

FOOD AND NUTRITION SERVICE

2017 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 nutrition and health of the Nation's 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 46 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 provides USDA foods to income-eligible households living on Indian reservations, and to American Indian households residing in approved areas near reservations or in Oklahoma. Many households participate in FDPIR as an alternative to the Supplemental Nutrition Assistance Program (SNAP), because they do not have easy access to SNAP offices or authorized food stores. 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 USDA foods distributed through the program and provides 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, summer sites 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 State agencies for food packages and nutrition services and administration for the program; State agencies 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 WIC participants with coupons to purchase additional fresh produce at farmers markets and roadside stands.
- *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 USDA Foods or those provided through private donations. 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):* 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. 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. As required by the Agricultural Act of 2014 (P.L. 113-79), women, infants, and children who apply to participate in CSFP on February 7, 2014, or later cannot be certified to participate in the program. Such individuals may be eligible for other nutrition assistance programs such as the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the Supplemental Nutrition Assistance Program (SNAP), and other nutrition assistance programs. In FY 2015, elderly participants comprised over 99.5 percent of total participation. CSFP foods are distributed through State agencies to supplement food acquired by recipients from other sources. CSFP is operated as a Federal/State partnership under agreements between FNS and State health care, agricultural or education agencies. In FY 2015, 46 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.

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- *Pacific Island and Disaster Assistance:* Pacific Island Assistance includes assistance to the nuclear-affected islands of the Republic of the Marshall Islands in the form of cash-in-lieu of food and administrative funds through the Special Food Assistance Program and is authorized under the Compact of Free Association Amendments Act of 2003 (P.L. 108-188). Disaster relief in the form of USDA Foods can be provided to the RMI and Federated States of Micronesia for use in Presidentially declared disasters.

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

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 four 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 258,632 authorized retailers as of September 30, 2015 authorized to redeem SNAP benefits.

As of September 30, 2015, there were approximately 1,469 full-time permanent employees in the agency. There were 578 employees in the Washington headquarters office and 891 in the field. The chart below displays staff year utilization.

STAFF YEAR DISTRIBUTION (From All Sources of Funds)					
FNS Projects and CNPP	2014 Actual	2015 Actual	2016 Enacted	Change	2017 Estimate
Supplemental Nutrition Assistance Program	238	285	373	0	373
Child Nutrition Programs	249	268	288	4	292
Commodity Assistance Program	2	2	3	0	3
Special Supplemental Nutrition Program for Women, Infants and Children	32	37	40	0	40
Nutrition Programs Administration	777	834	966	0	966
Center for Nutrition Policy and Promotion*	27	31	34	0	34
Total Available	1,325	1,457	1,704	4	1,708

* CNPP Staff Year Distribution includes NPA and four program funded in the Child Nutrition Program.

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Audit Reports of National Significance Issued for Fiscal Year 2015

OIG Audits Issued

Area	Number	Date	Title	Status
Financial Management	27401-0004-21	11-2014	Food and Nutrition Service Financial Statements for Fiscal Years 2014 and 2013	Report contained an unmodified opinion with no recommendations
CNP	27601-0001-41	4-2015	National School Lunch and School Breakfast Programs Error Rates	Final action pending on open recommendations
SNAP	27601-0002-41	9-2015	SNAP Error Rates	Pending management decision on nine of the nineteen recommendations
CNP	27601-0001-22	9-2015	Healthy, Hunger-Free Kids Act of 2010 – Controls Over Food Service Account Revenue	Final action pending on open recommendations

GAO Audits Issued

Area	Number	Date	Title	Status
WIC	GAO-15-94	1-2015	Nutrition Assistance – Additional Guidance Could Assist States in Addressing Online Sale of Infant Formula	Final action pending on open recommendations
OPS, SNAP, WIC	GAO-15-368	5-2015	Regulatory Guidance Processes – Selected Departments Could Strengthen Internal Control and Dissemination Practices	Final action pending on open recommendations

THE CENTER FOR NUTRITION POLICY AND PROMOTION

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) is to improve the health of Americans by developing and promoting dietary guidance that links scientific research to the nutrition needs of consumers.

Overview of Program Development

CNPP serves as the Federal authority on evidence-based food, nutrition and economic analyses that inform policy and programs. 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 the general population as well as those aimed at healthful eating on a budget. By translating science into actionable food and nutrition guidance for all Americans, CNPP leads national communication initiatives that apply science-based messages to advance consumers’ dietary and economic knowledge and behaviors.

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

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recommendations to their lives. Consequently, through its projects and strategic initiatives, CNPP uses guidance and promotional materials to reach this diverse consumer base.

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 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. Within USDA, they are used by the National School Breakfast Programs, 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.

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. Working closely with U. S. Health and Human Services (HHS), CNPP is currently engaged in reviewing the evidence on nutrition and health for these populations using a rigorous and transparent systematic review process.

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

USDA's Nutrition Evidence Library (NEL) is a systematic review methodology housed within the Center for Nutrition Policy and Promotion and was designed specifically to analyze food, nutrition and public health science. 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 identify research limitations and gaps to inform research agendas. The NEL supported the development of the *2015-2020 Dietary Guidelines for Americans* and is currently supporting the *Dietary Guidance Development Project for Infants and Toddlers from Birth to 24 Months and Women Who are Pregnant (B-24/P)*.

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 serves as the USDA model upon which other USDA agencies approach the review of science to support the policies for which they are responsible.

The NEL has embarked on a multi-pronged Continuous Quality Advancement (CQA) initiative to ensure its process remains at the forefront of systematic review methodology as it supports the B-24/P and the 2020 DGA projects. CNPP hosted the USDA Roundtable on Systematic Review Methodology which involved leaders from scientific and public health organizations, academia and the Federal government who identified opportunities to further enhance the application of systematic reviews in the field of nutrition. NEL staff created training modules for each step of the systematic review process which enhanced the rigor, and consistency of training provided to new staff, expert panel members and evidence abstractors.

Coordinates Nutrition Promotion and Education Policy within USDA

CNPP leads the coordination of nutrition education materials for USDA through USDA-HHS co-led Dietary Guidance Review Committee (previously known as USDA's Dietary Guidance Working Group—the parallel to HHS's Committee on Dietary Guidance). 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 serve as 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.

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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, and supporting resources 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 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 Americans with relevant and motivating nutrition promotion messages delivered through a wide array of communication channels.

CNPP also works collaboratively with FNS and its program areas to help encourage healthier food choices among program participants. 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, 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 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 annual *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 contributes 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	2014 Actual		2015 Actual		2016 Estimate		2017 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Supplemental Nutrition Assistance Program	\$71,289,536	238	\$77,140,405	285	\$77,919,663	373	\$76,763,548	373
SNAP ARRA.....	5,629,000		0		0		0	
Child Nutrition Program:								
Appropriation.....	11,866,110	209	12,845,161	232	13,566,193	248	14,019,591	252
Permanent Appropriation.....	228,176	40	228,169	36	181,250	40	188,000	40
Transfer from Section 32.....	8,169,569		8,355,671		8,969,178		9,461,841	
Total - Child Nutrition Program.....	20,263,855	249	21,429,001	268	22,716,621	288	23,669,432	292
Special Supplemental Nutrition Program for Women, Infants and Children.....	7,144,824	32	6,776,847	37	7,252,238	40	6,997,067	40
Commodity Assistance Program.....	273,434	2	288,072	2	324,919	3	371,315	3
Nutrition Programs Administration.....	137,358	804	146,986	865	148,824	1,000	177,447	1,000
Congressional Hunger Center.....	2,000		2,000		2,000		2,000	
Dietary Guidelines Study by IOM.....	0		0		1,000		0	
National Commission on Hunger.....	1,000		0		0		0	
Total, Food and Nutrition Service Funds.....	104,741,007	1,325	105,783,311	1,457	108,365,265	1,704	107,980,809	1,708
<u>Obligations under other</u>								
<u>USDA Appropriations:</u>								
Office of the Chief Information Officer.....	11		11		0		0	
Office of Human Resources Management...	44		0		0		0	
Office of Communications.....	48		0		0		0	
Agricultural Research Service.....	0		47		0		0	
Office of Budget and Program Analysis.....	0		40		0		0	
Food Safety and Inspection Service.....	10		10		0		0	
Economic Research Service.....	11		11		0		0	
Office of Inspector General.....	10		10		0		0	
National Appeals Division.....	21		26		0		0	
Farm Service Agency.....	11		11		0		0	
Rural Development.....	36		11		0		0	
Total, Agriculture Appropriations.....	202		177		0		0	
<u>Other Federal Funds:</u>								
Small Business Administration.....	22		0		0		0	
National Institutes of Health.....	142		0		0		0	
Total, Other Federal Funds.....	164		0		0		0	
Total, Food and Nutrition Service.....	104,741,373	1,325	105,783,488	1,457	108,365,265	1,704	107,980,809	1,708

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	2014 Actual			2015 Actual			2016 Enacted			2017 Estimate		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
Senior Executive Service	7	6	13	9	7	16	9	7	16	9	7	16
GS-15.....	45	26	71	45	25	70	45	25	70	45	25	70
GS-14.....	89	73	162	108	76	184	114	80	194	114	80	194
GS-13.....	225	170	395	259	201	460	277	212	489	277	212	489
GS-12.....	86	287	373	94	446	540	98	474	572	98	474	572
GS-11.....	25	230	255	48	150	198	50	155	205	50	157	207
GS-9.....	38	24	62	36	39	75	38	41	79	38	43	81
GS-8.....	6	3	9	9	4	13	9	4	13	9	4	13
GS-7.....	17	30	47	18	31	49	18	31	49	18	31	49
GS-6.....	4	7	11	3	5	8	3	5	8	3	5	8
GS-5.....	4	5	9	1	4	5	1	4	5	1	4	5
GS-4.....	4	7	11	3	0	3	3	0	3	3	0	3
Other Graded Positions..	4	3	7	0	1	1	0	1	1	0	1	1
Total Permanent Positions.....	554	871	1,425	633	989	1,622	665	1,039	1,704	665	1,043	1,708
Unfilled Positions End-of Year.....	30	36	66	55	98	153						
Total, Permanent Full-Time Employment End-of Year.....	524	835	1,359	578	891	1,469	665	1,039	1,704	665	1,043	1,708
Staff Year Estimate	530	795	1,325	568	889	1,457	665	1,039	1,704	665	1,043	1,708

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SIZE, COMPOSITION AND COST OF MOTOR VEHICLE FLEET

The FNS fleet consists largely of sedans. Retailer Investigations Branch officials employ the majority of these vehicles in field audits as part of the Supplemental Nutrition Assistance Program (SNAP). Additionally, and to a much lesser extent, vehicles are assigned to FNS regional offices and used for business travel among their field offices and remote worksites. Lastly, FNS uses 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. The FNS national fleet increased by three vehicles during FY 2015. The fleet count has remained relatively steady with approximately 35 vehicles.

Replacement of passenger motor vehicles. There were no vehicles replaced during FY 2015.

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						
FY 2014	21	8	2	4	-	-	-	35	183
Change	-	-	-2	-	-	-	-	-2	-
FY 2015	21	8	0	4	-	-	-	33	183
Change	+1	+1	+1	-	-	-	-	+3	-54
FY 2016	22	9	1	4	-	-	-	36	129
Change	-	-1	-	-	-	-	-	-1	+4
FY 2017	22	8	1	4	-	-	-	35	133

NOTES:

- * These numbers include vehicles that are owned by the agency, leased from commercial sources, and leased from GSA.
- * Recent reductions in operating costs are due to lower fuel costs for a more fuel efficient fleet of vehicles.
- * These numbers revise data in the FAST System.

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Statement of Proposed Purchase of Passenger Motor Vehicles
(Sedans and Station Wagons)

Fiscal Year	Net Active Fleet, SOY	Disposals	Acquisitions			Net Active Fleet, EOY
			Replacements	Additions to Fleet	Total	
FY 2014	21	-	-	-	0	21
FY 2015	21	-	-	1	1	22
FY 2016	22	-	-	-	0	22
FY 2017	22	-	-	-	0	22

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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; [~~\$22,149,746,000~~] \$23,230,733,000 to remain available through September 30, [2017] 2018, 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 sub grants 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~~] \$26,000,000 shall remain available until expended to carry out section 749(g) of the Agriculture Appropriations Act of 2010 (Public Law 111-80): *Provided further*, That section 26(d) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769g(d)) is amended in the first sentence by striking “2010 through [2015] 2016” and inserting “2010 through [2016] 2017” *Provided further*, That, of the total amount available under this heading, \$10,000,000 shall be available for a Summer Food Service Program non-congregate feeding demonstration project: *Provided further*, That, of the total amount available under this heading, \$10,000,000 shall remain available until expended to provide direct certification grants to States as described in section 749(h) of the Agriculture Appropriations Act of 2010 (Public Law 111-80): *Provided further*, That of the amount available under this heading, \$1,000,000 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 The first change provides \$10 million for a Summer Food Service Program non-congregate feeding pilot project which would serve approximately 25,000 children during the summer months at a cost of approximately \$400 per participant in FY2017.
 - 2 The second change would provide \$10 million for grants to States for technology and system improvements or other technical assistance for the purpose of improving the rates of children being directly certified for free meals.
 - 3 The third change would provide both the authority and \$1 million 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.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

Lead-Off Tabular Statement

Current Law

Budget Estimate, 2017.....	\$23,230,733,000
2016 Enacted	22,149,746,000
Change in Appropriation	<u>+1,080,987,000</u>

Note: FY 2016 Enacted amount does not include \$12 million appropriated in General Provision 741 of Consolidated Appropriations Act of 2016 (P.L.114-113).

Proposed Legislation

Budget Estimate, Current Law 2017.....	\$23,230,733,000
Change Due to Proposed Legislation	146,000,000
Net 2017 Request.....	<u>23,376,733,000</u>

Summary of Increases and Decreases

(Dollars in thousands)

	2014 Actual	2015 Change	2016 Change	2017 Change	2017 Estimate
Discretionary Appropriations:					
Team Nutrition/HUSSC/CMS	\$17,004	0	0	0	\$17,004
Summer Demonstration	0	\$16,000	\$7,000	3,000	26,000
SFSP Non-Congregate Demonstration	0	0	0	10,000	10,000
School Meals Equipment Grants	25,000	0	5,000	5,000	35,000
Direct Certification Grants	0	0	0	10,000	10,000
Child Nutrition State Exchange	0	0	0	1,000	1,000
Subtotal, Discretionary	42,004	16,000	12,000	29,000	99,004
Mandatory Appropriations:					
Meal Reimbursement Payments to States					
National School Lunch Program	10,576,266	1,419,823	158,631	601,907	12,756,627
School Breakfast Program	3,728,579	231,350	378,703	147,715	4,486,347
Child and Adult Care Food Program	3,079,915	115,951	144,215	106,197	3,446,278
Summer Food Service Program	461,584	33,937	60,208	72,755	628,484
Special Milk Program	10,608	608	-1,784	-196	9,236
State Administrative Expenses	247,182	16,504	7,192	8,180	279,058
Commodity Reimbursement/Procurement	1,078,668	176,842	95,173	77,406	1,428,089
Mandatory Other Program Costs	63,151	1,198	7,238	26,023	97,610
Subtotal, Mandatory	19,245,953	1,996,213	849,576	1,039,987	23,131,729
Total Adjusted Appropriation	19,287,957	2,012,213	861,576	1,068,987	23,230,733
Sequester	-4,156	-154	452	3,858	0
Total Appropriation	19,283,801	2,012,059	862,028	1,072,845	23,230,733
Proposed Legislation	0	0	0	146,000	146,000

FOOD AND NUTRITION SERVICE

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

Project	2014 Actual	SY	2015 Actual	SY	2016 Enacted	SY	Inc. or Dec.	2017 Estimate	SY
Meal Reimbursement Payments to States									
National School Lunch Program	\$10,576,266		\$11,996,089		\$12,154,720		\$601,907	\$12,756,627	
School Breakfast Program	3,728,579		3,959,929		4,338,632		147,715	4,486,347	
Child and Adult Care Food Program	3,079,915		3,195,866		3,340,081		106,197	3,446,278	
Summer Food Service Program	461,584		495,521		555,729		72,755	628,484	
Special Milk Program	10,608		11,216		9,432		-196	9,236	
Subtotal, Meal Reimbursements	17,856,952		19,658,621		20,398,594		928,378 (1)	21,326,972	
State Administrative Expenses	247,182		263,686		270,878		8,180 (2)	279,058	
Commodity Reimbursement/Procurement	1,078,668		1,255,510		1,350,683		77,406 (3)	1,428,089	
Mandatory Other Program Costs:									
Food Safety Education	2,649		2,718		2,761		136	2,897	
Coordinated Review	10,000		10,000		10,000		0	10,000	
Computer Support	11,002		11,250		11,430		511	11,941	
Training and Tech. Assist.	8,016		8,137		13,137		20,992	34,129	
CN Studies	19,697		20,079		20,400		2,928	23,328	
CN Payment Accuracy	9,617		9,904		10,562		585	11,147	
Farm to School Team	2,170		2,261		3,297		871	4,168	
Subtotal, Mandatory Other Program Costs	63,151		64,349		71,587		26,023 (4)	97,610	
Subtotal, Mandatory	19,245,953		21,242,166		22,091,742		1,039,987	23,131,729	
Discretionary Activities:									
Team Nutrition/HUSSC/CMS	17,004		17,004		17,004		0	17,004	
Summer Demonstration	0		16,000		23,000		3,000	26,000	
School Meals Equipment Grants	25,000		25,000		30,000		5,000	35,000	
SFSP Non-Congregate Demonstration	0		0		0		10,000	10,000	
Direct Certification Grant Expansion	0		0		0		10,000	10,000	
State Exchange Demonstration	0		0		0		1,000	1,000	
Subtotal, Discretionary Activities	42,004		58,004		70,004		29,000 (5)	99,004	
Total Adjusted Appropriation	19,287,957		21,300,170		22,161,746		1,068,987	23,230,733	
Sequester	-4,156		-4,310		-3,858		3,858	0	
Total Appropriation	19,283,801	209	21,295,860	232	22,157,888	248	1,072,845	23,230,733	252
Proposed Legislation	0		0		0		146,000	146,000	

FOOD AND NUTRITION SERVICE

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

Project	2014 Actual	SY	2015 Actual	SY	2016 Enacted	SY	Inc. or Dec.	2017 Estimate	SY
Meal Reimbursement Payments to States									
National School Lunch Program	\$11,289,685		\$11,928,964		\$12,528,345		\$476,981	\$13,005,326	
School Breakfast Program	3,716,095		4,057,189		4,338,632		147,715	4,486,347	
Child and Adult Care Food Program	3,111,875		3,350,488		3,340,081		106,197	3,446,278	
Summer Food Service Program	464,439		517,349		555,729		72,755	628,484	
Special Milk Program	10,662		10,966		9,432		-196	9,236	
Subtotal, Meal Reimbursements	18,592,756		19,864,956		20,772,219		803,452	21,575,671	
State Administrative Expenses	256,646		223,554		270,878		8,180	279,058	
Commodity Reimbursement/Procurement	1,079,060		1,019,278		1,350,683		77,406	1,428,089	
Mandatory Other Program Costs:									
Food Safety Education	2,681		2,203		2,761		136	2,897	
Coordinated Review	9,345		7,857		10,000		0	10,000	
Computer Support	9,539		9,629		11,430		511	11,941	
Training and Tech. Assist.	6,976		7,452		13,137		22,992	36,129	
CN Studies	15,232		6,152		20,400		2,928	23,328	
CN Payment Accuracy	7,960		2,814		10,562		585	11,147	
Farm to School Team	2,660		1,823		3,297		871	4,168	
Subtotal, Mandatory Other Program Costs	54,393		37,930		71,587		28,023	99,610	
Subtotal, Mandatory	19,982,855		21,145,718		22,465,367		917,061	23,382,428	
Discretionary Activities:									
Team Nutrition/HUSSC/CMS	18,118		14,571		17,004		0	17,004	
Summer EBT Demonstration	0		15,543		23,000		3,000	26,000	
School Meals Equipment Grants	34,706		25,000		30,000		5,000	35,000	
SFSP Non-Congregate Demonstration	0		0		0		10,000	10,000	
Direct Certification Grant Expansion	0		0		0		10,000	10,000	
State Exchange Demonstration	0		0		0		1,000	1,000	
Subtotal, Discretionary	52,824		55,114		70,004		29,000	99,004	
Total Obligations	20,035,679	209	21,200,832	232	22,535,371	248	946,061	23,481,432	252
Prior Year Recoveries/Collections	-162,015		-129,500		0		0	0	
Unobligated Balance Start-of-Year	-1,192,763		-515,089		-649,324		373,625	-275,699	
Unobligated Balance End-of-Year	515,089		649,324		275,699		-250,699	25,000	
Unobligated Balance Expiring	91,967		94,603		0		0	0	
Total Adjusted Appropriation	19,287,957	209	21,300,170	232	22,161,746	248	1,068,987	23,230,733	252
Sequester	-4,156		-4,310		-3,858		3,858	0	
Total Appropriation	19,283,801	209	21,295,860	232	22,157,888	248	1,072,845	23,230,733	252
Proposed Legislation	0		0		0		146,000	146,000	

FOOD AND NUTRITION SERVICE

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

Direct Appropriation and Transfer Activities	2014 Actual	SY	2015 Actual	SY	2016 Enacted	SY	Inc. or Dec.	2017 Estimate	SY
Information Clearinghouse	\$250		\$250		\$250		-\$250	0	
Food Service Management Institute	5,000		5,000		5,000		0	\$5,000	
Fresh Fruit and Vegetable Program (transfer) <u>1/</u>	158,000		159,000		162,000		7,000	169,000	
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		0		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	5,000		0		0		0	0	
Total Direct Appropriations/Transfers	186,250	40	178,250	36	181,250	40	6,750	188,000	40

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 in AMS to support the Fresh Fruit and Vegetable Program (FFVP). The amounts displayed in the table above incorporate all delays in the transfer amount including the proposed delay from the July 1, 2017 transfer of \$125 million. Absent the proposed delay, \$294 would be transferred into FFVP in 2017.

2/ The amounts displayed in the table above incorporate all delays in the transfer amount, including the proposed delay from the July 1, 2017, transfer.

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

- 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.
- In FY 2016, the appropriations bill specified that \$125 million of the July 1, 2016, transfer would not be available until October 1, 2016.

The FY 2017 proposal would have \$125 million of the July 1, 2017 transfer not be made available until October 1, 2017.

FOOD AND NUTRITION SERVICE

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

Direct Appropriation and Transfer Activities	2014 Actual	SY	2015 Actual	SY	2016 Enacted	SY	Inc. or Dec.	2017 Estimate	SY
Information Clearinghouse	\$250		\$250		\$250		-250	0	
Food Service Management Institute	5,000		5,000		5,000		0	\$5,000	
Fresh Fruit and Vegetable Program (transfer)	167,746		174,241		162,000		7,000	169,000	
Technical Assistance Program Integrity	4,030		3,388		4,000		0	4,000	
Grants to States (Administrative Review)	8,565		3,348		4,000		0	4,000	
Summer Demonstration Projects	3,102		5,299		0		0	0	
School Lunch Equipment Grants	1,294		0		0		0	0	
Direct Certification Technical Assistance	4,084		1,276		0		0	0	
Direct Certification Performance Bonuses	4,000		0		0		0	0	
Alternative Meal Claiming Evaluation	3		0		0		0	0	
CACFP Nutrition Technical Assistance	2,420		624		0		0	0	
CACFP Nutrition and Wellness Study	4,936		0		0		0	0	
Professional Standards - Foodservice	288		507		1,000		0	1,000	
Farm to School Grants	5,253		4,754		5,000		0	5,000	
FFVP Evaluation	5,000		0		0		0	0	
Child Hunger Research	1,185		1,080		0		0	0	
Hunger Demonstration Projects	9,998		27,643		0		0	0	
CACFP Audit Funds - X year	1,022		759		0		0	0	
Total Obligations	228,176	40	228,169	36	181,250	40	6,750	188,000	40
Unobligated Balance Start of Year	-161,725		-136,472		-98,451		0	-98,451	
Collections/Recoveries	-16,850		-11,898		0		0	0	
Unobligated Balance Expiring	177		0		0		0	0	
Unobligated Balance End of Year	136,472		98,451		98,451		0	98,451	
Total Direct Appropriations/Transfers	186,250	40	178,250	36	181,250	40	6,750	188,000	40

Section 4214 of the Agricultural Act of 2014 authorizes the use of \$5 million in NSLP meal reimbursement to conduct a study of the Fresh Fruit and Vegetable Program.

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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); 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) P.L. 111-296; 2004 CN Reauthorization 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; and the Agricultural Act of 2014 P.L. 113-79.

Justification of Increases and Decreases

The FY 2017 request for the Child Nutrition Programs reflects a net increase of \$1,068,987,000 (\$22,161,746,000 and 248 staff years enacted for 2016).

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 fat and cholesterol, and ensure healthy inclusion of protein, vitamins A and C, calcium, and iron.¹

A recent study, published in May 2015, used data from the National Health and Nutrition Examination Survey (NHANES 2005-2010) to create a picture of nutrient intakes, food choices and diet quality of National School Lunch Program (NSLP) participants. The study found that the NSLP is an important source of nutrition and healthy

¹ 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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foods, particularly for low-income children. For example, children receiving their meals free or at a reduced price had higher average Healthy Eating Index (HEI) scores than non-participants in the lunch program. In addition, among low-income children, NSLP participants had higher total fruit consumption than non-participants. The study found that NSLP participants had higher potassium intake than non-participants and low-income participants were also more likely to have adequate intakes of vitamin A, calcium, and zinc than low-income non-participants.²

The funding change is requested in the following items:

- (1) An increase of \$928,378,000 for meal reimbursements (\$20,398,594,000 enacted for FY 2016).

School Lunch Program: This program will require an increase of \$601,907,000 (about 5.0 percent) for an appropriation of \$12,756,627,000 in FY 2017 (\$12,154,720,000 estimated for FY 2016). This increase reflects anticipated increases in meal reimbursement rates as well as in participation. The anticipated increase in participation includes the impact of further expected expansion of the Community Eligibility Provision (CEP).

Expansion of CEP is currently driving the increase in participation overall and in the free category in particular. The Healthy, Hunger-Free Kids Act of 2010 authorized CEP, which allows schools in areas with high poverty rates to provide school breakfasts and lunches to students at no charge. Instead, schools are reimbursed through a formula based on the number of students certified for school meals through other means-tested programs, e.g., those in foster care, Head Start, living in households that receive Supplemental Nutrition Assistance Program (SNAP) benefits, Temporary Assistance for Needy Families (TANF) cash assistance or Food Distribution Program on Indian Reservation (FDPIR) benefits. The goals of CEP are to ensure that all eligible/low income students are able to participate in the school lunch and breakfast programs and to reduce the paperwork burden at participating schools, while improving program accuracy. In school year 2011-12, breakfast participation increased by 25 percent and lunch participation increased by 13 percent in the community eligibility pilot states. In school year 2014-2015, the first year of nationwide availability, about 14,000 high poverty schools participated in CEP – roughly half of those estimated to be eligible. The NSLP request for FY 2017 assumes further expansion of CEP as more low-income schools learn from their peers about the benefits of this provision.

The total number of school lunches and snacks in FY 2017 is projected to be 5.49 billion, an increase of 59.1 million (or 1.1 percent) over the current estimate for FY 2016 of 5.43 billion. Student participation in the NSLP is expected to continue at almost 60 percent of enrollment in participating schools. Free lunches are estimated at 68.0 percent of all lunches served in FY 2017, which is slightly higher than the proportion of lunches estimated to be served free in FY 2016 (66.8 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):

² U.S. Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis, *Diet Quality of American School Children by National School Lunch Program Participation Status: Data from the National Health and Nutrition Examination Survey, 2005-2010* by Elizabeth Condon, Susan Drilea, Carolyn Lichtenstein, et al. Project Officer, Jenny Laster Genser. Alexandria, VA: May 2015.

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Poverty Level	2014-2015 School Year	2015-2016 School Year
100 Percent	\$23,850	\$24,250
130 Percent	31,005	31,525
185 Percent	44,123	44,863

PROGRAM INDICATORS					
SCHOOL LUNCH PROGRAM PROGRAM PERFORMANCE DATA	2014 ACTUAL	2015 ACTUAL	2016 ESTIMATE	2017 ESTIMATE	CHANGE
Lunches Served (millions):					
Above 185% of poverty	1,426.0	1,372.3	1,389.7	1,356.4	-33.3
130% - 185% of poverty	403.0	361.1	339.6	331.0	-8.6
Below 130% of poverty	3,191.3	3,272.8	3,474.1	3,573.0	98.9
TOTAL, Lunches	5,020.3	5,006.1	5,203.4	5,260.4	57.0
Average Daily Participation (millions):	30.5	30.5	30.9	32.0	1.1
Lunch Rate per meal (blended) (cents):					
Above 185% of poverty	34.0	34.2	35.2	36.2	1.0
130% - 185% of poverty	260.1	266.2	277.0	282.5	5.4
Below 130% of poverty	300.2	306.4	317.1	322.6	5.5
Snacks Served (millions):					
Above 185% of poverty	8.0	8.0	8.2	8.3	0.1
130% - 185% of poverty	0.7	0.7	0.7	0.7	0.0
Below 130% of poverty	212.1	212.8	220.0	222.0	2.0
TOTAL, Snacks	220.7	221.5	228.9	231.0	2.1
Snack subsidy per meal (blended)(cents):					
Above 185% of poverty	7.0	7.0	7.0	7.1	0.1
130% - 185% of poverty	40.2	41.2	42.2	43.2	1.0
Below 130% of poverty	80.4	82.5	85.3	86.4	1.1
TOTAL, Lunches and Snacks	5,241.0	5,227.6	5,432.3	5,491.4	59.1
TOTAL, Meal Reimbursement (millions)	\$11,289.7	\$11,929.0	\$12,528.3	\$13,005.3	\$477.0

Note: The per meal lunch rates include the six cent increase for implementation of the new meal pattern included in Section 201 of the Healthy Hunger Free Kids Act of 2010.

School Breakfast Program: This program will require an increase of \$147,715,000 (about 3.4 percent) for an appropriation of \$4,486,347,000 in FY 2017 (\$4,338,632,000 estimated for FY 2016). The current estimate projects an increase of 108.5 million breakfasts in FY 2017, which is also largely a result of the availability of community eligibility in schools across the country. In school year 2011-12, breakfast participation increased by 9 percent and lunch participation increased by 5 percent in the community eligibility pilot states; many districts have reported substantially greater increases in subsequent years. The estimate of total breakfast meals projected to be served in FY 2017 is 2.58 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	2014 ACTUAL	2015 ACTUAL	2016 ESTIMATE	2017 ESTIMATE	CHANGE
Meals Served (millions):					
Above 185% of poverty	344.1	345.0	353.5	379.3	25.8
Reduce Price, Regular	11.1	10.1	7.6	8.0	0.4
Reduce Price, Severe Need	153.6	137.1	135.8	141.8	6.0
130%-185% of poverty, Total	164.7	147.2	143.4	149.8	6.4
Free, Regular	74.6	74.5	63.6	63.8	0.2
Free, Severe Need	1,690.2	1,763.9	1,911.3	1,987.5	76.2
Below 130% of poverty, Total	1,764.8	1,838.4	1,974.9	2,051.2	76.3
TOTAL, Meals	2,273.6	2,330.6	2,471.8	2,580.3	108.5
Average Daily participation (millions)	13.6	14.0	14.6	15.0	0.4
Average Subsidy Per Meal (cents):					
Paid	28.0	28.2	29.0	29.2	0.2
Reduced Price:					
Regular	128.7	132.9	136.4	138.7	2.3
Severe Need	159.8	164.4	169.5	171.8	2.3
Free:					
Regular	158.8	163.0	166.5	168.8	2.3
Severe Need	189.9	194.6	199.6	201.9	2.3
PROGRAM TOTAL (millions)	\$3,716.1	\$4,057.2	\$4,338.6	\$4,486.3	\$147.7

Child and Adult Care Food Program (CACFP): This program will require an increase of \$106,197,000 (about 3.2 percent) for an appropriation of \$3,446,278,000 in FY 2017 (\$3,340,081,000 estimated for FY 2016). The current estimate projects 2.1 billion meals served in childcare centers, family day care homes and adult care centers in 2017. This represents an increase of almost 40 million meals (or 1.9 percent) above the FY 2016 estimate of 2.06 billion meals.

