866,110	213	12,716,827	248	13,138,709	248
Permanent Appropriation.....	220,238	40	228,176	36	311,642	40	194,991	40
Transfer from Section 32.....	7,871,031		8,169,569		8,514,000		9,033,000	
Total - Child Nutrition Program.....	19,895,255	225	20,263,855	249	21,542,469	288	22,366,700	288
Special Supplemental Nutrition Program for Women, Infants, and Children.....	6,951,818	30	7,144,824	32	7,355,996	40	7,201,767	40
Commodity Assistance Program.....	281,104	1	273,434	2	327,240	3	308,917	3
Nutrition Programs Administration.....	130,228	930	136,992	804	148,824	1,000	153,564	1,000
Congressional Hunger Center.....	1,845		2,000		2,000		2,000	
National Commission on Hunger.....	0		1,000		0		0	
<b>Total, Food and Nutrition Service Funds.....</b>	<b>109,735,576</b>	<b>1,359</b>	<b>104,739,641</b>	<b>1,325</b>	<b>108,225,825</b>	<b>1,664</b>	<b>108,805,017</b>	<b>1,704</b>
<b>Obligations under other</b>								
<b>USDA Appropriations:</b>								
Office of the Chief Information Officer.....	19		11		0		0	
Office of Human Resources Management....	0		44		0		0	
Office of Communications.....	0		48		0		0	
Departmental Management.....	376		0		0		0	
Foreign Agricultural Service.....	10		0		0		0	
Food Safety and Inspection Service.....	10		10		0		0	
Economic Research Service.....	10		11		0		0	
Office of Inspector General.....	13		10		0		0	
National Appeals Division.....	32		21		0		0	
Farm Service Agency.....	0		11		0		0	
Rural Development.....	36		36		0		0	
<b>Total, Agriculture Appropriations.....</b>	<b>506</b>		<b>202</b>		<b>0</b>		<b>0</b>	
<b>Other Federal Funds:</b>								
Health and Human Services.....	166		0		0		0	
Small Business Administration.....	4		22		0		0	
National Institutes of Health.....	0		142		0		0	
Federal Executive Board.....	266		0		0		0	
<b>Total, Other Federal Funds.....</b>	<b>436</b>		<b>164</b>		<b>0</b>		<b>0</b>	
<b>Total, Food and Nutrition Service.....</b>	<b>109,736,518</b>	<b>1,359</b>	<b>104,740,007</b>	<b>1,325</b>	<b>108,225,825</b>	<b>1,664</b>	<b>108,805,017</b>	<b>1,704</b>

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

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Permanent Positions by Grade and Staff Year Summary

Grade	2013 Actual			2014 Actual			2015 Enacted			2016 Estimate		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
Senior Executive Service	9	8	17	7	6	13	7	6	13	7	6	13
GS-15.....	41	22	63	45	26	71	45	26	71	45	26	71
GS-14.....	86	57	143	89	73	162	108	85	193	111	87	198
GS-13.....	229	149	378	225	170	395	272	203	475	279	209	488
GS-12.....	85	241	326	86	287	373	102	340	442	105	348	453
GS-11.....	24	251	275	25	230	255	30	275	305	31	283	314
GS-9.....	28	41	69	38	24	62	44	27	71	45	28	73
GS-8.....	9	3	12	6	3	9	6	3	9	6	3	9
GS-7.....	16	28	44	17	30	47	17	30	47	17	30	47
GS-6.....	5	6	11	4	7	11	4	7	11	4	7	11
GS-5.....	2	7	9	4	5	9	4	5	9	4	5	9
GS-4.....	8	7	15	4	7	11	4	7	11	4	7	11
Other Graded Positions...	4	3	7	4	3	7	4	3	7	4	3	7
Total Permanent Positions.....	546	823	1,369	554	871	1,425	647	1,017	1,664	662	1,042	1,704
Unfilled Positions												
End-of Year.....	37	17	54	30	36	66						
Total, Permanent Full-Time Employment												
End-of Year.....	510	805	1,315	524	835	1,359	647	1,017	1,664	662	1,042	1,704
Staff Year Estimate	530	829	1,359	530	795	1,325	647	1,017	1,664	662	1,042	1,704

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SIZE, COMPOSITION AND COST OF MOTOR VEHICLE FLEET

The FNS fleet consists largely of sedans. None of the passenger motor vehicles are owned by FNS. All of the vehicles are either GSA or commercially leased. 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 two 12-passenger vans and one 9-passenger ADA van at Headquarters in Alexandria, Virginia for all-day shuttle service to the USDA agencies in downtown Washington, D.C.

**Changes to the motor vehicle fleet.** There have been significant decreases in the size and mission of the FNS national fleet. The decreases are due to employees that telework and more efficient use of vehicles in the fleet. Two vehicles were returned to GSA during FY 2014.

**Replacement of passenger motor vehicles.** There were no vehicles replaced during FY 2014.

**Impediments to managing the motor vehicle fleet.** One impediment to managing the motor vehicle fleet in the most cost-effective manner is the availability of FLEX fuel stations that are assessable in the area.

**Size, Composition, and Annual Operating Costs of Vehicle Fleet**

Fiscal Year	Number of Vehicles by Type*							Annual Operating Costs (\$ in 000)	
	Sedans and Station Wagons	Light Trucks, SUVs and Vans		Medium Duty Vehicles	Ambulances	Buses	Heavy Duty Vehicles		Total Number of Vehicles
		4X2	4X4						
<b>FY 2013</b>	<b>20</b>	<b>8</b>	<b>2</b>	<b>4</b>	-	-	-	<b>34</b>	<b>\$167</b>
Change	+1	-	-	-	-	-	-	+1	+16
<b>FY 2014</b>	<b>21</b>	<b>8</b>	<b>2</b>	<b>4</b>	-	-	-	<b>35</b>	<b>183</b>
Change	-	-	-2	-	-	-	-	-2	-
<b>FY 2015</b>	<b>21</b>	<b>8</b>	<b>0</b>	<b>4</b>	-	-	-	<b>33</b>	<b>183</b>
Change	-	-	-	-	-	-	-	-	-54
<b>FY 2016</b>	<b>21</b>	<b>8</b>	<b>0</b>	<b>4</b>	-	-	-	<b>33</b>	<b>129</b>

NOTES:

- \* These numbers include vehicles that are owned by the agency, leased from commercial sources, and leased from GSA.
- \* Operating cost increases in FY 2014 were due to rising fuel and repair costs as well as costs associated with expanding number of ADA compliant vehicles. Projected reductions in operating costs for FY 2016 are due to lower expected fuel costs for a more fuel efficient fleet of vehicles.
- \* These numbers revise data in the FAST System.

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### CHILD NUTRITION PROGRAMS

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

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; [~~\$21,300,170,000~~] \$21,587,277,000 to remain available through September 30, [2016] 2017, 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, \$17,004,000 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, [~~\$25,000,000~~] \$35,000,000 shall be available to provide competitive grants to State agencies for subgrants to local educational agencies and schools to purchase the equipment needed to serve healthier meals, improve food safety, and to help support the establishment, maintenance, or expansion of the school breakfast program: *Provided further*, That of the total amount available, [~~\$16,000,000~~] \$66,900,000 shall remain available until expended to carry out
- 1 section 749(g) of the Agriculture Appropriations Act of 2010 (Public Law 111–80): *Provided further, That, of the amount provided under this heading, \$2,000,000 shall be available for child nutrition state exchange activities, and shall be in addition to amounts provided by section 7(a)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1776).*
- 1 This change provides both the authority and funding for a Child Nutrition State Exchange program that will allow FNS to provide funding to States to exchange information, share best practices and leverage resources regarding meal patterns and nutritional standards or program integrity issues.

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Lead-Off Tabular Statement

CHILD NUTRITION PROGRAMS

Budget Estimate, 2016.....	\$21,587,277,000
2015 Enacted .....	21,300,170,000
Change in Appropriation .....	<u>+287,107,000</u>

Summary of Increases and Decreases  
(Dollars in thousands)

	2013 Actual	2014 Change	2015 Change	2016 Change	2016 Estimate
<b>Discretionary Appropriations:</b>					
School Meals Equipment Grants	\$35,000	-\$10,000	\$0	\$10,000	\$35,000
Equipment Grant Rescission	-25,000	25,000	0	0	0
Summer EBT Demonstration	0	0	16,000	50,900	66,900
All Other Discretionary Activities	16,504	500	0	0	17,004
Subtotal, Discretionary	51,504	-9,500	16,000	60,900	118,904
<b>Mandatory Appropriations:</b>					
Meal Reimbursement Payments to States					
National School Lunch Program	11,278,621	-702,355	1,419,823	-218,264	11,777,825
School Breakfast Program	3,659,347	69,232	231,350	270,569	4,230,498
Child and Adult Care Food Program	2,949,544	130,371	115,951	44,780	3,240,646
Summer Food Service Program	434,724	26,860	33,937	40,112	535,633
Special Milk Program	12,523	-1,915	608	98	11,314
State Administrative Expenses	289,684	-42,502	16,504	5,966	269,652
Commodity Reimbursement/Procurement	1,181,651	-102,983	176,842	66,578	1,322,088
Mandatory Other Program Costs	58,838	4,313	1,198	16,368	80,717
Subtotal, Mandatory	19,864,932	-618,979	1,996,213	226,207	21,468,373
<b>Total Appropriation or Change</b>	<b>19,916,436</b>	<b>-628,479</b>	<b>2,012,213</b>	<b>287,107</b>	<b>21,587,277</b>

FOOD AND NUTRITION SERVICE

Project Statement  
Adjusted Appropriations Detail and Staff Years (SYs)  
(Dollars in thousands)

Project	2013 Actual	SY	2014 Actual	SY	2015 Enacted	SY	Inc. or Dec.	2016 Estimate	SY
Meal Reimbursement Payments to States									
National School Lunch Program	\$11,278,621		\$10,576,266		\$11,996,089		-\$218,264	\$11,777,825	
School Breakfast Program	3,659,347		3,728,579		3,959,929		270,569	4,230,498	
Child and Adult Care Food Program	2,949,544		3,079,915		3,195,866		44,780	3,240,646	
Summer Food Service Program	434,724		461,584		495,521		40,112	535,633	
Special Milk Program	12,523		10,608		11,216		98	11,314	
Subtotal, Meal Reimbursements	18,334,759		17,856,952		19,658,621		137,295 (1)	19,795,916	
State Administrative Expenses	289,684		247,182		263,686		5,966 (2)	269,652	
Commodity Reimbursement/Procurement	1,181,651		1,078,668		1,255,510		66,578 (3)	1,322,088	
Mandatory Other Program Costs:									
Food Safety Education	2,575		2,649		2,718		43	2,761	
Coordinated Review	10,000		10,000		10,000		0	10,000	
Computer Support	10,746		11,002		11,250		180	11,430	
Training and Tech. Assist.	7,675		8,016		8,137		12,130	20,267	
CN Studies	19,323		19,697		20,079		2,321	22,400	
CN Payment Accuracy	6,436		9,617		9,904		658	10,562	
Farm to School Team	2,083		2,170		2,261		1,036	3,297	
Subtotal, Mandatory Other Program Costs	58,838		63,151		64,349		16,368 (4)	80,717	
Subtotal, Mandatory	19,864,932		19,245,953		21,242,166		226,207	21,468,373	
Discretionary Activities:									
Team Nutrition/HUSSC/CMS	16,504		17,004		17,004		0	17,004	
Summer EBT Demonstration	0		0		16,000		50,900	66,900	
School Meals Equipment Grants	35,000		25,000		25,000		10,000	35,000	
Subtotal, Discretionary Activities	51,504		42,004		58,004		60,900 (5)	118,904	
Total Appropriation	19,916,436		19,287,957		21,300,170		287,107	21,587,277	
Sequester	-2,510		-4,156		-4,310		4,310	0	
Rescission	-25,718		0		0		0	0	
Total Adjusted Appropriation	19,888,208	185	19,283,801	213	21,295,860	248	291,417	21,587,277	248

FOOD AND NUTRITION SERVICE

Project Statement  
Obligations Detail and Staff Years (SYs)  
(Dollars in thousands)

Project	2013 Actual	SY	2014 Actual	SY	2015 Estimate	SY	Inc. or Dec.	2016 Estimate	SY
Meal Reimbursement Payments to States									
National School Lunch Program	\$11,052,821		\$11,289,685		\$11,939,297		\$422,960	\$12,362,257	
School Breakfast Program	3,610,150		3,716,095		3,980,132		250,366	4,230,498	
Child and Adult Care Food Program	3,034,361		3,111,875		3,132,251		108,395	3,240,646	
Summer Food Service Program	437,006		464,439		500,741		34,892	535,633	
Special Milk Program	10,760		10,662		11,069		245	11,314	
Subtotal, Meal Reimbursements	18,145,098		18,592,756		19,563,490		816,858	20,380,348	
State Administrative Expenses	292,235		256,646		263,686		5,966	269,652	
Commodity Reimbursement/Procurement	1,165,862		1,079,060		1,249,567		72,521	1,322,088	
Mandatory Other Program Costs:									
Food Safety Education	3,081		2,681		3,126		-365	2,761	
Coordinated Review	9,010		9,345		12,258		-2,258	10,000	
Computer Support	12,533		9,539		11,250		180	11,430	
Training and Tech. Assist.	4,709		6,976		11,660		8,607	20,267	
CN Studies	21,477		15,232		37,822		-15,422	22,400	
CN Payment Accuracy	2,557		7,960		14,784		-4,222	10,562	
Farm to School Team	2,653		2,660		2,713		584	3,297	
Subtotal, Mandatory Other Program Costs	56,020		54,393		93,613		-12,896	80,717	
Subtotal, Mandatory	19,659,215		19,982,855		21,170,356		882,449	22,052,805	
Discretionary Activities:									
Team Nutrition/HUSSC/CMS	14,802		18,118		19,471		-2,467	17,004	
Summer EBT Demonstration	0		0		16,000		50,900	66,900	
School Meals Equipment Grants	0		34,706		25,000		10,000	35,000	
School Breakfast Expansion Grants	1,000		0		0		0	0	
Subtotal, Discretionary	15,802		52,824		60,471		58,433	118,904	
Total Obligations	19,675,017	185	20,035,679	213	21,230,827	248	940,882	22,171,709	248
Prior Year Recoveries/Collections	-306,177		-162,015		0		0	0	
Unobligated Balance Start-of-Year	-719,763		-1,192,763		-515,089		-69,343	-584,432	
Unobligated Balance End-of-Year	1,192,763		515,089		584,432		-584,432	0	
Unobligated Balance Expiring	74,596		91,967		0		0	0	
Total Appropriation	19,916,436	185	19,287,957	213	21,300,170	248	287,107	21,587,277	248
Sequester	-2,510		-4,156		-4,310		4,310	0	
Rescission	-25,718		0		0		0	0	
Total Adjusted Appropriation	19,888,208	185	19,283,801	213	21,295,860	248	291,417	21,587,277	248

FOOD AND NUTRITION SERVICE

Project Statement  
Adjusted Appropriations Detail and Staff Years (SYs)  
(Dollars in thousands)

Direct Appropriation and Transfer Activities	2013		2014		2015		Inc. or Dec.	2016	
	Actual	SY	Actual	SY	Actual	SY		Estimate	SY
Information Clearinghouse	\$250		\$250		\$250		0	\$250	
Food Service Management Institute	5,000		5,000		5,000		0	5,000	
Fresh Fruit and Vegetable Program (transfer) <u>1/</u>	174,000		158,000		159,000		\$4,000	163,000	
Technical Assistance Program Integrity	4,000		4,000		4,000		0	4,000	
Grants to States (Administrative Review)	4,000		4,000		4,000		0	4,000	
Direct Certification Performance Bonuses	4,000		4,000		0		0	0	
Professional Standards - Foodservice	1,000		1,000		1,000		0	1,000	
Farm to School Grants	5,000		5,000		5,000		0	5,000	
FFVP Evaluation	0		5,000		0		0	0	
Child Hunger Research	10,000		0		0		0	0	
Hunger Demonstration Projects	40,000		0		0		12,741	12,741	
<b>Total Direct Appropriations/Transfers</b>	<b>247,250</b>	<b>40</b>	<b>186,250</b>	<b>36</b>	<b>178,250</b>	<b>40</b>	<b>16,741</b>	<b>194,991</b>	<b>40</b>

1/ Section 19(i)(1) of the Richard B. Russell National School Lunch Act (NSLA) provides that each July 1 funds will be transferred from Section 32 funds at AMS to support the Fresh Fruit and Vegetable Program (FFVP).

The NSLA specified that:

- \$101 million would be transferred on July 1, 2010,
- \$150 million would be transferred on July 1, 2011,
- The amount transferred on July 1, 2012, and subsequent years would be calculated by inflating the preceding year's amount by changes in the CPI.

The following appropriations actions have delayed the timing of the transfer:

- In FY 2010, the appropriations bill specified that \$76 million of the July 1, 2010, transfer would not be available until October 1, 2010.
- In FY 2011, the appropriations bill specified that \$117 million of the July 1, 2011, transfer would not be available until October 1, 2011.
- In FY 2012, the appropriations bill specified that \$133 million of the July 1, 2012, transfer would not be available until October 1, 2012.
- In FY 2013, the appropriations bill specified that \$117 million of the July 1, 2013, transfer would not be available until October 1, 2013.
- In FY 2014, the appropriations bill specified that \$119 million of the July 1, 2014, transfer would not be available until October 1, 2014.
- In FY 2015, the appropriations bill specified that \$122 million of the July 1, 2015, transfer would not be available until October 1, 2015.
- The FY 2016 proposal would have \$125 million of the July 1, 2016 transfer not be made available until October 1, 2016.

The amounts displayed in the table above incorporate all delays in the transfer amount, including the proposed delay from the July 1, 2016, transfer.

FOOD AND NUTRITION SERVICE

Project Statement  
Obligations Detail and Staff Years (SYs)  
(Dollars in thousands)

Direct Appropriation and Transfer Activities	2013 Actual	SY	2014 Actual	SY	2015 Estimate	SY	Inc. or Dec.	2016 Estimate	SY
Information Clearinghouse	\$250		\$250		\$250		0	\$250	
Food Service Management Institute	5,000		5,000		5,000		0	5,000	
Fresh Fruit and Vegetable Program (transfer)	165,115		167,746		206,784		-\$43,784	163,000	
Technical Assistance Program Integrity	3,737		4,030		8,092		-4,092	4,000	
Grants to States (Administrative Review)	713		8,565		5,827		-1,827	4,000	
Summer Demonstration Projects	29,632		3,102		4,824		-4,824	0	
School Lunch Equipment Grants	0		1,294		154		-154	0	
CACFP Health and Nutrition Grants	0		0		1,013		-1,013	0	
Direct Certification Technical Assistance	3,266		4,084		5,219		-5,219	0	
Direct Certification Performance Bonuses	5,160		4,000		0		0	0	
Medicaid Direct Certification Evaluation	21		0		587		-587	0	
Alternative Meal Claiming Evaluation	30		3		0		0	0	
CACFP Nutrition Technical Assistance	1,121		2,420		6,434		-6,434	0	
CACFP Nutrition and Wellness Study	0		4,936		64		-64	0	
Professional Standards - Foodservice	391		288		8,099		-7,099	1,000	
Indirect Cost Study	36		0		151		-151	0	
Farm to School Grants	4,744		5,253		5,003		-3	5,000	
FFVP Evaluation	0		5000		0		0	0	
Child Hunger Research	0		1,185		8,880		-8,880	0	
Hunger Demonstration Projects	0		9,998		30,002		-17,261	12,741	
SFSP Rural Transportation Grants	0		0		1,082		-1,082	0	
Evaluation CACFP	0		0		8		-8	0	
Direct Certification and Verification	0		0		1,784		-1,784	0	
Evaluation of Effectiveness (Direct Cert.)	0		0		495		-495	0	
SFSP Evaluation	0		0		9		-9	0	
CACFP Audit Funds - X year	1,022		1,022		11,881		-11,881	0	
<b>Total Obligations</b>	<b>220,238</b>	<b>40</b>	<b>228,176</b>	<b>36</b>	<b>311,642</b>	<b>40</b>	<b>-116,651</b>	<b>194,991</b>	<b>40</b>
Transfer from 120/13539	0		0		0		0	0	
Unobligated Balance Start of Year	-153,756		-161,725		-136,472		133,392	-3,080	
Collections/Recoveries	19,043		-16,850		0		0	0	
Unobligated Balance Expiring	0		177		0		0	0	
Unobligated Balance End of Year	161,725		136,472		3,080		0	3,080	
<b>Total Direct Appropriations/Transfers</b>	<b>247,250</b>	<b>40</b>	<b>186,250</b>	<b>36</b>	<b>178,250</b>	<b>40</b>	<b>16,741</b>	<b>194,991</b>	<b>40</b>

## FOOD AND NUTRITION SERVICE

The program lines on the previous page are not subject to appropriation. The following table details the authorities for each line in the table:

Direct Appropriation and Transfer Activities	Authorization
Information Clearinghouse	NSLA Sect. 26(d)
Food Service Management Institute	NSLA Sect. 21(e)(1)(A)
Fresh Fruit and Vegetable Program (transfer)	NSLA Sect. 19(i)(1)
Technical Assistance Program Integrity	NSLA Sect. 21(g)(1)(A)
Grants to States (Administrative Review)	CNA Sect. 7(h)(1)
Summer Demonstration Projects	2010 Ag Approps Sect. 749(g)(1)
School Lunch Equipment Grants	2010 Ag Approps Sect. 749(j)(5)(A)
CACFP Health and Nutrition Grants	2010 Ag Approps Sect. 749(h)(1)(C)(i)
Direct Certification Technical Assistance	2010 Ag Approps Sect. 749(h)(2)(B)(i)
Direct Certification Performance Bonuses	NSLA Sect. 9(b)(4)(E)(iv)(I)
Medicaid Direct Certification Evaluation	NSLA Sect. 9(b)(15)(H)(i)
Alternative Meal Claiming Evaluation	NSLA Sect. 11(a)(1)(F)(xiii)(I)
CACFP Nutrition Technical Assistance	NSLA Sect. 17(u)(3)(H)(i)
CACFP Nutrition and Wellness Study	HHFKA Sect. 223(c)(1)
Professional Standards - Foodservice	CNA Sect. 7(g)(3)(A)
Indirect Cost Study	HHFKA Sect. 307(e)(1)
Farm to School Grants	NSLA Sect. 18(g)(8)(A)
Child Hunger Research	NSLA Sect. 23(a)(5)(A)
Hunger Demonstration Projects	NSLA Sect. 23(b)(7)(A)
SFSP Rural Transportation Grants	NSLA Sect. 13(a)(10)(E)
Evaluation CACFP	NSLA Sect. 17(p)(3)(D)
Direct Certification and Verification	2004 CN Reauth. Sect. 104(c)(1)
Evaluation of Effectiveness (Direct Cert.)	2004 CN Reauth. Sect. 105(c)(1)
CACFP Audit Funds - X year	2006 Ag Approps Sect. 769
SFSP Evaluation	NSLA Sect. 13(a)(9)(B)(iv)
FFVP Evaluation	Agricultural Act of 2014 Sect. 4214

Note: National School Lunch Act (NSLA); Child Nutrition Act (CNA); 2010 Ag Approps is the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2010, P.L. 111-80; Healthy, Hunger-Free Kids Act of 2010 (HHFKA) is P.L. 111-296; 2004 CN Reauthorization is P.L. 108-256; 2006 Ag Approps is the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2006, P.L. 109-97; Agricultural Act of 2014 is P.L. 113-79.

### Justification of Increases and Decreases

The FY 2016 request for the Child Nutrition Programs reflects a net increase of \$287,107,000 (\$21,300,170,000 and 248 staff years enacted for 2015).

Base funds for Child Nutrition Programs will continue to fund school meals and child and adult care feeding programs that are correlated with a long term improvement in the nutritional content of American diets. The National School Lunch Program gives children the nutrition they need to develop and grow. The vast majority of children eating school lunches and breakfasts are receiving meals that meet or exceed dietary standards including those that limit the amount of fat and cholesterol, and ensure healthy inclusion of protein, vitamins A and C, calcium, and iron.<sup>1</sup> In addition to the activities and functions specifically described in the budget request, current year and budget year base funds will be used to carry out activities and functions consistent with the full range of authorities and activities delegated to the agency.

<sup>1</sup> U.S. Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis, *School and Nutrition Dietary Assessment Study IV*, Vols. I and II, by Mary Kay Fox and John Hall, et al. Project Officer, Fred Lesnett. Alexandria, VA: November 2012.

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The average lunch offered in all schools met the recommended benchmark by providing one-third or more of the daily recommended amounts of grain, dairy foods, fruits, and oils recommended in guidelines.

The School Nutrition Dietary Assessment IV study found that in school year 2009-2010, almost three quarters of daily lunch menus offered three or more fruits, vegetables, or 100 percent juice and almost 40 percent offered between 5 and 8 options. Fruit or 100 percent vegetable juice was offered on almost all breakfast menus (97 percent).

The funding change is requested in the following items:

- (1) An increase of \$137,295,000 for meal reimbursements (\$19,658,621,000 enacted for FY 2015).

School Lunch Program: Program costs are expected to increase from FY 2015 to FY 2016, although the requested budget authority will decrease by \$218,264,000 for an appropriation level of \$11,777,825,000 in FY 2016 (\$11,996,089,000 enacted for FY 2015). Meal reimbursement funds are available for two fiscal years and the decrease in budget authority results from carryover from FY 2015 that will be available for use in FY 2016. Despite increases in costs due to increased participation and reimbursement rates, this level of funding is 1.8 percent below the FY 2015 funding level.

The main driver for the increase in obligations is expected participation growth as a result of nationwide availability of community eligibility. The Healthy, Hunger-Free Kids Act of 2010 allowed for community eligibility which eliminates paper applications. Instead, schools are reimbursed through a formula based on the number of identified students – those certified without application for free school meals, because they are in foster care, Head Start, are homeless, or living in households that receive SNAP/Food Stamps, TANF cash assistance or the Food Distribution Program on Indian Reservation benefits. The goal of the provision was to increase participation in the program among needy students and this is, indeed, what is happening. In 2014, an increase in NSLP participation was observed in the community eligibility pilot states. The NSLP estimates for 2016 reflect this growth trend on a national level.

The total number of school lunches and snacks in FY 2016 is projected to be 5.38 billion, an increase of 52.3 million (or 0.98 percent) over the current estimate for FY 2015 of 5.33 billion. Student participation in the NSLP is expected to continue at almost 60 percent of enrollment in participating schools. Free lunches are estimated at 66.1 percent of all lunches served in FY 2016, which is slightly higher than the proportion of lunches estimated to be served free in FY 2015 (65.4 percent). This request also reflects the cost of the six-cent performance-based reimbursement rate increase authorized in Section 201 of the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296), and 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):

Poverty Level	2013-2014 School Year	2014-2015 School Year
100 Percent	\$23,550	\$23,850
130 Percent	30,615	31,005
185 Percent	43,568	44,123

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<b>PROGRAM INDICATORS</b>					
<b>SCHOOL LUNCH PROGRAM PROGRAM PERFORMANCE DATA</b>	<b>2013 ACTUAL</b>	<b>2014 ACTUAL</b>	<b>2015 ESTIMATE</b>	<b>2016 ESTIMATE</b>	<b>CHANGE</b>
Lunches Served (millions):					
Above 185% of poverty	1,503.0	1,425.1	1,394.9	1,385.3	-9.6
130% - 185% of poverty	423.9	403.3	371.3	359.5	-11.9
Below 130% of poverty	3,156.3	3,164.1	3,335.1	3,406.1	71.0
<b>TOTAL, Lunches</b>	<b>5,083.2</b>	<b>4,992.5</b>	<b>5,101.3</b>	<b>5,150.8</b>	<b>49.5</b>
Average Daily Participation (millions):	30.6	30.3	30.2	30.3	0.1
Lunch Rate per meal (blended) (cents):					
Above 185% of poverty	27.2	34.0	34.2	35.1	0.9
130% - 185% of poverty	247.2	260.1	265.3	271.2	5.9
Below 130% of poverty	287.4	300.3	305.4	311.3	5.9
Snacks Served (millions):					
Above 185% of poverty	8.2	7.9	7.8	8.3	0.5
130% - 185% of poverty	0.8	0.7	0.7	0.7	0.0
Below 130% of poverty	213.4	211.2	220.1	222.4	2.3
<b>TOTAL, Snacks</b>	<b>222.4</b>	<b>219.8</b>	<b>228.5</b>	<b>231.4</b>	<b>2.9</b>
Snack subsidy per meal (blended)(cents):					
Above 185% of poverty	7.0	7.0	7.0	7.0	0.0
130% - 185% of poverty	39.2	40.2	41.1	41.2	0.1
Below 130% of poverty	78.4	80.4	82.3	83.4	1.1
<b>TOTAL, Lunches and Snacks</b>	<b>5,305.6</b>	<b>5,212.3</b>	<b>5,329.9</b>	<b>5,382.2</b>	<b>52.3</b>
<b>TOTAL, Meal Reimbursement (millions)</b>	<b>\$11,052.8</b>	<b>\$11,289.7</b>	<b>\$11,939.3</b>	<b>\$12,362.3</b>	<b>\$423.0</b>

School Breakfast Program: This program will require an increase of \$270,569,000 (about 6.8 percent) for an appropriation of \$4,230,498,000 in FY 2016 (\$3,959,929,000 enacted for FY 2015). The current estimate projects an increase of 104 million breakfasts in FY 2016, which is also largely a result of the availability of community eligibility in schools across the country. One focus of community eligibility was to expand participation in the School Breakfast Program. This includes a projected increase of about 95 million breakfasts in the free category as well as additional increases in the number of paid breakfasts. The estimate of total meals projected to be served in FY 2016 is 2.50 billion.

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

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PROGRAM INDICATORS					
SCHOOL BREAKFAST PROGRAM PROGRAM PERFORMANCE DATA	2013 ACTUAL	2014 ACTUAL	2015 ESTIMATE	2016 ESTIMATE	CHANGE
<b>Meals Served (millions):</b>					
Above 185% of poverty	336.3	342.0	356.1	369.1	13.0
Reduce Price, Regular	13.7	11.5	7.4	5.2	-2.2
Reduce Price, Severe Need	155.0	153.2	150.8	149.9	-0.9
130%-185% of poverty, Total	168.7	164.7	158.2	155.1	-3.1
Free, Regular	89.0	79.7	75.1	73.4	-1.7
Free, Severe Need	1,618.7	1,667.9	1,805.1	1,901.3	96.2
Below 130% of poverty, Total	1,707.7	1,747.6	1,880.3	1,974.7	94.5
<b>TOTAL, Meals</b>	<b>2,212.7</b>	<b>2,254.3</b>	<b>2,394.5</b>	<b>2,498.9</b>	<b>104.4</b>
Average Daily participation (millions)	13.1	13.5	14.0	14.6	0.6
<b>Average Subsidy Per Meal (cents):</b>					
Paid	27.2	28.0	28.0	28.2	0.2
Reduced Price:					
Regular	125.7	128.7	132.4	134.6	2.1
Severe Need	155.8	159.8	163.7	166.8	3.1
Free:					
Regular	155.8	158.8	162.5	164.6	2.1
Severe Need	185.7	189.9	193.8	196.9	3.1
<b>PROGRAM TOTAL (millions)</b>	<b>\$3,610.2</b>	<b>\$3,716.1</b>	<b>\$3,980.1</b>	<b>\$4,230.5</b>	<b>\$250.4</b>

Child and Adult Care Food Program (CACFP): This program will require an increase of \$44,780,000 (about 1.4 percent) for an appropriation of \$3,240,646,000 in FY 2016 (\$3,195,866,000 enacted for FY 2015). The current estimate projects 2.04 billion meals served in childcare centers, family day care homes and adult care centers in 2016. This represents an increase of 31.8 million meals (or 1.5 percent) above the FY 2015 estimate of 2.0 billion meals.

The increase is mainly the result of an anticipated 2.2 percent increase in meals provided in centers, with most of the growth in free meals (23.5 million increase, or 2.3 percent) plus paid meals (7.9 million increase over FY 2015, or a 2.2 percent increase). Tier 1 (low-income) homes continue a modest increase, with a 0.3 percent growth in meals (1.2 million more than in FY 2015), while meals reimbursed at Tier 2 (upper income) homes continue to decline (down 2.3 million meals, a reduction of 4.0 percent from FY 2015).

The need for additional funds is also due to changes in the reimbursement rates, which are adjusted by the CPI for Food Away from Home (for centers) and for Food at Home (for homes).

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PROGRAM INDICATORS					
CHILD AND ADULT CARE FOOD PROGRAM PROGRAM PERFORMANCE DATA	2013 ACTUAL	2014 ACTUAL	2015 ESTIMATE	2016 ESTIMATE	CHANGE
<b>Meals Served (millions):</b>					
Centers:					
Above 185% of poverty	358.9	358.4	364.0	371.9	7.9
130% - 185% of poverty	76.7	77.4	75.7	77.2	1.6
Below 130% of poverty	970.9	1,003.1	1,036.7	1,060.1	23.5
<b>TOTAL, Centers</b>	<b>1,406.5</b>	<b>1,438.8</b>	<b>1,476.4</b>	<b>1,509.3</b>	<b>32.9</b>
Family Day Care Homes:					
Tier 1 (Low Income)	484.2	475.7	474.5	475.7	1.2
Tier 2 (Upper Income)	67.5	61.4	57.7	55.4	-2.3
<b>TOTAL, Family Day Care Homes:</b>	<b>551.7</b>	<b>537.1</b>	<b>532.3</b>	<b>531.1</b>	<b>-1.1</b>
<b>Total Child &amp; Adult Care Program Meals:</b>	<b>1,958.2</b>	<b>1,976.0</b>	<b>2,008.6</b>	<b>2,040.4</b>	<b>31.8</b>
<b>Average Subsidy per meal (cents): <u>1/</u></b>					
Centers:					
Above 185% of poverty	19.0	19.5	19.4	19.7	0.3
130% - 185% of poverty	134.8	138.5	138.6	138.3	-0.3
Below 130% of poverty	181.5	188.5	193.6	197.6	4.0
Family Day Care Homes					
Tier 1 (Low Income)	151.2	153.5	157.1	159.5	2.4
Tier 2 (Upper Income)	70.2	71.3	73.1	74.0	0.9
<b>Funding: (millions)</b>					
Meal Reimbursement	\$2,771.1	\$2,952.8	\$2,970.1	\$3,074.8	\$104.7
Sponsor Admin	120.8	115.6	116.5	118.3	1.8
Audits	39.4	41.2	43.2	45.0	1.8
Training & Tech. Assistance	2.4	2.4	2.4	2.5	0.0
<b>TOTAL (millions)</b>	<b>\$3,034.4</b>	<b>\$3,111.9</b>	<b>\$3,132.3</b>	<b>\$3,240.6</b>	<b>\$108.4</b>

1/ Rates are a blend of all meals types.

Summer Food Service Program: This program will require an increase of \$40,112,000 (about 5.0 percent) for an appropriation of \$535,633,000 in FY 2016 (\$495,521,000 enacted for FY 2015). The current estimate projects 177.4 million meals, which is an increase of approximately 8.4 million meals (or 5.0 percent) above the estimate for FY 2015. 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	2013 ACTUAL	2014 ACTUAL	2015 ESTIMATE	2016 ESTIMATE	CHANGE
<b>Meals Served (millions):</b>					
Summer Food Program	150.7	160.9	169.0	177.4	8.4
<b>Average Subsidy Per Meal (cents):</b>					
Lunch	314.0	321.0	327.0	333.0	6.0
Breakfast	180.0	184.0	187.0	191.0	4.0
Supplements	73.0	75.0	76.0	77.0	1.0
<b>PROGRAM TOTAL (millions)</b>	<b>\$437.0</b>	<b>\$464.4</b>	<b>\$500.7</b>	<b>\$535.6</b>	<b>\$34.9</b>

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Special Milk Program: This program will increase by \$98,000 (0.9 percent) for an appropriation of \$11,314,000 in FY 2016 (\$11,216,000 enacted for FY 2015). The increase is due to the projected increase in milk prices. 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. The estimate also reflects a decrease in the number of half pints served from FY 2015 to FY 2016 of 1.0 million (2.0 percent).

PROGRAM INDICATORS					
SPECIAL MILK PROGRAM PROGRAM PERFORMANCE DATA	2013 ACTUAL	2014 ACTUAL	2015 ESTIMATE	2016 ESTIMATE	CHANGE
Half Pints Served (millions):					
Paid (Above 130% of poverty)	50.0	45.5	43.3	42.5	-0.9
Free (130% of poverty or below)	4.7	4.5	4.2	4.1	-0.1
<b>TOTAL, Half pints</b>	<b>54.7</b>	<b>50.0</b>	<b>47.5</b>	<b>46.5</b>	<b>-1.0</b>
Reimbursement Rates (cents):					
Paid	19.5	20.9	23.2	24.2	1.0
Free	20.3	21.8	24.3	25.3	1.1
<b>PROGRAM TOTAL (millions)</b>	<b>\$10.8</b>	<b>\$10.7</b>	<b>\$11.1</b>	<b>\$11.3</b>	<b>\$0.2</b>

- (2) An increase of \$5,966,000 for State Administrative Expenses (\$263,686,000 enacted for FY 2015).

An appropriation of \$269,652,000 is needed in FY 2016 for State Administrative Expenses. The base amount of State Administrative Expenses available for allocation to States is equal to at least 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 2014 for FY 2016). The request for funding increases due to a rise in the estimated program obligations for FY 2014, which is the base year for calculating the availability of funds for this program in FY 2016. State Administrative Expense funds are used for State employee salaries, benefits, support services and office equipment.

- (3) An increase of \$66,578,000 for Commodity Reimbursement/Procurement (\$1,255,510,000 enacted for FY 2015).

An appropriation of \$1,322,088,000 will be needed to fund commodity reimbursement and procurement costs in FY 2016. The increase from 2015 is due to changes in the estimated cost of the program in FY 2016 from increasing participation and commodity rates. This estimate is based on FNS receiving \$465 million in support for entitlement commodities from Section 32 or Commodity Credit Corporation funds. The funding level for FY 2016 also reflects changes in the projected commodity reimbursement rates based on the Producer Price Index for commodities. The rate for school year 2014-15 is \$0.2325, and the rate is projected to be \$0.2475 for the school year 2015-16. 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.

Section 6(e)(1) of the Richard B. Russell National School Lunch Act requires that not less than 12 percent of the total assistance provided under Sections 4, 6, and 11 of the Act be provided in commodities. The FY 2016 request includes funds to cover the 12 percent requirement and procurement costs.

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<b>COMMODITY COST DATA</b>					
(\$ MILLIONS)					
<b>COMMODITY PURCHASES:</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>CHANGE</b>
	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ESTIMATE</b>	<b>ESTIMATE</b>	
<b>CN Appropriation:</b>					
AMS/CCC Commodities	\$465.0	\$465.0	\$465.0	\$465.0	\$0.0
Section 6 Commodities/Cash/Procurement Costs	1,055.1	943.7	1,101.2	1,165.5	64.3
<b>SCHOOL LUNCH TOTAL</b>	<b>1,520.1</b>	<b>1,408.7</b>	<b>1,566.2</b>	<b>1,630.5</b>	<b>64.3</b>
<b>Child &amp; Adult Care Food Program:</b>					
Commodities/Cash	124.5	133.9	146.8	155.0	8.2
<b>Summer Food Service Program:</b>					
Commodities	1.4	1.5	1.6	1.6	0.0
<b>TOTAL COMMODITY COSTS</b>	<b>1,646.0</b>	<b>1,544.1</b>	<b>1,714.6</b>	<b>1,787.1</b>	<b>72.5</b>
<b>APPROPRIATION</b>	<b>\$1,181.7</b>	<b>\$1,078.7</b>	<b>\$1,255.5</b>	<b>\$1,322.1</b>	<b>\$66.6</b>

- (4) An increase of \$16,368,000 in Mandatory Other Program Costs (\$64,349,000 enacted for FY 2015) as shown below.

Changes in Mandatory Other Program Costs (Thousands)

Project	2015 Enacted	Non-Pay Cost Change	Pay Cost Change	2016 Estimate
Mandatory Other Program Costs:				
Food Safety Education	\$2,718	\$19	\$24	\$2,761
Coordinated Review	10,000	0	0	10,000
Computer Support	11,250	124	56	11,430
Training and Tech. Assist.	8,137	12,000	130	20,267
CN Studies	20,079	2,274	47	22,400
CN Payment Accuracy	9,904	508	150	10,562
Farm to School Team	2,261	1,000	36	3,297
<b>Total Mandatory Other Program Costs</b>	<b>64,349</b>	<b>15,925</b>	<b>443</b>	<b>80,717</b>

The overall change consists of the following:

- a. An increase of \$43,000 for Food Safety Education (\$2,718,000 enacted for FY 2015).

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. This increase provides additional resources to help ensure the safety of foods served to school children, including increasing training for State and local staff. The change also includes \$24,000 for pay costs. Also includes inflation on the base.

- b. No change for the Coordinated Review Program (\$10,000,000 requested in FY 2015).

These funds are used to provide training and technical assistance for State agencies responsible for reviewing local school food authorities that participate in the school meal programs. The Coordinated Review Effort (CRE) helps ensure that school children are offered meals that meet regulatory standards and that the financial claims associated with those meals are appropriate. CRE reviews have the following

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goals: (1) determine if free and reduced-price meal benefits are provided in accordance with the regulations; (2) determine if proper meal counts are being taken at the point of service, and (3) determine if complete reimbursable meals are being offered.

- c. An increase of \$180,000 for Computer Support (\$11,250,000 enacted for FY 2015).

This line supports the essential systems needed to administer the Child Nutrition Programs, including the federal staff required to operate and maintain those systems. These systems include the Web-Based Supply Chain Management System (WBSCM), which is used by State agencies and school food authorities to order commodities for the NSLP, and computer systems that support the activities of federal staff. This increase would provide continued maintenance for these vital systems. The change also includes \$56,000 for pay costs. Also includes inflation on the base.

- d. An increase of \$12,130,000 for Training and Technical Assistance (\$8,137,000 enacted for FY 2015).

Effective and continual training and technical assistance are necessary to help States properly administer the Child Nutrition programs, including, but not limited to, the National School Lunch, School Breakfast, Child and Adult Care Food Programs, and to ensure States are equipped to identify and prevent fraud and abuse. This is especially critical because of the changes made to these vital programs by the Healthy, Hunger-Free Kids Act of 2010, which reauthorized these programs and instituted new requirements on State agencies. This change reflects an increase in federal activity associated with this project, including implementation of the new requirements. An increase of \$12,000,000 is related to the child nutrition state exchange (\$2,000,000) and Administrative Review proposals (\$10,000,000) – (See current law proposals included on the following pages). The change also includes \$130,000 for pay costs. Also includes inflation on the base.

- e. An increase of \$2,321,000 for CN Studies (\$20,079,000 enacted for FY 2015).

FNS conducts a variety of studies, evaluations, and related activities that respond to the needs of policy makers and managers and help ensure that nutrition assistance programs achieve their goals effectively. This line supports the critical evaluations needed for the Child Nutrition Programs, including the Federal staff needed to oversee this vital work. The increase ensures adequate support for these activities. An increase of \$2,000,000 is related to the New Administrative Review current law proposal included on a following page. The change also includes \$47,000 for pay costs. Also includes inflation on the base.

- f. An increase of \$658,000 for CN Payment Accuracy (\$9,904,000 enacted for FY 2015).

Robust Federal oversight, monitoring and technical assistance are essential to the identification, prevention and resolution of erroneous payments. This increase also supports FNS' efforts to reduce erroneous payments through training, technical assistance and oversight. An increase of \$500,000 is related to the Enhanced State/Local Reporting proposal. The change also includes \$150,000 for pay costs. Also includes inflation on the base.

- g. An increase of \$1,036,000 for the Farm to School Team (\$2,261,000 enacted for FY 2015).

The Farm to School initiative is an effort to connect schools (K - 12) with regional or local farms in order to serve healthy meals using locally produced foods. USDA recognizes the growing interest among school districts and communities to incorporate regionally and locally produced farm foods into the school nutrition programs. The Farm to School Team supports local and regional food systems by facilitating alliances between schools and their local food producers. Working with local and state authorities, school districts, farmers, and community partners, the Farm to School Team provides guidance to and develops mechanisms for assisting schools in accessing local markets, enabling food producers to effectively service their local schools, and facilitating communication between interested stakeholders. An increase of \$1,000,000 is included to launch a new competitive grant program to support services in schools throughout the country to build or maintain school gardens, incorporate agricultural and food-based nutrition education into the school's culture and curriculum, and support school food service personnel in

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procuring or promoting local and regional products for the school meal program. In addition, the change includes \$36,000 for pay costs. Also includes inflation on the base.

- (5) An increase of \$60,900,000 in Discretionary Other Program Costs (\$58,004,000 enacted in FY 2015).

Changes in Discretionary Activities (Thousands)				
Project	2015 Estimate	Non-Pay Cost Change	Pay Cost Change	2016 Estimate
Team Nutrition/HUSSC	\$17,004	0	0	\$17,004
Summer EBT Demonstration	\$16,000	50,900	0	\$66,900
School Meals Equipment Grants	25,000	10,000	0	35,000
<b>Total Discretionary Other Program Costs</b>	<b>58,004</b>	<b>60,900</b>	<b>0</b>	<b>118,904</b>

Explanation of Change:

- a. No change for Team Nutrition and the Healthier US School Challenge (HUSSC) (\$17,004,000 enacted in FY 2015).

Team Nutrition supports the Child Nutrition Programs through training and technical assistance for food service, nutrition education for children and their caregivers, and school and community support for healthy eating and physical activity. Team Nutrition is an integrated, behavior-based, comprehensive plan for promoting the nutritional health of the Nation's children. This plan involves schools, parents, and the community in efforts to continuously improve school meals, and to promote the health and education of school children nationwide. The funding supports FNS' efforts to establish policy, develop materials that meet needs identified by FNS and its state and local partners, disseminate materials in ways that meet state and local needs, develop partnerships with other Federal agencies and national organizations, and promote Team Nutrition's messages through the national media.

The Healthier US School Challenge (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. Each HUSSC school receives a monetary incentive award.

In addition, \$500,000 is provided to support the Chefs Move to Schools program. The Chefs Move to Schools program is an integral part of First Lady Michelle Obama's *Let's Move!* initiative and its goal of solving the childhood obesity epidemic within a generation. Schools that sign up to partner with chefs receive menu ideas, culinary training and help teaching students about the importance of healthy meals.

- b. An increase of \$50,900,000 for Summer EBT Demonstration.

While more than 21 million children rely on free and reduced price meals at school, only a fraction of eligible children (less than 3 million) receive free meals in the summer, when school is out. While Summer Food Service Program (SFSP) sponsors do important work replacing school meals in many low-income areas and have had success over the last few years increasing service to more children, the program's model is one that works better in some communities than in others. As a result, USDA data continue to show that very low food security among children is a serious problem for households in the summer months. In the Agriculture Appropriations Act of 2010 (P.L. 111-80), Congress authorized demonstration projects to develop and test alternative methods of providing access to food for low-income children during the summer months when schools are not in regular session, as well as rigorous independent evaluations of each project's effectiveness. As a result, FNS implemented the Summer Electronic Benefit Transfer for Children (SEBTC) in 10 States and Indian Tribal Nations which provides the families of low-income children with benefits similar to SNAP and WIC, giving them more resources to use at retail food stores. Evaluations of this project show impressive results. SEBTC reduced the prevalence of food insecurity among children by 19 percent, and the prevalence of very low food security among children, the most severe category, by 33 percent. In addition, SEBTC was able to improve the diets of young, low-income

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Americans during the summer. Participating children in households with SEBTC ate more fruits and vegetables, whole grains, and dairy foods while consuming fewer sugar-sweetened beverages. These impacts were present in sites using the SNAP EBT model and the WIC EBT model.

Congress provided \$16 million to continue these demonstration projects during the summer of 2015. An increase of \$50.9 million in FY 2016 will allow FNS to continue the program in existing or additional States, thereby building on the gradual expansion that will begin in FY 2015. This will help those States reach the large number of low-income children that do not currently have access to the Summer Food Service Program and will enable FNS to evaluate whether Summer EBT is a viable option to address childhood hunger during the summer over an expanded area – possibly over entire States.

Additional funding is critical because:

- SEBTC expansion will supplement continued efforts to expand access to traditional summer feeding programs through intensive technical assistance to targeted States. This level of funding would support providing additional families of low-income children with \$30 or \$60 benefits each month or continuing benefits for families that receive \$60 of benefits per month.
- As many as 200,000 families could benefit each year, beginning in the summer of 2016.
- c. An increase of \$10,000,000 for the School Meals Equipment Grants (\$25,000,000 enacted for 2015).

In FY 2009, the American Recovery and Reinvestment Act (ARRA) provided a one-time appropriation of \$100 million to carry out competitive grants at the local level for National School Lunch Program equipment assistance. The funds were provided for grants to replace outdated equipment with new, energy efficient appliances such as refrigerators, ovens, and other food service related equipment. Nearly 25,000 school districts applied for equipment grants requesting over \$640 million in assistance. Subsequent appropriations acts have provided an additional \$85 million for equipment grants - \$25 million in FYs 2010, 2014 and 2015 as well as \$10 million in FY 2013. Grants have been targeted toward States with the most unmet need and the highest rates of free and reduced price lunch participation. States competitively award the funds to school districts to purchase needed equipment, with priority given to districts serving a high percentage of low-income children. Unfortunately, the \$185 million provided over the last several years is still insufficient to meet all of the equipment needs in schools, particularly as schools have been implementing the meal patterns required by the Healthy, Hunger Free Kids Act of 2010.

The Kids Safe and Healthful Food Project, a collaboration between the Pew Charitable Trusts and the Robert Wood Johnson Foundation reported that 88 percent of (or almost 9 out of 10) school food authorities (SFAs) need one or more pieces of equipment to help them meet the current lunch standards and only 42 percent report having a budget to help them meet their equipment needs. In addition, more than half of all SFAs need infrastructure at one or more schools in order to continue to meet the child nutrition meal requirements.<sup>2</sup> The \$35 million requested in this budget will provide needed funding for SFAs to upgrade equipment to help support nutritious meals, better ensure food safety, improve energy efficiency in the cafeteria, and expand participation in school nutrition programs.

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<sup>2</sup>Urahn, Susan, Michael Caudell-Feagan, Kathryn Thomas, Jasmine Hall-Ratliff, et al. *Serving Healthy School Meals*, Pew Charitable Trusts and the Robert Wood Johnson Foundation, December 2013.  
<http://www.pewtrusts.org/en/research-and-analysis/reports/2014/03/26/states-need-updated-school-kitchen-equipment-b>

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**FISCAL YEAR 2016 PRESIDENT’S BUDGET  
CURRENT LAW**

**Program:** Child Nutrition Programs – National School Lunch and School Breakfast Programs

**Proposal:** Enhanced State/local Reporting to Support Ongoing Error Measurement in School Meals

**Rationale:** With the implementation of the new Administrative Review process for school meal programs, FNS, State and Local Educational Agencies will have access to new information to inform areas of program improvement. Additional funds are needed to facilitate the development of streamlined reporting procedures to support ongoing error measurement to assist FNS, State and local staff in monitoring and review efforts to increase program integrity.

FNS is seeking \$500,000 from the FY 2016 Budget to enhance the reporting capabilities in this area.

**Budget  
Impact:**  
(\$ in millions)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Budget Authority	\$0.5	\$0	\$0	\$0	\$0	\$0.5

**FISCAL YEAR 2016 PRESIDENT’S BUDGET  
CURRENT LAW**

**Program:** Child Nutrition Programs

**Proposal:** Administrative Review and Training (ART) Grant Expansion

**Rationale:** Provides an additional \$10 million annually in funding for discretionary grants to States for purposes of developing or improving current automated information systems used to operate and manage the National School Lunch Program, School Breakfast Program, other related Child Nutrition school meals programs, the Child and Adult Care Food Program, and the Summer Food Service Program. The intent of grant projects is to allow State agencies to propose and implement innovative technology solutions to incorporate functionality that allows for the seamless flow of program data from the school/site level to the district/sponsor and State levels, and to enable accurate Federal reporting. Funds would be used for projects that will improve program accountability, data accuracy, program performance measurement, and the capacity to identify and target error-prone areas (locations or program functions) across the Child Nutrition Programs.

Currently, State agencies administering the Child Nutrition Programs maintain automated systems at the State level that rely on operational data from the local levels for applications, certifications (including direct certification), verification, meal counting and claiming, menu monitoring, food distribution and other program aspects. However, local schools and sponsors generally operate separate automated or manual systems to capture program data at the local level with as many as 30 or more local software programs being used within a given State. There are many school districts/sponsors that have no automated method, without human intervention and manual processes, to capture and report data upward or to receive data directly to the site level. This creates duplication of effort, increased possibility of errors, and reduced visibility of program operations for monitoring purposes. The requested funding would allow States to develop statewide systems that potentially could provide automation to local levels via web-based software, interfaces, equipment or other innovative business automation solutions to improve program operation efficiencies, accountability, monitoring, and overall program integrity.

**Budget  
Impact:**  
(\$ in millions)

	FY 2016	FY2017	FY 2018	FY 2019	FY 2020	Total
Budget Authority	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$50.0

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**FISCAL YEAR 2016 PRESIDENT’S BUDGET  
CURRENT LAW**

**Program:** Child Nutrition Programs

**Proposal:** Create a “child nutrition state exchange”

**Rationale:** The child nutrition state exchange program will be a joint Federal-State effort for State Education Agencies, other State agencies administering the Child Nutrition Programs (CNP), and State Distributing Agencies, to share best practices and leverage resources in an effort to promote compliance with program requirements, increase operational efficiency, ensure food safety, and reduce fraud, waste and abuse in Child Nutrition Programs. The primary goal of the child nutrition state exchange is to develop a framework to allow States to exchange information, resources, tools, and forms, in a secure, reliable and sustainable manner. The child nutrition state exchange will be designed to support the desire voiced by States to have a centralized exchange network that will permit State agencies to make independent decisions regarding dispersal of their developed resources and the use of existing resources. FNS anticipates that the child nutrition state exchange will lead to increased coordination among States which will result in improved efficiency in program delivery and compliance and reduced fraud, waste, and abuse. The need for this Exchange is great in light of the many changes brought about by the Healthy, Hunger-Free Kids Act of 2010 (HHFKA), including changes in nutritional standards in the school meals program. While FNS has provided resources and tools to facilitate the changes brought about by the HHFKA, State CNP Agencies and State Distributing Agencies are rapidly developing their own tools and resources to help them achieve compliance with new program requirements. The child nutrition state exchange would facilitate sharing of such tools and resources among States.

Funding in the amount of \$2 million is being sought within the FY 2016 budget for the first year, and \$1 million annually afterward to support the child nutrition state exchange. This funding would support several project phases all aimed at encouraging and facilitating concepts ranging from, but not limited to, the exchange of information, resources and tools, and a Resource/Knowledge Sharing Center that would be accessible by State agencies and capable of housing information relevant to each State CNP agency or State Distributing Agency. The child nutrition state exchange will be based on FNS’ experience that often the most economical and efficient way for one State to develop solutions to a particular problem or develop better procedures for managing its child nutrition programs is for the State to interact with another that has already addressed the same concern. The child nutrition state exchange will leverage existing Federal and State resources and expertise in an effort to promote compliance with program requirements, increase operational efficiency, and reduce fraud, waste and abuse across Child Nutrition programs. The child nutrition state exchange effort will be modeled after the proven successful State Exchange program operated by the Supplemental Nutrition Assistance Program (SNAP).

This funding will be incorporated into the Training and Technical Assistance Budget Line as an item of increase.

**Budget  
Impact:**  
(\$ in millions)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Budget Authority	\$2.0	\$1.0	\$1.0	\$1.0	\$1.0	\$6.0

FOOD AND NUTRITION SERVICE

**FISCAL YEAR 2016 PRESIDENT’S BUDGET  
CURRENT LAW**

**Program:** Child Nutrition Programs

**Proposal:** Evaluation of New Administrative Review Process for Schools

**Rationale:** Section 207 of Public Law 111-296, the Healthy, Hunger-Free Kids Act of 2010 (HHFKA), required FNS to develop a monitoring process that combines elements of the Coordinated Review Effort (CRE) and School Meal Initiative review (SMI) to ensure requirements of the school meal programs are properly implemented. The new review process reflects the new 3-year review cycle. Further the new Administrative Review process was updated to include a review of School Breakfast requirements and was designed to ensure the monitoring process provides effective review of the complex requirements within the school meal programs while also recognizing the resource constraints facing the State agencies. The new Administrative Review process includes approaches to reduce improper and erroneous payments, and strives to ensure proper implementation of the school meals and other nutrition assistance programs. The first 3-year review cycle of the new Administrative Review process began with the 2013-2014 school year and FNS would like to begin developing a framework by which to evaluate the new process. Moving in this direction will help the Agency determine how effectively the new approach is satisfying the requirements of Section 207 of the Healthy, Hunger-Free Kids Act of 2010.

Funding in the amount of \$2 million is being sought within the FY 2016 budget to develop and manage a framework by which to evaluate the new Administrative Review process.

**Budget  
Impact:**  
(\$ in millions)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Budget Authority	\$2.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.0

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Geographic Breakdown of Obligations and Staff Years (SY)

(Dollars in thousands)

Child Nutrition Programs--Federal Salaries & Expenses								
	<u>2013 Actual</u>		<u>2014 Actual</u>		<u>2015 Enacted</u>		<u>2016 Estimated</u>	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Arizona	\$128	1	\$0	0	\$0	0	\$0	0
Arkansas	0	0	96	1	110	1	115	1
California	1,863	17	2,993	23	3,446	27	3,582	27
Colorado	1,716	15	3,703	29	4,264	34	4,433	34
District of Columbia	1	0	0	0	0	0	0	0
Florida	282	2	287	2	331	3	344	3
Georgia	1,845	16	2,746	21	3,160	25	3,285	25
Illinois	1,687	20	1,995	15	2,297	18	2,388	18
Indiana	0	0	96	1	110	1	115	1
Iowa	107	1	0	0	0	0	0	0
Massachusetts	2,027	19	2,507	19	2,887	23	3,001	23
Michigan	0	1	0	0	0	0	0	0
Missouri	85	1	0	0	0	0	0	0
New Jersey	552	19	2,189	16	2,510	19	2,608	19
New Mexico	0	0	0	0	0	0	0	0
New York	86	1	0	0	0	0	0	0
North Carolina	54	1	64	0	74	1	77	1
North Dakota	88	1	0	0	0	0	0	0
Ohio	0	0	128	1	147	1	153	1
Oregon	216	2	160	1	184	1	191	1
South Carolina	117	1	255	2	294	2	306	2
Tennessee	0	0	64	0	74	1	77	1
Texas	1,939	16	2,845	22	3,269	25	3,397	25
Utah	102	1	0	0	0	0	0	0
Virginia	79,578	89	88,061	96	89,902	110	90,458	110
Wisconsin	6	0	0	0	0	0	0	0
Virgin Islands	5	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>92,484</b>	<b>224</b>	<b>108,188</b>	<b>249</b>	<b>113,058</b>	<b>292</b>	<b>114,529</b>	<b>292</b>

Note: Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

Child Nutrition Programs - Appropriation

Classification by Objects

(Dollars in Thousands)

		2013	2014	2015	2016
		Actual	Actual	Enacted	Estimate
<b>Personnel Compensation:</b>					
	Washington D.C.....	\$7,910	\$9,125	\$11,338	\$11,792
	Field.....	9,285	10,713	13,310	13,842
11.0	Total personnel compensation.....	17,195	19,838	24,648	25,634
12.0	Personnel benefits.....	5,430	6,265	7,784	8,095
	Total personnel comp. and benefits.....	22,625	26,103	32,432	33,729
<b>Other Objects:</b>					
21.0	Travel and transportation of persons.....	1,270	1,294	1,316	1,337
22.0	Transportation of things.....	1	1	1	1
23.2	Rental payments to others.....	96	98	100	102
24.0	Printing and reproduction.....	2,410	2,456	2,498	2,538
25.0	Other Services.....	43,660	44,490	45,246	45,970
26.0	Supplies and materials.....	1,165,862	1,079,060	1,249,567	1,322,088
31.0	Equipment.....	502	512	521	529
41.0	Grants.....	18,438,591	18,881,665	19,899,146	20,765,415
	Total, Other Objects.....	19,652,392	20,009,576	21,198,395	22,137,980
99.9	Total, new obligations.....	19,675,017	20,035,679	21,230,827	22,171,709
<b>Position Data:</b>					
	Average Salary (dollars), ES Position.....	\$145,074	\$158,354	\$159,938	\$162,017
	Average Salary (dollars), GS Position.....	\$92,946	\$93,136	\$94,068	\$95,290
	Average Grade, GS Position.....	12.1	12.4	12.4	12.4

FOOD AND NUTRITION SERVICE

Child Nutrition Programs - Permanent Appropriation  
Classification by Objects  
(Dollars in Thousands)

	2013	2014	2015	2016
	<u>Actual</u>	<u>Actual</u>	Enacted	Estimate
<b>Personnel Compensation:</b>				
Washington D.C.....	\$1,443	\$1,398	\$1,520	\$1,581
Field.....	1,695	1,641	1,785	1,856
11.0 Total personnel compensation.....	3,138	3,039	3,305	3,437
12.0 Personnel benefits.....	991	960	1,044	1,086
Total personnel comp. and benefits.....	4,129	3,999	4,349	4,523
<b>Other Objects:</b>				
21.0 Travel and transportation of persons.....	153	156	159	159
23.2 Rental payments to others.....	9	9	9	9
24.0 Printing and reproduction.....	1	1	1	1
25.0 Other Services.....	15,785	16,085	16,358	16,358
26.0 Supplies and materials.....	20	20	20	20
31.0 Equipment.....	12	12	12	12
41.0 Grants.....	200,129	207,894	290,734	173,909
Total, Other Objects.....	216,109	224,177	307,293	190,468
99.9 Total, new obligations.....	220,238	228,176	311,642	194,991
<b>Position Data:</b>				
Average Salary (dollars), ES Position.....	N/A	N/A	N/A	N/A
Average Salary (dollars), GS Position.....	\$78,450	\$84,417	\$85,261	\$86,369
Average Grade, GS Position.....	12.3	12.7	12.7	12.7

## FOOD AND NUTRITION SERVICE

### 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 (School Meal 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, USDA administers the program directly through its Food and Nutrition Service Regional Offices.

#### REAUTHORIZATION

The Healthy, Hunger-Free Kids Act of 2010 (HHFKA, P.L. 111-296) was enacted on December 13, 2010. The HHFKA 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 HHFKA:

- Dramatically improves the nutrition environment 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. Students who eat lunch or breakfast provided by their school are now seeing more fruits, vegetables, low-fat or fat-free milk varieties, and whole grains; less saturated fat, trans fat, and sodium; and proper portion sizes on their trays. Increases the federal reimbursement rate for school lunches by six cents for districts that comply with new federal nutrition standards. This is the first non-inflationary reimbursement rate increase in over 30 years. As of the end of School Year 2013-2014, 92 percent of school food authorities have been certified eligible to receive the 6 cents reimbursement.
- Requires USDA to review and update nutrition standards and meal costs in the Child and Adult Care Food Program
- Expands at-risk afterschool meal availability to all States, through the Child and Adult Care Food Program.
- Requires schools to make information more readily available to parents regarding the nutritional quality of school meals, school meal program participation, food safety inspections, and local school wellness policies.
- Creates demonstration projects to increase the number of eligible children enrolled in the School Meal 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 Meal Programs.
- Enhances universal meal access for eligible children in high poverty communities by eliminating paper applications and using direct certification data to determine Federal reimbursement.
- Strengthens local school wellness policies by emphasizing ongoing implementation and assessment by an expanded team of collaborators at the school and community levels, and requires notification to the community on wellness policy content and implementation.
- Requires the establishment of professional standards for school food service administrators, including educational qualifications, competencies, and training necessary to successfully execute the responsibilities of State and local program operation.