The change is mainly the result of an anticipated 2.9 percent increase in meals provided in centers, with most of the growth in free meals (a 28.8 million meal increase, or 2.7 percent) plus paid meals (11.8 million increase over FY 2016, or a 3.2 percent increase). For Tier 1 (low-income) homes, an increase is forecasted, with a 1.6 percent increase in meals (1.2 million more than in FY 2016), while meals reimbursed at Tier 2 (upper income) homes are also projected to rise in FY 2017, continuing the current trend (up 1.2 million meals, an increase of 1.6 percent from FY 2016).

Year to year funding fluctuations are also affected by changes in 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	2014 ACTUAL	2015 ACTUAL	2016 ESTIMATE	2017 ESTIMATE	CHANGE
Meals Served (millions):					
Centers:					
Above 185% of poverty	359.4	365.6	372.3	384.1	11.8
130% - 185% of poverty	77.3	80.6	83.2	86.5	3.3
Below 130% of poverty	1,005.5	1,042.7	1,084.1	1,112.9	28.8
TOTAL, Centers	1,442.2	1,488.9	1,539.6	1,583.4	43.8
Family Day Care Homes:					
Tier 1 (Low Income)	465.2	460.6	467.5	466.4	
Tier 2 (Upper Income)	72.3	64.8	51.1	48.0	-3.1
TOTAL, Family Day Care Homes:	537.5	525.4	518.6	514.4	-4.2
Total Child & Adult Care Program Meals:	1,979.7	2,014.2	2,058.2	2,097.8	39.6
Average Subsidy per meal (cents): <u>1</u>/					
Centers:					
Above 185% of poverty	19.5	19.7	20.1	20.3	0.2
130% - 185% of poverty	138.4	142.3	143.3	145.5	2.2
Below 130% of poverty	188.8	195.1	200.9	203.6	2.7
Family Day Care Homes					
Tier 1 (Low Income)	153.5	156.9	158.3	160.9	2.6
Tier 2 (Upper Income)	71.2	72.8	73.3	74.5	1.2
Funding: (millions)					
Meal Reimbursement	\$2,850.3	\$2,999.4	\$3,175.6	\$3,262.7	\$87.1
Sponsor Admin	115.8	115.6	116.9	117.8	0.9
Audits	41.2	43.2	45.1	63.2	18.1
Training & Tech. Assistance	2.4	2.4	2.5	2.5	0.0
TOTAL (millions)	\$3,009.7	\$3,160.6	\$3,340.1	\$3,446.3	\$106.2

Summer Food Service Program: This program will require an increase of \$72,755,000 (about 13.1 percent) for an appropriation of \$628,484,000 in FY 2017 (\$555,729,000 enacted for FY 2016). The current estimate projects 199.2 million meals, which is an increase of approximately 18.0 million meals (or 10.0 percent) above the estimate for FY 2016. 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	2014 ACTUAL	2015 ACTUAL	2016 ESTIMATE	2017 ESTIMATE	CHANGE
Meals Served (millions):					
Summer Food Program	160.5	164.2	181.2	199.2	18.0
Average Subsidy Per Meal (cents):					
Lunch	321.0	330.0	342.0	349.0	7.0
Breakfast	184.0	189.0	196.0	200.0	4.0
Supplements	75.0	77.0	79.0	81.0	2.0
PROGRAM TOTAL (millions)	\$464.4	\$517.3	\$555.7	\$628.5	\$72.8

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Special Milk Program: Funding needed for this program will decrease by \$196,000 (-2.1 percent) for an appropriation of \$9,236,000 in FY 2017 (\$9,432,000 enacted for FY 2016). The decrease is due to a decline in the number of half pints served coupled with fairly flat reimbursement rates. The cash reimbursement rate for needy children is adjusted annually on July 1 to reflect changes in the Producer Price Index for fresh processed milk.

PROGRAM INDICATORS					
SPECIAL MILK PROGRAM PROGRAM PERFORMANCE DATA	2014 ACTUAL	2015 ACTUAL	2016 ESTIMATE	2017 ESTIMATE	CHANGE
Half Pints Served (millions):					
Paid (Above 130% of poverty)	45.6	42.3	41.3	39.3	-2.0
Free (130% of poverty or below)	4.5	4.9	4.8	4.6	-0.2
TOTAL, Half pints	50.0	47.2	46.1	43.9	-2.2
Reimbursement Rates (cents):					
Paid	20.9	22.4	20.4	20.9	0.5
Free	22.0	23.4	21.3	21.8	0.5
PROGRAM TOTAL (millions)	\$10.7	\$11.0	\$9.4	\$9.2	-\$0.2

- (2) An increase of \$8,180,000 for State Administrative Expenses (\$270,878,000 enacted for FY 2016).

An appropriation of \$279,058,000 is needed in FY 2017 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 2015 for FY 2017). The request for funding increases due to a rise in the estimated program obligations for FY 2015, which is the base year for calculating the availability of funds for this program in FY 2017. State Administrative Expense funds are used for State employee salaries, benefits, support services and office equipment.

- (3) An increase of \$77,406,000 for Commodity Reimbursement/Procurement (\$1,350,683,000 enacted for FY 2016).

An appropriation of \$1,428,089,000 will be needed to fund commodity reimbursement and procurement costs in FY 2017. This estimate is based on FNS receiving \$465 million each year in support for entitlement commodities from Section 32 or Commodity Credit Corporation funds. The increase in funding from 2016 is due to changes in the estimated cost of the program in FY 2017 due to increasing participation and projected commodity reimbursement rates based on the Producer Price Index for commodities. For example, in school year 2016-17, every lunch served in the National School Lunch Program is projected to receive \$0.2461 cents in commodities – three quarters of a cent more than they are receiving in school year 2015-2016. Because the number of meals served is increasing as well as the commodity rates, commodity payments will also increase proportionally. 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 2017 request includes funds to cover the 12 percent requirement and procurement costs.

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COMMODITY COST DATA					
(\$ MILLIONS)					
COMMODITY PURCHASES:	2014	2015	2016	2017	CHANGE
	ACTUAL	ACTUAL	ESTIMATE	ESTIMATE	
CN Appropriation:					
AMS/CCC Commodities	\$465.0	\$465.0	\$465.0	\$465.0	\$0.0
Section 6 Commodities/Cash/Procurement Costs	943.3	1,095.5	1,200.8	1,267.7	66.9
SCHOOL LUNCH TOTAL	1,408.3	1,560.5	1,665.8	1,732.7	66.9
Child & Adult Care Food Program:					
Commodities/Cash	134.3	145.3	148.2	158.6	10.4
Summer Food Service Program:					
Commodities	1.6	1.7	1.7	1.8	0.1
TOTAL COMMODITY COSTS	1,544.1	1,707.5	1,815.7	1,893.1	77.4
APPROPRIATION	\$1,079.1	\$1,019.3	\$1,350.7	\$1,428.1	\$77.4

- (4) An increase of \$26,023,000 in Mandatory Other Program Costs (\$71,587,000 enacted for FY 2016) as shown below.

Changes in Mandatory Other Program Costs (Thousands)

Project	2016 Estimate	Non-Pay Cost Change	Pay Cost Change	2017 Estimate
Mandatory Other Program Costs				
Food Safety Education	\$2,761	\$108	\$28	\$2,897
Coordinated Review	10,000	0	0	10,000
Computer Support	11,430	446	65	11,941
Training and Technical Assistance	13,137	20,842	150	34,129
CN Studies	20,400	2,874	54	23,328
CN Payment Accuracy	10,562	412	173	11,147
Farm to School	3,297	829	42	4,168
Total Mandatory Other Program Costs	71,587	25,511	512	97,610

The overall change consists of the following:

- a. An increase of \$136,000 for Food Safety Education (\$2,761,000 enacted for FY 2016).

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. The funds provide resources to help ensure the safety of foods served to school children, including training for State and local staff. The change includes \$28,000 for pay costs and \$108,000 for estimated inflation.

- b. No change for the Coordinated Review Program (\$10,000,000 enacted in FY 2016).

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 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.

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- c. An increase of \$511,000 for Computer Support (\$11,430,000 enacted for FY 2016).

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 includes \$65,000 for pay costs and \$446,000 for estimated inflation.

- d. An increase of \$20,992,000 for Training and Technical Assistance (\$13,137,000 enacted for FY 2016).

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.

The increase is the result of the following proposals:

- The first would provide \$14 million for training and technical assistance to support the implementation of the new CACFP meal patterns (see current law proposal);
- The second would provide \$1 million to support the development of interactive tools to help promote the *Dietary Guidelines for Americans* among school food service workers, educators and students (see current law proposal).
- The third would provide an additional \$5 million for Administrative Review and Training (ART) grant expansion (see current law proposal).
- The change includes \$150,000 for pay costs and \$842,000 for inflation.

- e. An increase of \$2,928,000 for CN Studies (\$20,400,000 enacted for FY 2016).

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 change consists of a \$2 million proposal to evaluate the Administrative Review Process (see current law proposal), \$874,000 general inflation, and \$54,000 for pay costs.

- f. An increase of \$585,000 for CN Payment Accuracy (\$10,562,000 enacted for FY 2016).

Robust Federal oversight, monitoring and technical assistance are essential to the identification, prevention and resolution of erroneous payments. This funding also supports FNS' efforts to reduce erroneous payments through training, technical assistance and oversight. The change consists of \$173,000 for pay costs and \$412,000 for general inflation.

- g. An increase of \$871,000 for the Farm to School Team (\$3,297,000 enacted for FY 2016).

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. In order to support expanded technical assistance to CACFP and SFSP providers, an additional \$700,000 is needed for up to

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four additional FTE and the development of training, technical assistance materials and resources, and USDA-issued guidance (see current law proposal). The change also includes \$42,000 for pay costs and \$129,000 for general inflation.

- (5) An increase of \$29,000,000 in Discretionary Other Program Costs (\$70,004,000 enacted in FY 2016).

Changes in Discretionary Activities (Thousands)

Project	2016 Estimate	Non-Pay Cost Change	Pay Cost Change	2017 Estimate
Team Nutrition/HUSSC	\$17,004	\$0	\$0	\$17,004
Summer EBT Demonstration	23,000	3,000	0	26,000
School Meals Equipment Grants	30,000	5,000	0	35,000
SFSP Non-Congregate Demonstration	0	10,000	0	10,000
Direct Certification Grant Expansion	0	10,000	0	10,000
Child Nutrition State Exchange	0	1,000	0	1,000
Total Discretionary Other Program Cost	70,004	29,000	0	99,004

Explanation of Change:

- a. No change for Team Nutrition and the Healthier US School Challenge (HUSSC) (\$17,004,000 enacted in FY 2016).

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, and develop partnerships with other Federal agencies and national organizations.

- b. An increase of \$3,000,000 for the Summer EBT Demonstration (\$23,000,000 enacted for FY 2016).

Pending the enactment of the proposed legislative proposal to create a permanent national summer EBT program (see Nationwide Summer EBT Proposed Legislative Proposal), additional funding in FY2017 will allow FNS to continue the program in existing States and Indian Tribal Organizations.

While more than 22 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 Americans during the summer. Participating children in households with SEBTC ate more fruits and

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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 and a total of \$23 million to expand this important demonstration in FY 2016. Additional funding in FY 2017 will allow FNS to continue the program in existing or additional States, thereby building on the experience and operational expertise already gained. 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. As many as 8,500 additional families could benefit from the additional \$3 million requested during the summer of 2017.

c. An additional \$5,000,000 for the School Meals Equipment Grants (\$30,000,000 enacted for 2016).

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 \$115 million for equipment grants, \$30 million in FY 2016 (\$5million of which is to support breakfast service), \$25 million in FYs 2010, 2014 and 2015, and \$10 million in FY 2013. Grants have been targeted toward States with the most unmet need (i.e., schools that have not received a prior equipment grant award) and the highest rates of free and reduced price lunch participation. States competitively award the funds to school districts to purchase needed equipment, with a focus on opportunities to realize a meaningful impact on nutrition and quality of meals (e.g., replacing fryers with combination steamer-ovens), strategies for adopting Smarter Lunchrooms (e.g., lunchroom changes that provide more convenience and appeal to the student population, highlighting healthier choices, etc.), availability of existing State and local funding for equipment purchases, and the age of the existing food service equipment. Unfortunately, the \$115 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.

d. An increase of \$10,000,000 for the Summer Food Service Non-Congregate Demonstration (\$0 enacted for 2016)

The \$10 million increase of funding for a SFSP child nutrition non-congregate feeding program would serve 25,000 children at a cost of approximately \$400 per participant.

SFSP is structured as a congregate meal service program. FNS has received numerous requests for waivers of the congregate meal requirements to address the unique barriers impacting participation in rural areas and ITOs. State administrators and Program sponsors indicate that extreme weather, concerns about public safety, and transportation barriers in rural areas and ITOs limit access and discourage participation. Program access is also impacted when sponsors do not have the resources to operate meal service sites each day. In the 2010 Agriculture Appropriations Act, Public Law 111-80, Congress authorized demonstration projects to develop and test alternative methods to provide 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. A new demonstration project design would allow children in select States and ITOs to pick up meals at SFSP sites for off-site consumption. FNS will collect data to compare meals served in the demonstration projects with traditional sites. (See current law proposal.)

e. An increase of \$10,000,000 for Direct Certification Grant Expansion (\$0 enacted for 2016)

The \$10 million increase of funding is requested to be available until expended and will be used to provide grants to States to improve direct certification rates among lower income schools. Direct certification reduces household burden and improves program access because children are certified automatically without requiring the household to submit an application. It also reduces administrative burden because

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schools do not have to process applications or complete verification for directly certified children. Finally, direct certification improves program integrity because eligibility is determined automatically via automated data matching with other agencies, without relying on information provided on household applications and the accuracy of manually processed eligibility determinations by the schools/districts. The FY 2010 Agriculture Appropriations Act provided \$22 million for the purpose of improving rates of direct certification. These funds will be exhausted during FY 2016, but there still remains a need for additional funds to enable further State improvements and for States to maintain current benchmarks (see current law proposal).

f. An increase of \$1,000,000 for a Child Nutrition State Exchange program (\$0 enacted for 2016)

The \$1 million of funding is requested to implement a Child Nutrition “State Exchange” program, modeled after a highly successful, program available to State agencies administering SNAP. 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, 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 (see current law proposal).

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**FISCAL YEAR 2017 PRESIDENT’S BUDGET
CURRENT LAW**

Program: Summer Food Service Program

Proposal: Authorize and fund a Summer Food Service Program (SFSP) demonstration project and evaluation of non-congregate meal services in rural areas and Indian Tribal Organizations (ITOs).

Rationale: The traditional SFSP is structured as a congregate meal service. FNS has received numerous requests for waivers of the congregate meal requirements to address the unique barriers to participation in rural areas these areas. State administrators and Program sponsors indicate that extreme weather, concerns about public safety, and transportation barriers in rural areas and ITOs limit access and discourage participation. Program access is also impacted when sponsors do not have the resources to operate meal service sites each day. In the 2010 Agriculture Appropriations Act, Public Law 111-80, Congress authorized demonstration projects to develop and test alternative methods to provide 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. FNS developed a multi-phased demonstration approach to test different strategies to improve Program participation, including both enhancements to the existing SFSP and new ways of providing nutrition assistance to low-income children in the summer. Modifications to the traditional SFSP were designed to address funding limitations that restrict enrichment activities, prevent sponsors from extending operations, and challenge sponsors to serve children in rural areas. Since 2013, FNS has also conducted a demonstration project to allow non-congregate meals at certain outdoor meal sites experiencing excessive heat in the summer or other exceptional circumstances.

FNS is committed to build upon its work to find additional ways to provide vulnerable children access to nutritious meals during the summer. This is a new demonstration project would target select rural areas and ITOs allowing children to pick up meals at SFSP sites for off-site consumption. FNS will collect data to compare meals served in the demonstration projects with traditional sites. Based on the results, FNS will consider permanent legislation to allow non-congregate meal services under limited circumstances. The money requested would support summer meals for about 25,000 children, beginning in fiscal year 2017 and an evaluation of participation, implementation and impacts on food security.

Budget Impact:
(\$ in millions)

	FY 2017	FY2018	FY 2019	FY 2020	FY 2021	Total
Budget Authority	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$50.0

**FISCAL YEAR 2017 PRESIDENT’S BUDGET
CURRENT LAW**

Program: Child Nutrition Programs

Proposal: Provide \$10 million in one-time funding (to be available until expended) for discretionary grants to States for purposes of improving State direct certification rates. Effective use of direct certification improves program access and program integrity, while reducing administrative burden. In addition, higher direct certification rates improve the identified student percentage for the Community Eligibility Provision (CEP) allowing further administrative savings, enhanced access for low-income children, and improved program accuracy.

Rationale: Section 749(h) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2010 provided \$22 million which is being issued as grants to State agencies that have the lowest rates of children directly certified for free meals, for the purpose of improving those rates. State agencies are using grant funds to pay costs

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associated with improving their rates for directly certifying students for free school meals when they are members of households that receive benefits from the Supplemental Nutrition Assistance Program (SNAP), the Temporary Assistance for Needy Families Program, Food Distribution Program on Indian Reservations, foster care, and other areas of categorical eligibility. To date, FNS has awarded 41 grants to 25 State agencies in the amount of approximately \$19 million, with remaining funds expected to be exhausted in early FY 2016. However, as FNS staff continues targeted technical assistance, it is evident that further grant opportunities are needed to continue the efforts currently undertaken and afford additional States the opportunity to pursue and maintain improvements. Additionally, given the increase in the benchmark rate of directly certifying children for SNAP required by Healthy Hunger-Free Kids Act (HHFKA) of 2010—95 percent for SY 2013-2014 and each school year thereafter—States will need to further improve their operations to reach and maintain the benchmark rate.

Budget Impact:
(\$ in millions)

	FY 2017	FY2018	FY 2019	FY 2020	FY 2021	Total
Budget Authority	\$10.0	0	0	0	0	\$10.0

**FISCAL YEAR 2017 PRESIDENT’S BUDGET
CURRENT LAW**

Program: Child Nutrition Programs

Proposal: Create a Child Nutrition State Exchange program

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 \$1 million is being sought within the FY 2017 budget as a discretionary increase with \$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

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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).

Budget Impact:
(\$ in millions)

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
Budget Authority	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$5.0

**FISCAL YEAR 2017 PRESIDENT’S BUDGET
CURRENT LAW**

Program: Child Nutrition Programs, Training and Technical Assistance

Proposal: Training and Technical Assistance to support implementation of CACFP meal patterns and wellness

Rationale: The Healthy, Hunger-Free Kids Act (HHFKA) of 2010 (P.L. 111-296) required the Food and Nutrition Service to review and update the meal pattern requirements for the Child and Adult Care Food Program (CACFP) and to provide the technical assistance necessary to help program operators implement the nutrition and wellness requirements as outlined in section 221 of the HHFKA. The Act specified that the meal patterns be consistent with the most recent version of the Dietary Guidelines for Americans and the most recent relevant nutrition science. The proposed rule, *Child and Adult Care Food Program: Meal Pattern Revisions Related to the Healthy, Hunger-Free Kids Act of 2010*, was published in the Federal Register on January 15, 2015. A final rule is expected to be released in FY2016.

In order for the implementation of new meal pattern requirements to be successful, additional technical assistance, training, and resources for program operators and administrators will be required. Initial funding was provided for USDA to help CACFP institutions and facilities follow current nutrition, physical activity, and electronic media use recommendations; this funding has been allocated to the revision and development of resources in preparation for the impending meal pattern changes. However, additional funding will be required for implementation to incorporate the new meal pattern once published. In addition, funding will be necessary to enable State agencies to provide the targeted training and technical assistance that CACFP operators need to actually implement new meal pattern requirements.

Team Nutrition will develop, print, and distribute a CACFP Meal Pattern toolkit to all CACFP operators as an initial guide to implementing new requirements. In conjunction with the toolkit, funds will be distributed to States via non-competitive grants to provide hands-on training and follow-up. Grant funds will be provided for two fiscal years. This approach will allow States to provide the consistent support needed for successful implementation of the new meal pattern. Further training of program operators will result from additional funding for FNS to provide top quality training on a variety of child care topics to operators across the nation. The additional funding would allow FNS to increase efforts to reach child care centers and family child care providers. FNS may work with other partners to provide training and technical assistance and develop additional resources. The funds may be reallocated as needed.

Budget Impact:
(\$ in millions)

	FY 2017	FY2018	FY 2019	FY 2020	FY 2021	Total
Budget Authority	\$14.0	0	0	0	0	\$14.0

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**FISCAL YEAR 2017 PRESIDENT'S BUDGET
CURRENT LAW**

Program: Child Nutrition Training and Technical Assistance/Center for Nutrition Policy and Promotion (CNPP)

Proposal: Interactive Tools to Help Americans Implement the Dietary Guidelines for Americans

Rationale: CNPP works to improve the health and well-being of Americans by developing and promoting dietary guidance that links scientific research to the nutrition needs of consumers. Every five years, CNPP issues the Dietary Guidelines for Americans (DGA), which serve as the official nutrition policy for the federal government. One of the primary ways CNPP helps Americans apply the recommendations in the DGA to their daily lives is by developing, enhancing, and maintaining interactive tools. CNPP's web-based interactive tools provide hands-on learning opportunities that empower families to think critically about their food and physical activity choices. Maintaining and enhancing CNPP's interactive tools is key in reversing the trend of childhood obesity and building a healthier next generation. These tools are widely used by the many audiences served by USDA including SNAP (low-income households and SNAP nutrition educators), WIC (mothers and children), and CNP (food service workers, educators, daycare and eldercare providers, and students).

One of the goals of the Digital Government Strategy from the US General Services Administration is to "enable the American people and an increasingly mobile workforce to access high-quality digital government information and services anywhere, anytime, on any device." In order to accomplish this goal and continue to meet the needs of the important USDA audiences served, resources are needed to enhance CNPP's interactive tools on an ongoing basis.

SuperTracker: SuperTracker is CNPP's free food and physical activity tracking tool available at www.SuperTracker.usda.gov. Available on desktop, mobile, and tablet, SuperTracker empowers its over 5.5 million registered users to identify how their own diet and activity compare to personalized recommendations based on the DGAs. SuperTracker supports users in setting and achieving personal goals for their health and wellness. The website is mobile- and tablet-friendly and serves a wide variety of audiences, including individuals and families, health professionals, worksite wellness coordinators, and especially educators and students. Over half of all SuperTracker profiles are school-aged children, and the SuperTracker Nutrition Lesson Plans for High School Students CNPP created (launched in October 2014) have been downloaded over 2 million times in just 5 months.

Moving forward, enhancements will be implemented to reflect the 2015 Dietary Guidelines for Americans and address the most frequent requests from users and capitalize on social technologies to support behavior change (based on behavioral change theories such as social media and social support). Additionally, CNPP plans to develop new SuperTracker lesson plans and supporting materials that focus on interactive classroom technology such as SMART boards. Furthermore, the site will be enhanced to help mothers, including WIC participants, plan and track meals for young children with the release of specialized dietary guidance for infants and toddlers from birth to 24 months of age currently under development.

What's Cooking? USDA Mixing Bowl: what'scooking.fns.usda.gov provides access to thousands of healthy, budget-friendly recipes tailored to meet the needs of USDA program participants, nutrition educators, schools, daycare providers, general consumers, and health professionals. Each recipe includes detailed nutrition information and cost data (coming soon). Plus the site will soon offer a menu builder for users to plan and build a budget-friendly, one-week menu based on the DGAs.

In order for the What's Cooking? USDA Mixing Bowl site to best serve the program participants, nutrition educators, and general consumers who rely on it daily, updates and enhancements will be

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made moving forward. For example, new recipes, recipe images, additional meal preparation resources, opportunities for site users to participate, and customization options will be needed to continue to offer a high-quality tool that remains relevant over time. And, in order to optimize government staff time as the site continues to grow, automated (versus manual) site administration technology is required.

Impact: It is imperative that the technology, functionality, and content be updated and enhanced on an ongoing basis to be relevant to specific target audiences and competitive with other tools. Technology will be updated and tailored to Child Nutrition and SNAP audiences, including educators and school-aged children to ultimately help the public put healthy eating behaviors into action.

Budget Impact:
(\$ in millions)

	FY 2017	FY2018	FY 2019	FY 2020	FY 2021	Total
Budget Authority	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$5.0

**FISCAL YEAR 2017 PRESIDENT’S BUDGET
CURRENT LAW**

Program: Child Nutrition Programs

Proposal: Administrative Review and Training (ART) Grant Expansion

Rationale: In addition to the \$5 million received in the FY 2016 Consolidated Appropriations Act, provides an additional \$5 million annually 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 2017	FY2018	FY 2019	FY 2020	FY 2021	Total
Budget Authority	\$5.0	\$5.0	\$5.0	\$5.0	\$5.0	\$25.0

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**FISCAL YEAR 2017 PRESIDENT’S BUDGET
CURRENT LAW**

Program: Child Nutrition Programs, CN Studies

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 2017 budget to develop and manage a framework by which to evaluate the new Administrative Review process.

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

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
Budget Authority	\$2.0	0	0	0	0	\$2.0

**FISCAL YEAR 2017 PRESIDENT’S BUDGET
CURRENT LAW**

Program: Child Nutrition Programs, Farm to School Tactical Team

Proposal: Expand Farm to School technical assistance support related to increasing access to local foods in the Summer Food Service Program (SFSP) and Child and Adult Care Food Program (CACFP) along with increased staff support.

Rationale: The Healthy, Hunger-Free Kids Act of 2010 (HHFKA) amended Section 18 of the Richard B. Russell National School Lunch Act (NSLA) to establish a Farm to School Program in order to assist eligible entities, through grants and technical assistance, in implementing farm to school programs that improve access to local foods in eligible schools.

To date, technical assistance efforts have been focused primarily on incorporating local foods into the National School Lunch (NSLP) and National School Breakfast Programs (NSBP) in K-12 settings. However, there is well-established and growing public interest in purchasing local foods and incorporating agricultural education into early childhood education. The HHFKA expanded the purpose of the Child and Adult Care Food Program (CACFP) to “provide 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” [42 USC 1766(a)(1)(A)(ii)]. The incorporation of local food and agricultural education into the CACFP ensures this newly emphasized importance of creating a healthy environment is promoted.

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Similarly, expanding technical assistance efforts related to local purchasing and agricultural education to SFSP supports Agency priorities related to increasing access to nutritious foods over summer months while school is out. At all levels of SFSP administration, with partners, State agencies, and Regional Offices, there is growing interest in incorporating local foods into SFSP as a strategy for increasing participation. Thus, the need for training and technical assistance in other child nutrition programs has increased since the program was created in 2010.

In order to support expanded technical assistance to CACFP and SFSP, an additional \$700,000 is needed for up to 4 additional FTE and the development of training, technical assistance materials and resources, and USDA-issued guidance.

Budget Impact:
(\$ in millions)

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
Budget Authority	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$3.5

**FISCAL YEAR 2017 PRESIDENT’S BUDGET
PROPOSED LEGISLATION**

Item of Change	FY 2017 Proposed Legislations (Dollars in thousands)		
	Current Law	Program Changes	Request
Nationwide Summer EBT	0	\$146,000,000	\$146,000,000
Total Available	0	146,000,000	146,000,000

Program: Child Nutrition Programs: Summer Electronic Benefit Transfer for Children Program

Proposal: Summer Electronic Benefit Transfer for Children Program (SEBTC) to provide additional nutrition assistance to households with children eligible for free and reduced price meals during the summer months when school is not in session and the risk of food insecurity increases.

Rationale: During the academic year, free and reduced price school meals help ensure nearly 22 million low-income children have consistent access to nutritious food. However, only a fraction of those children receive free and reduced price meals in the summer months. As a result, low-income children are at higher risk of food insecurity and poorer nutrition during the months when school is not in session.

In the 2010 Agriculture Appropriations Act (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 projects’ effectiveness. As part of those demonstrations, FNS implemented the Summer Electronic Benefit Transfer for Children (SEBTC) pilots in 10 States and Indian Tribal Nations providing the families of low-income children more resources to use at retail food stores on EBT cards similar to those used in SNAP and WIC. Rigorous evaluations of these pilots have found that providing additional food benefits on debit cards to low-income families with school-aged children during summer months can significantly reduce food insecurity. Specifically, results showed that participating in SEBTC eliminated very low food security for about one-third of the children who would otherwise have experienced it.

The President’s FY 2017 Budget proposes to make SEBTC a permanent program and begin a phased-in expansion to achieve nationwide access by year 10. States will be phased in over ten years with approximately 10 percent of States participating in Year 1, 25 percent of States participating by Year 5, and all States participating by Year 10. School-aged children eligible for free and reduced price meals through the National School Lunch Program (NSLP) will be eligible to receive SEBTC benefits. Households with eligible children will receive a \$45 monthly benefit

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per child in FY 2017 on an EBT card (benefits will be indexed for inflation); which can be redeemed for food purchases at SNAP-authorized vendors. The proposal includes annual administrative funds for States and localities equal to 10 percent of benefit levels and a \$20 million x-year fund in FY 2017 for start-up costs.

The total program cost to implement nationwide expansion of SEBTC is \$1.8 billion over 5 years and \$12.2 billion over 10 years. FNS estimates this proposal would reach almost one million low-income children beginning in the summer of 2017, increasing to nearly 20 million children when all States begin offering the program in Year 10.

Among those that will benefits from SEBTC include low-income children in populations that traditionally have difficulty accessing existing summer meals programs. These populations include rural and tribal areas, communities in which transportation options are limited, and communities that face barriers to access such as parental concern about crime or adverse weather during the summer months. Based on results of the pilots, FNS anticipates that SEBTC will reduce food insecurity and improve diet quality for vulnerable children.

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

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
Budget Authority	\$146.0	\$212.4	\$323.5	\$459.6	\$622.8	\$1,764.3

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Geographic Breakdown of Obligations and Staff Years (SY)

(Dollars in thousands)

Child Nutrition Programs--Federal Salaries & Expenses								
	<u>2014 Actual</u>		<u>2015 Actual</u>		<u>2016 Enacted</u>		<u>2017 Estimated</u>	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Arkansas	\$96	1	\$145	1	\$153	1	\$153	1
California	2,993	23	2,723	20	2,869	22	2,869	22
Colorado	3,703	29	3,303	25	3,481	26	3,481	26
Florida	287	2	290	2	306	2	306	2
Georgia	2,746	21	2,831	21	2,984	22	2,984	22
Illinois	1,995	15	2,142	16	2,257	17	2,257	17
Indiana	96	1	145	1	153	1	153	1
Maryland	0	0	109	1	115	1	115	1
Massachusetts	2,507	19	2,868	21	3,022	23	3,022	23
New Jersey	2,189	16	2,541	19	2,678	20	2,678	20
North Carolina	64	0	145	1	153	1	153	1
Ohio	128	1	73	1	77	1	77	1
Oregon	160	1	145	1	153	1	153	1
South Carolina	255	2	145	1	153	1	153	1
Tennessee	64	0	73	1	77	1	77	1
Texas	2,845	22	2,178	16	2,295	17	2,295	17
Virginia	88,061	96	74,124	123	75,001	130	75,077	130
Washington	0	0	145	1	153	1	672	5
TOTAL	\$108,188	249	\$94,126	272	\$96,077	288	\$96,673	292

Note: Totals may not add due to rounding.