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- 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 foods that schools get from USDA and use in their lunch and breakfast programs.
- Establishes a Farm to School program in order to assist eligible entities, through grants and technical assistance, in improving access to local foods.

Since enactment of the HRFKA, the agency has followed a rigorous implementation timetable while working to engage and inform a wide variety of program stakeholders. The agency has also committed extensive resources to providing training and technical assistance to our State and local partners to help better familiarize them with these program changes and improvements. The following regulations have been recently published, in the order of their publication:

- Proposed Rule: “National School and Breakfast Programs: Nutrition Standards for All Foods Sold in Schools as Required by the Healthy, Hunger-Free Kids Act of 2010” (2/8/2013)
- Final Rule: “National School Lunch Program: Direct Certification Continuous Improvement Plans Required by the Healthy, Hunger-Free Kids Act of 2010” (2/22/2013)
- Final Rule: “Child Nutrition Programs: Nondiscretionary Amendments Related to the Healthy, Hunger-Free Kids Act of 2010” (2/28/2013)
- Interim Final Rule: “National School Lunch and Breakfast Programs: Nutrition Standards for All Foods Sold in Schools as Required by the Healthy, Hunger-Free Kids Act of 2010” (6/28/2013)
- Proposed Rule: “Simplified Cost Accounting and Other Actions to Reduce Paperwork in the Summer Food Service Program and School Lunch Notice Procedures” (7/12/2013)
- Proposed Rule: “National School Lunch and Breakfast Programs: Eliminating Applications Through Community Eligibility as Required by the Healthy, Hunger-Free Kids Act of 2010” (11/4/2013)
- Final Rule: “Certification of Compliance with Meal Requirements for the National School Lunch Program Under the HRFKA” (1/3/2014)
- Proposed Rule: “Professional Standards for State and Local School Nutrition Programs Personnel as Required by the HRFKA” (2/4/2014)
- Final Rule: “National School Lunch Program: Independent Review of Applications Required by the HRFKA” (2/6/2014)
- Proposed Rule: “Local School Wellness Policy Implementation Under the Healthy, Hunger-Free Kids Act of 2010” (2/26/2014)

Additional information on implementation activities is also provided by program area below.

### NATIONAL SCHOOL LUNCH PROGRAM

#### Program Mission

The National School Lunch Program (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 statutory and regulatory nutrition standards, which are based on the *Dietary Guidelines for Americans*. States are generally reimbursed on the basis of the number of qualifying lunches and snacks served to children in participating schools at designated reimbursement rates. These reimbursement rates are adjusted annually, and vary according to the income of the households to which children belong. In accordance with Section 17A of the NSLA, reimbursement for snacks served by schools in needy areas is paid at the free snack rate.

Section 4 of the NSLA authorizes a base reimbursement for all eligible meals served, including lunches to children whose family income is above 185 percent of the Federal poverty guidelines. In addition, Section 11 of the NSLA authorizes additional reimbursement for meals served to children from families with incomes at or below 130 percent of the Federal poverty level (these children qualify for free meals), and for those from families with incomes between 130 and 185 percent (they qualify for reduced price meals). For the 2014-2015 school year, a child from a family of four with an annual income of \$31,005 or less is eligible for free meals, and a child from a family of four with a family income of no more than \$44,123 is eligible for reduced price meals. The reimbursement rates for meals 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

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at the rate of \$0.02 per meal served. School Food Authorities that have demonstrated that the meals offered meet the updated nutrition standards receive an additional 6 cents per lunch served. In addition to the cash reimbursements, Section 6 of the NSLA also provides base funding for the purchase of USDA Foods to be used in the meal service, based on lunches served in the previous year.

### Facts in Brief

- On an average school day in FY 2014, more than half of all school children in America were provided an NSLP lunch. At participating schools and Residential Child Care Institutions (RCCIs), approximately 57.3 percent of the enrolled students participated in the NSLP on a daily basis, down from 59.4 percent in FY2013.
- In FY 2014, almost 5.0 billion lunches were served in the NSLP, a 2.1 percent decrease from the 5.1 billion served in FY 2013. Average daily participation decreased slightly from 30.7 million in FY 2013 to 30.3 million in FY 2014. The decrease in lunches served is primarily due to a decrease in paid participation which declined from about 9.2 million participants per day to about 8.7 million participants per day. Conversely, free meal participation rose from about 18.9 million participants per day to about 19.1 million participants per day. In addition, there were almost two fewer serving days in FY 2014 as compared to FY 2013.
- In FY 2014, approximately 71.5 percent of total lunches served were provided free or at a reduced price, up from 70.5 percent in FY 2013.
- The number of schools participating in the NSLP decreased by 58 from FY 2013 to FY 2014, while the number of RCCIs decreased by 379. A total of 99,513 schools and RCCIs participated in the NSLP in FY 2014.

### Improving the Nutrition Environment in Schools

The HHS required USDA to publish a proposed rule to update the meal patterns and nutrition standards for the National School Lunch and School Breakfast Programs not later than 18 months after enactment, and a final rule within 18 months of the proposed rule. USDA met the first publication requirement by publishing a proposed rule on January 13, 2011, and met the publication requirement for the implementing regulation by publishing the final rule on January 26, 2012. The final rule became effective beginning in School Year (SY) 2012-2013.

The final rule, “Nutrition Standards in the National School Lunch and School Breakfast Programs,” updated the meal patterns and nutrition standards for the NSLP and SBP based on recommendations from the National Academies Institute of Medicine to align them with the *Dietary Guidelines for Americans*. The final rule requires schools to: 1) increase the availability of fruits, vegetables, whole grains, and fat-free and low-fat fluid milk in school meals; 2) reduce the levels of sodium, saturated fat and trans fat in meals; and 3) meet the nutrition needs of school children within their calorie requirements. These improvements to the school meals are expected to enhance the diet and health of millions of school children nationwide and help mitigate childhood obesity.

While the majority of updates to the school lunch program occurred in SY 2012-13, the changes to breakfast are being phased in over multiple years. For SY 2013-14, schools increased their whole grain-rich offerings and adhered to new weekly calorie ranges. Increased fruit offerings became effective in SY 2014-15, and for both school lunch and breakfast, the first sodium limit was implemented in SY 2014-15. A phased-in approach will allow both industry and food service operators ample time to create appealing food items and menus that students will accept.

Since publication of the final rule in January 2012, and throughout the initial implementation period by SFAs, USDA has devoted considerable effort to provide training and technical assistance, and to respond appropriately to unforeseen implementation challenges faced by local SFAs. USDA has conducted numerous webinars, in-person training sessions, and presentations at national conferences in order to communicate the meal pattern changes while listening and responding to operator concerns. Policy memoranda and an extensive frequently updated Question and Answer document clarify how the meal pattern can be implemented successfully. In 2013, USDA issued updated guidance on implementing offer versus serve (OVS) for the school meal programs. OVS allows students to select food items that they prefer. This guidance provides specific information for food service staff to plan and recognize reimbursable lunches and breakfasts under OVS. In addition, the guidance discusses the importance of assisting students on selecting reimbursable meals under OVS through signage and other techniques. In 2014, USDA also launched the Tools for Schools website which is a one-stop location for guidance and technical assistance resources schools can use to help with implementation of the Smart Snacks in School standards, incorporating whole grain-rich foods into menus, improving consumption of fruits and vegetables, and reducing sodium in meals and snacks.

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In 2014, USDA also released the SY 2014-15 version of the certification worksheets and related materials used by local SFAs to document compliance with the new meal patterns so they may begin receiving the additional 6 cent reimbursement. The Food Buying Guide for School Meals continues to be revised. New yield data was made available online in December 2014. Data updates will be released as they become available. Additional resources developed include the Recipes for Healthy Kids cookbooks for schools, Nutrient Analysis Protocols, and the Whole Grain Resource for School Meals. A comprehensive revision of the menu planner for healthy school meals is also expected in Summer 2015.

Prior to the enactment of the HHFKA, Section 10 of the Child Nutrition Act limited the USDA's authority to regulate competitive foods, i.e., foods sold in competition with the school lunch and breakfast programs, to those foods sold in the food service area during meal periods. USDA did not have authority to establish regulatory requirements for food sold in other areas of the school campus or at other times in the school day.

Section 208 of the HHFKA required USDA to establish nutrition standards for such foods, consistent with the most recent *Dietary Guidelines for Americans*. FNS published a proposed rule in the Federal Register on February 8, 2013 (78 FR 9530), titled "National School Lunch Program and School Breakfast Program: Nutrition Standards for All Foods Sold in School as Required by the Healthy, Hunger-Free Kids Act of 2010." This rule proposed nutrition standards for foods offered for sale to students outside of the Federal school lunch and school breakfast programs, including foods sold à la carte and in school stores and vending machines. The proposed standards were designed to complement recent improvements in school meals, and to help promote diets that contribute to students' long term health and well-being.

USDA received an unprecedented total of 247,871 public comments submitted by individuals and groups that represented a diversity of interests, including advocacy organizations; health care organizations; industry and trade associations; farm and industry groups; schools, school boards and school nutrition and education associations; State departments of education; consumer groups; and others.

USDA considered all comments in the development of an interim final rule, which was published on June 28, 2013, and went into effect in School Year 2014-15. The standards for food and beverages in the interim final rule represent minimum standards that local educational agencies, school food authorities and schools are required to meet. Should they wish to do so State agencies and/or local school districts have the discretion to establish their own standards for non-program foods sold to children, as long as such standards are not inconsistent with the Federal standards. State agencies are also able to establish policies for their SFAs on the number of exempt fundraisers that may occur on the school campus during the school day, allowing infrequent sale of foods that do not meet the new nutrition standards.

The new standards are expected to result in significant changes to the nutritional quality of competitive foods available in schools and complement the efforts of parents to promote healthy choices at home and at school, reinforce school-based nutrition education and promotion efforts, and contribute significantly to the overall effectiveness of the school nutrition environment in promoting healthful food and physical activity choices.

In order to assist implementation of the interim final rule, USDA has been:

- Conducting briefings and presentations on the new requirements for Congressional staff, industry, nutrition advocates, school nutrition organizations and other stakeholder organizations;
- Developing extensive guidance materials, including Questions and Answers, policy memoranda, brochures and a food and beverage nutrition calculator;
- Responding to stakeholder questions and requests for clarification of the requirements;
- Developing a specific section on the USDA/FNS website devoted to all resources related to the standards for all foods included in the interim final rule; and
- Continuing to reach out to non-traditional stakeholders, such as education groups, school finance officials, school nurse associations, etc. to conduct presentations at their organization's conventions, contribute to organization newsletters, etc.

### **Improving Program Integrity**

USDA 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.

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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.

As required by the HHFKA, USDA has developed a unified accountability system for State oversight of the School Meal Programs, to include the elements of the Coordinated Review Effort and the oversight of nutritional requirements conducted through the School Meal Initiative reviews. The HHFKA also narrows the review cycle upon which State agencies evaluate SFAs to three years from the long-standing five-year schedule in an effort to strengthen program integrity over time. The regulatory framework for a unified accountability system and more frequent reviews of SFAs by State agencies was set forth in the regulations for updated nutrition standards for the School Meal Programs.

In 2012, the agency launched a School Meals Administrative Review Reinvention Team. Comprised of USDA and State agency staff, the team developed materials and tools — including an Administrative Review Manual, risk assessment tools, and review forms — to support implementation of a unified accountability system. Through a series of in-person training sessions, virtual training webinars, and State-specific implementation calls, USDA provided extensive technical assistance to officials at the State and local levels to help train them with the new Administrative Review process. The new process was implemented in 49 States and territories in SY 2013-2014; 51 States and territories are implementing the new process in SY 2014-2015. A proposed rule which will revise the NSLP administrative review requirements to reflect the new changes is under development and expected to be published in 2015.

USDA also published the final rule on February 6, 2014, implementing requirements for a second, independent review of free and reduced price meal applications as mandated under Section 304 of the HHFKA. The proposed rule was published in the *Federal Register* on September 13, 2012. Under the final rule, which State agencies implemented in SY 2014-2015, the independent review would be mandatory for local educational agencies previously demonstrating high rates of administrative error in their free and reduced price application process. The rule is expected to strengthen program integrity.

USDA partnered with the OPM Innovation Lab in 2014 to redesign its model household application for school meal benefits. The application incorporates design elements intended to improve clarity and reduce applicant error. The model application will be made available to all school districts in 2015 as a resource they may adapt for their own use.

As discussed in the 2014 Explanatory Notes and funded in the Consolidated Appropriations Act, 2014, the agency established a new Office of Program Integrity in 2014 that will coordinate agency initiatives to address program error and improve accountability and efficiency in the USDA's Child Nutrition Programs. The new office will apply an evidence-based, analytic approach to identifying integrity risks and developing strategies to address them. As the office hires staff in 2015 it will begin an analysis of data collected from Administrative Reviews to assess early implementation of the new process. The office will also examine program and research data to identify and prioritize a set of short and long-term administrative actions and policy reforms to address program error.

### **Professional Standards for School Food Service Administrators**

Section 306 of the HHFKA requires the development of clear, consistent professional standards for the education, training, and certification for school food service personnel who manage and operate the National School Lunch and School Breakfast Programs. USDA has frequently engaged with stakeholders to obtain input on the creation of these professional standards in advance of drafting a proposed rule. For example, USDA offered sessions at the School Nutrition Association's Annual National Conference in July 2013. Significant input was received from the audience, which consisted of State agency directors and staff, school nutrition directors, managers and other personnel. This feedback, along with feedback received in previous stakeholder meetings, informed the development of a proposed rule, which was published on February 4, 2014. USDA is currently analyzing public comments on the rule in anticipation of publishing a final rule in 2015.

### **Direct Certification**

With the enactment of the HHFKA in December 2010, State agencies are required to reach direct certification rate benchmarks with SNAP of 95 percent by SY 2013-2014, and must continue to meet the 95 percent benchmark in

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subsequent years. For those States that do not reach the direct certification benchmarks (80 percent for SY 2011-2012, 90 percent for SY 2012-2013, and 95 percent for SY 2013-2014 and thereafter), the HHFKA requires that they develop and implement continuous improvement plans to help ensure that eligible children from SNAP households are directly certified for free meals. The “National School Lunch Program: Direct Certification Continuous Improvement Plans Required by the Healthy, Hunger-Free Kids Act of 2010” final rule was published on February 22, 2013.

In SY 2011-2012, 36 of the 52 States operating the National School Lunch Program (including the District of Columbia and Guam) met the first 80% benchmark and 16 States implemented continuous improvement plans. In 2013, 24 of the 52 States achieved direct certification rates at or above the 90-percent performance target; the remaining States and Guam developed and are implementing continuous improvement plans. In 2014, 11 of the 52 States achieved direct certification rates at or above the 95-percent performance target. The remaining States will develop and implement continuous improvement plans.

The HHFKA provides for Direct Certification Performance Awards for up to 15 States that show either outstanding performance or significant improvement in directly certifying eligible children with SNAP. Up to \$2 million is available in each category for each of three years. Awards were made in fiscal year 2014 to 14 States in September 2014, outstanding performance awards were made to 6 state agencies - Illinois, Florida, Maryland, Minnesota, North Carolina, and Oklahoma. Substantial improvement awards were made to 8 state agencies - Arkansas, Guam, Massachusetts, Minnesota, Missouri, New Hampshire, New Jersey, and Pennsylvania.

The HHFKA also authorizes FNS to conduct demonstration projects in selected States and Local Education Authorities (LEA) to evaluate the effectiveness of conducting direct certification with the Medicaid Program, and it provides for \$5 million in funds to study and evaluate the projects. The demonstrations are currently being phased in over a three year period.

In SY 2013-2014, direct certification demonstrations with Medicaid were conducted in Florida, Illinois, New York and Massachusetts in selected school districts that collectively serve 4.6% of the nation’s free and reduced price eligible students. In addition, two statewide demonstrations were conducted in Kentucky and Pennsylvania. In SY 2014-2015, California was added to the 6 States already participating in direct certification with Medicaid demonstrations; collectively the 7 States serve approximately 10 percent of the nation’s free and reduced price eligible students.

To support direct certification efforts, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (P.L. 111-80) initially provided \$22 million for grants to State agencies that administer the NSLP. Under this funding, FNS has awarded 44 Direct Certification grants to States, totaling almost \$19 million, to assist them in implementing direct certification process improvements. States will have four additional opportunities to apply for the remaining funds in FY 2015.

### **Community Eligibility Provision**

In SY 2014-15, the Community Eligibility Provision (CEP) became available nationwide following a three year phased rollout in 11 early adopting States. CEP provides an alternative to household applications for free and reduced-price meals in high poverty LEAs and schools. In order to be eligible for CEP, LEAs and schools must meet a minimum level of identified students for free meals, agree to serve free lunches and breakfasts to all students, and agree to cover with non-Federal funds any costs of providing free meals to all students above amounts provided in Federal assistance. The level of Federal reimbursement is based on an identified student percentage for each school or group of schools. Identified students are those certified for free meals through means other than individual household applications, primarily students directly certified with SNAP. The identified student percentage is then multiplied by a factor of 1.6 to arrive at the percentage of meals served that will be reimbursed at the federal free rate, up to a maximum of 100 percent. Any meals not reimbursed at the free rate are reimbursed at the federal paid rate.

In this first year of national implementation, USDA has seen fast growth in schools adopting CEP, and has received ample positive feedback from State and local officials on the benefits that CEP provides to schoolchildren. USDA estimates that CEP is reaching more than 6.4 million children in about 14,000 schools and over 2,000 school districts in School Year 2014-2015. Of those school districts participating, 70% are electing for all schools in their district to participate in CEP. USDA has worked extensively to facilitate growth in first year of CEP elections by

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providing timely policy guidance and technical assistance, while offering administrative flexibilities where appropriate:

- Extended the CEP election deadline for SY 2014-15 from June 30 to August 31, and granted States discretion in allowing further elections beyond this date;
- Hosted a series of informational webinars with partners;
- Released additional questions and answers to facilitate CEP implementation;
- Organized a series of cross-regional calls between FNS and State agency officials to discuss CEP implementation and highlight best practices; and
- Continued working with the U.S. Department of Education and the Federal Communications Commission to provide guidance and ensure that the absence of traditional household applications does not create a barrier to CEP participation by impacting schools' within-district Title I allocations or E-Rate funding.

During FY 2015, USDA plans to release a set of CEP toolkit resources for LEAs interested in electing CEP and a CEP guidance manual. In addition, USDA will continue to provide extensive training and technical assistance, and hold quarterly cross-regional conference calls to facilitate States sharing best practices. USDA will receive formal program data on the first year of CEP implementation in spring 2015, which will provide a clear measure of progress and further aid ongoing efforts to ensure that CEP is accessible in all LEAs where it might represent a beneficial approach to meal service.

### **Team Nutrition**

Team Nutrition's goal is to improve the lifelong eating and physical activity habits of children by using the principles of the *Dietary Guidelines for Americans* and ChooseMyPlate. 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.

Team Nutrition supports 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, including afterschool programs.

**USDA's Healthier US School Challenge (HUSSC)** recognizes Team Nutrition schools that have met rigorous standards for nutritious food and beverage choices, nutrition and physical education, and opportunities for physical activity for students. HUSSC was adopted under the First Lady's *Let's Move!* initiative in February 2010, and at that time financial incentives were made available to HUSSC schools. During the same timeframe, the First Lady also challenged schools to reach 1,000 additional schools each school year for the next two years. USDA met the goal of 2,250 schools certified for SY 2011-12 and surpassed the goal to have 3,250 schools certified by June 2013. As of October 31, 2014, USDA had certified 6,711 HUSSC schools.

In August 2014, HUSSC criteria was revamped to include greater emphasis on Smarter Lunchroom techniques and to reflect the new Smart Snacks requirements. Schools at all award levels are now required to complete a Smarter Lunchroom Self-Assessment Scorecard, available online, that contains 100 action items that fall under six areas: fruits, vegetables, entrées, milk, sales of reimbursable meals, and school synergies. In addition, the meal criteria was removed and new options under the Other Criteria of Excellence were added to provide schools an opportunity to highlight their other extraordinary accomplishments that were not reflected in other HUSSC: School Lunch criteria, like implementing the Community Eligibility Provision (CEP) or joining the U.S. Food Waste Challenge. USDA continues to work with partners in schools and the private sector to train and make resources available to encourage schools to apply. In the past year, increased collaboration with Alliance for a Healthier Generation's Healthy Schools Program and the Cornell Center for Behavioral Economic in Child Nutrition Programs (BEN) to promote Smarter Lunchroom techniques has kept HUSSC up-to-date with the latest trends in establishing and maintaining a healthy school environment. Since the inception of HUSSC in 2004, USDA has recognized schools in 50 States and territories at four award levels: Bronze, Silver, Gold and Gold Award of Distinction. Schools also receive a banner, award plaque, and recognition on the Team Nutrition website for their efforts at <http://www.teamnutrition.usda.gov/HealthierUS/awardwinners.html>.

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**Training:** 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 Program association meetings. In addition, training is provided on menu planning, food procurement, financial management, leadership, and culinary skills and through hands-on technical assistance to schools and State agency personnel. Current training efforts emphasize the implementation of the new meal pattern, tailored technical assistance (Team Up for School Nutrition Success) to enhance school food operations, as well as recently updated standards for the Healthier US School Challenge and management for school nutrition program directors. Several online training programs are available on the NFSMI website at [www.nfsmi.org](http://www.nfsmi.org), including procurement training for State agency personnel. Increased emphasis has been placed on providing tools to help schools improve their programs through technology, such as a Food Buying Guide calculator, webinars and online courses. In addition, NFSMI has a toll free help desk that provides technical assistance and information to school food service personnel with questions about menu planning, nutrient requirements, food purchasing, nutrient analysis and additional child nutrition topics. USDA Recipes for Schools, Recipes for Healthy Kids and USDA Recipes for Child Care are available on the NFSMI website at [www.nfsmi.org](http://www.nfsmi.org) under School Nutrition Programs. NFSMI also collects, preserves, and hosts the Child Nutrition Archives, which contain collections of archived materials and oral histories, and is also coordinating the Chefs Move to Schools initiative.

**Grants:** Since 1995, Team Nutrition has provided \$90 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*, MyPlate, and other nutrition and wellness-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 food service professionals, and encouraging community support for healthy children. All of these materials are available on the Team Nutrition website (<http://teamnnutrition.usda.gov/>) to download and many are available to order in print.

Following the release of the 2010 *Dietary Guidelines for Americans* and MyPlate icon, USDA began updating and developing curriculum and materials for school children, preschoolers and parents that focus on making healthful food choices and being physically active. Interactive and exploratory lessons have been updated and/or developed as a way to connect gardens with nutrition messages in the classroom, cafeteria or lunch room, and at home. These lessons are developed to foster an awareness of where foods come from; grab kids' attention with colorful visuals, games, and activities that are age-appropriate and fun; integrate gardening and nutrition into English, language arts, math, science, and health lessons; and provide nutrition messages that are consistent with the 2010 *Dietary Guidelines for Americans*. Publications include *Grow It, Try It, Like it! Preschool Fun with Fruits and Vegetables* and, for elementary age children, *The Great Garden Detective Adventure* (for Grades 3-4), *Dig In! Standards-Based Nutrition Education from the Ground Up* (for Grades 5-6) and the *Two Bite Club* storybook (for preschool children).

Efforts also included the development of nutrition curricula for Kindergarten and grades one through eight that are linked to educational standards for math, science, English language arts and health. These materials, *Discover MyPlate* (for Kindergarten), *Serving Up MyPlate* (for Grades 1-6) and *Nutrition Voyages; The Quest To Be Our Best* (for Grades 7-8), are available on the Team Nutrition website. The 4-page booklet for parents (*MyPlate at Home*) was translated into Spanish, traditional Chinese, and French to help parents reinforce the *Serving Up My Plate* classroom lessons at home. The *Team Nutrition Popular Events Idea Booklet* highlights ideas for 20 large and small-themed events from Team Nutrition schools including templates, handouts, and free resources. This resource will help schools team up for success through connections from the school to homes, cafeterias, classrooms, the media, and the community.

In FY 2014, three versions of the *Recipes for Healthy Kids* cookbooks were finalized for publication and made available online. These cookbooks are a culmination of Team Nutrition's *Recipes for Healthy Kids* competition (launched September 7, 2010 in partnership with the American Culinary Federation and School Nutrition Association), which drew 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, at child care centers, and at home. Over 340 recipes were submitted in three categories: Whole Grains, Dark-Green and Orange Vegetables, and Beans and Peas. USDA standardized these recipes to comply with the new meal pattern requirements of the NSLP and published them on the Team Nutrition website in the form of a *Recipes for Healthy Kids Cookbook*.

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In addition, USDA provides support to school and childcare food service staff through the web-based Healthy Meals Resource System (HMRS). HMRS provides access to print and electronic training materials; the Best Practices Sharing Center, a collection of resources and tools for use to serve healthy menus that meet school meal regulations; the Education and Training Materials Database, a database of educational materials developed by universities, private industry, and local, State and Federal government agencies for school personnel and others working in Child Nutrition Programs; and the Recipe Finder Database, a search tool to find standardized recipes, quantity recipes, and more that include a database of common foods and USDA Foods. USDA's National Agricultural Library (NAL) maintains discussion groups, such *Mealtalk* (1,239 current subscribers), *Successstalk* (312 current subscribers), *CACFP-Summertalk* (51 current subscribers), as well as Team Nutrition e-Newsletters (8,989 recipients) and Team Nutrition Twitter (38,746 followers).

### **Farm to School**

#### **Farm to School Regional Leads**

In early 2014, the Farm to School Program hired full-time farm to school leads in each of FNS' seven regional offices. Charged with providing training and technical assistance to a wide variety of constituents, these staff are considered resident farm to school experts in their respective regions.

#### **FY 2014 Grant Program Awardees Confirmed and FY 2015 Process Announced**

In November 2013, the Farm to School Program awarded approximately \$5.2 million in grants to 71 projects spanning 42 states and the District of Columbia. This included awarding funds to 30 planning projects, 15 implementation projects and 26 support service projects. Schools received 62% of the awards, non-profit organizations received 21% of the awards, state agencies received 8% of the awards and local agencies received 6%. One award was made to an agricultural producer group and one award was made to an Indian tribal organization. A third round of grant funding was begun in FY 2014 with the release of the FY 2015 request for applications in February 2014.

#### **Local Procurement Technical Assistance**

Technical assistance related to local procurement was a key focus through FY 2014. The Farm to School Program launched a 12-part webinar series on finding, buying, and serving local food for school meal programs. A webinar series specific to buying local foods through the DoD Fresh program was also launched during FY 2014. In addition to webinars, the Farm to School Program hosted two train-the-trainer meetings to share with over 100 state agency colleagues and others updated information, guidance and training materials related to local procurement. Finally, the Farm to School Program released a new resource for schools: *Procuring Local Foods for Child Nutrition Programs*. The Guide covers procurement basics, how to define local, where to find local products, and the variety of ways schools can purchase locally in accordance with regulations. Throughout the guide, examples illustrate the many mechanisms available for districts to procure local food. A comprehensive resource list, along with a few sample solicitations, is available in the appendices.

#### **Farm to School Planning Toolkit**

In September the Farm to School team released an online [Farm to School Planning Toolkit](#). The 40 plus school districts that received planning grant funding from USDA in the last two years helped us fine tune this eleven-part Toolkit. It consists of distinct chapters that school districts can work through when designing a new program or further refining existing efforts to buy local foods, build school gardens, train staff, market healthy choices, etc.

#### **Video Series**

The Farm to School team completed production on [five videos](#) designed to be one part inspiration, one part 'how-to'. The videos feature testimonials from 30 plus USDA Farm to School grantees and cover topics including Farm to School Impacts, Buying Local, Marketing to Kids, How to Get Started, and Engaging the Community.

## **SCHOOL BREAKFAST PROGRAM**

### **Program Mission**

The School Breakfast Program (SBP) provides funds to States for qualifying 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 eligible breakfast served, schools are reimbursed at established rates for free,

## FOOD AND NUTRITION SERVICE

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. The meal reimbursement rates are revised on July 1 of each year.

Beginning in SY 2013-14, a new meal pattern featuring updated nutritional requirements was phased in. In School Year 2014-2015, the updated standards increase the servings of fruits offered to students, require all grains served as part of a reimbursable breakfast to be whole grain-rich, and introduced sodium limits.

In order to assist schools with the gradual implementation of breakfast meal pattern updates, USDA has maintained its efforts to provide technical assistance resources. In SY 2014-2015, USDA updated the Offer Versus Serve manual and Meal Pattern Question and Answer guidance document to reflect the changes to the breakfast meal pattern and to clarify implementation issues voiced by program stakeholders. In addition, the agency’s breakfast toolkit resources have continued to serve as a popular and useful resource for program. The breakfast toolkit resources, which were updated for SY 2013-14, empower program operators with information about starting or expanding school breakfast service, evaluating costs and serving methods, and marketing the program to key stakeholders. The toolkit also assists operators with implementation of the upcoming changes by providing sample menus and suggestions for offering healthy and appealing meals in compliance with the new meal pattern.

Throughout FY 2016, USDA will continue to develop guidance materials for State and local educational agencies while extending administrative flexibilities to promote successful implementation where appropriate.

### **Facts in Brief**

- In FY 2014, program availability dropped to 89,827 institutions (a decrease of 0.2 percent from FY 2013) with an enrollment of 49.3 million students (an increase of 2.2 percent from FY 2013). This is more than double the FY 1990 levels of 42,766 institutions with an enrollment of 20.9 million.
- The program was available to 93.3 percent of the students enrolled in schools participating in the lunch program in FY 2014, as compared to 50 percent in FY 1990. Average daily participation in FY 2014 was 13.5 million, an increase of approximately 2.3 percent from the prior year.
- The proportion of total meals served free or at a reduced price was about 84.8 percent during FY 2014, about the same as FY 2013.
- Approximately 2.25 billion breakfasts were served in FY 2014, an increase of 1.4 percent over FY 2013. This is an increase of 219% from 0.71 billion in FY 1990.

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. To support awareness of the SBP, the HHFKA requires that school food authorities participating in the School Meal Programs provide materials to households of students in the school informing them of the availability of the SBP.

## **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 may participate in the SMP, provided it does not participate in other Federal meal programs, such as NSLP, SBP or Child and Adult Care Food Program (CACFP). However, schools participating 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 would not otherwise 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.

## FOOD AND NUTRITION SERVICE

### Facts in Brief

- The number of half pints served as part of the SMP decreased from 54.8 million in FY 2013 to 49.9 million in FY 2014, an 8.9 percent decrease. Overall, the number of half pints served has decreased from 181.3 million in FY 1990, a 72.5 percent decrease.
- A total of 3,868 schools, non-residential child care institutions, and summer camps participated in the SMP in FY 2014, a 17.5 percent decrease from the FY 2013 level of 4,691. The number of participating schools and non-residential child care institutions decreased by 669. Summer camps and non-residential child care institutions decreased by 143 and 11, respectively.
- The portion of half pints served free during FY 2014 was about 9.0 percent, as compared to 8.5 percent in FY 2013.

## CHILD AND ADULT CARE FOOD PROGRAM

### Program Mission

The Child and Adult Care Food Program (CACFP) provides aid to child and adult care institutions and family or group day care homes for the provision of nutritious foods that contribute to the wellness, healthy growth, and development of young children, and the health and wellness of older adults and chronically impaired disabled persons.

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 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, with the exception of at-risk centers and emergency shelters 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 and/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 price 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 2014, the combined average daily attendance in CACFP was approximately 3.62 million children and adults, a slight increase from the average daily attendance of 3.56 million in FY 2013.
- Of 3.62 million children in average daily attendance in FY 2014, approximately 2.84 million were in child care centers and approximately 774,000 were in family day care homes.
- On average, in FY 2014, a CACFP child care center had approximately 50 children in attendance on an average day, and received about \$34,170 a year in meal reimbursement (compared to almost 48 children and \$31,725 in FY 2013).
- By comparison, a family day care home cared for and fed almost seven children daily, and received slightly more than \$6,600 a year in meal reimbursement (compared to six children and slightly more than \$6,350 in FY 2013).
- Total meal service increased slightly (0.9 percent) from FY 2013 to FY 2014; a total of 1.98 billion meals were served in FY 2014.

## FOOD AND NUTRITION SERVICE

- In FY 2014, approximately 81.8 percent of total meals served were provided free or at a reduced price, about the same level as in 2013.

### **At-Risk Afterschool Meals**

The at-risk afterschool meals component of CACFP offers Federal funding to programs that: operate in low-income areas afterschool or on weekends, holidays, or vacations during the regular school year; provide an organized regularly scheduled activity; and serve a free meal and/or snack to participating children and teens. Although reimbursement for at-risk afterschool snacks has been available since the 1990s, reimbursement for meals was previously available to only 13 States and the District of Columbia. The HHFKA expanded the availability for at-risk afterschool meals to all States and the District of Columbia participating in CACFP, beginning in FY 2011. Additionally, FNS has issued guidance to streamline participation in at-risk afterschool meals for school food authorities and for sponsors already participating in the Summer Food Service Program.

### **Improving Nutrition**

USDA 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 (DGA) 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.

The HHFKA required FNS to review the current CACFP meal patterns to ensure consistency with the DGAs and current science and to propose regulations to update the meal patterns. FNS has reviewed the IOM recommendations and plans to issue a proposed regulation updating the CACFP meal requirements in 2015. The HHFKA also required that milk served in CACFP meet the DGA and required that drinking water be made available to CACFP participants. USDA has issued guidance implementing these provisions and will include these requirements in the proposed regulations updating the meal patterns.

Finally, the HHFKA required FNS to develop guidance and provide technical assistance to child care institutions on complying with changes in CACFP nutritional requirements, as well as recommendations relating to physical activity and use of electronic media. FNS partnered with several key Federal agencies, including the Centers for Disease Control and Prevention and the Department of Health and Human Services Office of Child Care, to develop a handbook that provides practical tips to help child care providers and parents improve the nutrition and wellness of children in care. The handbook was published online and is available at <http://www.teamnutrition.usda.gov/Resources/nutritionandwellness.html>. Paper copies are also available for order. FNS conducted a needs assessment to evaluate the technical assistance and resource needs of the CACFP community and continues to work with Federal partners and CACFP stakeholders to develop additional resources and technical assistance plans based on the results of the needs assessment.

### **New Provisions to Address Program Integrity and Simplification**

The HHFKA made a number of changes to CACFP that simplified participation while addressing program management weaknesses. The HHFKA removed cost comparison as a basis for administrative payments to family day care home sponsoring organizations. Sponsors are now reimbursed based on the number of sponsored homes multiplied by the applicable reimbursement rate, but are still required to correctly account for costs and maintain records and sufficient documentation to demonstrate that costs claimed have been incurred, are allocable to the Program, and comply with applicable program regulations and policies. Additionally, sponsors are now permitted to carry-over up to ten percent of the administrative reimbursement to be expended the following fiscal year. This will allow family day care home sponsors to better plan for and manage long term expenses. The HHFKA also requires State agencies and sponsors to conduct announced and unannounced reviews and to vary the timing of reviews to ensure they are an effective tool in ensuring program integrity.

## FOOD AND NUTRITION SERVICE

Additional provisions simplify eligibility determinations, as well as program agreements and applications. USDA has issued guidance implementing these provisions. USDA also published a proposed rule, “Child and Adult Care Food Program: Amendments Related to the Healthy, Hunger-Free Kids Act of 2010” on April 9, 2012, which proposed revisions to the regulations to address these program changes. When a final rule is published it will codify these changes in the regulations.

The HHFKA also directs USDA to work with State agencies and institutions to examine administrative requirements and submit a report to Congress on actions taken to reduce unnecessary or duplicative paperwork. USDA has formed a work group of CACFP professionals, including representatives from FNS Regional Offices, State agencies, sponsoring organizations, and advocacy groups, to help better understand the needs and concerns of the CACFP community develop recommendations for improvement, and produce this report.

During FY 2014, FNS issued several handbooks intended to provide plain language guidance and to address specific administrative and compliance concerns identified by the Targeted Management Evaluations of 2010 and 2011:

- Guidance related to monitoring by State agencies (for institutions & facilities);
- Guidance for State agencies and sponsoring organizations related to the serious deficiency and appeal process;
- Guidance for State agencies related to budget and management plan review and approval;
- Revision of FNS Instruction 796-2, *Financial Management-Child and Adult Care Food Program*;
- Guidance for independent centers (including at-risk programs, emergency shelters, and outside-school-hours-care centers); and
- Guidance for Adult Day Care

During FY 2014, FNS conducted two in person, three-day trainings for State agency staff on the newly released materials. Abridged versions of the trainings were also provided at two national conferences targeting CACFP State agency staff and CACFP sponsoring organizations.

## SUMMER FOOD SERVICE PROGRAM

### Program Mission

The Summer Food Service Program (SFSP) was established to ensure that low-income children continue to receive nutritious meals when school is not in session. Free meals, that meet Federal nutrition guidelines, are provided to all children 18 years old and under at approved SFSP sites in areas with significant concentrations of low-income children. Sponsors must be public or private non-profit schools, government agencies, private non-profit organizations that meet certain criteria or residential camps. Meals are served free to children 18 and under and at most sites are limited to two meals (which cannot include both lunch and supper) or one meal and one snack. Summer camps and sites that primarily serve migrant children may be reimbursed for up to three meals or two meals and one snack served to each eligible child each day.

In addition to cash support, USDA Foods are distributed to SFSP 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 2014, the peak month of program operations, approximately 2.63 million children participated in the program on an average day, an increase from the 2.43 million children that participated in July 2013.
- During FY 2014, 44,806 feeding sites provided 160.1 million meals to needy children through the SFSP. This is a 6 percent increase from the 151 million meals provided in FY 2013. There were increases in all types of meals, but the largest numerical increases were in breakfasts (2.9 million) and lunches (5.0 million). Suppers increased 10.8 percent (0.6 million). Compared to FY 1990, meals have increased 75.5 percent from 91.2 million.
- In FY 2014, approximately 57.0 percent of the meals served were lunches (compared to 57.1 percent in FY 2013), 27.3 percent were breakfasts (27.1 percent FY 2013), and the remaining 15.6 percent were suppers and supplements (15.8 percent in FY 2013).

## FOOD AND NUTRITION SERVICE

### **Program Simplification**

The HRFKA included several provisions relating to the SFSP. The provisions simplified eligibility determinations related to foster children, limited paperwork by making agreements permanent, and eliminated participation limits that had applied only to private nonprofit organizations. These provisions were implemented in Summer 2011.

Concurrently, based on stakeholder feedback, FNS made additional efforts to simplify the administrative requirements of the program. Simplifications included removing restrictions on the times meals may be served, allowing children to decline certain meal components they don't intend to eat, and giving sponsors more flexibility on where they locate sites and how they manage program oversight for experienced meal sites. FNS also expects to publish a proposed rule to codify simplified cost accounting and reporting procedures for SFSP sponsors in all States. By reducing reporting requirements, ensuring the maximum level of per meal reimbursement, and providing greater flexibility in the use of program funds for any allowable cost, more local organizations may choose to participate or expand current operations, and thereby reach more children.

### **Improving Access to the SFSP**

Improving access to the SFSP has been a long standing priority for USDA. 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. USDA has implemented several types of demonstration projects, the first of which began in 2010, to test alternative methods for feeding children over 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 during the summer. The Activity Incentive Project was awarded to Mississippi to enhance the program with funding for enrichment activities to attract children to feeding sites. These two projects concluded in 2011 and the results of the evaluation were published in 2012.

In Summer 2011, three household based demonstration projects were implemented: Meal Delivery, Food Backpacks and the Summer Electronic Benefits Transfer for Children (SEBTC) project. The Meal Delivery Demonstration Project provided funds to test meal delivery in rural areas of Delaware, New York and Massachusetts. The Food Backpacks Demonstration Project provided funding for sponsors to give children backpacks with meals to take home on the days that SFSP meals are not available. This project was implemented in Kansas, Ohio and Arizona. These demonstrations were continued through Summer 2013.

The Summer Electronic Benefits Transfer for Children (SEBTC) project has operated since 2011. It began in 2011 as a small-scale "proof-of-concept" demonstration to test the feasibility of delivering summer food benefits to school children via WIC and SNAP EBT technology. These initial projects were implemented using the WIC model in Texas and Michigan, and using the SNAP model in Oregon, Missouri and Connecticut.

In Summer 2012, the project was expanded to 14 sites in eight States and two Tribal Nations. The five original States each implemented the project in their 2011 sites and also each added a new site, with the exception of Texas. Five new grantees also implemented the project in one site: Cherokee Nation (WIC), Chickasaw Nation (WIC), Delaware (SNAP), Nevada (WIC), and Washington (SNAP). Results of the fully implemented project showed strong results: the elimination of very low food security among children (VLFS-C) for about one-third of the children who might otherwise have experienced it. Analyses of related measures of food security—general food insecurity among children plus measures of both severe and general food insecurity among adults and households as a whole—indicated similar proportional reductions.

In Summer 2013, all 2012 States and Tribal Nations continued their projects for another year by providing EBT benefits to the same children as the previous year. In addition, FNS tested the difference between providing children with a \$30 benefit versus a \$60 benefit in Michigan, Oregon, Chickasaw, and Delaware. Close to 100,000 children received benefits through this project in 2013. Results from the 2013 evaluation indicate that the \$30 benefit was as effective in reducing the most severe category of food insecurity among children during the summer as the \$60 benefit, but only about half as effective as the \$60 benefit at reducing the less severe but more prevalent category of food insecurity among children.

## FOOD AND NUTRITION SERVICE

In summer 2014, due to limited remaining funding, SEBTC was only implemented in a total of three sites in Cherokee Nation, Michigan, and Oregon.

### **Summer Expansion**

In 2013, FNS targeted efforts in five States, to improve access to the USDA Summer Meal Programs, including the Summer Food Service Program (SFSP) and the Seamless Summer Option (SSO) under the National School Lunch Program (NSLP). FNS formed State Targeted Technical Assistance Teams (STATs) to work in partnership with State and community agencies in Arkansas, California, Colorado, Rhode Island, and Virginia, to increase participation of eligible children, publicize best practices among all States, and enhance our understanding of Program implementation challenges to better inform future policy decisions.

In 2014, FNS targeted the administration of SFSP at the State and local level in Alabama, Illinois, Missouri, Mississippi, Nevada, and Texas by deploying National and Regional Office FNS staff with expertise in policy, monitoring, and strategic partnership. Intensive technical assistance cultivated strong partnerships and working relationships between FNS and State leaders around specific access goals to ensure that the grassroots efforts of communities are supported at all levels.

## **FRESH FRUIT AND VEGETABLE PROGRAM**

### **Program Mission**

The Fresh Fruit and Vegetable Program (FFVP) provides free fresh fruits and vegetables to all children in participating elementary schools throughout the school day (except designated meal times). USDA provides funding to States which then select schools to participate based on statutory criteria that give priority to schools with the highest percentage of children eligible for free and reduced price meals, and includes the requirement that each student receives between \$50 and \$75 worth of fresh produce over the school year.

Section 19 of the NSLA authorizes the FFVP and provides a steady source of funding through an annual transfer from the Agricultural Marketing Service's (AMS) Section 32 funds. Funding is allocated among States using a statutory formula that provides base funding equally to each of the 50 States and the District of Columbia, and provides additional funding to all States operating a school lunch program (including Guam, Puerto Rico, and the Virgin Islands) on the basis of population. Funding is allocated for each school year and the transfer is scheduled to occur on July 1 and October 1 of each year (due to the schools operating on a school year basis and funding issued on a fiscal year basis). In total, funding allocated for SY 2014-2015, including recovered funds from the prior year, is \$174.5 million. USDA has provided the following technical assistance:

- Issued implementation guidance and technical assistance materials;
- Presented workshops annually at the School Nutrition Association Annual National Conference;
- Updated the FFVP Handbook, which is available at <http://www.fns.usda.gov/cnd/FFVP/handbook.pdf>, to reflect statutory authority and address questions provided by State agencies;
- Published a proposed rule on February 24, 2012, to establish the requirements for the operation of the program (a final rule is currently under development); and Developed an online toolkit, which is available at <http://www.fns.usda.gov/cnd/FFVP/toolkit.htm>, to encourage participation and aid in the understanding of the FFVP.

### **Fresh Fruit and Vegetable Program, Pilot for Canned, Frozen and Dried Fruits and Vegetables**

Section 4214 of the Agricultural Act of 2014 (P.L. 113-79) directed USDA to conduct a Pilot in SY 2014-2015 allowing schools participating in the FFVP to offer canned, frozen or dried fruits and vegetables, starting January 1, 2015. The purpose of the Pilot is to target FFVP schools with barriers beyond normal situations that limit their ability to efficiently and effectively operate the FFVP with only fresh produce. The barriers may include:

- Limited distribution and delivery of fresh fruits and vegetables;
- Isolation of schools;
- Space restrictions which hinders storage of fresh fruits and vegetables;
- High cost of fresh fruits and vegetables; and/or
- Limited ability to prepare fresh fruits and vegetables for the FFVP.

## FOOD AND NUTRITION SERVICE

USDA was directed to conduct an evaluation of the impacts, implementation, acceptance and other outcomes of the pilot. No additional funding was provided, instead schools must use their SY 2014-2015 FFVP allocation to purchase fruits and vegetables allowed under the Pilot.

Alaska, Maine, Kansas, and Delaware were accepted to participate in the Pilot. Data collection has begun in these states and a report to Congress on the evaluation outcomes will be available in Fall 2016.

### FOOD SAFETY

The Office of Food Safety (OFS) uses its food safety education funds to reinforce and expand FNS efforts to provide Child Nutrition program 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 in foodservice operations.

#### Produce Safety

In 2014, OFS held five Produce Safety University (PSU) courses for 152 participants (child nutrition professionals) from 47 States. Of these participants, 92 were from school districts, 60 came from State Agencies, and seven were from the FNS Regional Offices. Two classes were taken on the road to Fresno, CA and Atlanta, GA. The remaining three were held at the AMS training facility in Fredericksburg, VA. PSU training was integrated into the Farm to School (F2S) grantee training by working with the F2S team and the National Farm to School Network in the following ways: a PSU pre-conference workshop was held at the National Farm to Cafeteria Conference in April 2014; surveyed past PSU graduates about how it helped them implement Farm to School programs; partnered with AMS and Farm to School staff to deliver two sessions at the School Nutrition Association's (SNA) Annual National Conference based on Produce Safety University content, and helped school districts navigate the steps to freeze local produce for use later in the school year, which is a growing topic in farm-to-school related discussions and has been part of several Farm to School grant projects. In addition, in conjunction with the National Food Service Management Institute, PSU information was launched through new videos highlighting produce quality and condition, school gardens, and culinary techniques. Other topics covered included food safety issues with fresh-cut facilities and produce distributors which appeared in updated PSU training resources. Also, PSU representatives were asked to present at the National Food Safety Education Conference in December 2014 on the unique training approach of PSU and its effectiveness in inspiring behavior change.

#### Food Allergies

Several food allergy products were completed by the Center of Excellence for Food Safety Research in Child Nutrition Programs, at Kansas State University, established by FNS in 2011 to provide science-based support to improve the safety of foods provided through the FNS nutrition assistance programs, particularly those served in schools and child care settings. These included baseline data gathered on food allergy management practices in schools and the incidence and nature of recent food allergy reactions, a Delphi Study to identify allergy research needs in child nutrition programs; and, findings published in a research poster. In collaboration with the National Food Service Management Institute, with whom OFS has a Cooperative Agreement, produced two videos, one for schools and one for child care centers, on managing food allergies. The team also developed a six-hour training curriculum entitled Managing Food Allergies in Schools; and two pilot sessions were conducted by NFSMI, who also published training materials.

#### Food Defense Awareness

FNS collaborated with the USDA Food Safety and Inspection Service (FSIS) to conduct a school foodservice vulnerability assessment work group as mandated by Presidential Policy Directive-21 (PPD-21), which states that vulnerability assessments should be conducted and updated on a regular basis. The group discussed potential vulnerabilities and countermeasures that schools should employ to help keep food safe from intentional contamination. Information on useful countermeasures will be shared with states and school nutrition program operators. FNS began development of the concept for a resource/tool kit for a foodborne outbreak response project that is specific to schools. Completing this resource will be a multi-year project.

### 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), AMS and FNS work together to provide USDA Foods to these

## FOOD AND NUTRITION SERVICE

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 the NSLA in Sections 6(c) and 17(h), respectively, 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.

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, \$403 million in FY 2011, and \$406 million in FY 2012 and subsequent fiscal years. 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 2014 USDA Foods Assistance Rate**

For SY 2013-2014, schools, daycare centers and residential institutions were authorized to receive an average of 23.25 cents worth of USDA Foods per lunch/supper served. The rate for USDA Foods increased to 24.75 cents on July 1, 2014, for SY 2014-2015. USDA Foods provided to Child Nutrition Programs (excluding bonus and cash in lieu of entitlement USDA Foods) totaled \$1,544million for FY 2014.

### **USDA Foods in Schools**

USDA strengthens the Nation's nutrition safety net and supports American agriculture by distributing high quality, 100 percent American-grown USDA Foods to schools. The distribution of USDA Foods to schools is managed at the State level by a State distributing agency, which works with local school districts to ensure the effective use of these foods in school meal programs. USDA offers over 200 different products to schools. These foods are low in added sugar, salt and fat and support the updated meal pattern requirements for the National School Lunch and Breakfast Program. In FY 2014, USDA continued to ensure schools had access to a wide variety of healthy foods by adding new products such as frozen spinach, dried cranberries, diced mushrooms, and whole grain-rich pasta products. In addition, USDA conducted a pilot purchase of unseasoned chicken strips and expanded its high-protein yogurt pilot to include 12 States. To ensure effective use of USDA Foods in schools, USDA also conducted a series of trainings for State agencies and launched a webinar series to improve State and school district knowledge of best practices regarding USDA Foods.

### **Department of Defense Fresh Produce Project**

USDA and the Department of Defense (DOD) work together to enable school districts to obtain fresh produce. Under this joint venture, schools can use their USDA foods entitlement to order fresh produce through DOD's contracting and distribution network. This project has grown steadily since its beginning in SY 1994-1995, and 47 States, Puerto Rico, the District of Columbia, Guam and the Virgin Islands spent a combined total of \$135.1 million in entitlement funds on produce through this program in SY 2013-2014. In addition to these Federal purchases, 27 States, Puerto Rico, Guam, and the District of Columbia used Section 4 and 11 funds to purchase over \$15.6 million in fresh produce directly from DOD.

The Fresh Fruits and Vegetables Order Receipt System (FFAVORS) web application offers participating agencies in the NSLP and the Food Distribution Program on Indian Reservations the ability to order and receive shipments of fresh produce to their location. In support of Farm to School initiatives, state of origin information is captured so customers may determine if the products are provided by their local agricultural businesses. The FFAVORS system supports the partnership between USDA and the Defense Logistics Agency (DLA) Troop Support Branch. This partnership is beneficial to the nutrition programs as DLA Troop Support uses its large-scale buying power to help meet the demand for consistent, weekly deliveries of a wide variety of fresh produce to school cafeterias, central kitchens, and State and Tribal organization distribution centers. The FFAVORS system was developed by DLA Information Operations. Philadelphia Troop Support business operations maintain their access to support the daily ordering activities. In FY 2014, USDA implemented four software releases to the FFAVORS web application which achieved enhancements and code fixes to existing functionality.

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### **USDA Foods Administrative Expenses**

Web Based Supply Chain Management System (WBSCM) is fully implemented and has replaced the Processed Commodities Inventory Management System, PCIMS, and the Electronic Commodity Ordering System, ECOS. WBSCM is the demand driven food ordering system used by State Agencies and their Recipient Agencies to place USDA Foods requests in support of the programs run within the State Agency. Demand requests are reviewed by FNS HQ and RO staff and forwarded onto AMS / FSA for procurement activities. PCIMS and ECOS were fully decommissioned and the data archived in September 2014. All WBSCM hardware was upgraded and software refreshed to current release levels in FY 2014. The technical refresh was completed on schedule and within approved budget. FNS will fund WBSCM operational costs as part of the tri-agency partnership (AMS, FNS and FSA).

### **Cash in Lieu of USDA Foods**

Section 6 of the NSLA authorizes funds to be used to provide cash in lieu of USDA Foods, in accordance with sections 16, 17(h), and 18(b) of the NSLA. 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 school districts that began participating 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 participating in CACFP have also elected to receive their USDA Foods entitlements in cash.

## **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 2014, \$ 247 million was appropriated for State Administrative Expenses (SAE), including \$135.4 million for administration of the school food programs, \$79.2 million for the administration of the CACFP, and \$25.2 million for the administration of the Food Distribution Program. In addition, \$6.9 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 USDA.

## **CHILD NUTRITION PROGRAMS STUDIES AND EVALUATIONS**

FNS published eight reports related to the Child Nutrition Programs during FY 2014, which are available at: <http://www.fns.usda.gov/ops/child-nutrition-programs>. These reports include:

- **Direct Certification in the National School Lunch Program: State Implementation Progress School Year 2012-2013:** This is an annual report to Congress on the effectiveness of State and local efforts to directly certify children for free school meals.
- **Regional Office Review of Applications 2013:** This annual series of reports examines administrative errors incurred during approval of applications for free and reduced-price school meals.
- **Summer Food for Children Demonstrations and Evaluation Congressional Report:** 2010 appropriations legislation authorized and funded the Summer Food for Children demonstration projects, aimed at preventing food insecurity and hunger among children during summer months. FNS implemented both enhancements to the traditional Summer Food Service Program (“eSFSP”), and a pilot of a new method of addressing summer food insecurity: the Summer Electronic Benefits Transfer for Children (SEBTC) demonstration. The eSFSP projects included four separate initiatives, two of which began in summer 2010 with the other two launching in summer 2011. The SEBTC demonstration has been implemented each summer since 2011.
  - **Evaluation of the Summer Electronic Benefits for Children Demonstrations – 2012 Impact Evaluation:** The Summer Electronic Benefits Transfer for Children (SEBTC) demonstration offered a rigorous test of the impact of providing a monthly benefit of \$60 per child - using existing electronic benefit transfer (EBT) systems - on food insecurity among children during the summer when school meals are not available. In the second year of operations, when the demonstration was fully implemented, the evaluation found that this approach could reach up to 75 percent of eligible children

## FOOD AND NUTRITION SERVICE

and reduce the prevalence of very low food security among children (VLFS-C) by about one-third. The 2013 demonstration compared the impact of a \$30 benefit compared to a \$60 benefit and found that the \$30 benefit was as effective as the \$60 benefit in addressing very low food security among children (VLFS-C), although did not have significant impacts on the other forms of food insecurity.

- **Evaluations of the Impact of Enhancement Demonstrations on Participation in the Summer Food Service Program (SFSP):** The Congressional Status report also provided details on the enhancements to the Summer Food Service Program. Outcomes include the total number of meals served, the days of operation, and the total number of children served. Findings on the enhancements were mixed, with some sites serving more children and others serving fewer.
- **CACFP Sponsor Tiering Assessment 2013:** The Improper Payments Elimination and Recovery Act (IPERA) requires all Federal agencies to calculate the amount of erroneous payments in Federal programs and to periodically conduct detailed assessments of vulnerable program components. This 2012 assessment of the family daycare homes (FDCHs) component of CACFP provides a national estimate of the share of the 125,000 participating FDCHs that are approved for an incorrect level of per-meal reimbursement, or reimbursement "tier" for their circumstances. The assessment also estimates the dollar amount of improper payments attributable to these tiering errors.
- **National School Lunch Program Direct Certification Improvement Study:** The purpose of this study is to describe current methods of direct certification used by State and local agencies and challenges facing States and local education agencies in attaining high matching rates. In addition, the analysis of unmatched records provides a better understanding of the categorically eligible children who are not matched in the direct certification process and identifies potential matching process improvements that might increase the number of matched children. This study includes analysis of data drawn from a National Survey of Direct Certification Practices and case studies of seven States for School Year 2012-2013.
- **School Foodservice Indirect Cost Study:** This Healthy, Hunger-Free Kids Act of 2010 (HHFKA)-mandated study examines the extent to which school food authorities (SFAs) participating in Federal school meals programs pay indirect costs to local education agencies (LEAs). It includes an assessment of the methodologies used to establish indirect costs, the types and amounts of indirect costs that are charged and not charged to the school foodservice account, and the types and amounts of indirect costs recovered by LEAs. Information was collected from four perspectives: (1) the State education agency finance officer, (2) the State child nutrition director, (3) the LEA business manager, and (4) the SFA director.
- **Special Nutrition Program Operations Study: State and School Food Authority Policies and Practices for School Meals Programs School Year 2011-12:** This multiyear study is designed to provide the Food and Nutrition Service with a snapshot of current State and SFA policies and practices, including information on school meal standards, competitive foods standards, professional standards, school lunch pricing and accounting, and standards for school wellness policies. The information in this first year study (School Year 2011-12) will provide a baseline for observing the improvements resulting from the implementation of the Healthy, Hunger-Free Kids Act.
- **Community Eligibility Provision Evaluation:** The Healthy, Hunger-Free Kids Act of 2010 (HHFKA) provided schools and districts that predominately serve low-income children with a new option for meal certification. Under the Community Eligibility Provision, schools do not collect or process meal applications for free and reduced-price meals served in the National School Lunch Program and School Breakfast Program. Schools must serve all meals at no cost to students with any costs in excess of the Federal reimbursement paid from non-Federal sources. The evaluation, mandated by HHFKA, examined the implementation and impacts of the Community Eligibility Provision.

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**CHILD NUTRITION PROGRAMS  
FINANCING FOR FISCAL YEAR 2014**

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	\$28,034	\$205,843,435	\$66,902,414	\$3,639,040	\$24,873,370	\$39,608,933	\$6,302,692	\$347,197,919
Alaska	2,043	31,335,118	8,961,877	722,882	2,532,162	9,477,179	1,688,990	54,720,251
Arizona	50,733	261,950,581	82,923,253	4,317,758	28,883,047	46,922,038	5,723,211	430,770,621
Arkansas	0	126,273,464	46,315,823	2,911,285	18,413,380	63,676,230	11,485,269	269,075,452
California	350,815	1,425,803,789	462,293,644	24,574,568	156,801,712	358,455,422	25,746,449	2,454,026,399
Colorado	134,379	129,621,401	42,741,162	2,202,995	13,606,232	24,215,714	4,565,269	217,087,153
Connecticut	200,177	91,543,825	26,716,825	1,643,738	10,056,650	15,319,054	2,677,890	148,158,159
Delaware	30,541	30,540,001	10,110,605	965,319	5,055,498	14,275,365	1,998,480	62,975,809
District of Columbia	7,109	24,081,996	9,964,285	680,304	2,405,726	7,826,488	2,896,162	47,862,070
Florida	24,562	718,828,473	216,087,948	12,163,814	77,159,533	209,713,412	34,179,568	1,268,157,310
Georgia	77,632	483,304,124	169,074,933	7,912,075	46,436,888	107,073,561	12,105,698	825,914,911
Hawaii	826	45,641,680	11,398,656	791,119	3,335,987	6,732,709	509,664	68,410,641
Idaho	159,702	51,705,187	17,445,017	1,057,811	5,630,887	7,074,183	4,397,673	68,410,460
Illinois	2,096,916	411,880,478	115,033,077	5,739,664	54,514,317	135,977,218	12,495,620	737,737,289
Indiana	162,542	246,161,490	67,947,848	3,523,110	33,738,740	49,621,666	8,820,108	409,975,503
Iowa	77,744	101,272,649	23,264,996	2,062,196	16,240,190	27,958,918	3,099,138	173,975,831
Kansas	59,937	102,640,560	28,441,419	1,833,038	14,487,727	32,635,441	3,548,150	183,646,271
Kentucky	33,554	191,921,603	73,445,501	3,819,064	21,553,596	31,783,391	5,812,194	328,396,903
Louisiana	31,617	205,427,029	70,045,600	2,486,544	23,957,018	85,190,109	13,084,087	400,222,004
Maine	11,332	33,099,711	11,506,700	698,598	4,608,384	9,559,467	1,864,751	61,348,943
Maryland	299,869	150,470,551	55,891,701	3,697,924	18,153,123	51,449,249	6,432,340	286,394,758
Massachusetts	313,171	168,647,162	45,823,933	3,695,050	24,741,690	62,639,751	7,860,467	313,721,223
Michigan	292,166	290,948,518	99,291,120	5,390,733	36,118,361	61,844,787	11,668,004	505,553,689
Minnesota	780,603	151,449,441	41,602,025	3,760,921	23,681,977	62,907,065	7,696,540	291,878,571
Mississippi	2,294	165,943,926	60,576,470	2,894,356	17,992,756	38,396,166	6,945,568	292,751,537
Missouri	446,518	199,293,618	68,671,932	3,439,783	27,787,931	47,211,628	11,953,891	358,805,301
Montana	20,203	26,169,792	7,319,286	827,023	3,848,051	10,142,396	1,715,011	50,041,761
Nebraska	55,542	65,930,762	15,367,646	1,495,118	12,522,300	32,937,846	2,793,836	131,103,049
Nevada	109,751	91,879,192	27,111,863	1,466,148	8,636,129	8,198,858	1,747,421	139,149,361
New Hampshire	175,231	22,782,170	5,163,626	631,387	4,155,090	4,443,646	935,953	38,287,103
New Jersey	435,612	238,317,892	75,225,364	6,708,468	33,007,020	66,634,750	10,874,809	431,203,915
New Mexico	0	91,067,468	39,481,542	1,936,558	10,274,445	31,745,218	6,583,314	181,088,545
New York	810,483	656,435,655	189,092,006	10,621,152	90,972,798	226,415,586	58,095,261	1,232,442,941
North Carolina	154,168	357,002,954	119,400,944	7,420,688	44,769,440	86,420,885	11,141,670	626,310,750
North Dakota	21,382	18,378,468	4,573,047	790,850	4,504,262	10,073,992	644,377	38,986,378
Ohio	369,888	341,548,872	106,147,474	2,956,492	45,883,561	87,597,231	11,478,039	595,981,557
Oklahoma	25,102	154,292,122	55,490,883	3,536,511	24,545,006	54,785,150	4,777,887	297,451,861
Oregon	111,727	104,313,097	34,014,672	2,331,245	12,442,290	32,557,803	6,545,427	192,316,260
Pennsylvania	362,294	324,252,403	87,233,306	6,671,538	56,557,700	98,604,252	14,840,834	588,522,327
Rhode Island	69,977	29,479,925	9,307,781	881,539	3,211,164	8,313,844	1,167,172	52,431,403
South Carolina	11,478	189,355,674	72,498,740	3,925,435	19,381,121	30,497,476	8,936,988	324,606,911
South Dakota	31,237	27,977,121	7,107,938	831,621	4,367,733	8,648,206	1,327,660	50,291,517
Tennessee	21,822	244,175,445	92,934,951	3,693,683	28,326,832	61,479,910	11,323,310	441,955,953
Texas	22,370	1,341,001,633	513,625,141	14,759,746	162,465,101	311,774,087	50,011,896	2,393,659,974
Utah	76,674	95,181,374	18,901,274	1,775,302	11,701,976	27,520,620	1,854,876	157,012,095
Vermont	82,157	14,984,477	5,354,067	805,807	2,160,959	5,670,535	1,185,693	30,243,695
Virginia	193,364	218,834,482	67,172,646	4,131,696	24,287,226	42,635,509	9,908,532	367,163,455
Washington	252,672	190,094,400	51,230,976	4,046,314	24,317,633	44,341,719	5,711,950	319,995,664
West Virginia	20,065	64,926,524	30,585,206	1,371,298	8,782,494	15,241,504	1,734,647	122,661,739
Wisconsin	1,087,995	160,599,181	43,428,621	2,670,139	22,009,531	38,179,513	7,674,045	275,649,026
Wyoming	29,326	14,317,573	3,448,302	448,163	1,756,697	5,194,061	736,152	25,930,275
American Samoa	0	0	0	0	0	0	0	0
Guam	0	7,384,339	2,713,014	377,129	27,657	387,269	0	10,889,407
North Mariana Islands	0	0	0	0	0	0	0	0
Puerto Rico	0	121,521,338	33,148,215	1,877,625	14,367,831	26,990,261	12,398,466	210,303,736
Trust Territory (excluding CNMD)	0	0	0	0	0	0	0	0
Virgin Islands	0	5,299,981	1,136,602	325,951	888,604	1,260,385	457,004	9,368,527
Indian Tribe Set Asi	0	0	0	0	0	0	0	0
Indian Tribes	0	0	0	0	0	0	0	0
Freely Associated Sts	0	0	0	0	0	0	0	0
DOD/AF/USMC/Navy	0	8,675,635	6,399	0	140,277,364	0	0	148,959,398
AMS/FSA/WBSCM	0	0	0	0	19,433,715	0	0	19,433,715
AAFES	0	0	0	0	1,431,654	0	0	1,431,654
Anticipated Adjustment	506,662	17,875,241	65,367,508	60,707,685	(481,267)	125,637,342	2,278,900	271,892,070
<b>TOTAL</b>	<b>\$10,662,000</b>	<b>\$11,289,685,000</b>	<b>\$3,716,095,000</b>	<b>\$256,646,000</b>	<b>\$1,553,599,000</b>	<b>\$3,111,875,000</b>	<b>\$464,439,000</b>	<b>\$20,403,001,000</b>

NOTE: Data is based on obligations as reported September 30, 2014. Commodities are based on food orders for fiscal year 2014. Commodities total is comprised of AMS commodities transferred to FNS, section 32, FNS commodities, and FNS related computer support. Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

**CHILD NUTRITION PROGRAM**  
**Value of Commodities to States**  
**Entitlement and Bonus**  
**Fiscal Year 2014**

<b>STATE OR TERRITORY</b>	<b>Entitlement</b>	<b>Bonus</b>	<b>Total</b>
Alabama.....	\$22,896,707	\$0	\$22,896,707
Alaska.....	2,183,172	0	\$2,183,172
Arizona.....	26,359,797	0	\$26,359,797
Arkansas.....	15,359,638	0	\$15,359,638
California.....	137,725,711	0	\$137,725,711
Colorado.....	12,408,361	0	\$12,408,361
Connecticut.....	9,321,895	0	\$9,321,895
Delaware.....	4,339,893	0	\$4,339,893
District of Columbia.....	1,967,963	0	\$1,967,963
Florida.....	66,741,408	0	\$66,741,408
Georgia.....	40,426,486	0	\$40,426,486
Hawaii.....	2,923,970	0	\$2,923,970
Idaho.....	5,238,993	0	\$5,238,993
Illinois.....	47,612,343	0	\$47,612,343
Indiana.....	31,245,726	0	\$31,245,726
Iowa.....	14,482,911	0	\$14,482,911
Kentucky.....	19,661,178	0	\$19,661,178
Louisiana.....	19,331,350	0	\$19,331,350
Maine.....	4,183,511	0	\$4,183,511
Maryland.....	15,504,132	0	\$15,504,132
Massachusetts.....	21,992,765	0	\$21,992,765
Michigan.....	32,943,178	0	\$32,943,178
Minnesota.....	20,417,183	0	\$20,417,183
Mississippi.....	16,200,646	0	\$16,200,646
Missouri.....	25,029,108	0	\$25,029,108
Montana.....	3,291,781	0	\$3,291,781
Nebraska.....	10,813,476	0	\$10,813,476
Nevada.....	8,246,234	0	\$8,246,234
New Hampshire.....	4,059,355	0	\$4,059,355
New Jersey.....	29,729,764	0	\$29,729,764
New Mexico.....	8,717,811	0	\$8,717,811
New York.....	79,328,498	0	\$79,328,498
North Carolina.....	40,281,427	0	\$40,281,427
North Dakota.....	3,856,119	0	\$3,856,119
Ohio.....	41,256,483	0	\$41,256,483
Oklahoma.....	22,160,260	0	\$22,160,260
Oregon.....	10,674,604	0	\$10,674,604
Pennsylvania.....	51,420,762	0	\$51,420,762
Rhode Island.....	2,803,887	0	\$2,803,887
South Carolina.....	17,870,740	0	\$17,870,740
South Dakota.....	3,805,730	0	\$3,805,730
Tennessee.....	25,119,702	0	\$25,119,702
Texas.....	145,819,609	0	\$145,819,609
Utah.....	9,979,653	0	\$9,979,653
Vermont.....	1,898,213	0	\$1,898,213
Virginia.....	21,936,496	0	\$21,936,496
Washington.....	21,929,302	0	\$21,929,302
West Virginia.....	7,981,100	0	\$7,981,100
Wisconsin.....	19,489,229	0	\$19,489,229
Wyoming.....	1,432,565	0	\$1,432,565
Puerto Rico.....	13,290,654	0	\$13,290,654
Virgin Islands.....	833,328	0	\$833,328
AAFES.....	1,431,654	0	\$1,431,654
Perfect Truck Pilot	1,993,845		\$1,993,845
DOD Fresh	140,277,364	0	\$140,277,364
AMS / FSA / PCIMS.....	\$19,433,715	0	\$19,433,715
Undistributed.....	\$20,828,714	0	\$20,828,714
<b>TOTAL.....</b>	<b>\$1,408,490,099</b>	<b>\$0</b>	<b>\$1,408,490,099</b>

Source: WBSCM -- Sales Order and contract information.