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Child Nutrition Programs - Appropriation

Classification by Objects

(Dollars in Thousands)

	2014	2015	2016	2017
	Actual	Actual	Enacted	Estimate
Personnel Compensation:				
Washington D.C.....	\$ 9,125	\$ 10,679	\$ 11,792	\$ 12,161
Field.....	10,713	12,537	13,842	14,276
11.0 Total personnel compensation.....	19,838	23,216	25,634	26,437
12.0 Personnel benefits.....	6,265	6,876	8,095	8,349
Total personnel comp. and benefits.....	26,103	30,092	33,729	34,786
Other Objects:				
21.0 Travel and transportation of persons.....	1,294	1,316	1,337	1,361
22.0 Transportation of things.....	1	1	1	1
23.2 Rental payments to others.....	98	100	102	104
24.0 Printing and reproduction.....	2,456	2,498	2,538	2,584
25.2 Other services from non-Federal sources.....	44,490	45,246	45,970	46,797
26.0 Supplies and materials.....	1,079,060	1,019,278	1,350,683	1,428,089
31.0 Equipment.....	512	521	529	539
41.0 Grants.....	18,881,665	20,101,780	21,100,482	21,967,171
Total, Other Objects.....	20,009,576	21,170,740	22,501,642	23,446,646
99.9 Total, new obligations.....	20,035,679	21,200,832	22,535,371	23,481,432
Position Data:				
Average Salary (dollars), ES Position.....	\$ 158,354	\$ 159,938	\$ 162,017	\$ 163,767
Average Salary (dollars), GS Position.....	93,136	94,068	123,131	124,461
Average Grade, GS Position.....	12.4	12.4	12.4	12.4

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Child Nutrition Programs - Permanent Appropriation

Classification by Objects

(Dollars in Thousands)

	2014 Actual	2015 Actual	2016 Enacted	2017 Estimate
Personnel Compensation:				
Washington D.C.....	\$ 1,398	\$ 1,249	\$ 1,581	\$ 1,730
Field.....	1,641	1,467	1,856	2,030
11.0 Total personnel compensation.....	3,039	2,716	3,437	3,760
12.0 Personnel benefits.....	960	848	1,086	1,187
Total personnel comp. and benefits.....	3,999	3,564	4,523	4,947
Other Objects:				
21.0 Travel and transportation of persons.....	156	159	162	162
23.2 Rental payments to others.....	9	9	9	9
24.0 Printing and reproduction.....	1	1	1	1
25.2 Other services from non-Federal sources.....	16,085	16,358	16,620	16,620
26.0 Supplies and materials.....	20	20	20	20
31.0 Equipment.....	12	12	12	12
41.0 Grants.....	207,894	208,046	159,903	291,229
Total, Other Objects.....	224,177	224,605	176,727	308,053
99.9 Total, new obligations.....	228,176	228,169	181,250	313,000
Position Data:				
Average Salary (dollars), ES Position.....	N/A	N/A	N/A	N/A
Average Salary (dollars), GS Position.....	\$ 84,417	\$ 85,261	\$ 86,369	\$ 87,302
Average Grade, GS Position.....	12.7	12.7	12.7	12.7

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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 select a reimbursable lunch or breakfast 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 2014-2015, 97 percent of school food authorities have been certified eligible to receive the additional six 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 participating in the School Meal Programs by using Medicaid data to directly certify children who meet income requirements without requiring individual applications, connecting tens of thousands of 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. At the beginning of school year 2015-2016, more than 17,000 schools in high-poverty areas are offering nutritious meals at no cost to about 8 million students through the Community Eligibility Provision (CEP). Nearly 60 percent of all schools eligible to participate are electing CEP, including schools in all 50 States, the District of Columbia, and Guam.
- 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.

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- 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.
- Further advances the work USDA has been doing to improve the nutritional quality of the USDA Foods available to schools for 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.
- Requires USDA to review policies relating to extending credit or offering alternate meals to students who do not have their payment for a reimbursable lunch or breakfast.
- Requires USDA to consolidate and update the administrative review procedures to create a more efficient and effective monitoring of the school meal programs that leads to enhanced program integrity.

Since enactment of the HHFKA, 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 HHFKA-related documents have been published, in the order of their publication date:

- Proposed Rule: “Child and Adult Care Food Program: Meal Pattern Revisions Related to the Healthy, Hunger-Free Kids Act of 2010” (1/15/2015)
- Final Rule: “Professional Standards for State and Local School Nutrition Programs Personnel as Required by the HHFKA” (3/2/2015)
- Proposed Rule: “Administrative Reviews in the School Nutrition Programs” (5/11/2015)

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 reflect three categories: free, reduced, or paid meals. 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 School Year 2015-2016, a child from a family of four with an annual income of \$31,525 or less is eligible for free meals, and a child from a family of four with a family income of no more than \$44,863 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 at the rate of 2 cents 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.

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Facts in Brief

On an average school day in FY 2015, more than half of all school children in America were provided an NSLP lunch. At participating schools and Residential Child Care Institutions (RCCIs), approximately 58.83 percent of the enrolled students participated in the NSLP on a daily basis in FY 2015; this is slightly below the participation level in FY 2014, 58.89 percent.

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- In FY 2015, more than 5.0 billion lunches were served in the NSLP roughly the same as the 5.0 billion served in FY 2014. Average daily participation in 2015 remained roughly the same as 2014 at 30.5 million.
- In FY 2015, approximately 72.6 percent of total lunches served were provided free or at a reduced price, up from 71.6 percent in FY 2014.
- The number of schools participating in the NSLP increased by 95 from FY 2014 to FY 2015, while the number of RCCIs decreased by 327. A total of 99,649 schools and RCCIs participated in the NSLP in FY 2015.

Improving the Nutrition Environment in Schools

The HRFKA required USDA to publish a proposed rule to update the meal patterns and nutrition standards for the National School Lunch and School Breakfast Programs no 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.

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 for grains was made available online in May 2015. Additional data updates will be released as they become available. A comprehensive revision of the Menu Planner for Healthy School meals is also expected in winter 2015.

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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 considerable 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 and meal pattern changes, 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;
- 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, and contribute to organization newsletters, etc.
- Providing tailored technical assistance to school food authorities across the country via Team Up for School Nutrition Success workshops to assist schools with meeting the meal pattern requirements, enhancing the foodservice operations, and maintaining a healthy meals program.
- Providing technical assistance and support to schools, industry, and other stakeholders working together to implement sodium reduction in school meals via the "What's Shaking? Creative Ways to Boost Flavor with Less Sodium" national collaborative sodium reduction initiative; and
- Providing nutrition education tools to support student taste tests, school gardens, behavioral economics, and school wellness efforts;

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Improving Program Integrity

FNS released its latest study on improper payments in the school meal programs in mid-2015. The *Access, Participation, Eligibility, and Certification Study II (APEC-II)* offers a rigorous examination of program error in the process of certifying children for free or reduced-price meal benefits, as well as in the process of identifying and claiming meals for Federal reimbursement. That report provides the evidence base for a series of new USDA initiatives that target program error at its source.

The APEC-II report identifies applicant error in the certification process as a key source of improper payments. FNS has responded with new tools and research that focus on the applicants' perspective.

The Department released a new model application in early 2015 that incorporates elements of human-centered design to improve clarity and reduce the opportunity for applicant and administrative error. Developed in partnership with the OPM Innovation Lab, the new application was recognized for delivering value through design by a leading organization of design professionals. FNS is engaged in an initial examination of the impact of the new application on administrative certification error.

FNS also committed in 2015 to developing its first electronic prototype application. The Department will use its authority under the America COMPETES Act to host a public prize competition to develop the new application. The application will contain, at a minimum, a FNS-defined package of design features that target applicant error and reduce applicant burden. Beyond that, FNS will look to innovators in design, human behavior, and software development to build upon those goals and to give life to a model application that is visually appealing, easy to use, fast and efficient, and technically sound. USDA will launch the competition in FY 2016.

FNS is partnered with the White House Social and Behavioral Sciences Team (SBST) in FY 2015 on a project to improve outcomes in the annual process of verifying applicants' school meal applications. This partnership seeks to reduce the high rate of household nonresponse to school district requests for income documentation. The project is testing the effect of small changes to school districts' letters to households through a carefully designed randomized control trial. Changes to the verification letters sent to households in the fall of 2015 draw on insights from the social and behavioral sciences literature and the SBST's own research.

Looking further ahead, FNS initiated new research in FY 2015 to explore opportunities for additional data matching of applicant information against State or Federal income or assistance program databases to strengthen the certification and verification processes. USDA also began the process of securing assistance for a cognitive testing study to identify and better understand the underlying causes of household misreporting.

As FNS moves forward with these initiatives, the Department also continues implementation of major reforms contained in the HHFKA.

FNS and State agencies conduct reviews to assess school management of the NSLP, evaluate the accuracy of local meal service data, and provide training and technical support to schools to help ensure local program accountability. Funds allocated for these reviews support the identification of errors that result in improper claims and support the development of corrective action plans, which assist SFAs in identifying needed improvements to their certification and verification systems. Ultimately, the corrective action plans result in more efficient distribution of program benefits to eligible children.

As required by the HHFKA, FNS developed a unified accountability system for State oversight of the School Meal Programs. The new Administrative Review process incorporates elements of the former Coordinated Review Effort and the School Meal Initiative review. The new process is being used by 54 States and territories in SY 2015-2016. USDA is finalizing a proposed rule to formalize the new review requirements. The Department is also developing an updated form for reporting review findings. The Administrative Review is generating valuable information that will support analysis at the State and Federal levels to strengthen the targeting of technical assistance and the development of new initiatives to improve integrity across the program.

School districts with high rates of administrative error in the certification process were required to conduct a second, independent review of free and reduced price meal applications for the first time in SY 2014-2015. That requirement, mandated by Section 304 of the HHFKA, is designed to reduce the kind of administrative mistakes

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identified by FNS's annual *Regional Office Review of Applications* study of school district certification errors. FNS is analyzing the first year results of the independent review process to identify opportunities for administrative improvements.

USDA continues to work with States to help them achieve the direct certification performance targets mandated by the HHFKA. Over the last several years, the great majority of children from SNAP participating households have been certified for free school meals without applications. However, just twelve States have met the HHFKA's aggressive 95 percent target as of school year 2013-2014. The remaining States are working with USDA on continuous improvement plans to reach the same goal. As direct certification rates increase, more schools will elect the Community Eligibility Provision and eliminate their traditional application processes – the single biggest source of improper program payments.

Professional Standards for School Food Service Administrators

Section 306 of the HHFKA requires the development of clear, consistent professional standards for the education and training of school food service personnel who manage and operate the National School Lunch and School Breakfast Programs. FNS worked with stakeholders on the creation and implementation of professional standards in advance of drafting a proposed rule. For example, USDA offered information at the School Nutrition Association's Annual National Conference in July 2012, 2013, 2014, and 2015. The feedback received from school nutrition personnel and other stakeholders informed the development of a proposed rule (published on February 4, 2014) and a final rule (published March 2, 2015). FNS received 2,204 public comments that included 241 distinct submissions and 1,963 identical form letters that were submitted by individual commenters. Although not all commenters identified their group affiliation or commenter category, most comments were submitted by School Food Authority personnel, associations (national, state, local and other), State agencies, nutritionists/dietitians, advocate groups (national and state levels), and non-profit organizations. The comments helped inform the final rule, which was published on March 2, 2015.

This final rule establishes minimum professional standards for school nutrition personnel who manage and operate the National School Lunch and School Breakfast Programs. The final rule institutes hiring standards for the selection of State and local school nutrition program directors, and requires all personnel in the school nutrition programs to complete annual continuing education/training. These regulations are expected to result in nationally consistent professional standards that strengthen the ability of school nutrition professionals and staff to perform their duties effectively and efficiently. This rule became effective July 1, 2015.

Technical Assistance and Resources: In 2015, FNS announced the availability of approximately \$1 million in funding for states to support implementation of new national professional standards for all school nutrition employees who manage and operate the Lunch (NSLP) and School Breakfast Programs (SBP). These grants and new standards will ensure that school nutrition professionals have the training and tools they need to plan, prepare, and purchase healthy products to create nutritious and enjoyable school meals. FNS awarded \$2.6 million dollars in technical assistance grants. These grants were competitively-awarded to 19 State agencies across the country in amounts up to \$150,000 per State agency. These State agencies may provide online and/or in person trainings for school nutrition staff that meet one or more of the learning topics in the areas of: Nutrition, Operations, Administration, and Communications/Marketing. They may also provide train-the-trainer sessions to meet learning objectives.

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 subsequent years. For those States that do not reach the direct certification benchmarks, 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.

For SY 2013-2014, 12 of the 52 States achieved direct certification rates at or above the 95-percent performance target, and the National SNAP-DC rate remained consistent at 87 percent. The States not meeting the benchmark for SY 2013-2014 have developed and implemented continuous improvement plans. Additionally, FNS continues

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its proactive technical assistance efforts with State agencies to improve direct certification performance. Specifically in 2015, the technical assistance team visited 17 States, and continued to develop and transmit a quarterly technical publication dedicated to direct certification.

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 percent 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 six States already participating in direct certification with Medicaid demonstrations; collectively the seven 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.

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.

Community Eligibility Provision

Following a three year, phased rollout in eleven early adopting States, the Community Eligibility Provision (CEP) continued to expand in the second year of national implementation (SY 2015-16). CEP provides an alternative to household applications for free and reduced-price meals in high poverty LEAs and schools. To be eligible for CEP, LEAs and schools must meet a minimum level of identified students¹ (see below) 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 percentage² for each school or group of schools.

FNS continues to see fast growth in schools adopting CEP in the second year of national implementation, and has received positive feedback from State and local officials on the benefits that CEP provides to schoolchildren, families and schools. USDA estimates that CEP is reaching more than 8.1 million children in about 17,000 schools and nearly 3,000 school districts in School Year 2015-2016. Nearly 60 percent of eligible schools are electing CEP, up from about 50 percent in SY 2014-15. USDA continues to facilitate CEP expansion by providing timely policy guidance and technical assistance, while offering administrative flexibilities where appropriate:

- Extended the CEP election deadline for SY 2015-16 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 calls between large, eligible school districts, 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 2016, USDA plans to release a set of CEP 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

¹ Identified students are those certified for free meals without a household application based on participation in other assistance programs, such as SNAP and TANF.

² The identified student percentage is the number of identified students divided by the number of enrolled students. The identified student percentage is multiplied by a factor of 1.6 to determine the percentage of meals served that are 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.

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facilitate States sharing best practices. USDA is analyzing participation data for SY 2015-16 to identify barriers to participation among highly-eligible schools, and will look to provide targeted technical assistance. USDA is also developing a national evaluation study (data collection in SY 2016-17) to assess characteristics of participating and non-participating schools, and how CEP impacts participation, revenue, attendance, and the type of breakfast program offered.

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 the MyPlate icon. 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.

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.

Team Nutrition materials are consistent with the latest *Dietary Guidelines for Americans* and support the Child Nutrition Programs by providing science-based and developmentally appropriate nutrition education that facilitates children's selection and consumption of healthy foods at school 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).

School-based materials are connected to educational standards, school gardens and the cafeteria and include information for families in a variety of languages. During FY 2015, Team Nutrition released print and electronic copies of Discover MyPlate: Nutrition Education for Kindergarten and collaborated with the Center for Nutrition Policy and Promotion to provide a "groups" functionality as part of the MyPlate Super Tracker to make it possible for high school classes to use the tool as an educational aide.

Other Team Nutrition materials made available to schools this year included: *Serving Up MyPlate* (for Grades 1-6) and *Nutrition Voyages; The Quest To Be Our Best* (for Grades 7-8) as well as numerous school garden nutrition education lessons for preschool and grades 3-5. 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. All of these resources are available on the Team Nutrition website.

To support the Child and Adult Care Food Program, in FY 2015, Team Nutrition published a consumer-friendly research report on CACFP providers' training and technical assistance needs and preferred formats for training and resources. Team Nutrition also made available to child care providers, in English and Spanish, a collection of tip sheets on nutrition and wellness for young children. By using the tip sheets when planning meals and activities for children ages 2 through 5 years old, providers can incorporate key recommendations and best practices into their menus and daily schedules. These resources are available on the Team Nutrition Web site.

In addition, FNS 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;

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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* (1,260 current subscribers), *Successstalk* (322 current subscribers), *CACFP-Summertalk* (87 current subscribers), as well as Team Nutrition e-Newsletters (6,512 recipients) and Team Nutrition Twitter (46,672 followers).

Technical Assistance: Team Nutrition is also providing technical assistance and support to schools, industry, and other stakeholders working together to implement sodium reduction in school meals. As such, FNS launched a nationwide, collaborative sodium reduction initiative, called "What's Shaking? Creative Ways to Boost Flavor With Less Sodium" to assist schools in obtaining the resources and tools needed to successfully meet sodium requirements as outlined in the school meal patterns. In FY 2015, over three dozen partners signed on to publicly join FNS in this effort. School food authorities were provided with support through the *What's Shaking?* website (<http://healthymeals.nal.usda.gov/whatsshaking>), an infographic for school nutrition professionals, conference sessions, listening sessions, webinars, and sharing of best practices.

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 December 1, 2015, USDA had certified 6,721 HUSSC schools for the Healthier US School Challenge with: 4,568 Bronze, 1,337 Silver, 497 Gold, and 319 Gold Award of Distinction. These numbers reflect 231 schools certified under the 2014 HealthierUS School Challenge: Smarter Lunchrooms criteria.

Team Up for School Nutrition Success (Team Up) is an initiative, in collaboration with the Institute of Child Nutrition (ICN), that provides tailored technical assistance to school food authorities across the country via workshops and peer-to-peer mentoring to assist schools with meeting the meal pattern requirements, enhancing the food operations, and maintaining a healthy meals program. In January 2015, the *Team Up Thursdays!* monthly webinar series was launched, focusing on hot topic areas to support implementation of the updated meal patterns in schools and provide a forum for further discussion. Several allied organizations offered support of *Team Up* efforts, assisting *Team Up* by locating mentors, participating on *Team Up* resource panels, as well as making presentations on the *Team Up Thursdays!* webinar series. In FY 2015, between the in-person trainings and webinars, the *Team Up* initiative reached over 5,100 school nutrition professionals across the 50 States, DC, Puerto Rico, and the Virgin Islands.

Based on the success of the seven FNS regional *Team Up* workshops in FY 2015, FNS is expanding the program to train more individuals on how to facilitate a *Team Up* event, creating a long-term sustainable training initiative. The goal of the expansion is to bring customized *Team Up* trainings to all states and territories. The next expansion phase will empower State agencies, nationwide, to facilitate their own *Team Up* workshop in order to provide tailored training and technical assistance for many more school nutrition professionals. In 2016, the State agency led *Team Up* workshops will ensure that all schools are able to get the support they may need.

Training: FNS, in cooperation with the Institute of Child Nutrition (ICN), formerly the National Food Service Management Institute, 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 ICN website at www.theicn.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, ICN 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

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additional child nutrition topics. USDA Recipes for Schools, Recipes for Healthy Kids, and USDA Recipes for Child Care are available on the ICN website at www.theicn.org under School Nutrition Programs. ICN 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 over \$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. In FY 2015, 19 States received a 2015 Team Nutrition Training Grant of up to \$350,000 – \$5.6 million in total – to support trainings that focus on encouraging healthy eating. Those efforts could include:

- using Smarter Lunchrooms strategies that use principles from behavioral economics to encourage healthy choices,
- meeting meal pattern requirements for school meals,
- delivering interactive nutrition education activities, and
- providing schools and child care providers with technical assistance to create and maintain a healthier environment.

In addition, FNS awarded an additional \$2.6 million in Professional Standards to support implementation of new national professional standard requirements for all school nutrition employees who manage and operate the National School Lunch and School Breakfast Programs.

Community Food Systems

Team

In October 2015, FNS formally created the Office of Community Food Systems within FNS' Child Nutrition Programs. This office represents an expansion of ongoing Child Nutrition activities in accordance with directives in the Healthy Hunger-Free Kids Act to increase access to local foods through the Child Nutrition Programs, and in furtherance of USDA and FNS strategic goals of 2010 to strengthen local and regional food systems that support community health and well-being. The establishment of an Office of Community Food Systems allows CN to extend its current focus on local foods beyond the National School Lunch Program (NSLP) and its associated programs to include both the Summer Food Service Program (SFSP) and Child and Adult Care Food Program (CACFP) and embed this approach in on-going programmatic activities throughout all CN divisions as appropriate.

As directed in Section 243 of HRFKA of 2010, FNS awarded grants, provided technical assistance, and conducted research related to farm to school.

Technical Assistance: In FY 2015, the Community Food Systems expanded its reach beyond NSLP and started promoting similar strategies in CACFP and SFSP. In support of promoting local foods in CACFP and SFSP, FNS developed fact sheets outlining strategies and examples for Farm to Summer and Farm to Pre-K success, and guidance for incorporating local foods and nutrition and agriculture education into CACFP. In addition, a revised version of the Procuring Local Foods for Child Nutrition Programs guide was published and now incorporates examples from childcare and summer settings.

Also in FY 2015, many tribal concerns were raised related specifically to serving traditional foods in child nutrition programs. FNS developed guidance supporting the use of traditional foods and local sources of meat, poultry, game, and eggs. In addition to the policy guidance related to traditional foods and CACFP, FNS also published guidance supporting school gardens and the use of State Administrative Expense (SAE) Funds for farm to school efforts.

To support USDA Farm to School Grantees and other stakeholders, FNS hosted an 11-part webinar series to help participants build farm to school skills and develop new strategies for bringing local foods into child nutrition programs. This compilation brought the Farm to School Toolkit to life, following the Toolkit modules as a frame and offering context and examples.

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In April 2015, FNS partnered with the Institute for Child Nutrition (ICN) to bring representatives from large districts (including New York City, Dallas, Chicago, Philadelphia, East Baton Rouge, Minneapolis, Detroit, San Diego, and many places in between) together to share how they are successfully using farm to school strategies to encourage increased consumption of healthy options during ICN's annual Major Cities Symposium. The gathering, called *Local Strategies for Healthy School Meals*, was held in San Diego, CA and stories of innovation flowed for two days as 34 major school districts compared notes and learned from one another. In addition to formal sessions, San Diego Unified School District, the second largest school district in California, hosted an inspiring half day tour that included an overview of their local procurement practices, menu testing, kitchen renovations, school gardens and efforts to integrate agriculture and nutrition education into the district's daily rhythm.

Funding

In December 2014, FNS awarded over \$5 million in grants to 82 projects spanning 42 States and the U.S. Virgin Islands. This included awarding funds to 27 training events, 14 implementation projects, 25 support service projects and 17 planning projects. This represents the third class of USDA Farm to School Grantees. To provide an overview of the grant program, FNS published the *FY 2013-15 Summary of Farm to School Grant Awards* report, which provides a snapshot of the work of the 221 grantees and offers visuals of grants in action.

Research

In 2015, the Farm to School Census survey instrument was revised to improve data collection. In addition to surveying public school districts, the 2015 Census was also sent to private and charter schools participating in the National School Lunch Program. Preliminary results were released in October 2015 and indicate that districts are spending \$598 million on local foods, which is an increase of over \$212 million from the previous Census. Final results will be released in early 2016.

FNS actively collects information about best practices and effective strategies for incorporating local food into the school cafeteria from the growing roster of USDA Farm to School Grantees. With assistance from an evaluation contractor, in FY 2014 USDA launched a multi-year evaluation plan to measure and describe outputs, outcomes, and impacts of the Farm to School Grant Program. To date, the team has implemented the collection of common measures in progress reporting and in final reports. Additionally, in FY 2015, an initial baseline survey report that collects standardized information across all grantees, enabling USDA to document changes as a result of the grant project, was implemented. Standardized measures track key areas identified in *Evaluation for Transformation*, a national framework developed by the National Farm to School Network.

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, 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.

Like the meals offered under the NSLP, new meal patterns featuring updated nutritional requirements were established for the SBP. The updated standards increase the servings of fruits offered to students, provide more whole grains, establish age appropriate meals, and set phased-in sodium limits.

Throughout FY 2016, USDA will continue to develop guidance materials for State and local educational agencies and assist with targeted technical assistance efforts to promote successful implementation where appropriate.

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Facts in Brief

- In FY 2015, program availability increased to 90,721 schools and institutions (an increase of 0.6 percent from FY 2014) with an enrollment of 48.1 million students (roughly the same as FY 2014). 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 percent of the students enrolled in schools participating in the lunch program in FY 2015, as compared to 50 percent in FY 1990. Average daily participation in FY 2015 was 14 million, an increase of approximately 3.0 percent from the prior year.
- The proportion of total meals served free or at a reduced price was about 84.9 percent during FY 2015 slightly higher than 2014 at 84.4 percent.
- Approximately 2.3 billion breakfasts were served in FY 2015, an increase of 2.5 percent over FY 2014. This is an increase of 223 percent 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.

Facts in Brief

- The number of half pints served as part of the SMP decreased from 50 million in FY 2014 to 47 million in FY 2015, a 5.6 percent decrease. Overall, the number of half pints served has decreased from 181.3 million in FY 1990, a 72 percent decrease.
- A total of 4,001 schools, residential child care institutions, non-residential child care institutions, and summer camps participated in the SMP in FY 2015, a 3.4 percent increase from the FY 2014 level of 3,868.
- The portion of half pints served free during FY 2015 was about 10 percent, as compared to 9 percent in FY 2014.

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

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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 2015, the peak participation attendance in CACFP was approximately 4.5 million children and adults increase from the peak participation of 3.7 million in FY 2014.
- Of 3.86 million children in average daily attendance in FY 2015, approximately 3.1 million were in child care centers and approximately 0.76 million were in family day care homes.
- On average, in FY 2015, a CACFP child care center had approximately 52 children in attendance on an average day, and received about \$35,429 a year in meal reimbursement (compared to almost 50 children and \$32,769 in FY 2014).
- By comparison, on average a family day care home cared for and fed almost seven children daily, and received slightly more than \$6,981 a year in meal reimbursement (compared to seven children and slightly more than \$6,565 in FY 2014).
- Total meal service increased 1.7 percent from FY 2014 to FY 2015, a total of approximately 2.014 billion meals were served in FY 2015.
- In FY 2015, approximately 81.4 percent of total meals served were provided free or at a reduced price, about the same level as in 2014.

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.

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The HHFKA also 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 reviewed the IOM recommendations and issued a proposed regulation updating the CACFP meal requirements in January 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 issued guidance implementing these provisions and included these requirements in the proposed regulations updating the meal patterns. FNS plans to issue the final regulation updating the meal patterns in 2016.

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 10 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.

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.

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. 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.

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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 2015, 164.1 million meals were served, 2.6% over 2014 at 160.1 million meals.
- During FY 2015, 47,585 feeding sites provided 164 million meals to needy children through the SFSP. There were increases in all types of meals, but the largest numerical increases were in breakfasts (1.2 million) and lunches (1.7 million). Suppers increased 5 percent (0.3 million). Compared to FY 1990, meals have increased 80.0 percent from 91.2 million.
- In FY 2015, approximately 56.8 percent of the meals served were lunches (57 percent in FY 2014), 27.5 percent were breakfasts (27.4 percent FY 2014), and the remaining 15.7 percent were suppers and supplements (15.6 percent in FY 2014).

Program Simplification

The HHFKA 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 published a proposed rule in July 2013 to codify simplified cost accounting and reporting procedures for SFSP sponsors in all States. FNS plans to publish a final rule in 2016. 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.

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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.

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

In summer 2015, SEBTC was implemented in six States (Connecticut, Delaware, Michigan, Missouri, Nevada, and Oregon) and two Tribal Nations (Cherokee and Chickasaw).

Evaluations of this project show impressive results—providing \$60 of benefits per child per month eliminated very low food security in children for about one-third of the children who would 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—indicate similarly large proportional reductions.

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.

In 2015, FNS added targeted efforts at the State and local level in Arizona, Kansas, Kentucky, Michigan, Oklahoma, Pennsylvania, and West Virginia. FNS staff from both the National and Regional Offices worked with States and local agencies to build partnerships and relationships between FNS and community leaders in order to increase access and ensure that expansion efforts were supported at all levels.

In 2016, FNS will focus on sustaining expansion of the program through targeted efforts at the State and local level by National and Regional Office staff, along with long-range support for States that have already demonstrated consistent growth. Efforts to improve access in rural and tribal communities, as well as maintain and further develop partnerships between FNS and key community leaders and advocacy groups will continue.

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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 (approximately the first 25% of the SY funds) and October 1 (approximately 75% of the remaining SY funds as pushed back each year by the appropriations language). In total, funding allocated for SY 2015-2016, including recovered funds from the prior year, is \$177 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.

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.

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 food service operations.

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Produce Safety

FY 2015, OFS held five Produce Safety University (PSU) courses for 161 participants (child nutrition professionals) in 44 States, DC, American Samoa, and Northern Mariana Islands. Classes were held across the country in Tampa, FL, Sacramento, CA, Detroit, MI, Fredericksburg, VA and Oxford, MS. The class in Oxford specifically targeted school nutrition professionals from small school districts and focused on strategies to overcome their unique challenges related to produce procurement. The train-the-trainer element of PSU was expanded in 2015, with the launch of six customizable slide sets which are coded to reflect Professional Standards training requirements. OFS delivered two sessions at the School Nutrition Association's (SNA) Annual National Conference based on Produce Safety University content. PSU representatives also presented 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

FNS guided research conducted by the Center of Excellence for Food Safety Research in Child Nutrition Programs that aimed to determine current practices and challenges associated with managing food allergies in schools, and the incidence and nature of recent food allergy reactions in schools. In collaboration with the Institute of Child Nutrition, with whom OFS has a Cooperative Agreement, a popular 6-hour training entitled *Managing Food Allergies in Child Nutrition Programs* was offered at no cost to child nutrition professionals more than 20 times in multiple locations across the United States, reaching over 600 child nutrition professionals in 2015.

OFS also manages a cooperative agreement with the Institute of Medicine (IOM) to support the Global Consensus Study of Food Allergies. This alliance highlights the importance of food allergies in schools, and has helped shape related research initiatives of the study. Results from the study are expected in the spring of 2016.

Food Safe Schools Action Guide

FNS published the *Food-Safe Schools Action Guide: Creating a Culture of Food Safety* in March 2015. The Action Guide is a tool that guides school nutrition directors in creating gold standard food safety programs in their respective school communities. Through a dedicated section on communication, school nutrition directors are provided with tools and tips to engage school community members (i.e., administrators, school nurses, cooperative extension specialists, local health department specialists, parents, and students) to help them expand their school food safety programs based on HACCP principles beyond the cafeteria, which is required through the Healthy, Hunger-Free Kids Act of 2010.

Institute of Child Nutrition

The Institute of Child Nutrition (ICN), formerly the National Food Service Management Institute, conducts food safety projects for Federally funded Child Nutrition Programs through a cooperative agreement with OFS. ICN provides accurate, up-to-date training and technical assistance resources in a variety of easy-to-use formats. These resources and trainings enhance the food safety knowledge base of child nutrition personnel and help ensure that all foods served in child nutrition programs are safe. The ICN offers face-to-face and on-site food safety training seminars at little or no cost to participants, and provides free online food safety courses designed to support the professional development of child nutrition program and child care personnel at all levels of responsibility. In 2015, through the OFS cooperative agreement, ICN offered 68 in-person food safety training courses that reached about 2,500 child nutrition professionals on subjects that included Norovirus, Food Allergies, Food Defense, Food Safety Basics, Food Safety in Schools, Food Safety in Child Care, and Mock Health Inspections. The ICN also published new resources on cooking foods safely and held task force meetings to develop resources for water emergencies and to explore gaps in food safety resources for Child and Adult Care Food Program participants.

Center of Excellence

FNS, through a cooperative agreement, supports the Center of Excellence for Food Safety Research in Child Nutrition Programs (the Center) at Kansas State University. The Center is the only entity that focuses on science-based food safety research in schools, child care, and other Child Nutrition Programs. The Center delivered three sessions on Serving up Science: The Path to Safe Food in Schools in 2015. This food science immersion course

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teaches child nutrition directors and operators food science and food safety principles as they apply to the National School Lunch Program and other Child Nutrition Programs.

The Center's research is applied to FNS's food safety education resources developed through ICN. This year, the Center published the results of assessment on safety of school lunches served on field trips in *The Journal of Child Nutrition and Management*, and is currently examining several other food safety aspects related to the Summer Food Service Program. Additionally, they are conducting behavior change research to implement training programs that overcome real or perceived barriers to the application of food safety practices in school foodservice operations. They are developing a workshop to assist school nutrition operators in creating, implementing, and validating school food safety programs based on HACCP principles. The Center has also initiated a study to identify applicable food safety regulations and operational demographics for home-based and institutional child care, and is examining the impact of safe food practices on reducing food waste in school nutrition operations.

Food Safety Promotion, Coordination and Support

OFS provided technical assistance on food safety issues to internal and external stakeholders, including backgrounders, talking points, briefings and assessments of issues such as arsenic in rice, BPA, food safety performance of raw chicken suppliers, foreign supplier verification programs, use of the term "natural" in food labeling, and current Good Manufacturing Practices and Hazard Analysis and Risk-based Preventative Controls final rules.

OFS partnered with the Child Nutrition Programs and the Center for Nutrition Policy and Promotion to host a discussion with State agency directors about rural district needs and food safety resources. OFS also provided technical food safety assistance to the Child Nutrition Programs on several nutrition education projects, including *A Menu Planner for Healthy School Meals*, *Team Nutrition's Afterschool Cooking Curriculum*, *The Great Garden Detective Adventure*, and *Healthy School Meals for Schools and Child Care*.

OFS published the results of a study examining the role of contributing factors in school associated foodborne outbreaks in 2015. The article was published in the *Journal of Environmental Health*. It also liaised with multiple agencies and offices within USDA and Health and Human Services, and made presentations to multiple stakeholder organizations, including professional associations, research affiliate meetings, Team Up for School Nutrition Success events, and FNS Regional Offices.