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

FOOD AND NUTRITION SERVICE

**CHILD NUTRITION PROGRAM**  
**Quantity and Value of Commodities**  
**Fiscal Year 2014**

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 6/32 TYPE:</i>		
APPLES, CANNED, UNSWEETENED	7,078,032	\$4,574,364
APPLES, FROZEN, UNSWEETENED	13,305,600	5,791,490
APPLES BULK FOR PROCESSING	8,474,400	3,507,372
APPLES, FRESH	3,130,512	1,875,138
APPLESAUCE, CANNED, UNSWEETENED	35,606,466	15,856,288
APPLESAUCE, CUPS, UNSWEETENED	12,965,400	7,346,206
APRICOTS, CANNED, EXTRA LIGHT SUCROSE SYRUP	997,272	806,885
APRICOTS, CANNED, EXTRA LIGHT SYRUP	1,034,208	833,085
APRICOT CUPS, FROZEN	1,737,120	2,552,989
APRICOT SLICES, FROZEN	78,000	88,091
BEANS, CANNED, BABY LIMA, LOW-SODIUM	769,824	356,823
BEANS, CANNED, BLACK TURTLE, LOW-SODIUM	2,239,488	909,351
BEANS, CANNED, BLACK-EYED PEA, LOW-SODIUM	1,609,632	652,398
BEANS, CANNED, GARBANZO, LOW-SODIUM	2,904,336	1,086,039
BEANS, CANNED, GREAT NORTHERN, LOW-SODIUM	839,808	347,786
BEANS, CANNED, GREEN, LOW-SODIUM	21,486,720	8,239,235
BEANS, CANNED, KIDNEY, LOW-SODIUM	2,659,392	1,214,084
BEANS, CANNED, PINK, LOW-SODIUM	699,840	274,251
BEANS, CANNED, PINTO, LOW-SODIUM	9,622,800	3,664,250
BEANS, CANNED, REFRIED, LOW-SODIUM	5,044,032	2,379,041
BEANS, CANNED, SMALL RED, LOW-SODIUM	2,134,512	891,242
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	10,952,496	4,399,773
BEANS, DRY, PINTO, NO SALT ADDED	680,000	345,806
BEANS, PINTO, BULK FOR PROCESSING	396,000	275,925
BEANS, GREEN, FROZEN, NO SALT ADDED	5,860,800	2,908,074
BEEF, BULK FOR PROCESSING	54,462,000	155,898,696
BEEF, CANNED	900,000	2,935,069
BEEF, CRUMBLES, WITH SOY PROTEIN, COOKED, FROZEN	2,880,000	8,266,399
BEEF, CRUMBLES WITH SOY PROTEIN, COOKED, LFTB OPTIONAL, FROZEN	120,000	312,529
BEEF, FINE GROUND, 85/15, FROZEN	21,520,000	61,409,604
BEEF, FINE GROUND, 85/15 FROZEN, LFTB OPTIONAL	1,560,000	4,463,800
BEEF, PATTIES, 85/15, FROZEN	1,596,000	4,386,462
BEEF, PATTIES, 90/10, FROZEN	912,000	2,836,644
BEEF, PATTIES, LEAN, FROZEN	380,000	1,190,662
BEEF, PATTIES, LEAN, FROZEN LFTB OPTIONAL	38,000	143,936
BEEF, PATTIES, 85/15, WITH SOY PROTEIN, FROZEN	1,292,000	2,842,050
BEEF, PATTIES, COOKED, WITH SOY PROTEIN, FROZEN	2,926,000	8,765,251
BLUEBERRIES, FROZEN, UNSWEETENED	3,049,200	3,625,971
BROCCOLI, FROZEN, NO SALT ADDED	11,192,580	13,576,632
CARROTS, FROZEN, NO SALT ADDED	6,534,000	3,227,029
CARROTS, CANNED, LOW-SODIUM	2,809,872	1,224,062
CATFISH, WHOLE GRAIN-RICH BREADED, FILLET STRIPS	1,200,000	6,280,400
CHERRIES, DRIED	266,112	1,214,801
CHERRIES, FROZEN, UNSWEETENED	460,800	421,814
CHERRIES, TART FROZEN	499,200	\$430,246
CHERRIES, CANNED, WATER PACKED	422,657	348,585

FOOD AND NUTRITION SERVICE

**CHILD NUTRITION PROGRAM**  
**Quantity and Value of Commodities (cont.)**  
**Fiscal Year 2014**

ENTITLEMENT COMMODITIES	Pounds	Dollars
CHICKEN, BULK FOR PROCESSING	158,184,000	143,995,630
CHICKEN, CUT UP, FROZEN	3,720,000	3,709,588
CHICKEN, DICED, COOKED, FROZEN	10,399,960	27,080,479
CHICKEN, FAJITA STRIPS, COOKED, FROZEN	9,633,000	17,299,329
CHICKEN, OVEN ROASTED, COOKED, FROZEN	5,256,000	12,151,883
CHICKEN, UNSEASONED STRIPS, COOKED, FROZEN	975,000	2,524,119
CORN, CANNED, NO SALT ADDED	16,059,636	6,890,628
CORN, FROZEN, NO SALT ADDED	13,978,800	7,567,454
CRANBERRIES, DRIED	450,450	709,854
CRANBERRY SAUCE, CANNED	373,248	163,745
DoD FRESH PRODUCE*		140,277,364
EGGS, BULK FOR PROCESSING	9,024,000	8,833,363
EGGS, LIQUID WHOLE, FROZEN	2,841,420	3,362,933
FRUIT MIX, DRIED	327,600	714,401
FRUIT MIX, CANNED, EXTRA LIGHT SYRUP	13,014,468	9,645,356
FRUIT MIX, CANNED, EXTRA LIGHT SUCROSE SYRUP	9,026,748	7,244,942
HAM, COOKED, FROZEN	9,320,000	19,868,840
MUSHROOMS, DICED, FROZEN, NO SALT ADDED	36,960	32,571
ORANGE JUICE, CANNED, FROZEN, UNSWEETENED	36,000	48,756
ORANGE JUICE, CUPS, FROZEN, UNSWEETENED	9,959,040	5,582,726
ORANGE JUICE, BULK FOR PROCESSING	187,200	499,824
ORANGES, FRESH	299,592	135,381
PEACHES, CANNED, EXTRA LIGHT SYRUP	15,443,352	11,300,765
PEACHES, CANNED, EXTRA LIGHT SUCROSE SYRUP	10,114,308	8,033,285
PEACHES, CUPS, FROZEN	15,560,160	17,935,965
PEACHES, FROZEN	570,000	480,985
PEARS, CANNED, EXTRA LIGHT SYRUP	19,993,320	15,057,294
PEARS, CANNED, EXTRA LIGHT SUCROSE SYRUP	9,978,609	7,392,867
PEARS, FRESH	121,500	73,620
PEAS, CANNED, LOW-SODIUM	1,873,248	956,285
PEAS, FROZEN, NO SALT ADDED	3,049,200	2,019,755
POLLOCK, ALASKA, BULK FOR PROCESSING	2,479,008	3,639,144
PORK, BULK FOR PROCESSING	9,756,540	15,438,022
PORK, CANNED	864,000	1,863,284
PORK, CRUMBLES WITH SOY PROTEIN, COOKED, FROZEN	40,000	69,680
PORK, LEG ROAST, FROZEN	3,240,000	6,161,140
POTATO WEDGES, NO SALT ADDED, FROZEN	2,890,800	1,474,572
POTATO WEDGES, FAT FREE, NO SALT ADDED, FROZEN	2,811,600	1,756,669
POTATOES, BULK FOR PROCESSING	182,502,000	17,786,435
POTATOES, OVEN FRIES, NO SALT ADDED, FROZEN	6,613,200	3,232,911
POTATOES, ROUNDS, FROZEN	10,533,600	5,812,960
RAISINS, INDIVIDUAL BOX, UNSWEETENED	3,592,368	5,495,286
RAISINS, CARTON, UNSWEETENED	82,800	88,775
SALSA, LOW-SODIUM	7,267,572	3,544,432
SPAGHETTI SAUCE LOW-SODIUM	4,554,078	1,742,403
SPINACH, FROZEN	1,411,200	976,349
STRAWBERRIES, WHOLE, FROZEN, UNSWEETENED	3,643,200	3,754,875
STRAWBERRIES, FROZEN	3,524,400	3,511,944
STRAWBERRIES, CUPS, FROZEN	21,432,600	29,003,963
SWEET POTATOES, BULK FOR PROCESSING	11,020,000	1,996,122
SWEET POTATOES, CANNED, EXTRA LIGHT SYRUP, NO SALT ADDED	997,272	623,888
SWEET POTATOES, CANNED, MASHED, NO SALT ADDED	37,392	26,649
SWEET POTATOES, FROZEN, RANDOM CUT, NO SALT ADDED	1,386,000	877,879
TOMATO PASTE, BULK FOR PROCESSING	10,156,560	4,743,180
TOMATO PASTE, NO SALT ADDED	1,766,068	1,075,770
TOMATO SAUCE, CANNED, LOW-SODIUM	4,695,588	1,594,072
TOMATOES, NO SALT ADDED	6,692,220	2,704,981
TURKEY, BULK FOR PROCESSING	47,772,000	56,644,581
TURKEY, DELI BREAST, FROZEN	6,440,000	20,424,620
TURKEY HAM, FROZEN	1,880,000	3,953,020
TURKEY ROAST, FROZEN	3,795,600	9,645,914
TURKEY, TACO FILLING, COOKED, FROZEN	4,875,000	9,398,728
TURKEY, WHOLE, FROZEN	114,000	142,690
<b>SUBTOTAL, SECTION 6/32 TYPE</b>	<b>986,000,596</b>	<b>\$1,055,771,553</b>

FOOD AND NUTRITION SERVICE

**CHILD NUTRITION PROGRAM**  
**Quantity and Value of Commodities Cont.**  
**Fiscal Year 2014**

ENTITLEMENT COMMODITIES (cont.)	Pounds	Dollars
CHERRIES, TART FROZEN	499,200	\$430,246
CHERRIES, CANNED, WATER PACKED	422,657	348,585
CHICKEN, BULK FOR PROCESSING	158,184,000	143,995,630
CHICKEN, CUT UP, FROZEN	3,720,000	3,709,588
CHICKEN, DICED, COOKED, FROZEN	10,399,960	27,080,479
CHICKEN, FAJITA STRIPS, COOKED, FROZEN	9,633,000	17,299,329
CHICKEN, OVEN ROASTED, COOKED, FROZEN	5,256,000	12,151,883
CHICKEN, UNSEASONED STRIPS, COOKED, FROZEN	975,000	2,524,119
CORN, CANNED, NO SALT ADDED	16,059,636	6,890,628
CORN, FROZEN, NO SALT ADDED	13,978,800	7,567,454
CRANBERRIES, DRIED	450,450	709,854
CRANBERRY SAUCE, CANNED	373,248	163,745
DoD FRESH PRODUCE*		140,277,364
EGGS, BULK FOR PROCESSING	9,024,000	8,833,363
EGGS, LIQUID WHOLE, FROZEN	2,841,420	3,362,933
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FRUIT MIX, CANNED, EXTRA LIGHT SYRUP	13,014,468	9,645,356
FRUIT MIX, CANNED, EXTRA LIGHT SUCROSE SYRUP	9,026,748	7,244,942
HAM, COOKED, FROZEN	9,320,000	19,868,840
MUSHROOMS, DICED, FROZEN, NO SALT ADDED	36,960	32,571
ORANGE JUICE, CANNED, FROZEN, UNSWEETENED	36,000	48,756
ORANGE JUICE, CUPS, FROZEN, UNSWEETENED	9,959,040	5,582,726
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PEARS, CANNED, EXTRA LIGHT SUCROSE SYRUP	9,978,609	7,392,867
PEARS, FRESH	121,500	73,620
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PEAS, FROZEN, NO SALT ADDED	3,049,200	2,019,755
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PORK, BULK FOR PROCESSING	9,756,540	15,438,022
PORK, CANNED	864,000	1,863,284
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PORK, LEG ROAST, FROZEN	3,240,000	6,161,140
POTATO WEDGES, NO SALT ADDED, FROZEN	2,890,800	1,474,572
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TURKEY ROAST, FROZEN	3,795,600	9,645,914
TURKEY, TACO FILLING, COOKED, FROZEN	4,875,000	9,398,728
TURKEY, WHOLE, FROZEN	114,000	142,690
<b>SUBTOTAL, SECTION 6/32 TYPE</b>	<b>986,000,596</b>	<b>\$1,055,771,553</b>

FOOD AND NUTRITION SERVICE

**CHILD NUTRITION PROGRAM**  
**Quantity and Value of Commodities (cont.)**  
**Fiscal Year 2014**

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 416 TYPE:</i>		
CHEESE, CHEDDAR, BULK FOR PROCESSING	1,632,000	\$3,616,324
CHEESE, NATURAL AMERICAN, BULK FOR PROCESSING	36,944,400	86,489,731
CHEESE BLENDED AMERICAN, REDUCED FAT	8,672,400	18,263,570
CHEESE, CHEDDAR, REDUCED FAT, SHREDDED	6,873,300	16,304,285
CHEESE, CHEDDAR, SHREDDED	2,227,020	5,240,037
CHEESE, CHEDDAR, LOAVES	199,750	462,997
CHEESE, MOZZARELLA, LITE, SHREDDED, FROZEN	3,144,960	7,251,541
CHEESE, MOZZARELLA, BULK FOR PROCESSING	43,099,750	92,753,840
CHEESE, MOZZARELLA, LOW MOISTURE, PART SKIM, SHREDDED, FROZEN	9,918,720	22,714,735
CHEESE, MOZZARELLA, LOW MOISTURE, PART SKIM, STRING	2,910,600	7,409,329
CHEESE, AMERICAN, LOAVES	1,425,600	\$3,360,285
CHEESE, AMERICAN, SLICES	8,712,000	19,928,751
CORN, DRY KERNELS, BULK FOR PROCESSING	367,200	49,967
CORNMEAL	257,040	96,390
FLOUR, BULK FOR PROCESSING	20,238,600	4,910,006
FLOUR, ENRICHED	1,542,600	500,653
FLOUR, WHITE WHOLE WHEAT/ENRICHED BLEND	643,680	183,702
FLOUR, WHOLE WHEAT	4,083,480	1,096,320
MACARONI, WHOLE GRAIN	1,280,000	488,556
MILK, 1% LOW-FAT	228,856	138,824
OATS, ROLLED	360,224	163,665
OIL, SOYBEAN	702,240	550,009
OIL, VEGETABLE	2,591,358	1,586,314
OIL, VEGETABLE, BULK FOR PROCESSING	1,872,000	893,405
PANCAKES, WHOLE GRAIN	1,859,771	1,497,998
PEANUT BUTTER	3,622,080	4,049,981
PEANUT BUTTER BULK FOR PROCESSING	3,720,000	3,329,224
PEANUTS, ROASTED	34,560	58,980
RICE	336,000	149,087
RICE, BROWN	9,412,080	4,028,695
ROTINI, WHOLE GRAIN	1,904,000	734,524
SPAGHETTI, WHOLE GRAIN	2,200,000	772,740
SUNFLOWER BUTTER	554,400	1,139,468
SUNFLOWER BUTTER, BULK FOR PROCESSING	43,500	87,600
TORTILLAS, WHOLE GRAIN	2,673,000	1,722,777
YOGURT, CUP, BLUEBERRY, HIGH PROTEIN	72,252	100,502
YOGURT, CUP, STRAWBERRY, HIGH PROTEIN	180,366	250,813
YOGURT, CUP, VANILLA, HIGH PROTEIN	42,090	58,422
YOGURT, TUB, VANILLA, HIGH PROTEIN	14,400	22,068
<b>SUBTOTAL, SECTION 416 TYPE</b>	186,596,277	\$312,456,116
Anticipated Adjustment	0	19,433,715
AMS / FSA / WBCSM Admin. Expenses	0	20,828,715
<b>TOTAL COMMODITY ENTITLEMENT</b>	1,172,596,873	\$1,408,490,099
<b>BONUS COMMODITIES</b>		
	Pounds	Dollars
<i>SECTION 32 TYPE:</i>		
NONE	0	\$0
Total Section 32 Type	0	0
<i>SECTION 416 TYPE:</i>		
NONE	0	\$0
Total Section 416 Type	0	\$0
<b>TOTAL BONUS COMMODITIES</b>	0	\$0
<b>TOTAL -- ALL COMMODITIES</b>	1,172,596,873	\$135,569,901
Cash In-Lieu of Commodities	0	\$0
<b>GRAND TOTAL</b>	1,172,596,873	\$1,408,490,099

Source: WBCSM -- Sales Order and contract information.

\*DoD Fresh Includes The Top Five (5) Foods: Apples, Oranges, Carrots, Lettuce, Tomatoes

FOOD AND NUTRITION SERVICE

**SCHOOL LUNCH PROGRAM  
SCHOOLS, ENROLLMENT AND PARTICIPATION  
FISCAL YEAR 2014**

STATE OR TERRITORY	NUMBER OF SCHOOLS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,496	760	552
Alaska-----	441	120	53
Arizona-----	1,756	1,066	647
Arkansas-----	1,157	497	337
California-----	10,159	6,775	3,314
Colorado-----	1,751	846	372
Connecticut-----	1,077	535	293
Delaware-----	233	141	97
District of Columbia-----	222	80	59
Florida-----	3,784	2,780	1,677
Georgia-----	2,364	1,763	1,260
Hawaii-----	294	186	117
Idaho-----	691	311	161
Illinois-----	4,245	1,928	1,196
Indiana-----	2,140	1,123	781
Iowa-----	1,418	535	389
Kansas-----	1,529	555	353
Kentucky-----	1,389	727	537
Louisiana-----	1,544	792	570
Maine-----	628	184	105
Maryland-----	1,520	909	422
Massachusetts-----	2,217	974	529
Michigan-----	3,499	1,595	885
Minnesota-----	2,020	882	618
Mississippi-----	917	508	401
Missouri-----	2,192	948	612
Montana-----	817	154	86
Nebraska-----	942	314	247
Nevada-----	606	463	202
New Hampshire-----	462	183	95
New Jersey-----	2,622	1,307	700
New Mexico-----	825	328	223
New York-----	6,060	2,947	1,731
North Carolina-----	2,491	2,323	904
North Dakota-----	407	111	91
Ohio-----	3,782	1,838	1,071
Oklahoma-----	1,864	674	452
Oregon-----	1,336	584	294
Pennsylvania-----	3,524	1,787	1,065
Rhode Island-----	376	157	79
South Carolina-----	1,188	781	481
South Dakota-----	719	145	111
Tennessee-----	1,788	1,017	637
Texas-----	8,249	5,254	3,360
Utah-----	912	632	331
Vermont-----	355	90	51
Virginia-----	1,968	1,251	714
Washington-----	2,110	1,068	526
West Virginia-----	757	301	198
Wisconsin-----	2,510	915	559
Wyoming-----	325	97	54
American Samoa-----	0	0	0
Guam-----	45	34	17
Puerto Rico-----	1,725	511	358
Virgin Islands-----	62	18	14
DOD/ Army/AF/USMC/Navy-----	3	45	25
<b>TOTAL-----</b>	<b>99,513</b>	<b>52,850</b>	<b>31,011</b>

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

**SCHOOL LUNCH PROGRAM  
LUNCHES SERVED  
FISCAL YEAR 2014**

STATE OR TERRITORY	TOTAL LUNCHES SERVED			
	PAID (000)	REDUCED PRICE (000)	FREE (000)	TOTAL (000)
Alabama-----	23,596	6,228	59,609	89,434
Alaska-----	2,070	776	5,446	8,291
Arizona-----	23,538	8,939	75,045	107,522
Arkansas-----	12,942	5,729	35,198	53,868
California-----	98,332	61,191	395,312	554,835
Colorado-----	20,865	6,145	34,965	61,976
Connecticut-----	20,287	3,656	24,492	48,436
Delaware-----	5,285	743	8,842	14,870
District of Columbia-----	932	305	7,186	8,423
Florida-----	51,572	19,865	209,588	281,025
Georgia-----	47,361	12,914	141,321	201,596
Hawaii-----	7,045	2,170	9,979	19,194
Idaho-----	8,366	2,874	13,580	24,819
Illinois-----	45,266	8,533	123,075	176,875
Indiana-----	51,241	11,326	64,889	127,457
Iowa-----	33,499	4,727	25,545	63,772
Kansas-----	21,944	5,610	26,268	53,822
Kentucky-----	22,990	4,505	56,620	84,115
Louisiana-----	22,875	5,764	59,284	87,923
Maine-----	6,121	1,359	9,015	16,496
Maryland-----	20,223	5,742	42,392	68,357
Massachusetts-----	34,190	5,006	46,973	86,169
Michigan-----	38,988	8,830	83,963	131,781
Minnesota-----	50,555	8,300	36,779	95,634
Mississippi-----	11,028	4,958	49,068	65,054
Missouri-----	34,904	8,131	54,494	97,529
Montana-----	5,620	1,364	6,736	13,721
Nebraska-----	19,063	4,040	16,044	39,147
Nevada-----	6,254	4,050	26,093	36,396
New Hampshire-----	8,083	1,037	5,699	14,819
New Jersey-----	38,413	9,097	65,389	112,899
New Mexico-----	6,948	3,187	25,937	36,073
New York-----	73,741	20,272	185,896	279,909
North Carolina-----	36,282	11,566	103,032	150,880
North Dakota-----	9,322	985	4,123	14,430
Ohio-----	55,793	10,835	96,970	163,598
Oklahoma-----	18,764	6,720	42,526	68,011
Oregon-----	11,389	3,709	29,762	44,860
Pennsylvania-----	69,396	11,457	89,677	170,529
Rhode Island-----	3,824	965	8,359	13,148
South Carolina-----	18,579	5,359	54,880	78,817
South Dakota-----	8,818	1,448	7,004	17,270
Tennessee-----	25,179	7,073	71,017	103,269
Texas-----	128,582	45,271	383,386	557,239
Utah-----	25,569	6,140	23,172	54,880
Vermont-----	3,593	706	3,863	8,162
Virginia-----	44,158	10,355	58,614	113,127
Washington-----	25,355	8,681	52,172	86,209
West Virginia-----	10,038	1,321	19,068	30,427
Wisconsin-----	40,132	6,109	43,142	89,384
Wyoming-----	4,178	1,026	3,376	8,580
Guam-----	342	111	2,314	2,767
Puerto Rico-----	8,881	5,006	35,383	49,270
Virgin Islands-----	289	168	1,577	2,034
DOD Army/AF/USMC/Navy----	2,332	791	836	3,958
<b>TOTAL-----</b>	<b>1,424,939</b>	<b>403,173</b>	<b>3,164,974</b>	<b>4,993,085</b>

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

**SCHOOL BREAKFAST PROGRAM  
SCHOOLS, ENROLLMENT, AND PARTICIPATION  
FISCAL YEAR 2014**

STATE OR TERRITORY	NUMBER OF SCHOOLS AND INSTITUTIONS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,443	741	241
Alaska-----	362	100	21
Arizona-----	1,620	1,022	299
Arkansas-----	1,131	491	177
California-----	8,836	6,178	1,614
Colorado-----	1,410	666	167
Connecticut-----	804	400	101
Delaware-----	225	145	43
District of Columbia-----	219	80	41
Florida-----	3,674	2,753	785
Georgia-----	2,264	1,603	641
Hawaii-----	289	184	40
Idaho-----	652	303	77
Illinois-----	3,331	1,590	478
Indiana-----	1,913	1,044	267
Iowa-----	1,311	516	98
Kansas-----	1,406	488	116
Kentucky-----	1,308	702	286
Louisiana-----	1,459	754	276
Maine-----	597	179	50
Maryland-----	1,494	891	237
Massachusetts-----	1,710	747	168
Michigan-----	3,078	1,445	403
Minnesota-----	1,683	787	192
Mississippi-----	861	465	215
Missouri-----	2,014	914	278
Montana-----	689	135	30
Nebraska-----	754	267	70
Nevada-----	555	437	86
New Hampshire-----	415	167	23
New Jersey-----	1,995	993	275
New Mexico-----	791	321	153
New York-----	5,572	2,691	673
North Carolina-----	2,444	2,309	453
North Dakota-----	360	103	24
Ohio-----	3,158	1,985	449
Oklahoma-----	1,816	660	236
Oregon-----	1,267	568	145
Pennsylvania-----	3,045	1,599	361
Rhode Island-----	363	154	35
South Carolina-----	1,185	766	280
South Dakota-----	606	135	29
Tennessee-----	1,755	1,000	354
Texas-----	8,216	5,227	1,899
Utah-----	784	565	73
Vermont-----	337	88	24
Virginia-----	1,920	1,233	287
Washington-----	1,970	1,019	191
West Virginia-----	742	299	138
Wisconsin-----	1,905	763	178
Wyoming-----	282	89	15
Guam-----	42	31	9
Puerto Rico-----	1,725	511	141
Virgin Islands-----	39	16	5
<b>TOTAL-----</b>	<b>89,827</b>	<b>49,321</b>	<b>13,946</b>

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

**SCHOOL BREAKFAST PROGRAM  
BREAKFASTS SERVED  
FISCAL YEAR 2014**

STATE OR TERRITORY	TOTAL BREAKFASTS SERVED					TOTAL (000)
	PAID (000)	REDUCED PRICE		FREE		
		REGULAR (000)	SEVERE NEED (000)	REGULAR (000)	SEVERE NEED (000)	
Alabama-----	4,774	190	2,094	1,515	31,373	39,946
Alaska-----	535	4	304	74	2,536	3,452
Arizona-----	7,572	172	3,562	1,300	38,362	50,967
Arkansas-----	3,954	65	2,685	545	21,077	28,326
California-----	32,994	746	26,484	4,573	212,258	277,054
Colorado-----	5,435	184	2,696	694	18,755	27,764
Connecticut-----	2,771	172	1,008	1,178	11,729	16,858
Delaware-----	1,301	21	281	171	4,744	6,518
District of Columbia-----	612	11	188	66	4,946	5,823
Florida-----	18,488	217	7,658	2,229	102,732	131,323
Georgia-----	13,478	305	5,550	2,313	80,241	101,887
Hawaii-----	1,263	76	549	262	4,212	6,362
Idaho-----	2,679	56	1,300	324	7,405	11,764
Illinois-----	5,545	185	2,169	2,483	55,791	66,174
Indiana-----	7,033	344	3,123	2,128	30,107	42,736
Iowa-----	3,488	367	851	2,220	8,927	15,853
Kansas-----	2,629	258	1,582	1,100	12,175	17,743
Kentucky-----	6,168	59	1,872	445	35,798	44,342
Louisiana-----	5,130	118	2,218	1,093	33,287	41,847
Maine-----	1,916	36	672	169	5,059	7,852
Maryland-----	9,058	139	2,888	1,005	24,778	37,868
Massachusetts-----	3,756	183	1,346	1,592	21,037	27,914
Michigan-----	9,260	194	2,905	2,544	46,340	61,242
Minnesota-----	7,888	789	2,315	2,998	15,797	29,787
Mississippi-----	2,692	27	2,042	423	29,419	34,603
Missouri-----	8,436	276	3,263	1,899	30,421	44,294
Montana-----	1,035	51	411	178	3,179	4,853
Nebraska-----	3,070	237	961	926	5,905	11,098
Nevada-----	1,526	30	1,488	141	12,683	15,867
New Hampshire-----	911	95	169	647	1,844	3,666
New Jersey-----	6,866	354	3,022	2,169	34,105	46,516
New Mexico-----	4,188	51	1,980	282	18,243	24,745
New York-----	16,019	730	6,145	4,904	87,663	115,461
North Carolina-----	10,589	141	5,180	961	56,137	73,008
North Dakota-----	1,543	166	149	690	1,368	3,917
Ohio-----	10,754	265	3,154	3,098	48,946	66,217
Oklahoma-----	6,063	170	3,103	807	24,944	35,087
Oregon-----	3,934	84	1,805	995	14,964	21,782
Pennsylvania-----	10,854	772	2,744	7,144	35,621	57,134
Rhode Island-----	943	13	349	149	4,346	5,800
South Carolina-----	6,522	360	2,265	4,136	31,647	44,930
South Dakota-----	910	133	240	531	2,875	4,689
Tennessee-----	8,985	160	3,390	1,522	43,363	57,421
Texas-----	47,440	873	22,522	5,944	239,407	316,187
Utah-----	2,368	227	1,109	1,042	7,659	12,406
Vermont-----	909	64	316	287	2,141	3,717
Virginia-----	8,176	506	3,421	3,004	28,503	43,609
Washington-----	3,981	138	3,173	0	23,138	30,431
West Virginia-----	5,735	67	704	478	14,225	21,209
Wisconsin-----	6,199	505	1,501	3,445	17,519	29,170
Wyoming-----	637	60	243	300	1,229	2,469
Guam-----	95	0	36	0	1,386	1,517
Puerto Rico-----	2,625	2	1,861	4	15,497	19,989
Virgin Islands-----	97	0	56	0	538	691
DOD Army/AF/USMC/Navy-----	1	1	0	2	0	3
<b>TOTAL-----</b>	<b>341,829</b>	<b>11,451</b>	<b>153,103</b>	<b>79,788</b>	<b>1,668,379</b>	<b>2,254,550</b>

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**

**CHILD AND ADULT CARE FOOD PROGRAM  
PARTICIPATION AND MEALS SERVED  
FISCAL YEAR 2014**

STATE OR TERRITORY	NUMBER OF CENTERS/HOMES	PARTICIPATION PEAK MONTH (000)	TOTAL MEALS SERVED					DAY CARE HOMES (000)	TOTAL (000)
			CHILD CARE AND ADULT CENTERS						
			PAID (000)	REDUCED PRICE (000)	FREE (000)	TOTAL (000)			
Alabama-----	1,678	45	4,691	1,123	17,208	23,021	3,815	26,836	
Alaska-----	495	11	1,743	261	1,630	3,633	1,055	4,689	
Arizona-----	3,193	39	6,032	1,425	13,548	21,005	9,619	30,624	
Arkansas-----	1,772	74	6,187	2,032	30,085	38,304	3,198	41,503	
California-----	21,261	503	17,043	6,711	104,927	128,681	69,795	198,476	
Colorado-----	1,938	29	5,034	766	8,502	14,303	4,193	18,495	
Connecticut-----	1,168	20	1,590	537	5,088	7,216	2,769	9,985	
Delaware-----	865	19	2,111	247	4,857	7,215	2,374	9,589	
District of Columbia-----	168	6	757	177	3,273	4,207	178	4,385	
Florida-----	6,250	240	24,803	8,718	95,201	128,721	9,869	138,590	
Georgia-----	4,156	133	20,593	4,563	45,363	70,519	8,894	79,413	
Hawaii-----	504	11	2,988	314	1,636	4,938	790	5,728	
Idaho-----	469	11	1,445	253	2,218	3,916	1,403	5,319	
Illinois-----	9,683	132	13,068	3,322	36,870	53,260	36,384	89,644	
Indiana-----	2,886	68	6,314	893	13,167	20,374	15,514	35,888	
Iowa-----	2,545	38	8,408	632	5,908	14,948	9,259	24,206	
Kansas-----	3,627	46	5,657	860	4,827	11,344	13,692	25,036	
Kentucky-----	1,573	56	7,265	1,219	13,755	22,238	1,793	24,032	
Louisiana-----	8,759	92	3,956	865	17,684	22,505	24,677	47,182	
Maine-----	1,077	10	748	117	1,258	2,123	4,556	6,679	
Maryland-----	4,055	69	5,001	409	14,850	20,261	12,524	32,785	
Massachusetts-----	5,206	70	4,587	1,266	18,497	24,350	16,596	40,946	
Michigan-----	5,453	83	4,905	646	14,531	20,082	19,817	39,898	
Minnesota-----	8,288	86	5,663	542	6,743	12,947	36,424	49,372	
Mississippi-----	1,385	41	3,298	1,047	18,741	23,087	1,771	24,858	
Missouri-----	2,328	61	9,433	961	17,153	27,547	7,170	34,717	
Montana-----	805	13	1,521	183	2,216	3,920	3,186	7,105	
Nebraska-----	2,956	45	6,161	545	7,204	13,910	11,365	25,276	
Nevada-----	433	13	1,158	189	3,120	4,467	448	4,915	
New Hampshire-----	281	9	1,688	201	1,781	3,669	517	4,186	
New Jersey-----	1,860	73	5,100	1,934	30,805	37,840	1,530	39,370	
New Mexico-----	3,332	34	3,044	643	8,024	11,711	7,702	19,413	
New York-----	13,809	313	12,747	2,713	63,602	79,062	50,951	130,014	
North Carolina-----	4,171	114	19,026	4,444	35,556	59,026	8,473	67,499	
North Dakota-----	1,250	17	2,644	114	1,214	3,973	5,188	9,160	
Ohio-----	4,419	105	14,064	1,897	32,347	48,308	12,332	60,640	
Oklahoma-----	2,660	52	7,133	1,660	19,990	28,783	9,212	37,995	
Oregon-----	2,856	44	1,845	186	6,574	8,605	9,863	18,468	
Pennsylvania-----	4,507	123	14,594	3,285	40,245	58,124	8,416	66,541	
Rhode Island-----	469	10	1,157	223	3,068	4,448	1,213	5,661	
South Carolina-----	1,150	35	3,404	594	12,359	16,357	3,449	19,806	
South Dakota-----	792	14	2,422	165	1,787	4,373	3,227	7,601	
Tennessee-----	3,054	63	7,345	1,378	23,557	32,281	9,861	42,142	
Texas-----	11,274	389	42,185	12,874	125,321	180,379	27,894	208,273	
Utah-----	2,171	32	3,167	317	4,517	8,001	10,489	18,490	
Vermont-----	626	9	634	99	1,357	2,090	1,700	3,791	
Virginia-----	2,981	54	10,331	1,215	13,358	24,903	9,865	34,769	
Washington-----	3,271	68	9,506	983	14,644	25,132	9,222	34,355	
West Virginia-----	1,577	23	2,824	323	4,398	7,545	3,019	10,564	
Wisconsin-----	3,071	57	9,677	762	11,523	21,962	7,888	29,849	
Wyoming-----	457	8	1,331	294	1,144	2,769	1,640	4,409	
Guam-----	25	1	181	11	146	338	9	347	
Puerto Rico-----	1,112	24	306	185	14,431	14,922	211	15,133	
Virgin Islands-----	50	1	59	49	658	766	0	766	
<b>TOTAL-----</b>	<b>176,196</b>	<b>3,737</b>	<b>358,570</b>	<b>77,376</b>	<b>1,002,465</b>	<b>1,438,411</b>	<b>537,001</b>	<b>1,975,412</b>	

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

**SUMMER FOOD SERVICE PROGRAM  
NUMBER OF SITES, PARTICIPATION AND MEALS SERVED  
FISCAL YEAR 2014**

STATE OR TERRITORY	NUMBER OF SITES	PARTICIPATION (JULY) (000)	TOTAL MEALS SERVED (000)
Alabama-----	782	42	1,996
Alaska-----	161	7	331
Arizona-----	400	23	1,915
Arkansas-----	1,003	46	3,976
California-----	2,064	116	10,778
Colorado-----	416	19	1,511
Connecticut-----	297	17	918
Delaware-----	188	7	763
District of Columbia-----	106	39	1,066
Florida-----	3,638	155	12,568
Georgia-----	1,298	98	4,609
Hawaii-----	90	6	170
Idaho-----	274	27	1,314
Illinois-----	1,732	69	4,615
Indiana-----	1,385	66	3,008
Iowa-----	327	16	967
Kansas-----	302	26	1,155
Kentucky-----	1,072	33	1,900
Louisiana-----	626	40	4,419
Maine-----	322	12	603
Maryland-----	1,144	59	2,162
Massachusetts-----	941	49	2,698
Michigan-----	1,390	83	3,776
Minnesota-----	638	50	2,679
Mississippi-----	495	34	2,315
Missouri-----	649	39	4,002
Montana-----	171	9	546
Nebraska-----	178	10	912
Nevada-----	175	10	566
New Hampshire-----	144	16	310
New Jersey-----	1,020	54	2,904
New Mexico-----	617	10	2,000
New York-----	2,450	459	19,159
North Carolina-----	1,355	110	3,826
North Dakota-----	50	2	220
Ohio-----	1,508	63	3,781
Oklahoma-----	517	17	1,642
Oregon-----	794	41	2,075
Pennsylvania-----	2,271	75	5,589
Rhode Island-----	192	8	367
South Carolina-----	1,252	70	3,194
South Dakota-----	74	6	428
Tennessee-----	1,528	42	4,099
Texas-----	3,621	178	17,976
Utah-----	116	11	539
Vermont-----	251	7	398
Virginia-----	1,548	53	3,397
Washington-----	777	46	1,927
West Virginia-----	369	12	568
Wisconsin-----	662	97	2,592
Wyoming-----	56	4	242
Puerto Rico-----	1,249	27	4,407
Virgin Islands-----	121	7	183
<b>TOTAL-----</b>	<b>44,806</b>	<b>2,626</b>	<b>160,062</b>

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 MILK PROGRAM  
HALF-PINTS OF MILK SERVED  
FISCAL YEAR 2014**

STATE OR TERRITORY	AVERAGE SERVED DAILY			TOTAL SERVED		
	FREE (000)	PAID (000)	TOTAL (000)	FREE (000)	PAID (000)	TOTAL (000)
Alabama-----	0	1	1	3	135	138
Alaska-----	0	0	0	1	9	10
Arizona-----	0	2	2	16	233	250
Arkansas-----	0	0	0	0	0	0
California-----	0	6	6	77	1,650	1,728
Colorado-----	0	3	3	15	647	663
Connecticut-----	0	4	4	74	910	984
Delaware-----	0	1	1	0	151	151
District of Columbia-----	0	0	0	7	28	35
Florida-----	0	0	1	11	110	121
Georgia-----	0	0	0	0	38	38
Hawaii-----	0	0	0	0	4	4
Idaho-----	0	3	3	30	757	787
Illinois-----	9	50	59	1,658	8,611	10,269
Indiana-----	0	4	4	50	749	800
Iowa-----	0	1	1	62	318	381
Kansas-----	0	1	2	47	246	294
Kentucky-----	0	1	1	30	134	164
Louisiana-----	0	1	1	0	156	156
Maine-----	0	0	0	11	44	55
Maryland-----	0	8	8	9	1,471	1,480
Massachusetts-----	0	4	4	44	1,499	1,543
Michigan-----	0	6	6	49	1,391	1,439
Minnesota-----	0	14	14	21	3,830	3,851
Mississippi-----	0	0	0	0	11	11
Missouri-----	0	12	12	82	2,118	2,200
Montana-----	0	0	0	22	77	99
Nebraska-----	0	1	1	11	263	274
Nevada-----	0	1	1	2	540	542
New Hampshire-----	0	2	2	34	828	862
New Jersey-----	2	11	13	265	1,873	2,138
New Mexico-----	0	0	0	0	0	0
New York-----	2	14	16	1,409	2,521	3,930
North Carolina-----	0	3	3	3	758	761
North Dakota-----	0	0	0	2	104	105
Ohio-----	0	8	8	59	1,763	1,823
Oklahoma-----	0	0	0	25	98	123
Oregon-----	0	2	2	14	537	551
Pennsylvania-----	1	5	5	166	1,613	1,779
Rhode Island-----	0	1	1	34	310	343
South Carolina-----	0	0	0	0	57	57
South Dakota-----	0	0	0	3	151	154
Tennessee-----	0	0	0	0	108	108
Texas-----	0	1	1	0	110	110
Utah-----	0	1	1	9	369	378
Vermont-----	0	0	1	11	393	404
Virginia-----	0	5	5	0	955	955
Washington-----	0	4	4	16	1,230	1,246
West Virginia-----	0	1	1	11	88	99
Wisconsin-----	1	21	21	113	5,252	5,364
Wyoming-----	0	0	0	0	145	145
Virgin Islands-----	0	0	0	0	0	0
<b>TOTAL-----</b>	<b>19</b>	<b>203</b>	<b>222</b>	<b>4,505</b>	<b>45,392</b>	<b>49,898</b>

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 MILK PROGRAM  
NUMBER OF PARTICIPATING OUTLETS AND OBLIGATIONS BY STATE  
FISCAL YEAR 2014**

STATE OR TERRITORY	OUTLETS				OBLIGATIONS (000)
	SCHOOLS	NON-RESIDENTIAL CHILD CARE INSTITUTIONS	SUMMER CAMPS	TOTAL	
Alabama-----	2	1	1	4	\$28
Alaska-----	2	0	0	2	2
Arizona-----	30	0	0	30	51
Arkansas-----	0	0	0	0	0
California-----	87	3	20	110	351
Colorado-----	46	0	9	55	134
Connecticut-----	87	0	9	96	200
Delaware-----	5	0	0	5	31
District of Columbia-----	2	0	0	2	7
Florida-----	3	0	1	4	25
Georgia-----	2	0	0	2	8
Hawaii-----	1	0	0	1	1
Idaho-----	86	0	10	96	160
Illinois-----	512	3	14	529	2,097
Indiana-----	38	0	15	53	163
Iowa-----	53	0	12	65	78
Kansas-----	83	0	3	86	60
Kentucky-----	2	0	0	2	34
Louisiana-----	5	0	1	6	32
Maine-----	14	0	7	21	11
Maryland-----	69	29	4	102	300
Massachusetts-----	69	33	31	133	313
Michigan-----	82	0	2	84	292
Minnesota-----	291	84	62	437	781
Mississippi-----	1	0	0	1	2
Missouri-----	146	0	5	151	447
Montana-----	19	0	5	24	20
Nebraska-----	49	0	2	51	56
Nevada-----	7	11	0	18	110
New Hampshire-----	26	4	31	61	175
New Jersey-----	99	0	7	106	436
New Mexico-----	0	0	0	0	0
New York-----	196	56	30	282	810
North Carolina-----	20	0	13	33	154
North Dakota-----	12	0	10	22	21
Ohio-----	99	0	17	116	370
Oklahoma-----	7	0	1	8	25
Oregon-----	36	5	12	53	112
Pennsylvania-----	80	17	23	120	362
Rhode Island-----	33	7	6	46	70
South Carolina-----	3	0	0	3	11
South Dakota-----	22	0	4	26	31
Tennessee-----	2	0	3	5	22
Texas-----	6	1	1	8	22
Utah-----	45	0	16	61	77
Vermont-----	9	3	12	24	82
Virginia-----	61	0	3	64	193
Washington-----	39	4	10	53	253
West Virginia-----	6	0	0	6	20
Wisconsin-----	327	225	33	585	1,088
Wyoming-----	5	8	3	16	29
Virgin Islands-----	0	0	0	0	2
Anticipated Adjustment-----					1,156
<b>TOTAL-----</b>	<b>2,926</b>	<b>494</b>	<b>448</b>	<b>3,868</b>	<b>\$11,314</b>

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

## FOOD AND NUTRITION SERVICE

The estimates include proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

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

- For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), \$6,623,000,000, to remain available through
- 1 September 30, [2016] 2017, of which such sums as are necessary to increase the contingency reserve to \$150,000,000, shall be placed in reserve, to remain available until expended, to be allocated as the Secretary deems necessary, notwithstanding section 17(i) of such Act, to support participation should cost or participation exceed budget estimates: *Provided*, That notwithstanding section 17(h)(10) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(10)), not less than \$60,000,000 shall be used for breastfeeding peer counselors and other related activities, \$14,000,000 shall be used for infrastructure, [\$30,000,000] \$55,000,000 shall be used for management information systems, [and \$25,000,000 shall be used] including
  - 2 for WIC electronic benefit transfer systems and activities : *Provided further*, That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of such Act: *Provided further*, That none of the funds provided shall be available for activities that are not fully reimbursed by other Federal Government departments or agencies unless authorized by section 17 of such Act: *Provided further*, That upon termination of a federally mandated vendor moratorium and subject to terms and conditions established by the Secretary, the Secretary may waive the requirement at 7 CFR 246.12(g)(6) at the request of a State agency.
- 1 The first change will provide an additional \$25 million – for a total of \$150 million – to be available in the WIC contingency fund in case participation or food costs should rise unexpectedly.
  - 2 The second change will ensure that States have flexibility in using the funding provided for either upgrades to their management information systems that support WIC electronic benefits transfer or for the electronic benefits transfer systems themselves.

FOOD AND NUTRITION SERVICE

Lead-Off Tabular Statement

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

Budget Estimate, 2016.....	\$6,623,000,000
2015 Enacted .....	<u>6,623,000,000</u>
Change in Appropriation .....	<u>0</u>

Summary of Increases and Decreases  
(On basis of adjusted appropriation)  
(Dollars in thousands)

Item of Change	2013 Actual	2014 Change	2015 Change	2016 Change	2016 Estimate
<b>Discretionary Appropriations:</b>					
Grants to States (Suppl. Food and NSA costs)	\$6,922,000	-\$454,159	\$159	-\$15,000	\$6,453,000
Federal Admin. Oversight & Infrastructure	10,000	1,000	0	0	11,000
WIC Contingency Funds	0	125,000	-125,000	25,000	25,000
All Other Discretionary Appropriations	114,000	-2,000	32,000	-10,000	134,000
Subtotal, Discretionary	7,046,000	-330,159	-92,841	0	6,623,000
<b>Mandatory Appropriations:</b>					
UPC Database (Direct Appropriation)	1,000	0	-73	73	1,000
<b>Appropriations or Change</b>	<b>7,047,000</b>	<b>-330,159</b>	<b>-92,914</b>	<b>73</b>	<b>6,624,000</b>
Rescissions	-190,804	190,804	0	0	0
Sequester	-333,000	332,928	72	0	0
Less Direct Appropriation	-949	21	1	-73	-1,000
<b>Total Appropriation or Change</b>	<b>6,522,247</b>	<b>193,594</b>	<b>-92,841</b>	<b>0</b>	<b>6,623,000</b>

PROJECT STATEMENT  
(On basis of appropriation)  
(Dollars in thousands)

Project	2013 Actual	SY	2014 Actual	SY	2015 Enacted	SY	Increase or Decrease	2016 Estimate	SY
Grants to States (Food & NSA)	\$6,922,000		\$6,467,841		\$6,468,000		-\$15,000 (1)	\$6,453,000	
Infrastructure Grants	14,000		13,600		13,600		0 (2)	13,600	
Technical Assistance	0		400		400		0 (3)	400	
Breastfeeding Peer Counselors	60,000		60,000		60,000		0 (4)	60,000	
Management Information Systems	35,000		30,000		55,000		0 (5)	55,000	
Program Evaluation & Monitoring	5,000		8,000		15,000		-10,000 (6)	5,000	
Federal Admin. Oversight	10,000		11,000		11,000		0 (7)	11,000	
WIC Contingency Funds	0		125,000		0		25,000 (8)	25,000	
UPC Database (Direct Approp.)	1,000		1,000		927		73 (9)	1,000	
<b>Total Adjusted Appropriation</b>	<b>7,047,000</b>	<b>30</b>	<b>6,716,841</b>	<b>32</b>	<b>6,623,927</b>	<b>40</b>	<b>73</b>	<b>6,624,000</b>	<b>40</b>
Rescissions	-190,804		0		0		0	0	
Sequester	-333,000		-72		0		0	0	
UPC Database (Direct Approp.)	-949		-928		-927		-73	-1,000	
<b>Total Appropriation</b>	<b>6,522,247</b>	<b>30</b>	<b>6,715,841</b>	<b>32</b>	<b>6,623,000</b>	<b>40</b>	<b>0</b>	<b>6,623,000</b>	<b>40</b>

FOOD AND NUTRITION SERVICE

**PROJECT STATEMENT**  
(On basis of obligation)  
(Dollars in thousands)

Project	2013 Actual	SY	2014 Actual	SY	2015 Enacted	SY	Increase or Decrease	2016 Estimate	SY
Grants to States:									
Supplemental Food	\$4,822,507		\$4,889,115		\$5,210,628		-\$170,002	\$5,040,626	
Nutrition Services and Admin. Costs	2,012,596		2,012,701		1,989,721		25,420	2,015,141	
Subtotal, Grants to States	6,835,103		6,901,816		7,200,349		-144,582	7,055,767	
Infrastructure Grants	12,943		7,464		13,600		0	13,600	
Technical Assistance	0		398		400		0	400	
Breastfeeding Peer Counselors	55,540		60,000		60,000		0	60,000	
Management Information Systems	32,398		35,590		55,000		0	55,000	
Program Evaluation & Monitoring	5,108		7,812		15,000		-10000	5,000	
Federal Admin. Oversight	9,518		5,536		11,000		0	11,000	
WIC Contingency Funds	0		125,000		0		0	0	
UPC Database (Direct Appropriation)	1,208		1,208		647		353	1,000	
Total Obligations	6,951,818		7,144,824		7,355,996		-154,229	7,201,767	
Recovery of Prior Year Obligations:									
WIC Program	-390,768		-583,910		-573,631		-29,136	-602,767	
Unobligated Balances:									
Available Start of Year									
WIC Program	-40,529		-2,583		-158,438		158,438	0	
WIC Contingency <u>1/</u>	-125,000		-125,000		-125,000		0	-125,000	
Available End of Year									
WIC Program	2,583		158,438		0		0	0	
WIC Contingency	125,000		125,000		125,000		25,000	150,000	
Lapse	91		0		0		0	0	
Total Appropriation	6,523,195	30	6,716,769	32	6,623,927	40	73	6,624,000	40
Rescission	190,804		0		0		0	0	
Sequester	332,950		0		0		0	0	
UPC Database (Direct Appropriation)	-949		-928		-927		-73	-1,000	
Total Adjusted Appropriation	7,046,000	30	6,715,841	32	6,623,000	40	0	6,623,000	40

1/ During FY 2014, \$125 million of contingency funding was used to meet participation needs and then the \$125 million contingency was replenished in the same year by the FY 2014 Agricultural Appropriations Act (P.L. 113-76).

Justification of Increases and Decreases

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.

- Research on WIC continues to show that WIC participation leads to better pregnancy outcomes; a 2009 study concluded that WIC participation was associated with a “substantial” reduction in the chance of poor birth outcomes such as birth weights below 2,500 grams (about 5 and 1/2 pounds).<sup>1, 2, 3,4,5,6</sup> These positive effects of

<sup>1</sup> Figlio, D., S. Hamersma, and J. Roth. (2009) “Does Prenatal WIC Participation Improve Birth Outcomes? New Evidence from Florida.” *Journal of Public Economics*, vol. 93.

<sup>2</sup> Cain M. African American and Non-Hispanic White Births in Enhanced Prenatal Care Programs and WIC. *Journal of Health Disparities Research and Practice*. 2007 Winter; 1(2)4:59-71.

## FOOD AND NUTRITION SERVICE

WIC are more pronounced among more disadvantaged WIC participants<sup>7</sup> and are greater if the mother begins participating in WIC early in her pregnancy.<sup>8</sup> WIC participation is also associated with lower infant mortality rates.<sup>9</sup>

- A study conducted in 2003 found that “infants who did not receive WIC assistance because of access problems were more likely to be underweight... and [were] perceived as having fair or poor health (Black, et al., p. 169).<sup>10</sup> Other researchers have concluded that WIC has a “significant positive impact on the overall health of children”.<sup>11</sup>

WIC participation is related to greater use of health care services of all types, including dental care, compared to low-income children not participating in WIC.<sup>12, 13</sup> Similarly, a Chicago study found that by age 25 months, children who were participating in WIC were more likely to be immunized than children in the same age group who no longer participated in WIC.<sup>14</sup>

- Researchers in California found that changes in the WIC food package introduced in 2009 have resulted in increased consumption of whole grains, fruits, and vegetables among WIC participants. The number of WIC participants who drank whole milk also decreased accompanied by increases in the consumption of low- and reduced-fat milk.<sup>15</sup>
- A 2013 study found that in New York State, WIC food packages were associated with improvements in measures of early childhood obesity and preschoolers’ consumption of fruits, vegetables, whole grains, and low fat milk. For infants, rates of breastfeeding and appropriate age of introduction of solid foods also improved.<sup>16</sup>
- WIC has proven to be important for women who receive prepartum benefits. Infants born to women who received 5 – 7 months of prepartum benefits had higher average birth weights and birth lengths, and were at lower risk of weighing 2,500 grams or less than infants born to mothers who only received prepartum benefits for 0 – 2 months. In addition, the mothers who received WIC foods for 5 – 7 months were at lower risk for

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<sup>3</sup> Gueorguieva R, S.B. Morse, J.Roth. (2009) Length of Prenatal Participation in WIC and Risk of Delivering a Small for Gestational Age Infant: Florida, 1996–2004. *Maternal Child Health J.* vol.13.

<sup>4</sup> Hoynes H, et al. (2011) Can targeted transfers improve birth outcomes?: Evidence from the introduction of the WIC program. *Journal of Public Economics*, vol. 95.

<sup>5</sup> Reichman NE, et al. (2003) Effects of Psychosocial Risk Factors and Prenatal Interventions on Birth Weight: Evidence From New Jersey’s HealthStart Program. *Perspect Sex Reprod Health*, vol. 35.

<sup>6</sup> Richards R, et al. (2011) Maternal health behaviors and infant health outcomes among homeless mothers: U.S. Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) 2000–2007. *Prev Med*, vol. 52.

<sup>7</sup> Bitler, M.P., and J. Currie. (2005) “Does WIC Work? The Effects of WIC on Pregnancy and Birth Outcomes.” *Journal of Policy Analysis and Management*, vol. 24.

<sup>8</sup> Lazariu-Bauer, V., H. Stratton, R. Pruzek, and M.L. Woelfel. (2009) “A Comparative Analysis of Effects of Early Versus Late Prenatal WIC Participation on Birth Weight: NYS, 1995.” *Maternal & Child Health Journal*, vol 8.

<sup>9</sup> Khanani, I., Elam, J., Hearn, R., Jones, C., & Maseru, N. (2010). The impact of prenatal WIC participation on infant mortality and racial disparities. *American Journal of Public Health*, 100(S1), S402-S209.

<sup>10</sup> Black, M.M., D.B. Cutts, D.A. Frank, et al. (2004). “Special Supplemental Nutrition Program for Women, Infants, and Children Participation and Infants’ Growth and Health: A Multisite Surveillance Study.” *Pediatrics*, vol. 114.

<sup>11</sup> Carlson, A. and B. Senauer. (2003) “The Impact of the Special Supplemental Nutrition Program for Women, Infants, and Children on Child Health.” *American Journal of Agricultural Economics*, vol. 85.

<sup>12</sup> Buescher, P.A., S.J. Horton, B.L. Devaney, et al. (2003) “Child Participation in WIC: Medicaid Costs and Use of Health Care Services.” *American Journal of Public Health*, vol. 93.

<sup>13</sup> Lee, J.Y., R.G. Rozier, E.C. Norton, et al. (2004). “Effects of WIC Participation on Children’s use of Oral Health Services.” *American Journal of Public Health*, vol. 94.

<sup>14</sup> Cortese, M.M., Diaz, P.S., Samala, U., Mennone, J.Z. et al. (2004). Underimmunization in Chicago children who dropped off WIC. *Am J Prev Med*, 26(1), 29-33.

<sup>15</sup> Whaley, S.E., L. D. Ritchie, P. Spector, and J. Gomez. (2012) Revised WIC Food Package Improves Diets of WIC Families. *Journal of Nutrition Education and Behavior* (electronic version – no vol.).

<sup>16</sup> Chiasson, M.A., S.E. Findley, J.P. Sekhobo, et al. (2013) “Changing WIC Changes What Children Eat.” *Obesity*, 21, E1-E7. doi:10.1002/oby.20295.

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maternal obesity and had higher average hemoglobin levels.<sup>17</sup>

- Changes in the 2009 WIC food package have resulted in increased availability of healthful foods, including whole grains, lower fat milk, fruits, and vegetables in smaller markets and convenience stores. This is especially relevant for stores in low-income neighborhoods where there can be challenges finding healthy foods and changes to the WIC food package have resulted in healthier foods being available to all consumers.<sup>18 19</sup>

In addition to the activities and functions specifically described in the budget request, current year and budget year base funds will be used to carry out activities and functions consistent with the full range of authorities and activities delegated to the agency.

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) does not reflect an appropriation increase for FY 2016.

- (1) A decrease of \$15,024,000 for WIC Grants to States for supplemental food, nutrition services and administrative costs (\$6,468,000,000 enacted in FY 2015).

The Administration expects the budget authority and structural carryover will provide sufficient resources to serve approximately 8.5 million women, infants and children. The average monthly food cost per person is estimated to increase from \$45.99 in FY 2015 to \$47.57 in FY 2016. The increase in the food package cost supports revised food packages that reflect current nutrition science and dietary recommendations, and inflation costs (anticipated changes in the Thrifty Food Plan are used to estimate food package inflation from the current year to the budget year).

The average nutrition services and administrative (NSA) cost per person is estimated to decrease from \$20.71 in FY 2015 to \$19.56 in FY 2016. NSA funds are used by State agencies to provide non-food benefits to participants, including nutrition education, health screenings and referrals, and breastfeeding support; to manage the infant formula rebate system, monitor and manage relationships with retail vendors; screen applicants for nutritional risk and income eligibility; as well as a small portion for other administrative work.

- (2) No change for Infrastructure Grants (\$13,600,000 enacted in FY 2015).

These funds are used for infrastructure for the program, for special projects to promote breastfeeding, including projects to assess the effectiveness of particular breastfeeding promotion strategies; and for special State projects of regional or national significance to improve the services of the program.

- (3) No change for Technical Assistance (\$400,000 enacted in FY 2015).

These funds are used to provide technical assistance to State agencies which allows the on-site sharing of best practices in program integrity, technology and caseload/food funds management. In addition, these funds support the development and printing of all nutrition-related training and technical assistance materials for State and local agencies.

- (4) No change for Breastfeeding Peer Counselors (\$60,000,000 enacted in FY 2015).

These funds are used to support breastfeeding peer counselor programs. For nearly all infants, breastfeeding is the best source of infant nutrition and immunologic protection, and it provides remarkable health benefits to mothers as well. The use of breastfeeding peer counselors has proven to be an effective method of increasing

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<sup>17</sup> Caan, B., D.M. Horgen, S. Margen, et al. (1987) "Benefits associated with WIC supplemental feeding during the interpregnancy interval. *American Journal of Clinical Nutrition*, vol. 45.

<sup>18</sup> Andreyeva, T., J.Luedicke, A.E. Middleton, et al. (2012) Positive Influence of the Revised Special Supplemental Nutrition Program for Women, Infants, and Children Food Packages on Access to Healthy Foods. *Journal of the Academy of Nutrition and Dietetics*, vol.