Food Defense

OFS initiated outreach efforts between OFS, the Food Distribution Division and the Food Safety and Inspection Service Compliance and Investigation Division (CID) to address food safety surveillance activities in TEFAP operations. An informational webinar describing these activities was hosted with CID for FNS Regional Offices. The ICN also continues to offer Food Defense Tabletop Exercises. An abbreviated version was offered in Edinburg, Texas, and full versions of the exercise were offered for school districts in Scottsdale, Arizona, and Orange County, Florida.

Hold and Recall Actions

OFS coordinated a recall communication drill involving OFS, the Food Distribution Division, and FNS Regional Office contacts and State agency recall contacts. In addition, OFS stayed abreast of food recalls affecting FNS nutrition assistance programs, and communicated with food safety regulatory agencies (USDA Food Safety and Inspection Service and HHS Food and Drug Administration) to determine the impact of food recalls on USDA Foods. In 2015, recalls potentially impacting FNS programs included contaminated cucumbers and cumin.

ACQUISITION AND DISTRIBUTION OF USDA FOODS

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

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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 \$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 2015 USDA Foods Assistance Rate

For SY 2014-2015, schools, daycare centers and residential institutions were authorized to receive an average of 24.75 cents worth of USDA Foods per lunch/supper served. The rate for USDA Foods decreased to 23.75 cents on July 1, 2015, for SY 2015-2016. USDA Foods provided to Child Nutrition Programs (excluding bonus and cash in lieu of entitlement USDA Foods) totaled \$1.5 billion for FY 2015.

Each year, the USDA Foods per meal rate is adjusted based on published Bureau of Labor Statistics' Producer Price Index data. The overall USDA Foods entitlement amount each school receives must not be less than 12 percent of the total value of expenditures supporting NSLP. Therefore, despite a drop in the SY 2016 per meal rate, the overall USDA Foods entitlement amount schools receive may increase slightly in SY 2016 with the funds provided through the 12 percent provision.

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, sodium and fat and support the updated meal pattern requirements for the National School Lunch and Breakfast Program. In FY 2015, FNS continued to ensure schools had access to a wide variety of healthy foods by adding new products such as unseasoned chicken strips, frozen sweet potatoes, frozen diced carrots, sliced turkey deli meat, Fuji apples, bulk peanuts for processing, whole grain-rich blended pastas, and penne as a new pasta shape. In addition, FNS expanded its high-protein yogurt pilot from 12 States to include all States. To ensure effective use of USDA Foods in schools, FNS also completed two webinar series to improve State and school district knowledge of best practices regarding USDA Foods menu planning and program management.

Department of Defense Fresh Produce Project

FNS and the Department of Defense (DOD) work together to enable school districts to obtain fresh produce. Under this joint venture, schools can use their USDA Foods entitlement to order fresh produce through DOD's contracting and distribution network. DoD 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. This project has grown steadily since its beginning in SY 1994-1995, and the States, Puerto Rico, the District of Columbia, Guam and the Virgin Islands spent a combined total of \$153.1 million in entitlement funds on produce through this program in SY 2014-2015.

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. In FY 2015, FNS implemented four software releases to the FFAVORS web application providing enhancements and code fixes to existing functionality.

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Pilot Project for Procurement of Unprocessed Fruits and Vegetables

Section 4202 of the Agricultural Act of 2014 (P.L. 113-79, the 2014 Farm Bill) authorized a Pilot Project for Procurement of Unprocessed Fruits and Vegetables. States applied through a competitive process in September 2014 based on criteria outlined in the 2014 Farm Bill, which required the selection of (1) not more than eight States receiving funds under Section 6 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(f)); and (2) at least one project in a State in each of the Pacific Northwest, Northeast, Western, Midwest, and Southern Regions. Consistent with 2014 Farm Bill requirements, California, Connecticut, Michigan, New York, Oregon, Virginia, Washington, and Wisconsin were selected for participation in the pilot, with six of the eight States receiving deliveries in FY 2015 and spending over \$800,000 in USDA Foods entitlement funds. The remaining two States will begin receiving deliveries in FY 2016.

The pilot provides selected States with additional flexibility in the procurement of unprocessed fruits and vegetables using existing USDA Foods National School Lunch Program (NSLP) entitlement funds. It also allows for the use of geographic preference. States and school food authorities can use pre-existing commercial distribution channels and develop new relationships with growers, produce wholesalers, and distributors to procure these items.

USDA Foods Administrative Expenses

Web Based Supply Chain Management System (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 for procurement activities. FNS funds WBSCM operational costs as part of a 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 2015, \$264 million was appropriated for State Administrative Expenses (SAE). 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 ten reports related to the Child Nutrition Programs during FY 2015, 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 2013-2014:** This is an annual report to Congress on the effectiveness of State and local efforts to directly certify children for free school meals.
- **National School Lunch Program Direct Certification Study: State Practices and Performance Report:** This report uses statistical modeling techniques to assess the relationship between direct certification performance and specific State practices, seeking best practices and providing recommendations for States to use when developing their Continuous Improvement Plans.

FOOD AND NUTRITION SERVICE

- **Regional Office Review of Applications 2014:** This annual series of reports examines administrative errors incurred during approval of applications for free and reduced-price school meals.
- **Program Error in the NSLP and SBP: Findings from the Second Access, Participation, Eligibility and Certification Study (APEC II):** FNS developed the *Access, Participation, Eligibility and Certification (APEC)* study series, which collects and analyzes data from a nationally representative sample of schools and school food authorities (SFAs) about every 5 years. APEC allows FNS to develop a national estimate of erroneous payment rates and amounts in three key areas: certification error, meal claiming error and aggregation error. FNS recently completed APEC II, which collected data in School Year 2012-2013 and this report summarizes those findings.
- **Evaluation of Demonstrations of National School Lunch Program and School Breakfast Program Direct Certification of Children Receiving Medicaid Benefits:** The Healthy, Hunger-Free Kids Act of 2010 (HHFKA; P.L. 111-296) required FNS to conduct a demonstration that adds Medicaid to the list of programs used to directly certify students for free school meals. Although students receiving Medicaid are not categorically eligible for free meals, the DC-M demonstration authorizes selected States and districts to use income information from Medicaid files to directly certify those students found to be eligible for free meals.
 - **Year 1 Report:** The Year 1 Report presents the preliminary impacts of DC-M on participation and cost for the first year of the demonstrations, SY 2012-2013.
 - **Access Evaluation Report:** The purpose of the Access Evaluation is to assess the potential impacts of DC-M on students' access to free school meals by conducting retrospective simulations of DC-M in SY 2011–2012, the year before the demonstration began.
- **Diet Quality of American School Children by National School Lunch Program Participation Status: Data from the National Health and Nutrition Examination Survey, 2007-2010:** This report uses data from the National Health and Nutrition Examination survey to provide a comprehensive picture of the nutrient intakes, food choices, and diet quality of American school children, broken out by participation in the National School Lunch Program and income status.
- **Summer Electronic Benefits Transfer for Children (SEBTC) Demonstration: Evaluation Findings for the Third Implementation Year: 2013 Final Report:** The Summer Electronic Benefits Transfer for Children (SEBTC) demonstration uses the SNAP and WIC EBT systems to deliver benefits to children during summer months. The evaluation examined the impact of a \$30 per child per month benefit on child, adult and household food security relative to a \$60 monthly benefit. It found 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. However, the \$30 benefit was only about half as effective as the \$60 benefit at reducing the less severe but more prevalent food security among children. Results were similar across SNAP and WIC sites.
- **Evaluation of the Impact of Wave 2 Incentives Demonstrations on Participation in the Summer Food Service Program (SFSP): FY 2012:** This evaluation analyzed administrative data acquired from the six States that participated in the 2012 Enhanced Summer Food Service Program (eSFSP) Demonstrations to examine the impact of the demonstrations on participation. It found that the impacts on participation were mixed. For the Backpack demonstration, sites in one State increased the number of children and meals served, sites in another State served more meals but did not increase the number of children served, and both meals and children served decreased in the third State. Analysis of the Meal Delivery demonstration indicates the demonstration likely increased the number of children served.
- **CACFP Sponsor Tiering Assessment 2014:** 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 2014 assessment of the family daycare homes (FDCHs) component of CACFP provides a national estimate of the share of the 122,000 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.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

FINANCING FOR FISCAL YEAR 2015

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-----	\$28,603	\$210,929,209	\$71,813,307	\$2,626,738	\$20,682,409	\$44,588,015	\$8,197,358	\$358,865,638
Alaska-----	2,203	34,480,616	11,210,710	854,328	2,302,735	9,317,505	1,936,973	60,105,069
Arizona-----	53,001	270,117,737	87,618,490	4,427,888	27,198,883	49,376,832	4,827,121	443,619,952
Arkansas-----	0	127,102,010	48,668,643	3,242,406	18,365,046	55,542,430	7,579,189	260,499,723
California-----	378,441	1,443,687,882	481,307,304	27,196,776	176,319,940	396,494,760	26,343,636	2,551,728,738
Colorado-----	144,374	130,101,837	47,139,515	2,769,443	13,740,230	24,837,350	4,742,269	223,475,018
Connecticut-----	187,085	96,142,768	28,231,756	2,125,579	11,254,809	16,562,581	4,004,283	158,508,861
Delaware-----	30,059	33,582,927	12,274,693	994,073	5,016,932	14,867,655	2,166,647	68,932,985
District of Columbia-----	7,758	26,064,561	10,429,108	1,705,229	2,299,720	8,272,659	3,212,075	51,991,110
Florida-----	24,706	741,321,359	223,469,413	8,241,812	106,098,956	226,947,099	39,656,729	1,345,760,075
Georgia-----	8,004	505,028,368	177,260,436	8,721,531	59,056,697	111,410,628	17,005,812	878,491,476
Hawaii-----	0	45,310,716	11,739,960	839,367	3,970,162	7,121,168	538,922	69,520,296
Idaho-----	140,145	52,360,194	18,262,190	1,083,738	6,180,250	7,342,718	4,318,621	89,687,856
Illinois-----	2,317,622	458,052,299	132,624,264	5,679,458	52,093,762	145,084,963	14,272,253	810,124,620
Indiana-----	181,036	255,163,012	73,265,639	3,090,061	38,772,357	53,277,113	8,935,520	432,684,738
Iowa-----	80,037	104,527,251	25,141,533	2,191,615	17,889,038	27,719,338	3,865,424	181,414,236
Kansas-----	63,371	105,485,281	29,959,595	1,872,716	15,014,628	33,133,188	4,172,941	189,701,720
Kentucky-----	29,191	203,687,356	78,110,711	3,397,826	24,246,173	34,164,102	6,849,392	350,484,751
Louisiana-----	33,280	215,881,803	74,803,524	3,356,179	26,726,074	93,848,451	11,201,756	425,851,067
Maine-----	23,362	32,863,696	11,546,912	953,461	4,473,321	9,684,972	2,213,517	61,759,242
Maryland-----	321,730	160,436,529	63,769,502	3,969,275	24,805,653	48,151,574	9,064,348	310,518,612
Massachusetts-----	337,528	177,096,437	50,643,819	3,356,071	25,891,183	62,726,679	8,191,364	328,243,081
Michigan-----	318,324	289,710,001	101,883,718	5,306,582	32,512,037	65,531,371	12,827,941	508,089,974
Minnesota-----	804,838	159,393,134	47,213,124	3,732,013	23,910,981	62,851,151	8,943,917	306,849,158
Mississippi-----	5,300	169,247,555	61,216,664	88,779	20,519,375	41,443,792	7,348,813	299,870,277
Missouri-----	501,865	205,892,362	72,603,062	3,388,671	30,669,410	48,387,430	13,287,859	374,730,661
Montana-----	21,206	26,531,257	8,060,998	818,738	4,750,757	10,656,560	1,787,604	52,627,119
Nebraska-----	63,534	67,463,695	16,398,332	2,833,519	16,449,025	32,583,123	2,853,212	138,644,440
Nevada-----	108,646	95,350,548	28,807,175	1,699,124	14,405,735	8,954,964	1,931,151	151,257,344
New Hampshire-----	180,363	22,652,352	5,048,222	654,895	4,080,083	4,543,952	927,987	38,087,855
New Jersey-----	411,873	246,156,125	85,123,307	6,452,792	35,537,765	71,773,816	9,089,725	454,545,402
New Mexico-----	0	95,247,974	45,815,527	2,486,409	10,377,268	32,166,703	6,717,729	192,811,610
New York-----	784,266	684,495,420	197,248,972	10,527,274	98,133,794	239,401,753	60,391,558	1,290,983,037
North Carolina-----	150,610	375,406,102	129,292,452	7,179,421	46,708,898	91,080,129	11,964,069	661,781,681
North Dakota-----	23,848	19,156,208	4,873,308	1,065,800	4,493,217	10,577,320	721,122	40,910,823
Ohio-----	395,006	353,059,011	114,700,439	3,974,297	47,551,986	84,656,403	12,062,607	616,399,749
Oklahoma-----	16,253	159,118,729	56,876,904	3,712,747	18,069,237	56,780,908	5,177,106	299,751,884
Oregon-----	104,949	109,706,123	36,678,536	2,496,465	15,296,566	34,320,725	7,112,171	205,715,535
Pennsylvania-----	337,454	348,175,453	97,052,572	6,276,001	55,623,313	105,191,163	17,074,401	629,730,357
Rhode Island-----	62,729	29,351,433	9,380,509	889,627	3,602,575	9,117,876	1,433,418	53,838,167
South Carolina-----	9,013	200,501,534	75,990,824	3,204,942	19,749,992	30,959,012	9,780,997	340,196,314
South Dakota-----	31,806	28,333,116	7,419,908	845,380	3,439,585	8,787,397	1,758,912	50,616,104
Tennessee-----	26,974	264,453,774	101,095,124	3,733,462	22,251,458	62,791,662	12,586,009	466,938,463
Texas-----	25,529	1,394,732,983	541,590,081	25,144,160	177,621,192	339,327,822	42,893,859	2,521,335,625
Utah-----	63,829	97,495,336	19,745,500	1,909,118	17,058,214	28,515,428	1,246,231	166,033,656
Vermont-----	75,394	15,243,163	5,512,807	647,823	2,262,887	6,188,983	1,429,748	31,360,805
Virginia-----	145,329	224,667,848	71,365,146	3,549,726	26,081,789	44,073,795	12,112,781	381,996,414
Washington-----	257,559	192,912,040	52,422,002	3,439,825	23,543,556	45,500,518	6,054,939	324,130,439
West Virginia-----	21,505	71,501,155	37,035,422	2,315,759	8,676,661	15,630,994	1,627,533	136,809,028
Wisconsin-----	1,179,504	166,512,803	45,592,444	3,766,143	28,265,313	38,334,392	8,443,997	292,094,596
Wyoming-----	33,363	14,273,649	3,510,138	647,405	2,522,310	4,987,274	897,835	26,871,975
Guam-----	0	7,912,940	2,935,806	373,716	29,907	396,657	0	11,649,026
Puerto Rico-----	0	114,379,107	31,310,693	1,884,661	18,960,350	27,379,675	13,483,046	207,397,531
Virgin Islands-----	0	4,891,175	1,066,754	285,083	338,955	1,335,857	519,877	8,437,701
DOD/AF/USMC/Navy-----	0	7,491,303	0	0	157,989,836	0	0	165,481,139
AMS/FSA/WBSCM-----	0	0	0	0	16,272,326	0	0	16,272,326
AAFES-----	0	0	0	0	834,143	0	0	834,143
Anticipated Adjustment-----	413,596	238,124,744	173,031,507	15,528,073	-197,082,453	205,787,616	29,564,696	465,367,779
TOTAL-----	\$10,966,000	\$11,928,964,000	\$4,057,189,000	\$223,554,000	\$1,493,907,000	\$3,350,488,000	\$517,349,000	\$21,582,417,000

NOTE: Data based on obligations as reported September 30, 2015. Commodities are based on food orders for fiscal year 2015. Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAM
Value of Commodities to States
Entitlement and Bonus
Fiscal Year 2015

STATE OR TERRITORY	Entitlement	Bonus	Total
Alabama.....	\$18,596,672	\$0	\$18,596,672
Alaska.....	1,941,003	0	1,941,003
Arizona.....	24,440,119	0	24,440,119
Arkansas.....	15,460,017	0	15,460,017
California.....	154,031,484	0	154,031,484
Colorado.....	12,463,946	0	12,463,946
Connecticut.....	10,432,992	0	10,432,992
Delaware.....	4,223,457	0	4,223,457
District of Columbia.....	1,808,556	0	1,808,556
Florida.....	94,328,530	0	94,328,530
Georgia.....	53,218,466	0	53,218,466
Hawaii.....	3,506,922	0	3,506,922
Idaho.....	5,758,461	0	5,758,461
Illinois.....	43,894,349	0	43,894,349
Indiana.....	35,741,550	0	35,741,550
Iowa.....	16,100,571	0	16,100,571
Kansas.....	0	0	0
Kentucky.....	22,343,292	0	22,343,292
Louisiana.....	21,466,686	0	21,466,686
Maine.....	4,034,113	0	4,034,113
Maryland.....	22,288,959	0	22,288,959
Massachusetts.....	23,093,053	0	23,093,053
Michigan.....	28,871,766	0	28,871,766
Minnesota.....	20,175,385	0	20,175,385
Mississippi.....	18,637,600	0	18,637,600
Missouri.....	27,967,646	0	27,967,646
Montana.....	4,184,685	0	4,184,685
Nebraska.....	14,685,972	0	14,685,972
Nevada.....	13,933,108	0	13,933,108
New Hampshire.....	3,967,531	0	3,967,531
New Jersey.....	32,121,654	0	32,121,654
New Mexico.....	8,576,341	0	8,576,341
New York.....	85,327,960	0	85,327,960
North Carolina.....	41,839,094	0	41,839,094
North Dakota.....	3,861,184	0	3,861,184
Ohio.....	42,450,911	0	42,450,911
Oklahoma.....	15,318,193	0	15,318,193
Oregon.....	13,364,549	0	13,364,549
Pennsylvania.....	49,984,133	0	49,984,133
Rhode Island.....	3,140,490	0	3,140,490
South Carolina.....	18,135,281	0	18,135,281
South Dakota.....	2,844,949	0	2,844,949
Tennessee.....	19,101,378	0	19,101,378
Texas.....	155,115,365	0	155,115,365
Utah.....	15,375,702	0	15,375,702
Vermont.....	1,952,783	0	1,952,783
Virginia.....	23,594,530	0	23,594,530
Washington.....	21,002,233	0	21,002,233
West Virginia.....	7,814,933	0	7,814,933
Wisconsin.....	25,646,699	0	25,646,699
Wyoming.....	2,201,487	0	2,201,487
Puerto Rico.....	17,930,663	0	17,930,663
Virgin Islands.....	274,836	0	274,836
AAFES.....	834,143	0	834,143
DOD Fresh.....	157,989,836	0	157,989,836
Undistributed.....	-168,489,218	0	-168,489,218
TOTAL.....	\$1,318,907,000	\$0	\$1,318,907,000

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

**Quantity and Value of Commodities
Fiscal Year 2015**

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 6/32 TYPE:		
APPLES, CANNED, UNSWEETENED	5,868,720	\$4,376,378
APPLES, FROZEN, UNSWEETENED	5,900,400	2,459,508
APPLES BULK FOR PROCESSING	23,245,200	8,429,850
APPLES, FRESH	1,920,996	1,122,595
APPLESAUCE, CANNED, UNSWEETENED	30,301,884	14,592,380
APPLESAUCE, CUPS, UNSWEETENED	20,204,100	12,792,163
APRICOTS, CANNED, EXTRA LIGHT SUCROSE SYRUP	997,272	870,924
APRICOTS, CANNED, EXTRA LIGHT SYRUP	2,253,096	1,967,138
APRICOT CUPS, FROZEN	1,108,800	1,909,261
APRICOT SLICES, FROZEN	76,000	84,056
BEANS, CANNED, BABY LIMA, LOW-SODIUM	419,904	194,435
BEANS, CANNED, BLACK TURTLE, LOW-SODIUM	2,029,536	776,252
BEANS, CANNED, BLACK-EYED PEA, LOW-SODIUM	1,049,760	430,056
BEANS, CANNED, GARBANZO, LOW-SODIUM	1,504,656	521,277
BEANS, CANNED, GREAT NORTHERN, LOW-SODIUM	419,904	152,712
BEANS, CANNED, GREEN, LOW-SODIUM	19,060,800	7,687,514
BEANS, CANNED, KIDNEY, LOW-SODIUM	2,064,528	823,496
BEANS, CANNED, PINTO, LOW-SODIUM	6,508,107	2,237,759
BEANS, CANNED, REFRIED, LOW-SODIUM	4,318,272	1,778,311
BEANS, CANNED, SMALL RED, LOW-SODIUM	1,434,672	575,078
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	9,202,086	3,234,738
BEANS, DRY, PINTO, NO SALT ADDED	360,000	139,838
BEANS, PINTO, BULK FOR PROCESSING	424,000	155,055
BEANS, GREEN, FROZEN, NO SALT ADDED	6,454,800	3,363,750
BEEF, BULK FOR PROCESSING	70,986,000	222,647,833
BEEF, CANNED	360,000	1,294,204
BEEF, CRUMBLES, WITH SOY PROTEIN, COOKED, FROZEN	2,600,000	7,544,056
BEEF, FINE GROUND, 85/15, FROZEN	22,439,200	71,373,428
BEEF, FINE GROUND, 85/15 FROZEN, LFTB OPTIONAL	1,120,000	3,687,580
BEEF, PATTIES, 85/15, FROZEN	2,166,000	7,325,572
BEEF, PATTIES, 90/10, FROZEN	874,000	3,121,586
BEEF, PATTIES, LEAN, FROZEN	418,000	1,581,997
BEEF, PATTIES, 85/15, WITH SOY PROTEIN, FROZEN	1,216,000	3,046,540
BEEF, PATTIES, COOKED, WITH SOY PROTEIN, FROZEN	3,458,000	10,122,961
BLUEBERRIES, FROZEN, CULTIVATED	2,574,000	2,357,618
BLUEBERRIES, FROZEN,WILD	514,800	660,203
BROCCOLI, FROZEN, NO SALT ADDED	10,206,000	12,504,088
CARROTS, FROZEN, NO SALT ADDED	6,494,400	2,884,777
CARROTS, CANNED, LOW-SODIUM	6,124,080	2,546,979
CATFISH, WHOLE GRAIN-RICH BREADED, FILLET STRIPS	839,600	4,016,640
CHERRIES, DRIED	118,272	536,179
CHERRIES, FROZEN, UNSWEETENED	614,400	538,666
CHERRIES, TART FROZEN	192,000	\$162,383
CHERRIES, CANNED, WATER PACKED	105,664	76,015
CHICKEN, BULK FOR PROCESSING	182,700,000	167,172,610
CHICKEN, CUT UP, FROZEN	4,200,000	4,287,564
CHICKEN, DICED, COOKED, FROZEN	10,240,000	24,182,558
CHICKEN, FAJITA STRIPS, COOKED, FROZEN	11,426,700	20,289,929
CHICKEN, OVEN ROASTED, COOKED, FROZEN	3,384,000	8,080,117
CHICKEN, UNSEASONED STRIPS, COOKED, FROZEN	4,725,000	13,461,901
CORN, CANNED, NO SALT ADDED	15,588,360	6,805,990

FOOD AND NUTRITION SERVICE

**Quantity and Value of Commodities
Fiscal Year 2015**

ENTITLEMENT COMMODITIES (cont.)	Pounds	Dollars
CORN, FROZEN, NO SALT ADDED	15,166,800	7,848,382
CRANBERRIES, DRIED	727,650	1,182,736
DoD FRESH PRODUCE*		157,989,836
EGGS, BULK FOR PROCESSING	3,024,000	2,142,115
EGGS, LIQUID WHOLE, FROZEN	2,841,420	6,915,148
FRUIT MIX, DRIED	254,800	716,454
FRUIT/ NUT MIX, DRIED	72,800	218,531
FRUIT MIX, CANNED, EXTRA LIGHT SYRUP	35,780,724	33,916,447
FRUIT MIX, CANNED, EXTRA LIGHT SUCROSE SYRUP	2,646,396	2,333,443
HAM, COOKED, FROZEN	7,839,600	13,723,594
LENTILS, DRY, 25 LB BAG	40,000	19,168
MUSHROOMS, DICED, FROZEN, NO SALT ADDED	258,720	226,380
ORANGE JUICE, CARTONS, FROZEN, UNSWEETENED	4,122,240	2,058,720
ORANGE JUICE, BULK FOR PROCESSING	187,200	471,744
ORANGES, FRESH	149,796	68,044
PEACHES, CANNED, EXTRA LIGHT SYRUP	43,139,880	39,044,652
PEACHES, CANNED, EXTRA LIGHT SUCROSE SYRUP	2,465,136	2,045,443
PEACHES, CUPS, FROZEN	16,299,360	23,721,570
PEACHES, FROZEN	722,000	716,390
PEARS, CANNED, EXTRA LIGHT SYRUP	39,560,554	32,669,298
PEARS, CANNED, EXTRA LIGHT SUCROSE SYRUP	14,661,768	11,931,600
PEARS, FRESH	243,000	175,356
PEAS, CANNED, LOW-SODIUM	2,377,584	1,176,678
PEAS, FROZEN, NO SALT ADDED	4,950,000	3,249,074
POLLOCK, ALASKA, BULK FOR PROCESSING	2,998,800	4,178,448
PORK, BULK FOR PROCESSING	12,439,860	14,159,196
PORK, CANNED	504,000	767,243
PORK, LEG ROAST, FROZEN	3,400,000	4,894,808
POTATO WEDGES, NO SALT ADDED, FROZEN	1,742,400	1,064,639
POTATO WEDGES, FAT FREE, NO SALT ADDED, FROZEN	2,653,200	1,804,031
POTATOES, BULK FOR PROCESSING	95,885,903	9,007,241
POTATOES, OVEN FRIES, NO SALT ADDED, FROZEN	4,554,000	2,571,765
RAISINS, INDIVIDUAL BOX, UNSWEETENED	3,201,120	4,776,160
SALSA, LOW-SODIUM	4,412,807	2,016,244
SPAGHETTI SAUCE LOW-SODIUM	3,641,021	1,385,916
SPINACH, FROZEN	114,120	89,014
STRAWBERRIES, WHOLE, FROZEN, UNSWEETENED	5,425,200	6,589,683
STRAWBERRIES, FROZEN	5,464,800	6,237,088
STRAWBERRIES, CUPS, FROZEN	26,233,200	43,209,946
SWEET POTATOES, BULK FOR PROCESSING	14,053,473	3,647,966
SWEET POTATOES, CANNED, EXTRA LIGHT SYRUP, NO SALT ADDED	2,954,880	1,906,299
SWEET POTATOES, FROZEN, CHUNKS, NO SALT ADDED	514,800	363,449
TOMATO PASTE, BULK FOR PROCESSING	9,376,500	4,190,502
TOMATO PASTE, NO SALT ADDED	1,220,230	711,741
TOMATO SAUCE, CANNED, LOW-SODIUM	2,584,943	897,573
TOMATOES, CANNED, NO SALT ADDED	3,558,168	1,289,690
TURKEY, BULK FOR PROCESSING	31,248,000	44,274,888
TURKEY, DELI BREAST, FROZEN	2,680,000	7,459,572
TURKEY HAM, FROZEN	1,280,000	2,653,752
TURKEY ROAST, FROZEN	2,480,000	6,749,720
TURKEY, TACO FILLING, COOKED, FROZEN	3,315,000	5,725,066
SUBTOTAL, SECTION 6/32 TYPE	958,279,822	\$1,200,166,941

FOOD AND NUTRITION SERVICE

Quantity and Value of Commodities (cont.)
Fiscal Year 2015

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
CHEESE, CHEDDAR, BULK FOR PROCESSING	2,081,851	\$4,211,661
CHEESE, NATURAL AMERICAN, BULK FOR PROCESSING	44,635,200	87,661,479
CHEESE, NATURAL AMERICAN REDUCED FAT, BULK FOR PROCESSING	204,000	393,659
CHEESE, CHEDDAR, REDUCED FAT, LOAVES	39,950	94,054
CHEESE, CHEDDAR, REDUCED FAT, SHREDDED	6,835,200	13,346,374
CHEESE, CHEDDAR, SHREDDED	2,647,200	5,166,489
CHEESE, CHEDDAR, LOAVES	279,650	611,730
CHEESE, MOZZARELLA, LITE, SHREDDED, FROZEN	3,144,960	5,886,970
CHEESE, MOZZARELLA, BULK FOR PROCESSING	50,044,579	85,500,192
CHEESE, MOZZARELLA, LOW MOISTURE, PART SKIM, LOAVES, FROZEN	4,193,280	7,518,545
CHEESE, MOZZARELLA, LOW MOISTURE, PART SKIM, SHREDDED, FROZEN	6,531,840	12,221,405
CHEESE, MOZZARELLA, LOW MOISTURE, PART SKIM, STRING	2,457,000	6,170,990
CHEESE, AMERICAN, LOAVES	1,029,600	1,904,722
CHEESE, AMERICAN, SLICES	8,553,600	15,167,230
CHEESE, BLENDED AMERICAN, REDUCED FAT, SLICES	8,790,600	14,001,878
FLOUR, BULK FOR PROCESSING	19,582,900	4,200,643
FLOUR, ENRICHED	128,520	34,623
FLOUR, WHITE WHOLE WHEAT/ENRICHED BLEND	3,301,560	878,595
FLOUR, WHOLE WHEAT	1,551,600	351,499
MACARONI, WHOLE GRAIN-RICH BLEND	1,000,000	418,480
MACARONI, WHOLE GRAIN	360,000	134,384
MILK, 1% LOW-FAT	266,999	159,242
OATS, ROLLED	200,160	90,524
OIL, SOYBEAN	554,400	394,737
OIL, VEGETABLE	2,959,110	1,660,168
OIL, VEGETABLE, BULK FOR PROCESSING	1,776,000	802,070
PANCAKES, WHOLE GRAIN	1,451,520	1,157,472
PEANUT BUTTER	3,732,360	3,787,979
PEANUT BUTTER BULK FOR PROCESSING	4,320,000	3,642,792
PEANUTS, BULK FOR PROCESSING	2,948,000	1,473,340
PENNE, WHOLE GRAIN-RICH BLEND	642,600	275,176
PENNE, WHOLE GRAIN	189,000	83,251
RICE, BROWN	7,307,750	2,835,069
ROTINI, WHOLE GRAIN-RICH BLEND	1,008,000	451,875
ROTINI, WHOLE GRAIN	644,000	263,103
SPAGHETTI, WHOLE GRAIN-RICH BLEND	1,280,000	519,204
SPAGHETTI, WHOLE GRAIN	520,000	189,328
SUNFLOWER SEED BUTTER	554,400	1,151,186
TORTILLAS, WHOLE GRAIN	2,227,500	1,361,408
YOGURT, CUP, BLUEBERRY, HIGH PROTEIN	222,564	292,076
YOGURT, CUP, STRAWBERRY, HIGH PROTEIN	423,462	556,235
YOGURT, CUP, VANILLA, HIGH PROTEIN	48,000	62,347
YOGURT, TUB, VANILLA, HIGH PROTEIN	111,132	145,095
SUBTOTAL, SECTION 416 TYPE	200,780,047	\$287,229,279
Anticipated Adjustment	0	-184,761,546
AMS / FSA / WBSCM Admin. Expenses	0	16,272,326
TOTAL COMMODITY ENTITLEMENT	1,159,059,869	\$1,318,907,000
BONUS COMMODITIES	Pounds	Dollars
NONE	0	\$0
TOTAL BONUS COMMODITIES	0	\$0
TOTAL -- ALL COMMODITIES	1,159,059,869	\$1,318,907,000
Cash In-Lieu of Commodities	0	\$175,000,000
GRAND TOTAL	1,159,059,869	\$1,493,907,000