<sup>19</sup> Rose, D., K. O'Malley, L. Futrell Dunaway, J. N. Bodor (2014) "The Influence of the WIC Food Package Changes on the Retail Food Environment in New Orleans." *Journal of Nutrition Education and Behavior*, vol. 46

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breastfeeding duration. 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 continues to serve as a guide for local programs in designing, building and sustaining peer counseling programs.

(5) No change for Management Information Systems (\$55,000,000 enacted in FY 2015).

Dedicated funding for Management Information Systems (MIS) and Electronic Benefit Transfer (EBT) activities is needed to meet the Healthy, Hunger-Free Kids Act of 2010 mandate of nationwide EBT by October 1, 2020. 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 June 2014, 13 of the 90 WIC State agencies have implemented EBT Statewide. An additional 52 WIC State agencies are involved in some phase of EBT - either planning, development, or implementation. Twenty-five WIC State agencies have not yet engaged in WIC EBT planning. Of those, 7 are States and 18 are Indian Tribal Organizations.

(6) A decrease of \$10,000,000 for Program Evaluation and Monitoring (\$15,000,000 enacted in FY 2015).

FNS conducts a variety of studies, evaluations, and related activities that respond to the needs of policy makers and managers and help ensure that the WIC program effectively achieves its goals. This line supports the critical evaluations and research needed for the WIC Program, including the federal staff needed to oversee this vital work. In FY 2015, FNS is making additional investments in two on-going evaluations that will provide the program with additional information about child retention, the benefits of remaining on the program through age 5, and about the characteristics of adjunctively eligible participants. These are one-time investments that will not be needed in FY 2016.

(7) No change for Federal Administrative Oversight (\$11,000,000 enacted in FY 2015).

Funding in this line item is used to improve Federal oversight of the EBT implementation process and to provide other technical assistance or oversight at the State level. 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 schedule and requires dedicated resources to ensure that FNS is able to provide the technical support required to assist States in meeting this Congressionally-mandated deadline. FNS is working with individual State agencies on initiatives to plan, develop and implement WIC EBT systems.

In addition, these funds pay for FNS staff who provide oversight and technical assistance to States in order to improve program integrity – specifically with regard to vendor management and improper payments. A periodic study of payment error and program violations shows that, in FY 2011, improper vendor payments constituted about 1.1 percent of WIC food outlays – a percentage that is unchanged from the previous year. While this report suggests that integrity problems are relatively limited, FNS staff continuously seek ways to reduce and prevent errors and program abuse. In addition to implementing EBT which provides improved integrity in the retailer side of vendor management, FNS program integrity efforts include providing direct technical assistance to individual WIC State agencies to ensure the use of effective participant certification and vendor management policies such as competitive price criteria and maximum allowable reimbursement rates. Specific activities include sponsoring National, regional and State training and information conferences to facilitate the exchange of effective vendor authorization and investigation strategies, as well as strategies to identify and prevent participant abuse; performing in-depth targeted reviews of high risk program areas; and development of model software to assist State agencies in preventing and identifying program abuse.

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(8) An increase of \$25,000,000 for WIC Contingency Funds (\$0 enacted in FY 2015).

Contingency funds are needed to provide a greater protection against a funding shortfall should participation or food costs exceed current estimates. The WIC contingency fund was first authorized in 2003. At that time the contingency fund represented approximately two weeks of benefits funding. The additional \$25million in contingency requested in 2016 represents an approximate two days of additional benefits funding. With this increase the total WIC contingency fund would be \$150million.

(9) An increase of \$73,000 for UPC Database (\$927,000 enacted in FY 2015).

These pre-appropriated funds are used to create and maintain a database of UPC identifiers, which is necessary to support WIC EBT. These data are required so that items approved for the food packages can be correctly identified at the register. The change is due to the mandatory sequester amount.

Program Cost and Performance  
Summary

Program Performance Data	2013 Actual	2014 Enacted	2015 Estimated	Increase or Decrease	2016 Estimated
Program Expenditures (\$ in millions)					
Grants to States for Supplemental Food	\$4,529.6	\$4,426.3	\$4,634.9	-\$171.8	\$4,463.1
Nutrition Services and Administrative Costs	1,849.5	1,896.6	1,962.0	34.6	1,996.6
Infrastructure Grants	13.0	7.4	13.6	0.0	13.6
Technical Assistance	0.0	0.4	0.4	0.0	0.4
Breastfeeding Peer Counselors	55.6	60.0	60.0	0.0	60.0
Management Information Systems	32.3	35.6	55.0	0.0	55.0
Program Evaluation and Monitoring	5.1	7.8	15.0	-10.0	5.0
Fed. Admin. Oversight	9.5	5.5	11.0	0.0	11.0
UPC Database	1.2	1.2	1.0	0.0	1.0
WIC Contingency Funds	0.0	125.0	0.0	0.0	0.0
Total Program Expense <sup>1/</sup>	6,495.8	6,565.8	6,752.9	-147.2	6,605.7
Structural Carryover	456.0	579.0	603.0	-7.00	596.0
Total Obligations	6,951.8	7,144.8	7,355.9	-154.20	7,201.7
Average Participation Per Month (in millions)	8.661	8.260	8.400	0.10	8.500
Average Food Cost Per Person Per Month	\$43.45	\$43.42	\$45.99	1.58	\$47.57
Average Admin. Cost Per Person Per Month	18.16	19.13	20.71	-1.15	19.56
Total Benefit Costs	\$61.61	\$62.55	\$66.70	\$0.43	\$67.13

<sup>1/</sup> Based on projected program level. The amounts shown for Grants to States and NSA exclude the structural carryover, which is shown separately in the table. The obligations shown in the project statement on the basis of obligations include structural carryover.

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Geographic Breakdown of Obligations and Staff Years (SY)

(Dollars in thousands)

Special Supplemental Nutrition Program for Women, Infants and Children (WIC)								
	2013 Actual		2014 Actual		2015 Enacted		2016 Estimated	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
California	149	1	262	2	327	3	340	3
Colorado	139	1	195	2	244	2	254	2
Georgia	144	1	209	2	261	2	272	2
Illinois	121	11	306	2	384	3	399	3
Massachusetts	149	1	286	2	359	3	373	3
Michigan	0	0	75	1	94	1	97	1
New Jersey	161	1	227	2	283	2	294	2
Tennessee	0	0	46	0	57	0	59	0
Texas	159	1	162	1	203	2	211	2
Virginia	14,572	13	14,443	18	15,044	22	15,163	22
Undistributed	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>15,594</b>	<b>30</b>	<b>16,211</b>	<b>32</b>	<b>17,256</b>	<b>40</b>	<b>17,463</b>	<b>40</b>

Note: Totals may not add due to rounding.

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

Classification by Objects

(Dollars in Thousands)

		2013 <u>Actual</u>	2014 <u>Actual</u>	2015 <u>Enacted</u>	2016 <u>Estimate</u>
<b>Personnel Compensation:</b>					
	Washington D.C.....	\$1,450	\$1,350	\$1,704	\$1,890
	Field.....	1,703	1,585	2,000	2,218
11.0	Total personnel compensation.....	3,153	2,935	3,950	4,108
12.0	Personnel benefits.....	996	927	1,247	1,297
	Total personnel comp. and benefits.....	4,149	3,862	5,197	5,405
<b>Other Objects:</b>					
21.0	Travel and transportation of persons.....	130	132	134	134
22.0	Transportation of things.....	2	2	2	2
25.0	Other Services.....	7,244	10,360	7,526	9,726
26.0	Supplies and materials.....	585	594	604	604
41.0	Grants.....	6,939,708	7,007,457	7,342,533	7,185,896
	Total, Other Objects.....	6,947,669	7,018,545	7,350,799	7,196,362
99.9	Total, new obligations.....	6,951,818	7,144,824	7,355,996	7,201,767
<b>Position Data:</b>					
	Average Salary (dollars), ES Position.....	N/A	N/A	N/A	N/A
	Average Salary (dollars), GS Position.....	\$105,100	\$91,719	\$92,636	\$93,840
	Average Grade, GS Position.....	13.2	12.6	12.6	12.6

FOOD AND NUTRITION SERVICE

**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, breastfeeding promotion and support, 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, 2013, to June 30, 2014, this represented \$43,568 for a family of four. WIC also promotes breastfeeding as the feeding method of choice for infants, provides substance abuse education, and 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**  
Proportion of WIC Participants (Percent)

WIC Participants	April	April	April	April	April	April	April
	2000	2002	2004	2006	2008	2010	2012
Infants	26.3	25.7	25.7	25.9	25.5	23.6	23.0
Children	49.6	50.1	49.8	48.9	49.5	52.9	53.4
Women	24.1	24.1	24.5	25.1	25.0	23.5	23.6
Under 18 Years Old	8	6.8	6.3	6.2	6.1	5.2	4.4
Breastfeeding	5.3	5.7	6	6.7	6.9	6.6	6.8
Race*							
Black	21.9	20.2	20.0	19.6	19.6	19.3	19.8
White	37.4	35.9	34.8	55.3	60.3	60.9	58.2
Race Not Reported	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	3.2	1.5	1.4	0.7
All Other	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	21.9	18.6	18.4	21.3
Ethnicity*							
Hispanic	35.3	38.1	39.2	41.2	42.1	42.0	41.5
Non-Hispanic	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	55.9	57.1	57.0	57.8
Ethnicity Not Reported	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	2.9	0.8	1.0	0.7
On SNAP (Food Stamps)	19.6	17.5	19.8	21.8	22.6	29.4	35.8
On Medicaid	49.5	54.3	61.1	63.2	62.0	65.6	70.8

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On TANF	12.1	9.6	9.4	9.3	6.5	7.9	8.6
Poverty Status:							
0-50 Percent	26.5	26.5	28.6	29.3	29.6	31.7	33.4
51-100 Percent	29.1	27.4	28.6	30.5	31.2	32.1	33.2
101-130 Percent	13.7	13.4	13.1	13.4	13.4	12.6	11.4
131-150 Percent	7.1	6.7	6.2	6.4	6.1	5.6	5.3
151-185 Percent	8.4	8.2	7.7	7.6	7.4	6.8	6.2
Mean Income (whole \$)	\$13,819	\$14,550	\$14,758	\$15,577	\$16,535	\$16,449	\$16,842
Mean Household Size (persons)	4.0	4.0	4.0	4.0	4.1	4.1	4.1
One Person Households Percent	1.8	1.5	1.3	1.3	1.2	1.2	1.2
Enrollment in 1 <sup>st</sup> Trimester Percent	47.7	48.4	50.7	51.2	50.6	51.6	56.9
Enrollment in 2 <sup>nd</sup> Trimester Percent	39.0	39.8	38.4	37.9	37.4	35.4	34.7

Source: WIC Participant and Program Characteristics reports 2000-2012

\* 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. <http://www.fns.usda.gov/ora/menu/Published/WIC/WIC.htm>

**Program Participation and Costs**

Average Monthly Participation (In Thousands)	2008	2009	2010	2011	2012	2013	2014
Women	2,153.20	2,182.40	2,137.90	2,096.90	2,093.70	2,046.70	1,972.80
Infants	2,222.50	2,224.20	2,173.10	2,102.80	2,067.80	2,035.50	1,965.70
Children <5	4,328.80	4,715.10	4,864.00	4,760.90	4,746.30	4,580.60	4,322.00
<b>Total</b>	8,704.50	9,121.70	9,175.00	8,960.60	8,907.80	8,662.80	8,260.60
Change from Prior Year	5.10%	4.80%	0.60%	-2.30%	-0.60%	-2.80%	-4.50%
Food Cost Total (Million \$)	\$4,534	\$4,641	\$4,563	\$5,018	\$4,808	\$4,973	\$4,304
Avg./Person/Month	\$43.41	\$42.40	\$41.44	\$46.67	\$44.98	\$43.26	\$43.42
Change in Per Person Food Cost	11.20%	-2.30%	-2.30%	12.60%	-3.60%	-3.80%	0.40%
Per Person Per Month Total (Food/Admin.) Cost	\$58.81	\$58.73	\$58.77	\$64.91	\$62.55	\$61.61	\$62.55

Source: Program Information Report, September 30, 2014. Actual totals may be received in future reporting periods.

National Data Bank, KD21 US FY 2013.

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### **WIC Food Package**

On March 4, 2014, the Department published a final rule revising the WIC food packages. The final rule completes the first comprehensive revisions to the WIC food packages since 1980. It considers public comments submitted in response to the interim rule revising the WIC food packages published on December 6, 2007. The modifications in the final rule also reflect the experiences of State agencies in implementing the interim rule, while continuing to fulfill the intent of the recommendations of the Institute of Medicine (IOM) of the National Academies that serve as the basis for the WIC food package changes. The final rule includes several significant improvements to the food package that will increase WIC participants' access to fruits and vegetables, whole grains and low-fat dairy.

### **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 one-sixth of the amounts States spend for nutrition service and administration must go for nutrition education and breastfeeding promotion. Nutrition education is provided through individual or group counseling sessions. In addition, participants receive materials designed to achieve a positive change in dietary and physical activity habits and improve health status. Participants also are counseled on the importance of WIC foods in preventing and overcoming specific nutrition risk conditions identified during their nutrition risk assessment. For pregnant and postpartum mothers, special emphasis is given to appropriate infant feeding practices, prenatal nutrition, and breastfeeding support and promotion. Program regulations require States to offer at least two nutrition education contacts for each participant during each six-month certification period, or quarterly for participants certified for a period in excess of six months. Program regulations also require clinics to promote breastfeeding to all pregnant women, unless medically contraindicated.

FNS, in collaboration with the Center for Nutrition Policy and Promotion updated the content of the outreach publication, *How WIC Helps*, and the participant nutrition education poster, *Healthy Tips for Expectant Moms* to reflect the 2010 *Dietary Guidelines for Americans* and MyPlate icon. FNS also continues work on revising the participant nutrition education publication, *Next Steps to Health for You and Your Family* (formerly titled, *After You Deliver*) to reflect recommendations from focus group participants and current dietary guidance. This publication fulfills the congressional mandate to provide WIC women participants graduating from the Program with an exit counseling brochure. This publication is expected to be printed by mid 2015.

WIC legislation mandates that WIC participants receive information about the dangers of alcohol, drug and other harmful substance abuse, and require, when appropriate, referrals to alcohol and drug abuse counseling. In FY 2014, FNS updated the resource "*Substance Use Prevention: Screening, Education, and Referral Resource Guide for Local WIC Agencies.*" This resource is designed to help WIC agency staff integrate information about identification and referral for treatment of alcohol, drug and other harmful substance use into their clinic activities. The revision updated the available resources and links to access a variety of appropriate educational materials for WIC participants and training materials for WIC staff. The revised guide is interactive, providing internal and external hyperlinks, navigation buttons and, where applicable, customizable forms intended to facilitate education and referral activities for a user-friendly experience. Users can save the new resource guide to a computer/desktop for easy use and reference. An e-reader/mobile version is also available. The resource is available at: <http://wicworks.nal.usda.gov>.

FNS continues to work in cooperation with the National Agriculture Library, Food and Nutrition Information Center to expand the number of nutrition services tools available to WIC State and local agency staff through the online WIC Works Resource System, <http://www.nal.usda.gov/wicworks>. Features of the WIC Works Resource System include: 1) WIC-Talk, an email discussion forum; 2) WIC Sharing Center, a portal to share State-developed materials; 3) WIC Infant Formula Database, a searchable directory on the infant formula approved for use in the program; 4) Assessment tools to help staff facilitate the certification process; and 5) WIC Learning Online (WLOL), a series of online courses for WIC State and local staff development and continuing education. WLOL had over 32,276 active users in FY 2014. The WIC Works Spring mailing was distributed to State, local and regional WIC offices, highlighting USDA's Summer Food Service Program and where WIC participants can find sites that provide summer meals in their communities.

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### **Breastfeeding Promotion Efforts**

The WIC Program promotes breastfeeding as the best form of nutrition for infants. WIC program staff offer support and encouragement to new mothers and the benefits of breastfeeding are explained to participants in the nutrition education information provided during pregnancy. In addition, 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. Based on 2012 WIC Participant and Program Characteristics data, for the first time, the proportion of WIC breastfeeding women was higher than the proportion of 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 2014, FNS continued its “Using *Loving Support* to Implement Best Practices in Peer Counseling”, a project designed to assist 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. State agencies are implementing plans that institutionalize peer counseling as a core service in WIC. In FY 2014, FNS awarded approximately \$60 million in grants for breastfeeding peer counseling. Almost all WIC State agencies are operating peer counseling programs with these funds, with over 3,000 peer counselors providing services to WIC mothers. FNS also conducted a webcast for WIC State agencies that provided tips for training WIC breastfeeding peer counselors.

FNS hosted a webinar on breastfeeding tips for WIC Agencies. Seven WIC State agencies that have received Breastfeeding Bonus Awards shared their tips on enhancing program activities to work toward increasing breastfeeding rates. The webinar was recorded and posted to the WIC Works Resource System for future reference.

A grant opportunity was posted to Grants.gov for formative research and educational material development for updates to USDA’s national breastfeeding campaign, *Loving Support Makes Breastfeeding Work (Loving Support)*. SFPD will fund a competitive cooperative agreement award of up to \$2 million to a qualified applicant to update the existing campaign. SFPD expects the grant to be awarded by November 2014. The campaign update will be based on a comprehensive social marketing plan with an emphasis on formative research, appropriately framed educational messages, innovative campaign strategies, and updated promotional materials. The overall intent of this project is to effectively build on the successes of the existing *Loving Support* campaign to inform, motivate and persuade the audience in an effective manner that continues to increase breastfeeding rates among WIC participants and increase support for breastfeeding among those who most influence breastfeeding mothers (their family and friends, health care providers, WIC staff, and relevant community partners).

The Healthy, Hunger-Free Kids Act of 2010 (the Act), Public Law 111-296, enacted January 5, 2010, increased emphasis on breastfeeding promotion and support in WIC. The Act established the provision of breastfeeding performance bonus payments. In FY 2014, awards were made to 3 large State agencies with greater than 1,000 infant participants (Navajo Nation, District of Columbia and New Mexico) and 3 small State agencies with less than 1,000 infant participants (Pleasant Point, Maine; San Felipe, New Mexico; and Indian Township, Maine). The performance bonuses, totaling \$505,000, build upon WIC’s longstanding efforts to promote and support breastfeeding, and are intended to recognize and award State agencies that have demonstrated successful breastfeeding promotion and support efforts. These awards provide an opportunity to highlight successful WIC breastfeeding initiatives. Additionally, these awards will encourage successful State agencies to continue their efforts and motivate other State agencies to strengthen their breastfeeding promotion and support services.

FNS continued work to update USDA’s national breastfeeding promotion and support campaign —*Loving Support Makes Breastfeeding Work*. This campaign was initially launched in 1997. Based on a social marketing approach, *Loving Support* is a national effort to promote breastfeeding to WIC participants and their families, by emphasizing that the support of family and friends, the health care system, and the community are all essential for a breastfeeding mother to be successful. In FY 2014, FNS launched a new website for breastfeeding promotion and support resources. In partnership with the National Agriculture Library, Food Nutrition Information Center, created a new mobile-friendly website, <http://lovingsupport.nal.usda.gov/>, that brings together *Loving Support Makes*

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*Breastfeeding Work* campaign materials for easy access. The website targets resources to the campaign audiences of WIC Moms, Family and Friends, WIC Staff, and Community Partners.

All WIC local agencies are required to implement policies and procedures to provide breastfeeding support and assistance throughout the prenatal and postpartum period. In addition, Section 231 of HHFKA requires USDA to implement a program to recognize exemplary breastfeeding support practices at WIC local agencies and clinics. On September 29, 2014, SFPD launched the new recognition program, the Loving Support Award of Excellence. The Loving Support Award of Excellence recognizes and celebrates local agencies that provide exemplary breastfeeding programs and support services. The award will be given at three levels of performance: Gold, Gold Premiere, and Gold Elite. This approach allows FNS to recognize agencies that are demonstrating model practices, as well as those who are at varying stages of implementing exemplary breastfeeding promotion and support practices. The application period is open for 60 days.

FNS continues to collaborate with other Federal agencies and non-profit organizations to promote breastfeeding surrounding the Surgeon General's Call to Action to Support Breastfeeding (Call to Action) and the Healthy People 2020 objectives on breastfeeding. FNS partners with other member organizations to sponsor the Breastfeeding Promotion Consortium (BPC) meeting. 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. Additionally, FNS participates in a Federal Breastfeeding Workgroup convened by the Department of Health and Human Services' Centers for Disease Control and Prevention which focuses on implementation activities as well as interagency coordination of breastfeeding support efforts. The workgroup includes staff from Federal agencies that have a substantive role in breastfeeding promotion and support activities. FNS is also a government liaison to the United States Breastfeeding Committee, a national breastfeeding committee composed of representatives from relevant government departments, non-governmental organizations, and health professional associations who strategically work to support breastfeeding efforts and initiatives across the country.

### **Cost Containment Initiatives**

In an effort to use food grants more efficiently, most WIC State agencies have implemented cost containment strategies aimed at reducing food package costs. These strategies may include, using a competitive bidding process to award rebate contracts for infant formula and other WIC foods, implementing least expensive brand policies, and authorizing lower-cost. State agencies use savings generated by these kinds of strategies 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 24 years. The average monthly food cost has increased by approximately 43.8 percent from FY 1990 to FY 2014, while general food inflation, as measured by the Thrifty Food Plan (TFP), has increased by 90 percent.

The most successful strategy has been competitively bid infant formula rebate contracts between State agencies and infant formula manufacturers. In addition, 15 State agencies, including State agencies that are parties in two multi-State contracts, have rebate contracts for infant foods (cereal, vegetable, fruit, and meat). In FY 2014 States reported an estimated rebate savings of \$1.82 billion. Approximately 92 percent (44) of the geographic State agencies (excluding Mississippi and Vermont) received a 90 to 99 percent discount on the wholesale cost of a 13-ounce can of milk-based liquid concentrate infant formula. The remaining geographic State agencies (four) received discounts ranging from 88 to 89 percent. Seven geographic State agencies implemented contracts for FY 2014 with discounts ranging from 96 to 99 percent, with a median discount of 97 percent. To date, 1 geographic State agency awarded a contract for FY 2015 with a discount of 94 percent. FNS continues to closely monitor infant formula rebates.

### **Program Oversight and Monitoring**

FNS works with our partners in State agencies to ensure that WIC Program resources are being used to efficiently run the program across the country. In FY 2014, FNS established the WIC Program Integrity Branch to develop tools and resources for FNS and State agencies to use in identifying high-risk program vendors, agencies, and/or circumstances. This unit is also responsible for assisting with the development of solutions to emerging program

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integrity issues. As a first step, headquarters and regional staff met in May 2014 to explore ways to improve vendor management integrity, and to consider how to use data analytics to develop tools to assist WIC State agencies with vendor cost containment. In addition, FNS recently collected information from WIC State and local agency staff on any current program integrity concerns that the National Office could be helpful in addressing as well as provided a forum to share best practices for preventing fraud and abuse with a particular focus on identifying ways to use technology and online tools to further strengthen program integrity in WIC.

### **Management Evaluations**

State agency compliance with WIC policy and program rules is verified through the WIC Management Evaluations (ME) process, which includes on-site reviews of State and local agency operations, as well as a thorough review of State and local agency documentation. Some items that are reviewed during the WIC ME process include: management information system (MIS) reports, financial/banking reports, internal records, redeemed food instruments, internal/external contracts, training documents, and participant and vendor files. Additionally, observation of clinic operations and on-site vendor visits are included in the WIC MEs. Information gathered through the ME process provides a basis for FNS to develop strategic goals to improve service delivery and program integrity. Additionally, MEs provide the opportunity for FNS staff to provide target technical assistance to State agencies as they address any deficiencies or areas of noncompliance that were identified during the ME process.

FNS regularly assesses its ME process and makes improvements, when appropriate, in order to ensure compliance with program regulations and to provide effective and efficient program management. The standard WIC ME cycle is to review each of WIC's nine functional areas in all State agencies during a 4-year period. The nine functional areas that are reviewed during WIC MEs are: Vendor Management; Funding and Participation; Information Systems Management; Nutrition Services; Civil Rights; Certification, Eligibility and Coordination; Food Delivery; Organization and Management; and Monitoring and Audits. FNS is currently working to develop resources that would enable all regional offices to use a consistent risk-based approach to identify which State agencies and functional areas should be reviewed in an annual ME cycle.

FNS Regional staff completed 52 MEs during FY 2014. The MEs were conducted across all functional area with the WIC Program but the focus of this work was in the area of vendor management. During FY 2013 and FY 2014, FNS conducted Vendor Management MEs (VM MEs) in every geographic WIC State agency that operates a retail food delivery system, as well as in the District of Columbia, the US Virgin Islands, and Puerto Rico. The goal of this targeted effort was to conduct a national in-depth review of vendor management policy, practices, and procedures. In FY 2014, FNS began looking at the information collected through the VM MEs and in FY 2015, FNS intends complete its evaluation of the VM ME process, to provide a series of webinars that address issues noted in the VM MEs, and to disseminate a report on noteworthy initiatives that were identified through VM MEs.

The ME Tool is the online application used to conduct and complete WIC MEs. As part of the VM ME process, FNS worked on improvements to the Tool. These included simplifying the business process for approving ME reports and incorporating new data analytical capabilities in order to identify national trends.

To provide more consistency and accountability, FNS issued policy guidance in FY 2013 that reiterates previous guidance encouraging WIC State agencies to define "current income" as all income received by the household during the month (30 days) prior to the WIC application date. To further strengthen these program integrity efforts, in FY 2014, Headquarters staff conducted a series of seven LiveMeeting webinars for FNS Regional Office staff and all WIC State agencies. The training covered an array of topics surrounding WIC participant income eligibility determination. Areas that were covered included current versus annual income, self-employment, adjunct and automatic income eligibility and required documentation of income.

In August 2014, a workgroup comprised of FNS Headquarters and Regional office staff undertook a review of the Certification/Eligibility area of the ME tool. The purpose of the review was to make sure that the questions in the ME Tool were fulfilling FNS oversight function of State agency certification and eligibility requirements. During FY 2015 & 2016, FNS Regional office staff will be conducting a Certification/Eligibility ME on all State agencies and ITO's in order to ensure compliance and to maintain program integrity in the participant certification process.

### **WIC Prescreening Tool**

The WIC Prescreening Tool is a web-based application that helps potential WIC applicants determine if they are likely to be eligible for WIC benefits. Users complete a series of short questions to determine eligibility; those who are likely to be WIC eligible are provided with State-specific contact information and are encouraged to make certification appointments with their WIC local agencies. Additionally, users are provided with a printable summary of their responses and a list of examples of the documentation that is required at an initial certification appointment.

The WIC Prescreening Tool is accessible to all Internet users via the “Am I Eligible for WIC Benefits?” link on the WIC homepage. The tool is accessed approximately 1,000 times per day by users across the country. Initially launched in English, Spanish and Mandarin Chinese, in FY 2014, the tool was expanded to include six additional languages (Arabic, Haitian-Creole, Korean, Russian, Somali, and Vietnamese). Looking forward, metrics gathered from the tool will provide data that can be used to help inform the development of WIC initiatives such as the child retention efforts currently underway.

### **State Agency Model (SAM) Project**

The SAM Project is an initiative to develop model WIC management information systems (MIS) through multiple State agency consortia. It also includes the transfer of these models to other WIC State agencies in order to eliminate duplication of systems development and streamlines 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. For many states, this step is a necessary precursor to EBT implementation.

The three SAM systems are:

- Successful Partners in Reaching Innovative Technology (SPIRIT), comprised of 15 ITOs and 6 geographic State agencies (Acoma Canoncito & Laguna Hospital (ACL), Alaska, Chickasaw Nation, Choctaw Nation, Citizen Potawatomi Nation, Eight Northern Pueblos, Five Sandoval Pueblos, Inter-Tribal Council (ITC) of Oklahoma, Maine, Minnesota, Mississippi, Missouri, Montana, Muscogee Creek Nation, Osage Nation, Otoe-Missouria, Santo Domingo Pueblo, San Felipe Pueblo, Wichita Caddo Delaware (WCD) Enterprises, and Zuni Pueblo);
- the Mountain Plains State Consortium (MPSC), comprised of eight State agencies (Colorado, Iowa, Nebraska, Nevada, North Dakota, Utah, Vermont, and Wyoming);
- and Crossroads, comprised of four State agencies (Virginia, West Virginia, North Carolina, and Alabama).

Development of the first model MIS system, SPIRIT, was completed in FY 2007. The Chickasaw Nation implemented the SPIRIT online EBT system in October 2010, however they will be converting to a newer EBT system in 2015. The remaining members of this SAM Users Group continue to enhance the system to meet existing and future needs. Most recently, the SPIRIT Users Group has undertaken two high profile initiatives to bring the system into compliance with the WIC Universal Interface specification in preparation for the pending implementation of WIC EBT systems across all member State agencies.

The MPSC system has been successfully implemented statewide in Colorado, Utah and Wyoming. Iowa, Nebraska, Nevada, North Dakota, and Vermont are active members of the Mountain Plains Users Group and all are engaged in transfer and implementation projects with expected completion date in 2017. Wyoming recently enhanced the Mountain Plains system to support a second offline EBT processor with implementation in first quarter of FY 2015. Colorado, Iowa, and Vermont have sponsored initiatives to create a universal interface in preparation for the pending implementation of two online WIC EBT systems.

The Crossroads State agencies completed development efforts and pilot projects in FY2014. Alabama, Virginia, and West Virginia have implemented the Crossroads system statewide. North Carolina completed rollout of the Crossroads system in December 2014. FNS published a memo on December 4, 2014 allowing all WIC State agencies to assess the Crossroads system in their MIS Alternative Analysis (AA). Permission to transfer and implement the Crossroads system will not occur until March of 2015 and State agencies must have a comprehensive and approved AA of the Crossroads System.

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### **Electronic Benefit Transfer (EBT)**

FNS is promoting EBT in State agencies that can support it, with the goal of nationwide EBT implementation by October 2020, as required by Congress.

EBT systems have the potential to enhance benefit delivery and improve accountability of food benefits and vendor payment systems. FNS continues to work with individual State agencies to plan, develop, and implement WIC EBT systems. As of the end of FY 2014, 81 WIC State agencies, are involved in some phase of EBT -- planning, development, implementation or operational Statewide. In FY 2014, 13 new EBT projects were funded.

As of October 2014, 14 WIC State agencies have successfully implemented EBT projects Statewide. Five State agencies (Cherokee, OK; Isleta, NM; New Mexico; Texas and Wyoming) are using smartcard technology and nine (Chickasaw Nation, OK; Inter-Tribal Council of Nevada, NV; Kentucky; Michigan; Nevada; Florida; Massachusetts; Virginia; and West Virginia) have successfully implemented EBT using magnetic stripe cards, or online technology.

Forty-one WIC State agencies are currently in the planning phase for EBT. They include: ACL (Acoma, Canoncito, and Laguna of NM); Alabama; Alaska; Cheyenne River Nation; Choctaw Nation of Oklahoma; Citizen Potawatomi Nation, OK; District of Columbia; 8 Northern Indian Pueblos, Inc.; 5 Sandoval Indian Pueblos (Lead in NM ITO EBT Project); Eastern Shoshone Nation; Hawaii; Idaho; Inter-Tribal Council Inc., of Oklahoma; Inter-Tribal Council, Inc., of Arizona; Kansas; Louisiana; Minnesota; Mississippi; Muscogee Creek Nation, OK; Nebraska; New Hampshire; New Jersey; New York; North Dakota; Northern Arapaho Nation; Omaha Nation; Osage Nation of OK; Otoe-Missouria Tribe of OK; Pennsylvania; Pueblo of Zuni, NM; Puerto Rico; Rosebud Sioux Tribe; Santee Sioux Tribe; South Carolina; Standing Rock Sioux; Tennessee, Three Affiliated Tribes, Utah, Ute Mountain Ute Tribe; WCD (Wichita, Caddo, and Delaware Tribes) Enterprises, Inc., OK (Lead in OK ITO EBT project); and Winnebago Tribe.

Twenty seven WIC State agencies (Arkansas, American Samoa (Arizona lead), Arizona, California, Colorado, Commonwealth of the Northern Mariana Islands (Arizona Lead), Connecticut, Delaware, Guam (Arizona lead), Illinois, Indiana, Iowa, Maine, Maryland (with Virgin Islands), Massachusetts (in rollout), Missouri, Montana, Navajo Nation (Arizona lead), Ohio (pilot), Oklahoma, Oregon, Rhode Island, South Dakota, Vermont, Washington and Wisconsin) are currently implementing EBT.

### **Nutrition Risk Assessment**

Value Enhanced Nutrition Assessment (VENA): The VENA initiative was implemented in FY 2006 with the purpose of improving the WIC nutrition assessment process and to more closely align nutrition risk determinations with WIC nutrition interventions. FNS continues to provide technical assistance to State agencies with VENA competencies and operation; including the WIC Works Resource System public website, which hosts a VENA village complete with three VENA competency online training modules, the VENA guidance document, and State developed training materials. In FY 2014 FNS hosted three well attended VENA webinars for WIC staff at every level to showcase successful VENA activities and to promote such activities in other WIC Programs across the nation. FNS plans to host three additional VENA webinars in FY 2015 as well as develop a new VENA online training module.

Revised WIC Nutrition Risk Criteria: In FY 2014 three WIC nutrition risk criteria were revised (to be implemented in FY 2015) as part of the on-going cyclical review of risk criteria. The following criteria were revised: Depression, Oral Health Conditions and Inappropriate Nutrition Practices for Infants. In addition, FNS developed guidance for WIC State agencies to use for screening and referring women with and/or at risk for depression.

### **WIC Child Retention**

Collaboration Efforts: In FY 2014, FNS participated in collaboration efforts with the Department of Health and Human Services specifically the Maternal and Child Health Bureau and the Office of Head Start, to enhance outreach efforts to families with young children with the goal of increasing WIC participation among children one

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to four years of age. The collaboration efforts will continue in FY 2015 and will encompass other programs that serve young children, e.g. child care facilities that participate in the Child and Adult Care Food Program.

### **WIC Studies and Evaluations**

FNS published three major reports related to WIC during FY 2014, which are available at <http://www.fns.usda.gov/ops/wic-studies> . These include:

- **WIC Eligibles and Coverage: National and State Estimates for 2011** which updates estimates on the number of people eligible for WIC benefits in 2011, including estimates by participant category (including children by single year of age) and coverage rates, and updated estimates in U.S. territories.
- **WIC Participant and Program Characteristics for 2012 (PC 2012)** which summarizes the demographic characteristics of WIC participants nationwide in April 2012. This report includes information on participant income and nutrition risk characteristics, and estimates breastfeeding initiation rates for WIC infants.
- **WIC Vendor Management Study for 2013** which estimates the level of vendor errors in WIC by examining compliance buys using paper- or Electronic Benefit Transfer (EBT)-based food instruments, as well as cash value vouchers to purchase fruits and vegetables.

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**SPECIAL SUPPLEMENTAL NUTRITION PROGRAM (WIC)  
PARTICIPATION AND PROGRAM FINANCING  
FISCAL YEAR 2014**

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION				PROGRAM GRANT 2/ (000)
	WOMEN	INFANTS	CHILDREN	TOTAL	
Alabama-----	31,303	33,978	65,766	131,046	\$115,164
Alaska-----	4,796	5,268	10,038	20,102	24,304
Arizona 1/-----	41,563	44,643	86,635	172,841	143,623
Arkansas-----	21,282	23,068	38,857	83,207	70,391
California-----	302,043	269,740	777,637	1,349,419	1,206,332
Colorado 1/-----	22,697	21,801	47,493	91,991	75,524
Connecticut-----	11,272	13,163	28,131	52,566	47,580
Delaware-----	4,393	5,190	10,211	19,794	16,642
District of Columbia-----	3,726	4,328	6,447	14,500	15,414
Florida-----	115,359	115,867	238,016	469,242	375,248
Georgia-----	67,975	64,366	138,986	271,327	249,281
Hawaii-----	8,075	8,064	17,784	33,923	36,264
Idaho-----	10,316	10,181	20,926	41,423	31,831
Illinois-----	63,053	70,866	132,004	265,923	235,030
Indiana-----	37,675	39,493	77,900	155,068	109,112
Iowa-----	15,341	16,269	32,157	63,767	45,031
Kansas-----	15,211	16,267	34,221	65,699	51,756
Kentucky-----	29,277	31,271	61,134	121,682	104,256
Louisiana-----	33,269	37,213	59,916	130,399	121,710
Maine 1/-----	4,967	5,456	12,518	22,941	18,731
Maryland-----	33,446	33,737	73,268	140,451	112,491
Massachusetts-----	26,051	26,376	62,693	115,120	86,497
Michigan-----	57,083	62,445	132,188	251,716	192,465
Minnesota-----	28,357	27,624	65,664	121,645	100,107
Mississippi 1/-----	20,895	25,979	40,953	87,828	86,421
Missouri-----	35,717	37,276	65,664	138,657	98,599
Montana-----	4,535	4,738	9,954	19,227	16,409
Nebraska 1/-----	8,947	9,513	20,751	39,211	33,756
Nevada 1/-----	17,087	17,744	39,430	74,261	53,446
New Hampshire-----	3,430	3,756	7,550	14,736	10,951
New Jersey-----	37,123	36,679	89,245	163,047	150,872
New Mexico 1/-----	14,170	13,897	30,296	58,363	46,884
New York 1/-----	115,153	109,866	260,378	485,398	488,997
North Carolina 1/-----	60,701	61,960	133,285	255,946	201,405
North Dakota 1/-----	2,969	3,237	6,608	12,814	13,808
Ohio-----	58,802	65,768	125,705	250,275	174,692
Oklahoma 1/-----	27,959	28,710	57,844	114,512	96,832
Oregon-----	24,616	22,347	56,264	103,227	78,471
Pennsylvania-----	55,558	61,618	131,589	248,764	217,002
Rhode Island-----	4,845	5,392	11,892	22,129	19,827
South Carolina-----	30,516	32,032	50,631	113,179	92,619
South Dakota 1/-----	4,355	4,775	10,430	19,560	20,599
Tennessee-----	41,129	42,212	70,401	153,742	123,079
Texas-----	242,988	222,232	451,241	916,461	564,179
Utah-----	15,309	14,247	31,704	61,259	46,856
Vermont-----	3,067	2,689	8,471	14,227	13,459
Virginia-----	35,681	36,855	71,976	144,512	100,011
Washington-----	42,265	37,272	103,866	183,403	151,429
West Virginia-----	10,300	11,032	22,430	43,763	37,858
Wisconsin-----	24,603	25,820	58,429	108,852	92,356
Wyoming 1/-----	2,865	2,749	6,016	11,629	10,133
American Samoa-----	1,185	1,052	4,205	6,442	7,691
Guam-----	1,647	1,897	3,917	7,461	9,703
North Mariana Island-----	712	662	2,420	3,795	5,544
Puerto Rico-----	34,057	34,088	105,365	173,510	243,408
Virgin Islands-----	1,072	1,002	2,563	4,637	7,525
Anticipated adjustment ---					2,211
<b>TOTAL -----</b>	<b>1,972,787</b>	<b>1,965,765</b>	<b>4,322,063</b>	<b>8,260,615</b>	<b>\$6,901,816</b>

1/ Includes Indian Tribal Organizations

2/ Excludes obligations for WIC infrastructure grants, technical assistance, Breastfeeding Peer Counselors, EBT/MIS, and Federal Administrative Oversight. Totals may not add due to rounding.

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

## FOOD AND NUTRITION SERVICE

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

### Supplemental Nutrition Assistance Program:

- For necessary expenses to carry out the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), [~~\$81,837,570,000~~] \$83,692,069,000 of which [~~\$3,000,000,000~~] \$5,000,000,000 to remain available through September 30, [~~2016~~] 2017, 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 of the funds made available under this heading, \$998,000 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, \$5,000,000 may be used to fund a national food consumption survey: *Provided further*: That, of the funds made available under this heading, \$25,000,000 may be used to provide grants to States transitioning from waivers described in Section 6(o)(4) of the Food and Nutrition Act of 2008 to be used for employment and training components for eligible individuals who do not meet the exceptions as defined in Section 6(o)(3) of the Food and Nutrition Act of 2008 and who do not meet the work requirements in Section 6(o)(2) 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 through September 30, [~~2016~~: *Provided further*, That funds made available under this heading for a study on Indian tribal administration of nutrition programs, as provided in title IV of the Agricultural Act of 2014 (Public Law 113-79), and a study of the removal of cash benefits in Puerto Rico, as provided in title IV of the Agricultural Act of 2014 (Public Law 113-79) shall be available until expended] 2017: *Provided further*, That funds made available under this heading for section 28(d)(1) and section 27(a) of the Food and Nutrition Act of 2008 shall remain available through September 30, [~~2016~~ *Provided further*, That funds made available under this heading for employment and training pilot projects, as provided in title IV of the Agricultural Act of 2014 (Public Law 113-79), shall remain available through September 30, 2018] 2017: *Provided further*, That funds made available under this heading may be used to enter into contracts and employ staff to conduct studies, evaluations, or to conduct activities related to program integrity provided that such activities are authorized by the Food and Nutrition Act of 2008. For necessary expenses to carry out the Food and Nutrition Act of 2008 (7 U.S.C 2011 et seq.) for the first quarter of fiscal year 2017, \$20,907,000,000, to remain available through September 30, 2017. For making, after June 30 of the current fiscal year, benefit payments to individuals, and payments to States or other non-Federal entities, pursuant to the Food and Nutrition Act of 2008 (7. U.S.C. 2011 et seq.), for unanticipated costs incurred for the last three months of the current fiscal year, such sums as may be necessary.

The first change provide support for the National Health and Nutrition Examination Survey (NHANES), conducted by the Department of Health and Human Services, which provides important information on dietary intakes, nutrient consumption, food insecurity and obesity rates of SNAP participants.

The second change provides funding for grants to States for employment and training opportunities targeted at able-bodied adults without dependents (ABAWD) as a number of States transition from waivers of time-limits for participation.

The third change proposes deletion of the language included in the 2015 Budget. Since this was a non-recurring provision applicable to fiscal year 2015 only, retention of the language in BY is unnecessary.

The fourth change proposes deletion of the language included in the 2015 Budget. Since this was a non-recurring provision applicable to fiscal year 2015 only, retention of the language in BY is unnecessary.

The fifth change provides an advance appropriation for fiscal year 2017 and enhanced flexibility in the fourth quarter to conform the treatment of SNAP with other direct spending programs subject to appropriations that serve low-income individuals, such as Medicaid, SSI, Child Support and Foster Care.

FOOD AND NUTRITION SERVICE

Lead-Off Tabular Statement

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) – Current Law

Budget Estimate, 2016.....	\$ 83,692,069,000
2015 Enacted .....	<u>81,837,570,000</u>
Change in Appropriation.....	<u>1,854,499,000</u>

Summary of Increases and Decreases – Current Law  
(Dollars in thousands)

Item of Change	2013 Actual	2014 Change	2015 Change	2016 Change	2016 Estimate
Benefit Costs	\$67,313,095	\$4,532,360	-\$809,669	-\$140,060	\$70,895,726
ARRA -- Benefits	6,690,929	-1,061,929	-5,629,000	0	0
Contingency Reserve	3,000,000	0	0	2,000,000	5,000,000
Administrative Costs:					
State Administrative Costs	3,866,512	132,512	123,970	115,444	4,238,438
Nutrition Ed. & Obesity Prevention Program	285,000	116,000	6,000	4,000	411,000
Employment and Training	415,946	21,459	9,822	9,442	456,669
Mandatory Other Program Costs	140,123	21,057	13,812	11,825	186,817
Discretionary Other Program Costs	998	0	0	30,000	30,998
Total Administrative Costs	4,708,579	291,028	153,604	170,711	5,323,922
Nutrition Assistance for Puerto Rico	1,872,910	20,970	57,517	20,018	1,971,415
ARRA -- NAP	127,658	39,056	-166,714	0	0
American Samoa	7,522	84	231	80	7,917
ARRA -- American Samoa Benefits	512	158	-670	0	0
FDPIR	100,156	19,344	25,691	0	145,191
TEFAP Commodities	265,750	3,000	58,250	-7,250	319,750
Commonwealth of the Northern Mariana Islands	12,148	0	0	0	12,148
Community Food Project	5,000	0	4,000	0	9,000
E&T Work Pilots	0	10,000	180,000	-190,000	0
Other Pilots and Demonstrations	0	3,000	-2,000	-1,000	0
Program Access	5,000	0	0	0	5,000
Nutrition Education Center of Excellence	0	0	0	2,000	2,000
Total Adjusted Appropriation	84,109,259	3,857,071	-6,128,760	1,854,499	83,692,069
ARRA Funding	-6,819,099	1,022,715	5,796,384	0	0
Sequestration	-4,720	-2,916	-751	8,387	0
Rescission	-27	27	0	0	0
Total Appropriation or Change	77,285,413	4,876,897	-333,127	1,862,886	83,692,069

FOOD AND NUTRITION SERVICE

**PROJECT STATEMENT**  
(On basis of appropriation)  
(Dollars in thousands)

Project	2013 Actual	SY	2014 Actual	SY	2015 Estimate	SY	Inc. or Dec.		2016 Estimate	SY
Participant Benefits:										
SNAP Benefits	\$67,313,095		\$71,845,455		\$71,035,786		-\$140,060	(1)	\$70,895,726	
ARRA Benefits	6,690,929		5,629,000		0		0		0	
Subtotal, Participant Benefits	74,004,024		77,474,455		71,035,786		-140,060		70,895,726	
Contingency Reserve	3,000,000		3,000,000		3,000,000		2,000,000	(2)	5,000,000	
State Administrative Costs	3,866,512		3,999,024		4,122,994		115,444	(3)	4,238,438	
Nutrition Ed. & Obesity Prevention Grant Program	285,000		401,000		407,000		4,000	(4)	411,000	
Employment and Training:										
Federal Funds 100%	99,000		110,000		110,000		0		110,000	
Federal Funds and Participant Costs 50%	316,946		327,405		337,227		9,442	(5)	346,669	
Subtotal, Employment and Training	415,946		437,405		447,227		9,442		456,669	
Subtotal, State Administrative Funding	4,567,458		4,837,429		4,977,221		128,886		5,106,107	
Mandatory Other Program Costs:										
Benefit & Retailer Redemption and Monitoring	32,738		39,061		48,539		1,270	(6a)	49,809	
Certification of SSI Recipients for SNAP	21,208		21,749		19,042		305	(6b)	19,347	
Payment Accuracy and Cooperative Services	10,996		17,505		20,562		4,582	(6c)	25,144	
Web-Based Automation of Systems	7,500		7,500		7,500		3	(6d)	7,503	
Retailer Integrity and Trafficking	12,364		16,599		16,823		465	(6e)	17,288	
Computer Support	9,594		9,776		9,908		159	(6f)	10,067	
Electronic Benefit Transfer Systems	12,422		15,159		15,364		308	(6g)	15,672	
Nutrition Education and Program Information	14,117		14,386		17,580		4,385	(6h)	21,965	
Program Evaluation and Modernization	13,684		13,945		14,174		348	(6i)	14,522	
FMMI	3,500		3,500		3,500		0	(6j)	3,500	
IT Modernization and Support	2,000		2,000		2,000		0	(6k)	2,000	
Subtotal, Mandatory Other Program Costs	140,123		161,180		174,992		11,825	(6)	186,817	
Discretionary Other Program Costs:										
Enhanced E&T to Serve ABAWD Population	0		0		0		25,000	(19)	25,000	
FDPIR Nutrition Education	998		998		998		0	(17)	998	
National Health and Nutrition Examination Survey	0		0		0		5,000	(18)	5,000	
Subtotal, Discretionary Other Program Costs	998		998		998		30,000		30,998	
Subtotal, Other Program Costs	141,121	173	162,178	238	175,990	333	41,825		217,815	373
Subtotal, Supplemental Nutrition Assistance Program	81,712,603	173	85,474,062	238	79,188,997	333	2,030,651		81,219,648	373
Nutrition Assistance for Puerto Rico	1,872,910		1,893,880		1,951,397		20,018	(7)	1,971,415	
ARRA -- Benefits NAP	127,658		166,714		0		0		0	
Subtotal, NAP	2,000,568		2,060,594		1,951,397		20,018		1,971,415	
American Samoa	7,522		7,606		7,837		80	(8)	7,917	
ARRA -- American Samoa Benefits	512		670		0		0		0	
Subtotal, American Samoa	8,034		8,276		7,837		80		7,917	
FDPIR:										
USDA Foods in lieu of SNAP	61,327		79,311		104,399		-735	(9)	103,664	
Distributing Agencies Expenses and Nut. Ed.	38,829		40,189		40,792		735	(9)	41,527	
Subtotal, FDPIR	100,156		119,500		145,191		0		145,191	
TEFAP Commodities	265,750		268,750		327,000		-7,250	(10)	319,750	
Commonwealth of the Northern Mariana Islands	12,148		12,148		12,148		0	(11)	12,148	
Community Food Project	5,000		5,000		9,000		0	(12)	9,000	
E&T Work Pilots	0		10,000		190,000		-190,000	(13)	0	
Other Pilots and Demonstration Projects	0		3,000		1,000		-1,000	(14)	0	
Program Access	5,000		5,000		5,000		0	(15)	5,000	
Nutrition Education Center of Excellence	0		0		0		2,000	(16)	2,000	
Total Adjusted Appropriation	84,109,259	173	87,966,330	238	81,837,570	333	1,854,499		83,692,069	373
ARRA Funding	-6,819,099		-5,796,384		0		0		0	
Sequestration	-4,720		-7,636		-8,387		8,387		0	
Rescission	-27		0		0		0		0	
Total Appropriation	77,285,413	173	82,162,310	238	81,829,183	333	1,862,886		83,692,069	373
Proposed Legislation (Improved Access Low Income Elderly)	0		0		0		0		9,403	

1/ Up to 10 percent of the funding provided for The Emergency Food Assistance Program (TEFAP) for the procurement of commodities may be used for TEFAP administrative costs.

FOOD AND NUTRITION SERVICE

**PROJECT STATEMENT**  
(On basis of obligation)  
(Dollars in thousands)

Project	2013 Actual	SY	2014 Actual	SY	2015 Estimate	SY	Inc. or Dec.	2016 Estimate	SY
<b>Participant Benefits:</b>									
SNAP Benefits	\$66,750,481		\$64,280,339		\$70,965,785		-\$70,059	\$70,895,726	
ARRA Benefits	5,932,569		5,629,000		0		0	0	
State Options Reimbursable	61,405		64,639		80,000		0	80,000	
<b>Subtotal, Participant Benefits</b>	<b>72,744,455</b>		<b>69,973,978</b>		<b>71,045,785</b>		<b>-70,059</b>	<b>70,975,726</b>	
Contingency Reserve	3,234,519		351,902		0		0	0	
<b>State Administrative Costs</b>	<b>3,322,084</b>		<b>3,351,560</b>		<b>4,122,994</b>		<b>115,444</b>	<b>4,238,438</b>	
Nutrition Ed. & Obesity Prevention Grant Prog.	285,000		400,957		407,000		4,000	411,000	
<b>Employment and Training:</b>									
Federal Funds 100%	113,180		111,960		110,000		0	110,000	
Federal Funds and Participant Costs 50%	254,715		263,840		337,227		9,442	346,669	
<b>Subtotal, Employment and Training</b>	<b>367,895</b>		<b>375,800</b>		<b>447,227</b>		<b>9,442</b>	<b>456,669</b>	
<b>Subtotal, State Administrative Funding</b>	<b>3,974,979</b>		<b>4,128,317</b>		<b>4,977,221</b>		<b>128,886</b>	<b>5,106,107</b>	
<b>Mandatory Other Program Costs:</b>									
Benefit & Retailer Redemption and Monitoring	29,570		33,600		46,233		3,576	49,809	
Certification of SSI Recipients for SNAP	12,727		13,507		17,882		1,465	19,347	
Payment Accuracy and Cooperative Services	10,467		17,286		19,623		5,521	25,144	
Web-Based Automation of Systems	7,256		7,100		7,102		401	7,503	
Retailer Integrity and Trafficking	12,026		15,901		16,186		1,102	17,288	
Computer Support	9,272		9,345		9,496		571	10,067	
Electronic Benefit Transfer Systems	11,966		12,300		14,651		1,021	15,672	
Nutrition Education and Program Information	13,250		13,544		16,902		5,063	21,965	
Program Evaluation and Modernization	12,190		14,005		13,540		982	14,522	
FMMI	3,347		3,248		3,248		252	3,500	
IT Modernization and Support	1,913		1,846		1,856		144	2,000	
<b>Subtotal, Mandatory Other Program Costs</b>	<b>123,984</b>		<b>141,682</b>		<b>166,719</b>		<b>20,098</b>	<b>186,817</b>	
<b>Discretionary Other Program Costs:</b>									
Enhanced E&T to serve ABAWD population	0		0		0		25,000	25,000	
FDPIR Nutrition Education	916		998		998		0	998	
National Health and Nutrition Examination Survey	0		0		0		5,000	5,000	
<b>Subtotal, Discretionary Other Program Costs</b>	<b>916</b>		<b>998</b>		<b>998</b>		<b>30,000</b>	<b>30,998</b>	
<b>Subtotal, Other Program Costs</b>	<b>124,900</b>	173	<b>142,680</b>	238	<b>167,717</b>	333	<b>50,098</b>	<b>217,815</b>	373
<b>Subtotal, Supplemental Nutrition Assistance Program</b>	<b>80,078,853</b>	173	<b>74,596,877</b>	238	<b>76,190,723</b>	333	<b>108,925</b>	<b>76,299,648</b>	373
Nutrition Assistance for Puerto Rico	1,872,910		1,736,056		1,951,397		20,018	1,971,415	
ARRA -- Benefits NAP	127,658		166,714		0		0	0	
<b>Subtotal, NAP</b>	<b>2,000,568</b>		<b>1,902,770</b>		<b>1,951,397</b>		<b>20,018</b>	<b>1,971,415</b>	
American Samoa	7,522		6,972		7,837		80	7,917	
ARRA -- American Samoa Benefits	512		670		0		0	0	
<b>Subtotal, American Samoa</b>	<b>8,034</b>		<b>7,642</b>		<b>7,837</b>		<b>80</b>	<b>7,917</b>	
<b>FDPIR:</b>									
USDA Foods in lieu of SNAP	61,327		79,098		104,399		-735	103,664	
Distributing Agencies Expenses and Nut. Ed.	38,829		40,048		40,792		735	41,527	
<b>Subtotal, FDPIR</b>	<b>100,156</b>		<b>119,146</b>		<b>145,191</b>		<b>0</b>	<b>145,191</b>	
TEFAP Commodities	265,567		268,016		327,000		-7,250	319,750	
Commonwealth of the Northern Mariana Islands	12,148		12,148		12,148		0	12,148	
Health and Nutrition Pilot Projects	0		0		0		0	0	
Community Food Project	5,000		5,000		9,000		0	9,000	
E&T Work Pilots	0		0		200,000		-200,000	0	
Other Pilots and Demonstration Projects	0		1,937		1,000		-1,000	0	
Program Access	5,000		5,000		5,000		0	5,000	
Nutrition Education Center of Excellence	0		0		0		2,000	2,000	
<b>Total Obligations</b>	<b>82,475,326</b>		<b>76,918,536</b>		<b>78,849,296</b>		<b>-77,227</b>	<b>78,772,069</b>	
Recoveries	9,507		17,148		0		0	0	
Unobligated Balance Start of Year	-2,814,494		-1,548,499		-3,060,172		60,172	-3,000,000	
Unobligated Balance End of Year	2,556,752		3,060,172		3,000,000		2,000,000	5,000,000	
Balance Lapsing	1,185,213		9,568,701		3,111,672		-111,672	3,000,000	
Collections from Reimbursable Obligations	-61,405		-65,000		-80,000		0	-80,000	
<b>Total Adjusted Appropriation</b>	<b>83,350,899</b>	173	<b>87,951,058</b>	238	<b>81,820,796</b>	333	<b>1,871,273</b>	<b>83,692,069</b>	373
ARRA Funds	-6,060,739		-5,796,384		0		0	0	
Sequestration	-4,720		7,636		8,387		-8,387	0	
Rescission	-27		0		0		0	0	
<b>Total Appropriation</b>	<b>77,285,413</b>	173	<b>82,162,310</b>	238	<b>81,829,183</b>	333	<b>1,862,886</b>	<b>83,692,069</b>	373
Proposed Legislation (Improved Access Low Income Elderly)	0		0		0		0	9,403	

## FOOD AND NUTRITION SERVICE

### Justification of Increases and Decreases

The FY 2016 request for SNAP reflects a decrease of \$140,060,000 (\$71,035,786,000 enacted in FY 2015).

(1) A decrease of \$140,060,000 for Benefit Costs (\$71,035,786,000 enacted in FY 2015).

This decrease reflects the net effect of estimated changes in participation and food costs. SNAP participation is expected to decrease by 1.3 percent to 45.7 million participants while average food costs per person/per month are expected to increase by about 1 percent to \$129.23.

SNAP helps millions of Americans, most of whom are children, elderly, or individuals with disabilities, put food on the table. In addition:

SNAP lifts millions of people out of poverty. The Census Bureau has reported that 45.7 million people—14.6 percent of all those in the United States—lived in poverty in 2013. SNAP benefits have a powerful anti-poverty effect that is not reflected in the Nation’s official poverty statistics. The Census Bureau indicates that SNAP would lift over 5 million Americans—including nearly 2.2 million children—out of poverty if its benefits were included in the official measures of income and poverty. Another study found that the antipoverty effectiveness of SNAP accelerated over the decade, with about 2 million people lifted out of poverty each year through 2003, but that figure more than doubled to 4.5 million in 2009 because of the deep recession and the benefit increase in the American Recovery and Reinvestment Act of 2009 (Recovery Act).

SNAP delivers benefits with a high degree of integrity. The program effectively delivers benefits only to households that need them: more than 99 percent of all participating households are eligible for SNAP benefits. In fiscal year 2013, the program achieved the highest level of overall payment accuracy in its history: the national overpayment error rate—the percentage of SNAP benefit dollars issued in excess of the amounts for which households are eligible—fell to 2.61 percent; the underpayment error rate was less than 1.00 percent. The SNAP payment accuracy rate is among the best in the Federal government.

Estimated Erroneous Benefits through FY 2016 (Dollars in Millions)

	2013 Actual	2014 Target	2015 Target	2016 Target
Amount of Overpayments	\$1,899	\$1,826	\$1,854	\$1,852
Overpayment Error Rate	2.61	2.61	2.61	2.61
Amount of Underpayments	\$436	\$420	\$426	\$426
Underpayment Error Rate	0.60	0.60	0.60	0.60
Total Benefits Over/Under Issued in Error	\$2,335	\$2,246	\$2,281	\$2,278
Combined Payment Error Rate	3.21	3.21	3.21	3.21
Amount of Combined Payment Errors Offset	\$1,462	\$1,406	\$1,428	\$1,427

SNAP is a cornerstone of the nation’s social safety net. FNS expects program benefit costs to decline in FY 2016. This overall decline in cost reflects a projected decline in participation, as the economy continues to recover and more participants are subject to time limits; food prices are expected to increase slightly. A comparison of key program performance and cost indicators for FYs 2013 through 2016 is presented below:

Program Performance Cost Indicators

	2013 Actual	2014 Actual	2015 Estimate	2016 Estimate
Average participation per month (000)	47,636	46,535	46,314	45,716
Average unemployment rate (percent)	7.5	6.5	5.5	5.1
Thrifty Food Plan (TFP)	\$611.70	\$649.50	\$658.10	\$670.50
Maximum Allotment (4 person hh) based on the TFP	\$611.00	\$649.00	\$658.00	\$670.00
Maximum Allotment (4 person hh) - beginning April 1, 2009	\$668.00	*	*	*
Overall average benefit per person per month	\$133.07	\$125.37	\$127.82	\$129.23

Note: The \* denotes the expiration of Recovery Act benefits.

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In addition to the activities and functions specifically described in the budget request, current year and budget year base funds will be used to carry out activities and functions consistent with the full range of authorities and activities delegated to the agency.

- (2) An increase of \$2,000,000,000 for Contingency Reserve (\$3,000,000,000 enacted in FY 2015).

The SNAP Contingency Reserve is a key element in maintaining program “flexibility” – the ability of the program to react to shifts in program need that were not anticipated at the time of a budget request. A reserve of \$5,000,000,000 in FY 2016 would allow for approximately one month of program funding without requiring supplemental funding.

- (3) An increase of \$115,444,000 for State Administrative Expenses (SAE) (\$4,122,994,000 enacted in FY 2015).

SAE are federal matching funds for such expenses as: certification, quality control, IT systems, and fraud control. This increase is based on estimated inflationary increases in state and local government costs.

- (4) An increase of \$4,000,000 for Nutrition Education Grant Program (\$407,000,000 enacted in FY 2015).

These funds support the Nutrition Education and Obesity Prevention Grant Program, which was established by Section 241 of the Healthy, Hunger-Free Kids Act of 2010 (P.L.111-296). The funding is allocated among States through a statutory formula, and provides 100 percent Federal funding through two-year grants, which give States more flexibility to target services where they can be most effective. This increase is based on estimated inflation as provided by the CPI-U per the statute.

- (5) An increase of \$9,442,000 for Employment and Training (\$447,227,000 enacted in FY 2015).

This matching funding provides grants to States to provide employment and training (E&T) programs to assist SNAP participants to prepare for and find work. States use flexible SNAP E&T funding to serve low-skilled, vulnerable adults who often have limited access to employment services or job training otherwise. SNAP E&T programs are designed to promote self-sufficiency. In FY 2012, 13.5 million SNAP recipients were registered for work and about 760,000 SNAP recipients were subject to E&T participation. The E&T grants allow State agencies to choose the components that make up their particular E&T programs and meet the needs of their SNAP recipients, including: job search and job search training; workfare; basic education or vocational training; job retention services, and other workforce opportunities. This increase is due to estimated inflationary increases in state and local government costs, as well as increased state investment in Employment & Training programs.

- (6) An increase of \$11,825,000 for mandatory other program costs (\$174,992,000 enacted in FY 2015).

	2015 Enacted	Non-Pay Cost Change	Pay Cost Change	2016 Estimate
<b>Mandatory</b>				
Benefit & Retailer Redemption and Monitoring	\$48,539	\$544	\$726	\$49,809
Certification of SSI Recipients for SNAP	19,042	305	0	19,347
Payment Accuracy and Cooperative Services	20,562	4,230	352	25,144
Web-Based Automation of Systems	7,500	0	3	7,503
Retailer Integrity and Trafficking	16,823	189	276	17,288
Computer Support	9,908	159	0	10,067
Electronic Benefit Transfer Systems	15,364	246	62	15,672
Nutrition Education and Program Information	17,580	4,097	288	21,965
Program Evaluation and Modernization	14,174	159	189	14,522
FMMI	3,500	0	0	3,500
IT Modernization and Support	2,000	0	0	2,000
<b>Subtotal, Mandatory Other Program Costs</b>	<b>174,992</b>	<b>9,929</b>	<b>1,896</b>	<b>186,817</b>
<b>Discretionary</b>		\$0		
Enhanced E&T to serve ABAWD population	0	\$25,000	0	25,000
FDPIR Nutrition Education	998	\$0	0	998
National Health and Nutrition Examination Survey	0	\$5,000	0	5,000
<b>Subtotal, Discretionary Other Program Costs</b>	<b>998</b>	<b>30,000</b>	<b>0</b>	<b>30,998</b>
<b>Total</b>	<b>175,990</b>	<b>39,929</b>	<b>1,896</b>	<b>217,815</b>

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The overall change consists of the following:

### **Mandatory:**

In addition to the activities and functions specifically described in the budget request, current year and budget year base funds will be used to carry out activities and functions consistent with the full range of authorities and activities delegated to the agency.