FOOD AND NUTRITION SERVICE

**SCHOOL LUNCH PROGRAM
SCHOOLS, ENROLLMENT AND PARTICIPATION
FISCAL YEAR 2015**

STATE OR TERRITORY	NUMBER OF SCHOOLS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,483	757	551
Alaska-----	434	116	54
Arizona-----	1,772	1,069	650
Arkansas-----	1,146	483	329
California-----	10,281	6,453	3,311
Colorado-----	1,734	834	378
Connecticut-----	1,075	522	292
Delaware-----	244	143	100
District of Columbia-----	231	83	54
Florida-----	3,823	2,841	1,710
Georgia-----	2,283	1,753	1,261
Hawaii-----	291	179	112
Idaho-----	690	313	159
Illinois-----	4,225	1,914	1,150
Indiana-----	2,110	1,205	775
Iowa-----	1,398	532	389
Kansas-----	1,523	555	353
Kentucky-----	1,365	733	533
Louisiana-----	1,535	809	565
Maine-----	641	181	102
Maryland-----	1,512	915	439
Massachusetts-----	2,190	973	533
Michigan-----	3,433	1,574	868
Minnesota-----	2,021	879	623
Mississippi-----	912	538	398
Missouri-----	2,492	948	617
Montana-----	821	150	84
Nebraska-----	943	341	246
Nevada-----	609	438	219
New Hampshire-----	456	179	92
New Jersey-----	2,618	1,288	707
New Mexico-----	869	341	225
New York-----	6,137	2,934	1,740
North Carolina-----	2,517	1,535	926
North Dakota-----	410	115	93
Ohio-----	3,741	1,828	1,062
Oklahoma-----	1,871	686	457
Oregon-----	1,324	587	300
Pennsylvania-----	3,509	1,759	1,063
Rhode Island-----	377	159	81
South Carolina-----	1,188	765	492
South Dakota-----	706	146	110
Tennessee-----	1,784	994	692
Texas-----	8,265	5,327	3,439
Utah-----	939	618	340
Vermont-----	343	89	50
Virginia-----	1,959	1,254	713
Washington-----	2,110	1,068	549
West Virginia-----	752	299	199
Wisconsin-----	2,475	911	551
Wyoming-----	315	95	52
American Samoa-----	0	0	0
Guam-----	42	31	17
Puerto Rico-----	1,663	499	322
Virgin Islands-----	59	18	13
DOD/ Army/AF/USMC/Nav-----	3	45	27
TOTAL-----	99,649	51,802	31,167

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 2015**

STATE OR TERRITORY	TOTAL LUNCHES SERVED			
	PAID (000)	REDUCED PRICE (000)	FREE (000)	TOTAL (000)
Alabama-----	21,290	4,925	61,320	87,535
Alaska-----	2,114	508	6,174	8,797
Arizona-----	23,416	8,810	75,831	108,057
Arkansas-----	12,048	5,360	35,024	52,433
California-----	99,791	60,373	393,916	554,079
Colorado-----	21,333	6,288	34,150	61,770
Connecticut-----	18,744	2,933	26,176	47,852
Delaware-----	4,818	516	9,907	15,241
District of Columbia-----	1,085	334	7,537	8,956
Florida-----	47,948	16,038	215,561	279,547
Georgia-----	46,897	12,604	145,678	205,179
Hawaii-----	6,877	2,026	9,745	18,649
Idaho-----	8,363	2,727	13,585	24,675
Illinois-----	40,336	5,383	138,902	184,621
Indiana-----	50,397	10,556	67,219	128,171
Iowa-----	32,282	4,427	26,340	63,049
Kansas-----	21,851	5,657	26,524	54,032
Kentucky-----	19,801	3,067	60,812	83,680
Louisiana-----	20,642	4,740	62,509	87,891
Maine-----	5,880	1,289	8,799	15,969
Maryland-----	20,469	5,849	44,644	70,963
Massachusetts-----	31,685	3,880	49,815	85,380
Michigan-----	37,218	8,979	81,925	128,122
Minnesota-----	51,450	8,963	37,716	98,129
Mississippi-----	9,954	4,104	49,868	63,926
Missouri-----	34,193	7,743	55,792	97,728
Montana-----	5,504	1,104	6,946	13,554
Nebraska-----	19,138	3,951	16,195	39,283
Nevada-----	6,306	4,049	26,665	37,020
New Hampshire-----	7,754	991	5,605	14,350
New Jersey-----	37,739	8,385	67,136	113,260
New Mexico-----	5,626	1,817	28,145	35,588
New York-----	67,974	17,033	193,687	278,694
North Carolina-----	34,038	9,222	109,217	152,477
North Dakota-----	9,468	954	4,282	14,703
Ohio-----	52,622	9,897	99,756	162,275
Oklahoma-----	19,192	6,416	43,333	68,941
Oregon-----	10,633	2,852	31,759	45,243
Pennsylvania-----	62,258	8,323	99,050	169,631
Rhode Island-----	3,806	977	8,146	12,929
South Carolina-----	18,488	4,754	57,841	81,084
South Dakota-----	8,480	1,312	7,064	16,856
Tennessee-----	21,913	4,478	78,568	104,960
Texas-----	131,996	38,648	398,688	569,332
Utah-----	25,693	5,707	23,694	55,094
Vermont-----	3,324	683	3,922	7,930
Virginia-----	41,847	10,299	59,423	111,570
Washington-----	24,711	8,185	52,439	85,335
West Virginia-----	10,389	1,253	20,761	32,403
Wisconsin-----	37,975	5,320	44,903	88,198
Wyoming-----	4,140	1,019	3,276	8,435
Guam-----	273	43	2,504	2,820
Puerto Rico-----	7,909	4,507	32,148	44,565
Virgin Islands-----	263	130	1,445	1,838
DOD Army/AF/USMC/Navy-----	1,954	688	694	3,336
TOTAL-----	1,372,296	361,074	3,272,764	5,006,134

FOOD AND NUTRITION SERVICE

**SCHOOL BREAKFAST PROGRAM
SCHOOLS, ENROLLMENT, AND PARTICIPATION
FISCAL YEAR 2015**

STATE OR TERRITORY	NUMBER OF SCHOOLS AND INSTITUTIONS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,436	738	264
Alaska-----	368	101	24
Arizona-----	1,648	1,030	306
Arkansas-----	1,130	480	184
California-----	8,829	5,841	1,698
Colorado-----	1,426	681	189
Connecticut-----	866	429	106
Delaware-----	241	149	50
District of Columbia-----	228	83	37
Florida-----	3,747	2,819	804
Georgia-----	2,223	1,578	640
Hawaii-----	296	179	39
Idaho-----	654	303	77
Illinois-----	3,400	1,613	450
Indiana-----	1,894	1,061	278
Iowa-----	1,297	514	101
Kansas-----	1,413	492	118
Kentucky-----	1,298	706	289
Louisiana-----	1,450	772	279
Maine-----	609	179	50
Maryland-----	1,487	903	271
Massachusetts-----	1,752	775	179
Michigan-----	3,074	1,450	412
Minnesota-----	1,727	796	216
Mississippi-----	858	462	215
Missouri-----	2,306	925	289
Montana-----	700	132	32
Nebraska-----	763	293	70
Nevada-----	569	417	93
New Hampshire-----	410	164	22
New Jersey-----	2,042	1,021	300
New Mexico-----	841	334	154
New York-----	5,677	2,708	686
North Carolina-----	2,476	1,522	480
North Dakota-----	361	107	25
Ohio-----	3,203	1,598	462
Oklahoma-----	1,820	672	239
Oregon-----	1,256	570	146
Pennsylvania-----	3,097	1,598	378
Rhode Island-----	362	156	35
South Carolina-----	1,183	764	276
South Dakota-----	589	136	29
Tennessee-----	1,752	975	387
Texas-----	8,245	5,310	1,954
Utah-----	818	555	74
Vermont-----	326	87	23
Virginia-----	1,920	1,233	294
Washington-----	1,970	1,019	198
West Virginia-----	743	297	157
Wisconsin-----	1,922	785	187
Wyoming-----	276	89	14
Guam-----	42	31	10
Puerto Rico-----	1,663	499	133
Virgin Islands-----	38	16	4
TOTAL-----	90,721	48,143	14,427

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 2015**

STATE OR TERRITORY	TOTAL BREAKFASTS SERVED					TOTAL (000)
	PAID (000)	REDUCED PRICE		FREE		
		REGULAR (000)	SEVERE NEED (000)	REGULAR (000)	SEVERE NEED (000)	
Alabama-----	5,134	134	1,682	1,217	33,682	41,850
Alaska-----	635	6	166	80	3,291	4,177
Arizona-----	7,478	151	3,505	1,252	39,896	52,282
Arkansas-----	4,429	97	2,629	479	21,756	29,389
California-----	38,133	554	27,553	3,028	216,332	285,601
Colorado-----	6,206	179	2,986	642	20,213	30,226
Connecticut-----	2,553	133	764	1,053	12,571	17,074
Delaware-----	1,326	25	178	214	5,793	7,537
District of Columbia-----	660	13	190	55	5,065	5,983
Florida-----	17,151	116	6,310	1,144	106,368	131,089
Georgia-----	13,554	247	5,496	1,763	82,962	104,022
Hawaii-----	1,337	63	547	246	4,263	6,457
Idaho-----	2,728	37	1,183	199	7,833	11,980
Illinois-----	4,778	103	1,202	1,741	65,165	72,989
Indiana-----	7,385	333	2,868	2,000	32,308	44,894
Iowa-----	3,350	342	792	2,034	9,861	16,380
Kansas-----	2,703	262	1,688	838	12,733	18,224
Kentucky-----	5,459	52	1,193	388	38,024	45,116
Louisiana-----	4,537	95	1,762	1,015	35,442	42,851
Maine-----	1,942	42	628	185	4,967	7,763
Maryland-----	10,663	132	3,123	957	27,815	42,691
Massachusetts-----	3,558	159	1,093	1,688	23,170	29,668
Michigan-----	9,503	489	2,958	6,289	43,170	62,409
Minnesota-----	10,416	920	2,677	3,139	17,328	34,479
Mississippi-----	2,394	11	1,633	275	29,540	33,853
Missouri-----	8,647	262	3,112	2,003	31,660	45,684
Montana-----	1,150	52	315	187	3,532	5,237
Nebraska-----	3,226	227	1,019	885	6,219	11,575
Nevada-----	1,652	20	1,514	89	13,232	16,508
New Hampshire-----	810	66	183	422	1,936	3,417
New Jersey-----	7,607	199	2,869	1,439	39,091	51,204
New Mexico-----	3,788	136	1,011	2,497	20,006	27,438
New York-----	15,228	580	5,297	5,438	90,175	116,718
North Carolina-----	10,406	118	3,983	908	60,943	76,358
North Dakota-----	1,575	176	120	799	1,394	4,063
Ohio-----	10,050	213	2,908	2,445	52,992	68,608
Oklahoma-----	6,217	156	2,909	765	25,187	35,234
Oregon-----	3,363	30	1,329	269	17,086	22,078
Pennsylvania-----	8,205	625	1,508	7,573	40,852	58,764
Rhode Island-----	914	13	366	102	4,308	5,703
South Carolina-----	6,226	70	2,097	428	36,068	44,889
South Dakota-----	815	128	192	514	3,027	4,676
Tennessee-----	7,182	93	1,875	1,546	48,049	58,745
Texas-----	48,326	837	17,732	5,808	251,817	324,520
Utah-----	2,362	212	1,030	1,015	7,969	12,589
Vermont-----	850	62	303	234	2,227	3,675
Virginia-----	8,270	390	3,628	2,349	30,324	44,961
Washington-----	3,992	111	3,010	0	23,354	30,468
West Virginia-----	6,947	60	754	382	17,069	25,212
Wisconsin-----	5,858	521	1,214	3,621	18,295	29,510
Wyoming-----	641	46	267	215	1,280	2,449
Guam-----	137	0	16	0	1,480	1,632
Puerto Rico-----	2,438	2	1,724	4	14,304	18,472
Virgin Islands-----	89	0	44	0	501	634
DOD Army/AF/USMC/Navy-----	0	0	0	0	0	0
TOTAL-----	344,987	10,100	137,136	74,479	1,763,926	2,330,628

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 2015**

STATE OR TERRITORY	NUMBER OF CENTERS/HOMES	PARTICIPATION PEAK MONTH (000)	TOTAL MEALS SERVED					
			CHILD CARE AND ADULT CENTERS				DAY CARE HOMES (000)	TOTAL (000)
			PAID (000)	REDUCED PRICE (000)	FREE (000)	TOTAL (000)		
Alabama	1,802	57	4,745	1,128	19,244	25,116	3,639	28,755
Alaska	538	13	1,608	187	1,593	3,388	997	4,386
Arizona	3,331	44	6,400	1,515	14,303	22,217	9,554	31,770
Arkansas	1,908	74	6,011	2,023	25,342	33,375	2,899	36,274
California	22,223	609	17,570	6,876	115,782	140,228	69,196	209,424
Colorado	2,154	49	5,090	794	8,682	14,567	3,947	18,514
Connecticut	1,234	23	1,577	571	5,456	7,604	2,794	10,398
Delaware	909	22	2,254	289	4,949	7,493	2,318	9,811
District of Columbia	167	6	788	207	3,406	4,401	169	4,570
Florida	6,525	290	26,536	9,291	99,685	135,511	9,841	145,352
Georgia	4,584	166	20,935	4,659	46,814	72,409	8,421	80,829
Hawaii	526	12	3,174	387	1,695	5,256	748	6,004
Idaho	495	13	1,523	253	2,303	4,078	1,361	5,439
Illinois	9,583	161	13,743	3,450	40,430	57,624	35,679	93,303
Indiana	3,118	90	6,623	1,065	14,255	21,943	15,453	37,396
Iowa	2,584	47	8,252	617	5,731	14,600	8,944	23,544
Kansas	3,865	54	5,982	871	5,054	11,908	13,419	25,327
Kentucky	1,572	62	7,140	1,323	14,822	23,285	1,557	24,841
Louisiana	8,999	106	3,931	879	19,969	24,779	25,772	50,551
Maine	1,089	12	813	122	1,314	2,249	4,381	6,630
Maryland	3,942	68	5,047	445	13,236	18,728	12,334	31,062
Massachusetts	5,144	73	4,452	1,355	18,075	23,882	16,163	40,046
Michigan	5,705	104	5,378	839	16,320	22,537	19,022	41,559
Minnesota	8,171	104	6,106	542	7,352	13,999	34,109	48,108
Mississippi	1,576	50	3,559	1,134	19,664	24,357	1,976	26,333
Missouri	2,519	75	9,396	978	17,403	27,777	6,948	34,725
Montana	833	15	1,569	188	2,298	4,055	3,192	7,247
Nebraska	2,864	49	6,158	544	7,202	13,904	10,732	24,636
Nevada	477	19	1,181	182	3,265	4,628	450	5,078
New Hampshire	297	10	1,656	199	1,838	3,693	454	4,147
New Jersey	2,019	89	5,168	1,940	32,366	39,473	1,459	40,932
New Mexico	3,155	40	3,147	639	8,524	12,309	7,050	19,359
New York	14,119	351	13,119	2,733	66,200	82,052	51,969	134,021
North Carolina	4,259	137	19,380	4,373	37,160	60,913	7,837	68,750
North Dakota	1,284	19	2,825	119	1,277	4,221	5,217	9,438
Ohio	4,670	129	13,733	2,017	31,340	47,090	10,807	57,897
Oklahoma	2,684	55	7,116	1,611	20,078	28,804	8,910	37,715
Oregon	3,003	55	1,872	211	6,975	9,058	9,769	18,827
Pennsylvania	5,226	176	15,333	3,458	42,366	61,157	8,525	69,682
Rhode Island	469	10	1,176	247	3,383	4,806	1,175	5,981
South Carolina	1,258	46	3,496	660	12,447	16,603	3,091	19,694
South Dakota	829	18	2,516	166	1,811	4,493	3,124	7,617
Tennessee	3,406	82	7,190	1,461	22,064	30,715	10,256	40,971
Texas	12,382	540	41,932	13,614	132,305	187,852	26,984	214,836
Utah	2,195	36	3,236	332	4,736	8,304	10,342	18,646
Vermont	676	11	656	102	1,489	2,247	1,728	3,975
Virginia	3,760	76	9,881	1,287	13,534	24,702	9,805	34,506
Washington	3,455	77	9,999	1,135	15,003	26,137	8,673	34,809
West Virginia	1,627	27	2,721	297	4,572	7,590	2,943	10,533
Wisconsin	3,033	65	9,995	746	11,426	22,166	7,502	29,669
Wyoming	443	9	1,319	259	1,104	2,682	1,540	4,223
Guam	26	1	193	15	145	353	5	358
Puerto Rico	1,362	31	281	189	14,274	14,743	200	14,944
Virgin Islands	51	2	59	47	660	766	0	766
TOTAL	184,125	4,560	365,538	80,570	1,042,718	1,488,827	525,380	2,014,206

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 2015**

STATE OR TERRITORY	NUMBER OF SITES	PARTICIPATION (JULY) (000)	TOTAL MEALS SERVED (000)
Alabama-----	930	50	2,613
Alaska-----	179	6	366
Arizona-----	327	16	1,577
Arkansas-----	715	31	2,425
California-----	2,271	128	10,820
Colorado-----	427	20	1,526
Connecticut-----	427	28	1,305
Delaware-----	334	10	793
District of Columbia-----	298	29	1,062
Florida-----	3,973	163	14,199
Georgia-----	1,371	101	5,806
Hawaii-----	88	6	180
Idaho-----	273	20	1,253
Illinois-----	1,758	71	5,081
Indiana-----	1,313	64	2,971
Iowa-----	376	17	1,174
Kansas-----	388	28	1,306
Kentucky-----	1,239	33	2,162
Louisiana-----	582	36	3,601
Maine-----	382	13	704
Maryland-----	1,392	70	2,959
Massachusetts-----	1,007	60	2,751
Michigan-----	1,481	87	3,973
Minnesota-----	698	53	3,006
Mississippi-----	562	36	2,467
Missouri-----	734	40	4,419
Montana-----	188	9	571
Nebraska-----	189	12	882
Nevada-----	220	12	607
New Hampshire-----	160	15	299
New Jersey-----	1,112	48	3,026
New Mexico-----	640	29	2,015
New York-----	2,459	438	19,595
North Carolina-----	1,809	63	4,003
North Dakota-----	69	4	230
Ohio-----	1,585	51	3,924
Oklahoma-----	506	17	1,728
Oregon-----	783	39	2,174
Pennsylvania-----	2,403	79	5,948
Rhode Island-----	209	11	445
South Carolina-----	1,288	67	3,275
South Dakota-----	77	6	563
Tennessee-----	1,652	45	4,395
Texas-----	3,412	140	14,638
Utah-----	79	7	339
Vermont-----	296	8	471
Virginia-----	1,523	57	4,081
Washington-----	827	43	1,993
West Virginia-----	406	13	517
Wisconsin-----	725	94	2,801
Wyoming-----	64	4	296
Puerto Rico-----	1,252	28	4,644
Virgin Islands-----	127	8	193
TOTAL-----	47,585	2,565	164,152

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 2015**

STATE OR TERRITORY	OUTLETS			TOTAL	OBLIGATIONS (000)
	SCHOOLS	NON-RESIDENTIAL CHILD CARE INSTITUTIONS	SUMMER CAMPS		
Alabama-----	2	1	1	4	\$29
Alaska-----	1	0	0	1	2
Arizona-----	28	0	0	28	53
Arkansas-----	0	0	0	0	0
California-----	102	3	20	125	378
Colorado-----	48	0	4	52	144
Connecticut-----	76	0	9	85	187
Delaware-----	5	0	0	5	30
District of Columbia-----	2	0	0	2	8
Florida-----	6	0	2	8	25
Georgia-----	2	0	0	2	8
Hawaii-----	0	0	0	0	0
Idaho-----	71	0	8	79	140
Illinois-----	507	0	12	519	2,318
Indiana-----	34	0	16	50	181
Iowa-----	44	0	11	55	80
Kansas-----	82	0	4	86	63
Kentucky-----	2	0	0	2	29
Louisiana-----	6	0	0	6	33
Maine-----	14	0	8	22	23
Maryland-----	68	34	4	106	322
Massachusetts-----	56	35	32	123	338
Michigan-----	71	0	36	107	318
Minnesota-----	242	89	57	388	805
Mississippi-----	196	0	0	196	5
Missouri-----	149	0	5	154	502
Montana-----	13	0	5	18	21
Nebraska-----	51	0	5	56	64
Nevada-----	6	10	0	16	109
New Hampshire-----	25	15	28	68	180
New Jersey-----	83	0	7	90	412
New Mexico-----	0	0	0	0	0
New York-----	178	104	57	339	784
North Carolina-----	19	0	14	33	151
North Dakota-----	14	0	11	25	24
Ohio-----	100	0	10	110	395
Oklahoma-----	4	0	0	4	16
Oregon-----	34	3	5	42	105
Pennsylvania-----	73	18	22	113	337
Rhode Island-----	22	7	6	35	63
South Carolina-----	3	0	0	3	9
South Dakota-----	21	4	0	25	32
Tennessee-----	2	0	3	5	27
Texas-----	5	1	1	7	26
Utah-----	47	0	0	47	64
Vermont-----	7	3	12	22	75
Virginia-----	28	0	2	30	145
Washington-----	39	4	10	53	258
West Virginia-----	6	0	3	9	22
Wisconsin-----	405	202	23	630	1,180
Wyoming-----	5	8	3	16	33
Virgin Islands-----	0	0	0	0	2
Anticipated Adjustment-----					411
TOTAL-----	3,004	541	456	4,001	\$10,966

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 2015**

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	124	127
Alaska-----	0	0	0	0	10	10
Arizona-----	0	1	1	16	221	236
Arkansas-----	0	0	0	0	0	0
California-----	0	5	6	77	1,623	1,700
Colorado-----	0	3	3	28	617	646
Connecticut-----	0	4	4	52	791	844
Delaware-----	0	1	1	0	133	133
District of Columbia-----	0	0	0	9	24	33
Florida-----	0	0	0	12	98	111
Georgia-----	0	0	0	4	31	35
Hawaii-----	0	0	0	0	0	0
Idaho-----	0	0	0	29	603	631
Illinois-----	12	45	57	2,051	8,134	10,185
Indiana-----	0	3	4	53	760	813
Iowa-----	0	1	1	22	336	358
Kansas-----	0	1	1	43	239	281
Kentucky-----	0	1	1	11	119	130
Louisiana-----	0	1	1	4	143	147
Maine-----	0	0	0	11	100	112
Maryland-----	0	8	8	7	1,424	1,431
Massachusetts-----	0	4	4	26	1,542	1,568
Michigan-----	0	5	5	48	1,414	1,462
Minnesota-----	0	12	12	20	3,596	3,616
Mississippi-----	0	0	0	0	23	23
Missouri-----	1	11	12	106	2,133	2,239
Montana-----	0	0	0	11	89	100
Nebraska-----	0	1	1	12	276	288
Nevada-----	0	1	1	1	479	480
New Hampshire-----	0	2	2	40	812	851
New Jersey-----	1	9	10	237	1,566	1,803
New Mexico-----	0	0	0	0	0	0
New York-----	1	13	14	1,284	2,206	3,491
North Carolina-----	0	2	2	2	683	684
North Dakota-----	0	0	0	1	109	110
Ohio-----	0	9	9	158	1,600	1,758
Oklahoma-----	0	0	0	0	74	74
Oregon-----	0	2	2	34	437	470
Pennsylvania-----	1	4	5	133	1,414	1,546
Rhode Island-----	0	0	1	22	270	293
South Carolina-----	0	0	0	0	40	40
South Dakota-----	0	0	0	61	81	142
Tennessee-----	0	0	0	0	120	120
Texas-----	0	1	1	0	114	114
Utah-----	0	2	2	7	280	287
Vermont-----	0	0	1	10	353	362
Virginia-----	0	4	4	0	643	643
Washington-----	0	4	4	7	1,153	1,161
West Virginia-----	0	0	1	11	86	96
Wisconsin-----	1	21	22	196	5,059	5,256
Wyoming-----	0	0	0	0	151	151
Virgin Islands-----	0	0	0	0	0	0
TOTAL-----	21	183	204	4,859	42,333	47,192

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):

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), \$6,350,000,000, to remain available through September 30, [2017] 2018: *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] \$80,000,000 shall be used for breastfeeding peer counselors and other related activities, and [\$13,600,000] \$14,000,000 shall be used for infrastructure: *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.

Lead-Off Tabular Statement

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

2017 President’s Budget.....	\$6,350,000,000
2016 Enacted	<u>6,350,000,000</u>
Change in Appropriation.....	0

Summary of Increases and Decreases
(Dollars in thousands)

Item of Change	2014 Actual	2015 Change	2016 Change	2016-2017 Change	2017 Estimate
Discretionary Appropriations:					
Grants to States (Suppl. Food and NSA costs)	\$6,467,841	\$159	-\$208,000	-\$30,000	\$6,230,000
Federal Admin. Oversight & Infrastructure	11,000	0	0	0	11,000
WIC Contingency Funds	125,000	-125,000	0	0	0
All Other Discretionary Appropriations	112,000	32,000	155,000	-190,000	109,000
Subtotal, Discretionary	6,715,841	-92,841	-53,000	-220,000	6,350,000
Mandatory Appropriations:					
UPC Database (Direct Appropriation)	1,000	0	0	0	1,000
Appropriations or Change	6,716,841	-92,841	-53,000	-220,000	6,351,000
Rescissions	0	0	-220,000	0	0
Sequester	-72	-1	5	68	0
Less Direct Appropriation	-928	1	-5	-68	-1,000
Total Appropriation or Change	6,715,841	-92,841	-273,000	0	6,350,000

FOOD AND NUTRITION SERVICE

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

Project	2014 Actual	SY	2015 Actual	SY	2016 Enacted	SY	2017-2016 Change	2017 Estimate	SY
Grants to States (Food & NSA)	\$6,467,841		\$6,468,000		\$6,260,000		-\$30,000	\$6,230,000	(1)
Infrastructure Grants	13,600		13,600		13,600		0	13,600	(2)
Technical Assistance	400		400		400		0	400	(3)
Breastfeeding Peer Counselors	60,000		60,000		60,000		20,000	80,000	(4)
Management Information Systems	30,000		55,000		220,000		-220,000	0	(5)
Program Evaluation & Monitoring	8,000		15,000		5,000		10,000	15,000	(6)
Federal Admin. Oversight	11,000		11,000		11,000		0	11,000	(7)
WIC Contingency Funds	125,000		0				0	0	(8)
UPC Database (Direct Approp.)	1,000		1,000		1,000		0	1,000	(9)
Total Adjusted Appropriation	6,716,841	32	6,624,000	37	6,571,000	40	-220,000	6,351,000	40
Recission					-220,000		220,000	0	
Sequester	-72		-73		-68		0	0	
UPC Database (Direct Approp.)	-928		-927		-932		0	-1,000	
Total Appropriation	6,715,841	30	6,623,000	32	6,350,000	40	0	6,350,000	40

FOOD AND NUTRITION SERVICE

PROJECT STATEMENT

(On basis of obligation)

(Dollars in thousands)

Project	2014 Actual	SY	2015 Actual	SY	2016 Enacted	SY	2017 Estimate	SY
Grants to States:								
Supplemental Food	\$4,889,115		\$4,680,403		\$5,024,839		\$4,807,343	
Nutrition Services and Admin. Costs	2,012,701		1,989,974		2,086,399		1,993,724	
Subtotal, Grants to States	6,901,816		6,670,377		7,111,238		6,801,067	
Infrastructure Grants	7,464		10,139		13,600		13,600	
Technical Assistance	398		381		400		400	
Breastfeeding Peer Counselors	60,000		59,707		60,000		80,000	
Management Information Systems	35,590		9,961		50,000		75,000	
Program Evaluation & Monitoring	7,812		13,461		5,000		15,000	
Federal Admin. Oversight	5,536		3,484		11,000		11,000	
WIC Contingency Funds	125,000		0		0		0	
UPC Database (Direct Appropriation)	1,208		422		1,000		1,000	
Total Obligations	7,144,824		6,767,932		7,252,238		6,997,067	
Recovery of Prior Year Obligations:								
WIC Program	-712,700		-665,000		-146,294		-676,749	
Unobligated Balances:								
Available Start of Year								
WIC Program	-2,583		-287,387		-808,382		-273,438	
WIC Contingency ^{1/}	-125,000		-125,000		-125,000		-125,000	
Available End of Year								
WIC Program	287,387		808,382		273,438		304,120	
WIC Contingency	125,000		125,000		125,000		125,000	
Lapse	0		0		0		0	
Total Adjusted Appropriation	6,716,928	32	6,623,927	37	6,571,000	40	6,351,000	40
Rescission	0		0		-220,000		0	
Sequester	0		0		0		0	
UPC Database (Direct Appropriation)	-928		-927		-1,000		-1,000	
Total Appropriation	6,716,000	32	6,623,000	37	6,350,000	40	6,350,000	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.

- (1) A decrease of \$30,000,000 for WIC Grants to States for supplemental food, nutrition services and administrative costs (\$6,260,000,000 enacted in FY 2016).

The funding requested will support benefits for all eligible women, infants, and children, who seek WIC benefits – currently estimated to be about 8.1 million individuals in FY 2017. The average monthly food cost per person is estimated to increase from \$45.80 in FY 2016 to \$47.23 in FY 2017. The increase in the food

FOOD AND NUTRITION SERVICE

package cost is being driven by food 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 increase from \$21.04 in FY 2016 to \$20.10 in FY 2017. 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. The increase reflects a projected increase of about 3 percent in the State and Local Expenditure Index.

Program Performance Data	2014 Actual	2015 Actual	2016 Enacted	Increase or Decrease	2017 Estimated
Average Participation Per Month (in millions)	8.260	8.021	8.100	0.00	8.100
Average Food Cost Per Person Per Month	\$43.65	\$43.52	\$45.80	1.43	\$47.23
Average Admin. Cost Per Person Per Month	19.21	20.10	21.04	-0.94	20.10
Total Benefit Costs	\$62.85	\$65.97	\$66.84	\$0.49	\$67.33

(2) An increase of \$20,000,000 for Breastfeeding Peer Counselors (\$60,000,000 enacted in FY 2016).

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 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.

(3) A decrease of \$220,000,000 for Management Information Systems (\$220,000,000 enacted in FY 2016).

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 August 2015, 14 of the 90 WIC State agencies have implemented EBT Statewide. An additional 69 WIC State agencies are involved in some phase of EBT – planning, development, or implementation. Only seven WIC State agencies – all Indian Tribal Organizations – have not yet engaged in WIC EBT planning. The 2016 Appropriations Act, PL 114-113, converted \$220 million of 2015 benefits carryover to fully fund WIC MIS program line for FY 2016. Consequently, no additional funding for FY 2017 is requested.

(4) An increase of \$10,000,000 for Program Evaluation and Monitoring (\$5,000,000 enacted in FY 2016).

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. With additional funding, FNS would be able to conduct longitudinal studies that examine longer-term impacts on key health measures, such as obesity, healthy eating, and birth weights. A longitudinal design would enable FNS to consider key questions, such as the association of health outcomes with the length of time a person participates in WIC, the amount of nutrition education a participant receives, the take-up of referral services, and households' use of WIC with multiple children over time. Examples of recent WIC studies can be found here: <http://www.fns.usda.gov/ops/wic-studies>.

FOOD AND NUTRITION SERVICE

**Program Cost Performance Data
(Dollars in thousands)**

Program Performance Data	2014 Actual	2015 Actual	2016 Enacted	Increase or Decrease	2017 Estimated
Program Expenditures (\$ in millions)					
Grants to States for Supplemental Food	\$4,324.4	\$4,188.6	\$4,411.8	\$179.2	\$4,591.0
Nutrition Services and Administrative Costs	1,903.8	1,934.4	2,017.1	-63.2	1,953.9
Infrastructure Grants	7.4	13.3	13.6	0.0	13.6
Technical Assistance	0.4	0.3	0.4	0.0	0.4
Breastfeeding Peer Counselors	60.0	59.7	60.0	20.0	80.0
Management Information Systems	35.6	9.9	50.0	25.0	75.0
Program Evaluation and Monitoring	8.0	13.5	5.0	10.0	15.0
Fed. Admin. Oversight	5.5	3.5	11.0	0.0	11.0
UPC Database	1.0	1.0	1.0	0.0	1.0
WIC Contingency Funds	125.0	0.0	0.0	0.0	0.0
Total Program Expense 1/	6,471.1	6,224.2	6,569.9	171.0	6,740.9
Structural Carryover (net of rescissions) 2/	673.7	552.6	682.2	-426.0	256.2
Total Obligations	7,144.8	6,776.8	7,252.1	-255.0	6,997.1
Average Participation Per Month (in millions)	8.260	8.021	8.100	0.000	8.100
Average Food Cost Per Person Per Month	\$43.65	\$43.52	\$45.80	\$1.43	\$47.23
Average Admin. Cost Per Person Per Month	19.21	20.10	21.04	-0.94	20.10
Total Benefit Costs	\$62.85	\$65.97	\$66.84	\$0.49	\$67.33

1/ 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.