- (a) An increase of \$1,270,000 for Benefit & Retailer Redemption and Monitoring (\$48,539,000 enacted in FY 2015).

Provides resources to support compliance specialists, investigators, quality assurance and data mining experts, as well as administrative reviewers. This line provides funding for contracts that support benefit redemption activity, as well as most of the systems development and maintenance associated with retailer management. Additional resources are provided under this line to combat trafficking, fraud, and other forms of retailer non-compliance. The increase is due to estimated inflation (Federal costs).

- (b) An increase of \$305,000 for Certification of Supplemental Security Income (SSI) Recipients for SNAP (\$19,042,000 enacted in FY 2015).

These funds are used for certifying SSI recipients for SNAP and utilizing Social Security Administration (SSA) data to ensure accurate SNAP benefit determinations. These funds are also available for data exchange and data mining efforts related to SSA and FNS data, as well as FNS oversight of SSA activities provided for SNAP certification and data analysis efforts. The increase is due to estimated inflation (Federal costs).

- (c) An increase of \$4,582,000 for Payment Accuracy and Cooperative Services (\$20,562,000 enacted in FY 2015).

This line supports a wide range of activities aimed at increasing payment accuracy and promotes integrity and efficiency in State administration of the program by promoting State exchange of ideas and information. This line also provides for the Federal Quality Control system (QC), and computer systems designed to provide states with greater access to SNAP integrity tools. These activities are a core part of USDA's program integrity investments. Additional resources are requested under this line to improve the accuracy and effectiveness of the QC system. Further information regarding this additional request can be found in the Current Law proposal section page 32-94. \$582,000 of this increase is due to estimated inflation (Federal costs).

- (d) An increase of \$3,000 for Web-Based Automation of Systems (\$7,500,000 enacted in FY 2015).

This line provides funding for IT, automation, and technology based process improvement resources to improve SNAP recipient program integrity. This increase is due to estimated inflation (Federal costs).

- (e) An increase of \$465,000 for Retailer Integrity and Trafficking (\$16,823,000 enacted in FY 2015).

This line provides funding for a "strike force" of retailer investigators, for oversight of the 248,653 retailers authorized to redeem SNAP benefits, and for other activities that promote retailer integrity efforts. The increase is due to estimated inflation (Federal costs).

- (f) An increase of \$159,000 for Computer Support (\$9,908,000 enacted in FY 2015).

This line supports the essential systems needed to administer SNAP, including the federal staff required to operate and maintain those systems. These systems include SNAP-specific systems, and FNS' internal computer systems that support the activities of Federal staff. The requested increase

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maintains support and enhancement of these vital systems. The increase is due to estimated inflation (Federal costs).

- (g) An increase of \$308,000 for Electronic Benefit Transfer Systems (\$15,364,000 enacted in FY 2015).

This line supports efforts associated with nationwide EBT, including staff responsible for the oversight of EBT systems, and staff and systems associated with the collection and review of EBT data. Funds strengthen oversight efforts promoting integrity and efficiency in State administration of SNAP by enabling States to travel, interact, and exchange ideas and information. Funds are also available to support the participation of farmers' markets in SNAP by providing equipment and support grants to new markets and those currently participating in the program. The increase is due to estimated inflation (Federal costs).

- (h) An increase of \$4,385,000 for Nutrition Education and Program Information (\$17,580,000 enacted in FY 2015).

This line supports Federal costs for SNAP nutrition education initiatives, and supports national projects, including program information and educational efforts to increase awareness of the nutrition benefits of SNAP.

In FY 2016, FNS requests additional funding to support for:

- The creation of an Employment and Training Center of Excellence which will work with partner groups to expand opportunity for SNAP recipients and provide for greater self-sufficiency;
- The provision of technical assistance to states to implement the mandated nutrition education activities specified in the Healthy, Hunger-Free Kids Act of 2010, and;
- Researching the behavioral underpinnings of the assumptions used for dietary guidelines.

For more information, please see the Current Law Proposals Summary pages 32-94,95, and 96. \$185,000 of this increase is due to estimated inflation (Federal costs).

- (i) An increase of \$348,000 for Program Evaluation and Modernization (\$14,174,000 enacted in FY 2015).

FNS conducts a variety of studies, evaluations, and related activities that respond to the needs of policy makers and managers and help ensure that nutrition assistance programs achieve their goals. This line supports efforts for SNAP, including the Federal staff needed to oversee this vital work. The increase is due to estimated inflation (Federal costs).

- (j) No change for the Financial Management Modernization Initiative (FMMI) (\$3,500,000 enacted in FY 2015).

Financial Management Modernization Initiative (FMMI) is an on-going project to enhance financial system transparency and reporting capabilities in advance of new OMB and Treasury initiatives to improve financial management and reporting government-wide. This transparency and advanced functionality will support ensuring integrity in SNAP.

- (k) No change for IT Modernization and Support (\$2,000,000 enacted in FY 2015).

This line provides for the operations, maintenance, and enhancement costs associated with Federal systems and equipment.

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- (7) An increase of \$20,018,000 for Nutrition Assistance Program for Puerto Rico (\$1,951,397,000 enacted in FY 2015).

Section 19(b) of the Food and Nutrition Act of 2008 (as amended by P.L. 110-246), provides for an inflationary adjustment for Nutrition Assistance for Puerto Rico based on estimated changes in the TFP.

- (8) An increase of \$80,000 for American Samoa (\$7,837,000 enacted in FY 2015).

Section 19(c) of the Food and Nutrition Act of 2008 (as amended by P.L. 110-246), provides for an inflationary adjustment for Nutrition Assistance to American Samoa based on estimated changes in the TFP.

- (9) No change for the Food Distribution Program on Indian Reservations (FDPIR) (\$145,191,000 enacted in FY 2015).

The Food and Nutrition Act of 2008 provides for an alternative program to SNAP EBT for Indian Tribal Organizations which qualify. This line provides for the food costs and administration of this program. The program provides food packages to ITOs to improve nutrition and provide culturally appropriate sustenance. The requested level will support about 102,000 participants per month. Participation in FDPIR has been steadily increasing since the sunset of the additional Recovery Act SNAP benefit in October 2013.

Details of the program trends in FDPIR can be found on the table below.

FDPIR Performance Table

Program Performance Data	2013 Actual	2014 Actual	2015 Estimate	Inc. or Dec.	2016 Estimate
Resources: (\$000)					
Appropriation	\$100,156	\$119,500	\$145,191	\$0	\$145,191
Beginning Inventory (Federal and Local)	22,000	7,494	16,218	18,471	34,689
Total Resources	122,156	126,994	161,409	18,471	179,880
Program Demand:					
Average Monthly Participation	75,608	85,617	96,500	5,500	102,000
Average Monthly Food Packages:					
FNS Purchased	\$67.73	\$67.59	\$73.60	\$0.73	\$74.33
Free Substitute	0.00	0.00	0.00	0.00	0.00
Total Monthly Food Package	67.73	67.59	73.60	0.73	74.33
Demand: (\$000)					
FDPIR USDA Food Costs	61,452	69,425	85,227	6,591	91,818
USDA Foods Purchases Admin.	708	689	701	11	712
Special Purchase of Bison	0	0	0	0	0
Demand, USDA Foods	62,160	70,114	85,928	6,602	92,530
State Administration	38,829	40,189	40,792	735	41,527
Total Demand	100,989	110,303	126,720	7,337	134,057
Use of Resources:					
Program Demand	100,989	110,303	126,720	7,337	134,057
Inventory Change	-933	8,724	18,471	-18,728	-257
Remaining Available for Upward Adjustments	100	473	0	11,391	11,391
Total Funds Available	100,156	119,500	145,191	0	145,191
Balance End of Year:					
Ending Inventory	21,067	16,218	34,689	-257	34,432
Commodity Obligations	61,227	78,838	104,399	-12,126	92,273

- (10) A decrease of \$7,250,000 for The Emergency Food Assistance Program (TEFAP) (\$327,000,000 enacted in FY 2015).

Section 27(a) of the Food and Nutrition Act of 2008 requires the Secretary to purchase USDA Foods for distribution through The Emergency Food Assistance Program (TEFAP). The section establishes a baseline funding level and a formula for annual adjustments based on food price inflation. The 2014 Farm Bill update to

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Section 27 increased base funding for TEFAP Commodities. The increase for FY 2016 is specified at \$40 million. Up to ten percent of the total available funding is permitted to be used for TEFAP administrative costs.

- (11) No change for the Commonwealth of the Northern Marianas Islands (CNMI) (\$12,148,000 enacted in FY 2015).

The CNMI nutrition program provides a diversity of activities that allow the residents of the islands access to nutritious food. There are no changes to the funding level of this line.

- (12) No change for the Community Food Project (\$9,000,000 enacted in FY 2015).

Section 26 of the Food and Nutrition Act of 2008 (as amended) provides \$9 million per year to meet the Hunger Free Communities goals as described in House Concurrent Resolution 302, 102nd Congress, agreed to October 5, 1992.

- (13) A decrease of \$190,000,000 for the Employment and Training (E&T) Pilot Projects (\$190,000,000 enacted in FY 2015).

This decrease is due to the scheduled cessation of funding for these projects as defined in Section 16(h) of the Food and Nutrition Act of 2008, although the period of availability continues through FY 2018.

- (14) A decrease of \$1,000,000 for Pilots and Demonstration Projects (\$1,000,000 enacted in FY 2015).

This decrease is due to the scheduled cessation of funding for these projects as defined in Section 4031 of the Agricultural Act of 2014. The \$1 million provided in FY 2015 was to conduct a study on the viability of implementing SNAP in CNMI. It is a one time investment authorized by the Agricultural Act of 2014.

- (15) No change for Program Access (\$5,000,000 enacted in FY 2015).

Program Access Grants are authorized by Section 11(t) of the Food and Nutrition Act of 2008.

- (16) An increase of \$2,000,000 for the Nutrition Education Centers of Excellence (\$0 enacted in FY 2015).

This line supports the SNAP Expanded Food and Nutrition Education Program Centers of Excellence. Please see the Current Law Proposals Summary page 32-97 for more information.

### **Discretionary:**

In addition to the activities and functions specifically described in the budget request, current year and budget year base funds will be used to carry out activities and functions consistent with the full range of authorities and activities delegated to the agency.

- (17) No change for FDPIR Nutrition Education (\$998,000 enacted in FY 2015).

This line allows for the continuation of FDPIR Nutrition Education discretionary grant activities.

- (18) An increase of \$5,000,000 for a National Health Nutrition Examination Survey (\$0 enacted in FY 2015).

Increase funding for national food consumption survey capacity, food composition data, and research base for Dietary Reference Intakes to provide the scientific evidence base for the USDA food assistance programs. Funding for the survey has not increased in over 20 years. With this funding, NHANES will gather additional data used to assess nutritional status and its association with health promotion and disease prevention. NHANES findings are also the basis for national standards for such measurements as height, weight, and blood pressure.

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(19) An increase of \$25,000,000 for Enhanced E&T to serve ABAWD population (\$0 enacted in FY 2015).

This line funds States transitioning off waivers of the time-limit to bolster employment training services for certain able bodied adults without dependents (ABAWD). Please see the Current Law Proposals Summary page 32-96 for more information.

Summary of FY 2016 Current Law Proposals  
(On basis of appropriation)  
(Dollars in thousands)

Project	President's Request
Mandatory Other Program Costs	
Payment Accuracy and Cooperative Services	
Enhanced Quality Control	\$4,000
Nutrition Education and Program Information	
Employment and Training Center of Excellence	1,500
Nutrition Education Technical Assistance	1,200
Dietary Guidelines for Americans Research	1,500
<b>Total, Mandatory Other Program Costs</b>	<b>8,200</b>
Discretionary Other Program Costs	
Enhanced E&T to serve ABAWD population 1/	25,000
<b>Total, Discretionary Other Program Costs</b>	<b>25,000</b>
Nutrition Education Center of Excellence	2,000
<b>Total, Supplemental Nutrition Assistance Program</b>	<b>35,200</b>

1/ For 2017 and beyond, the Budget proposes legislative change to provide funding through authorizing legislation.

Summary of FY 2016 Proposed Legislation  
(On basis of appropriation)  
(Dollars in thousands)

Item of Change	Current Law	Change	President's Request
Benefits:			
SNAP Benefits	\$70,895,726	\$9,403	\$70,895,726
ARRA Benefits	0	0	0
Contingency Reserve	5,000,000	0	5,000,000
Administrative Costs:			
State Administrative Costs	4,238,438	0	4,238,438
Grant Program	411,000	0	411,000
Employment and Training	456,669	0	456,669
Mandatory Other Program Costs	186,817	0	186,817
Discretionary Other Program Costs	30,998	0	30,998
<b>Total Administrative Costs</b>	<b>5,323,922</b>	<b>0</b>	<b>5,323,922</b>
Nutrition Assistance for Puerto Rico	1,971,415	0	1,971,415
ARRA -- NAP	0	0	0
American Samoa	7,917	0	7,917
ARRA -- American Samoa Benefits	0	0	0
Reservations	145,191	0	145,191
TEFAP Commodities	319,750	0	319,750
Islands	12,148	0	12,148
Community Food Project	9,000	0	9,000
Program Access	5,000	0	5,000
Nut. Ed. Center of Excellence	2,000	0	2,000
<b>Total Adjusted Appropriation</b>	<b>83,692,069</b>	<b>9,403</b>	<b>83,692,069</b>

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**FNCS PRESIDENT’S BUDGET FISCAL YEAR 2016  
CURRENT LAW**

**Program:** Supplemental Nutrition Assistance Program (SNAP)

**Proposal:** Increase Federal Resources to Strengthen State Quality Control Systems

**Rationale:** This proposal will provide resources to strengthen Federal training, oversight and monitoring of State quality control processes and data, to ensure that States are meeting the highest standards of program integrity in administering the SNAP program.

The Food and Nutrition Act requires FNS to measure payment error through the SNAP quality control process. States are required to randomly sample cases and verify that individuals who received benefits were eligible and received the correct amount. Federal staff then re-reviews a sample of the cases reported by States to ensure rigorous review.

The outcomes achieved as a result of this proposal will include:

- Greater consistency and accuracy in Federal and State reviews due to strengthening of quality control training for State and Federal reviewers;
- More thorough reviews of State quality control operations to ensure they are conducted in accordance with the regulations and policy;
- Reduce improper payments in SNAP by providing more comprehensive technical assistance to help States;
- Improved utilization of quality control data to quickly identify inefficiencies or errors in program administration before they develop into systemic problems; and
- Enhanced oversight of financial reporting in support of changes made by the Agricultural Act of 2014 requiring States invest performance bonuses into improving SNAP administration.

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

**Budget Impact:**  
(\$millions)

	FY16	FY17	FY18	FY19	FY20	TOTAL
Budget Authority	\$4.0	\$4.0	\$4.0	\$4.0	\$4.0	\$20.0

**FNCS’ PRESIDENT’S BUDGET FISCAL YEAR 2016  
CURRENT LAW**

**Program:** Supplemental Nutrition Assistance Program (SNAP)

**Proposal:** Employment and Training (E&T) Center of Excellence

**Rationale:** FNS is committed to strengthening the SNAP E&T program by proactively engaging, supporting and guiding State agencies and their partners in developing the demand driven training programs that empower SNAP recipients to attain self-sufficiency. SNAP households face unique barriers in education, employment history and material resources that other populations served by the workforce development sector do not face.

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This proposal will provide \$1.5 million annually to fund the SNAP E&T Center of Excellence, which will be established in FY 2015. The Center of Excellence will support improvements in the effectiveness of SNAP E&T programs by:

- Bringing together experts in the fields of workforce and economic development to understand how to connect with employers and increase opportunities for SNAP participants;
- Collecting information on strategies used by other employment-focused programs and agencies to identify those that could meet the particular needs of SNAP participants in securing quality employment;
- Identifying and disseminating evidence-based best practices, and working closely with FNS to develop effective policy and systems related to E&T for SNAP participants.

With this additional investment, FNS will identify and share with States proven strategies that connect SNAP recipients to work, and ultimately make the program more effective in building work attachment among SNAP participants.

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

**Budget Impact:**  
(\$ millions)

	FY16	FY17	FY18	FY19	FY20	TOTAL
Budget Authority	\$1.5	\$1.5	\$1.5	\$1.5	\$1.5	\$7.5

**FNCS PRESIDENT’S BUDGET FISCAL YEAR 2016  
CURRENT LAW**

**Program:** Supplemental Nutrition Assistance Program (SNAP)

**Proposal:** Increase Federal Resources for Technical Assistance in SNAP Nutrition Education

**Rationale:** The Healthy, Hunger Free Kids Act of 2010 (HHFKA) introduced significant changes to the SNAP Nutrition Education program (SNAP Ed). Funding is now based on a grant allocation formula that is linked to participation rates, resulting in a gradual re-distribution of funds among State Agencies. FNS provides enhanced technical assistance to States receiving a funding increase to help them develop State SNAP Nutrition Education Plans that are outcome based, include evidence-based approaches, and incorporate public health approaches to ensure the Federal investment in improving health among low income populations is spent effectively. The HHFKA also strengthened SNAP Ed’s potential to impact obesity prevention by focusing on evidence based approaches and emphasis on evaluation. However, states are inconsistently adapting to these changes and are in need of additional support via monitoring, oversight and increased technical assistance to meet the expectations of the USDA.

Resources are needed to support this additional monitoring, oversight and increased technical assistance. This proposal requests additional funding to hire staff dedicated to providing greater oversight and technical assistance to State Agencies, in order to strengthen State implementation of HHFKA.

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

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**Budget Impact:**  
(\$millions)

	FY16	FY17	FY18	FY19	FY20	TOTAL
Budget Authority	\$1.2	\$1.2	\$1.2	\$1.2	\$1.2	\$6.0

**FNCS PRESIDENT’S BUDGET FISCAL YEAR 2016  
CURRENT LAW**

**Program:** Supplemental Nutrition Assistance Program (SNAP)

**Proposal:** Dietary Guidelines Research – Formative and Evaluation

**Rationale:** Formative research provides insights into strategic and program-specific concepts, and tests consumer messages to ensure they are clear, and actionable. This serves as an integral component of CNPP’s nutrition guidance to consumers. Just as scientific research serves as the crucial underpinning of the *Dietary Guidelines for Americans*, it is essential for research to inform the agency’s work, including the products it creates, to ensure nutrition guidance is relevant and user-friendly. Measuring Dietary Guidelines’ message penetration is important to help inform and help refine strategic planning from year to year and to ensure resources are invested in effective strategies. A comprehensive research approach will be developed and implemented, comprised of:

- *Formative Research:* Created to assess the psychological and environmental influences that affect eating and physical activity behaviors among selected FNS Program audiences, the formative research will include a variety of traditional and, innovative research methods to strengthen and expand current agency communication and promotion efforts. The qualitative research will explore perceptions and attitudes, behaviors (from decision-making and planning to shopping and eating), and aspirations in an effort to develop strategies, messages and materials that resonate with our audiences. The obesity rates among certain segments of the population are disproportionately higher than the national average. Targeted research will be conducted with low-income parents, low-income older adults and selected low-income ethnic audiences to explore motivators and barriers related to achieving a healthy weight and reducing disease risk among these groups.
- *Evaluation:* Combined with process evaluation that FNS conducts, CNPP will develop a quantitative survey that is fielded every two years, resulting in analyses and strategic recommendations as well as tracking data over time. (150,000 per year)

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

**Budget Impact:**  
(\$millions)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Budget Authority	\$1.50	\$0	\$0.25	\$0	\$0.25	\$2.0

**FNCS PRESIDENT’S BUDGET FISCAL YEAR 2016  
CURRENT LAW**

**Program(s):** Supplemental Nutrition Assistance Program (SNAP)

**Proposal:** Provide \$25 million to states transitioning off waivers of the time-limit to provide employment and training services (E&T) to able-bodied adults without dependents (ABAWDs) through appropriations in 2017 and a legislative proposal in 2017 and beyond.

## FOOD AND NUTRITION SERVICE

**Rationale:** Under SNAP rules, ABAWDs are subject to time-limited participation unless they work at least 20 hours a week, participate in an employment and training program at least 20 hours a week, or participate in workfare. When unemployment is high or there are not enough jobs available, states can request to waive the time limit. In FY 2014, 42 states and the District of Columbia (DC) received a waiver for at least part of the state. Of those, 33 covered the entire state. As the economy improves, fewer states will qualify for waivers; it is estimated that in 2016, 26 states will no longer qualify for a statewide waiver.

Despite the economic recovery, jobs are still scarce. Even in areas with newly emerging industries, many ABAWDs face significant barriers to employment. SNAP recipients who are unemployed are less likely to have completed high school. Many experience language barriers. Many have been out of the job market for a long time and the skills they possess are not transferable to the newly available jobs. Moreover, many unemployed, working-age SNAP recipients may face physical, mental or emotional barriers to employment.

SNAP employment and training programs help people gain education and skills, such as high school equivalencies and industry-recognized certificates that pay off in the labor market. They also provide services to reduce barriers such as supportive services, assistance with transportation costs and job retention services that help people be successful at work.

This proposal will provide \$25 million in 100 percent federal funds for states where ABAWDs will be subject to benefit time limits, to bolster employment and training services for individuals subject to those time limits. These employment and training initiatives will allow some of our nation’s poorest individuals to work toward self-sufficiency and continue to receive critical food assistance while doing so. The funds would be available for two years in order to give states time to plan and implement enhanced services.

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

**Budget Impact:**  
(\$ millions)

	FY16	FY17	FY18	FY19	FY20	TOTAL
Budget Authority	\$25.0	\$25.0	\$25.0	\$25.0	\$25.0	\$125.0

Note: for 2017 and beyond, the Budget proposes legislative change to provide funding through authorizing legislation.

### FNCS PRESIDENT’S BUDGET FISCAL YEAR 2016 CURRENT LAW

**Program(s):** Supplemental Nutrition Assistance Program (SNAP)  
Expanded Food and Nutrition Education Program (EFNEP)

**Proposal:** Strengthen the evidence base and promote innovation in education and obesity prevention through continuing the SNAP-EFNEP Nutrition Education/Obesity Prevention Centers of Excellence.

**Rationale:** Nutrition education and promotion programs for low-income and disadvantaged populations have been a USDA priority for nearly half a century. Given the financial and organizational commitment to nutrition education and obesity prevention, National Institute of Food and Agriculture (NIFA) and FNS are committed to assuring that the EFNEP and SNAP-Ed programs are evidence-based, effective, actionable, and cost efficient.

In 2014, NIFA and FNS jointly launched the SNAP-EFNEP Centers of Excellence to build the evidence-base for nutrition education and obesity prevention strategies and interventions that produce measurable changes in key health, obesity, nutrition, and physical activity-related outcomes. The Centers work closely with the two agencies and their State and community

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partners to develop effective policy, systems, environmental, and education/extension activities that promote health and prevent/reduce obesity among children and low-income people. The Centers work includes:

- Identifying and disseminating evidence-based best practices;
- Developing new interventions to meet the needs of SNAP-Ed/EFNEP target subpopulations;
- Demonstrating SNAP-Ed/EFNEP effectiveness and identify changes that are needed to improve both programs to better serve their low-income clients.

This request will support the Centers to continue development and dissemination of evidence-based strategies for these two major nutrition education and public health programs.

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

**Budget Impact:**  
(\$ millions)

	FY16	FY17	FY18	FY19	FY20	TOTAL
Budget Authority	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$10.0

### FNCS PRESIDENT’S BUDGET FISCAL YEAR 2016 Proposed Legislation

**Program(s):** Supplemental Nutrition Assistance Program (SNAP)

**Proposal:** Create State Option to Improve Access to SNAP for Low Income Elderly

**Rationale:** Participation rates among elderly individuals are much lower than average in large part as a result of administrative complexities associated with applying and recertifying for SNAP. In FY 2011, just under 40 percent of elderly individuals eligible for SNAP participated in the program. Elderly individuals tend to drop off the program when action is required to maintain benefits, particularly when they are required to submit paperwork re-verifying their income part-way through their certification period.

This proposal will create a new State option, based on the success of several State demonstrations, to improve SNAP access and food security for low-income elderly individuals. The State option would allow States the option to adopt a set of policies to streamline and simplify SNAP application, reporting requirements, and recertification for low-income elderly individuals to reduce administrative and application-related barriers.

Several States have implemented similar models under waiver authority with significant success. For example, one State operating under a similar waiver reports a 55 percent increase in elderly participation over the past 6 years. These policies also decrease administrative burdens and improve efficiency.

The vast majority (over 98 percent in 2013) of case closures among the elderly population resulted from their failure to submit interim reports. This proposal will allow states to stop requiring the now-required interim contacts for this population, the vast majority of whom have stable sources of income, like Social Security benefits, but do not have earnings that can be more variable, without having to seek special permission from USDA. Based on state experiences with demonstration projects that tested this approach, the data indicate that this option will reduce the number of older Americans who lose SNAP benefits because of a

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paperwork requirement that they may not understand, allowing them to maintain eligibility and have access to needed nutrition assistance.

The proposal will also give states new options to ease the application and recertification process for the elderly. Specifically, for eligible elderly individuals, the proposed option would include:

- A simplified, shorter application;
- The use of data matching to verify information in lieu of some reporting requirements, including currently required matches such as the death match, prisoner match, Social Security income, and National Directory of New Hires match
- No interview at recertification;
- 36-month certification periods with no required annual interim contact; and
- Required client verification only when information is questionable.

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

**Budget  
Impact:**  
(\$ millions)

	FY16	FY17	FY18	FY19	FY20	TOTAL
Budget Authority	\$9.4	\$18.9	\$28.8	\$34.3	\$39.7	\$131.1

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Geographic Breakdown of Obligations and Staff Years (SY)  
(Dollars in thousands)

Supplemental Nutrition Assistance Program--Federal Salaries & Expenses								
	2013 Actual		2014 Actual		2015 Enacted		2016 Estimated	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Alabama	\$396	2	\$191	1	\$240	2	\$278	2
Alaska	9	0	0	0	0	0	0	0
Arizona	34	0	32	0	40	0	46	0
Arkansas	50	0	96	1	120	1	139	1
California	2,243	10	3,837	29	4,804	40	5,567	45
Colorado	814	11	1,876	14	2,343	19	2,712	22
Connecticut	186	1	319	2	399	3	463	4
Delaware	399	3	0	0	0	0	0	0
District of Columbia	1,742	6	127	1	160	1	185	1
Florida	1,105	6	733	5	918	8	1,065	9
Georgia	1,366	8	1,764	13	2,207	18	2,557	21
Hawaii	66	1	32	0	40	0	46	0
Idaho	52	0	0	0	0	0	0	0
Illinois	1,442	26	3,103	23	3,885	32	4,502	36
Indiana	136	0	159	1	200	2	231	2
Iowa	292	1	0	0	0	0	0	0
Kansas	161	1	159	1	200	2	231	2
Kentucky	246	1	32	0	40	0	46	0
Louisiana	191	1	159	1	200	2	231	2
Maine	254	1	0	0	0	0	0	0
Maryland	1,239	7	159	1	200	2	231	2
Massachusetts	4,992	7	1,626	12	2,036	17	2,361	19
Michigan	379	1	159	1	200	2	231	2
Minnesota	217	1	191	1	240	2	278	2
Mississippi	14	0	0	0	0	0	0	0
Missouri	299	2	414	3	519	4	602	5
Montana	35	0	0	0	0	0	0	0
Nebraska	176	1	159	1	200	2	231	2
Nevada	32	0	0	0	0	0	0	0
New Hampshire	62	0	0	0	0	0	0	0
New Jersey	927	12	2,340	17	2,928	24	3,392	27
New Mexico	39	0	0	0	0	0	0	0
New York	925	6	1,562	12	1,957	16	2,268	18
North Carolina	498	3	351	3	439	4	509	4
North Dakota	34	0	0	0	0	0	0	0
Ohio	335	1	223	2	280	2	324	3
Oklahoma	37	0	0	0	0	0	0	0
Oregon	246	1	32	0	40	0	46	0
Pennsylvania	351	3	191	1	240	2	278	2
Rhode Island	34	0	0	0	0	0	0	0
South Carolina	45	0	0	0	0	0	0	0
South Dakota	18	0	159	1	200	2	231	2
Tennessee	494	3	510	4	639	5	741	6
Texas	2,115	13	2,567	19	3,212	27	3,721	30
Utah	120	1	191	1	240	2	278	2
Vermont	57	0	0	0	0	0	0	0
Virginia	89,234	31	126,710	64	128,733	85	130,329	94
Washington	251	1	319	2	399	3	463	4
West Virginia	53	0	0	0	0	0	0	0
Wisconsin	198	0	191	1	240	2	278	2
Wyoming	35	0	0	0	0	0	0	0
Undistributed	0	0	0	0	0	0	0	0
Total	\$114,675	173	\$150,676	238	\$158,733	333	\$165,093	373

Note: Figures include additional Staff Years in FY 2014 and 2015 to enhance SNAP integrity efforts and provide additional Technical Assistance to States. Totals may not sum due to rounding.

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Classification by Object  
(Dollars in thousands)

	2013	2014	2015	2016
	Actual	Actual	Enacted	Estimate
<b>Personnel Compensation:</b>				
Washington D.C.....	\$7,092	\$10,133	\$13,755	\$16,183
Field.....	8,326	11,896	16,147	18,997
11.0 Total personnel compensation.....	15,418	22,029	30,347	35,180
12.0 Personnel benefits.....	4,869	6,957	9,583	11,110
Total personnel comp. and benefits.....	20,287	28,986	39,930	46,290
<b>Other Objects:</b>				
21.0 Travel and transportation of persons.....	1,507	1,524	1,545	1,545
22.0 Transportation of things.....	161	163	165	165
23.3 Communications, utilities, and misc. charges.....	228	231	234	234
24.0 Printing and reproduction.....	662	669	678	678
25.0 Other Services.....	79,978	80,858	81,990	81,990
26.0 Supplies and materials.....	330,241	347,114	431,399	423,414
31.0 Equipment.....	884	894	907	907
41.0 Grants.....	82,102,783	76,528,097	78,372,448	78,296,846
Total, Other Objects.....	82,516,444	76,959,550	78,889,366	78,805,779
Subtotal, Direct Obligations.....	82,536,731	76,988,536	78,929,296	78,852,069
Reimbursable Obligations.....	61,405	70,000	80,000	80,000
99.9 Total, new obligations.....	82,475,326	76,918,536	78,849,296	78,772,069
<b>Position Data:</b>				
Average Salary (dollars), ES Position.....	N/A	N/A	N/A	N/A
Average Salary (dollars), GS Position.....	\$89,121	\$92,559	\$93,484	\$94,700
Average Grade, GS Position.....	12.2	12.2	12.2	12.2

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### 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 through nutrition assistance and nutrition education. SNAP provides the opportunity for low-income recipients to purchase and consume a diet consistent with the *Dietary Guidelines for Americans* by issuing monthly allotments of benefits redeemable for food at authorized 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 low-cost market basket of foods that meet the recommendations of the *Dietary Guidelines for Americans* 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 the Nutrition Assistance Program 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).

##### Facts in Brief

##### Program Participation

SNAP participation for Fiscal Year (FY) 2014 averaged 46.53 million persons per month, representing a 0.24 percent decrease from the average monthly participation in FY 2013.

The following table displays data on benefit costs and participation for FYs 2009 through 2014:

SNAP	2009	2010	2011	2012	2013	2014
Avg. Participation (Millions)	33.49	40.30	44.71	46.61	47.64	46.53
Benefit Costs (Billions)	\$50.4	\$64.7	\$71.8	\$74.6	\$76.1	\$70.0
Average/Person/Month	\$125.31	\$133.79	\$133.85	\$133.41	\$133.07	\$125.37
% Of Population Participating	11.1	13.0	14.4	14.9	15.1	14.9
Persons Unemployed (Millions)	14.3	14.8	13.7	12.5	11.5	9.7

Note: All years include ARRA funding. ARRA funding ended 10/31/2014.

Sources:

FNS National Data Bank (NDB)

Department of Labor, Bureau of Labor Statistics: Labor Force Statistics from the Current Population Survey, Unemployment not Seasonally Adjusted, Annual Average (Series LNU03000000).

Department of Commerce, United States Census Bureau, Monthly Population Estimates for the United States, Resident Population (Series: PEPMONTHN)

**Participation Rates among Eligible People** – The most recent figures from the Trends in SNAP Participation Rates for FY2010 to FY2012 shows that in 2012, 83 percent of all those who were eligible for SNAP participated in the program. This indicates that the program is effectively serving those most in need of nutrition assistance.

**Characteristics of SNAP Households** – The most recent analysis of household characteristics data, examining 2012 indicates that:

- 75 percent of households included a child, an elderly (age 60 or older) person, or a person with disabilities;
- The gross income of 83 percent of households was below the Federal poverty level;

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- 43 percent of households had income at or below 50 percent of poverty;
- 22 percent of SNAP households had no income; and
- 43 percent of SNAP participants lived in households with earnings.

### Program Integrity

Recent data demonstrates that the program integrity efforts of FNS and its State partners are yielding results and continue to trend in the right direction. Two excellent measures of program integrity, certification errors, and trafficking are at historically low levels and have continued to improve. A certification error occurs when a State eligibility worker authorizes benefits in the wrong amount to a household. Trafficking most typically occurs when SNAP benefits are traded for cash or are not used for their intended purpose. In spite of holding both of these integrity issues to a low level, more work remains. In FY 2014, FNS redoubled efforts to prevent and identify fraud and hold bad actors accountable for misuse of the program. These efforts included:

- Continued updates to the next generation of the ALERT fraud detection system;
- Continued training of compliance staff;
- Focused attention on verification and analysis of the accuracy and comprehensiveness of ownership information for high-risk retailers including:
  - Maintained the increased documentation requirements for high-risk stores that applied to redeem SNAP benefits providing better verification of their identity and business integrity, and
  - New requirements for the annual reauthorization of these same stores.
- Established SNAP Retailer Integrity Pilots to test ways to identify retailer owners who are permanently disqualified from SNAP, or have a history of problems that show a lack of business integrity;
- Updated the SNAP retailer application forms to add new program integrity questions;
- Awarded a contract to provide technical support to assess and recommend improvements on how effectively FNS and State agencies inform SNAP participants and other stakeholders of the rules of the program and consequences for breaking those rules. The contractor will design templates that FNS can share with State Agencies to improve client education;
- Awarded an innovative grant to the South Carolina State SNAP Agency to work with the State Attorney General's office to pay for dedicated prosecutors and legal aides to focus exclusively on SNAP recipient trafficking disqualifications. To be certain that client rights are also respected, the grant includes civil rights and due process language in the terms and conditions. South Carolina's participation in this project is ideal since they are also one of the States participating in the recipient integrity BPR project;
- Awarded a contract to employ technology-based consultation services for seven State partners to aid in the development of a comprehensive fraud prevention plan. Those seven State partners are Onondaga County, NY; Pennsylvania; South Carolina; Wisconsin; Kansas; Los Angeles County, California; and Texas;
- Provided State agencies technical assistance to improve monitoring of social media web sites;
- Continued data mining activities to further strengthen State oversight of recipient fraud activities and to identify successful, predictive fraud indicators that can be provided to State agencies:
  - FNS obtained a single, national contract for data mining and analytical services to be deployed in up to seven participating States; and
  - FNS awarded a contract to use State eligibility and fraud data to data mine effective ways to detect recipient based fraudulent activity in order to provide the States with technical assistance to use in their own processes.
- Worked with electronic benefit transfer (EBT) processors to strengthen fraud detection system reporting and training to improve overall effectiveness of State fraud detection operations;
- Engaged States in a dialogue about client integrity through various forums;
- Continued work with five States that received a grant funded through the OMB Partnership Fund for Program Integrity, to develop and test the accuracy of an interstate database to support identification of duplicate participation in SNAP and disaster SNAP;
- Conducted management evaluations (ME) to assess State efforts related to client integrity using the ME tool developed in FY 2013; and
- Awarded over \$5 million in grant funds to eight State agencies to identify, track, and prevent trafficking of SNAP benefits by program recipients.

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The following data describes general characteristics of SNAP recipients during an average month in the fiscal year, in terms of both individuals and households:

Characteristics of SNAP Recipients	2006	2007	2008	2009	2010	2011	2012	2013
<b>Individuals:</b>								
Average Number (in Millions)	25.6	25.9	27.8	33.5	40.3	44.1	46.0	47.6
% Children	49.2	49.1	48.6	47.5	46.6	45.1	44.5	44.4
% Elderly	8.7	8.7	9.1	8.3	7.9	8.5	9.0	9.3
% Disabled Nonelderly Adults	--	--	--	--	--	--	9.5	9.6
% Female	58.7	58.6	58.5	57.3	56.4	56.5	56.4	56.2
% Nonelderly Adults Registered for Work	--	--	25.3	28.2	29.6	31.3	31.6	32.9
Average Household Size	2.3	2.2	2.2	2.2	2.2	2.1	2.1	2.1
<b>Households:</b>								
Average Number (in Millions)	11.3	11.6	12.5	15.0	18.4	20.8	22.0	23.1
% Receiving Maximum Benefit	31	32	33	37	40	41	40	41
% Certified 12 Months or More	58	58	58	57	59	62	66	68
% With Earned Income	30	30	29	29	30	31	31	31
% With AFDC/TANF Income	13	12	11	10	8	8	7	7
<b>Income:</b>								
Average Gross Monthly Income	\$673	\$691	\$701	\$711	\$731	\$744	\$755	\$758
Average Net Monthly Income	\$328	\$330	\$335	\$329	\$336	\$338	\$343	\$344
% With Zero Gross Income	14	14	16	18	20	20	20	22
% With Zero Net Income	31	31	33	36	38	39	38	39
% With Gross Monthly Incomes Less than \$400	29	28	29	31	32	32	31	32
<b>Income Relative to Poverty Guidelines:</b>								
% Gross Income Below Poverty Guidelines	87	87	87	86	85	83	82	83
% Gross Income Below 50% of Poverty Guideline	39	39	41	42	43	43	42	43
<b>Shelter Expenses:</b>								
Average Shelter Deduction	\$203	\$303	\$319	\$343	\$364	\$376	\$374	\$376
Average Shelter Expense	\$458	\$490	\$507	\$544	\$583	\$600	\$591	\$598
% at Shelter Cap (Maximum shelter deduction)	15	16	16	18	20	21	20	20

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

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### *General Activities*

#### **Regulations Issued in FY 2014**

During FY 2014, two SNAP rulemaking actions were published in the *Federal Register*

- *Supplemental Nutrition Assistance Program: Trafficking Controls and Fraud Investigations.* This rule was published as an affirmation of an interim final as final on April 24, 2014. The rule affirmed the interim provision published on August 21, 2013 that amended SNAP regulations, to require State agencies to respond to EBT card replacement requests and send notices to those clients who have requested four cards within a 12-month period. State agencies are exempt from sending this notice if they choose to exercise the card withholding option, in accordance with SNAP regulations, and send the first warning notice upon the household's fourth card replacement request.
- *Automated Data Processing and Information Retrieval System Requirements: System Testing.* This final rule, published on January 2, 2014, amends the SNAP regulations to implement Section 4121 of the 2008 Farm Bill, which requires adequate system testing before and after implementation of a new State automated data processing (ADP) and information retrieval system, including the evaluation of data from pilot projects in limited areas for major systems changes, before the Secretary approves the system to be implemented more broadly. The rule also provides that systems be operated in accordance with an adequate plan for continuous updating to reflect changed policy and circumstances, and for testing the effects of the system on access by eligible households and on payment accuracy. This final rule specifies the requirements for submission of a test plan, changes the due date of an Advance Planning Document Update (APDU) from 90 days after to 60 days prior to the expiration of the Federal financial participation (FFP) approval, and revises language regarding the federal share of costs in consolidated information technology (IT) operations to specify that the threshold for service agreements applies to federally aided public assistance programs, rather than to SNAP alone. In addition, this rule amends SNAP regulations relating to the establishment of an ADP and information retrieval system and to provide clarifications and updates, which have occurred since this section was last updated in 1996.

#### **Grants to Improve State Agency Prevention of SNAP Recipient Trafficking**

On September 30, 2014, FNS announced the awardees of the FY 2014 SNAP Recipient Trafficking Prevention Grants. These grants fund projects to implement strategies to improve the effectiveness of integrity monitoring efforts and increase the number of investigations of recipients suspected of trafficking SNAP benefits. FNS intends to review the results of these projects to determine the most effective strategies and then share those best practices with state agencies, nationwide. For FY 2014, FNS awarded seven grants and a separate grant to South Carolina:

- **Florida Department of Child and Family Services (FL)** received \$345,576 to convert their electronic Disqualified Recipient System (eDRS) from batch processing to a web service platform. This grant will fund the State procurement of contracted services to modify their eDRS system to accommodate authentication and other requirements of this new platform.
- **Kentucky Cabinet for Health and Family Services (KY)** received \$1,189,890 to partner with the Department for Community Based Services to implement multifaceted, innovative strategies to better respond to the various forms of SNAP trafficking in the State. This grant will fund partnerships with law enforcement agencies across the State to uncover the resale of goods purchased with SNAP benefits; train law enforcement and community partners to identify possible SNAP trafficking, monitor social media sites for potential sale of SNAP benefits, improve processes to increase efficiency of administrative disqualification hearings and communication across State agencies, and work with USDA to coordinate retailer and recipient investigations.
- **Missouri Department of Social Services (MO)** received \$599,642 to focus on work with key stakeholders to target recipient traffickers in the act of person-to-person solicitation. The grant will utilize data to target areas with the highest likelihood of person-to-person trafficking while establishing a presence in those areas in order to detect persons in the act of soliciting the sale or purchase SNAP benefits.

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- **Ohio Department of Job and Family Services (OH)** received \$15,000 to convert from batch to online processing for the electronic Disqualified Recipient System (eDRS). This grant will fund the procurement contracted services to assist the State in completing this conversion by the end of calendar year 2014.
- **Oregon Department of Human Services (OR)** received \$314,844 to implement benefit trafficking detection and investigation based on Geographic Information System (GIS) technology. This grant will fund the hiring of additional State personnel in the Fraud Investigation Unit (FIU) to analyze participants' locations, transactions, and shopping patterns to create reliable leads for detailed investigations. This grant will also incorporate information about recipient trafficking into the State's "Basic SNAP Eligibility" training course.
- **South Carolina Department of Social Services (SC)** received \$318,840 to identify and track SNAP trafficking cases from initial notification through prosecution. As SNAP fraud has become more prevalent within the State, DSS has begun identifying and referring more trafficking cases for investigation, leading to delayed prosecution of SNAP trafficking cases. This grant will fund an Assistant Attorney General (AAG), and required staff, in the South Carolina Office of the Attorney General who will solely detect and prosecute SNAP trafficking violations within the State. These additional personnel will provide more detailed case files and reduce delays in prosecution.
- **Tennessee Department of Human Services (TN)** received \$1,484,618 to implement a Business Process Reengineering (BPR) project to better understand current business processes employed by the State to mitigate SNAP recipient trafficking. The grant funding will be used by the Program Integrity Unit to develop a comprehensive program of SNAP trafficking detection and prevention by leveraging success in current SNAP assessment activities, conducting a thorough analysis of business procedures, and establishing community/government partnerships to mitigate SNAP trafficking. This will allow the State to develop a sustainability plan to continuously improve redesign processes for prevention, investigation, and prosecution of SNAP trafficking.
- **Washington Department of Social and Health Services (WA)** received \$750,984 to target social media and e-commerce trafficking of SNAP benefits. The grant funds will be used to hire two additional Office of Fraud and Accountability investigators as well as provide for the reimbursement of Washington State Patrol commissioned officers who will support fraud investigators in undercover operations across the State. The additional investigators will allow the State to increase geographic reach of SNAP social media and e-commerce benefit trafficking investigations and prosecutions.

### Grants to Improve Program Access and Eligibility Determination

On September 25, 2014 FNS awarded Process and Technology Improvement Grants (PTIG) to local and State SNAP agencies and community partners. The grants are authorized by the Food and Nutrition Act of 2008 which provides FNS the authority to award \$5 million dollars in funds each year. The FY 2014 awarded projects examine office processes, identify and implement efficiencies and/or use technology to improve client services, and provide participants with training opportunities to gain skills that will improve employment prospects. For FY 2014, FNS awarded 11 grants:

- **Monroe County Department of Human Resources (NY)** received \$6,682 to purchase Integrated Auto-Dialer Telephone Software to implement a robo-call system. The system will be used to remind SNAP recipients to submit recertification documents and periodic reports in a timely manner as well as to remind recipients of the date and time of their scheduled recertification phone interview. The software will help improve efficiency and decrease churning by a predicted minimum of 10 percent the first year.
- **Florida Department of Children and Families, Economic Self-Sufficiency (FL)** received \$150,757 to purchase scan station software with Optical Character Recognition (OCR) and reporting capabilities. OCR can associate most documents with the appropriate case by extracting information from the document, such as the name, SSN, or case number, to automatically search and index to the proper case. This new technology will allow staff to spend less time on data entry resulting in faster processing of applications

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and recertifications. The estimated error rate for the OCR software is one percent which is an estimated benchmark based on prior contracts with mail and scanning vendors. The use of OCR can be replicated by other States.

- **Oklahoma Department of Human Resources (OK)** received \$1,415,712 to improve the quality and efficiency of Connect Oklahoma by enhancing technology for staff and clients using mobile devices. The project includes the development of a mobile enabled app OKDHSLive! to increase using adapted software applications to reduce wait time. Workers will have the ability to use mobile devices at disaster recovery centers. The project will utilize a State wide appointment setting system.
- **Oregon Department of Human Services (OR)** received \$646,000 to expand Employment and Training (E&T) services in three new geographic locations, with four project partners, to provide services to veterans, military service members, and Native Americans. The project will serve a total of 752 SNAP participants in the Counties of Lane, Jackson, Klamath and Lake, and with the Klamath Tribes. Project services will include assessments, GED completion, job search training, work experience, E&T resources, job search, work experience, and job retention.
- **City of New York Human Resources Administration Department of Social Services (NY)** received \$720,239 to improve the effectiveness and efficiency of the SNAP office processes through a comprehensive skills gap analysis of staff core competencies and the development and delivery of a targeted core competencies training program that will re-align SNAP staff skills to more effectively and efficiently serve SNAP clients. Through its SNAP Core Competencies Initiative (SCCI), HRA will train 62 staff trainers who will deliver the SCCI curriculum to 1,200 SNAP Center staff. The training will prepare the staff with the operational, technical, and customer service skills needed to effectively support clients.
- **Steuben County Department of Social Services (NY)** received \$20,692 to increase access within a rural county by placing two workstations in the County offices; three application stations in the Pro Action's One Stop Career Search centers in Bath, Corning, and Hornell; and two mobile workstations for use by two outreach workers, one each from Catholic Charities and the Steuben County Office of Aging. The additional work stations will increase application and recertification access, reduce application errors, loss and/or damage of original documents, and improve timeliness.
- **County of Suffolk (NY)** received \$175,000 to implement SKIP, the Suffolk Kiosk Interactive Process. The grant will be used to purchase and install a series of four kiosks which include a touch screen computer and an integrated high speed scanner within the lobbies of each of the County's four centers. SNAP applicants will receive a detailed printed receipt of all scanned and submitted documents.
- **County of San Diego (CA)** received \$1,000,000 to enhance its current E&T program by creating an online learning component to the existing E&T program to improve access for SNAP recipients as well as a means to communicate with potential employers. In addition the project will provide equipment for 48 self-service stations which will increase access points to assist in submitting electronic CalFresh applications and the job application process. The project will serve approximately 1,100 SNAP participants monthly.
- **Erie County Department of Social Services (NY)** received \$41,609 to establish a call center for real-time case processing of income maintenance changes and to develop an OnBase electronic case and work assignment tracking system. The call center will enable the Agency to respond immediately to customer inquiries and provide better customer service. The technology will allow supervisors to monitor call activity and wait times in real time, increasing the ability to evaluate performance outcomes and identify training needs.
- **State of Connecticut Department of Social Services (CT)** received \$75,100 to modify various components of their SNAP E&T program in an effort to increase participation in the program. The enhancements include expanding the number and location of E&T contractors, aligning current and future workforce and training needs of SNAP participants, modifying the intake/assessment and case management process, and implementing strategies to increase participation and track retention. The

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project will connect with community colleges for training opportunities and the University of Connecticut will provide cultural competency training.

- **Jackson Medical Mall Foundation (MS)** received \$748,209 to provide comprehensive E&T services targeting counties in central Mississippi to launch a Community Training and Employment Collaborative targeting SNAP recipients. The SNAP participants that complete the training program will be placed in living wage jobs for sustained periods of time. The collaborative consists of community based organizations and academic institutions. The project will use a case management design where Family Support Workers will meet in-person with SNAP participants one day per week for the first three months, provide coaching, and provide participant follow-up for 12 months.

### State Performance Bonuses

The Farm Security and Rural Investment Act of 2002 (P.L. 107-171, the “2002 Farm Bill”) revised the performance and liability system in SNAP. 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 based on 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.

Section 4021 of the Agricultural Act of 2014 requires performance bonus payments to be used only for SNAP-related expenses such as investments in technology, improvements in administration and distribution, and actions to prevent fraud, waste, and abuse. This is effective for FY 2013 bonuses awarded in 2014. States that receive such bonuses are encouraged to use the funds to improve program administration, particularly in the area of program integrity.

Beginning in FY 2012, FNS included several additional measures of performance in calculating the negative error rate, now referred to as the Case and Procedural Error Rate, reflecting the broader and more stringent scope of the measurement. Changes in the measurement may require States to make significant changes to their internal procedures and computer systems to improve the processing, clarity, and timeliness of their notices. FNS will continue working with States to assist them in this task.

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 2013 were awarded in June and September 2014. The following States received awards:

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**BEST PAYMENT ACCURACY**

State	Payment Error Rate (PER)	Bonus Amount
Virginia	0.44	\$1,723,956
Florida	0.81	7,015,422
South Dakota	0.99	261,197
Alaska	1.27	236,178
New Jersey	1.32	1,637,797
Tennessee	1.32	2,455,789
Louisiana	1.44	1,614,241
Texas	1.44	6,056,493
Mississippi	1.48	1,185,054
National Average	3.20	

**MOST IMPROVED PAYMENT ACCURACY**

State	FY 2012	FY 2013	Change	Bonus Amount
Missouri	7.18	1.62	-5.56	\$1,656,202
Wyoming	7.18	4.99	-2.19	157,671
Total				24,000,000

**BEST CASE AND PROCEDURAL ERROR RATE (CAPER)**

State	CAPER Rate	Bonus Amount
South Dakota	2.54	\$272,651
New Hampshire	7.66	314,141
Iowa	8.36	856,340
Alaska	8.59	245,854
National Average	25.25	

**MOST IMPROVED CASE AND PROCEDURAL ERROR RATE**

State	FY 2012	FY 2013	Change	Bonus Amount
Tennessee	46.28	23.51	-22.77	\$2,623,180
South Carolina	31.02	13.59	-17.43	1,687,834
Total				6,000,000

**BEST PROGRAM ACCESS INDEX**

State	Rate	Bonus Amount
District of Columbia	103.09	\$795,666
Maryland	101.36	3,431,084
Delaware	99.83	713,617
Maine	98.11	1,207,355
Alaska	96.86	425,129
Oregon	96.33	3,934,216
National Average	75.19	

**MOST IMPROVED PROGRAM ACCESS INDEX**

State	FY 2012	FY 2013	Change	Bonus Amount
Maryland	95.12	101.36	-6.24	See best above
Hawaii	88.44	96.15	-7.71	\$915,580
New Hampshire	70.71	76.15	-5.44	577,353
Total				12,000,000

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**BEST APPLICATION PROCESSING TIMELINESS RATE**

<b>State</b>	<b>Rate</b>	<b>Bonus Amount</b>
<b>Idaho</b>	<b>98.98</b>	<b>\$708,534</b>
<b>New Mexico</b>	<b>98.64</b>	<b>1,326,420</b>
<b>Kentucky</b>	<b>98.41</b>	<b>2,711,259</b>
<b>District of Columbia</b>	<b>97.62</b>	<b>608,965</b>
<b>North Dakota</b>	<b>97.24</b>	<b>263,246</b>
<b>South Dakota</b>	<b>96.02</b>	<b>381,576</b>

FNS continues its aggressive efforts to collect debts owed to SNAP, for example by recipients who have not repaid overissuances, by 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 \$138.8 million in delinquent debt was collected through TOP in calendar year 2014. Approximately \$1.80 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.

**States Notified of Liability Status under the Quality Control (QC) Provisions of the 2008 Farm Bill**

On June 27, 2014, FNS notified four SNAP agencies (Connecticut, Rhode Island, Vermont, and Guam) they were in liability status for having a poor QC error rate for at least two consecutive years. New York, West Virginia, Kentucky, Colorado, Wyoming, Arizona, and Nevada were not assessed a financial liability because their error rate was below six percent, which is the statutory standard for being assessed a liability. However, New York, West Virginia, Kentucky, Colorado, Wyoming, Arizona, and Nevada are still considered to be in liability status for the year, which will be used to determine whether the States are in liability status for two consecutive years when determining liability for FY 2014. Liability amounts were established against the following States:

<b>State</b>	<b>Liability Amount</b>
Connecticut	\$799,650
Rhode Island	683,350
Vermont	549,198
Guam	76,895

In addition, six States (District of Columbia, Georgia, North Carolina, New Mexico, Montana, and Hawaii) exceeded the FY 2013 threshold for the first year. Potential liabilities will be established if these States have a payment error rate in FY 2014 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.

**Application Processing Timeliness**

Processing applications in a timely manner remains a priority to ensure that families can put food on the table as quickly as possible, thus reducing food insecurity. States have struggled with processing timeframes in the face of diminishing resources. Additionally, as States transform their systems and processes to comply with changes to other programs, they may have difficulty processing SNAP applications within the Federal timelines. In FY 2014, a policy was designed to hold States accountable to application timeliness standards. This policy will be implemented in FY 2015 and includes the steps FNS may take to notify poor performing States, establish benchmarks and timelines for improvement, review Corrective Action Plans (CAPs), and monitor program performance. The guidance also establishes an escalation procedure to address chronic poor performance.

**State Policy Options Report**

FY 2014 marked the third year in which FNS used a survey software package to modernize the way it surveys States about their policy options for the State Options Report – a report of State choices in policy areas where legislation and regulations allow States flexibility in how they implement certain requirements.

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SNAP's statute, regulations, and waiver authority provide State agencies with numerous policy options. State agencies use this flexibility to best 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. A new option that will be reflected in the 11th Edition includes Simplified Deduction Determinations. States using the Simplified Deduction Determination have the option to average expenses that fluctuate from month to month or that are incurred less frequently than on a monthly basis.

The State Options Report provides FNS, researchers, States, and other agencies with information about the options being implemented in each of the 53 State agencies that administer SNAP.

### **SNAP Outreach**

FNS strives to provide access to nutrition assistance program benefits to every eligible person who needs and seeks assistance. FNS promotes program access through appropriate outreach to program partners and potential recipients to ensure that eligible people can make an informed choice for themselves and their families. FNS works to ensure that outreach is in line with the law and policy by:

- Focusing clearly on groups who are eligible under the law.
- Emphasizing that programs provide support during times of need, not permanently.
- Avoiding messages that disparage or demean the importance of work.

*Toll Free Information Line:* FNS provides a SNAP toll-free information line in English and Spanish to refer callers to their State information lines for information on application procedures and eligibility requirements. During FY 2014, FNS distributed 4,597 packets of information in English and Spanish to toll-free number callers and answered 25,065 calls.

*Educational Materials:* Informational materials in both English and Spanish are available for States and community based organizations to order or to download through the FNS website at <http://snap.ntis.gov/>. Approximately 2 million hard copy items were shipped in FY 2014.

*National Anti-Hunger and Opportunity Corps:* USDA is in its 5th year of partnership with the Corporation for National and Community Service, with an expected 48 VISTA members serving at various non-profit organizations across the country, to conduct SNAP and SNAP Employment and Training informational efforts for underserved populations.

*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 2014, 44 States had approved outreach plans and an additional State performed outreach activities.

### **SNAP Administration Performance Improvement Initiatives**

*Process Improvement Support for State Agencies:* FNS awarded a contract to provide process improvement support to low performing States on critical SNAP performance measures (application process timeliness, payment accuracy and case and procedural (formerly "negative") errors) over the next five years. The contract allows FNS to provide State agencies with five types of process improvement support: 1) small-scale process improvement projects, 2) large-scale process improvement or business process reengineering support, 3) rapid assessments and technical support, 4) support to manage prior process improvement projects, and 5) training State agency staff in process improvement techniques (e.g. Lean Six Sigma, Business Process Reengineering).

*SNAP Workflow Information Management System (SWIM):* FNS continues to develop an online workflow and document management system to automate key business functions for State SNAP waiver requests and SNAP policy questions. The system will allow States to submit waiver requests (or modify existing waiver requests) and policy questions through an online portal. These requests will be automatically routed through FNS regional offices and

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the National Office for processing. The system will allow FNS to efficiently process, track, and manage waivers and policy questions while improving transparency and consistency.

### **SNAP Nutrition Education and Obesity Prevention Grants (SNAP-Ed) - Promoting Healthier Eating Habits and Active Lifestyles**

The goal of SNAP-Ed is to improve the likelihood that persons eligible for SNAP and other means tested programs will make healthy food choices and choose physically active lifestyles consistent with the current *Dietary Guidelines for Americans*. Under current regulations, State SNAP agencies provide nutrition education and obesity prevention services to eligible individuals. States seeking Federal funding for SNAP-Ed must submit a State SNAP-Ed plan to FNS for approval each year that outlines the State's SNAP-Ed activities and a corresponding budget.

Section 241 of the Healthy, Hunger-Free Kids Act of 2010 (HHFKA) added a focus on obesity prevention and changed the funding structure of SNAP-Ed, which was previously funded through State administrative expenses grants. SNAP-Ed funding was changed to a capped formula grant whereby USDA provides 100 percent Federal funds to States to provide SNAP-Ed activities. USDA previously reimbursed States for 50 percent of their SNAP-Ed expenditures, with no limit on reimbursements. Under the HHFKA, SNAP-Ed funding was set at \$375 million in FY 2011. The American Taxpayer Relief Act of 2012 (P.L. 112-240) amended the law to set definite funding amounts for FY 2012 through FY 2015, but funding provided in subsequent years will grow with changes in the CPI-U. From FY 2010 through FY 2012, States received funding under the statutory formula based on their relative shares of total SNAP-Ed expenditures during FY 2009, reported as of February 2010. For FY 2014 through FY 2018, the funding formula gradually changes, incorporating each State's relative share of SNAP participation in the previous 12-month period ending the preceding January 31 to allocate a portion of the total funding, starting with a 90/10 weighting of expenditures to participation in FY 2014 and building to a 50/50 weighting of expenditures to participation in FY 2018 and beyond.

SNAP-Ed activities are to be evidence-based and provide nutrition education and obesity prevention activities through individual and group-based strategies, comprehensive multi-level interventions, and/or community and public health approaches. The FY 2015 SNAP-Ed Guidance, released in March 2014, provided instructions to State agencies on implementing policy, systems, and environmental interventions defined for SNAP-Ed. In April 2014, FNS released an updated Tool Kit of approved evidence-based nutrition education and obesity prevention strategies and activities to assist States with implementing new and innovative approaches. The Agency published the SNAP-Ed interim final rule on April 5, 2013 to inform States of the new requirements. The final rule publication is expected in FY 2015.

Education and Administrative Reporting System (EARS) is designed to provide uniform information about SNAP-Ed activities. EARS is not an evaluation tool, but provides FNS with national data that informs management decisions, supports policy initiatives, provides documentation for legislative, budget and other requests, and supports planning within the agency. Data collected under this reporting system include demographic characteristics of participants receiving nutrition education, topics covered, educational delivery sites, educational strategies and resource allocation. The EARS data provide a picture of SNAP-Ed trends. An online EARS training module is available for those involved in EARS reporting. FNS has begun the process of addressing the feasibility of additional data collection through the EARS form or another means that captures post-HHFKA SNAP-Ed programming.

### **Other SNAP-Ed Activities**

**Fostering Healthy Eating among SNAP participants:** FNS awarded a contract to provide a full inventory of current nutrition education materials available via various organizations and websites, an options paper to inform decisions on needed materials based on gaps identified through the inventory. As a result, the need for developing nutrition education materials for teens was identified. A Request for Proposal was released and the selection process to fulfill the goal of creating a multi-component nutrition education and promotion package targeted to low-income students is underway.

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**Inventory and assessment of local SNAP-Ed practices:** FNS established an Interagency Agreement with the National Institute for Food and Agriculture (NIFA) and land grant university Colorado State (CSU), to learn more about how successful SNAP-Ed models are best transferred from community to community through a review of all FY 2012 SNAP-Ed plans and annual reports. The project identified best practice criteria through the use of an expert panel. The report, released in April 2014, identified 28 best practices and recognized that nutrition education is most effective when delivered through multiple approaches.

**SNAP-Ed Connection:** This website is a dynamic online resource center for State and local SNAP-Ed providers. The site contains nutrition education and obesity prevention resources and provides easy access to materials developed specifically for SNAP-Ed educators that target SNAP participants and other low-income individuals.

The SNAP-Ed Connection helps educators meet their professional development needs by supplying information on valuable training and continuing education resources. The website also houses a Basic Nutrition for Everyone section that provides professionals as well as consumers with tips, information, and tools for making healthy lifestyle choices.

### **Incentive Programs to Increase Healthy Food Purchases in SNAP**

During FY 2014, FNS approved two requests to waive the equal treatment requirement in SNAP regulations (7 CFR 278.2(b)) to pilot incentive programs in retail food stores aimed at increasing healthy food purchases with SNAP benefits. One approval was for the continuation of a pilot program in Michigan, and the other was to initiate a pilot in Seattle, Washington. The pilots provide incentives using gift cards or discounts that can only be used in select stores to purchase healthy foods, primarily fresh fruits and vegetables. FNS is not providing funding for these pilots.

### **Elderly Access**

Ensuring seniors have access to nutritious food continues to be a priority for FNS. Potentially eligible seniors do not apply for SNAP benefits at the same rate as the general SNAP population or other vulnerable populations. In FY 2014, FNS continued operation of three demonstration projects to improve access to the elderly. All FNS approved demonstration projects must maintain cost neutrality, an offset, and include a rigorous evaluation component.

*Combined Application Projects (CAPs)* are a partnership between the Social Security Administration (SSA), FNS and State and local agencies to streamline application procedures for individuals receiving SSI benefits. The projects strengthen access to nutrition benefits for the elderly and people with disabilities while improving the administration of SNAP. The combination of standardized benefits, reduced recertification requirements and eliminating the need for SSI recipients to visit the local SNAP office has significantly increased participation among the elderly and people with disabilities.

In FY 2014, 18 States operated CAP demonstration projects: 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.

*Elderly Simplified Application Projects (ESAPs)* are demonstration projects that support participation among the elderly and disabled population by utilizing a shorter SNAP application, longer certification periods, and minimal verification. In FY 2014, six states operated ESAPs (Alabama, Florida, Georgia, Mississippi, South Carolina, and Washington).

*Standard Medical Deductions* are demonstration projects that ease verification requirements for senior and disabled households with out-of-pocket medical expenses over \$35 per month. In FY 2014, 15 states operated Standard Medical Deduction projects (Arkansas, Iowa, Illinois, Kansas, Massachusetts, Missouri, New Hampshire, Oklahoma, Rhode Island, South Carolina, Texas, Virginia, Vermont, Washington, and Wyoming).

### **FY 2013 Certification Payment Error Rates**

The FY 2013 national average certification payment error rate, announced in June 2014, was 3.2 percent.

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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 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 2013 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.

### **Disaster Supplemental Nutrition Assistance Program (D-SNAP)**

FNS continues to work on a proposed D-SNAP regulation the agency expects to publish in 2015. Currently, D-SNAP operates under interim regulations. The forthcoming regulations will provide detailed guidance on disaster planning, requesting D-SNAP, and reporting requirements.

FNS' role in D-SNAP operations includes analyzing and responding to State agency requests to operate D-SNAP, waiving applicable certification and issuance policies 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 as needed.

The following summarizes State reported disaster assistance provided in FY 2014:

<b>State</b>	<b>Disaster</b>	<b>Total Households</b>	<b>Total Issuance</b>
Arkansas	Tornado	427	\$136,596
Illinois	Tornado	111	\$46,711
Mississippi	Tornado	1,877	\$448,244
<b>TOTAL</b>		<b>2,415</b>	<b>\$631,551</b>

### **Court Suit Activity in SNAP**

There was no new litigation activity involving USDA related to SNAP in FY 2014.

### **Employment and Training (E&T)**

#### *Background*

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. SNAP participants who are not specifically exempted by statute are subject to work requirements as a condition of eligibility. Work requirements include:

- Registering for work;
- Participating in a SNAP E&T program or workfare program if assigned; and
- Not voluntarily quitting a job or reducing work hours to less than 30 hours per week.

In addition to the work requirements, able-bodied adults without dependents (ABAWDs) must comply with additional requirements in order to receive benefits for more than three months in a 36 month period. ABAWDs in non-waived areas must meet at least one of the following requirements:

- Work at least 20 hours a week;

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- Participate for at least 20 hours a week in qualifying education or training activities; or
- Participate in workfare in order to receive benefits for more than 3 months in a 36-month period.

### *Eligibility and Participation*

A majority of SNAP participants are exempt from work requirements due to age, disability, caregiver responsibilities, or because they are already working or participating in a work training program. In FY 2013, States reported that over 13.3 million participants were subject to SNAP work requirements and registered for work.

SNAP E&T is State administered and States have a great deal of flexibility in designing E&T programs that meet the needs of their participants and local economy. States submit an annual plan to FNS that details what E&T services, called components, the State plans to offer, including: job search and job search training, workfare, basic education or vocational training, and job retention services.

States use flexible E&T funding to serve low-skilled, vulnerable adults that might not otherwise receive job training or employment services. The program fills a critical gap in workforce services for this population. In FY 2014, States served an estimated 600,000 participants through their E&T programs. Currently, FNS does not have a national outcome measures for the E&T program. Thirty-six States voluntarily collect and report E&T outcomes such as job entry, job retention, and average wage. However, States use a variety of methods and definitions in collecting these measures and data cannot be compared at the national level. FNS is in the process of establishing national outcome measures and requiring States to report outcome data through the rule making process. Such performance measures are now required by the Agricultural Act of 2014.

### *Funding*

SNAP E&T is funded under four funding streams:

Budget Item	Description	2014 Obligations (Thousands)
100 Percent Federal Grant	Base funding for E&T administration, allocated annually to States based on the percentage of work registrants and ABAWDs in each State.	\$20,000
ABAWD 100 Percent Federal Grant	Additional grants for States that guarantee certain activities aimed at the ABAWD population.	\$91,960
Federal 50 percent Administrative Grants	50 percent reimbursement for States that exceed their 100 percent Federal grant.	\$198,655
Federal 50 percent Participation Grants	50 percent reimbursement for transportation and childcare costs to ensure successful participation in E&T programs. States are not allowed to use 100 percent grants for participant reimbursements.	\$65,185
	<b>TOTAL</b>	<b>\$375,800</b>

### *Employment and Training (E&T) Pilot Grants*

The Agricultural Act of 2014 provides \$200 million for up to ten 3-year pilots. The pilot projects will be designed to increase the number of work registrants who obtain unsubsidized employment, increase their earned income, and reduce their reliance on public assistance. To qualify, States must participate in an evaluation, provide evidence that they have a robust data collection system, commit to collaborating with State workforce boards, and maintain FY 2013 State funding for E&T. The projects should target certain populations such as those with low skills, be in both urban and rural areas, emphasize education and training as well as rapid attachment to employment, and test both mandatory and voluntary participation in E&T.

FNS published a Request for Applications (RFA) for the pilots on August 25, 2014, with an application due date of November 24, 2014. FNS will award funding to States in February 2015 and expects projects to be operational in FY 2016.

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The Act requires an independent longitudinal evaluation of each pilot project in order to measure the impact of E&T programs and services on the ability of participants to obtain and retain employment. FNS is selecting the independent evaluation contractor through a separate solicitation.

In addition to its pilot funding, and in accordance with the Act, FNS will reimburse States for 50 percent of State or local funding spent on allowable pilot activities.

### *Office of Employment and Training*

In the summer of 2014, FNS established a new Office of Employment and Training (OET) with experts in SNAP E&T and workforce development strategies. The OET will monitor the effectiveness of States' E&T programs, provide technical assistance to State agencies to create job-driven programs, and increase collaboration with other Federal training programs. Additional staff in each regional office will be dedicated solely to SNAP E&T. Those regional staff will work "on the ground" with State agencies, their partners, and other stakeholders.

This will integrate and align SNAP E&T with other job-training programs, leverage resources, and implement outcome measures.

### *Future Plans*

In FY 2015, FNS expects to publish a proposed rule to create national E&T outcome reporting requirements. The proposed rule would establish standard outcome reporting measures for SNAP E&T participants that focus on results. States would be required to collect information such as job entry, job retention, and average earnings for E&T participants.

## **Electronic Benefit Transfer Systems**

Electronic benefit transfer (EBT) systems, which replaced the coupon-based method for providing SNAP benefits, were implemented 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 most States, EBT cards are also used for TANF and other cash benefit programs.

These systems are interoperable, which means that recipients may shop at FNS-authorized food retailers in any State.

STARS: FNS continued to re-engineer retailer administration functions to ensure effective use of staff and financial resources through automation. This included updating the store application to require additional program integrity questions for all retailers applying for SNAP authorization. This also included rolling out a new online application for farmers' markets to streamline their application process while still obtaining the data necessary to maintain program integrity.

ALERT: FNS continued to enhance the next generation ALERT system to add new analytical capabilities 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 2014, which are available at <http://www.fns.usda.gov/ops/supplemental-nutrition-assistance-program-snap-research>. These include:

- **Healthy Incentives Pilot (HIP) Final Evaluation Report** which tested the impact of incentives at the point-of-purchase for increasing fruit and vegetable consumption. The evaluation found HIP participants consumed almost a quarter of a cup (26 percent) more targeted fruits and vegetables per day than did non-participants.
- **Understanding the Rates, Causes, and Costs of Churning in the Supplemental Nutrition Assistance Program** explores the circumstances of churning – when a household leaves SNAP and then returns within 4 months – by determining the rates and patterns of churn, examining the causes of caseload churn, and calculating costs of churn to both participants and administering agencies in six States.

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- **Nutrition Assistance in Farmers Markets: Understanding the Shopping Patterns of SNAP Participants** analyzes why some SNAP participants shop at farmers' markets and others in the same geographic area do not.

Work on three studies mandated by the Agricultural Act of 2014 began in FY 2014:

- **Assessment of Tribal Administration of Federal Nutrition Assistance Programs** will assess the feasibility of Indian Tribal Organizations (ITOs) administering Federal nutrition assistance programs in lieu of State agencies or other administering entities. The study will determine which programs, services, functions, and activities it is feasible for ITOs to administer. The study will also determine whether statutory or regulatory changes would be necessary to allow for the change in administration (Section 4004 of the Act).
- **Examination of Cash Nutrition Assistance Program Benefits in Puerto Rico** carries out a review of the history, purpose, and usage of the 25 percent of a household's allotment of Nutrition Assistance Program benefits in Puerto Rico that is provided in the form of cash. The study is also to include an assessment of the potential adverse effects of discontinuation of cash benefits for both program participants and retailers. The Agricultural Act of 2014 contains a provision that over a 5-year period transitions the cash portion of the benefit to electronic benefit transfer by 2021 (Section 4025 of the Act).
- **Assessment of Nutrition Assistance Program Administration in the Commonwealth of Northern Mariana Islands (CNMI)** will assess the capabilities of CNMI to operate the Supplemental Nutrition Assistance Program (SNAP) in a similar manner to State agencies and to assess alternative models of SNAP operation and benefit delivery to best meet the nutrition assistance needs of CNMI. The study is to include assessments of CNMI's ability to fulfill the responsibilities of a State agency as defined in the Food and Nutrition Act of 2008 in regards to certifying eligible households, issuing benefits through electronic benefit transfer, maintaining program integrity including operation of a quality control system, implementing work requirements including operation of an employment and training program, and paying a share of administrative costs with non-Federal funds (Section 4031 of the Act).

### 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. While funding was set at \$5 million per year in the 2008 Act, Section 4026 of the Agricultural Act of 2014 increased that amount to \$9 million beginning in FY 2015.

### Farmers' Markets and Direct-Marketing Farmers

FNS spent \$4 million in FY 2014 to provide wireless SNAP EBT equipment to farmers' markets and farmers not currently participating in SNAP. To accomplish this, FNS hired a contractor to:

- Identify eligible direct-marketing farmers and farmers' markets.
- Recruit them to become SNAP-authorized.
- Provide technical assistance in completing the SNAP authorization process.
- Work with States to expend previously allocated SNAP farmers' market equipment funds.

In FY 2014, 434 farmers' markets and direct marketing farmers have received wireless SNAP EBT equipment through this contract, and the number of SNAP-authorized farmers' markets and farmers has increased by over 1,000 (27 percent), to 5,172 as of October 2014. Due to its continued success, FNS will continue these activities in FY 2015.

FNS has also contracted to develop a process to provide \$3.3 million in support grants to eligible farmers' markets, as well as \$700,000 in replacement SNAP EBT equipment to farmers' markets and direct marketing farmers experiencing situations of hardship.

FOOD AND NUTRITION SERVICE

**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 neediest 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.

Section 4025 of the Agricultural Act of 2014 requires the Secretary to review cash nutrition assistance benefits in Puerto Rico by studying: the history of cash benefits, barriers to redemption with non-cash benefits, usage of cash benefits for the purchase of nonfood items, and other factors. The provision also restricts the Secretary from approving any nutrition assistance plan for FY 2017 that provides more than 20 percent of benefits in cash. In FY 2018, cash is limited to 15 percent of benefits; in FY 2019, cash is limited to 10 percent of benefits; in FY 2020, cash is limited to 5 percent; and in FY 2021, no benefits shall be in the form of cash. The Secretary may make exemptions if discontinuation of cash benefits will have significant adverse effects.

**Facts in Brief**

- On average, 1.35 million people were served monthly during FY 2014.
- In FY 2014, total benefit costs were \$1.9 billion, or about \$115 per person per month, for nutrition assistance program recipients.
- Puerto Rico spent an estimated \$38.7 million of Federal funds on administrative activities in FY 2014, 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 its annual program plan that estimates the costs of benefits, administration, and other projects in July for the fiscal year beginning on the following October 1. 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 2012 through 2014 is as follows:

**NUTRITION ASSISTANCE FOR PUERTO RICO**

Summary of Funding  
(Dollars in thousands)

	2012 Actual	2013 Actual	2014 Estimated
Benefit Costs	\$1,951,382	\$1,949,962	\$1,863,501
Administrative Costs	48,568	49,988	38,651
Nutrition Education Program	618	618	618
Total Federal Funds	2,000,568	2,000,568	1,902,770
State Administrative Costs	48,568	49,988	38,651
Total Program Costs	2,049,136	2,050,556	1,941,421

The Agricultural Act of 2014 authorized and funded a study to examine the use of cash Nutrition Assistance Program benefits in Puerto Rico.

## FOOD AND NUTRITION SERVICE

### Participation

From its inception, the NAP in Puerto Rico served a much higher proportion of the total population than 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: about 1.35 million persons were served monthly or about 36.5 percent of Puerto Rico's total estimated population of 3.7 million participated in the program in FY 2014. Monthly participation for FYs 2012 through 2014 is as follows:

#### NUTRITION ASSISTANCE FOR PUERTO RICO

##### Summary of Participation

	2012 Actual	2013 Actual	2014 Actual
Average Number of Persons (million)	1.37	1.36	1.35
Average Number of Households	662,635	666,624	672,473
Average Household Size (persons)	2.07	2.04	2.01
Average Benefit Per Household	\$241	\$240	\$231

#### 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 2014, \$8,276,000 was authorized to be expended under American Samoa's block grant.

##### Facts in Brief

- A monthly average of 4,466 persons, or about 8 percent of American Samoa's total estimated population of 55,519, was served during FY 2014.
- In FY 2014, average monthly benefit costs were \$560,226, or \$125.45 per person.
- American Samoa spent about \$1.083 million for administrative activities for FY 2014. 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 CNMI and other territories. In FY 2014, \$12,148,000 in grant funds were provided to CNMI.

## FOOD AND NUTRITION SERVICE

Section 4031 of the Agricultural Act of 2014 authorizes a feasibility study on implementing SNAP (in a manner similar to SNAP in the States) or an appropriate alternative in CNMI. If as a result of this study, the Secretary deems that a pilot project to implement SNAP is feasible, a pilot project will be conducted with funding limited to \$13.5 million (FY 2016) and \$8.5 million (for each of FYs 2017 and FY 2018). A report to Congress on the pilot project is due by June 30, 2019. The provision permits CNMI to keep any unspent pilot funds as part of their block grant, if the pilot is deemed not feasible.

### Facts in Brief

- On average each month 8,509 people, or 16 percent of CNMI's total estimated population of 53,883, were served during FY 2014.
- In FY 2014, average benefit costs were \$243 per household per month.
- The CNMI spent \$1.191 million on administrative activities for FY 2014. Block grant funding provides 100 percent of administrative and benefit costs.
- CNMI is allowed to set its eligibility standards within the capped block grant.
- 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.

As noted above, the Agricultural Act of 2014 authorized and funded a study to assess the capabilities of CNMI to operate SNAP in a similar manner to State agencies.

## FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (FDPIR)

### Program Mission

FDPIR is an alternative to SNAP for income-eligible households residing on Indian reservations and income-eligible Indian households in designated service areas near reservations or in Oklahoma. FDPIR is authorized by Section 4(b) of the Food and Nutrition Act of 2008, as amended, to allow Indian Tribal Organizations (ITOs) to operate a food distribution program for households who prefer USDA Foods to SNAP benefits. Each month, participating households receive a food package to help them maintain a nutritionally balanced diet. Participants may select from over 70 products including:

- Frozen ground beef, beef roast, and chicken
- Fresh and canned fruits and vegetables; pastas, cereals, rice, and other grains
- Canned soups
- Cheese, lowfat ultra high temperature milk, nonfat dry milk, and evaporated milk
- Flour and bakery mix
- Dried beans and dehydrated potatoes
- Bottled juices and dried fruit
- Peanut butter
- Vegetable oil.

Federal administrative funding is also available for nutrition education related activities, which can include individual nutrition counseling, cooking demonstrations, nutrition classes, and the dissemination of resources related to USDA Foods. Households may not participate in FDPIR and SNAP in the same month.

### Facts in Brief

- In FY 2014, five States and 100 ITOs administered programs on 276 Indian reservations, pueblos, rancherias, and Alaska Native Villages. Nutrition assistance was provided to an average of 85.4 thousand persons per month at a cost to FNS of \$60.92 per food package in FY 2014, with an average monthly per person administrative cost of \$39.22.

## FOOD AND NUTRITION SERVICE

### FDPIR PARTICIPATION AND COST

	2007	2008	2009	2010	2011	2012	2013	2014
Average Participation (in Thousands)	86.6	90.1	95.4	84.6	77.8	76.5	75.6	85.4
Per Person Per Month Food Cost (Entitlement)	\$44.40	\$54.42	\$54.65	\$47.45	\$50.71	\$57.04	\$59.31	\$60.92
Total FNS Food Cost (\$ in Millions)	\$46.94	\$55.32	\$62.90	\$48.17	\$47.36	\$52.38	\$53.81	\$79.1

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

**Reprogrammed Food Funds for FDPIR:** To support the unforeseen rise in food costs and program participation during FY 2014, FNS reprogrammed \$15.5 million from the SNAP benefits account to FDPIR. The additional funds allowed FNS to maintain sufficient inventories and ensured program participants received full food packages despite the rise in food costs and participation.

**Technical Assistance to FDPIR ITOs and State Agencies:** During FY 2014, FNS provided enhanced technical assistance to FDPIR staff, including a revamped, innovative FDPIR Online Certification Training for certification workers, in-person training sessions and webinars, and a question and answer document, all of which assisted ITOs and State agencies in implementing provisions of the FDPIR Income Deductions and Resource Eligibility Final Rule published in fall 2013. As a background, the final rule expanded access to FDPIR, improved program administration, and more closely aligned FDPIR with SNAP. Specifically, the rule eliminated the resource test as a basis for determining FDPIR eligibility, expanded the medical deduction to include other medical expenses in excess of \$35, and established a new region-specific standard deduction for shelter and utility expenses.

**Program Integrity:** In FY 2014, FNS saw higher than anticipated national participation rates in the program. To ensure program integrity and proper implementation of the new provisions of the FDPIR Income Deductions and Resource Eligibility Final Rule and provide technical assistance as needed to ITOs and State agencies, FNS performed a desk audit review that included a wide sample of cases across various FDPIR programs nationwide. The desk audit concentrated on newly certified case records and specifically focused on certification procedures for financial eligibility. Results from this desk audit were satisfactory and specifically showed that implementation of the new rule did not result in any households being erroneously certified for FDPIR.

**Food Package:** FNS continues its commitment to improve the food package offered under FDPIR by partnering with the National Association of Food Distribution Programs on Indian Reservations (NAFDPIR). A work group, consisting of NAFDPIR-appointed representatives and FNS staff, is focusing on ways to better meet the nutritional needs and food preferences of program participants. The panel seeks to reduce saturated fat, sugar, and sodium in the food package and explore ways to increase the convenience and acceptability of products offered. In FY 2014, the work group began discussions to pilot fresh shell eggs in the FDPIR food package.

**Studies and Evaluations:** FNS is working on a national study of FDPIR and its participants. The objectives include: updating the demographic profile of participants; exploring reasons for changes in FDPIR participation; examining food package distribution approaches and other key aspects of FDPIR operations; learning about FDPIR's contribution to participants' food supply; and learning about participant satisfaction with the program. A final report is due in 2015.

**Nutrition Education Grants and Materials:** In FY 2014, FNS awarded nearly \$1 million in Food Distribution Program on Indian Reservations Nutrition Education Grants to 20 grantees. The grants promote the healthy foods offered in FDPIR and follow the most recent edition of the *Dietary Guidelines for Americans* as well as support USDA's Strike Force and Promise Zone initiatives. FNS also developed and published a new program brochure that captures the benefits of FDPIR and helps dispel the old image of the benefits offered by the program.

FOOD AND NUTRITION SERVICE

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM  
SUMMARY OF BENEFIT COSTS, PARTICIPATION AND STATE ADMINISTRATIVE FUNDING  
FISCAL YEAR 2014

STATE OR TERRITORY	AVERAGE PARTICIPATION IN THOUSANDS		TOTAL VALUE OF BENEFITS ISSUED (\$000)	AVERAGE MONTHLY BENEFIT PER PERSON	STATE ADMINISTRATIVE, NUTRITION EDUCATION, and EMPLOYMENT & TRAINING FUNDING (\$000)
	PERSONS	HOUSEHOLDS			
Alabama-----	902	420	\$1,318,134	\$121.77	\$44,935
Alaska-----	87	37	174,242	165.97	10,440
Arizona-----	1,044	450	1,476,762	117.84	72,965
Arkansas-----	492	221	663,719	112.43	34,935
California-----	4,350	2,019	7,411,465	141.99	823,393
Colorado-----	505	234	765,737	126.32	38,314
Connecticut-----	439	243	697,436	132.52	48,913
Delaware-----	150	71	220,353	122.23	12,124
District of Columbia-----	143	80	222,604	129.99	14,163
Florida-----	3,526	1,921	5,472,834	129.33	87,654
Georgia-----	1,816	838	2,827,854	129.78	87,703
Hawaii-----	194	99	525,398	225.38	18,828
Idaho-----	212	90	295,663	116.34	9,074
Illinois-----	2,015	1,021	3,202,510	132.42	104,423
Indiana-----	893	405	1,311,468	122.43	43,005
Iowa-----	408	193	532,085	108.66	20,415
Kansas-----	293	133	395,210	112.23	22,767
Kentucky-----	828	399	1,170,990	117.84	49,198
Louisiana-----	877	396	1,288,316	122.37	58,863
Maine-----	231	123	321,551	116.23	14,371
Maryland-----	788	404	1,133,136	119.89	61,044
Massachusetts-----	863	489	1,272,977	122.86	56,234
Michigan-----	1,679	873	2,576,165	127.83	157,122
Minnesota-----	534	260	670,515	104.68	72,571
Mississippi-----	657	302	912,986	115.83	24,038
Missouri-----	858	404	1,236,445	120.03	45,908
Montana-----	125	59	176,170	117.53	11,581
Nebraska-----	174	77	238,904	114.73	16,025
Nevada-----	384	189	536,711	116.59	23,048
New Hampshire-----	112	54	140,719	104.98	8,806
New Jersey-----	883	440	1,290,688	121.75	139,086
New Mexico-----	431	195	630,130	121.94	33,203
New York-----	3,123	1,699	5,200,758	138.78	330,337
North Carolina-----	1,576	761	2,383,572	126.06	101,599
North Dakota-----	54	25	75,765	117.46	8,405
Ohio-----	1,752	852	2,582,758	122.84	99,574
Oklahoma-----	608	280	865,050	118.47	52,409
Oregon-----	802	449	1,161,870	120.70	71,700
Pennsylvania-----	1,796	890	2,573,657	119.41	166,207
Rhode Island-----	179	101	280,038	130.72	7,774
South Carolina-----	835	395	1,235,696	123.40	31,068
South Dakota-----	101	44	148,938	122.96	9,172
Tennessee-----	1,313	650	1,959,517	124.41	68,724
Texas-----	3,853	1,608	5,330,651	115.30	207,239
Utah-----	230	91	316,672	114.78	18,813
Vermont-----	93	49	130,324	116.78	11,195
Virginia-----	919	444	1,303,282	118.19	103,054
Washington-----	1,096	585	1,547,546	117.71	96,925
West Virginia-----	363	176	476,134	109.46	17,791
Wisconsin-----	842	421	1,112,981	110.21	56,744
Wyoming-----	36	15	49,273	114.47	5,275
American Samoa 1/-----	0	0	0	0.00	0
CNMI 1/-----	0	0	0	0.00	0
Guam-----	47	15	108,434	191.08	1,578
Virgin Islands-----	28	12	55,099	165.02	5,407
Anticipated Adjustment-----	0	0	-33,913	0.00	744,080
<b>TOTAL-----</b>	<b>46,536</b>	<b>22,700</b>	<b>\$69,973,978</b>	<b>\$125.37</b>	<b>\$4,480,219</b>

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.

FOOD AND NUTRITION SERVICE

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM  
 FIRMS AUTHORIZED TO RECEIVE AND REDEEM SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS  
 FISCAL YEAR 2014

State	Retailers	Wholesalers	Drug/ Alcohol Treatment Program	Shelter for Battered Women & Children	Communal Dining Facility	Group Living Arrangement	Homeless Meal Provider	Meal Delivery Service	Private For-Profit Restaurant	Sr Citizens Center/ Residential Building	Total
Alabama	5,330		25	2	2	27	2				5,388
Alaska	544		8	1			2				555
Arizona	4,038		6	2	1		4	3	252		4,306
Arkansas	2,740		16		1		2	2			2,761
California	25,067		216	6	8		30	14	1,534		26,875
Colorado	2,729		15		4	1	4	5			2,758
Connecticut	2,598		21	1	2			1			2,623
Delaware	825		3		1		6				835
District of Columbia	511						2				513
Florida	16,331		72	1	4	31	9	5	8		16,461
Georgia	10,187	2	4		6	1	3	3			10,206
Guam	266										266
Hawaii	1,010		9	8	2	2		2			1,033
Idaho	1,072							1			1,073
Illinois	9,343		17	1	38	14	8	22		119	9,562
Indiana	5,127		3	1	4		6	14		1	5,156
Iowa	2,803		13		18			13			2,847
Kansas	1,965		10		12	6	1	6			2,000
Kentucky	4,625		31		3	4					4,663
Louisiana	4,939		7		1	2	6				4,955
Maine	1,578		9		10	1	1	1		2	1,602
Maryland	3,982		16	3	5	22	10	4			4,042
Massachusetts	5,140		81	7	7	113	9	4		6	5,367
Michigan	10,247	2	27		37	38	8	29		1	10,389
Minnesota	3,328		4		8		2	12		2	3,356
Mississippi	3,675	1	3								3,679
Missouri	4,859		13	2	2		10	2			4,888
Montana	753		3		17	10	2	1		4	790
Nebraska	1,229		11				2				1,242
Nevada	1,792		5	1			7				1,805
New Hampshire	1,061		4		1	2	2	2		1	1,073
New Jersey	6,376		27		1	6	6			1	6,417
New Mexico	1,537		2								1,539
New York	19,003	1	115		33	211	15	36		5	19,419
North Carolina	9,353	1	6		24		2	9			9,395
North Dakota	471		3		19	5	1	7		1	507
Ohio	9,609		33		4	1	3	8			9,658
Oklahoma	3,496		15		17		2	17			3,547
Oregon	3,493		26	1	8	32	10	3		1	3,574
Pennsylvania	10,389	1	14		9	15	24	26		1	10,479
Rhode Island	979		11	1	9	4	2	4	2		1,012
South Carolina	5,292		2				1				5,295
South Dakota	704		2		11	17		5			739
Tennessee	6,890		19		1	29	3	2		2	6,946
Texas	19,017		30			2	2				19,051
Utah	1,399		8		1	2		1			1,411
Vermont	744		1		2						747
Virgin Islands	104	2	1				1				108
Virginia	6,543		14		1	3		2			6,563
Washington	4,997		22		7	6	2	6			5,040
West Virginia	2,198	2	1		8			2			2,211
Wisconsin	4,044		6	1	17	2	5	13			4,088
Wyoming	326		6		2		1				335
<b>Total</b>	<b>256,658</b>	<b>12</b>	<b>1,016</b>	<b>39</b>	<b>368</b>	<b>609</b>	<b>218</b>	<b>287</b>	<b>1,796</b>	<b>147</b>	<b>261,150</b>

FOOD AND NUTRITION SERVICE

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS  
PARTICIPATION AND FUNDING  
FISCAL YEAR 2014

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION	FOOD COSTS <u>1/</u>	ADMINISTRATIVE FUNDING <u>2/</u>	TOTAL FOOD AND ADMIN.
Alaska-----	347	\$220,397	\$652,245	\$872,642
Arizona-----	11,556	8,636,697	4,467,506	13,104,203
California-----	5,495	3,673,191	2,670,107	6,343,298
Colorado-----	454	303,923	265,707	569,630
Idaho-----	1,566	1,073,810	654,843	1,728,653
Kansas-----	551	413,692	250,812	664,504
Michigan-----	1,846	1,390,312	1,172,890	2,563,202
Minnesota-----	2,756	2,056,231	1,671,452	3,727,683
Mississippi-----	863	583,999	290,503	874,502
Montana-----	3,144	2,403,399	2,390,566	4,793,965
Nebraska-----	1,229	837,884	405,160	1,243,044
Nevada-----	1,611	964,173	782,694	1,746,867
New Mexico-----	2,853	2,019,933	1,787,444	3,807,377
New York-----	384	218,132	356,645	574,777
North Carolina-----	736	523,011	187,649	710,660
North Dakota-----	4,800	3,650,412	2,125,437	5,775,849
Oklahoma-----	29,012	21,804,841	9,697,311	31,502,152
Oregon-----	871	589,758	714,640	1,304,398
South Dakota-----	8,123	6,068,587	3,393,056	9,461,643
Texas-----	131	77,604	147,994	225,598
Utah-----	167	110,537	84,696	195,233
Washington-----	3,185	2,223,991	2,428,116	4,652,107
Wisconsin-----	2,978	2,107,554	1,883,845	3,991,399
Wyoming-----	742	556,361	206,702	763,063
AMS / FSA / PCIMS / Computer Support-----	0	670,281	0	670,281
Undistributed-----	0	15,918,915	1,360,163	17,279,078
<b>TOTAL-----</b>	<b>85,397</b>	<b>\$79,097,626</b>	<b>\$40,048,183</b>	<b>\$119,145,809</b>

SOURCE: FPRS FNS-152 data - Food distributed to participants in fiscal year 2014.

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

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

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

FOOD AND NUTRITION SERVICE

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS

Quantity and Value of Commodities  
Fiscal Year 2014

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 6/32 TYPE:</i>		
APPLESAUCE, CANNED, W/O SALT, UNSWEETENED	595,125.00	\$322,706
APRICOTS, CANNED, HALVES, LT SYRUP	328,050	310,230
BEANS, CANNED, BLACK	142,290	69,722
BEANS, CANNED, GREEN, LOW-SODIUM	1,099,680	469,080
BEANS, CANNED, LIGHT RED KIDNEY, LOW-SODIUM	516,848	268,722
BEANS, CANNED, PINTO, LOW-SODIUM	426,870	198,900
BEANS, CANNED, REFRIED, LOW-SODIUM	440,640	208,585
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	403,920	194,540
BEANS, DRY, GREAT NORTHERN, W/O SALT	403,200	339,359
BEANS, DRY, PINTO, W/O SALT	1,112,640	515,701
BEEF, CANNED	540,000	1,753,754
BEEF, FINE GROUND, FROZEN	2,690,000	7,928,759
BEEF, ROUND ROAST, FROZEN	1,320,000	5,266,800
BEEF STEW, CANNED	1,826,640	1,879,069
CARROTS, CANNED, LOW-SODIUM	328,050	160,996
CHICKEN, CONSUMER SPLIT BRST PKG	1,209,000	2,132,618
CHICKEN, WHOLE, BAGGED	685,200	685,280
CHICKEN, CANNED	468,000	935,780
CORN, CANNED, CREAM STYLE	291,600	158,954
CORN, CANNED, WHOLE KERNEL	385,407	186,048
CORN, CANNED, WHOLE KERNEL, LOW-SODIUM	945,999	429,089
CRANBERRY SAUCE, CANNED	183,600	85,604
*DoD FRESH PRODUCE		7,060,759
EGG MIX, DRIED	576,000	2,300,396
FRUIT-NUT MIX, DRY	174,720	482,780
HAM, WATER ADDED, FROZEN	566,820	1,089,871
HOMINY, CANNED	143,820	71,344
JUICE, BOTTLED, APPLE, UNSWEETENED	2,422,950	778,187
JUICE, BOTTLED, CRANBERRY APPLE, UNSWEETENED	1,169,280	452,497
JUICE, BOTTLED, GRAPE, UNSWEETENED	1,340,670	654,207
JUICE, BOTTLED, GRAPEFRUIT, UNSWEETENED	285,360	101,168
JUICE, BOTTLED, ORANGE, UNSWEETENED	2,890,314	1,363,261
JUICE, BOTTLED, TOMATO, UNSWEETENED	652,500	178,040
MIXED FRUIT, CANNED, LT SYRUP	678,600	551,955
MIXED VEGETABLES, CANNED, LOW-SODIUM	364,500	208,316
PEACHES, CANNED, CLING, LT SYRUP	1,321,650	1,006,815
PEARS, CANNED, LT SYRUP	929,475	734,459
PEAS, CANNED, LOW-SODIUM	410,400	228,001
POTATOES, DEHYDRATED	360,000	369,025
POTATOES, CANNED, SLICED	367,200	165,668
RAISINS	311,040	398,183
SOUP, CANNED, TOMATO, CONDENSED, LOW-SODIUM	177,375	112,574
SOUP, CANNED, VEGETABLE, LOW-SODIUM	106,425	89,188
SOUP, CREAM OF CHICKEN, REDUCED SODIUM	346,500	335,139
SOUP, CREAM OF MUSHROOM, REDUCED SODIUM	311,850	296,184
SPAGHETTI SAUCE, CANNED, MEATLESS, LOW-SODIUM	841,050	338,558
SPINACH, CANNED, LOW-SODIUM	169,575	88,470
TOMATO SAUCE, CANNED, LOW-SODIUM	814,950	317,530
TOMATOES, CANNED, DICED, LOW-SODIUM	713,400	333,995
TOMATOES, CANNED, DICED	246,645	116,251
TURKEY BREAST, COOKED	560,196	1,379,139
<b>SUBTOTAL, SECTION 6/32 TYPE</b>	<b>35,596,024</b>	<b>\$46,102,256</b>

FOOD AND NUTRITION SERVICE

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (Cont.)

Quantity and Value of Commodities

Fiscal Year 2014

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 416 TYPE:</i>		
BUTTER, SALTED	328,320	\$803,260
BUTTERY SPREAD, LIGHT, ZERO TRANS FAT	335,340	335,713
CEREAL, CORN AND RICE, READY-TO-EAT	68,040	96,142
CEREAL, CORN FLAKES, READY-TO-EAT	269,730	244,176
CEREAL, CORN SQUARES, READY-TO-EAT	115,248	186,629
CEREAL, OAT CIRCLES, READY-TO-EAT	144,543	174,139
CEREAL, RICE CRISPS, READY-TO-EAT	200,136	237,249
CEREAL, WT BRAN FLAKES, READY-TO-EAT	144,589	141,536
CHEESE, BLEND, AMER/SKIM MILK, SLICED	831,600	1,775,834
CHEESE, PROCESSED, LOAVES	1,861,200	4,351,418
CORNMEAL	1,071,000	230,831
CRACKERS, UNSALTED	864,000	972,576
EGG NOODLES	689,760	398,569
FARINA, QUICK COOKING	232,848	139,491
FLOUR MIX, LOWFAT	1,381,800	1,208,981
FLOUR, ALL PURPOSE, ENRICHED	6,383,160	1,584,442
FLOUR, WHOLE WHEAT	471,240	117,587
MAC N CHEESE MIX, DRY	641,277	568,141
MACARONI	1,204,800	465,711
MILK, EVAPORATED, CANNED, SKIM	2,267,919	1,673,918
MILK, INSTANT NDM	195,840	481,890
MILK, UHT, 1% LOW-FAT	5,282,550	2,081,603
OATS, WHOLE GRAIN, NO ADDED SALT	1,310,400	666,266
OIL, VEGETABLE	1,010,394	623,379
PEANUT BUTTER, SMOOTH	693,900	774,315
PEANUTS, ROASTED	181,440	270,136
RICE, WHITE	1,218,000	466,956
ROTINI, WHOLE GRAIN	102,000	40,188
SPAGHETTI	1,084,220	424,678
<b>SUBTOTAL, SECTION 416 TYPE</b>	<b>30,585,294</b>	<b>\$21,535,754</b>
AMS / FSA / WBSCM / Computer Support	0	670,264
Anticipated Adjustment	0	10,789,352
<b>TOTAL COMMODITY ENTITLEMENT</b>	<b>66,181,318</b>	<b>\$79,097,626</b>
<b>BONUS COMMODITIES</b>		
	Pounds	Dollars
<i>SECTION 32 TYPE:</i>		
NONE	0	\$0
<b>SUBTOTAL, SECTION 32 TYPE</b>	<b>0</b>	<b>\$0</b>
<b>BONUS COMMODITIES</b>		
	Pounds	Dollars
<i>SECTION 416 TYPE:</i>		
NONE	0	\$0
<b>SUBTOTAL, SECTION 416 TYPE</b>	<b>0</b>	<b>\$0</b>
Anticipated Adjustment	0	0
<b>TOTAL BONUS COMMODITIES</b>	<b>0</b>	<b>\$0</b>
<b>TOTAL -- ALL COMMODITIES</b>	<b>66,181,318</b>	<b>\$79,097,626</b>
Anticipated Adjustment	0	0
<b>GRAND TOTAL</b>	<b>66,181,318</b>	<b>\$79,097,626</b>

Source: WBSCM -- Sales Order and contract information.

\* DoD Fresh Includes Top Five (5) Foods: Apples, Oranges, Carrots, Lettuce, Tomatoes

FOOD AND NUTRITION SERVICE

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

Commodity Assistance Program:

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

- 1 [\$278,501,000] \$288,317,000 to remain available through September 30, [2016, of which \$2,800,000 shall be to begin service in seven additional States that have plans approved by the Department for the commodity supplemental food program but are not currently participating] 2017: 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 [2015] 2016 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, [2016] 2017: 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.

- 1 This change removes the requirement to add 7 additional States with approved plans to the program since this was accomplished in FY 2015.

Lead-Off Tabular Statement

COMMODITY ASSISTANCE PROGRAM (CAP)

2016 Budget Estimate.....	\$288,317,000
2015 Enacted .....	<u>278,501,000</u>
Change in Appropriation .....	<u>+9,816,000</u>

Summary of Increases and Decreases  
(Dollars in thousands)

Item of Change	2013 Actual	2014 Change	2015 Change	2016 Change	2016 Estimate
Discretionary Appropriations:					
Commodity Supplemental Food Program	\$186,935	\$15,747	\$8,800	\$9,816	\$221,298
All Other Discretionary Activities	67,017	2	0	0	67,019
<b>Total Appropriation or Change</b>	<b>\$253,952</b>	<b>15,749</b>	<b>8,800</b>	<b>9,816</b>	<b>\$288,317</b>

FOOD AND NUTRITION SERVICE

Project Statement  
(Adjusted Appropriations Detail and Staff Years)  
(Dollars in thousands)

Project	2013 Actual	SY	2014 Actual	SY	2015 Enacted	SY	Inc. or Dec.	2016 Estimate	SY
Commodity Supplemental Food Program	\$186,935		\$202,682		\$211,482		\$9,816 (1)	\$221,298	
Farmers' Market Programs									
Farmers' Market Nutrition Program	16,548		16,548		16,548		0 (2)	16,548	
Senior Farmers' Market Nutrition Program (transfer) <u>1/</u>	19,549		20,600		20,600		0	20,600	
Total Adjusted FMP	36,097		37,148		37,148		0	37,148	
The Emergency Food Assistance Program									
Administrative Costs	49,401		49,401		49,401		0 (3)	49,401	
Other Programs									
Nutrition Services Incentive Program <u>2/</u>	2,542		2,392		2,549		-2,549	0	
Nuclear Affected Islands	574		574		574		0 (4)	574	
Disaster Assistance	494		496		496		0 (5)	496	
TEFAP Disaster Assistance Supplemental	6,000		0		0		0	0	
Total Adjusted Appropriation	282,043	1	292,693	2	301,650	3	7,267	308,917	3
SFMNP Sequester	-3,651		-1,483		-1,483		1,483	0	
Rescission	-6,877		0		0		0	0	
TEFAP Disaster Assistance Supplemental	-6,000		0		0		0	0	
Transfers (SFMNP and NSIP)	-22,091		-22,992		-23,149		2,549	-20,600	
Total Appropriation	253,952	1	269,701	2	278,501	3	9,816	288,317	3

1/ Section 4402(a) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3007(a)) authorizes the transfer of \$20,600,000 from the Commodity Credit Corporation (CCC) for the SFMNP.

2/ Section 311(d)(3) of the Older Americans Act (42 U.S.C. 3030a) authorizes the transfer of NSIP funds from HHS for the purchase of USDA Foods and related expenses for elderly. The NSIP amounts for FY 2016 will be determined at a later date.

FOOD AND NUTRITION SERVICE

Project Statement  
(On basis of obligations)  
(Dollars in thousands)

Project	2013 Actual	SY	2014 Actual	SY	2015 Enacted	SY	Inc. or Dec.	2016 Estimate	SY
Commodity Supplemental Food Program									
USDA Food Purchases <u>3/</u>	\$143,196		138,087		\$191,558		-\$15,626	\$175,932	
Administrative Costs	42,683		42,842		44,268		1,098	45,366	
Subtotal, CSFP Obligations	185,879		180,929		235,826		-14,528	221,298	
Recoveries & Collections of Prior Yr Obligations	-154		-2,872		0		0	0	
Unobligated Balances:									
Available Start of Year	-4,006		-144		-24,344		24,344	0	
Available End of Year	144		24,344		0		0	0	
Balance Lapsing	10		425		0		0	0	
Subtotal, CSFP Appropriation	181,873		202,682		211,482		9,816	221,298	
Farmers' Market Programs									
Seniors Farmers' Market Nutrition Program	21,194		20,585		20,686		-86	20,600	
Farmers' Market Nutrition Program	18,733		19,633		16,548		0	16,548	
Subtotal, FMP Obligations	39,927		40,218		37,234		-86	37,148	
Transfer from CCC	-19,549		-20,600		-20,600		0	-20,600	
Recoveries & Collections of Prior Yr Obligations	-5,097		-4,616		0		0	0	
Unobligated Balances:									
Available Start of Year	-29		-25		-86		86	0	
Available End of Year	25		86		0		0	0	
Balance Lapsing	0		2		0		0	0	
Subtotal, FMP Appropriation	15,277		15,065		16,548		0	16,548	
The Emergency Food Assistance Program <u>1/</u>									
Administrative Costs	45,920		49,579		49,401		0	49,401	
SNAP/TEFAP Admin. (non add)	(18,401)		(19,500)		0		0	0	
SNAP/TEFAP USDA Foods (non add)	(247,166)		(248,516)		(327,000)		(7,250)	(319,750)	
Subtotal, TEFAP Obligations	45,920		49,579		49,401		0	49,401	
Recoveries & Collections of Prior Yr Obligations	-327		-178		0		0	0	
Unobligated Balances:									
Available Start of Year	0		0		0		0	0	
Available End of Year	0		0		0		0	0	
Balance Lapsing	0		0		0		0	0	
Subtotal, TEFAP Appropriation	45,593		49,401		49,401		0	49,401	
Other Programs:									
Nutrition Services Incentive Program <u>2/3/</u>	2,692		1,906		3,231		-3,231	0	
Nuclear Affected Islands	530		574		574		0	574	
Disaster Assistance <u>3/</u>	456		228		974		-478	496	
TEFAP Disaster Assistance	5,700		0		0		0	0	
Subtotal, Other Program Obligations	9,378		2,708		4,779		-3,709	1,070	
Transfer from DHHS	-2,542		-2,392		-2,549		2,549	0	
Recoveries & Collections of Prior Yr Obligations	-150		-204		0		0	0	
Unobligated Balances:									
Available Start of Year	-464		-459		-1,160		1,160	0	
Available End of Year	459		1,160		0		0	0	
Balance Lapsing	0		257		0		0	0	
Subtotal, Other Program Appropriation	6,681		1,070		1,070		0	1,070	
Total, CAP Obligations	281,104	1	273,434	2	327,240	3	-18,323	308,917	3
Rescission	6,877		0		0		0	0	
SFMNP Sequester	3,651		1,483		1,504		-1,504	0	
Total Adjusted Appropriation	259,952	1	269,701	2	278,501	3	9,816	288,317	3
TEFAP Disaster Assistance Supplemental	-6,000		0		0		0	0	
Total Appropriation	253,952	1	269,701	2	278,501	3	9,816	288,317	3

1/ Section 27(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)) as amended by Section 4016(a) of the Agricultural Act of 2014 (P.L. 113-79) provides continued funding for TEFAP commodities in the SNAP account.

2/ Section 311(d)(3) of the Older Americans Act (42 U.S.C. 3030a) authorizes the transfer of NSIP funds from HHS for the purchase of USDA Foods and related expenses for elderly. The NSIP amount for FY 2015 will be determined at a later date.

3/ Obligation numbers differ slightly from MAX due to updated numbers received after MAX Lock.

## FOOD AND NUTRITION SERVICE

### Justification of Increases and Decreases

The FY 2016 request for the Commodity Assistance Program (CAP) reflects an increase of \$9,816,000 (\$278,501,000 and 3 staff years are available in FY 2015). CAP 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.

In addition to the activities and functions specifically described in the budget request, current year and budget year base funds will be used to carry out activities and functions consistent with the full range of authorities and activities delegated to the agency.

- (1) An increase of \$9,816,000 for the Commodity Supplemental Food Program (\$211,482,000 enacted in FY 2015).

The Commodity Supplemental Food Program (CSFP) works to improve the health of low-income elderly persons at least 60 years of age by supplementing their diets with nutritious USDA foods. The program now operates in parts of 46 States, the District of Columbia, and through two Indian Tribal Organizations (ITOs). CSFP participants receive monthly food packages designed to address the specific nutritional needs of women, infants, children, and elderly clients. Packages 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. FNS also provides administrative grants to States from the appropriated funds. Section 4102 of the Agricultural Act of 2014 changed the criteria for new participants in CSFP to low-income elderly only. Women, infants and children currently participating may continue on the Program under the former rules, but they are being phased out of the Program. The estimate for FY 2016 assumes that only one percent of the caseload is non-elderly.

The increase from FY 2015 to FY 2016 is due to increases in food package costs, coupled with the need to increase inventory to expand the program in newer States. The FY 2015 appropriation included resources to add seven States – Connecticut, Florida, Hawaii, Idaho, Maryland, Massachusetts, and Rhode Island. The amount requested will support a caseload of 614,000, an increase of 10,000 caseload slots.

The average monthly food cost per person will increase from an estimated \$27.46 for women, infants and children in FY 2015 to \$28.16 in FY 2016, and from \$22.64 to \$23.21 for the elderly.

The administrative grant per caseload slot is increased annually using the State and Local Expenditure Index. The FY 2016 grant is anticipated to be \$75.11 per year per caseload slot, an increase of \$1.33 from the FY 2015 level.

- (2) No change in the Farmer's Market Nutrition Program (\$16,548,000 enacted in FY 2015).

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.

- (3) No change in The Emergency Food Assistance Program (\$49,401,000 enacted in FY 2015).

This funding is used for grants to States to support the storage and distribution of USDA foods distributed through the TEFAP network of emergency feeding organizations (EFOs): food banks, food pantries and soup kitchens. The funding is allocated among States using a statutory formula that takes into account poverty and unemployment. States are required to pass through at least 40 percent of these funds to EFOs, and must match any funding retained for State administrative expenses.

## FOOD AND NUTRITION SERVICE

(4) No change in Nuclear Affected Islands program (\$574,000 enacted in FY 2015).

This funding provides nutrition assistance to the former residents of the four atolls that were rendered uninhabitable because of the nuclear weapons testing program at Bikini atoll in the Pacific Ocean. 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.

(5) No change in Disaster Assistance program (\$496,000 enacted in FY 2015).

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.

This funding provides nutrition assistance in situations of distress, which are natural catastrophes or other situations have not been declared a disaster or emergency by the President.

FOOD AND NUTRITION SERVICE

<b>COMMODITY SUPPLEMENTAL FOOD PROGRAM</b>		
<b>CALENDAR YEAR AUTHORIZED CASELOAD LEVELS</b>		
<b>FOR ELDERLY AND WIC a/</b>		
<b>STATE/ TRIBAL ORG.</b>	<b>2014</b>	<b>2015</b>
Alaska	2,119	2,108
Arizona	12,349	12,598
Arkansas	2,992	3,052
California	75,714	77,242
Colorado	18,100	17,991
Delaware	2,394	2,442
District of Columbia	6,329	5,746
Georgia	2,988	3,048
Illinois	17,023	16,151
Indiana	3,645	3,579
Iowa	2,998	2,974
Kansas	4,938	4,898
Kentucky	23,368	23,823
Louisiana	65,015	63,615
Maine	2,945	3,004
Michigan	76,366	75,340
Minnesota	15,903	15,951
Mississippi	9,575	9,768
Missouri	15,648	15,963
Montana	8,197	8,300
Nebraska	10,870	10,185
Nevada	7,212	7,283
New Hampshire	5,889	5,322
New Jersey	2,963	3,016
New Mexico	16,600	16,591
New York	34,066	34,754
North Carolina	1,138	1,161
North Dakota	2,047	1,921
Oglala Sioux, SD	601	580
Ohio	20,487	20,770
Oklahoma	2,989	3,049
Oregon	1,645	1,652
Pennsylvania	34,619	34,619
Red Lake, MN	88	84
South Carolina	5,366	5,474
South Dakota	4,219	4,174
Tennessee	13,468	13,740
Texas	33,942	34,627
Utah	2,420	2,469
Vermont	3,165	3,075
Washington	5,209	5,261
Wisconsin	10,391	10,600
<b>SUBTOTAL</b>	<b>588,000</b>	<b>588,000</b>
<b>NEW STATES b/</b>		
Connecticut		2,400
Florida		2,400
Hawaii		2,400
Idaho		2,000
Maryland		2,400
Massachusetts		2,400
Rhode Island		2,000
<b>SUBTOTAL</b>		<b>16,000</b>
<b>TOTAL CASELOAD</b>	<b>588,000</b>	<b>604,000</b>

a/ No women, infants, or children will be eligible for enrollment in new CSFP States, in accordance with the Agricultural Act of 2014 (P.L. 113-79).

b/ The Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235) provided \$2.8 million for new States with approved State plans.

FOOD AND NUTRITION SERVICE

Commodity Supplemental Food Assistance Program  
Program Performance Data

	2013 Actual	2014 Actual	2015 Enacted	Difference	2016 Estimate
<b>RESOURCES--START OF YEAR : (Dollars in thousands)</b>					
Appropriation (Includes Rescission)	\$181,873	\$202,682	\$211,482	\$9,816	\$221,298
Cash Carry-In/Recoveries	4,006	144	24,344	24,344	0
Beginning Inventory (Federal-State-Local)	44,589	23,906	49,000	3,680	52,680
<b>TOTAL RESOURCES</b>	<b>230,468</b>	<b>226,732</b>	<b>284,826</b>	<b>37,840</b>	<b>273,978</b>
<b>DEMAND:</b>					
1. Program Performance Data:					
Caseload (Calendar Year)	588.000	588.000	604.000	0.0	614.000
Participation (Fiscal Year)	579.759	573.703	604.000	0.0	614.000
Participation					
<i>Women-Infants-Children</i>	<i>15.103</i>	<i>10.000</i>	<i>4.800</i>	<i>-1.2</i>	<i>3.600</i>
<i>Elderly</i>	<i>564.656</i>	<i>563.707</i>	<i>599.200</i>	<i>11.2</i>	<i>610.400</i>
Avg. Food Cost Person/Month (whole \$):					
Women-Infants-Children	28.84	25.74	27.46	0.7	28.16
FNS Funded 1/ <i>Free (donated)</i>	<i>23.53</i> <i>5.31</i>	<i>23.82</i> <i>1.92</i>	<i>27.07</i> <i>0.39</i>	<i>0.8</i> <i>-0.1</i>	<i>27.85</i> <i>0.31</i>
Elderly	22.98	21.03	22.64	0.6	23.21
FNS Funded 1/ <i>Free (donated)</i>	<i>19.23</i> <i>3.75</i>	<i>19.24</i> <i>1.79</i>	<i>22.31</i> <i>0.33</i>	<i>0.6</i> <i>-0.1</i>	<i>22.95</i> <i>0.27</i>
2. Food Costs: (Dollars in thousands)					
Food Distribution Costs	\$134,574	\$133,006	\$161,943	\$7,360	\$169,303
<i>Women-Infants-Children</i>	<i>4,265</i>	<i>2,857</i>	<i>1,559</i>	<i>-352</i>	<i>1,207</i>
<i>Elderly</i>	<i>130,309</i>	<i>130,149</i>	<i>160,384</i>	<i>7,716</i>	<i>168,100</i>
Commodity Administrative Costs	1,659	1,740	1,616	27	1,643
<i>AMS Charges</i>	<i>58</i>	<i>58</i>	<i>97</i>	<i>2</i>	<i>99</i>
<i>FSA Charges</i>	<i>342</i>	<i>416</i>	<i>189</i>	<i>3</i>	<i>192</i>
<i>WBSCM/AMS/FSA/ECOS</i>	<i>1,111</i>	<i>1,112</i>	<i>1,167</i>	<i>20</i>	<i>1,187</i>
<i>Computer Support/Internet</i>	<i>148</i>	<i>155</i>	<i>162</i>	<i>3</i>	<i>165</i>
Total Food Costs	136,233	134,746	163,559	7,387	170,946
3. State Administrative Expenses (Dollars in thousands)	42,683	42,842	44,268	1,850	46,118
<b>TOTAL DEMAND</b>	<b>178,916</b>	<b>177,588</b>	<b>207,826</b>	<b>9,238</b>	<b>217,064</b>
<b>BALANCES-- YEAR-END: (Dollars in thousands)</b>					
Funds (Carry-out)	144	24,344	0	0	0
Ending Inventory	51,552	49,000	52,680	4,234	56,914
<b>COMMODITY ACTIVITY:</b>					
Purchases	143,196	159,840	167,239	7,941	175,180
Inventory Change	6,963	25,094	3,680	554	4,234

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

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Geographic Breakdown of Obligations and Staff Years (SY)  
(Dollars in thousands)

Commodity Assistance Program--Federal Salaries & Expenses									
	<u>2013 Actual</u>		<u>2014 Actual</u>		<u>2015 Enacted</u>		<u>2016 Estimated</u>		
	Amount	SY	Amount	SY	Amount	SY	Amount	SY	
California	\$2	0	\$0	0	\$0	0	\$0	0	
Illinois	11	0	0	0	0	0	0	0	
New Jersey	1	0	0	0	0	0	0	0	
Texas	34	0	0	0	0	0	0	0	
Virginia	1,499	1	2,031	2	2,031	3	2,031	3	
Undistributed	0	0	0	0	0	0	0	0	
<b>Total obligations</b>	<b>\$1,548</b>	<b>1</b>	<b>\$1,710</b>	<b>3</b>	<b>\$2,031</b>	<b>3</b>	<b>\$2,031</b>	<b>3</b>	

Note: Totals may not add due to rounding.

Commodity Assistance Program  
Classification by Objects  
(Dollars in Thousands)

	<u>2013 Actual</u>	<u>2014 Actual</u>	<u>2015 Enacted</u>	<u>2016 Estimate</u>
<b>Personnel Compensation:</b>				
Washington D.C.....	\$73	\$81	\$130	\$134
Field.....	85	96	150	158
11.0 Total personnel compensation.....	158	177	280	292
12.0 Personnel benefits.....	50	56	89	92
Total personnel comp. and benefits.....	208	233	369	384
<b>Other Objects:</b>				
21.0 Travel and transportation of persons.....	32	33	34	34
25.0 Other Services.....	1,286	1,308	1,329	1,329
26.0 Supplies and materials.....	143,632	140,221	195,849	176,428
41.0 Grants.....	135,946	131,639	129,659	130,742
Total, Other Objects.....	280,896	273,201	326,871	308,533
100 Total, new obligations.....	281,104	273,434	327,240	308,917

## FOOD AND NUTRITION SERVICE

### 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 six Nuclear Affected Islands of The Republic of the Marshall 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 elderly persons age 60 and over. Prior to passage of the Agricultural Act of 2014 (P.L. 113-79, the 2014 Farm Bill), CSFP also served pregnant, postpartum and breastfeeding women, infants, and children up to age six. However, Section 4102 of the Act amended CSFP's eligibility requirements to phase women, infants, and children out of CSFP and transition it to a seniors only program. In accordance with Section 4102 of the 2014 Farm Bill, women, infants, and children who were certified and receiving CSFP benefits as of February 6, 2014 can continue to receive assistance until they are no longer eligible under the program rules in effect on February 6, 2014. FNS implemented nondiscretionary provisions of Section 4102 of the 2014 Farm Bill via memorandum and final rule, which was published at 79 FR 38748 on July 9, 2014.

In FY 2014, the program operated in parts of 39 States, the District of Columbia, and through two Indian Tribal Organizations (ITOs). The foods provided are purchased by FNS with funds appropriated for the program each year, and are supplemented by USDA Foods purchased by the Agricultural Marketing Service (AMS) and the Farm Service Agency (FSA) through their market support activities and donated to FNS. CSFP participants receive monthly food packages containing USDA Foods. Food packages include such nutritious foods as canned fruits and vegetables, juices, meats, fish, peanut butter, cheese, cereal and grain products, and dairy products. FNS also provides administrative grants to States from the appropriated funds.

##### Facts in Brief

- In calendar year 2014, a total of 588,000 caseload slots were allocated to participating States and ITOs (CSFP caseload is assigned by calendar year).
- For FY 2014, program participation averaged 573,703 monthly.
- Average monthly participation of women, infants, and children decreased from 15,103 in FY 2013 to 9,996 in FY 2014; average monthly elderly participation decreased in the same period from 564,656 to 563,707.

##### 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 to support total caseload in excess of base caseload, States may also be eligible to receive additional caseload, which is assigned based on State requests for such caseload and FNS' determination of the number of slots that States can effectively use.

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**CSFP Average Monthly Participation**

<b>Participation <sup>1/</sup></b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Women	3,389	2,954	2,484	2,540	2,038	1,026
Infants	1,593	1,275	1,055	1,053	875	382
Children under 6	18,340	16,911	15,690	14,046	12,190	8,588
<b>Total WIC Type</b>	23,322	21,139	19,229	17,639	15,103	9,996
Elderly	443,293	497,707	568,847	576,556	564,656	563,707
<b>Total, CSFP</b>	466,615	518,846	588,076	594,195	579,759	573,703

<sup>1/</sup> Based on National Databank version 8.2 data through September FY 2014. Due to rounding, the sum of the average participation by women, infants, children and elderly may not equal the total average participation.

**Free (donated) 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 then decides how to allocate among its programs. The availability of such food depends entirely on market conditions that cannot be predicted or controlled. Free food enables FNS to provide more food packages than could be funded exclusively with CSFP appropriations. Though the volume of price support/surplus removal food available to CSFP may vary significantly from year to year, FNS uses historical data to project a certain value of free (donated) food per food package that will be available.

**Administrative Funding**

Section 4201 of the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill, P.L. 107-171) established the method for 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 2014, \$72.86 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 diets 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 household food packages 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.

**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

## FOOD AND NUTRITION SERVICE

sources, including the private sector. Unless expressly prohibited by appropriations legislation, a State can also choose to convert up to ten percent of their 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

A great variety of healthful foods were purchased specifically for distribution in TEFAP in FY 2014, including two new products; applesauce cups and, in response to a 2014 Farm Bill requirement to explore procurement of kosher and halal items for TEFAP, kosher canned salmon.

Other foods included were:

- dehydrated potatoes
- prunes
- raisins
- frozen ground beef
- frozen whole chicken
- pouched chicken
- frozen ham
- frozen turkey roast
- black-eyed beans
- garbanzo beans
- great northern beans
- light red kidney beans
- lentils
- lima beans
- pinto beans
- egg mix
- shell eggs
- low-fat bakery mix
- egg noodles
- white and yellow corn grits
- spaghetti
- macaroni
- whole grain oats
- peanut butter
- roasted peanuts
- white and brown rice
- whole grain rotini
- whole grain spaghetti
- whole grain macaroni
- vegetable oil
- ultra high temperature fluid
- 1 percent milk
- wheat bran flakes
- corn flakes
- oat cereal
- unsweetened orange juice
- rice cereal
- corn and rice cereal
- shredded whole wheat cereal
- low sodium green beans
- low sodium blackeye beans
- low sodium light red kidney beans
- low sodium refried beans
- low sodium vegetarian beans
- low sodium carrots
- low sodium cream corn
- no salt added whole kernel corn
- low sodium peas
- low sodium sliced potatoes
- no salt added pumpkin
- low sodium spaghetti sauce
- low sodium spinach
- sweet potatoes with extra light syrup
- no salt added tomatoes
- no salt added diced tomatoes
- low sodium tomato sauce
- low sodium mixed vegetables
- low sodium tomato soup
- low sodium vegetable soup
- reduced sodium cream of chicken soup
- reduced sodium cream of mushroom soup
- apricots with extra light syrup
- unsweetened applesauce
- mixed fruit with extra light syrup
- cling peaches with extra light syrup
- pears with extra light syrup
- beef, beef stew, pork, and salmon
- unsweetened apple juice
- unsweetened cherry apple juice
- unsweetened cran-apple juice
- unsweetened grape juice
- unsweetened grapefruit juice
- unsweetened tomato juice

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### Bonus Food

In FY 2014, USDA purchased USDA Foods under its market support authorities and donated them for distribution through TEFAP. The total amount of bonus products purchased in FY 2014 for distribution through TEFAP outlets was \$298.8 million. Bonus USDA Foods include products made from chicken, salmon, corn, peas, potatoes, tomatoes, oranges, grapefruit, apples, grapes, cherries, blueberries, strawberries, and cranberries.

Included in the bonus totals, TEFAP also received USDA Foods valued at \$12.5 million in FY 2014 through FSA's Commodity Credit Corporation (CCC) Stock for Food Initiative where product was acquired through a third party. USDA Foods distributed through TEFAP included: ultra-high temperature fluid one percent milk and beef stew.

### FY 2014 TEFAP Spending

In FY 2014, \$49.4 million was appropriated for TEFAP administrative funds, and the Secretary was authorized to make available up to ten percent of TEFAP food funds to support administrative costs. The FY 2014 appropriation for TEFAP entitlement food, provided in the SNAP account, was \$268.8 million, the level authorized by Section 27(a)(2)(C) of the Food and Nutrition Act of 2008 as amended by Section 4027 of the Agricultural Act of 2014 (the 2014 Farm Bill).

#### TEFAP Summary (Includes ARRA funds) (Obligations)

(In millions)	2009	2010	2011	2012	2013	2014
<b>State Administrative Expenses</b>	\$88.6	\$121.7	\$70.3	\$65.8	\$64.3	\$69.1
<b>Bonus Foods <sup>1/</sup></b>	\$373.7	\$346.6	\$235.3	\$304.2	\$228.5	\$298.8
<b>Entitlement Foods <sup>2/</sup></b>	\$336.2	\$231.9	\$228.4	\$242.9	\$247.2	\$268.0
<b>TOTAL</b>	\$798.5	\$700.2	\$534.0	\$612.9	\$540.0	635.8
<b>Supplemental Funding for Hurricane Sandy (Disaster Relief -- Food and Administrative Funds)</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$5.7	\$0.0
<b>TOTAL – Including Hurricane Sandy</b>	\$798.5	\$700.2	\$534.0	\$612.9	\$545.7	\$635.9

<sup>1/</sup> Includes barter foods

<sup>2/</sup> From SNAP Account

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 2014, of the \$26.9 million eligible for conversion, States chose to convert \$19.5 million into administrative funds.

Section 27(a)(2)(C) of the Food and Nutrition Act of 2008 required that, starting in FY 2010, 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 2014, \$8.7 million was provided for TEFAP entitlement food funds. The amounts shown for FY 2009 entitlement foods in the table above include \$100 million provided for TEFAP by the ARRA. The entitlement foods line also includes administrative funds that States chose to use instead to increase their food entitlements. In FY 2014, no administrative funds were converted to food funds.

### 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. During FY 2014, the last year for which data is available, the FMNP was operated by 47 State agencies and ITOs.

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In FY 2013, the FMNP provided coupons to 1,559,312 WIC participants. The participants redeemed their coupons at 6,080 authorized farmers' markets and roadside stands, providing revenue to 17,713 small family farmers.

### WIC Farmers' Market Nutrition Program

	2010	2011	2012	2013	2014
Funding (\$000)	\$22,089	\$23,283	\$20,517	\$18,723	\$19,633
WIC Recipients	2,153,467	1,919,477	1,717,668	1,559,312	*
Farmers' Markets**	6,419	4,079	6,361	6,080	*
Farmers	18,245	18,487	18,246	17,713	*

Note: Funding includes new authority and prior year resources.

\* Data not yet available.

\*\* Farmers' Markets data includes roadside stands.

### Senior Farmers' Market Nutrition Program

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.

The 2014 Farm Bill reauthorized the SFMNP through 2018 at a level of \$20.6 million per year. However, the Budget Control Act requires a sequestration of 7.3 percent for all mandatory programs, resulting in a total transfer of \$19,116,800 to the Food and Nutrition Service (FNS) from the Commodity Credit Corporation (CCC) for FY 2014. During FY 2014, the SFMNP operated in a total of 43 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 agricultural 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.