2/ Section 751 of the Omnibus Appropriations Act of 2016 rescinded \$220 million in unobligated balances in order to provide them as no-year funding for grants to States to implement WIC EBT.

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

Special Supplemental Nutrition Program for Women, Infants and Children (WIC)--Federal Salaries & Expenses								
	2014 Actual		2015 Actual		2016 Enacted		2017 Estimated	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
California	\$262	2	\$181	1	\$178	1	\$178	1
Colorado	195	2	335	2	330	2	330	2
Florida	0	0	5	0	5	0	5	0
Georgia	209	2	412	3	405	3	405	3
Illinois	306	2	319	2	313	2	313	2
Massachusetts	286	2	401	3	395	3	395	3
Michigan	75	1	66	0	65	0	65	0
New Jersey	227	2	275	2	270	2	270	2
Tennessee	46	0	44	0	43	0	43	0
Texas	162	1	176	1	173	1	173	1
Virginia	14,443	18	27,132	23	27,076	26	27,092	26
Undistributed	0	0	0	0	0	0	0	0
TOTAL	\$16,211	32	\$29,348	37	\$29,254	40	\$29,270	40

Note: Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

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

Classification by Objects

(Dollars in Thousands)

	2014 Actual	2015 Actual	2016 Enacted	2017 Estimate
Personnel Compensation:				
Washington D.C.....	\$1,350	\$1,776	\$1,890	\$2,187
Field.....	1,585	2,085	2,218	2,568
11.0 Total personnel compensation.....	2,935	3,861	4,108	4,755
12.0 Personnel benefits.....	927	1,160	1,297	1,501
Total personnel comp. and benefits.....	3,862	5,021	5,405	6,256
Other Objects:				
21.0 Travel and transportation of persons.....	132	134	134	134
22.0 Transportation of things.....	2	2	2	2
25.2 Other services from non-Federal sources.....	10,360	7,526	7,000	25,000
26.0 Supplies and materials.....	594	604	604	605
41.0 Grants.....	7,129,874	7,182,630	7,239,093	6,965,070
Total, Other Objects.....	7,140,962	7,190,896	7,246,833	6,990,811
99.9 Total, new obligations.....	7,144,824	7,195,917	7,252,238	6,997,067
Position Data:				
Average Salary (dollars), GS Position.....	91,719	92,636	93,840	95,060
Average Grade, GS Position.....	12.6	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, 2014, to June 30, 2015, this represented \$44,123 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, 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	April
	2000	2002	2004	2006	2008	2010	2012	2014
Infants	26.3	25.7	25.7	25.9	25.5	23.6	23.0	23.0
Children	49.6	50.1	49.8	48.9	49.5	52.9	53.4	53.3
Women	24.1	24.1	24.5	25.1	25.0	23.5	23.6	23.6
Under 18 Years Old	8	6.8	6.3	6.2	6.1	5.2	4.4	3.4
Breastfeeding	5.3	5.7	6	6.7	6.9	6.6	6.8	7.4
Race*								
Black	21.9	20.2	20.0	19.6	19.6	19.3	19.8	20.3
White	37.4	35.9	34.8	55.3	60.3	60.9	58.2	58.7
Race Not Reported	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	3.2	1.5	1.4	0.7	0.2
All Other	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	21.9	18.6	18.4	21.3	20.6
Ethnicity*								
Hispanic	35.3	38.1	39.2	41.2	42.1	42.0	41.5	41.6
Non-Hispanic	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	55.9	57.1	57.0	57.8	58.3
Ethnicity Not Reported	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	2.9	0.8	1.0	0.7	0.1
On SNAP (Food Stamps)	19.6	17.5	19.8	21.8	22.6	29.4	35.8	35.1
On Medicaid	49.5	54.3	61.1	63.2	62.0	65.6	70.8	68.8
On TANF	12.1	9.6	9.4	9.3	6.5	7.9	8.6	7.5

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Poverty Status:								
0-50 Percent	26.5	26.5	28.6	29.3	29.6	31.7	33.4	34.4
51-100 Percent	29.1	27.4	28.6	30.5	31.2	32.1	33.2	33.0
101-130 Percent	13.7	13.4	13.1	13.4	13.4	12.6	11.4	11.2
131-150 Percent	7.1	6.7	6.2	6.4	6.1	5.6	5.3	5.0
151-185 Percent	8.4	8.2	7.7	7.6	7.4	6.8	6.2	5.9
Mean Income (whole \$)	\$13,819	\$14,550	\$14,758	\$15,577	\$16,535	\$16,449	\$16,842	\$17,372
Mean Household Size (persons)	4.0	4.0	4.0	4.0	4.1	4.1	4.1	4.1
One Person Households Percent	1.8	1.5	1.3	1.3	1.2	1.2	1.2	1.4
Enrollment in 1 st Trimester Percent	47.7	48.4	50.7	51.2	50.6	51.6	56.9	54.5
Enrollment in 2 nd Trimester Percent	39.0	39.8	38.4	37.9	37.4	35.4	34.7	36.0

Source: WIC Participant and Program Characteristics reports 2000-2014

* 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
Total	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 USFY 2013.

WIC Food Package

In late FY 2014, FNS awarded a contract to Institute of Medicine (IOM) of the National Academies to review the WIC-eligible population and provide scientifically-based recommendations for the WIC food packages. During FY 2015, activities related to Phase I of the IOM’s study were conducted. The IOM held three public meetings as part of this comprehensive review, two of which were held in Washington, DC (in October and March) with the third

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held in Irvine, California (in June). Phase I of the IOM's study also included a February 2015 letter report focused on white potatoes, *An Evaluation of White Potatoes in the Cash Value Voucher*.

The IOM's recommendations for changes to the WIC food packages will build on the revisions recommended in the 2006 IOM WIC report and implemented in 2009 through an interim rule and in 2014 through a final rule. Recommended revisions to WIC food packages will be consistent with the *2015 Dietary Guidelines for Americans*, the Dietary Reference Intakes, and advice from the American Academy of Pediatrics. The goal is to recommend changes in the food packages, as appropriate, while ensuring that the recommendations are practical and economical, reflect current nutritional science, and allow the program to effectively meet the nutritional and cultural needs of the WIC population. The IOM's full WIC food package review report is scheduled for release in 2017.

Nutrition Education

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.

In FY 2015, FNS revised the participant nutrition education publication, *Next Steps to Health for You and Your Family* (formerly titled, *After You Deliver*) to reflect changes in the *Dietary Guidelines for Americans 2010* and feedback from focus group testing with WIC moms, and to align with current health recommendations from the Centers for Disease Control and Prevention, American Academy of Pediatrics and other professional organizations. This publication fulfills the congressional mandate to provide WIC women participants graduating from the Program with an exit counseling brochure.

WIC legislation also 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 2015, FNS replaced the participant resource "*Pregnant? Drugs & Alcohol Can Hurt Your Unborn Baby*" with the new resource "*Give Your Baby a Healthy Start*." This resource is designed for use with WIC participants to help educate them about the dangers of alcohol, tobacco and drugs to the unborn baby and the breastfed infant as well as the dangers of secondhand smoke to infants. This new resource, and the *Next Steps to Health for You and Your Family* publication, are available for WIC agencies to order at: <https://wicworks.fns.usda.gov/publication-order-form>. Additionally, both publications were translated into Spanish.

In FY 2015, FNS continued to work in cooperation with the National Agricultural Library and the 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>. FNS transitioned the resource system to in-house servers at the end of FY 2015. The WIC Works Resource System, features include:

- Online publication ordering for WIC agencies to order FNS WIC publications at no cost;
- WIC Sharing Center, a portal to share State-developed materials;
- WIC Infant Formula Database, a searchable directory on the infant formula approved for use in the program; and
- WIC Learning Online (WLOL), a series of online courses for WIC State and local staff development and continuing education.

FNS continually reviews and revises the resources WIC Works Resource System offers. Highlights for FY 2015, include:

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- revising four WLOL courses (WIC 101, Infant Feeding, Breastfeeding Basics, and Baby Behavior) to reflect the WIC final food package rule, published in FY 2014, and current information related to nutrition and infant feeding;
- developing content for a new WLOL course (a part II of an existing course) that focuses on participant-centered services from assessment to intervention;
- revising content of the WIC Infant Feeding Guide to reflect current dietary guidelines and recommendations of expert groups, such as the American Academy of Pediatrics; and
- updating the WIC Infant Formula Calculator, a Web-based tool developed to determine infant formula issuance amounts, to be consistent with the WIC final food package rule.

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 and are eligible to receive WIC for a longer period of time than non-breastfeeding postpartum women. The 2014 WIC Participant and Program Characteristics (PC) report shows that the proportion of WIC breastfeeding women was higher than the proportion of postpartum women, continuing the trend exhibited for the first time in the 2012 WIC PC report.

WIC State agencies are implementing plans that institutionalize breastfeeding peer counseling as a core service in WIC. In FY 2015, FNS awarded approximately \$60 million in grants for breastfeeding peer counseling. The 2015 WIC Breastfeeding Policy Inventory reported that ninety-three percent of State agencies (n=87) are operating or overseeing local agencies that had peer counseling programs. Sixty-nine percent of local agencies (n=1658) operate a peer counseling program. Among these local agencies, the peer counseling program was available in an average of 83 percent of their clinic sites. These local agencies served 86 percent of the WIC population. Among agencies operating a peer counseling program and providing direct services to participants, there were on average four peer counselors in local agencies and seven peer counselors in State agencies that provide direct-services.

In November 2014, FNS awarded a three year cooperative agreement grant for approximately \$2 million to Hager Sharp, Inc., a health communications firm based in Washington, DC, to update the existing USDA breastfeeding promotion campaign, *Loving Support Makes Breastfeeding Work (Loving Support)*. 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).

In FY 2015, the initial phase of the formative research to inform the campaign was completed, which consisted of conducting an environmental scan along with in-depth interviews with breastfeeding experts (i.e. breastfeeding subject matter experts, WIC staff and peer counselors and other health care providers such as community based home visiting nurses/doulas). Work is now underway to conduct the second phase of formative research (i.e. interviews with WIC breastfeeding moms at several key touch points during their breastfeeding experience.)

The Healthy, Hunger-Free Kids Act of 2010 (HHFKA), Public Law 111-296, enacted January 5, 2010, increased emphasis on breastfeeding promotion and support in WIC. The HHFKA established the provision of breastfeeding performance bonus payments. In FY 2015, awards were made to five large State agencies with greater than 1,000 infant participants (Georgia, American Samoa, Oregon, South Dakota, Nevada) and three small State agencies with less than 1,000 infant participants (Pueblo of Zuni, NM, Santo Domingo, NM, Cherokee, NC). The performance bonuses, totaling \$500,000, 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.

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As part of 2015 World Breastfeeding Week celebrations, USDA a proclamation declaring August 1-7 2015 “National WIC Breastfeeding Week”. The proclamation affirms WIC’s role in promoting and supporting exclusive breastfeeding as the optimal method of infant feeding. Copies of the proclamation were mailed out and made electronically available to all WIC agencies.

All WIC local agencies are required to implement policies and procedures to provide breastfeeding support and assistance throughout the prenatal and postpartum period. Section 231 of HRFKA requires USDA to implement a program to recognize exemplary breastfeeding support practices at WIC local agencies and clinics. The Loving Support Award of Excellence recognizes and celebrates local agencies that provide exemplary breastfeeding programs and support services. This approach allows FNS to recognize exemplary local WIC breastfeeding programs, provide models to motivate other local agencies to strengthen their breastfeeding promotion and support activities, with the goal to ultimately increase breastfeeding initiation and duration rates among WIC participants. The award is given at three levels of performance: Gold, Gold Premiere, and Gold Elite. As part of the celebration for World Breastfeeding Week, August 1-7, 2015, WIC awarded the Loving Support Awards of Excellence to 55 WIC local agencies from all seven FNS regions. Fifty agencies were selected for a Gold award and five agencies were selected for a Gold Premiere award.

A grant opportunity was posted to Grants.gov for educational material development and updates to breastfeeding training curricula for use in the WIC Program. The training will be designed to meet the needs of various WIC staff audiences to improve breastfeeding rates in the WIC Program and support the goals of the *Loving Support Makes Breastfeeding Work Campaign*. The application package due date was September 28, 2015. FNS expects to make the award by December 28, 2015.

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 25 years. The average monthly food cost has increased by approximately 44.2 percent from FY 1990 to FY 2015, 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, eight State agencies, including one multi-State contract, have rebate contracts for infant foods (cereal, vegetable, fruit, and meat). In FY 2015, States reported an estimated rebate savings of \$1.83 billion. Approximately 90 percent (44) of the geographic State agencies (excluding Mississippi) received a 90 to 99 percent discount on the wholesale cost of a 13-ounce can of milk-based liquid concentrate infant formula. Of the remaining geographic State agencies, four received discounts ranging from 81 to 88 percent and Vermont, which just recently awarded its first rebate contract, has a rebate that yields a discount of 33 percent. Three geographic State agencies implemented contracts for FY 2015 with discounts ranging from 31 to 98 percent,

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with a median discount of 81 percent. To date, eight geographic State agencies awarded contracts for FY 2016 with discounts ranging from 98 to 99 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 2015, FNS WIC Program Integrity and Monitoring Branch (PIMB) worked to plan for and develop resources for FNS and WIC State agencies to use to address program integrity issues, which include vendor management and vendor cost containment. In addition, PIMB is leading the Vendor Management Evaluation follow-up activities. In FY 2015, FNS initiated an assessment of State agency policies and practices related to the online sale of WIC-provided infant formula and issued guidance to WIC State agencies regarding promising practices in WIC food cost containment.

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 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 target technical assistance to State agencies since any deficiencies or areas of noncompliance that are identified during the ME process are addressed through a corrective action 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. In FY 2015, FNS reviewed and analyzed the ME questions in eight functional areas (one was done previously) in preparation for a revision process. Planning for the revision process began in FY 2015 and will continue in FY 2016. 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.

In FY 2015, FNS evaluated all the vendor management MEs and created a plan to address common areas of noncompliance in an effort to improve program integrity. This plan includes the creation of in-depth, comprehensive WIC vendor management guidance and training materials. In FY 2015, FNS provided three vendor management training webinars, and presented three new vendor tools at the National WIC Association's Technology and Program Integrity Conference. Work on vendor management guidance and training materials will continue through FY 2016.

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 FY 2015, Headquarters staff held monthly conference calls with the Regional offices to help with technical assistance and discuss issues related to certification eligibility.

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During FY 2015, FNS Regional office staff began conducting Certification/Eligibility MEs on all State agencies and ITO's in order to ensure compliance and to maintain program integrity in the participant certification process. By the end of 2015, 47 MEs were completed. The remaining MEs will be completed by September 2016.

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. Currently, the WIC Prescreening Tool is available in nine different languages: English, Spanish, Mandarin Chinese, 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 six 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).

In FY 2015, FNS Regional staff initiated 58 MEs (42 of these were completed; the rest will be completed in FY 2016). The MEs were conducted across all WIC functional areas but the primary focus of this work was in the area of Certification/Eligibility. During FY 2013 and FY 2014, FNS focused work in the Vendor Management area. 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. 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. 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 FY 2014. Alabama, Virginia, and West Virginia have implemented the Crossroads system statewide. FNS published a memo on December 4,

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2014 allowing all WIC State agencies to assess the Crossroads system in their MIS Alternative Analysis (AA). State agencies have been able to transfer and implement the Crossroads system since March 2015.

Electronic Benefit Transfer (EBT)

FNS is encouraging 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 2015, 83 WIC State agencies are involved in some phase of EBT -- planning, development, implementation or operational Statewide. In FY 2015, 16 new EBT projects were funded.

As of October 2015, sixteen WIC State agencies have successfully implemented EBT projects Statewide. Six State agencies (Cherokee, OK; Isleta, NM; New Mexico; Ohio, Texas and Wyoming) are using smartcard technology and ten (Chickasaw Nation, OK; Inter-Tribal Council of Nevada, NV; Kentucky; Michigan; Nevada; Florida; Massachusetts; Virginia; West Virginia; and Wisconsin) have successfully implemented EBT using magnetic stripe cards, or online technology.

Thirty-one WIC State agencies are currently in the planning phase for EBT. They include: ACL (Acoma, Canoncito, and Laguna of NM); Cheyenne River Nation; District of Columbia; Eastern Shoshone Nation; 8 Northern Indian Pueblos, Inc.; 5 Sandoval Indian Pueblos (Lead in NM ITO EBT Project); Georgia; Hawaii; Idaho; Inter-Tribal Council, Inc., of Arizona; Kansas; Louisiana; Minnesota; Mississippi; Nebraska; New Hampshire; New Jersey; North Dakota; Northern Arapaho Nation; Omaha Nation; Pueblo of Zuni, NM; Puerto Rico; Rhode Island, Rosebud Sioux Tribe; Santee Sioux Tribe; Standing Rock Sioux; Tennessee, Three Affiliated Tribes, Utah, Ute Mountain Ute Tribe; and Winnebago Tribe.

Thirty-six WIC State agencies are currently in the planning phase for EBT (Alabama, Alaska, Arkansas, American Samoa (Arizona lead), Arizona, California, Choctaw Nation of Oklahoma, Citizen Potawatomi Nation, OK, Colorado, Commonwealth of the Northern Mariana Islands (Arizona Lead), Connecticut, Delaware, Guam (Arizona lead), Illinois, Indiana, Inter Tribal Council Inc. of Oklahoma, Iowa, Maine, Maryland (with Virgin Islands), Missouri, Montana, Muscogee Creek Nation OK, Navajo Nation (Arizona lead), Nebraska, New York, Oklahoma, Oregon, Osage Nation, OK, Otoe-Missouria Tribe, OK, Pennsylvania, South Carolina, South Dakota, Vermont, Virgin Islands, Washington and WCD (Wichita, Caddo and Delaware Tribes) Enterprises, Inc., OK).

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 2015, 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 2016. In FY 2015, a new VENA online training module was developed and will be launched on the WIC Works Resource System in the first quarter of FY 2016.

Revised WIC Nutrition Risk Criteria: In FY 2015, three WIC nutrition risk criteria were revised (to be implemented in FY 2016) as part of the on-going cyclical review of risk criteria. The following criteria were revised: Elevated Blood Lead Levels, Short Inter-pregnancy Interval, and Inappropriate Nutrition Practices for Children. In addition, three risk criteria were corrected with minor edits: Low Hematocrit/Low Hemoglobin, Breastfeeding Mother of Infant at Nutritional Risk, and Breastfeeding Complications or Potential Complications.

WIC Child Retention

In FY 2015, FNS participated in collaboration efforts with the Department of Health and Human Services

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specifically the Maternal and Child Health Bureau and the Office of Head Start (OHS), to enhance outreach efforts to families with young children with the goal of increasing WIC participation among children one to four years of age.

- FNS participated in the 2015 National Head Start Conference and Expo. The conference presented the opportunity for an increased collaborative effort between OHS and the WIC Program. More than 2,000 executive directors, directors, administrators, managers, teachers, policy council members, and parents from every State were in attendance at the conference. In addition to a booth in the Exhibit Hall throughout the Conference and Expo, FNS gave a presentation that discussed our specific child retention strategies, coordination efforts, and examples from model sites that have effectively implemented these approaches.
- FNS hosted a webinar that highlighted three WIC State agencies and their innovative strategies to increase WIC child retention.
- FNS sponsored a panel presentation titled “Strategies for Increasing WIC Child Retention” in the “Keep Them” track of the 2015 National WIC Association Annual Education and Networking conference. The Illinois and Connecticut WIC State Agencies presented on the panel to showcase their child retention activities.
- FNS awarded six WIC Special Project Grants to improve child retention in WIC. 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 WIC Special Project Grants focusing on WIC child retention.
- Collaboration efforts for other programs that serve young children, e.g. child care facilities, Child and Adult Care Food Program, Medicaid, will continue in FY 2016.

WIC Studies and Evaluations

FNS published eight major reports related to WIC during FY 2015, which are available at <http://www.fns.usda.gov/ops/wic-studies>. These include:

- **WIC Eligibles and Coverage: National and State Estimates for 2012** which updates estimates on the number of people eligible for WIC benefits in 2012, 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 2012: Food Package Report** is a supplement to the WIC Participant and Program Characteristics 2012 biennial report. The Food Package Report describes the content of WIC food packages based on information on the packages or prescriptions issued to WIC participants in April 2012. This report is a new report and should be of interest to researchers at USDA, academics, and others who study or have interest in the WIC program and nutrition.
- **WIC Breastfeeding Policy Inventory** collected data on breastfeeding policies and practices, as well as the breastfeeding measures in use by collaboration efforts for the programs that serve young children, e.g. child care facilities, Child Adult Care food Program, Medicaid, will continue in FY 2016. The WIC BPI was a census of the 90 WIC State agencies (SAs) (including Indian Tribal Organizations (ITOs) and U.S. Territories) and the approximately 1,800 local WIC agencies (LAs).
- **Diet Quality of Young American Children by WIC Participation Status: Data from the National Health and Nutrition Examination Survey, 2005-2008**, uses data from the National Health and Nutrition Examination Survey to provide a comprehensive picture of the nutrient intakes, food choices, and diet quality of young children who are WIC participants, income-eligible nonparticipants, and higher income participants.

FOOD AND NUTRITION SERVICE

- **Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Infant and Toddler Feeding Practices Study 2 (ITFPS-2): Intention to Breastfeed** is the first report from the WIC Infant and Toddler Feeding Practices Study 2/ “Feeding My Baby” that is designed to describe the feeding practices used by caregivers and measure the nutrition outcomes of children who participate in WIC. The study uses a longitudinal design; caregivers respond to surveys periodically from a prenatal interview through the infant’s fifth birthday. This study will provide a series of reports. The current report presents results from the prenatal survey.
- **Review of WIC Food Packages: An Evaluation of White Potatoes in the Cash Value Voucher: Letter Report:** At the request of the U.S. Department of Agriculture, an expert Institute of Medicine (IOM) committee is undertaking a comprehensive review of the food packages used in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to bring the program into alignment with current dietary guidelines. In this letter report, the first of three reports to result from this review, the IOM committee evaluates the 2009 regulation that excluded white potatoes from purchase with the WIC cash value voucher (CVV) and considers whether white potatoes should henceforth be allowed as a WIC-eligible vegetable in the CVV. This is a report of the National Academies' Institute of Medicine (Food and Nutrition Board), published on FNS’s website by permission. It is also available on the Institute of Medicine website.
- **WIC Breastfeeding Peer Counseling Study: Phase II Follow Up Implementation Report** describes how Loving Support© Peer Counseling is currently implemented in WIC (SAs) and (LAs); and to draw comparisons with the program’s implementation in 2008, when the last study was conducted. Another key objective of the study is to examine how States used the increased funds. At the time of the last study, Federal grant funding for peer counseling totaled about \$15 million annually. In Fiscal Year (FY) 2010, the amount increased to \$80 million, and subsequently declined to \$60 million in FY 2014.
- **WIC Food Package Policy Options II:** In 2007, USDA introduced a new set of food packages via an Interim Rule based on recommendations from the Institute of Medicine, which were implemented by October 2009. The contents of the food packages were finalized via a Final Rule in 2014. The Final Rule clarified some provisions in the Interim Rule and allowed some additional options and substitutions. This study describes some of the choices WIC State Agencies made as they exercised the flexibility offered during the implementation of the Final Rule, describes the resulting food packages, and examines the main differences in the food packages between the Interim and Final rules.

FOOD AND NUTRITION SERVICE

**SPECIAL SUPPLEMENTAL NUTRITION PROGRAM (WIC)
PARTICIPATION AND PROGRAM FINANCING
FISCAL YEAR 2015**

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION				PROGRAM GRANT 2/ (000)
	WOMEN	INFANTS	CHILDREN	TOTAL	
Alabama-----	32,883	34,775	64,475	132,133	\$113,297
Alaska-----	4,685	4,514	10,480	19,679	23,515
Arizona 1/-----	39,807	43,494	83,772	167,072	148,217
Arkansas-----	21,939	23,580	38,700	84,219	69,202
California-----	285,127	259,470	720,775	1,265,372	1,189,698
Colorado 1/-----	22,569	21,816	46,569	90,954	72,869
Connecticut-----	11,210	12,954	27,138	51,301	45,703
Delaware-----	4,318	5,037	9,580	18,935	16,054
District of Columbia-----	3,816	4,199	6,511	14,526	14,219
Florida-----	118,547	119,539	243,954	482,039	359,815
Georgia-----	66,408	65,509	132,303	264,220	214,344
Hawaii-----	7,510	7,402	16,704	31,616	33,673
Idaho-----	10,112	9,796	20,598	40,506	30,153
Illinois-----	59,347	68,208	120,039	247,594	227,119
Indiana-----	36,588	38,987	78,720	154,295	107,755
Iowa-----	15,104	16,300	32,077	63,481	44,519
Kansas-----	14,562	15,817	32,471	62,850	48,405
Kentucky-----	27,626	30,229	58,324	116,179	98,043
Louisiana-----	33,260	37,558	58,117	128,935	120,330
Maine 1/-----	4,688	5,166	11,921	21,774	18,183
Maryland-----	34,209	34,217	74,416	142,841	114,289
Massachusetts-----	25,776	25,964	60,988	112,728	81,162
Michigan-----	54,252	60,862	129,715	244,829	191,464
Minnesota-----	27,381	26,948	65,040	119,369	93,911
Mississippi 1/-----	21,614	25,813	41,632	89,059	83,822
Missouri-----	34,279	36,453	64,048	134,780	98,385
Montana-----	4,436	4,624	9,416	18,476	15,559
Nebraska 1/-----	8,563	9,344	19,695	37,601	33,386
Nevada 1/-----	16,959	17,766	38,419	73,144	53,419
New Hampshire-----	3,327	3,650	7,728	14,705	10,316
New Jersey-----	36,968	36,583	88,112	161,663	148,623
New Mexico 1/-----	13,372	13,461	28,399	55,233	43,886
New York 1/-----	112,538	107,934	250,925	471,397	476,904
North Carolina 1/-----	59,446	61,419	128,803	249,667	194,639
North Dakota 1/-----	2,852	3,228	6,335	12,415	12,778
Ohio-----	57,859	65,872	120,473	244,204	164,339
Oklahoma 1/-----	27,512	28,278	57,084	112,873	95,044
Oregon-----	23,402	21,599	53,303	98,304	75,556
Pennsylvania-----	54,895	65,760	125,323	245,977	202,223
Rhode Island-----	4,597	5,222	10,888	20,707	18,051
South Carolina-----	30,544	32,352	51,665	114,562	91,093
South Dakota 1/-----	4,295	4,647	10,521	19,463	20,782
Tennessee-----	40,181	42,284	67,650	150,116	119,186
Texas-----	237,151	219,016	430,242	886,409	534,861
Utah-----	14,704	13,865	30,426	58,995	45,052
Vermont-----	2,890	2,597	8,247	13,733	13,616
Virginia-----	34,743	36,708	68,179	139,629	99,371
Washington-----	40,575	36,213	99,345	176,133	148,443
West Virginia-----	9,988	10,765	20,945	41,698	36,472
Wisconsin-----	23,552	25,482	56,471	105,505	90,276
Wyoming 1/-----	2,744	2,603	5,649	10,995	9,424
American Samoa-----	1,140	1,005	4,044	6,189	7,561
Guam-----	1,611	1,791	3,896	7,297	9,971
North Mariana Island-----	648	585	2,294	3,527	5,133
Puerto Rico-----	32,098	29,773	103,171	165,042	229,792
Virgin Islands-----	1,047	967	2,363	4,377	7,315
Anticipated adjustment ---	0	0	0	0	-840
TOTAL -----	1,922,251	1,939,997	4,159,074	8,021,322	\$6,670,377

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

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

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.), [~~\$80,849,383,000,~~] \$81,689,168,000, of which [~~\$3,000,000,000~~] \$5,000,000,000, to remain available through [December 31, 2017] September 30, 2018, 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 [available for the contingency reserve under the heading "Supplemental Nutrition Assistance Program" of division A of Public Law 113–235 shall be available until December 31, 2016: *Provided further*, 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,
1 \$5,000,000 may be used to fund a national food consumption survey: *Provided further*, That, of the funds
2 made available under this heading, \$2,000,000 shall be used for a traditional and local foods demonstration project as provided in section 4004(b)(6) of the Agricultural Act of 2014 (Public Law 113–79): *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, [2017] 2018: *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, [2017] 2018: *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 2018, \$19,647,500,000 to remain available through September 30, 2018. 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 provides 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 \$2 million to conduct a traditional and local foods demonstration project in the Food Distribution Program on Indian Reservations as authorized in Section 4004 of the Agricultural Act of 2014.