### Senior Farmers' Market Program

	2010	2011	2012	2013	2014
Funding (\$000)	\$22,459	\$22,227	\$22,241	\$21,187	\$20,585
SFMNP Recipients	844,999	856,943	885,116	835,795	*
Farmers	20,106	19,069	19,892	20,617	*
Farmers' Markets	4,601	4,598	3,988	4,247	*
Roadside Stands	3,681	3,445	3,075	3,083	*
Community Supported Agriculture Programs	163	141	154	191	*

Note: Funding includes new authority and prior year resources.

\* Data not yet available

### Pacific Islands

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

## FOOD AND NUTRITION SERVICE

under this account to the former Trust Territory of the Pacific Islands; however, as the trust relationship ended for the Federated States of Micronesia and the Republic of Palau, this assistance was phased out.

### **Disaster 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. Disaster relief funds may be provided to purchase USDA Foods for use in Presidentially-declared disasters in The Republic of the Marshall Islands and The Federated States of Micronesia.

### **Nutrition Services Incentive Program (NSIP)**

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 the Department of Health and Human Services (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 for Community Living enter into an agreement annually to ensure the effective provision of USDA Foods to State Agencies on Aging.

### **Surplus USDA Foods for Charitable Institutions and Summer Camps**

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.

Under Section 416 price support and Section 32 surplus removal authorities, USDA Foods are acquired by FSA and AMS, respectively, 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.

In FY 2014, no bonus USDA foods were distributed to charitable institutions.

### **CAP Studies and Evaluations**

FNS published one report related to CAP during FY 2014, which is available at <http://www.fns.usda.gov/ops/food-distribution-studies>. This report is:

- **State of Origin for USDA Foods in Fiscal Year 2012**, which analyzes the State of origin, amount and dollar value of USDA Foods distributed during FY 2012.

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COMMODITY SUPPLEMENTAL FOOD PROGRAM  
PROJECTS, PARTICIPATION AND FOOD COST

FISCAL YEAR 2014

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	1	0	46	1,954	2,001	\$446,716	\$150,363
Arizona-----	10	70	0	377	11,778	12,225	2,954,580	904,453
Arkansas-----	3	0	0	0	2,981	2,981	693,201	217,215
California-----	6	30	25	822	72,399	73,276	17,315,956	5,521,361
Colorado-----	8	180	155	696	16,523	17,554	3,996,959	1,316,205
Delaware-----	1	0	0	0	2,385	2,385	577,007	170,938
District of Columbia-----	1	2	0	87	5,657	5,746	1,350,710	462,463
Georgia-----	2	0	0	0	2,988	2,988	660,518	216,620
Illinois-----	3	0	0	65	16,015	16,080	3,558,999	1,236,323
Indiana-----	3	0	0	0	3,480	3,480	779,620	264,629
Iowa-----	1	16	2	100	2,797	2,915	639,634	217,653
Kansas-----	3	5	1	74	4,722	4,801	1,086,344	359,475
Kentucky-----	6	7	5	83	23,140	23,236	5,629,033	1,696,463
Louisiana-----	1	46	43	351	61,917	62,357	15,109,111	4,778,076
Maine-----	5	0	0	0	2,931	2,931	682,501	213,790
Michigan-----	18	172	117	2,974	71,052	74,315	17,482,392	5,547,372
Red Lake, Minnesota-----	1	0	0	6	78	84	18,251	6,394
Minnesota-----	5	20	0	468	14,907	15,394	3,546,222	1,155,930
Mississippi-----	1	0	0	0	9,480	9,480	2,192,012	693,640
Missouri-----	6	0	0	0	15,658	15,658	3,537,858	1,124,333
Montana-----	12	0	0	52	8,090	8,143	1,774,152	595,088
Nebraska-----	8	43	3	390	9,750	10,185	2,168,080	808,076
Nevada-----	3	6	1	46	6,928	6,980	1,448,524	525,469
New Hampshire-----	4	335	0	487	4,500	5,322	1,225,112	435,159
New Jersey-----	3	0	0	0	2,928	2,928	627,519	215,139
New Mexico-----	4	11	0	342	15,704	16,056	3,788,452	1,206,350
New York-----	2	37	0	513	33,531	34,082	6,828,310	2,473,101
North Carolina-----	1	0	0	0	1,130	1,130	272,386	82,605
North Dakota-----	6	0	0	0	1,921	1,921	427,690	150,038
Ohio-----	8	0	0	0	20,184	20,184	4,730,654	1,487,299
Oklahoma-----	2	0	0	0	2,989	2,989	657,416	216,997
Oregon-----	4	0	0	0	1,598	1,598	383,888	119,419
Pennsylvania-----	17	0	0	7	34,254	34,261	8,280,521	2,513,247
South Carolina-----	2	0	0	0	5,383	5,383	1,249,834	311,859
South Dakota-----	2	0	0	0	4,151	4,151	883,197	306,360
Ogala Sioux, S.D.-----	1	3	22	131	424	580	137,298	43,789
Tennessee-----	4	38	8	257	13,058	13,361	3,020,645	977,750
Texas-----	6	0	0	9	33,663	33,672	7,972,217	2,464,103
Utah-----	1	0	0	17	2,382	2,399	520,921	175,646
Vermont-----	1	1	0	23	2,991	3,014	740,111	230,876
Washington-----	10	0	0	68	5,089	5,157	1,166,369	378,163
Wisconsin-----	3	4	0	97	10,221	10,321	2,440,369	756,399
AMS/FSA/WBSCM Admin. Exp.	0	0	0	0	0	0	1,684,544	0
Anticipated Adjustment-----	0	0	0	0	0	0	3,401,029	115,281
3/ TOTAL-----	190	1,026	382	8,588	563,707	573,703	\$138,086,864	\$42,841,917

SOURCE: FPRS FNS-153 data - Food distributed to participants in fiscal year 2014.

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

**COMMODITY SUPPLEMENTAL FOOD PROGRAM**  
**Quantity and Value of Commodities**  
**Fiscal Year 2014**

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 6/32 TYPE:</i>		
APPLESAUCE, CANNED, NO SALT ADDED, UNSWEETENED	577,575	\$317,240
APRICOTS, CANNED, HALVES, LT SYRUP	1,293,975	1,249,822
BEANS, CANNED, GREEN, LOW-SODIUM	3,433,346	1,445,346
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	1,348,800	623,049
BEANS, DRY, BABY LIMA, NO SALT ADDED	302,400	294,988
BEANS, DRY, GREAT NORTHERN, NO SALT ADDED	1,112,952	931,898
BEANS, DRY, LT RED KIDNEY NO SALT ADDED	1,270,080	1,125,842
BEANS, DRY, PINTO, NO SALT ADDED	1,819,200	906,406
BEEF, CANNED	1,512,000	4,857,529
BEEF, CANNED, CHILI W/O BEANS	1,872,000	2,859,458
BEEF, CANNED, STEW	2,430,720	2,492,104
CARROTS, CANNED, LOW-SODIUM	3,025,350	1,526,040
CHICKEN, CANNED	2,481,638	5,376,784
CORN, CANNED, NO SALT ADDED	3,232,175	1,461,855
JUICE, BOTTLED, APPLE, UNSWEETENED	6,797,762	2,143,073
JUICE, BOTTLED, CRANAPPLE, UNSWEETENED	5,750,700	2,063,458
JUICE, BOTTLED, GRAPE, UNSWEETENED	6,257,040	3,128,084
JUICE, BOTTLED, ORANGE, UNSWEETENED	4,315,026	1,806,418
JUICE, BOTTLED, TOMATO, UNSWEETENED	2,531,074	679,566
MIXED FRUIT, CANNED, LT SYRUP	2,465,213	2,447,897
MIXED VEGETABLES, CANNED, LOW-SODIUM	3,417,188	1,840,182
PEACHES, CANNED, LT SYRUP	2,678,738	2,031,369
PEARS, CANNED, LT SYRUP	2,496,825	2,059,814
PEAS, CANNED, LOW-SODIUM	3,164,175	1,748,927
POTATOES, CANNED, SLICED, LOW-SODIUM	1,986,840	883,946
SALMON, CANNED	1,840,800	3,194,112
SPAGHETTI SAUCE (MEATLESS), CANNED, LOW-SODIUM	1,842,863	777,276
SPINACH, CANNED, LOW-SODIUM	1,232,154	680,380
TOMATOES, CANNED, DICED, LOW-SODIUM	26,535	12,944
TOMATOES, CANNED, DICED, NO SALT ADDED	2,124,758	964,323
<b>SUBTOTAL, SECTION 6/32 TYPE</b>	<b>74,639,902</b>	<b>\$51,930,130</b>
<i>SECTION 416 TYPE:</i>		
CEREAL, BABY INFANT RICE	16,640	\$40,735
CEREAL, CORN AND RICE, READY-TO-EAT	857,514	1,221,032
CEREAL, CORN FLAKES, READY-TO-EAT	1,363,230	1,242,286
CEREAL, CORN SQUARES, READY-TO-EAT	1,160,724	1,881,055
CEREAL, OAT CIRCLES, READY-TO-EAT	1,466,861	1,705,475
CEREAL, RICE CRISPS, READY-TO-EAT	1,432,824	1,684,950
CEREAL, WT BRAN FLAKES, READY-TO-EAT	2,103,438	2,043,770
CHEESE BLEND AMER SKIM LOAVES	243,540	231,363
FARINA	13,780,800	30,954,176
FORMULA, INFANT	1,086,624	656,305
GRITS	728,280	203,833
MACARONI	4,130,064	1,702,124
MILK UHT 1%	29,456,995	12,444,797
MILK, INSTANT NDM PKG	5,153,280	13,143,874
OATS	2,205,756	1,074,916
PEANUT BUTTER, SMOOTH	4,622,400	5,133,502
RICE	4,284,000	1,684,595
ROTINI, WHOLE GRAIN	2,057,000	856,749
SPAGHETTI	3,710,836	1,457,669
<b>SUBTOTAL, SECTION 416 TYPE</b>	<b>79,860,806</b>	<b>\$79,363,206</b>
Anticipated Adjustment	0	5,108,984
AMS/FSA/WBSCM Admin. Expenses	0	1,684,544
<b>TOTAL COMMODITY ENTITLEMENT</b>	<b>154,500,708</b>	<b>\$138,086,864</b>

FOOD AND NUTRITION SERVICE

**COMMODITY SUPPLEMENTAL FOOD PROGRAM (Cont.)**  
**Quantity and Value of Commodities**  
**Fiscal Year 2014**

BONUS COMMODITIES	Pounds	Dollars
<i>SECTION 32 TYPE:</i>		
APPLESAUCE, CANNED, W/O SALT, UNSWEETENED	1,822,500	\$913,178
JUICE, BOTTLED, APPLE, UNSWEETENED	16,987,864	4,947,490
JUICE, BOTTLED, CRANAPPLE, UNSWEETENED	5,029,470	1,723,835
JUICE, BOTTLED, GRAPE, UNSWEETENED	6,277,920	2,935,527
JUICE, BOTTLED, ORANGE, UNSWEETENED	9,523,890	4,470,978
<b>SUBTOTAL, SECTION 32 TYPE</b>	<b>39,641,644</b>	<b>\$14,991,008</b>
BONUS COMMODITIES	Pounds	Dollars
<i>SECTION 416 TYPE:</i>		
NONE	0	0
<b>SUBTOTAL, SECTION 416 TYPE</b>	<b>0</b>	<b>0</b>
Anticipated Adjustment	0	0
<b>TOTAL BONUS COMMODITIES</b>	<b>39,641,644</b>	<b>\$14,991,008</b>
<b>TOTAL -- ALL COMMODITIES</b>	<b>194,142,352</b>	<b>\$153,077,872</b>
Adjustment		0
Cash In-Lieu of Commodities		0
<b>GRAND TOTAL</b>	<b>194,142,352</b>	<b>\$153,077,872</b>

Source: WBSCM -- Sales Order and contract information.

FOOD AND NUTRITION SERVICE

**THE EMERGENCY FOOD ASSISTANCE PROGRAM**  
**Administrative Funds / Entitlement and Bonus Commodities**  
**Fiscal Year 2014**

State or Territory	TEFAP Admin. Funds	Entitlement Commodities	Bonus Commodities*	Total Food	Total Admin. and Food
Alabama.....	\$869,526	\$4,055,156	\$4,936,291	\$8,991,447	\$18,852,420
Alaska.....	124,725	394,156	551,458	945,614	2,015,953
Arizona.....	1,696,655	5,262,535	7,249,154	12,511,689	26,720,033
Arkansas.....	673,825	2,417,965	3,396,169	5,814,134	12,302,093
California.....	10,157,915	32,079,572	41,117,389	73,196,961	156,551,837
Colorado.....	1,138,657	3,560,215	4,574,311	8,134,526	17,407,709
Connecticut.....	468,222	2,604,292	2,838,948	5,443,240	11,354,702
Delaware.....	115,862	637,453	1,348,429	1,985,882	4,087,626
District of Columbia.....	178,953	580,286	1,018,579	1,598,865	3,376,683
Florida.....	4,421,213	15,992,933	17,240,560	33,233,493	70,888,199
Georgia.....	1,771,334	9,414,433	10,465,141	19,879,574	41,530,482
Hawaii.....	146,103	833,063	1,070,323	1,903,386	3,952,875
Idaho.....	227,082	1,351,293	1,387,536	2,738,829	5,704,740
Illinois.....	2,865,402	10,163,895	12,137,875	22,301,770	47,468,942
Indiana.....	1,024,535	5,346,175	6,119,272	11,465,447	23,955,429
Iowa.....	545,527	1,657,074	1,988,580	3,645,654	7,836,835
Kansas.....	568,216	1,747,162	2,219,022	3,966,184	8,500,584
Kentucky.....	1,177,714	3,677,767	4,016,501	7,694,268	16,566,250
Louisiana.....	1,143,544	3,573,730	4,706,720	8,280,450	17,704,444
Maine.....	224,235	1,052,250	1,398,257	2,450,507	5,125,249
Maryland.....	1,074,291	3,391,204	3,435,479	6,826,683	14,727,657
Massachusetts.....	853,605	4,607,905	4,909,348	9,517,253	19,888,111
Michigan.....	2,568,837	7,977,062	10,130,942	18,108,004	38,784,845
Minnesota.....	951,635	2,951,151	3,775,879	6,727,030	14,405,695
Mississippi.....	778,306	3,025,214	4,056,537	7,081,751	14,941,808
Missouri.....	1,374,125	4,199,012	5,292,814	9,491,826	20,357,777
Montana.....	210,300	679,011	973,434	1,652,445	3,515,190
Nebraska.....	313,871	995,611	1,106,465	2,102,076	4,518,023
Nevada.....	483,726	2,565,588	3,171,300	5,736,888	11,957,502
New Hampshire.....	183,598	760,140	8,686,468	9,446,608	19,076,814
New Jersey.....	1,918,779	6,189,576	1,325,079	7,514,655	16,948,089
New Mexico.....	548,323	1,687,630	2,618,581	4,306,211	9,160,745
New York.....	3,875,437	16,321,434	18,145,473	34,466,907	72,809,251
North Carolina.....	2,659,777	8,195,353	10,137,325	18,332,678	39,325,133
North Dakota.....	101,234	321,943	566,522	888,465	1,878,164
Ohio.....	1,736,364	9,089,857	10,854,996	19,944,853	41,626,070
Oklahoma.....	528,223	2,823,574	3,461,394	6,284,968	13,098,159
Oregon.....	1,001,320	3,127,475	4,085,981	7,213,456	15,428,232
Pennsylvania.....	1,840,721	10,147,295	11,489,378	21,636,673	45,114,067
Rhode Island.....	182,800	916,869	875,885	1,792,754	3,768,308
South Carolina.....	1,222,685	3,768,768	4,921,187	8,689,955	18,602,595
South Dakota.....	145,593	446,495	469,751	916,246	1,978,085
Tennessee.....	1,659,779	5,116,545	6,686,611	11,803,156	25,266,091
Texas.....	6,191,823	19,475,716	23,574,600	43,050,316	92,292,455
Utah.....	502,615	1,571,809	2,093,966	3,665,775	7,834,165
Vermont.....	87,806	361,210	492,877	854,087	1,795,980
Virginia.....	1,440,217	4,495,281	5,098,770	9,594,051	20,628,319
Washington.....	1,473,723	4,847,591	5,947,034	10,794,625	23,062,973
West Virginia.....	401,897	1,575,566	2,475,081	4,050,647	8,503,191
Wisconsin.....	1,207,370	3,681,285	5,048,604	8,729,889	18,667,148
Wyoming.....	66,189	454,316	422,906	877,222	1,820,633
Guam.....	47,090	160,367	367,660	528,027	1,103,144
Northern Mariana Islands.....	21,596	115,538	0	115,538	137,134
Puerto Rico.....	1,877,636	6,309,260	2,107,210	8,416,470	18,710,576
Virgin Islands.....	21,660	130,894	239,336	370,230	762,120
AMS/FSA/WBSCM Admin. Exp....	0	2,622,748	0	2,622,748	2,622,748
Undistributed.....	-13,052	-2,991,562	0	-2,991,562	-5,996,176
<b>TOTAL.....</b>	<b>\$69,079,144</b>	<b>\$248,516,136</b>	<b>\$298,825,388</b>	<b>\$547,341,524</b>	<b>\$616,420,668</b>

Source: WBSCM -- Sales Order and contract information.

\* Figures include Barter Purchases

\*\* Totals may not add due to rounding

FOOD AND NUTRITION SERVICE

**THE EMERGENCY FOOD ASSISTANCE PROGRAM**  
**Quantity and Value of Commodities**  
**Fiscal Year 2014**

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 6/32 TYPE:</i>		
APPLESAUCE, CANNED, W/O SALT, UNSWEETENED	8,231,400	\$4,455,132
APPLESAUCE, CUPS	2,457,000	1,237,726
APPLE SLICES, FROZEN	673,200	496,214
APRICOTS, CANNED, HALVES, EXT LT SYRUP	1,767,825	1,688,470
BEANS, CANNED, BLACKYEYE, LOW-SODIUM	4,161,983	1,947,461
BEANS, CANNED, GREEN, LOW-SODIUM	19,003,954	8,061,868
BEANS, CANNED, LT RED KIDNEY, LOW-SODIUM	4,072,005	2,099,932
BEANS, CANNED, REFRIED, LOW-SODIUM	3,084,480	1,526,068
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	5,554,560	2,632,210
BEANS, DRY, BLACKYEYE, W/O SALT	967,680	776,193
BEANS, DRY, GARBANZO, W/O SALT	443,520	237,149
BEANS, DRY, GREAT NORTHERN, W/O SALT	1,467,528	1,496,917
BEANS, DRY, LIMA, W/O SALT	544,320	535,311
BEANS, DRY, LT RED KIDNEY, W/O SALT	504,000	440,476
BEANS, DRY, PINTO, W/O SALT	10,414,080	5,154,697
BEEF, CANNED	684,000	2,171,578
BEEF, CANNED, STEW CHUNKY	8,882,640	9,099,001
BEEF, FINE GROUND, FROZEN	2,670,000	7,677,697
BEEF, FINE GROUND, FROZEN, LFT	80,000	194,916
CARROTS, CANNED, NO ADDED SALT	9,404,100	4,727,774
CHICKEN, WHOLE BAGGED	14,283,600	14,162,918
CHICKEN, CANNED	2,135,813	4,213,701
CHICKEN, POUCHED	710,550	1,979,935
CORN, CANNED, CREAM, LOW-SODIUM	2,587,950	1,353,848
CORN, FROZEN	554,400	296,248
CORN, CANNED, WHOLE KERNEL	17,963,176	8,136,070
CORN, CANNED, WHOLE KERNEL, LOW-SODIUM	35,037	14,948
EGG MIX, DRY	144,000	581,756
EGGS, FROZEN	5,332,500	4,184,100
JUICE, BOTTLED, APPLE, UNSWEETENED	7,972,228	2,522,008
JUICE, BOTTLED, CHERRY APPLE, UNSWEETENED,	856,080	367,678
JUICE, BOTTLED, CRANBERRY APPLE, UNSWEETENED	2,496,900	896,818
JUICE, BOTTLED, GRAPE CONCORD, UNSWEETENED	1,569,480	737,262
JUICE, BOTTLED, GRAPEFRUIT JUICE, UNSWEETENED	570,720	195,939
JUICE, BOTTLED, ORANGE, UNSWEETENED	5,671,530	2,559,948
JUICE, BOTTLED, TOMATO, UNSWEETENED	3,308,366	873,660
LENTILS, DRY	3,265,920	1,373,526
MIXED FRUIT, CANNED, EXT LT SYRUP	9,322,088	8,245,580
PEACHES, CANNED, SLICED, EXT LT SYRUP	14,297,513	10,936,788
PEARS, CANNED, EXT LT SYRUP	7,475,650	6,068,701
PEAS, CANNED, LOW-SODIUM	7,827,033	4,405,129
PEAS, GREEN, FROZEN	79,200	45,276
PLUMS, DRIED, PITTED	36,000	76,950
PORK, CANNED	2,160,000	4,598,564
PORK, FROZEN, HAM, WATER ADDED	2,853,180	5,645,236
POTATOES, FLAKES, DEHYDRATED	1,950,000	2,035,500
POTATOES, CANNED, SLICED, LOW-SODIUM	10,387,800	4,748,902
PUMPKIN, CANNED, LOW-SODIUM	729,000	505,553
RAISINS	294,480	432,144
SALMON, CANNED, PINK	1,593,000	2,815,200
SOUP, CRM OF CHICKEN, LOW-SODIUM	1,593,900	1,514,394
SOUP, CRM OF MUSHROOM, LOW-SODIUM	1,489,950	1,414,016
SOUP, CANNED, TOMATO, LOW-SODIUM	2,660,625	1,703,262
SOUP, CANNED, VEGETABLE, LOW-SODIUM	4,292,475	3,694,944
SPAGHETTI, CANNED, MEATLESS SAUCE, LOW-SODIUM	17,582,288	7,437,680

FOOD AND NUTRITION SERVICE

**Quantity and Value of Commodities (Cont.)**  
**Fiscal Year 2014**

ENTITLEMENT COMMODITIES (cont.)	Pounds	Dollars
SPINACH, CANNED	3,380,286	\$1,818,299
TOMATO SAUCE, CANNED, LOW-SODIUM	8,307,675	\$3,184,962
TOMATOES, CANNED, DICED, LOW-SODIUM	7,846,748	3,637,270
TOMATOES, FRESH	24,800	14,830
TURKEY, FROZEN, ROAST	200,000	535,568
VEGETABLES, CANNED, MIXED, LOW-SODIUM	7,700,063	4,214,074
<b>SUBTOTAL, SECTION 6/32 TYPE</b>	<b>268,610,279</b>	<b>\$180,835,975</b>
ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 416 TYPE:</i>		
CEREAL, CORN FLAKES	4,155,300	\$3,755,557
CEREAL, CORN SQUARES	205,800	333,459
CEREAL, OAT CIRCLE	1,634,357	1,899,001
CEREAL, RICE CRISP	1,366,848	1,610,111
CEREAL, CORN RICE BISC	684,726	968,462
CEREAL, FLAKES, WHEAT BRAN	681,528	646,191
CEREAL, SHREDDDED, WHEAT	645,300	736,365
EGG NOODLES	4,310,568	2,688,455
FLOUR MIX, BAKERY, LOWFAT	1,223,160	1,093,259
GRITS	4,455,360	1,200,377
MACARONI	9,026,736	3,932,989
OATS, NO SALT ADDED, WHOLE GRAIN	4,599,684	2,252,916
PEANUT BUTTER SMTH	16,145,460	17,566,500
PEANUTS, ROASTED, NO ADDED SALT	25,920	41,293
RICE, BROWN	1,050,000	591,725
RICE, WHITE	23,226,000	9,252,695
SPAGHETTI	11,492,944	4,463,296
UHT MILK 1%	16,537,955	6,966,935
VEGETABLE OIL	3,779,622	2,286,544
WHOLE GRAIN MACARONI	2,937,600	1,148,332
WHOLE GRAIN ROTINI	3,349,000	1,407,467
WHOLE GRAIN SPAGHETTI	9,261,600	3,091,506
<b>SUBTOTAL, SECTION 416 TYPE</b>	<b>120,795,468</b>	<b>\$67,933,435</b>
Cash In-Lieu of Commodities - CNMI		115,538
AMS/FSA/WBSCM/Computer Support		2,622,748
Anticipated Adjustment		-2,991,560
<b>TOTAL COMMODITY ENTITLEMENT</b>	<b>389,405,747</b>	<b>\$248,516,136</b>

\* Total includes approximately \$1.5Million IDIQ non entitlement dollars using Section 32R funds.

FOOD AND NUTRITION SERVICE

**THE EMERGENCY FOOD AND ASSISTANCE PROGRAM (Cont.)**  
**Quantity and Value of Commodities**  
**Fiscal Year 2014**

BONUS COMMODITIES	Pounds	Dollars
<i>SECTION 32C TYPE:</i>		
APPLES, CANNED, W/O SALT, UNSWEETENED	11,117,250	\$5,534,406
APPLESAUCE, CUPS	9,109,800	4,258,464
BEEF STEW, CANNED	7,092,000	8,290,000
BLUEBERRIES, FROZEN	16,444,080	23,963,636
CHERRIES, DRIED	4,583,040	21,500,594
CHICKEN, FROZEN, LEGS/QUARTERS	50,198,000	27,463,131
CRANBERRIES, DRIED	9,434,880	11,188,385
CRANBERRY, CANNED, SAUCE	15,128,640	6,495,370
JUICE, BOTTLED, APPLE, UNSWEETENED	5,305,886	1,630,968
JUICE, BOTTLED, CHERRY APPLE, UNSWEETENED	3,495,660	1,478,153
JUICE, BOTTLED, GRAPE CONCORD, UNSWEETENED	72,374,430	28,506,589
JUICE, BOTTLED, GRAPEFRUIT, UNSWEETENED	30,319,500	9,430,984
JUICE, BOTTLED, ORANGE, UNSWEETENED	37,596,180	17,797,136
JUICE, CANNED, CRANBERRY CONCENTRATE	17,821,440	9,319,140
ORANGE JUICE, SINGLES, UNSWEETENED	13,789,440	7,084,262
POTATOES, DEHYDRATED, FLAKES	6,976,656	6,881,603
RAISINS	26,681,472	36,345,125
SALMON, CANNED, PINK	17,912,400	32,716,720
TOMATOES, FRESH	8,375,200	4,973,866
TURKEY, COOKED, FORMED, BREAST	2,432,000	4,959,608
TURKEY BREAST, FROZEN, DELI	2,432,000	6,688,000
TURKEY BREAST FROZEN, ROAST	1,520,000	2,992,500
TURKEY, CONSUMER PACK, WHOLE	2,850,000	2,988,130
TURKEY, FROZEN, SLICED	684,000	1,952,828
TURKEY, WHOLE	9,500,000	10,210,790
<i>Total Section 32C Type</i>	383,173,954	\$294,650,388
BONUS COMMODITIES	Pounds	Dollars
<i>SECTION 416 TYPE:</i>		
UHT MILK 1%	7,740,000	\$4,175,000
<i>Total Section 416 Type</i>	7,740,000	\$4,175,000
Anticipated Adjustment	0	0
TOTAL BONUS COMMODITIES	390,913,954	\$298,825,388
TOTAL -- ALL COMMODITIES		
Entitlement	389,405,747	\$248,516,136
Bonus 32C	390,913,954	298,825,388
Anticipated Adjustment	0	0
GRAND TOTAL	780,319,701	\$547,341,524

Source: WBSM -- Sales Order and contract information.

\* Total includes approximately \$1.5 Million IDIQ non entitlement dollars using Section 32R funds.

FOOD AND NUTRITION SERVICE

**WIC FARMERS MARKET NUTRITION PROGRAM  
PARTICIPATION AND PROGRAM FINANCING  
FISCAL YEAR 2013 and 2014**

STATE OR TERRITORY	Fiscal Year 2013 TOTAL PARTICIPATION 1/				FY 2013 PROGRAM GRANT	FY 2014 PROGRAM GRANT
	WOMEN	INFANTS	CHILDREN	TOTAL		
Alabama-----	1,791	0	5,708	7,499	\$109,845	\$113,343
Alaska-----	1,589	128	3,809	5,526	179,658	185,379
Arizona-----	2,738	0	5,882	8,620	187,900	193,885
Arkansas-----	5,543	0	10,530	16,073	151,766	156,599
California-----	63,266	50,505	201,082	314,853	2,000,276	2,063,983
Connecticut-----	13,000	0	37,003	50,003	288,905	298,107
Delaware-----	0	0	0	0	0	262,093
District of Columbia-----	5,027	0	8,457	13,484	274,382	283,121
Florida-----	9,233	97	19,242	28,572	247,861	255,755
Georgia-----	7,253	3,239	15,049	25,541	922,826	952,217
Guam-----	1,083	0	2,029	3,112	76,476	78,911
Illinois-----	9,308	0	18,542	27,850	352,428	363,653
Indiana-----	11,085	0	13,994	25,079	231,480	238,853
Iowa-----	15,401	0	24,967	40,368	452,038	466,435
Kentucky-----	2,146	191	6,458	8,795	179,640	185,361
Louisiana-----	145	47	283	475	9,167	9,167
Maine-----	1,701	0	5,626	7,327	75,000	75,000
Maryland-----	3,650	881	8,057	12,588	301,841	320,742
Massachusetts-----	5,253	2,049	15,582	22,884	392,081	404,569
Michigan-----	4,796	0	10,955	15,751	359,689	371,145
Minnesota-----	8,941	8,828	19,512	37,281	279,592	288,497
Mississippi 2/-----	2,169	42	5,758	7,969	110,871	113,781
Montana-----	690	0	1,476	2,166	59,782	59,782
Nebraska-----	961	0	2,599	3,560	75,000	75,000
New Jersey-----	19,000	0	22,485	41,485	1,024,330	1,056,954
New Mexico 2/-----	2,006	116	4,378	6,500	258,379	266,130
New York-----	100,164	77,358	163,810	341,332	3,139,019	3,238,995
North Carolina-----	4,595	0	4,471	9,066	226,390	233,600
Ohio-----	8,060	0	21,784	29,844	434,090	447,916
Oklahoma Chickasaw-----	781	391	1,801	2,973	75,000	75,000
Oklahoma Osage Tribe-----	268	506	797	1,571	31,325	31,325
Oklahoma Choctaw Nation-----	468	326	1,281	2,075	75,000	75,000
Oregon-----	5,724	2,567	16,045	24,336	333,044	343,651
Pennsylvania-----	50,886	0	108,134	159,020	1,629,902	1,681,813
Puerto Rico-----	18,422	0	50,893	69,315	1,506,793	1,554,783
Rhode Island-----	4,237	0	10,799	15,036	121,905	125,787
South Carolina-----	5,131	0	9,811	14,942	122,983	126,899
Tennessee-----	3,016	0	5,363	8,379	76,830	79,276
Texas-----	7,359	0	19,959	27,318	1,022,093	1,054,646
Vermont-----	635	139	1,912	2,686	75,000	75,000
Virginia-----	0	0	0	0	0	60,241
Virgin Islands-----	333	0	400	733	78,807	81,316
Washington-----	8,219	0	19,964	28,183	535,689	552,751
West Virginia-----	1,040	902	2,184	4,126	74,965	74,965
Wisconsin-----	26,566	0	58,450	85,016	563,397	581,340
Anticipated Adjustment-----	0	0	0	0	9,985	0
<b>TOTAL-----</b>	<b>443,679</b>	<b>148,312</b>	<b>967,321</b>	<b>1,559,312</b>	<b>18,733,430</b>	<b>19,632,766</b>

1/ Participation data reflects Fiscal Year 2013. Participation data for Fiscal Year 2014 is not due until February 2015.

2/ Includes Indian Tribal Organizations.

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

FOOD AND NUTRITION SERVICE

**Disaster Feeding**  
**Quantity and Value of Commodities**  
**Fiscal Year 2014**

ENTITLEMENT COMMODITIES	Disaster Feeding	
	Pounds	Dollars
<i>SECTION 6/32 TYPE</i>		
APPLESAUCE, CANNED, UNSWEETENED	365	\$241
BEANS, CANNED, GREEN, LOW-SODIUM	348	131
BEANS, CANNED, PINTO, LOW-SODIUM	405	166
BEEF, CANNED	36	116
BEEF CRUMBLES, WITH SOY PROTEIN, COOKED FROZEN	440	1,038
BEEF, FINE, GROUND 85/15, FROZEN	80	194
BEEF, PATTIES, COOKED, WITH SOY PROTEIN, FROZEN	240	614
BEEF, ROAST, ROUND, FROZEN	80	277
CARROTS, CANNED, LOW-SODIUM	158	68
CHERRIES, FROZEN, UNSWEETENED	71	65
CHICKEN, BULK	96	69
CHICKEN, DICED, FROZEN	960	2,150
CHICKEN, FAJITA STRIPS, COOKED, FROZEN	180	344
CORN, CANNED, WHOLE KERNEL, NO SALT ADDED	318	134
EGGS, LIQUID WHOLE, BULK	77	53
FRUIT MIX, DRIED	75	158
JUICE, BOTTLED, APPLE, UNSWEETENED	70	23
JUICE, BOTTLED, GRAPE, CONCORD, UNSWEETENED	36	22
PORK, BONELESS, FROZEN	103	145
PORK, HAM, WATER-ADDED, FROZEN	600	1,212
POTATOES, ROUNDS, FROZEN	480	221
SPAGHETTI SAUCE LOW-SODIUM	68	26
VEGETABLES, CANNED, MIXED, LOW-SODIUM	45	24
<b>SUBTOTAL, SECTION 6/32 TYPE</b>	<b>5,331</b>	<b>\$7,491</b>
<i>SECTION 416 TYPE</i>		
CHEESE, BLEND, AMERICAN, REDUCED FAT	30	57
FLOUR, ENRICHED	40	10
FLOUR, WHOLE WHEAT	80	19
MACARONI	48	18
MACARONI, WHOLE GRAIN	160	67
MILK, NON-FAT, DRY	277	302
MILK, 1%, LOW-FAT	434	256
OIL, VEGETABLE	23	17
SPAGHETTI	24	10
<b>SUBTOTAL, SECTION 416 TYPE</b>	<b>1,086</b>	<b>\$756</b>
Disaster Assistance Republic of Marshall Islands	1,372,912	\$40,771
RMI Anticipated Transportation, Storage, and Handling*		\$111,509
<b>TOTAL COMMODITY ENTITLEMENT</b>	<b>1,379,329</b>	<b>\$160,527</b>
<b>BONUS COMMODITIES</b>		
	Pounds	Dollars
<i>SECTION 32 TYPE</i>		
NONE	0	\$0
<b>SUBTOTAL, SECTION 32 TYPE</b>	<b>0</b>	<b>\$0</b>
<b>BONUS COMMODITIES</b>		
	Pounds	Dollars
<i>SECTION 416 TYPE</i>		
NONE	0	\$0
<b>SUBTOTAL, SECTION 416 TYPE</b>	<b>0</b>	<b>\$0</b>
<b>TOTAL BONUS COMMODITIES</b>	<b>0</b>	<b>\$0</b>
<b>GRAND TOTAL -- ALL COMMODITIES</b>	<b>1,379,329</b>	<b>\$160,527</b>

Source: WBSCM Sales Order and contract information.

\* Estimated Transportation/Storage Handling for Disaster Assistance to RMI

FOOD AND NUTRITION SERVICE

**DISASTER FEEDING**  
**Value of Commodities to States**  
**Entitlement and Bonus**  
**Fiscal Year 2014**

State or Territory	Entitlement	Bonus	Total
Alaska.....	\$7,067	\$0	\$7,067
Kentucky.....	425	0	425
South Dakota.....	755	0	755
RMI.....	40,771	0	40,771
Anticipated Transportation.....	111,509	0	111,509
<b>TOTAL.....</b>	<b>\$160,527</b>	<b>\$0</b>	<b>\$160,527</b>

Source: WBSCM Order and Shipment Quantities and Value Report.

**NUTRITION SERVICES INCENTIVE PROGRAM**  
**Value of Commodities to States**  
**Entitlement and Bonus**  
**Fiscal Year 2014**

State or Territory	Entitlement	Bonus	Total
Connecticut.....	\$14,228	\$0	\$0
Delaware.....	98,821	0	0
Idaho.....	22,217	0	0
Kansas.....	203,081	0	0
Massachusetts.....	1,248,823	0	0
Montana.....	222,768	0	0
Nevada.....	13,069	0	0
Oklahoma.....	1,207	0	0
AMS/FSA/WBSCM Admin Exp....	24,776	0	0
Anticipated Adjsutment.....	56,995	0	0
<b>TOTAL.....</b>	<b>\$1,905,985</b>	<b>\$0</b>	<b>\$0</b>

Source: WBSCM -- Sales Order and contract information.

FOOD AND NUTRITION SERVICE

**NUTRITION SERVICES INCENTIVE PROGRAM**  
**Quantity and Value of Commodities**  
**Fiscal Year 2014**

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 6/32 TYPE:</i>		
APRICOTS, DICED, EX LT SUCROSE	36,936	\$32,495
BEANS, CANNED, GREEN, LOW-SODIUM	69,312	25,062
BEANS, GREEN, FROZEN, NO ADDED SALT	118,800	56,272
BEEF, FINE GROUND, FROZEN	200,000	487,080
BEEF, COARSE GROUND, FROZEN	42,000	105,097
CARROTS, FROZEN, SLICED, NO ADDED SALT	158,400	72,560
CORN, WHOLE KERNEL, LIQUID, NO ADDED SALT	72,504	31,464
CHICKEN, CUT UP, FROZEN	80,000	80,592
CHICKEN, DICED, FROZEN	40	107
EGGS, WHOLE, LIQUID, BULK	48,000	55,632
PEAS, GREEN, FROZEN, NO SALT ADDED	79,200	55,783
POLLOCK, ALASKA, FROZEN	79,968	119,072
PORK, LEG ROAST, FROZEN	40,000	64,800
STRAWBERRIES, DICED, FROZEN, CUPS	37,800	53,200
TOMATO, DICED, CANNED, LOW-SODIUM	69,768	29,804
TOMATO SAUCE, CANNED, LOW-SODIUM	145,008	43,366
TURKEY ROAST, FROZEN	164,400	425,542
<b>SUBTOTAL, SECTION 6/32 TYPE</b>	<b>1,405,200</b>	<b>\$1,737,928</b>
<hr/>		
ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 416 TYPE:</i>		
CHEESE, BULK, NATURAL AMERICAN, BARREL	20,400	\$47,726
CHEESE, CHEDDER, SHREDDED, YEL	180	435
CHEESE, CHEDDER, SHREDDED, YEL, REDUCED FAT	300	666
RICE, BROWN	79,920	37,459
<b>SUBTOTAL, SECTION 416 TYPE</b>	<b>100,800</b>	<b>\$86,286</b>
Anticipated Adjustment	0	56,995
AMS / FSA / WBSCM Admin. Expenses	0	24,776
<b>TOTAL COMMODITY ENTITLEMENT</b>	<b>1,506,000</b>	<b>\$1,905,985</b>
<hr/>		
BONUS COMMODITIES	Pounds	Dollars
<i>SECTION 32 TYPE:</i>		
NONE	0	0
<b>SUBTOTAL, SECTION 32 TYPE</b>	<b>0</b>	<b>0</b>
<hr/>		
BONUS COMMODITIES	Pounds	Dollars
<i>SECTION 416 TYPE:</i>		
NONE	0	\$0
<b>SUBTOTAL, SECTION 416 TYPE</b>	<b>0</b>	<b>\$0</b>
Anticipated Adjustment	0	0
<b>TOTAL BONUS COMMODITIES</b>	<b>0</b>	<b>\$0</b>
<b>TOTAL -- ALL COMMODITIES</b>	<b>1,506,000</b>	<b>1,905,985</b>
Cash In-Lieu of Commodities		0
<b>GRAND TOTAL</b>	<b>1,506,000</b>	<b>\$1,905,985</b>

Source: WBSCM -- Sales Order and contract information.

FOOD AND NUTRITION SERVICE

The estimates include proposed changes in the language of this item as follows:

Nutrition Programs Administration:

For necessary administrative expenses of the Food and Nutrition Service for carrying out any domestic nutrition assistance program, [\$150,824,000] \$155,564,000: *Provided*, That of the funds provided herein, \$2,000,000 shall be used for the purposes of section 4404 of Public Law 107-171, as amended by section 4401 of Public Law 110-246.

NUTRITION PROGRAM ADMINISTRATION

Lead-Off Tabular Statement

Budget Estimate, 2016 .....	\$155,564,000
2015 Enacted .....	<u>150,824,000</u>
Change in Appropriation .....	<u>+4,740,000</u>

Summary of Increases and Decreases  
(Dollars in thousands)

Item of Change	2013 Actual	2014 Change	2015 Change	2016 Change	2016 Estimate
Direct Program, FNS and CNPP <u>1/</u>	\$130,807	\$8,541	-\$4,058	\$2,740	\$138,030
2010 Dietary Guidelines for Americans & MyPlate	0	0	0	1,000	1,000
Dietary Guidance, Birth to Two	0	0	0	1,000	1,000
Congressional Hunger Center	1,845	155	0	0	2,000
National Commission on Hunger	0	1,000	-1,000	0	0
Decentralized GSA & Security Payments	0	0	13,534	0	13,534
<b>Total Appropriation</b>	<b>132,652</b>	<b>9,696</b>	<b>8,476</b>	<b>4,740</b>	<b>155,564</b>

1/ Administrative expenses for CNPP: FY 2014 through FY 2015 is \$4,538,200; FY 2016 is \$4,960,000.

Project Statement

Adjusted Appropriations Detail and Staff Years (SY)  
(Dollars in thousands)

Project	<u>2013 Actual</u>		<u>2014 Actual</u>		<u>2015 Enacted</u>		<u>Inc. or Dec.</u>		<u>2016 Estimate</u>	
	Amount	SY's	Amount	SY's	Amount	SY's	Amount	SY's	Amount	SY's
Food and Nutrition Service/CNPP	\$130,807	930	\$139,348	804	\$135,290	1,000	\$2,740	0	\$138,030	1,000
2010 Dietary Guidelines and MyPlate	0		0		0		1,000		1,000	
Dietary Guidance, Birth to Two Years	0		0		0		1,000		1,000	
Congressional Hunger Center	1,845		2,000		2,000		0		2,000	
National Commission on Hunger	0		1,000		0		0		0	
Decentralized GSA & Security Payments	0		0		13,534		0		13,534	
<b>Total Adjusted Appropriation</b>	<b>132,652</b>	<b>930</b>	<b>142,348</b>	<b>804</b>	<b>150,824</b>	<b>1,000</b>	<b>4,740</b>	<b>0</b>	<b>155,564</b>	<b>1,000</b>
Rescission	3,886		0		0		0		0	
Sequestration	6,967		0		0		0		0	
<b>Total Appropriation</b>	<b>143,505</b>	<b>930</b>	<b>142,348</b>	<b>804</b>	<b>150,824</b>	<b>1,000</b>	<b>4,740</b>	<b>0</b>	<b>155,564</b>	<b>1,000</b>

FOOD AND NUTRITION SERVICE

Project Statement  
Obligations Detail and Staff Years (SY)  
(Dollars in thousands)

Project	2013 Actual		2014 Actual		2015 Enacted		Inc. or Dec.		2016 Estimate	
	Amount	SY's	Amount	SY's	Amount	SY's	Amount	SY's	Amount	SYs
Food and Nutrition Service/CNPP	\$130,016	930	\$136,780	804	\$135,290	1,000	\$2,740	(1,2,3)	\$138,030	1,000
2010 Dietary Guidelines and MyPlate	0		0		0		1,000	(4)	1,000	
Dietary Guidance, Birth to Two Years	0		0		0		1,000	(5)	1,000	
Congressional Hunger Center	1,845		2,000		2,000		0		2,000	
National Commission on Hunger	0		1,000		0		0		0	
Congressional Relations	212		212		0		0		0	
Miscellaneous Reimbursements	942		366		0		0		0	
Decentralized GSA & Security Payments	0		0		13,534		0		13,534	
<b>Total Obligations</b>	<b>133,015</b>	<b>930</b>	<b>140,358</b>	<b>804</b>	<b>150,824</b>	<b>1,000</b>	<b>4,740</b>	<b>0</b>	<b>155,564</b>	<b>1,000</b>
Congressional Relations	-212		-212		0		0		0	
Miscellaneous Reimbursements	-942		-366		0		0		0	
<b>Direct Obligations</b>	<b>131,861</b>	<b>930</b>	<b>139,780</b>	<b>804</b>	<b>150,824</b>	<b>1,000</b>	<b>4,740</b>	<b>0</b>	<b>155,564</b>	<b>1,000</b>
Balance Lapsing	791		2,568		0		0		0	
Rescission	3,886		0		0		0		0	
Sequestration	6,967		0		0		0		0	
<b>Total Appropriation</b>	<b>143,505</b>	<b>930</b>	<b>142,348</b>	<b>804</b>	<b>150,824</b>	<b>1,000</b>	<b>4,740</b>	<b>0</b>	<b>155,564</b>	<b>1,000</b>

<b>FNS Nutrition Programs Administration</b>	<b>FY 2016</b>
Supplemental Nutrition Assistance Program	\$68,904
Child Nutrition Programs	39,583
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	21,991
Commodity Assistance Program	16,126
<b>Subtotal</b>	<b>146,604</b>
Congressional Hunger Center	2,000
Dietary Guidelines - My Plate	1,000
Dietary Guidelines - Birth to Two Years	1,000
Center for Nutrition Policy and Promotion	4,960
<b>Total Request, Nutrition Programs Administration</b>	<b>155,564</b>

## FOOD AND NUTRITION SERVICE

### Justification of Increases and Decreases

In addition to the activities and functions specifically described in the budget request, current year and budget year base funds will be used to carry out activities and functions consistent with the full range of authorities and activities delegated to the Agency.

A net increase of \$4,740,000 for the Nutrition Assistance Programs (\$150,824,000 available in FY 2015).

- (1) An increase of \$1,913,000 to fund increased pay costs (\$1,665,000 for 2016 pay cost of 1.3 percent and \$248,000 for 2015 of 1 percent).

The requested increase for pay costs will fund personnel costs generated by pay raises approved by the President. The increase will allow FNS to maintain staffing levels which are critical to achieving the agency's objective of providing children and low-income people access to food, a healthful diet, and nutrition education.

- (2) An increase of \$9,000 to fund health benefits for seasonal staff.
- (3) An increase of \$818,000 associated with contracts with Federal and non-Federal sources.

This funding will allow the Agency to improve management of the Federal nutrition assistance programs in areas such as access to nutrition assistance, monitoring and oversight, and program integrity. These activities are consistent with FNS' leading role in Administration priorities including ending childhood hunger and combating obesity. In addition, funds will improve the effectiveness of the recent transition to the National Finance Center (NFC) as service provider for human resources services.

- (4) FNS requests \$1,000,000 for the Center for Nutrition Policy and Promotion for *Dietary Guidelines/My Plate/SuperTracker*.

This funding is for the Center for Nutrition Policy and Promotion to research and implement cutting-edge initiatives to help Americans put healthy eating behaviors, based on the *Dietary Guidelines for Americans* and MyPlate, into practice. The Center intends to focus on evidence-based programming to target vulnerable populations and technology-based solutions for the next generation in order to improve public health and reduce chronic disease.

#### Proposed tactics:

- Research and implement proven strategies to target vulnerable populations (e.g., older Americans, young children) with programming designed to improve eating and physical activity behaviors. Improving the nutrition status of older Americans can help to reduce incidence of chronic disease and potentially lower healthcare costs. Improved nutrition and weight status of young children is critical to the future of the public's health.
  - Target Americans, particularly an increasingly technologically savvy population, with technology solutions including strategic enhancements to the successful SuperTracker diet and physical activity planning and tracking application based on user feedback. Emerging evidence shows effectiveness of nutrition education delivered via digital media/technology for improving dietary intake among children and adolescents. SuperTracker is widely used in schools. In just 3 years since launch, SuperTracker has amassed more than 4.8 million registered users and 375+ million page views.
- (5) An increase of \$1,000,000 for the Center for Nutrition Policy and Promotion for Phase II of developing unified Federal dietary guidance for Americans from birth to 24 months of age and pregnant women.

## FOOD AND NUTRITION SERVICE

The Agricultural Act of 2014 (P.L. 113-79) states that beginning in 2020, the *Dietary Guidelines for Americans* shall include recommendations for pregnant women as well as children from birth until the age of two. This will be the first Federal, comprehensive dietary guidance for the birth to 2 year age group. To ensure that the guidance is comprehensive and evidence-based for Americans ages 2 years and older, CNPP requests \$1,000,000 in FY 2016 to conduct foundational work to support development of this guidance.

To ensure release of this guidance by 2020, CNPP, in partnership with Health and Human Services (HHS) Office of Disease Prevention and Health Promotion (ODPHP), has created a project to begin the review of evidence for these important groups of the population. To ensure the guidance addresses policy needs, this project is guided by a Federal Expert Group composed of 30 representatives from 20 agencies across USDA, HHS, and United States Agency for International Development (USAID).

The first phase of this plan was completed in FY 2013-14 with funds secured by ODPHP. This phase included cross-Department collaboration and input from national nutrition experts to identify topics and systematic review questions to inform guidance for the birth to 2 year population. The results of this phase are published in the *American Journal of Clinical Nutrition* (example available at: <http://www.ncbi.nlm.nih.gov/pubmed/24452234> and <http://www.ncbi.nlm.nih.gov/pubmed/24500158>). The funds requested for FY 2016 will be used to support the second phase of the project; specifically, to conduct systematic reviews to be completed by CNPP's Nutrition Evidence Library (NEL). CNPP's NEL supports the current *Dietary Guidelines* process. Systematic reviews completed by the NEL have been widely supported by Federal and external stakeholders as a valid evidence base for the *Dietary Guidelines*. Additionally, NEL systematic reviews help USDA and HHS meet the Data Quality Act, which requires that all agencies ensure the quality, objectivity, utility, and integrity of information used to form Federal guidance.

As a comparison, by the time they are released, the 2015 *Dietary Guidelines for Americans* will have required approximately 3.5 years and \$1,300,000 (not including staff) to develop. The 2015 *Dietary Guidelines* will benefit from having seven previous iterations as a foundation and framework. Essentially, subsequent editions of the Guidelines are updates to previous iterations. We expect that the work needed to support the development of dietary guidance for the birth to age 2 group and pregnant women will be greater than the work required to update the traditional *Dietary Guidelines* for ages 2 years and older because: (1) there is no current Federal dietary guidance for this age group from which to build; (2) infants, toddlers and pregnant women have unique nutritional needs, eating patterns, and developmental stages; and (3) there is an expectation that the guidance will be as evidence-based and comprehensive as the guidance for Americans ages 2 years and older. As such, CNPP requests these funds to ensure that we successfully meet the Agricultural Act of 2014 on time, in a comprehensive fashion.

Since development of guidance for this age group will be above and beyond the traditional update of the *Dietary Guidelines*, CNPP requests this funding to conduct foundational work. Specifically, the funding will be used to: (1) fund completion of systematic reviews by CNPP's NEL, which will serve as the evidence base for the *Dietary Guidelines*; (2) hire contract support to assist the NEL in completing the systematic reviews; (3) support travel of external experts working with the NEL to come to Washington, DC, for one in-person meeting per Technical Expert Collaborative; and (4) initiate a web-based public comments database that will allow public input throughout the project.

The *Dietary Guidelines for Americans* inform Federal nutrition policies and programs. Developing dietary guidance for the birth to 2 year age group and pregnant women is important to ensure the many Federal policies and programs which support these populations have the most current, science-based guidance to direct their work. Without funds, CNPP will be unable to conduct this foundational work to support development of dietary guidance for this important age group.

**FOOD AND NUTRITION SERVICE**

Geographic Breakdown of Obligations and Staff Years (SY)  
(Dollars in thousands)

Nutrition Programs Administration--Federal Salaries & Expenses								
	2013 Actual		2014 Actual		2015 Enacted		2016 Estimated	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Alabama	\$180	2	\$396	3	\$603	4	\$622	4
Arizona	213	2	198	2	302	2	311	2
Arkansas	246	3	198	2	302	2	311	2
California	7,666	61	7,083	56	10,558	70	10,889	70
Colorado	8,748	87	6,341	51	9,502	63	9,801	63
Connecticut	112	1	0	0	0	0	0	0
Delaware	15	0	0	0	0	0	0	0
District of Columbia	4,567	7	198	2	302	2	311	2
Florida	300	3	594	5	905	6	933	6
Georgia	7,822	73	7,943	64	11,915	79	12,290	79
Hawaii	103	1	198	2	302	2	311	2
Illinois	7,029	35	6,703	54	10,105	67	10,423	67
Indiana	189	2	198	2	302	2	311	2
Iowa	215	2	396	3	603	4	622	4
Kansas	92	1	198	2	302	2	311	2
Kentucky	202	2	198	2	302	2	311	2
Louisiana	237	3	99	1	151	1	156	1
Maine	2	0	99	1	151	1	156	1
Maryland	660	7	396	3	603	4	622	4
Massachusetts	5,875	51	6,129	49	9,200	61	9,489	61
Michigan	191	4	297	2	452	3	467	3
Minnesota	904	8	991	8	1,508	10	1,556	10
Mississippi	67	1	99	1	151	1	156	1
Missouri	263	2	396	3	603	4	622	4
Montana	139	1	99	1	151	1	156	1
Nebraska	115	1	0	0	0	0	0	0
New Hampshire	106	1	99	1	151	1	156	1
New Jersey	7,201	64	7,368	59	11,010	73	11,356	73
New Mexico	0	0	198	2	302	2	311	2
New York	1,272	11	1,387	11	2,112	14	2,178	14
North Carolina	563	4	495	4	754	5	778	5
North Dakota	4	1	99	1	151	1	156	1
Ohio	469	3	495	4	754	5	778	5
Oklahoma	96	1	99	1	151	1	156	1
Oregon	412	5	495	4	754	5	778	5
Pennsylvania	278	3	495	4	754	5	778	5
Rhode Island	1	0	0	0	0	0	0	0
South Carolina	371	4	198	2	302	2	311	2
South Dakota	112	1	0	0	0	0	0	0
Tennessee	196	2	297	2	452	3	467	3
Texas	7,409	71	7,802	62	11,613	77	11,978	77
Utah	977	1	198	2	302	2	311	2
Virginia	66,501	388	80,290	318	60,631	402	62,537	402
Washington	0	1	0	0	0	0	0	0
West Virginia	101	1	99	1	151	1	156	1
Wisconsin	196	2	99	1	151	1	156	1
Wyoming	0	0	0	0	0	0	0	0
Puerto Rico	598	6	693	6	1,056	7	1,089	7
Undistributed	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>\$133,015</b>	<b>930</b>	<b>\$140,358</b>	<b>804</b>	<b>\$150,824</b>	<b>1,000</b>	<b>\$155,564</b>	<b>1,000</b>

Note: Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

Nutrition Programs Administration

Classification by Objects

(Dollars in Thousands)

	2013 Actual	2014 Actual	2015 Enacted	2016 Estimate
<b>Personnel Compensation:</b>				
Washington D.C.....	\$38,651	\$34,837	\$43,372	\$44,050
Field.....	45,373	40,895	50,915	51,710
11.0 Total personnel compensation.....	84,024	75,732	94,287	95,760
12.0 Personnel benefits.....	25,218	23,272	29,776	30,224
13.0 Benefits for former personnel	16	54	16	17
Total personnel comp. and benefits.....	109,258	99,058	124,079	126,001
<b>Other Objects:</b>				
21.0 Travel and transportation of persons.....	1,202	1,684	1,202	1,202
22.0 Transportation of things.....	2	21	2	2
23.1 Rental payments to GSA.....	0	0	12,236	12,236
23.2 Rental payments to others.....	650	65	650	650
23.3 Communications, utilities, and misc. charges.....	422	441	422	422
24.0 Printing and reproduction.....	283	265	283	283
25.1 Advisory and assistance services.....	0	0	0	0
25.2 Other services from non-Federal sources.....	13,210	27,608	5,097	7,735
25.3 Other purchases of goods and services from Federal sources.....	4,169	4,600	2,879	3,059
25.4 Operation and maintenance of facilities.....	26	0	26	26
25.6 Medical care.....	11	19	11	11
25.7 Operation and Maintenance of Equipment.....	184	237	184	184
25.8 Subsistence and support of persons.....	8	7	8	8
26.0 Supplies and materials.....	553	675	553	553
31.0 Equipment.....	1,191	2,677	1,191	1,191
41.0 Grants.....	1,845	3,000	2,000	2,000
42 Insurance claims and indemnities.....	1	1	1	1
43 Interest and dividends.....	0	0	0	0
Total, Other Objects.....	23,757	41,300	26,745	29,563
99.9 Total, new obligations.....	133,015	140,358	150,824	155,564
<b>Position Data:</b>				
Average Salary (dollars), ES Position.....	\$169,480	\$170,694	\$172,401	\$174,642
Average Salary (dollars), GS Position.....	\$90,348	\$94,194	\$95,136	\$96,373
Average Grade, GS Position.....	12.0	12.2	12.2	12.2

## FOOD AND NUTRITION SERVICE

### 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 integrity, 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 significantly 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 one-tenth 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 \$112 billion must be a top priority.

The most significant accomplishments under this NPA appropriation during FY 2014 are cited below by program and activity.

#### **SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)**

For SNAP, 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 261,150 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.

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Highlights of FY 2014 accomplishments supported by the NPA appropriation and related to SNAP include:

### **State Oversight**

Proper administration of SNAP is critical to program integrity. Program oversight and monitoring is one of FNS' fundamental roles. Through its seven regional offices, FNS conducts various on-site reviews of State and local SNAP offices continuously throughout each year. Management Evaluation System Reviews (ME) provide FNS with an in depth look at high risk or critically important components of program administration.

In FY 2014, FNS took steps to bolster the SNAP ME process to ensure compliance with program requirements, improve integrity, and protect access for eligible households. Additional staff was hired to conduct MEs and, a careful review of the ME process was conducted to increase standardization and ensure that reviews are being performed consistently across the country, policy compliance issues are identified before they become serious problems, and effective corrective actions are implemented. In addition, new systems are providing data that can be used to identify trends and assist FNS reviewers in targeting their reviews.

FNS encourages States to consider ways to increase efficiencies and the effectiveness of their program administration and operations. FNS continues to 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 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 2013 was 3.20 percent, representing the tenth consecutive year with a payment error rate under 6 percent. The rate reflects an over-issuance rate of 2.61 percent and an under-issuance rate of 0.60 percent. In FY 2014, FNS continued an aggressive payment accuracy improvement program that balanced the need to maintain program access.
- *Recipient Claims:* Preliminary data shows that State agencies collected about \$288 million in recipient claims in FY 2014. FNS continued to monitor corrective actions performed by States to address previously identified deficiencies in recipient claims systems.
- *Store Tracking and Redemption System (STARS):* FNS updated the online store application to require additional program integrity questions for all retailers applying for SNAP authorization. In addition, FNS also rolled out a new online store application specifically for farmers' markets in order to simplify and streamline the application process while still obtaining the data necessary to maintain program integrity.
- *Anti-fraud Locator using EBT Retailer Transactions (ALERT):* During FY 2014, FNS completed a series of ALERT releases necessary to support the continued effort to increase fraud detection and support administrative compliance actions. This effort centered on development of a series of reports and mapping capabilities targeting the ability to identify both retailer and recipient anomalies. Efforts in data-mining continue to provide decision-based models designed to carry on the reduction of the number of false positives, thereby improving the efficiency of compliance actions.
- *Retailer Oversight and Integrity:* In FY 2014, FNS staff authorized or reauthorized 75,426 retailers to participate in SNAP. FNS utilized contractor store visits to verify the initial or continued eligibility of 39,692 stores participating in SNAP. In this same period, 21,939 firms were withdrawn from participation because of changes in ownership, business closings, or nonconformance with authorization criteria. In addition, 2,226 stores were fined or disqualified temporarily or permanently for noncompliance with law or SNAP regulations.

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At the end of FY 2014, 261,150 stores were authorized to participate in SNAP, an increase of 8,188 stores from FY 2013 and of 29,715 stores over the last three fiscal years.

During FY 2014, FNS conducted undercover investigations of 3,645 stores nationwide. Approximately 37 percent (1,354) of these investigations documented evidence of SNAP violations. Of the 1,354 investigations, FNS investigators uncovered trafficking in 322 stores.

Overall, FNS compliance analysts and investigators reviewed over 17,000 stores for compliance monitoring purposes. As a result, there were 2,226 sanctions, including 1,496 stores permanently disqualified from the program in FY 2014.

**Electronic Benefit Transfer (EBT) Systems:** FNS continues oversight of States as their EBT contracts end and they procure 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 2014, FNS approved three RFPs, seven contracts, and reviewed and approved eight 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 income-eligible households residing on Indian reservations and income-eligible Indian households living in designated service areas near reservations or in Oklahoma. Funding is also provided to the ITOs/State agencies to support the administrative cost of operating the program as well as for nutrition education efforts. FNS sets standards for participant and provider eligibility and provides training and other assistance to program partners as needed.

Highlights of FY 2014 accomplishments supported by the NPA appropriation and related to the FDPIR include:

**Technical Assistance to FDPIR ITOs and State Agencies:** During FY 2014, FNS provided enhanced technical assistance to FDPIR staff, including a revamped, innovative FDPIR Online Certification Training for certification workers, in-person training sessions and webinars, and a question and answer document, all of which assisted ITOs and State agencies in implementing provisions of the FDPIR Income Deductions and Resource Eligibility Final Rule published in fall 2013. The final rule expanded access to FDPIR, improved program administration, and more closely aligned FDPIR with SNAP. Specifically, the rule eliminated the resource test as a basis for determining FDPIR eligibility, expanded the medical deduction to include other medical expenses in excess of \$35, and established a new region-specific standard deduction for shelter and utility expenses.

**Program Integrity:** In FY 2014, FNS saw higher than anticipated national participation rates in the program. To ensure program integrity and proper implementation of the new provisions of the FDPIR Income Deductions and Resource Eligibility Final Rule, and provide technical assistance as needed to ITOs and State agencies, FNS performed a desk audit review that included a wide sample of cases across various FDPIR programs nationwide. The desk audit concentrated on newly certified case records and specifically focused on certification procedures for financial eligibility. Results from this desk audit were satisfactory and specifically showed that implementation of the new rule did not result in any households being erroneously certified for FDPIR.

**Reprogrammed Food Funds for FDPIR:** To support the unforeseen rise in food costs and program participation during FY 2014, FNS obtained Congressional approval to reprogram \$15.5 million from SNAP benefits to FDPIR food purchases. The additional funds allowed FNS to maintain sufficient inventories and ensured program participants received full food packages despite the rise in food costs and participation.

**Food Package:** FNS continues its commitment to improve the food package offered under FDPIR by partnering with the National Association of Food Distribution Programs on Indian Reservations (NAFDPIR). A work group, consisting of NAFDPIR-appointed representatives and FNS staff, is focusing on ways to better meet the nutritional needs and food preferences of program participants. The panel seeks to reduce saturated fat, sugar, and sodium in

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the food package and explore ways to increase the convenience and acceptability of products offered. In FY 2014, the work group began discussions to pilot fresh shell eggs in the FDPIR food package.

**FDPIR Regional Vendor Pilot:** In FY 2014, FNS continued the contract for the FDPIR Regional Vendor Pilot. The purpose of the pilot is to test whether a different purchasing model will: (1) provide fresher products for participants; (2) potentially allow for greater opportunities to buy traditional and/or local foods from Native American producers; and (3) potentially reduce overall storage and transportation costs which are attributed to the National Warehouse Model. The pilot varies from the current National Warehouse Model in that the pilot distributor purchases and delivers the required foods. Food deliveries under this pilot began in the Spring of 2013 serving four tribes and about 4,000 participants. In FY 2014, FNS awarded a contract to conduct a study which will evaluate the pilot's success based on a number of factors, including food costs and customer satisfaction.

**Studies and Evaluations:** In September FY 2011, FNS contracted with the Urban Institute in Washington, DC, to conduct a three-year national study of FDPIR and its participants. The study's objectives are to obtain an updated demographic profile of participants; explore reasons for changes in FDPIR participation; examine food package distribution approaches and other key aspects of FDPIR operations; learn about FDPIR's contribution to participants' food supply; and learn about participant satisfaction with the program. During FY 2014, the research team engaged twenty-three participating ITOs in the study and conducted data collection activities such as case record reviews, participant surveys, and site visits. A final report is due as early as the Summer of 2015.

**Nutrition Education Grants and Materials:** In FY 2014, FNS awarded nearly \$1 million in Food Distribution Program on Indian Reservations Nutrition Education Grants to 20 grantees. The grants support USDA's Strike Force and Promise Zone initiatives, promote the healthy foods offered in FDPIR, and follow the most recent edition of the *Dietary Guidelines for Americans*. FNS also developed and published a new program brochure that captures the benefits of FDPIR and helps dispel the old image of the benefits offered by the program.

### 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 2014 accomplishments supported by the NPA appropriation and related to the WIC Program include:

**Healthy Hunger Free Kids Act of 2010:** 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 one-year certification option for children; (2) requiring annual collection and publication of breastfeeding data at the State and local levels; (3) establishing an exemplary breastfeeding recognition program at the local or clinic level; (4) establishing breastfeeding performance bonuses; (5) requiring a food package review not less than every ten years; (6) establishing new bid requirements for infant formula and all foods for which rebates are solicited; (7) requiring nationwide WIC Electronic Benefit Transfer (EBT) by 2020; and (8) requiring establishment of a Universal Product Code (UPC) database for use in EBT. FNS issued a regulation in FY 2011 implementing all the non-EBT provisions and issued a proposed rule on February 28, 2013, incorporating the EBT-related provisions.

**WIC Food Package Final Rule:** On March 4, 2014, a final rule revising the food packages offered in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) was published in the Federal Register. The final rule completes the first comprehensive revisions to the WIC food packages since 1980. It considers public comments submitted in response to the interim rule revising the WIC food packages published on December 6, 2007. The modifications in the final rule also reflect the experiences of State agencies in implementing the interim rule, while continuing to fulfill the intent of the recommendations of the Institute of Medicine (IOM) of the National Academies that serve as the basis for the WIC food package changes. The final rule includes several significant improvements to the food package that will increase WIC participants' access to fruits and vegetables, whole grains

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and low-fat dairy.

FNS developed launch materials to publicize the release of the WIC food package final rule including fact sheets, talking points, and a PowerPoint presentation. FNS also released a webcast detailing the provisions of the final rule and the rationale behind the changes for WIC State agencies. Technical assistance provided to State agencies to assist with implementing the final rule provisions included a Food Package Guidance Handbook and Frequently Asked Questions.

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

- *Nutrition Education Materials* - In collaboration with the Center for Nutrition Policy and Promotion, FNS revised the outreach publication, *How WIC Helps*, and the participant nutrition education poster, *Healthy Tips for Expectant Moms* to reflect the 2010 Dietary Guidelines for Americans and My Plate icon. FNS also revised the participant nutrition education brochure, *Next Steps to Health for You and Your Family* (formerly titled, *After You Deliver*) and the resource for “*Substance Use Prevention: Screening, Education, and Referral Resource Guide for Local WIC Agencies.*”
- *WIC Special Project Grants* - In FY 2014, FNS solicited applications for WIC Special Project grants with the focus area of WIC child retention. Two types of WIC Special Project Grants were awarded - Mini grants and Full grants. Mini grants were funded at approximately \$75,000 each for projects lasting 18 months. Full grants were funded at approximately \$400,000 each for projects lasting three years. Just under \$1.5 million were awarded for FY 2014 WIC Special Project Grants focusing on WIC child retention.
- *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. One of the features of the WIC Works Resource System is WIC Learning Online (WLOL), a series of online courses for WIC State and local staff development and continuing education. WLOL had over 32,276 active users in FY 2014. The WIC Works Spring mailing was distributed to State, local and regional WIC offices, highlighting USDA’s Summer Food Service Program and where WIC participants can find sites that provide summer meals in their communities.
- FNS, in collaboration with the Food and Nutrition Information Center at the National Agricultural Library, developed a new one hour online course titled, *WIC Baby Behavior Basics*, available through WIC Learning Online.
- FNS continues to partner with other Federal organizations to promote breastfeeding surrounding the Surgeon General’s Call to Action to Support Breastfeeding (Call to Action) and the Healthy People 2020 objectives on breastfeeding by sponsoring the Breastfeeding Promotion Consortium (BPC) meeting and participating in the Federal Breastfeeding Workgroup. The Federal Breastfeeding Workgroup consists of staff from various Federal agencies that focus on implementation activities as well as interagency coordination of breastfeeding support efforts. FNS is also a government liaison to the United States Breastfeeding Committee, a national breastfeeding committee composed of representatives from relevant government departments, non-governmental organizations, and health professional associations who strategically work to support breastfeeding efforts and initiatives across the country.
- *Value Enhanced Nutrition Assessment (VENA)* - The VENA initiative was implemented in FY 2006 with the purpose of improving the WIC nutrition assessment process and to more closely align nutrition risk determinations with WIC nutrition interventions. FNS continues to provide technical assistance to assist State agencies with VENA competencies and operation; including the WIC Works Resource System public website, which hosts a VENA village complete with three VENA competency online training modules, the VENA guidance document, and State developed training materials. In FY 2014 FNS hosted three well attended VENA webinars for WIC staff at every level to showcase successful VENA activities and to promote such activities in other WIC Programs across the nation. FNS plans to host three additional VENA webinars in FY 2015 as well as develop a new VENA online training module.

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- *Revised WIC Nutrition Risk Criteria* - In FY 2014, three WIC nutrition risk criteria were revised (to be implemented in FY 2015) as part of the on-going cyclical review of risk criteria. The following criteria were revised: Depression, Oral Health Conditions and Inappropriate Nutrition Practices for Infants. In addition, FNS developed guidance for WIC State agencies to use for screening and referring women with and at risk for depression.

**WIC Prescreening Tool:** The WIC Prescreening Tool is a web-based application that helps potential WIC applicants determine if they are likely to be eligible for WIC benefits. Users complete a series of short questions to determine eligibility; those who are likely to be WIC eligible are provided with State-specific contact information and are encouraged to make certification appointments with their WIC local agencies. Additionally, users are provided with a printable summary of their responses and a list of examples of the documentation that is required at an initial certification appointment.

The WIC Prescreening Tool is accessible to all Internet users via the “[Am I Eligible for WIC Benefits?](#)” link on the WIC homepage. The tool is accessed approximately 1,000 times per day by users across the country. Initially launched in English, Spanish, and Mandarin Chinese in FY 2014, the tool was expanded to include six additional languages (Arabic, Haitian-Creole, Korean, Russian, Somali, and Vietnamese). Looking forward, metrics gathered from the tool will provide data that can be used to help inform the development of WIC initiatives such as the child retention efforts currently underway.

**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. In FY 2014, FNS staff gave a presentation on the newly developed drug and alcohol substance abuse manual for attendees of the course.

**Continue EBT Expansion:** FNS is promoting EBT in State agencies with the goal of nationwide EBT implementation by October 2020, as required by Congress.

EBT systems have the potential to enhance benefit delivery and improve accountability of food benefits and vendor payment systems. FNS continues to work with individual State agencies to plan, develop, and implement WIC EBT systems. As of the end of FY 2014, at least 81 WIC State agencies, 90 percent of all WIC State agencies, are involved in some phase of EBT -- planning, implementation or operational Statewide. In FY 2014, thirteen new EBT projects were funded.

**Enhancing Program Management and Oversight:** FNS Regional staff completed 52 on-site evaluations during FY 2014. These evaluations, known as Management Evaluations (MEs) were conducted across all functional areas with the WIC Program but the focus of this work was in the area of vendor management. During FY 2013 and FY 2014, FNS conducted Vendor Management MEs (VM MEs) in every geographic WIC State agency that operates a retail food delivery system (including the District of Columbia, the US Virgin Islands, and Puerto Rico). The goal of this targeted effort was to conduct a national in-depth review of vendor management policy, practices, and procedures.

**Expanding Services to the Military:** In FY 2014, FNS continued to provide assistance to the Department of Defense (DoD) in administering its WIC-Overseas Program. FNS also continued to provide assistance to Regional Offices and WIC State agencies regarding which payments to military personnel/households are excluded or included when determining income eligibility for the WIC Program and contributed extensive background information to the Under Secretary’s Office for use in a joint effort with DoD and several advocacy groups to identify gaps in assistance available to military personnel and their families at select installations both in the continental United States and abroad.

**Vendor Cost Containment and Program Integrity:** FNS continued to work with State agencies to ensure their

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vendor cost containment systems comply with the vendor cost containment provisions of the Child Nutrition and WIC Reauthorization Act of 2004.

- As part of this effort, FNS is pursuing WIC Vendor Risk Reduction Project. The Healthy, Hunger-Free Kids Act of 2010 requires WIC to transition to EBT benefit delivery by 2020. The nature of vendor error, overcharging, and fraud under EBT is fundamentally different from these activities under the traditional paper WIC food instrument. This study includes exploration of effective methods of screening new vendor applicants, including assessment of competitive pricing and improved peer group structure and assignment. It builds upon ongoing studies of high-risk vendor identification and data analysis to identify possible patterns of fraud in EBT transaction data.
- In FY 2014, FNS supplemented the Income Eligibility Guidance issued in April 2013 (WIC Policy Memorandum #2013-3 *WIC Income Eligibility Guidance*, which provides comprehensive guidance designed to assist WIC State agencies in strengthening the income assessment process) with technical assistance webinars for each of the seven FNS regions and their respective WIC State agencies. The webinars provided an overview of the information contained in the income eligibility guidance as well as responses to specific income eligibility related questions submitted by individual WIC State agencies. At the conclusion of the webinars, FNS issued a comprehensive FAQ document that included responses to all of the questions submitted by WIC State agencies.
- In FY 2014, FNS formed a work group to revise the Certification/Eligibility (CE) functional area of the ME Tool. The workgroup reviewed and revised the CE questions, findings, observations, required corrective actions and also included a number of additional reviewer's tips. A joint Headquarters and Regional office staff training for all FNS staff involved in CE MEs was conducted in early FY 2015 in an effort to ensure that the CE ME process will be uniform nationwide.

## 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 may also provide USDA Foods to the Republic of the Marshall Islands and The Federated States of Micronesia and to the survivors of Presidentially-declared disasters.

More information about the CAP programs during FY 2014 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 – Agricultural Marketing Service (AMS), the Farm Service Agency (FSA), and the Food Safety and Inspection Service (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:

- **Multi-Agency Task Force** - USDA FNS has taken lead on establishing a multi-agency task force to provide coordination and direction for USDA Foods programs, pursuant to Section 4209 of the 2014 Farm Bill. The task force includes representatives of the Food Distribution Division of FNS (Chair), AMS, FSA and FSIS. The task force meets regularly and will submit report(s) to Congress pursuant to 2014 Farm Bill requirements. The report(s) would include findings, recommendations, and policies implemented to improve USDA Foods procurement programs.
- **Web-Based Supply Chain Management (WBSCM)** - Web-Based Supply Chain Management (WBSCM) completed a year-long technical refresh project in FY 2014 replacing all hardware and upgrading the software components to new release levels to receive the benefit of new capabilities and decrease operating

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costs. WBSCM directly supported the order, procurement, and delivery of 8.1 billion pounds of farm food commodities at a cost of \$2.7 billion. Currently, WBSCM has over 8,400 internal and external users with approximately 80 percent representing FNS customer and industry stakeholders. In FY 2015, a new services contract will be awarded for WBSCM support that contains tasks to further leverage the WBSCM investment through additional computer system migrations and interfaces over the life of the contract.

- ***Processed Commodity Information Management System (PCIMS) Decommissioned*** - PCIMS is the legacy mission-critical system that USDA relied on to buy, inventory, manage, and deliver USDA Foods to customers. PCIMS was fully decommissioned in September 2014 and the historical data archived.
- ***USDA Foods Nutrition Initiative*** - FNS continually reviews USDA Foods along with FSA and AMS to improve and enhance the nutrition profile of USDA Foods offered to program participants. In addition, FNS responds to input from stakeholders by adding new foods or replacing existing products to help meet the Dietary Guidelines for Americans, as well as the new meal pattern requirements.

**CAP Studies and Evaluations:** FNS published one report related to CAP during FY 2014, which is available at <http://www.fns.usda.gov/ops/food-distribution-studies>. This report is:

- **State of Origin for USDA Foods in Fiscal Year 2012**, which analyzes the State of origin, amount and dollar value of USDA Foods distributed during FY 2012.

### 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, 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 provides resources to facilitate across-program 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 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 as well as schools and child care programs across the country are now using these consumer-tested messages to support nutrition education activities. Working in collaboration with key stakeholders, the agency translated and tested the messages with Spanish speaking Mexican-American mothers. The Spanish version of these materials is now available on the FNS web site. The messages and related supporting content (tips, recipes, stories, etc.) are designed to motivate program participants to eat recommended amounts of whole grains, fat free and one percent 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. In addition, they have been incorporated into MyPlate 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.

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**FINANCIAL MANAGEMENT INITIATIVES**

**Debt Collection Activity in FY 2014**

For Federally-managed Federal debt, FNS continued its vigorous pursuit of debt owed the agency by billing \$49 million in new receivables during the fiscal year. Year-end outstanding debts for the fiscal year increased from the previous year by \$52 million. The overall debt resolution rate achieved was about 81 percent.

Federally Managed Federal Debt Profile  
FY 2011 – FY 2014  
(\$ millions)

Debt Management Category	2011	2012	2013	2014
Accounts Receivable	\$42	\$82	\$79	\$16
Collections	22	23	61	27
Litigation	4	3	2	1
Past due	9	16	15	13
Recipient Claims	283	283	293	275

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 2012 – FY 2014 (\$ Millions)

Claims Activity <sup>1/</sup>	2012	2013	2014
Claims			
Established	400	415	421
Claims Collected	273	282	288
Ending Balance	1,513	1,680	1,762

<sup>1/</sup> 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, complete, and in compliance with Federal standards and regulations.

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### **Financial Statements Audit**

FNS received an unmodified (“clean”) opinion on the FY 2014 Financial Statements, meaning that the agency met the highest auditing standards.

### **ADMINISTRATIVE MANAGEMENT INITIATIVES**

#### **Acquisition Strategies**

The FNS FY 2014 procurement strategy was anchored by the Agency’s commitment to increase contracting opportunities for small businesses in order to provide customers and taxpayers the benefit of creativity, innovation, and technical expertise. It is also signaled the Agency’s support in driving the U.S. economy forward by helping small businesses to create jobs.

The Agency has been USDA’s innovative forerunner in reaching out to small businesses. For example, the Agency established Small Business Connect Program, with a specific target of opening opportunities under North American Industry Classification System (NAICS) Code 541720 Research. Furthermore, this program has a heavy emphasis on creating team and joint venture opportunities with large businesses. As a result of the Small Business Connect program, FNS has opened the door to approximately 70 new small businesses. Additionally, the Agency established relationships with over 70 Health and Human Services’ small business contractors that are actively responding to sources sought and solicitations. In FY 2014, the Agency also conducted nine roundtable sessions for small businesses, allowing them the opportunity to provide capability presentations to the various Program offices. This comprehensive effort positioned the Agency to: 1) exceed its established goals for Small Disadvantaged, 8(a), Woman-Owned Small Businesses, Service Disabled Veteran Owned and Veteran Owned business; and 2) generate efficiencies and savings without compromise to operations or compliance.

Tactical approaches, ranging from quick wins to longer-term investments, focused on procuring materials and services more economically and eliminating practices that increase acquisition, operation or support costs. Results of this strategy netted a reduction in cost growth and a cumulative savings of \$14.1 million—a significant savings returned for Program use. This result exceeded the Department’s assignment of savings to FNS for \$11 million and FNS’s own stretch goal of \$9 million.

#### **Improved Business Processes**

FNS successfully procured services to develop a Secured Automated Directives Clearance System (SADCS) to support an improved business process for authoring, revising and approving Agency Directives. This automated system will replace an antiquated manual clearance process and will strike improvements in timeliness, adherence to standards, uniformity and tracking of the policy process from cradle to grave. Associated metrics will determine the effectiveness of the overall directives authoring, revision and approval process. As a matter of integrity support, the SADCS will provide audit trails and 3 year review reports.

#### **ARCHIBUS:**

Based on a need for an enterprise-wide system for space and asset management, FNS was able to renew an existing license for ARCHIBUS held by USDA Agricultural Research Service in March, 2014. In order to implement the software system, FNS awarded a contract prior to year-end for these services. It is expected that the asset management, space management, and hoteling modules will be implemented in FY 2015.

#### **Employee Engagement**

FNS committed to becoming one of the Top 10 Places to Work in Federal Government in 2015 based upon the Best Places to Work rankings. In 2014, FNS was ranked 134 out of 315 small agencies in the *Top 10 Places to Work in Federal Government*.

In FY 2014, FNS implemented Employer of Choice initiatives (borne from recommendations from employee led teams using OPM’s Employee View Point Survey (EVS) assessment data) to cultivate employee engagement and

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workplace satisfaction. The goal was 4 recommendations, but this goal was exceeded with a focused effort that included 10 recommendations.

Other key results included:

- Executing a career pathing initiative for critical positions to support what the Agency dubbed as: Vision 2015. Career pathing enables staff to assess current and needed skills and to assist them in identifying action steps to develop required skills for professional advancement. The resulting FNS Career Development Guide provides a focused path way (including job transition) for staff on 13 critical occupations within the Agency—meaning, positions that the Agency has a need to maintain or to increase staff levels over the next 5 years. A value added benefit of this deliverable is 1) that it complements FNS’s position management and succession planning; and 2) the skills assessment companion piece provides for both fundamental and leadership competencies.
- Providing executive oversight to an investment of just over \$430,000 in staff development and training and delivered leadership, rotational and mentorship programs to bolster the talent needed to achieve a high quality, diverse workforce that reflects the nation, with the skills needed to accomplish organizational performance objectives while supporting workforce diversity, workplace inclusion, and equal employment policies and programs.

### **Performance Management**

FNS implemented virtually all components of the Performance Management matrix to enable and support employee understanding of what performance management is and what the agency’s real world, day-to-day expectations of employee performance are. For example, all supervisory performance plans now contain a broad-scoped, Department-approved “Supervisory” Critical Element that holds supervisors accountable for all facets of their performance as supervisors, including pro-active participation in and support of the agency’s Department-leading position management program, compliance with approved hiring policies and practices, customer service and seeking and incorporating employee feedback into their work. Additionally, every supervisory performance work plan contains a carefully-constructed Critical Element focused on supporting the overlapping missions of EEO, Cultural Transformation, and Civil Rights. Non-supervisory plans contain a free-standing, composite EEO, Cultural Transformation, and Civil Rights element that requires and facilitates employee participation in promoting the mission of Diversity and Inclusion by linking these concepts practices into every day work life. FNS plans include a release and promotion of Performance Management training on AgLearn for non-supervisory staff. It will complement the extensive information already provided to employees on FNS Performance Policy, philosophy, expectations, rights and responsibilities. From the first moment a supervisor joins FNS, the on-boarding process guarantees that supervisors are matched with an experienced resident supervisor to strengthen the support system and promote a mentor relationship that provides a sounding board for the newcomer.

### **Diversity and Inclusion**

To increase transparency, decision-making and information sharing throughout the organization, Agency Leadership established the Senior Executive Council (SEC) in FY 2014, which is responsible for reviewing, evaluating, approving, and executing all critical program and operational activities of the Agency, providing proper guidance to all staff working to implement the Diversity and Inclusion (D&I) Plan, and demonstrating accountability and commitment to diversity and inclusion goals and initiatives.

In FY 2014, the Agency achieved strides in promoting workforce diversity and workplace inclusion by marshaling a successful effort in closing existing hiring gaps for persons with targeted disabilities from the 1.8 percent baseline in FY 2013 to 2.17 percent of the workforce. The resulting effort exceeded the FY 2014 performance target of 2 percent as assigned by the Department. Additionally, the FNS implemented an approved process which institutes documentation that demonstrates an increase in the employment application rate of highly qualified Hispanics and ensures equitably considered for all FNS positions. Avenues and partnerships for socializing FNS vacancies to Hispanic professionals were expanded to support the FY 2014 goal of achieving a 10 percent applicant rate of qualified Hispanics.

The Agency also maintained a SharePoint site which serves as a central repository for all D&I information, designated a D&I Specialist (also known as a Special Emphasis Program Manager) for each underrepresented group

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(African American, American Indian/Alaska Native, Asian American/Pacific Islander, Persons with Disabilities, Lesbian, Gay, Bisexual, and Transgendered, Hispanic, Veterans, Caribbean, and Women) and established a full-time (detail) Special Assistant position to support and assist the Diversity Program Manager.

Additionally, FNS established a Recruitment Team which includes employees from the National and Regional Offices representing various program areas throughout the agency. The mission of the Recruitment Team is to act as a force multiplier in marketing FNS through strategic partnerships with diverse organizations to attract highly qualified diverse candidates to be selected for or compete for appointments with FNS. All Recruitment Team members are being equipped with the requisite skills to assist the agency with effective outreach and recruitment efforts. The FNS Human Resources Recruiter manages outreach and recruitment topics, including recruiting veterans, persons with disabilities, and students (assessing reasonable accommodations as required). Agency Recruiters continue to partner with external organizations and participate in outreach opportunities to promote FNS as an employer of choice.

Of special note is FNS' update and refinement of the Agency's Reasonable Accommodation program. Reasonable accommodation as a program and as a vehicle for assessment of potential and actual barriers to job performance has become more visible, more immediately accessible and more informative for the FNS workforce. Agency staff has been trained in the reasonable accommodations process and a detailed request/disposition tracking system developed to facilitate ongoing review of individual cases as well as program evaluations. FNS is committed to retaining a diverse working population, increasing employee awareness and enhancing services to our disabled workforce.

### **Customer Service**

FNS fosters and cultivates a positive organizational environment that encourages innovation and initiative, open and two-way communications, and effective collaboration among other Departmental stakeholders, internal and external customers, peers and FNS employees.

FNS supported the development and implementation of customer service training for its Management employees. An initiative was launched throughout the Office of Management, with the objective to improve and enhance customer service and business etiquette to FNS internal and external stakeholders by identifying a training course from the FNS University, College of Self Development, Putting Your Best Foot Forward: Customer Service and Business Etiquette. The instructor led course was an 8 hour mandatory session for all of the Office of Management supervisors, managers and employees and at the completion of the Learning Lab participants were able to:

- Explore the meaning of customer service
- Define and identify internal and external customers
- Identify possible first impressions and their impact on customers
- Build relationships with customers by recognizing different communication style preferences and generational preferences
- Effectively handle an upset customer
- Use business email etiquette to connect with customers
- Use phone etiquette that generates results
- Effectively run a business meeting
- Conduct virtual meetings that produce results
- Effectively participate in virtual meetings

The learning lab proved to be a successful strategy to improve and enhance Management employees to conduct their responsibilities professionally, exhibiting proficiency, respect, cooperation and dedication in support of our mission area colleagues as they serve this Nation's hungry children and adults more efficiently and effectively.

In FY 2014, the Agency took the added step to establish customer service satisfaction scores as a part of its strategic vision. To that end, FNS achieved an increase in employee/customer satisfaction services provided by the Office of Procurement/Contracts and I.T. support. Results document a 100 percent satisfaction rating—exceeding the FY 2014 established satisfaction goal of 80 percent. Additionally, the Agency developed and implemented metrics to

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improve FNS employee and other customer service for Human Resources, Logistics and Facilities services and Financial Management.

### **Cultural Transformation**

FNS developed a comprehensive Cultural Transformation (CT) plan, based on recommendations put forth by USDA's CT Task Force, and successfully implemented all components of said plan. FNS' CT plan specifically addresses the following pillars and focus areas: Leadership; Employee Development; Recruitment and Retention; Talent Management; Customer Service and Outreach; Process Improvement; Diversity Roadmap; and Labor/Management Partnership. In addition, through its activities and related transmissions, FNS devoted particular attention to areas that received lower than desired Employee Viewpoint Survey (EVS) scores, including: Transparency/Communication, Employee Engagement, Employee Development/Training and Leadership/Management.

FNS' multitude of CT related endeavors, both at HQ and throughout the regions, promote a diverse and inclusive workplace, foster equity of opportunity and empower all employees to reach their full potential to create a higher performing organization. Several examples of FNS' 2014 accomplishments in the CT space, which directly underscore and support USDA's CT pillars and focus areas, are highlighted below. Each of these illustrates the agency's commitment to make CT an even more ingrained part of the FNS fabric.

*Leadership* – Enhanced engagement by and perception of leaders by planning and executing “Lunch with Leaders” roundtables and encouraging leaders to pursue performance improvement projects and training.

*Recruitment and Retention* – Worked to make FNS an employer of choice and retain good employees by recruiting for and hiring talent from underrepresented groups, implementing a new employee recognition program, FNS CARES (Celebrating and Recognizing Employee Service), promoting telework, and executing health and wellness initiatives (i.e. walking club, health fair, community supported agriculture, etc.).

*Talent Management* - Empowered employees to reach their full potential by examining issues of merit based promotions and hiring and offering new classes through FNSU.

*Customer Service and Community Outreach* - Gained a better understanding of FNS and the people that FNS serves by participating in “Days of Service,” visiting program sites (Out and About).

*Process Improvements* - Strived to instill a culture of performance improvement at FNS through targeted training and by executing new processes which identify, select and monitor enterprise performance improvement projects.

*Diversity Roadmap* - Embraced workforce diversity and inclusion to promote a higher performing organization by carrying out a robust and effective Special Emphasis Program plan; hosting opportunities for employees to share cultural differences; and facilitating employee focus groups/forums to seek input on barriers, successes and challenges regarding employee development, empowerment and retention.

*Labor Relations Partnership* - Further strengthened the solid working relationship between management and labor unions representing employees by successfully utilizing the Labor Management Forum as an information sharing vehicle and negotiating an expanded telework pilot program.

*Wireless Access in Conference Rooms* - This is an ongoing initiative to provide wireless access in FNS Headquarters and in Regional Offices. Wireless access allows FNS partners to directly access the internet, decreasing time spent in setting up meetings and requiring technical staff to make the connection for them. Additionally, it provides flexibility for staff who telework and may not need an assigned space or who are displaced due to office closures or renovations. These staff may continue to work effectively using the wireless connections provided in conference rooms and training rooms.

*Additional Video Teleconference Capabilities* - FNS recently added additional VTC terminals at the National office to facilitate face to face discussions among FNS HQ staff, employees in regions and

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partners in related agencies and FNS mission areas. VTC capabilities allow staff to meet face to face rather than expend scarce travel funds for meetings that need this type of input and feedback.

*Migration to Enterprise Active Directory* – FNS worked to migrate all staff to USDA’s Enterprise Active Directory, a security protocol which will allow FNS staff to use their laptops at any USDA facility. This greatly increases flexibility for staff in the field and who are working with other agencies because they will no longer need to find a local means of connection.

*Increased VOIP Capabilities* - FNS uses Voice Over IP for phone connections. The increased capabilities allow additional flexibility for softphones (software on the user’s laptop) that allow FNS staff members to make and receive calls at their work number wherever they are working.

## 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 providing the basis for scientifically guided nutrition assistance programs. The mission of the Center for Nutrition Policy and Promotion (CNPP), the focal nutrition policy and nutrition promotion 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, dietary guidance recommendations, nutrition education resources, and personalized on-line tools. CNPP helps devise cost-effective strategies to target nutrition programs to different customers by analyzing consumer dietary needs, characteristics, behaviors, and lifestyles. It also develops guidance on the food patterns for healthful eating on a budget.

The CNPP makes a key contribution to USDA’s priority of ensuring that America’s children (and their families) have access to nutritious, balanced meals by translating nutrition guidance into innovative consumer-focused nutrition promotion and outreach programs to provide consumers with information and ways to apply the dietary recommendations to their lives. Consequently, through its projects and strategic initiatives, CNPP uses guidance and promotional materials to reach this diverse consumer base.

***Dietary Guidelines Set National Nutritional Standards.*** The *Dietary Guidelines for Americans* are the science-based foundation for nutrition standards in all Federal nutrition education and promotion programs Government-wide and in many private sector nutrition education and promotion efforts. The *Dietary Guidelines for Americans* help policymakers in designing and implementing nutrition-related programs. The *Dietary Guidelines for Americans* are used in SNAP, Child Nutrition and WIC Programs to guide nutrition standards and benefit levels for participants ages 2 years and older. They also provide education and health professionals with the latest science-based recommendations and are carried forward in the government’s food icon, MyPlate.

During FY 2014, CNPP collaborated with the Department of Health and Human Services (HHS) on the following:

- Supported all aspects of work performed by the 2015 Dietary Guidelines Advisory Committee;
- Announced, through several notices in the *Federal Register*, and managed four public meetings of the Committee that were held January 13-14 (after October 3-4 meeting had to be rescheduled due to government shutdown), March 13-14, July 17-18, and September 16-17;
- Supported three work groups that transitioned to six Sub-Committees;
- Operated the Nutrition Evidence Library that supported the review of the scientific evidence;
- Coordinated the review of existing scientific reports, nutrient intake data and other data analyses;
- Conducted multiple food pattern modeling analyses; and
- Managed the public comments database.

***Dietary Guidance to Address the Nutritional Needs of Infants and Children up through the Age of 2 and Women Who are Pregnant.*** The Agricultural Act of 2014 states that beginning in 2020, the *Dietary Guidelines for Americans* shall include recommendations for pregnant women as well as children from birth until the age of 2.

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CNPP launched into Phase 2 of a project to develop nutrition guidance for this target population. Working closely with HHS, CNPP developed a framework for moving forward with the project including the formation of a Federal Expert Group (FEG) with representatives from about 20 Agencies within USDA/HHS and USAID to oversee the foundational work to be performed over the next two years.

***SuperTracker, Other Online Efforts, and Partnerships Grow and Encourage Positive Nutrition and Physical Activity Behaviors.*** CNPP uses the SuperTracker, other online efforts, and the Nutrition Communicators Network to connect science to the nutrition needs of consumers across the life cycle. During FY 2014, CNPP accomplished the following:

- CNPP worked in close collaboration with FNS programs on several projects including the development of a Healthy Eating on a Budget microsite on ChooseMyPlate.gov; *MyPlate for MyFamily* Toolkit; cultural menus project featuring 4 new menus, 40 new recipes with photos representing Mediterranean, Latin American, Vegetarian and Southern inspired cuisine;
- CNPP chaired, participated, and managed staff in the development and operations of the What's Cooking? USDA Mixing Bowl application, a collaboration between CNPP and FNS program areas (Child Nutrition, SNAP, FDD) to consolidate program recipes and create a user-friendly and visually appealing web-based recipe tool. The Working Group successfully met several project milestones this review period spanning the development of the site in English and Spanish, testing, soft launch and ongoing operations and maintenance of the first phase of the project;
- Tools were developed to help the public in using SuperTracker in a variety of settings, including High School Lesson Plans and a Worksite Wellness Toolkit. The SuperTracker registered user base grew to 4,335,212. This is an increase of 35 percent, or 1,513,447 new registered users from fiscal year 2013. In fiscal year 2014, the total number of visitors was 4,458,522 and the total number of page views was 117,744,971;
- The ChooseMyPlate.gov Web site achieved a total of 42,262,388 downloads. This is a 28 percent increase from the previous year's 30,401,302 downloads. ChooseMyPlate.gov achieved a total of 11,852,206 visitors and 71,442,668 page views. This is an increase of 10 percent and 4 percent, respectively over the previous year. During this time, the 10 Tips Nutrition Education Series were downloaded 5,375,695 times.
- GovDelivery gained a total of 154,000 new subscribers and 1.28 million additional subscriptions. Through bulletin opens and link clicks, this platform generated 4.48 million impressions. Twitter followers were increased by 26 percent over the previous fiscal year, bringing the current total to 67,300. @MyPlate distributed more than a thousand tweets and participated in a dozen twitter chats, primarily with federal agencies. The MyPlate Facebook account grew its fan base by 66 percent to 38,359 Facebook fans.
- The Nutrition Communicators Network added 8 new and diverse National Strategic Partners, including United Healthcare/Optum, AARP, and ESHA Research. There are now a total of 123 National Strategic Partners. The Community Partner category grew 5 percent in the past fiscal year, with 7,470 Community Partners currently enrolled to help CNPP communicate the Dietary Guidelines and MyPlate. The MyPlate on Campus sector of the partnership tripled its membership in the past year with a total of 2,748 MyPlate On Campus Ambassadors. There were over 1 million downloads of the MyPlate On Campus Toolkit, 1,413,635 downloads of MyPlate On Campus, and the Ambassador training module was accessed over 24,000 times.

***Nutrition Evidence Library Informs Federal Nutrition Policy and Programs.*** USDA's Nutrition Evidence Library (NEL) is a systematic review entity within the USDA's Center for Nutrition Policy and Promotion that uses state-of-the-art methodology to search, evaluate, and synthesize food and nutrition-related research. This rigorous, protocol-driven methodology is designed to minimize bias, maximize transparency, and ensure relevant, timely, and high-quality systematic reviews to inform Federal nutrition-related policies, programs, and recommendations. The NEL is a key resource for making food and nutrition research accessible to all Americans and to identify research limitations and gaps to inform research agendas.

During FY 2014, the CNPP Nutrition Evidence Library accomplished three major evidence-based initiatives:

- A groundbreaking "Birth to 24 Months" project identified priority topics, systematic review questions, research and data needs related to the nutrition and feeding of infants and toddlers (birth to 24 months old) and pregnant women. This strategic project, conducted in collaboration with HHS, successfully leveraged

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input from key Federal stakeholders and leading scientific experts to prepare the foundation for future development of dietary guidance for this young population. Results of this project have been published in a high-impact journal and topic details are available to the public at [www.NEL.gov](http://www.NEL.gov);

- The CNPP Nutrition Evidence Library, worked collaboratively with leading scientists to complete and disseminate results from a series of systematic reviews which examined the relationship between dietary patterns and cardiovascular disease, type 2 diabetes, and body weight. The reviews are publically available at [www.NEL.gov](http://www.NEL.gov). Findings support consumption of a dietary pattern characterized by fruits, vegetables, whole grains, and low-fat dairy; that includes regular consumption of fish, legumes, and nuts; is moderate in alcohol; and low in red and processed meat, sugar-sweetened foods and drinks, high-fat dairy, and refined grains. The 2015 Dietary Guideline Advisory Committee incorporated this report in their review of evidence to inform recommendations for choosing a healthy diet to promote health; and
- NEL staff supported the 2015 Dietary Guidelines Advisory Committee by conducting a comprehensive series of systematic reviews to answer policy relevant topics related to dietary patterns, individual diet and physical activity behavior change, food and physical activity environments, to inform development of the *2015 Dietary Guidelines for Americans*.

***USDA Food Plans Increase Food Security of SNAP Recipient and Serve the Military.*** The four USDA Food Plans (Thrifty, Low-Cost, Moderate-Cost, and Liberal) are national standards for nutritious diets at various cost levels. Each plan represents a set of market baskets containing a selection of foods in quantities that reflect dietary recommendations and are applicable to one of 15 age-gender groups. The Thrifty Plan (a minimal-cost nutritious diet) is used as the basis for SNAP (Supplemental Nutrition Assistance Program) allotments. The Moderate and Liberal Plans are used by the Department of Defense to determine the Basic Allowance for Subsistence rate (food allowance) for the 1.4 million U.S. service members. During FY 2014:

- The monthly USDA Food Plans were updated to reflect the latest prices of food; and
- The Thrifty Food Plan market baskets were updated to reflect the latest dietary standards and food consumption/price trends; these baskets are currently in clearance.

***Healthy Eating Index Tracks the Quality of the U.S. Diet.*** The Healthy Eating Index (HEI) is designed to assess diet quality in terms of how well diets comply with the *Dietary Guidelines for Americans*. CNPP uses the HEI to monitor the quality of the diets of the American population and subpopulations of particular interest. During FY 2014, CNPP accomplished the following:

- Updated HEI-2010 scores for children, adults, older adults and several age subgroups for NHANES 2010. These findings may be used to assess the quality of the American diet over time;
- Calculated HEI-2010 scores by income categories. These findings could be used to evaluate the impact of FNS nutrition assistance programs;
- Provided data on Diet Quality: Average diet scores for children ages 2-17, 2-5, 6-11 and 12-17 years by gender, race/ethnicity, and income categories to the Office of Management and Budget, to inform the White House's My Brother's Keeper (MBK) initiative. The MBK initiative is an interagency effort to improve measurably the expected educational and life outcomes for and address the persistent opportunity gaps faced by boys and young men of color (including African Americans, Hispanic Americans, and Native Americans). The MBK Task Force coordinates a Federal effort to improve significantly the expected life outcomes for boys and young men of color and their contributions to U.S. prosperity; and
- Verified HEI data on the quality of American children's diet based on the HEI-2010 for the *America's Children: Key National Indicators of Well-Being, 2014* web report. This report, which presented a compendium of 41 well-being indicators, depicted both the promises and the challenges confronting our Nation's young people.

***Expenditures on Children by Families Report Helps Set Child Support and Foster Care Payments.*** Since 1960, USDA has annually issued its *Expenditures on Children by Families* report. This report examines current child-rearing expenses for the major household budgetary components: Housing, food, transportation, clothing, health care, child care and education, and miscellaneous expenses (e.g., personal care items and entertainment). Expenses are examined by age of the child, household income level, and region of residence. These expense estimates are used by States to set child support guidelines and foster care payments. During FY 2014:

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- The annual report also known as the *Cost of Raising a Child* was released. Today, the cost of raising a child, excluding college, is reaching a quarter-million dollars. Families with the highest expenditures on children reside in the urban Northeast, followed by those living in the urban West, urban Midwest, urban South, and in rural areas.
- The Cost of Raising a Child Calculator was updated and released.

The *Nutrient Content of the U.S. Food Supply* is a historical data series beginning with 1909, on the amounts of nutrients available in the food supply for consumption (not nutrients consumed), on a per capita per day basis, as well as percentage contributions of nutrients by major food groups. The series provides data for food calories and the calorie-yielding nutrients. Food supply nutrients are closely linked to food and nutrition policy, with prominence in areas related to nutrition monitoring, Federal dietary guidance, fortification policy, and food marketing strategies. During FY 2014, CNPP:

- Updated the Food Supply database from 1909-2010. Prepared and posted to CNPP's website, Excel data tables on calorie-yielding nutrients, macronutrients, micronutrients and related dietary components. Researchers/consumers can use tables by selecting specific data based on their research hypothesis or interests.

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Shared Funding Projects

	FY 2013	FY 2014	FY 2015	FY 2016
	<u>Actual</u>	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>
<b>Working Capital Fund:</b>				
Administration:				
Beltsville Service Center.....	\$92	\$81	\$142	\$111
Mail and Reproduction Management.....	23	13	11	11
Integrated Procurement System.....	181	182	232	242
Subtotal.....	296	276	385	364
Communications:				
Creative Media & Broadcast Center.....	1,026	256	821	645
Finance and Management:				
NFC/USDA.....	579	3,134	3,487	3,339
Controller Operations.....	727	375	330	346
Financial Systems.....	681	2,341	2,112	2,178
Internal Control Support Services.....	163	140	157	157
Subtotal.....	2,150	5,990	6,086	6,020
Information Technology:				
NITC/USDA.....	1,739	2,050	1,079	1,097
International Technology Services.....	78	9	10	10
Telecommunications Services.....	502	377	392	453
Subtotal.....	2,319	2,436	1,481	1,560
Correspondence Management.....	148	130	162	158
Total, Working Capital Fund.....	5,939	9,088	8,935	8,747
<b>Departmental Shared Cost Programs:</b>				
1890's USDA Initiatives.....	37	39	43	43
Advisory Committee Liason Services.....	16	3	4	4
Classified National Security Information.....	0	0	15	15
Continuity of Operations Planning.....	26	27	31	31
E-GOV Initiatives HSPD-12.....	84	91	98	98
Emergency Operations Center.....	30	31	34	34
Facility and Infrastructure Review and Assessment.....	5	6	7	7
Faith-Based Initiatives and Neighborhood Partnerships.....	5	3	6	6
Federal Biobased Products Preferred Procurement Program..	4	5	0	0
Hispanic-Serving Institutions National Program.....	25	27	29	29
Honor Awards.....	1	1	1	1

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	FY 2013	FY 2014	FY 2015	FY 2016
	Actual	Actual	Enacted	Estimate
Human Resources Transformation (inc. Diversity Council)...	20	23	25	26
Medical Services.....	22	22	0	0
People's Garden.....	8	8	11	10
Personnel and Document Security.....	15	17	16	16
Pre-authorizing Funding.....	44	49	54	54
Retirement Processor/Web Application.....	7	8	9	9
Sign Language Interpreter Services.....	58	32	0	0
TARGET Center.....	12	12	21	21
USDA 1994 Program.....	10	10	11	11
Virtual University.....	26	26	29	29
Visitor Information Center.....	3	3	0	0
Total, Departmental Shared Cost Programs.....	458	443	444	444
<b>E-Gov:</b>				
Budget Formulation and Execution Line of Business.....	1	1	1	1
Disaster Assistance Improvement Plan.....	5	7	5	6
Enterprise Human Resources Intigration.....	32	30	31	32
E-Rulemaking.....	13	14	12	7
E-Training.....	33	37	40	40
Financial Management Line of Business.....	2	2	2	3
Geospatial Line of Business.....	0	0	0	0
GovBenefits.gov.....	14	18	19	20
Grants.gov.....	9	8	8	8
Grants Management Line of Business.....	0	0	0	0
Human Resources Line of Business.....	6	4	4	4
Integrated Acquisition Environment - Loans and Grants.....	17	26	27	27
Integrated Acquisition Environment.....	9	9	10	10
Recreation One-Stop.....	0	0	0	0
Total, E-Gov.....	141	156	159	158
Agency Total.....	6,538	9,687	9,538	9,349

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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's Strategic Goal to, "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
<b>USDA Strategic Goal:</b>  <b>Ensure that all of America's children have access to safe, nutritious and balanced meals</b>	<u>Agency Strategic Goal/Objective 4.1:</u> Increase Access to Nutritious Food	<ul style="list-style-type: none"> <li>• Supplemental Nutrition Assistance Program</li> <li>• Child Nutrition Programs</li> <li>• Special Supplemental Nutrition Program for Women, Infants and Children (WIC)</li> </ul>	Key Outcome 1: Improve access to nutrition assistance programs.  Key Outcome 2: Ensure public trust in the programs.
	<u>Agency Strategic Goal/Objective 4.2:</u> Promote Healthy Diet and Physical Activity Behaviors	<ul style="list-style-type: none"> <li>• Supplemental Nutrition Assistance Program</li> <li>• Child Nutrition Programs</li> <li>• Special Supplemental Nutrition Program for Women, Infants and Children (WIC)</li> <li>• Center for Nutrition Policy and Promotion</li> </ul>	Key Outcome 3: Help Americans eat smart.

**Key Outcome:**

Key Outcome 1: Improve access to nutrition assistance programs.

**Long-term Performance Measures:**

- Reduce the prevalence of food insecurity in households with children.
- Maintain the annual percentage of eligible people participating in SNAP.
- Increase annual percentage of eligible people participating in the NSLP.
- Increase annual percentage of children participating in the free/reduced price school lunch program that participate in summer feeding programs.

**Selected Past Accomplishments toward Achievement of the Key Outcome:**

- The percentage of eligible individuals participating in SNAP reached 83 percent in 2012.
- FNS served 187 million meals in the summer of 2014, a 10 million meal increase over 2013, and increased summer feeding program participation among children participating in the free or reduced price lunch program from 16 percent in 2013 to 17.5 percent in 2014.

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### Selected Accomplishments Expected at the FY 2016 Proposed Resource Level:

- As the economy continues to improve and participation continues to decline, the SNAP participation rate will stay level at 83 percent.
- The percentage of children participating in the free or reduced price school lunch program who participate in summer feeding programs will increase to 18.9 percent in 2016.

Key Outcome 2: Preserve public trust in our programs.

### Long-term Performance Measure:

- Maintain or increase the SNAP payment accuracy rate.

### Selected Past Accomplishments toward Achievement of the Key Outcome:

- The FY 2013 SNAP payment accuracy rate was 96.8 percent, the highest in the history of the program.

### Selected Accomplishments Expected at the FY 2016 Proposed Resource Level:

- The SNAP payment accuracy rate will be 96.40 percent. This represents an increase from the target of 96.30 percent in FY 2015. While a rate of 96.80 percent was achieved in FY 2013, passage of the Agricultural Act of 2014 (P.L. 113-79) necessitated a slight re-set of the payment accuracy target. Section 4019 of the Agricultural Act lowered the error tolerance threshold for small QC errors from \$50 to \$37 adjusted for inflation. As a result, a larger number of small errors will be counted toward a State's over or under issuance error rate in 2014 and beyond.

Key Outcome 3: Help Americans eat smart.

### Long-term Performance Measures:

- Increase the number of times adults consume fruits and vegetables each day.
- Increase the number of direct marketing farmers and farmers' markets authorized to redeem SNAP benefits.
- Increase the volume of SNAP redemptions made through direct marketing farmers and farmers' markets.

### Selected Past Accomplishments toward Achievement of the Key Outcome:

- Published a proposed rule to set nutrition standards for the Child and Adult Care Food Program to better align the meal patterns with the 2010 *Dietary Guidelines for Americans*.
- Published a final rule to update WIC food packages to provide participants with a wider variety of food including more fruits and vegetables as recommended by the Institute of Medicine.
- Provided grants to States to provide point-of-sale equipment and wireless access to increase the number of farmers' markets participating in SNAP. Over 5,100 direct marketing farmers and farmers' markets were authorized to redeem SNAP benefits in FY 2014, and redeemed \$18.84 million in benefits.

### Selected Accomplishments Expected at the FY 2016 Proposed Resource Level:

- Adults will consume fruits 1.7 times per day and vegetables 2.2 times per day.
- Over 6,000 farmers' markets will be authorized to redeem SNAP benefits, and redeem almost \$21 million in benefits.

## FOOD AND NUTRITION SERVICE

### Key Performance Outcomes and Measures

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

FNS has identified key areas of performance with goals, objectives and indicators.

***Improve Access to Nutrition Assistance Programs***

USDA’s domestic nutrition assistance programs serve one in four Americans annually. The Department is committed to making benefits available to every eligible person who wishes to participate in the major nutrition assistance programs, including the Supplemental Nutrition Assistance Program (SNAP), the Child Nutrition Programs, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). While the Department’s ultimate objective is for economic opportunities to make nutrition assistance unnecessary for as many families as possible, we will ensure that these vital programs remain ready to serve all eligible people who need them.

*Key Performance Measures:*

- Reduce the prevalence of food insecurity in households with children.
- Increase annual percentage of eligible people participating in SNAP.
- Increase annual percentage of eligible people participating in the NSLP.
- Increase annual percentage of children participating in the free/reduced price school lunch program that participate in summer feeding programs.

*Key Performance Targets:*

Annual Performance Goals and Indicators	Fiscal Year				
	2012 Actual	2013 Actual	2014 Actual	2015 Target	2016 Target
Prevalence of food insecurity in households with children	20.0%	19.5%	19.4%*	19.1%	18.8%
Annual percentage of eligible people participating in SNAP	83.0%	83.0%*	83.0%*	83.0%	83.0%
Annual percentage of eligible people participating in NSLP	57.6%	55.6%	54.8%	57.2%	58.0%
Annual percentage of children participating in the free/reduced price school lunch program that participate in summer feeding programs	15.5%	16.0%	17.5%	18.5%	18.9%

\* Figure is a target, since actual data not yet available.

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

- Ensure access to and promote awareness of nutrition assistance programs among eligible people through customer service improvements, information sharing, and partnerships with communities and program operators;
- Conduct analysis and implement program improvements to address food access gaps that may compromise food security, especially among children, such as the difference between summer feeding and school feeding rates;
- Work with tribes and States to streamline applications, use integrated technology and business process improvements, and make operational changes to programs and policies to facilitate easier access to programs, especially for children;
- Support tribal and State efforts to increase the use of electronic benefit transfer technology in WIC;
- Continue implementation of the provisions of the Healthy, Hunger Free Kids Act of 2010 that improve program access for children in need.

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### ***Preserve Public Trust in Our Programs***

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 an accurate determination of eligibility and the correct amount of benefits, not too much or too little. USDA plans to make use of all available opportunities, including new communication and eGovernment technologies, to serve our customers, work with partners, and administer programs as effectively as possible.

*Key Performance Measure:* Increase the SNAP payment accuracy rate.

#### *Key Performance Targets:*

Annual Performance Goals and Indicators	Fiscal Year				
	2012	2013	2014	2015	2016
	Actual	Actual	Actual	Target	Target
SNAP payment accuracy rate.	96.58%	96.80%	96.20%*	96.30%	96.40%

\*FY 2014 figure is a target since actual data not yet available.

\*\* Section 4019 of the Agricultural Act of 2014 changed the error tolerance threshold for small QC errors from \$50 to \$37 adjusted for inflation on an annual basis. As a result, a larger number of errors will be counted as part of a State's over or under payment error rate beginning in FY 2014.

*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 leadership, 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.

### ***Help Americans Eat Smart***

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 the National Health and Nutrition Examination Surveys (NHANES) show that the prevalence of obesity has increased among children and adolescents, reaching 16.9 percent in 2009-10. 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 ChooseMyPlate.gov, which provide the bedrock components of Federal nutrition policy and nutrition education programs. It does this by communicating the nutrition messages from the *Dietary Guidelines for Americans* linked to the new MyPlate icon, the SuperTracker e-tool, and other resources that help Americans make healthy choices. 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.

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*Key Performance Measures:*

- Increase the number of times per day adults consume fruits and vegetables.
- Increase the number of direct marketing farmers and farmers’ markets authorized to redeem SNAP benefits.
- Increase the volume of SNAP redemptions made through direct marketing farmers and farmers’ markets.

*Key Performance Targets:*

Annual Performance Goals and Indicators	Fiscal Year				
	2012 Actual	2013 Actual	2014 Actual	2015 Target	2016 Target
Median times per day adults consume fruits	-	1.4*	-	1.7	-
Median times per day adults consume vegetables	-	1.9*	-	2.2	-
SNAP-authorized direct marketing farmers and farmers’ markets	3,214	4,057	5,170	5,687	6,000
SNAP redemptions in farmers’ markets	\$16.6 million	\$17.49 million	\$18.84 million	\$19.70 million	\$20.70 million

\*2011 is the latest year available for nationwide data on fruit and vegetable consumption from the Centers for Disease Control and Prevention’s Behavioral Risk Factor Surveillance System; figures are targets. Data is available biennially.

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

- Release and implement the 2015 *Dietary Guidelines for Americans* through a comprehensive communications plan that includes messages, materials and online tools to facilitate adoption of healthier eating and physical activity behaviors;
- Expand access to locally grown fruits and vegetables and other nutritious food by expanding the use of SNAP electronic benefit transfer in farmers markets, among other strategies;
- Increase adoption of farm to school approaches in school meal programs including breakfast, lunch, the Fresh Fruit and Vegetable Program, and dinner programs.

FOOD AND NUTRITION SERVICE

Strategic Goal Funding Matrix  
(Dollars in Thousands)

Program/Program Items	2013 Enacted	2014 Enacted	2015 Estimate	Increase or Decrease	2016 Request
<b>Department Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals</b>					
<b>Supplemental Nutrition Assistance Program</b>					
Benefits.....	\$67,313,095	\$71,845,455	\$71,035,786	-\$140,060	\$70,895,726
State Administrative Funding.....	3,866,512	3,999,024	4,122,994	115,444	4,238,438
Employment and Training.....	415,946	437,405	447,227	9,442	456,669
Nutrition Education and Obesity Prevention Grant.....	285,000	401,000	407,000	4,000	411,000
Mandatory Other Program Costs.....	140,123	161,180	174,992	11,825	186,817
Discretionary Other Program Costs.....	998	998	998	30,000	30,998
Puerto Rico/American Samoa/CNMI.....	1,892,580	1,913,634	1,971,382	20,098	1,991,480
FDPIR.....	100,156	119,500	145,191	0	145,191
TEFAP Commodities.....	265,750	268,750	327,000	-7,250	319,750
Other SNAP Activities.....	10,000	23,000	205,000	-189,000	16,000
Contingency Reserve.....	3,000,000	3,000,000	3,000,000	2,000,000	5,000,000
Subtotal, SNAP Appropriations.....	77,290,160	82,169,946	81,837,570	1,854,499	83,692,069
ARRA Funding.....	6,819,099	5,796,384	0	0	0
Subtotal, SNAP.....	84,109,259	87,966,330	81,837,570	1,854,499	83,692,069
Staff Years, SNAP.....	173	238	333	40	373
<b>Child Nutrition Programs</b>					
Meal Reimbursements.....	18,334,759	17,856,952	19,658,621	137,295	19,795,916
State Administrative Expenses.....	289,684	247,182	263,686	5,966	269,652
Commodity Reimbursement/Procurement.....	1,181,651	1,078,668	1,255,510	66,578	1,322,088
Mandatory Other Program Costs.....	58,838	63,151	64,349	16,368	80,717
Discretionary Activities.....	51,504	42,004	58,004	60,900	118,904
Subtotal, CNP Appropriations.....	19,916,436	19,287,957	21,300,170	287,107	21,587,277
Direct Appropriation/Transfers.....	247,250	186,250	178,250	16,741	194,991
Subtotal, CNP.....	20,163,686	19,474,207	21,478,420	303,848	21,782,268
Staff Years, CNP.....	225	249	288	0	288
<b>Special Supplemental Nutrition Program (WIC)</b>					
Grants to States.....	6,922,000	6,467,841	6,468,000	-15,000	6,453,000
Other Program Costs.....	124,000	248,000	155,000	15,000	170,000
Subtotal, WIC Appropriations.....	7,046,000	6,715,841	6,623,000	0	6,623,000
Direct Appropriation (UPC Database).....	1,000	1,000	927	73	1,000
Subtotal, WIC.....	7,047,000	6,716,841	6,623,927	73	6,624,000
Staff Years, WIC.....	30	32	40	0	40
<b>Commodity Assistance Programs</b>					
CSFP.....	186,935	202,682	211,482	9,816	221,298
Other CAP Activities.....	73,017	67,019	67,019	0	67,019
Subtotal, CAP Appropriations.....	259,952	269,701	278,501	9,816	288,317
Transfers (SFMNP/NSIP).....	22,091	22,992	23,149	-2,549	20,600
Subtotal, CAP.....	282,043	292,693	301,650	7,267	308,917
Staff Years, CAP.....	1	2	3	0	3
<b>Nutrition Programs Administration</b>					
FNS/CNPP.....	130,807	139,348	135,290	2,740	138,030
GSA Rental Payments.....	0	0	13,534	0	13,534
Dietary Guidance/MyPlate.....	0	0	0	2,000	2,000
National Commission on Hunger.....	0	1,000	0	0	0
Congressional Hunger Center.....	1,845	2,000	2,000	0	2,000
Subtotal, NPA.....	132,652	142,348	150,824	4,740	155,564
Staff Years, NPA.....	930	804	1,000	0	1,000
<b>Subtotal, FNS Appropriations.....</b>					
<b>Subtotal, Direct Appropriations/Transfers.....</b>					
<b>Total, FNS.....</b>					
<b>Total Staff Years.....</b>					

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 2013	FY 2014	FY 2015	FY 2016
<b>Child Nutrition Program</b>				
Child Nutrition Programs				
School Lunch Program	\$11,052,821	\$11,289,685	\$11,939,297	\$12,362,257
School Breakfast Program	3,610,150	3,716,095	3,980,132	4,230,498
Child and Adult Care Food Program	3,034,361	3,111,875	3,132,251	3,240,646
Summer Food Service Program	437,006	464,439	500,741	535,633
Special Milk Program	10,760	10,662	11,069	11,314
State Administrative Expense	292,235	256,646	263,686	269,652
Total, Cash Grants to States	18,437,333	18,849,402	19,827,176	20,650,000
USDA Foods (Sec 6e Entitlement)	1,165,862	1,079,060	1,249,567	1,322,088
Child Nutrition Program Other Program Costs	71,822	107,217	154,030	199,621
Child Nutrition Program Permanent Activities	220,238	228,176	311,642	194,991
Nutrition Programs Administration (Allocation to this program)	35,911	36,399	38,957	39,583
Other Program Costs 2/	465,000	465,000	465,000	465,000
<b>Total Cost</b>	\$19,075,747	\$20,765,254	\$22,046,372	\$22,871,283
<b>FTEs</b>	469	458	550	549
<b>Unit Costs</b>				
Child Nutrition Total Cost per Meal Served (\$/service unit) 3/	\$2.16	\$2.16	\$2.20	\$2.27
<b>Performance Measure: Avg. daily NSLP participation (millions)</b>				
	30.6	30.3	30.2	30.3
<b>Performance Measure: Avg. daily SBP participation (millions)</b>				
	13.1	13.5	14.0	14.6
<b>Special Supplemental Nutrition Program for Women, Infants and Children (WIC)</b>				
Cash Grants to States: Food & NSA (inclusive of projected carryout)	\$6,835,103	\$6,779,399	\$7,200,349	\$7,055,767
Infrastructure Grants	12,943	7,464	13,600	13,600
Technical Assistance	0	398	400	400
Breastfeeding Peer Counselors	55,540	60,000	60,000	60,000
Management Information Systems	32,398	35,590	55,000	55,000
Program Evaluation and Monitoring	5,108	7,812	15,000	5,000
Federal Administrative Oversight and Infrastructure	9,518	5,536	11,000	11,000
WIC Contingency Funds	0	125,000	0	0
UPC Database (Permanent Approp.)	1,208	1,208	647	1,000
Nutrition Programs Administration (Allocation to this program)	19,951	20,221	21,643	21,991
Other Program Costs	0	0	0	0
<b>Total Cost</b>	\$6,971,769	\$7,042,628	\$7,377,639	\$7,223,758
<b>FTEs</b>	166	148	185	185
	\$6,951,818	\$7,022,407	\$7,355,996	\$7,201,767
<b>Unit Costs</b>				
WIC (Total Annual Cost per Participant)	\$801.35	\$848.51	\$878.29	\$849.85
<b>Performance Measure: Average monthly WIC participation (millions)</b>				
	8.7	8.3	8.4	8.5

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PROGRAM/ ACTIVITY	FY 2013	FY 2014	FY 2015	FY 2016
<b>Supplemental Nutrition Assistance Program Account</b>				
Supplemental Nutrition Assistance Program (SNAP)	\$74,146,284	\$68,967,877	\$76,190,723	\$76,299,648
ARRA SNAP Benefits	5,932,569	5,629,000	0	0
Nutrition Assistance for Puerto Rico (NAP)	1,872,910	1,736,056	1,951,397	1,971,415
ARRA NAP Funds	127,658	166,714	0	0
Food Distribution Program on Indian Reservation (FDPIR)	100,156	119,146	145,191	145,191
The Emergency Food Assistance Program (TEFAP) Commodities	265,567	268,016	327,000	319,750
American Samoa	7,522	6,972	7,837	7,917
ARRA American Samoa Benefits	512	670	0	0
Program Access/ Community Food/ CNMI/Nut Ed Center of Excellence	22,148	22,148	26,148	28,148
Farm Bill Studies and Pilots	0	1,937	201,000	0
Farm Bill Direct Appropriations	0	0	2,000	13,000
Nutrition Programs Administration (Allocation to this program)	62,512	63,361	67,814	68,904
Other Program Costs 4/	0	0	0	0
<b>Total Cost</b>	<b>\$82,537,838</b>	<b>\$76,981,897</b>	<b>\$78,919,110</b>	<b>\$78,853,973</b>
<b>FTEs</b>	<b>598</b>	<b>601</b>	<b>788</b>	<b>827</b>
<b>Unit Costs</b>				
SNAP (Total Annual Cost per Participant)	\$1,683.64	\$1,605.60	\$1,647.05	\$1,671.08
FDPIR (Total Annual Cost per Participant)	\$1,317.84	\$1,401.72	\$1,496.81	\$1,332.03
<b>Performance Measure:</b> Average monthly SNAP participation (millions)				
	47.6	46.5	46.3	45.7
<b>Commodity Assistance Program Account</b>				
Commodity Supplemental Food Program (CSFP)	\$185,879	\$180,929	\$235,826	\$221,298
Emergency Food Assistance Program (TEFAP) Administrative Cost	45,920	49,579	49,401	49,401
Farmers' Market Programs				
Farmers' Market Nutrition Program	18,733	19,633	16,548	16,548
Seniors' Farmers' Market Program	21,194	20,585	20,686	20,600
Other Commodity Assistance (Nuc. Affected Isld, Disaster Asst., NSIP Comm.)	9,378	2,708	4,779	1,070
Nutrition Programs Administration (Allocation to this program)	14,631	14,829	15,871	16,126
Other Program Costs 5/	252,602	313,816	0	0
<b>Total Cost</b>	<b>\$548,337</b>	<b>\$602,079</b>	<b>\$343,111</b>	<b>\$325,043</b>
<b>FTEs</b>	<b>101</b>	<b>87</b>	<b>110</b>	<b>109</b>
<b>Unit Costs</b>				
CSFP (Total Annual Cost per Participant) 6/	\$362.17	\$341.50	\$390.44	\$360.42
<b>Performance Measure:</b> Average monthly CSFP participation (thousands)				
	579.759	573.703	604.000	614.000

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PROGRAM/ ACTIVITY	FY 2013	FY 2014	FY 2015	FY 2016
<b>Nutrition Programs Administration Account (Center for Nutrition Policy and Promotion)</b>				
Center for Nutrition Policy and Promotion	\$4,337	\$4,538	\$4,538	\$6,960
Congressional Hunger Center Fellows	1,845	2,000	2,000	2,000
Nutrition Programs Administration (Allocation to this program)	NA	NA	NA	NA
Other Program Costs	0	0	0	0
<b>Total Cost</b>	\$6,182	\$6,538	\$6,538	\$8,960
<b>FTEs</b>	25	31	31	34
<b>Performance Measure:</b> Median times per day adults consume fruits <sup>7/</sup>	1.4	-	1.7	-
<b>Performance Measure:</b> Median times per day adults consume vegetables	1.9	-	2.2	-

**Total for Strategic Goal**

<b>Subtotal FNS Program Cost</b>	\$109,139,873	\$105,398,396	\$108,692,770	\$109,283,017
<b>Less Other Program Costs</b>	717,602	778,816	465,000	465,000
<b>Total FNS Program Cost</b>	\$108,422,271	\$104,619,580	\$108,227,770	\$108,818,017
<b>FTEs</b>	1,359	1,325	1,664	1,704

**Notes**

<sup>1/</sup> Reflects current and prior year resources, supplementals and rescissions as appropriate.

*Child Nutrition Programs Account*

<sup>2/</sup> Includes entitlement and bonus USDA foods purchased in support of the program from Sections 32 and 416 funds.

<sup>3/</sup> Unit cost calculated based on full cost of Child Nutrition account divided by all units of service funded under this account.

*Supplemental Nutrition Assistance Program Account*

<sup>4/</sup> Includes FDPIR bonus USDA foods.

*Commodity Assistance Program Account*

<sup>5/</sup> Includes bonus USDA foods for TEFAP, CSFP, Disaster, Summer Camps, Prisons, Nuclear Affected Island, and other commodity assistance.

<sup>6/</sup> Includes recoveries and use of inventory.

*Nutrition Programs Administration Account*

<sup>7/</sup> 2011 is the latest year available for nationwide data on fruit and vegetable consumption from the Centers for Disease Control and Prevention's Behavioral Risk Factor Surveillance System; figures are targets. Data is available biennially.