The third change provides an advance appropriation for fiscal year 2018 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

2017 President’s Budget.....	\$81,689,168,000
2016 Enacted	<u>80,849,383,000</u>
Change in Appropriation	<u>+839,785,000</u>

Summary of Increases and Decreases
(Dollars in thousands)

Item of Change	2014 Actual	2015 Change	2016 Change	2017 Change	2017 Estimate
Benefit Costs	\$71,845,455	-\$809,669	-\$911,467	-\$1,323,197	\$68,801,122
ARRA -- Benefits	5,629,000	-5,629,000	0	0	0
Contingency Reserve	3,000,000	0	0	2,000,000	5,000,000
Administrative Costs:					
State Administrative Costs	3,999,024	123,970	98,952	126,658	4,348,604
Nutrition Ed. & Obesity Prevention Program	401,000	6,000	1,000	6,000	414,000
Employment and Training	437,405	9,822	8,093	10,360	465,680
Mandatory Other Program Costs	161,180	13,812	7,465	17,851	200,308
Discretionary Other Program Costs	998	0	0	7,000	7,998
Total Administrative Costs	4,999,607	153,604	115,510	167,869	5,436,590
Nutrition Assistance for Puerto Rico	1,893,880	57,517	7,739	6,279	1,965,415
ARRA -- NAP	166,714	-166,714	0	0	0
American Samoa	7,606	231	31	25	7,893
ARRA -- American Samoa Benefits	670	-670	0	0	0
FDPIR	119,500	25,691	0	5,809	151,000
TEFAP Commodities	268,750	58,250	-9,000	-19,000	299,000
Commonwealth of the Northern Mariana Islands	12,148	0	0	0	12,148
Community Food Project	5,000	4,000	0	0	9,000
E&T Work Pilots	10,000	180,000	-190,000	0	0
Other Pilots and Demonstration Projects	3,000	-2,000	-1,000	0	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	87,966,330	-6,128,760	-988,187	839,785	81,689,168
ARRA Funding	-5,796,384	5,796,384	0	0	0
Sequestration	-7,636	-751	-1,334	9,721	0
Total Appropriation or Change	82,162,310	-333,127	-989,521	849,506	81,689,168

FOOD AND NUTRITION SERVICE

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

Project	2014 Actual	SY	2015 Actual	SY	2016 Enacted	SY	Inc or Dec	2017 Estimate		SY
Participant Benefits:										
SNAP Benefits	\$71,845,455		\$71,035,786		\$70,124,319		-\$1,323,197	\$68,801,122	(1)	
ARRA Benefits	5,629,000		0		0		0	0		
Subtotal, Participant Benefits	77,474,455		71,035,786		70,124,319		-1,323,197	68,801,122		
Contingency Reserve	3,000,000		3,000,000		3,000,000		2,000,000	5,000,000	(2)	
State Administrative Costs	3,999,024		4,122,994		4,221,946		126,658	4,348,604	(3)	
Nutrition Ed. & Obesity Prevention Grant Prog.	401,000		407,000		408,000		6,000	414,000	(4)	
Employment and Training:										
Federal Funds 100% 1/	110,000		110,000		110,000		0	110,000		
Federal Funds and Participant Costs 50%	327,405		337,227		345,320		10,360	355,680		
Subtotal, Employment and Training	437,405		447,227		455,320		10,360	465,680		(5)
Subtotal, State Administrative Funding	4,837,429		4,977,221		5,085,266		143,018	5,228,284		
Mandatory Other Program Costs:										
Benefit & Retailer Redemption and Monitoring	39,061		48,539		49,809		1,528	51,337	(6a)	
Certification of SSI Recipients for SNAP	21,749		19,042		19,347		244	19,591	(6b)	
Payment Accuracy and Cooperative Services	17,505		20,562		25,144		3,750	28,894	(6c)	
Web-Based Automation of Systems	7,500		7,500		7,503		-3	7,500	(6d)	
Retailer Integrity and Trafficking	16,599		16,823		17,288		504	17,792	(6e)	
Computer Support	9,776		9,908		10,067		127	10,194	(6f)	
Electronic Benefit Transfer Systems	15,159		15,364		15,672		135	15,807	(6g)	
Nutrition Education and Program Information	14,386		17,580		17,605		8,033	25,638	(6h)	
Program Evaluation and Modernization	13,945		14,174		14,522		3,533	18,055	(6i)	
FMMI	3,500		3,500		3,500		0	3,500	(6j)	
IT Modernization and Support	2,000		2,000		2,000		0	2,000	(6k)	
Subtotal, Mandatory Other Program Costs	161,180		174,992		182,457		17,851	200,308	(6)	
Discretionary Other Program Costs:										
FDPIR Nutrition Education	998		998		998		0	998	(15)	
National Health and Nutrition Examination Survey	0		0		0		5,000	5,000	(16)	
FDPIR Traditional Foods Demonstration- 2014 FB	0		0		0		2,000	2,000	(17)	
Subtotal, Discretionary Other Program Costs	998		998		998		7,000	7,998		
Subtotal, Other Program Costs	162,178	238	175,990	285	183,455	373	24,851	208,306		373
Subtotal, Supplemental Nutrition Assistance Program	85,474,062	238	79,188,997	285	78,393,040	373	844,672	79,237,712		373
Nutrition Assistance for Puerto Rico	1,893,880		1,951,397		1,959,136		6,279	1,965,415	(7)	
ARRA -- Benefits NAP	166,714		0		0		0	0		
Subtotal, NAP	2,060,594		1,951,397		1,959,136		6,279	1,965,415		
American Samoa	7,606		7,837		7,868		25	7,893	(8)	
ARRA -- American Samoa Benefits	670		0		0		0	0		
Subtotal, American Samoa	8,276		7,837		7,868		25	7,893		
FDPIR:										
USDA Foods in lieu of SNAP	79,311		104,399		103,664		-354	103,310	(9)	
Distributing Agencies Expenses and Nut. Ed.	40,189		40,792		41,527		6,163	47,690	(9)	
Subtotal, FDPIR	119,500		145,191		145,191		5,809	151,000		
TEFAP Commodities	268,750		327,000		318,000		-19,000	299,000	(10)	
Commonwealth of the Northern Mariana Islands	12,148		12,148		12,148		0	12,148	(11)	
Community Food Project	5,000		9,000		9,000		0	9,000	(12)	
E&T Work Pilots	10,000		190,000		0		0	0		
Other Pilots and Demonstration Projects	3,000		1,000		0		0	0		
Program Access	5,000		5,000		5,000		0	5,000	(13)	
Nutrition Education Center of Excellence	0		0		0		2,000	2,000	(14)	
Total Adjusted Appropriation	87,966,330	238	81,837,570	285	80,849,383	373	839,785	81,689,168		373
ARRA Funding	-5,796,384		0		0		0	0		
Sequestration	-7,636		-8,387		-9,721		9,721	0		
Total Appropriation	82,162,310	238	81,829,183	285	80,839,662	373	849,506	81,689,168		373
Proposed Legislation	0		0		0		39,995	39,995		

FOOD AND NUTRITION SERVICE

PROJECT STATEMENT

(On basis of obligations)

(Dollars in thousands)

Project	2014 Actual	SY	2015 Actual	SY	2016 Estimate	SY	Inc or Dec	2017 Estimate	SY
Participant Benefits:									
SNAP Benefits	\$64,280,339		\$69,523,480		\$70,124,319		-\$1,323,197	\$68,801,122	
ARRA Benefits	5,629,000		0		0		0	0	
State Options Reimbursable	64,639		73,026		80,000		0	80,000	
Subtotal, Participant Benefits	69,973,978		69,596,506		70,204,319		-1,323,197	68,881,122	
Contingency Reserve	351,902		0		0		0	0	
State Administrative Costs	3,351,560		3,929,104		4,221,946		126,658	4,348,604	
Nutrition Ed. & Obesity Prevention Grant Prog.	400,957		393,574		408,000		6,000	414,000	
Employment and Training:									
Federal Funds 100%	111,960		110,000		110,000		0	110,000	
Federal Funds and Participant Costs 50%	263,840		297,263		345,320		10,360	355,680	
Subtotal, Employment and Training	375,800		407,263		455,320		10,360	465,680	
Subtotal, State Administrative Funding	4,128,317		4,729,941		5,085,266		143,018	5,228,284	
Mandatory Other Program Costs:									
Benefit & Retailer Redemption and Monitoring	33,600		46,233		47,312		4,025	51,337	
Certification of SSI Recipients for SNAP	13,507		17,423		18,377		1,214	19,591	
Payment Accuracy and Cooperative Services	17,286		19,623		23,687		5,207	28,894	
Web-Based Automation of Systems	7,100		7,102		7,127		373	7,500	
Retailer Integrity and Trafficking	15,901		12,186		16,350		1,442	17,792	
Computer Support	9,345		9,496		9,562		632	10,194	
Electronic Benefit Transfer Systems	12,300		14,651		14,787		1,020	15,807	
Nutrition Education and Program Information	13,544		16,902		16,615		9,023	25,638	
Program Evaluation and Modernization	14,005		13,540		13,794		4,261	18,055	
FMMI	3,248		3,248		3,262		238	3,500	
IT Modernization and Support	1,846		1,856		1,864		136	2,000	
Subtotal, Mandatory Other Program Costs	141,682		162,260		172,737		27,571	200,308	
Discretionary Other Program Costs:									
FDPIR Nutrition Education	998		984		998		0	998	
National Health and Nutrition Examination Survey	0		0		0		5,000	5,000	
FDPIR Traditional Foods Demonstration- 2014 FB	0		0		0		2,000	2,000	
Subtotal, Discretionary Other Program Costs	998		984		998		7,000	7,998	
Subtotal, Other Program Costs	142,680	238	163,244	285	173,735	373	34,571	208,306	373
Subtotal, Supplemental Nutrition Assistance Program	74,596,877	238	74,489,691	285	75,463,320	373	-1,145,608	74,317,712	373
Nutrition Assistance for Puerto Rico	1,736,056		1,951,397		1,959,136		6,279	1,965,415	
ARRA -- Benefits NAP	166,714		0		0		0	0	
Subtotal, NAP	1,902,770		1,951,397		1,959,136		6,279	1,965,415	
American Samoa	6,972		7,802		7,868		25	7,893	
ARRA -- American Samoa Benefits	670		0		0		0	0	
Subtotal, American Samoa	7,642		7,802		7,868		25	7,893	
FDPIR:									
USDA Foods in lieu of SNAP	79,098		102,203		103,664		-354	103,310	
Distributing Agencies Expenses and Nut. Ed.	40,048		40,718		41,527		6,163	47,690	
Subtotal, FDPIR	119,146		142,921		145,191		5,809	151,000	
TEFAP Commodities	268,016		320,946		318,000		-19,000	299,000	
Commonwealth of the Northern Mariana Islands	12,148		12,648		12,148		0	12,148	
Community Food Project	5,000		9,000		9,000		0	9,000	
E&T Work Pilots	0		200,000		0		0	0	
Other Pilots and Demonstration Projects	1,937		1,000		0		0	0	
Program Access	5,000		5,000		5,000		0	5,000	
Nutrition Education Center of Excellence	0		0		0		2,000	2,000	
Total Obligations	76,918,536		77,140,405		77,919,663		-1,150,495	76,769,168	
Recoveries	17,148		18,000		0		0	0	
Unobligated Balance Start of Year	-1,548,499		-3,060,172		-3,053,589		53,589	-3,000,000	
Unobligated Balance End of Year	3,060,172		3,053,589		3,000,000		2,000,000	5,000,000	
Balance Lapsing	9,568,701		4,742,000		3,043,867		-43,867	3,000,000	
Collections from Reimbursable Obligations	-65,000		-73,026		-80,000		0	-80,000	
Total Adjusted Appropriation	87,951,058	238	81,820,796	285	80,829,941	373	859,227	81,689,168	373
ARRA Funds	-5,796,384		0		0		0	0	
Sequestration	7,636		8,387		9,721		-9,721	0	
Total Appropriation	82,162,310	238	81,829,183	285	80,839,662	373	849,506	81,689,168	373
Proposed Legislation	0		0		0		39,995	39,995	

FOOD AND NUTRITION SERVICE

Justification of Increases and Decreases

1) A decrease of \$1,323,197,000 for Benefit Costs (\$70,124,319,000 enacted in FY 2016).

This decrease reflects the net effect of estimated changes in participation and food costs. SNAP participation is expected to decrease by 2.3 percent to 44.5 million participants while average food costs per person/per month are expected to increase by about 0.44 percent to \$128.88.

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 46.7 million people—14.8 percent of all those in the United States—lived in poverty in 2014. SNAP benefits have a powerful impact on reducing poverty that is not reflected in the Nation’s official poverty statistics. The Census Bureau indicates that SNAP did keep 4.7 million Americans—including nearly 2.1 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 2014, 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 2017 (Dollars in Millions)

	2014 Actual	2015 Target	2016 Target	2017 Target
Amount of Overpayments	\$1,826	\$2,060	\$2,078	\$2,039
Overpayment Error Rate	2.61	2.96	2.96	2.96
Amount of Underpayments	\$420	\$480	\$484	\$475
Underpayment Error Rate	0.60	0.69	0.69	0.69
Total Benefits Over/Under Issued in Error	\$2,246	\$2,540	\$2,562	\$2,514
Combined Payment Error Rate	3.21	3.66	3.66	3.66
Amount of Combined Payment Errors Offset	\$1,406	\$1,580	\$1,594	\$1,564

SNAP is a cornerstone of the nation’s social safety net. FNS expects program benefit costs to decline in FY 2017. This overall decline in cost reflects a projected decrease 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 2014 through 2017 is presented below:

Program Performance Cost Indicators

	2014 Actual	2015 Actual	2016 Estimate	2017 Estimate
Average participation per month (000)	46,664	45,767	45,537	44,482
Average unemployment rate (percent)	6.2	5.4	4.7	4.5
Thrifty Food Plan (TFP)	\$632.00	\$649.00	\$649.00	\$670.50
Maximum Allotment (4 person hh) based on the TFP	\$632.00	\$649.00	\$649.00	\$670.50
Overall average benefit per person per month	\$125.01	\$126.83	\$128.32	\$128.88

2) An increase of \$2,000,000,000 for Contingency Reserve (\$3,000,000,000 enacted in FY 2016).

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

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of \$5,000,000,000 in FY 2017 would allow for approximately one month of program funding without requiring supplemental funding. The current level of \$3 billion was first provided in FY 2004, when the level of total benefits for a year was less than \$24 billion and the contingency fund represented about one and a half months' worth of funding.

- 3) An increase of \$126,658,000 for State Administrative Expenses (SAE) (\$4,221,946,000 enacted in FY 2016).

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 \$6,000,000 for Nutrition Education Grant Program (\$408,000,000 enacted in FY 2016).

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 Consumer Price Index for all Urban Consumers (CPI-U) per the statute.

- 5) An increase of \$10,360,000 for Employment and Training (\$455,320,000 enacted in FY 2016).

These matching funds provide grants to States to conduct 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 2015, 13.6 million SNAP recipients were registered for work and about 600,000 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 specific needs of their SNAP recipients, including: job search and job search training; 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 \$17,851,000 for mandatory other program costs (\$182,457,000 enacted in FY 2016).

Other Program Costs (\$000)	2016 Enacted	Non-Pay Cost Change	Pay Cost Change	2017 Estimate
Mandatory				
Benefit & Retailer Redemption and Monitoring	\$49,809	\$539	\$989	\$51,337
Certification of SSI Recipients for SNAP	19,347	244	0	19,591
Payment Accuracy and Cooperative Services	25,144	3,236	514	28,894
Web-Based Automation of Systems	7,503	-3	0	7,500
Retailer Integrity and Trafficking	17,288	162	342	17,792
Computer Support	10,067	127	0	10,194
Electronic Benefit Transfer Systems	15,672	135	0	15,807
Nutrition Education and Program Information	17,605	7,582	451	25,638
Program Evaluation and Modernization	14,522	3,180	353	18,055
FMMI	3,500	0	0	3,500
IT Modernization and Support	2,000	0	0	2,000
Subtotal, Mandatory Other Program Costs	182,457	15,202	2,649	200,308
Discretionary				
FDPIR Nutrition Education	998	0	0	998
National Health and Nutrition Examination Survey	0	5,000	0	5,000
FDPIR Traditional Foods Demonstration - 2014 FB	0	2,000	0	2,000
Subtotal, Discretionary Other Program Costs	998	7,000	0	7,998
Total	183,455	22,202	2,649	208,306

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The overall change consists of the following:

Mandatory:

- a. An increase of \$1,528,000 for Benefit & Retailer Redemption and Monitoring (\$49,809,000 enacted in FY 2016).

This will provide resources to support compliance specialists, investigators, quality assurance and data mining experts, as well as administrative reviewers. Funding for contracts will 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 requested increase includes a pay cost increase of \$989,000 and estimated inflation (Federal costs).

- b. An increase of \$244,000 for Certification of Supplemental Security Income (SSI) Recipients for SNAP (\$19,347,000 enacted in FY 2016).

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 \$3,750,000 for Payment Accuracy and Cooperative Services (\$25,144,000 enacted in FY 2016).

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 a State exchange of ideas and information. This line also provides funding 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 of \$3,000,000 are requested under this line to improve the accuracy and effectiveness of the QC system. Refer to Current Law Proposal Summary: Improved SNAP Client Integrity Education. The requested increase includes a pay cost increase of \$514,000 and estimated inflation (Federal costs).

- d. A decrease of \$3,000 for Web-Based Automation of Systems (\$7,503,000 enacted in FY 2016).

This line provides funding for IT, automation, and technology based process improvement resources to improve SNAP recipient program integrity. This small decrease reflects savings associated with efficiencies in the contracting process.

- e. An increase of \$504,000 for Retailer Integrity and Trafficking (\$17,288,000 enacted in FY 2016).

This line provides funding for a "strike force" of retailer investigators, for oversight of the 254,592 retailers authorized to redeem SNAP benefits, and for other activities that promote retailer integrity efforts. The requested increase includes a pay cost increase of \$342,000 and estimated inflation (Federal costs).

- f. An increase of \$127,000 for Computer Support (\$10,067,000 enacted in FY 2016).

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

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FNS' internal computer systems that support the activities of Federal staff. The increase is due to estimated inflation (Federal costs).

g. An increase of \$135,000 for Electronic Benefit Transfer Systems (\$15,672,000 enacted in FY 2016).

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 \$8,033,000 for Nutrition Education and Program Information (\$17,605,000 enacted in FY 2016).

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 2017, FNS requests additional funding to support for:

- SNAP E&T technical assistance to States – an effort begun in FY 2015. With this additional investment, FNS will increase the capacity of State agencies to assist SNAP clients in gaining valuable employment skills, ultimately helping clients find work and reducing their need for SNAP. Refer to Current Law Proposal Summary: Employment and Training (E&T) Technical Assistance to States;
- Additional monitoring, oversight and increased technical assistance to States for SNAP Nutrition Education. 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 the Healthy Hunger-Free Kids Act of 2010 (HHFKA). Refer to Current Law Proposal Summary: Increase Federal Resources for Technical Assistance in SNAP Nutrition Education;
- Researching the environmental and other influences that affect the diets of SNAP participants to create nutrition guidance, strategies and consumer messages that are clear and actionable. Refer to Current Law Proposal Summary: Dietary Guidelines Research – Formative and Evaluation and;
- Maintaining and enhancing the Center for Nutrition Policy and Promotion's interactive tools to help Americans implement the *Dietary Guidelines for Americans*. These tools are the key to reversing the trend of childhood obesity and building a healthier next generation. They are widely used by the many audiences served by USDA including by participants in SNAP, WIC, and the Child Nutrition Programs. Refer to Current Law Proposal Summary: Interactive Tools to Help Americans Implement the *Dietary Guidelines for Americans*.

The requested increase includes a pay cost increase of \$451,000 and estimated inflation (Federal costs).

i. An increase of \$3,533,000 for Program Evaluation and Modernization (\$14,522,000 enacted in FY 2016).

The Agricultural Act of 2014 requires all States to track and report outcome data on employment entry, retention, and earnings as well as other information related to their Employment and Training programs. Many States do not currently have the ability to collect this data or conduct robust analyses of this data to continuously improve programs as envisioned by the Farm Bill. This proposal would provide \$3 million in the program information line to support outcome data collection and reporting by State and local agencies operating SNAP E&T Programs.

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This funding will help States meet the requirements of the law through grants to States and technical assistance. The grants will enable States with demonstrated need to purchase and implement required data collection and analysis software. The software will function in concert with existing State systems to help analyze data to improve E&T service delivery. Refer to Current Law Proposal Summary: Development of State SNAP Employment and Training (E&T) Program Data Collection and Reporting Systems. The requested increase also includes a pay cost increase of \$353,000 as well as estimated inflation (Federal costs).

- j. No change for the Financial Management Modernization Initiative (FMMI) (\$3,500,000 enacted in FY 2016).

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 2016).

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

- 7) An increase of \$6,279,000 for Nutrition Assistance Program for Puerto Rico (\$1,959,136,000 enacted in FY 2016).

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 Thrifty Food Plan.

- 8) An increase of \$25,000 for American Samoa (\$7,868,000 enacted in FY 2016).

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 Thrifty Food Plan.

- 9) An increase of \$5,809,000 for the Food Distribution Program on Indian Reservations (FDPIR) (\$145,191,000 enacted FY 2016).

The Food and Nutrition Act of 2008 provides for an alternative program to SNAP EBT for Indian Tribal Organizations (ITOs) that 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 100,000 participants per month. Participation in FDPIR has been steadily increasing since the sunset of the additional Recovery Act SNAP benefit in October 2013. While the program has been serving more participants, administrative resources for the ITOs administering the program have remained flat. Additional resources of \$5,000,000 are requested for administrative funding beyond usual inflation due to the significant increase in participation. Refer to Current Law Proposal Summary: Increase FDPIR Administrative Funding Beyond the Inflationary Adjustment Due to Significantly Increased Participation. Details of the program trends in FDPIR can be found on the table below.

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FDPIR Performance Table

Program Performance Data	2014 Actual	2015 Actual	2016 Estimate	Inc. or Dec.	2017 Estimate
Resources: (\$000)					
Appropriation	\$119,500	\$145,191	\$145,191	\$5,809	\$151,000
Beginning Inventory (Federal and Local)	7,494	27,391	22,400	13,957	36,357
Total Resources	126,994	172,582	167,591	19,766	187,357
Program Demand:					
Average Monthly Participation	85,617	88,500	94,000	6,000	100,000
Average Monthly Food Packages:					
FNS Purchased	\$67.59	\$77.28	\$78.65	\$1.63	\$80.28
Total Monthly Food Package	67.59	77.28	78.65	1.63	80.28
Demand: (\$000)					
FDPIR USDA Food Costs	69,425	89,033	88,719	7,614	96,333
USDA Foods Purchases Admin.	689	802	988	18	1,006
Demand, USDA Foods	70,114	89,835	89,707	7,632	97,339
State Administration	40,189	40,792	41,527	6,163	47,690
Total Demand	110,303	130,627	131,234	13,795	145,029
Use of Resources:					
Program Demand	110,303	130,627	131,234	13,795	145,029
Inventory Change	8,724	-4,991	13,957	-7,986	5,971
Remaining Available for Upward Adjustments	473	0	0	0	0
Total Funds Available	119,500	125,636	145,191	5,809	151,000
Balance End of Year:					
Ending Inventory	16,218	22,400	36,357	5,971	42,328
Commodity Obligations	78,838	104,399	103,664	-354	103,310

- 10) A decrease of \$19,000,000 for The Emergency Food Assistance Program (TEFAP) (\$318,000,000 enacted in FY 2016).

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 Section 27 increased base funding for TEFAP Commodities for fiscal years 2015 through 2018. However, the additional increment provided through the Farm Bill declines – from an additional \$50 million in FY 2015 down to an additional \$15 million in FY 2018. The FY 2017 change in the request for TEFAP foods is due to this decline, which decreases funding from \$40,000,000 in FY 2016 to \$20,000,000 in FY 2017. In order to help mitigate declining resources for the purchase of TEFAP foods, the President’s Budget includes a legislative proposal to add an additional \$30 million for the purchase of TEFAP foods in FY 2017 and returns future funding to FY 2015 levels(see the legislative proposal entitled “Increase TEFAP Food Funding to Curtail the Continuing Reduction in Food Resources.”)

- 11) No change for the Commonwealth of the Northern Marianas Islands (CNMI) (\$12,148,000 enacted in FY 2016).

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 2016).

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) No change for Program Access (\$5,000,000 enacted in FY 2016).

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

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14) An increase of \$2,000,000 Nutrition Education Centers of Excellence (\$0 enacted in FY 2016).

This line supports the SNAP Expanded Food and Nutrition Education Program Centers of Excellence. Refer to Current Law Proposal Summary: Supplemental Nutrition Assistance Program (SNAP) – Expanded Food and Nutrition Education Program (EFNEP)

Discretionary:

15) No change for FDPIR Nutrition Education (\$998,000 enacted in FY 2016).

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

16) An increase of \$5,000,000 National Health Nutrition Examination Survey (NHANES) (\$0 enacted in FY 2016).

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.

17) An increase of \$2,000,000 for FDPIR Traditional Foods Demonstration (\$0 enacted in FY 2016).

This line supports awarding noncompetitive grants to one or more FDPIR Indian Tribal Organizations (ITOs) for the purchase of nutritious and traditional foods, and, when practicable, foods produced locally by Indian producers, for distribution to FDPIR recipients. This demonstration differs from current efforts to procure traditional foods for FDPIR because the funds are provided directly to the administering ITOs in order for them to procure foods that are traditional or culturally relevant to their own ITO. Refer to Current Law Proposal Summary: Fully fund the 2014 Farm Bill FDPIR Traditional Foods Grant Program.

FY 2017 Current Law Proposals
(Dollars in thousands)

Project	President's Request
Mandatory Other Program Costs	
Payment Accuracy and Cooperative Services	
Improved SNAP Client Integrity Education	\$3,000
Nutrition Education and Program Information	
Employment and Training Technical Assistance	4,000
SNAP-Ed Technical Assistance	1,200
Dietary Guidelines Research Formative & Evaluation	1,500
Dietary Guidelines Interactive Tools	1,000
Grants to States for E&T Data Collection Systems	3,000
Total, Mandatory Other Program Costs	13,700
Discretionary Other Program Costs	
FDPIR Traditional Foods Demonstration - 2014 FB	2,000
Total, Discretionary Other Program Costs	2,000
Nutrition Education Center of Excellence	2,000
FDPIR	
Distributing Agencies Expenses and Nut. Ed.	5,000
Total, FDPIR	5,000
Total, Supplemental Nutrition Assistance Program	22,700

1/The Budget includes Child Support Enforcement proposals that increase collections and expand distribution, which in turn reduce low-income families reliance on SNAP and result in savings to the program. Outlays - \$13M in 2017

2/The Budget includes proposals to extend SSI eligibility for elderly and disabled refugees, asylees and other humanitarian immigrants, increasing their income and reducing their reliance on SNAP, resulting in savings to the program.

Outlays - \$8M in 2017

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**FNCS PRESIDENT’S BUDGET FISCAL YEAR 2017
Current Law**

Program: Supplemental Nutrition Assistance Program (SNAP)

Proposal: Improved SNAP Client Integrity Education

Rationale: In Fiscal Year 2014, FNS began an effort to assess how effectively States’ current client integrity education efforts conveyed key anti-fraud messages. FNS found that all States were performing below average based on a standard methodology applied to review State education materials, State applications, and public websites. FNS evaluated how clearly education efforts informed clients of their responsibilities to prevent fraud as well as how easy it is for the public to report fraud. FNS findings suggest there is a significant opportunity across all States to improve client integrity education. As a result, this proposal would provide \$3 million annually to fund technical assistance and activities to help States develop and improve client fraud prevention education and awareness programs.

FNS is committed to ensuring that SNAP benefits are used as intended, helping families put food on the table. Although SNAP fraud is rare, no level of abuse is acceptable. As a result, FNS has devoted considerable effort to strengthening overall program integrity to better identify bad actors and hold them accountable. While considerable effort has been applied to providing States with new regulatory tools, guidance to strengthen fraud detection efforts through data mining, and many other initiatives, often one of the most effective and overlooked fraud prevention strategies is education. Ensuring that clients are provided with timely and clear information about program rules, up front when they apply to the program and repetitively throughout their participation, helps to prevent fraud before it occurs.

Budget Impact:
(\$ millions)

	FY17	FY18	FY19	FY20	FY21	Total
Budget Authority	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$15.0

**FNCS PRESIDENT’S BUDGET FISCAL YEAR 2017
Current Law**

Program: Supplemental Nutrition Assistance Program (SNAP)

Proposal: Employment and Training (E&T) Technical Assistance

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 job-driven training programs that empower SNAP recipients to attain self-sufficiency

This proposal would provide \$4 million to continue technical assistance efforts begun in FY 2015. These funds would build upon current work to support robust interagency partnerships and E&T programs that are focused on helping SNAP recipients prepare for and find good-paying jobs. These technical assistance funds will enable FNS to work with a greater number of State agencies and shift the focus from building partnerships to operating effective programs.

The funding will allow FNS to:

- Provide technical assistance to State agencies on planning, operationalizing, and managing robust E&T programs, with an emphasis on those that utilize the Federal 50 percent reimbursement funds;
- Disseminate lessons learned from the 2014 Farm Bill pilots and high-performing E&T States; and

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- Together with State agencies, develop policies and systems that improve the skills training and employment of SNAP clients.

With this additional investment, FNS will increase the capacity of State agencies to assist SNAP clients in gaining employers-valued skills. Ultimately helping clients find work and potentially reducing their need for SNAP.

Budget Impact:
(\$ millions)

	FY17	FY18	FY19	FY20	FY21	Total
Budget Authority	\$4.0	\$2.0	\$2.0	\$2.0	\$2.0	\$12.0

FNCS PRESIDENT’S BUDGET FISCAL YEAR 2017
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 to strengthen State implementation of HHFKA.

Budget Impact:
(\$ millions)

	FY17	FY18	FY19	FY20	FY21	Total
Budget Authority	\$1.2	\$1.2	\$1.2	\$1.2	\$1.2	\$6.0

FNCS PRESIDENT’S BUDGET FISCAL YEAR 2017
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 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 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:

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- **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 subsequently reducing the risk of disease 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 surveys per year).

Budget Impact:
(\$ millions)

	FY17	FY18	FY19	FY20	FY21	Total
Budget Authority	\$1.5	\$0	\$0.25	\$0	\$0.25	\$2.0

FNCS PRESIDENT’S BUDGET FISCAL YEAR 2017
Current Law

Program: Center for Nutrition Policy and Promotion (CNPP)

Proposal: Interactive Tools to Help Americans Implement the Dietary Guidelines for Americans

Rationale: CNPP works to improve the health and well-being of Americans by developing and promoting dietary guidance that links scientific research to the nutrition needs of consumers. Every five years, CNPP issues the *Dietary Guidelines for Americans (DGA)*, which serves as the official nutrition policy for the federal government. One of the primary ways CNPP helps Americans apply the recommendations in the DGA to their daily lives is by developing, enhancing, and maintaining web-based interactive tools, which provide hands-on learning opportunities that empower families to think critically about their food and physical activity choices. Maintaining and enhancing CNPP’s interactive tools is key in reversing the trend of childhood obesity and building a healthier next generation. These tools are widely used by the many audiences served by USDA including SNAP (low-income households and SNAP nutrition educators), WIC (mothers and children), and CNP (food service workers, educators, daycare and eldercare providers, and students).

CNPP’s interactive tools meet one of the primary goals of the Digital Government Strategy from the US General Services Administration, which seeks to “enable the American people and an increasingly mobile workforce to access high-quality digital government information and services anywhere, anytime, on any device.” In order to accomplish this goal and continue to meet the needs of the important USDA audiences served, resources are needed to enhance CNPP’s interactive tools on an ongoing basis.

SuperTracker

SuperTracker is CNPP’s free food and physical activity tracking tool available at www.SuperTracker.usda.gov. Available on desktop, mobile, and tablet, SuperTracker empowers its over 5.5 million registered users to identify how their own diet and activity compare to personalized recommendations based on the DGA. SuperTracker supports users in setting and achieving personal goals for their health and wellness. The website is mobile and tablet-friendly and serves a wide variety of audiences, including individuals and families, health professionals, worksite wellness coordinators, and especially educators and students.

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Over half of all SuperTracker profiles are school-aged children, and the SuperTracker Nutrition Lesson Plans for High School Students, which CNPP created (launched in October 2014), have been downloaded over 2 million times in just 5 months.

Moving forward, enhancements will be implemented to reflect the nutritional guidance provided in the *2015 Dietary Guidelines for Americans* and address the most frequent requests from users and capitalize on social technologies to support behavior change (based on behavioral change theories such as social media and social support). Additionally, CNPP plans to develop new SuperTracker lesson plans and supporting materials that focus on interactive classroom technology such as SMART boards. Furthermore, the site will be enhanced to help mothers, including WIC participants, plan and track meals for young children, thus corresponding with the release of specialized dietary guidance for infants and toddlers from birth to 24 months of age.

What’s Cooking? USDA Mixing Bowl

WhatsCooking.fns.usda.gov provides access to thousands of healthy, budget-friendly recipes tailored to meet the needs of USDA program participants, nutrition educators, schools, daycare providers, general consumers, and health professionals. Each recipe includes detailed nutrition information and cost data (coming soon). Plus the site will soon offer a menu builder for users to plan and build a budget-friendly, one-week menu based on the nutrition guidance provided in the DGA.

In order for the What’s Cooking? USDA Mixing Bowl site to best serve the program participants, nutrition educators, and general consumers who rely on it daily, updates and enhancements will be made moving forward. For example, new recipes, recipe images, additional meal preparation resources, opportunities for site users to participate, and customization options will be needed to continue to offer a high-quality tool that remains relevant over time. And, in order to optimize government staff time as the site continues to grow, automated (versus manual) site administration technology is required.

Impact

It is imperative that the technology, functionality, and content be updated and enhanced on an ongoing basis to be relevant to specific target audiences and competitive with other tools. Technology will be updated and tailored to Child Nutrition and SNAP audiences, including educators and school-aged children to ultimately help the public put healthy eating behaviors into action.

Budget Impact:
(\$ millions)

	FY17	FY18	FY19	FY20	FY21	Total
Budget Authority	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$5.0

FNCS PRESIDENT’S BUDGET FISCAL YEAR 2017
Current Law

- Program(s):** Supplemental Nutrition Assistance Program (SNAP)
- Proposal:** Development of State SNAP Employment and Training (E&T) Program Data Collection and Reporting Systems
- Rationale:** The Agricultural Act of 2014 requires all States to track and report outcome data on employment entry, retention, and earnings as well as other information related to E&T programs. FNS expects to promulgate regulations to this effect in 2016. Many States do not currently have the ability to collect this data or conduct robust analyses of this data to continuously improve programs. Therefore, this proposal would provide \$3 million in the program information line to support outcome data collection and reporting by State and local agencies operating SNAP E&T Programs. The new reporting requirements provide an opportunity to examine how service delivery affects employment outcomes. This effort will

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enhance the quality and impact of E&T programs and services. For example, an analysis of outcome data may show that certain credentials or training investments leads to higher employment rates or higher job retention for SNAP recipients. As a result, these efforts will improve the Program’s ability to help SNAP recipients obtain and retain good jobs.

This proposal will help States meet the requirements of the forthcoming regulation through discretionary grants that fund the purchase of software for States with demonstrated need, the adaptation of this software to function in concert with existing State systems, if possible, and technical assistance in analyzing data to improve E&T service delivery.

As a result of this investment, State agencies will receive necessary financial and technical support in meeting legislative and regulatory requirements as well as the ability to critically review and analyze program services and outcomes. Without this additional funding, State agencies may not have financial resources to develop outcome data collection and reporting systems and may rely on information reported by vendors without the ability to validate and analyze this data independently.

Funding will remain available until expended.

Budget Impact:
(\$ millions)

	FY17	FY18	FY19	FY20	FY21	Total
Budget Authority	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$15.0

FNCS PRESIDENT’S BUDGET FISCAL YEAR 2017
Current Law

Program(s): Food Distribution Program on Indian Reservations (FDPIR)

Proposal: Fully fund the 2014 Farm Bill FDPIR Traditional Foods Grant Program (Discretionary)

Rationale: The Agricultural Act of 2014 (P.L. 113-79, the 2014 Farm Bill) authorizes \$2,000,000 annually to support a demonstration project, subject to the availability of appropriations, for awarding grants to one or more FDPIR Indian Tribal Organizations (ITOs) for the purchase of nutritious and traditional foods, and, when practicable, foods produced locally by Indian producers, for distribution to FDPIR recipients. To date, no funding for the demonstration has been appropriated.

The Consolidated and Further Appropriations Act, 2015 (P.L. 113-235) provided \$5 million for USDA to use in purchasing traditional and locally-grown foods for FDPIR. USDA used this funding to purchase bison because it is, at this time, the only traditional food for which USDA can readily find vendors. Historically, it has been difficult to find vendors that can support a demand for large quantities of traditional foods and identify traditional foods which are acceptable to the program community nationally. Funding the 2014 Farm Bill-authorized traditional and local foods demonstration project would allow FNS to work with FDPIR program operators to explore another avenue to provide foods that meet the distinct needs of their local participants. Such foods may be more acceptable to FDPIR participants, as the procurement and provision of such foods under this provision may better accommodate localized traditional foods preferences.

In addition to providing additional healthy alternatives which make the food package more appealing to FDPIR participants, the increase in funding could stimulate Tribal economies through the purchase of traditional and locally-grown foods from vendors, some of which may be Native American farmers, ranchers, and producers. Funding FDPIR traditional and locally-grown food purchases would positively contribute to the jobs market in more rural areas and reservation lands.

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Budget Impact:
(\$ millions)

	FY17	FY18	FY19	FY20	FY21	Total
Budget Authority	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$10.0

FNCS PRESIDENT’S BUDGET FISCAL YEAR 2017
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 Increase FDPIR Administrative Funding Beyond the Inflationary Adjustment Due to Significantly Increased Participation

Rationale: Nutrition education and promotion programs for low-income and disadvantaged populations have been a USDA priority for nearly half 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 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 dissemination evidence-based 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.

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

Budget Impact:
(\$ millions)

	FY17	FY18	FY19	FY20	FY21	Total
Budget Authority	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$10.0

FNCS PRESIDENT’S BUDGET FISCAL YEAR 2017
Current Law

Program(s): Food Distribution Program on Indian Reservations (FDPIR)

Proposal: Increase FDPIR Administrative Funding Beyond the Inflationary Adjustment Due to Significantly Increased Participation

Rationale: FDPIR is a food package program that serves as an alternative to SNAP for low-income households living on participating Indian reservations and for American Indian households residing in approved areas near reservations or in Oklahoma. Many of these households do not have easy access to SNAP offices or authorized stores.

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FDPIR administering agencies, which include over 100 Indian Tribal Organizations (ITOs) and five State agencies (SA), receive administrative funds to operate a food distribution site that includes one or more warehouses, certification stations, counseling sessions for nutrition education, and out-bound food delivery to remote sites and home-bound clients. A significant portion of administrative funding is used by program operators to support infrastructure and equipment needs, such as forklifts, freezers and coolers, pallet jacks, and warehouse building maintenance for flooring and roofing. In addition, given the geographic size of many reservations, refrigerated trucks are often procured for delivery to remote locations.

In recent years, national FDPIR participation has increased substantially, from about 75,500 participants on an average monthly basis in FY 2013 to over 87,000 participants in FY 2015. This represents an increase of about 15 percent in individuals served each month. USDA food volume entering ITOs/SA warehouses has proportionately and significantly increased as well. Meanwhile, administrative funding available nationally has not kept pace over the same timeframe, increasing only five percent, from \$38.829 million in FY 2013 to \$40.792 million in FY 2015, due to inflation. The modest inflationary adjustment continues in FY 2016, while participation is expected to remain at higher levels.

Infrastructure improvement and equipment needs have gone unmet at many FDPIR program sites, hampering the ability of ITOs and SA to effectively administer the program. Additional funding is crucial to permit ITOs and SA to serve the higher volume of clients effectively and efficiently and to store the higher volume of food entering tribal warehouses safely and securely. FDPIR ITOs/SA have proven ability to expend such resources for necessary and reasonable expenses, having fully expended \$5 million in American Recovery and Reinvestment Act funds for equipment needs and facility improvements which expired in 2010.

Budget Impact:
(\$ millions)

	FY17	FY18	FY19	FY20	FY21	Total
Budget Authority	\$5.0	\$5.0	\$5.0	\$5.0	\$5.0	\$25.0

FY 2017 Proposed Legislation
(Dollars in thousands)

Item of Change	2017 Current Law	Change	President's Request
Benefits:			
SNAP Benefits	\$68,801,122	\$9,995	\$68,811,117
Contingency Reserve	5,000,000	0	5,000,000
Administrative Costs:			
State Administrative Costs	4,348,604	0	4,348,604
Nutrition Ed. & Obesity Prevention Grant Prog.	414,000	0	414,000
Employment and Training	465,680	0	465,680
Mandatory Other Program Costs	200,308	0	200,308
Discretionary Other Program Costs	7,998	0	7,998
Total Administrative Costs	5,436,590	0	5,436,590
Nutrition Assistance for Puerto Rico	1,965,415	0	1,965,415
American Samoa	7,893	0	7,893
Food Distribution Program on Indian Reservations	151,000	0	151,000
TEFAP Commodities	299,000	30,000	329,000
Commonwealth of the Northern Mariana 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
Total Adjusted Appropriation	81,689,168	39,995	81,729,163

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**FNCS PRESIDENT’S BUDGET FISCAL YEAR 2017
Proposed Legislation**

Program(s): The Emergency Food Assistance Program (TEFAP)

Proposal: Increase TEFAP Food Funding to Curtail the Continuing Reduction in Food Resources

Rationale: TEFAP supplements the diets of low-income Americans through donations of nutritious USDA Foods to State agencies. States provide the food to local agencies for distribution to households for home consumption and to organizations that prepare meals for low-income individuals.

The Agricultural Act of 2014 (P.L. 113-79, the Farm Bill) provides for an inflationary adjustment based on the Thrifty Food Plan to TEFAP food funding each year, consistent with previous statutory requirements, as well as an additional \$125 million that is to be allocated in declining amounts across FYs 2015-2018, as follows:

- FY 2015 - \$50 million
- FY 2016 - \$40 million
- FY 2017 - \$20 million
- FY 2018 - \$15 million

Beyond FY 2015, the waning allocations of food funding provided by the Farm Bill result in a considerable and persistent decline in food resources through FY 2018 and beyond. These declines will contribute to increasing difficulty in effectively meeting the food needs of program participants. Increasing funding to FY 2015 levels will ensure TEFAP is better able to meet those needs, including rising needs as certain adult SNAP recipients lose eligibility due to the reestablishment of time limits on their participation.

Budget Impact:
(\$ millions)

	FY17	FY18	FY19	FY20	FY21	Total
Budget Authority	\$30.0	\$35.0	\$50.0	\$50.0	\$50.0	\$215.0

**FNCS PRESIDENT’S BUDGET FISCAL YEAR 2017
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 fewer than 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.

Based on the success of several State demonstrations, this proposal will create a new State option to improve SNAP access and food security for low-income elderly individuals. The State option would allow States 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

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in elderly participation over the past 6 years. These policies also decrease administrative burdens and improve efficiency.

The vast majority (over 98 percent in 2014) of case closures among the elderly population resulted from their failure to submit interim reports. This proposal will allow states to stop requiring 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. 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 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. 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.

Budget Impact:
(\$ millions)

	FY17	FY18	FY19	FY20	FY21	Total
Budget Authority	\$9.9	\$22.6	\$37.3	\$43.7	\$50.3	\$163.8

**FNCS PRESIDENT’S BUDGET FISCAL YEAR 2017
Proposed Legislation**

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

Proposal: Modify Simplified Reporting Requirements to Include Out of State Moves

Rationale: Simplified Reporting (SR) was designed to provide households with a stable benefit for the duration of the certification period, in order to better plan for the future. Currently, households assigned to SR do not have to report to the State agency when they move outside of the State in which they were certified. State agencies need the authority to require such reports to maintain accurate records, ensure recipient integrity, and assist households in obtaining benefits in the State in which they reside.

FNS proposes to amend the Food and Nutrition Act of 2008, as amended, to allow State agencies to require households to report when they move outside of the State in which they are certified. Any State receiving such a report would be required to check for duplicate participation. If duplicate participation is found, the State agency must act by closing the case and sending the appropriate notice.

Modifying SR requirements to include the requirement for a household to report change of residence outside of the State will improve customer service for SNAP recipients while increasing the likelihood that fraudulent dual participants are caught. FNS continues to be committed to SR and the benefits it provides to households and State agencies. FNS believes that this proposal will increase program integrity, allow better communication between the State agencies and households, and adequately protect client access to the program.

Budget Impact:
(\$ millions)

	FY17	FY18	FY19	FY20	FY21	Total
Budget Authority	\$0	\$0	\$0	\$0	\$0	\$0

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

Supplemental Nutrition Assistance Program--Federal Salaries & Expenses								
	<u>2014 Actual</u>		<u>2015 Actual</u>		<u>2016 Enacted</u>		<u>2017 Estimated</u>	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Alabama	\$191	1	\$351	3	\$417	3	\$417	3
Arizona	32	0	273	2	324	3	324	3
Arkansas	96	1	156	1	185	1	185	1
California	3,837	29	3,666	27	4,351	35	4,351	35
Colorado	1,876	14	1,482	11	1,759	14	1,759	14
Connecticut	319	2	273	2	324	3	324	3
District of Columbia	127	1	0	0	0	0	0	0
Florida	733	5	1,287	9	1,528	12	1,528	12
Georgia	1,764	13	1,833	13	2,176	18	2,176	18
Hawaii	32	0	273	2	324	3	324	3
Illinois	3,103	23	3,159	23	3,749	30	3,749	30
Indiana	159	1	156	1	185	1	185	1
Kansas	159	1	0	0	0	0	0	0
Kentucky	32	0	273	2	324	3	324	3
Louisiana	159	1	156	1	185	1	185	1
Maryland	159	1	195	1	231	2	231	2
Massachusetts	1,626	12	2,106	15	2,500	20	2,500	20
Michigan	159	1	195	1	231	2	231	2
Minnesota	191	1	468	3	555	4	555	4
Missouri	414	3	429	3	509	4	509	4
Montana	0	0	156	1	185	1	185	1
Nebraska	159	1	78	1	93	1	93	1
New Hampshire	0	0	156	1	185	1	185	1
New Jersey	2,340	17	2,613	19	3,101	25	3,101	25
New York	1,562	12	2,301	17	2,731	22	2,731	22
North Carolina	351	3	429	3	509	4	509	4
Ohio	223	2	585	4	694	6	694	6
Oklahoma	0	0	0	0	0	0	0	0
Oregon	32	0	351	3	417	3	417	3
Pennsylvania	191	1	585	4	694	6	694	6
South Carolina	0	0	156	1	185	1	185	1
South Dakota	159	1	78	1	93	1	93	1
Tennessee	510	4	468	3	555	4	555	4
Texas	2,567	19	2,301	17	2,731	22	2,731	22
Utah	191	1	351	3	417	3	417	3
Virginia	126,710	64	204,637	83	206,715	108	206,854	108
Washington	319	2	273	2	324	3	324	3
Wisconsin	191	1	273	2	324	3	324	3
Undistributed	0	0	0	0	0	0	0	0
Total	\$150,676	238	\$232,522	285	\$239,812	373	\$239,951	373

Note: Staff Years increase related to 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)

Supplemental Nutrition Assistance Program

Classification by Objects
(Dollars in Thousands)

		2014	2015	2016	2017
		<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Personnel Compensation:					
	Washington D.C.....	\$10,133	\$13,960	\$16,183	\$16,353
	Field.....	11,896	16,387	18,997	19,197
<hr/>					
11.0	Total personnel compensation.....	22,029	30,347	35,180	35,550
12.0	Personnel benefits.....	6,957	9,583	11,110	11,226
	Total personnel comp. and benefits.....	28,986	39,930	46,290	46,776
<hr/>					
Other Objects:					
21.0	Travel and transportation of persons.....	1,524	1,545	1,545	1,545
22.0	Transportation of things.....	163	165	165	165
23.3	Communications, utilities, and misc. charges.....	231	234	234	234
24.0	Printing and reproduction.....	669	678	678	678
25.3	Other purchases of goods and services from Federal sources....	80,858	81,990	81,990	81,990
26.0	Supplies and materials.....	347,114	423,149	421,664	402,310
31.0	Equipment.....	894	907	907	907
41.0	Grants.....	76,528,097	76,664,807	77,446,190	76,308,943
	Total, Other Objects.....	76,959,550	77,173,475	77,953,373	76,796,772
<hr/>					
	Subtotal, Direct Obligations.....	76,988,536	77,213,405	77,999,663	76,843,548
	Reimbursable Obligations.....	70,000	73,000	80,000	80,000
<hr/>					
99.9	Total, new obligations.....	76,918,536	77,140,405	77,919,663	76,763,548

FOOD AND NUTRITION SERVICE

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 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) 2015 averaged 45.77 million persons per month, representing a 1.91 percent decrease from the average monthly participation in FY 2014.

The following table displays data on benefit costs and participation for FYs 2010 through 2015:

SNAP	2010	2011	2012	2013	2014	2015
Avg. Participation (Millions)	40.30	44.71	46.61	47.64	46.66	45.77
Benefit Costs (Billions)	\$64.7	\$71.8	\$74.6	\$76.1	\$70.0	\$69.7
Average/Person/Month	\$133.79	\$133.85	\$133.41	\$133.07	\$125.01	\$126.83
% Of Population Participating	13.0	14.4	14.9	15.1	14.9	14.4
Persons Unemployed (Millions)	14.8	13.7	12.5	11.5	9.7	8.5

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 *Trends in SNAP Participation Rates for FY 2010 to FY 2013* shows that in 2012, 85 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 2014 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 84 percent of households was below the Federal poverty level;
- 43 percent of households had income at or below 50 percent of poverty;

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- 22 percent of SNAP households had no income; and
- 42 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. Trafficking continues to be very low. Trafficking most typically occurs when SNAP benefits are traded for cash or are not used for their intended purpose. In spite of holding trafficking to a low level, more work remains. In FY 2015, FNS redoubled efforts to prevent and identify fraud and hold bad actors accountable for misuse of the program.

FNS is responsible for monitoring retailers participating in SNAP and holding them accountable for abiding by the rules. Efforts to support retailer integrity included:

- Awarded a new contract to continuously enhance the ALERT system with cutting edge technology to identify fraud;
- Awarded a new contract for store visits to ensure that applicant retailers meet eligibility requirements;
- Awarded a contract for a new retailer service center to employ enhanced business processes to manage retailer applications, reauthorizations and information requests;
- Continued training of compliance staff;
- Focused attention on verification and analysis of the accuracy and comprehensiveness of ownership information for high-risk retailers by maintaining the increased documentation requirements for high-risk stores that applied to redeem SNAP benefits providing better verification of their identify and business integrity;
- 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;
- Worked with electronic benefit transfer (EBT) processors to strengthen fraud detection system reporting and training to improve overall effectiveness of State fraud detection operations;
- Studied thousands of authorized stores and data and determined that over 7,500 stores warranted further investigation;
- Implemented 2,693 sanctions against retailers determined to have committed violations against SNAP;
- Disqualified permanently 1,906 retailers from SNAP due to trafficking or falsifying an application, a 27 percent increase over the prior year; and
- Overall, traditional investigative and analytic investigation outcomes increased by 21 percent over FY 2015.

By law, SNAP state agencies are responsible for identifying and holding accountable recipients who break the rules. Efforts to support recipient integrity included:

- Continued to implement 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; Sacramento County, California; and Texas. Six States completed business process reengineering and are implementing strategies and measuring the impacts. The last State began its project in September. After implementing predictive analytics, one State improved the rate of successful investigations resulting in a trafficking Intentional Program Violations (IPV) to 83 percent. This is an increase of 22 percent compared to before they used predictive analytics. Approximately \$875,000 in cost avoidance is expected in a 12 month period due to positive case outcomes from using analytics.
- Released a client integrity guide to States to support effective communication about fraud.
- 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. FNS awarded an additional task under this contract to work with five additional States to use State eligibility and fraud data to data mine effective ways to detect recipient based fraudulent activity and trafficking patterns in order to provide the States with technical assistance to use in their own processes.

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- Engaged States in a dialogue about client integrity through various forums;
- Conducted management evaluations (ME) to assess State efforts related to client integrity using the ME tool developed in FY 2013;
- Continued to work with States to implement notice requirements for excessive card replacement requests.
- Worked towards improving the type of data received from States as well as the quality, consistency, and frequency of State data reporting. The 60 day notice for FNS Form 366B was published in the *Federal Register* on July 6, 2015 for comment; and
- Awarded over \$9 million in grant funds to five State agencies to identify, track, and prevent trafficking of SNAP benefits by program recipients; and FNS received the evaluation report in October 19, 2015.

Participant Characteristics

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	2007	2008	2009	2010	2011	2012	2013	2014
Individuals:								
Average Number (in Millions)	25.9	27.8	33.5	40.3	44.1	46.0	47.6	46.5
% Children	49.1	48.6	47.5	46.6	45.1	44.5	44.4	44.2
% Elderly	8.7	9.1	8.3	7.9	8.5	9.0	9.3	10.1
% Disabled Nonelderly Adults	--	--	--	--	--	9.5	9.6	9.7
% Female	58.6	58.5	57.3	56.4	56.5	56.4	56.2	56.2
% Nonelderly Adults Registered for Work	--	25.3	28.2	29.6	31.3	31.6	32.9	33.2
Average Household Size	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.0
Households:								
Average Number (in Millions)	11.6	12.5	15.0	18.4	20.8	22.0	23.1	22.3
% Receiving Maximum Benefit	32	33	37	40	41	40	41	42
% Certified 12 Months or More	58	58	57	59	62	66	68	69
% With Earned Income	30	29	29	30	31	31	31	31
% With AFDC/TANF Income	12	11	10	8	8	7	7	6
Average Gross Monthly Income	\$691	\$701	\$711	\$731	\$744	\$755	\$758	\$759
Average Net Monthly Income	\$330	\$335	\$329	\$336	\$338	\$343	\$344	\$335
% With Zero Gross Income	14	16	18	20	20	20	22	22
% With Zero Net Income	31	33	36	38	39	38	39	41
% With Gross Monthly Incomes Less than \$400	28	29	31	32	32	31	32	32
% Gross Income Below Poverty Guidelines	87	87	86	85	83	82	83	84
% Gross Income Below 50% of Poverty Guideline	39	41	42	43	43	42	43	43
Average Shelter Deduction	\$303	\$319	\$343	\$364	\$376	\$374	\$376	\$393
Average Shelter Expense	\$490	\$507	\$544	\$583	\$600	\$591	\$598	\$610
% at Shelter Cap (Maximum shelter deduction)	16	16	18	20	21	20	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 2015

During FY 2015, two SNAP rulemaking actions were published in the *Federal Register*:

- On September 3, 2015, FNS published a final rule amending SNAP regulations to codify certain nondiscretionary provisions of the 2014 Farm Bill. This final rule excludes marijuana from being deducted from household income as an allowable medical expense for SNAP eligibility determination purposes. In addition, the rule makes container deposit fees in excess of those fees mandated by State law (such as those applied by manufacturers) ineligible for payment with SNAP benefits. The rule sets the Quality Control (QC) error threshold to no more than \$37 for Fiscal Year (FY) 2014, and then adjusts it annually in FY 2015 and thereafter based on the Thrifty Food Plan of the preceding year. The rule also eliminates FNS's ability to waive any portion of a State's QC liability. Finally, the rule requires State Agencies to use SNAP High Performance Bonus Payments for SNAP related administrative expenses, such as investments in technology, improvements in administration and distribution, and actions to prevent fraud, waste, and abuse.
- On September 10, 2015, FNS published a final rule which implements changes made in the Food and Nutrition Act of 2008 and the Food, Conservation and Energy Act of 2008, which require the Secretary to define the terms "fleeing" and "actively seeking" regarding the disqualification of a fleeing felon from eligibility for SNAP benefits. By defining these terms, this final rule ensures consistent procedures are used by all States to accurately identify and disqualify individuals for SNAP benefits under the Act.

Grants to Help States Improve Technology to Combat SNAP Recipient Trafficking

These grants fund projects to combat benefit abuse and trafficking through State deployment of new technology, or modernize existing technology, that monitors and tracks investigation outcomes of individuals suspected of intentional program violations with an emphasis on trafficking, the illegal sale of benefits for cash, or other ineligible items. 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 2015, FNS awarded five grants:

1. Alaska Department of Health and Social Services

Alaska Department of Health and Social Services will install a statewide fraud case management system. Through a request for proposal, the State will solicit a contractor to develop and install a centralized database to replace its current outdated regional systems. The new system will facilitate accurate reporting to FNS and within the State. The contractor will also develop a case-tracking system with automated workflows and report templates tailored to the State's unique investigative processes. *Awarded \$1,682,196*

2. Maine Department of Health and Human Services

Maine Department of Health and Social Services will install a statewide fraud case management system to match its newly installed eligibility system. Through a request for proposal, the State will solicit a contractor to develop and install a centralized database to replace its multiple outdated and unconnected systems. The new system will facilitate accurate reporting to FNS and within the State. The contractor will also develop a case-tracking system with automated workflows and report templates tailored to the State's unique investigative processes. *Awarded \$554,453*

3. Mississippi Department of Human Services

Mississippi Department of Human Services will team with Mississippi State University to develop and install an Early Detection and Fraud Investigation Management System. The system will allow tracking of investigations throughout their lifecycles and provide case-specific workflows and report templates. In addition, the partnership will develop statistical models to identify potential fraud and prioritize investigations. The models will analyze State databases for suspicious activity and automatically analyze benefit redemption patterns of individuals referred for investigation. These models will also automatically conduct cost-benefit prioritization for potential investigations by analyzing the likelihood of fraud and its potential value. *Awarded \$1,917,127*

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4. Nevada Department of Health and Human Services

Nevada will purchase a Case Management Software and Fraud Detection service. The case management system will allow tracking of investigations throughout their lifecycle and provide case-specific workflows and report templates. It will also facilitate accurate reporting to FNS and within the State. The fraud detection service will provide software and support staff for advanced data analysis to identify potential fraud and prioritize investigations. The service will also provide assistance with, and training for, building successful cases using data analysis. *Awarded \$1,567,326*

5. New Jersey Department of Human Services

New Jersey Department of Human Services will contract to develop and install a statewide case management system modeled after the recently installed SNAPTrac eligibility tracking system. The contractor will create a centralized database to coordinate reporting among the State's county agencies. They will also work with investigative staff to develop workflows and reporting templates to facilitate investigations throughout the State and standardize activities among county agency investigation units. *Awarded \$3,715,380*

Grants to Improve Program Access and Eligibility Determination

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 2015 awarded projects focus on workflow analysis and process management; technology improvements; and process and communications improvements to decrease churning. For FY 2015, FNS awarded six grants:

1. New York City Human Resources Administration Department of Social Services

The City of New York Human Resources Administration/Department of Social Services (HRA) will develop a mobile application for smartphones and tablets that will make it easier and more efficient for SNAP clients to complete their SNAP applications and recertification, access their case status and benefit issuance information, upload required documents, and communicate with the agency. This project seeks to improve the ways low-income New Yorkers can interact with HRA and will help to address the persistent challenge of clients missing deadlines to complete the SNAP eligibility process. *Awarded: \$1,548,065*

2. County of Yolo, California

The Yolo County Department of Employment and Social Services (DESS) will contract with a telecommunications vendor to create and implement a web platform that the Yolo County DESS will use to send text message directly to CalFresh (SNAP) recipients who opt-in to this communication service. Utilizing the existing Yolo County DESS database, the awarded telecommunications vendor will be responsible for creating, installing, and maintaining the text messaging platform to provide text messaging service and delivery. The vendor will also provide training, technical guidance, and technical support to Yolo County DESS staff. Lastly, the vendor will collect usage data on the Text Alert Program and provide this information to the Yolo County DESS staff for program analysis and evaluation. SNAP applicants and recipients will benefit by receiving text message alerts, in addition to the standard mailed notifications, when action is needed to receive or continue their benefits. The project will also include a marketing and outreach campaign to promote the program during its implementation and to ensure that eligible participants are aware of their opportunity to receive CalFresh renewal notices via text message. *Awarded: \$99,979*

3. New Jersey Department of Human Services

The Department of Human Services/Division of Family Development (DHS/DFD) will use grant funds to integrate their Digital Imaging Management System (DIMS) with the New Jersey Tracking and Reporting System (SNAPTrac). This system integration will improve client services by streamlining business processes facilitated by document imaging. This initiative will allow for the incorporation of barcodes in all outgoing SNAP notices, direct links to allow caseworker access to electronic content management and case files, and will allow for Business Process Reengineering (BPR) of new applications, interim reports, and recertification. Furthermore, the DIMS/SNAPTrac Integration Project will leverage existing systems to address gaps that often lead to application processing delays or eventual churn due to flaws in the recertification. *Awarded \$1,445,528*

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4. California SAWS Consortium IV Joint Powers Authority

Thirty-nine of California's fifty-eight counties currently comprise the Statewide Automated Welfare System (SAWS) Consortium IV (C-IV) which has implemented the online application, C4Yourself®. These counties include: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Plumas, Riverside, San Benito, San Bernardino, San Joaquin, Shasta, Sierra, Siskiyou, Stanislaus, Sutter, Tehama, Trinity, Tuolumne and Yuba. This project will provide funding for continued improvement of the C4Yourself® application tool by adding technical enhancements through a C4Yourself® mobile App. These enhancements include notifications and reminders to clients, the addition of real-time, secured two-way messaging between the eligibility worker and clients, the capacity to check benefit amounts and submit documentation all through the C4Yourself App. These enhancements will enable C-IV to improve and sustain SNAP participation, reduce "churn", and increase participation in self-service usage as well as keep C-IV relatively current with technological advances and public expectations. *Awarded \$853,326*

5. SC Thrive

SC Thrive is partnering with South Carolina Department of Social Services (SCDSS) to build SNAP Assist which is: (1) a mobile device App so clients can complete SNAP applications on their smart phones, (2) an expansion of the Contact Center to take SNAP applications by telephone (with electronic signature and real-time electronic submission to SCDSS), and (3) a backup system to keep eligibility work flowing through SCDSS in times of outage. The two counties that will benefit most from the new services are Oconee and Pickens (the most northwestern counties in SC). The mobile App will support all stages in the application process, from the initial "check your eligibility" screener through to final application and electronic submission. It will also include a camera-based image scanning of required documents from the client's device (including secure storage) and reminder alerts for recertification and missing data to help reduce churn. *Awarded \$911,386*

6. County of Jefferson, New York

Jefferson County Department of Social Services (JCDSS) will purchase four Kiosks that will provide a variety of functions for clients and purchase software so that the Kiosks can communicate with their current systems; two in the JCDSS lobby, one located at the Watertown Urban Mission, and one located at the Community Action Planning Council. The Kiosks will enhance the customer experience, improve our systems, and increase efficiency of processing cases through the following functions: 1) Customers will have the option to check-in vs stand in line, 2) Customers can scan documents into the Kiosks which will be sent directly to their case, 3) Customers can apply/recertify for SNAP benefits on-line and scan documents simultaneously, 4) Applicants will be screened for expedited SNAP benefits, 5) Kiosks will reduce wait time and the number of customers waiting in the lobby and 6) Reduce and measure "churning." *Awarded \$141,716*

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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. 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 bonuses for performance in 2014 were awarded in June and September 2015. The following States received awards:

BEST PAYMENT ACCURACY				
State	Payment Error Rate (PER)			Bonus Amount
Florida	0.42			\$7,742,209
Texas	0.63			\$6,496,710
Kansas	0.75			\$628,494
Washington	0.77			\$2,428,058
Alaska	0.89			\$247,206
Tennessee	1.08			\$2,687,266
South Carolina	1.09			\$1,672,486
Mississippi	1.16			\$1,302,423
National Average	3.66			
MOST IMPROVED PAYMENT ACCURACY				
State	FY 2013 PER	FY 2014 PER	Change	Bonus Amount
<i>Kansas</i>	3.99	0.75	-3.24	<i>Received Bonus for Best</i>
Vermont	9.66	2.76	-6.90	\$293,274
Rhode Island	8.25	5.97	-2.28	\$501,874
Total				\$24,000,000

BEST CASE AND PROCEDURAL ERROR RATE				
State	Rate			Bonus Amount
South Dakota	1.94			\$174,485
Mississippi	6.81			\$611,125
South Carolina	8.71			\$768,431
Iowa	9.30			\$427,057
National Average	26.30			
MOST IMPROVED CASE AND PROCEDURAL ERROR RATE				
State	FY 2013	FY 2014	Change	Bonus Amount
Texas	28.18	13.77	-14.41	\$2,819,109
Tennessee	23.51	10.44	-13.07	\$1,199,793
Total				\$6,000,000

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BEST PROGRAM ACCESS INDEX				
State	Rate			Bonus Amount
Delaware	104.17			\$323,955
Maryland	100.54			\$1,366,365
Rhode Island	94.19			\$416,769
Oregon	94.18			\$1,507,730
Vermont	92.99			\$252,344
MOST IMPROVED PROGRAM ACCESS INDEX				
State	FY 2013	FY 2014	Change	Bonus Amount
<i>Delaware</i>	<i>99.83</i>	<i>104.17</i>	<i>4.34</i>	<i>Received Bonus for Best</i>
Mississippi	76.26	80.34	4.08	\$1,047,786
West Virginia	82.07	86.14	4.07	\$652,074
California	53.25	56.49	3.24	\$6,432,977
Total				\$12,000,000
BEST APPLICATION PROCESSING TIMELINESS RATE				
State	Rate			Bonus Amount
Idaho	99.61			\$611,264
North Dakota	97.14			\$241,827
Wisconsin	95.87			\$2,486,361
Mississippi	94.88			\$1,813,656
Wyoming	94.70			\$186,470
Hawaii	94.41			\$660,422
Total				\$6,000,000

1/ The calculation of bonus payments for payment and case and procedural error rates, PAI and Timeliness are based on the distribution of caseloads within the qualifying States.

FNS continues its aggressive efforts to collect debts owed to SNAP, for example by recipients who have not repaid over issuances, 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 \$155.3 million in delinquent debt was collected through TOP in calendar year 2015. Approximately \$2 billion has been collected through TOP (and its predecessor, the Federal Tax Refund Offset Program) since FNS began this effort as a pilot project in 1992. These claims may not have been collected without Federal collection programs being made available to the State agencies that manage these debts.

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

On June 26, 2015, FNS notified six SNAP agencies (DC, Georgia, New Mexico, Montana, Guam, and Nevada) that they were in liability status for having a poor QC error rate for at least two consecutive years. Six other States (Connecticut, New York, Rhode Island, North Carolina, Kentucky, and Arizona) 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, Connecticut, New York, Rhode Island, North Carolina, Kentucky, and Arizona 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 2015. The following table lists the liability amounts established:

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State	Liability Amount
DC	\$307,194
Georgia	\$1,385,648
New Mexico	\$138,415
Montana	\$220,212
Guam	\$117,060
Nevada	\$870,183

In addition, six States (Arkansas, Massachusetts, New Hampshire, Illinois, Minnesota, and Oklahoma) exceeded the FY 2014 threshold for the second year. Potential liabilities will be established if these States have a payment error rate in FY 2015 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 2015, a policy was implemented to hold States accountable to application timeliness standards. This policy 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. As a result of the timeliness escalation policy, 11 States were identified for the warning process. Five States were issued advanced warning letters and took meaningful action to improve customer service. One State was released early from the warning due to success in meeting milestones. Six States improved without need for a warning letter as a result of technical assistance.

State Policy Options Report

The 11th Edition of the SNAP State Options Report was issued in April 2015. SNAP's statute, regulations, and waiver authority provide State agencies with numerous policy options. 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. 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 reflected in the 11th Edition is the 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.

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

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2015, FNS distributed 3,425 packets of information in English and Spanish to toll-free number callers and answered 42,306 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 <https://pueblo.gpo.gov/SNAP/SNAPPubs.php>.

National Anti-Hunger and Opportunity Corps: USDA is in its sixth year of partnership with the Corporation for National and Community Service, with an expected 72 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 2015, 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 continued to provide contract support in process improvement to low performing States on critical SNAP performance measures (application process timeliness, payment accuracy and case and procedural errors). The contract was awarded in FY 2014 for 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). Throughout FY 2015, support was provided to three State agencies to improve timeliness and integrity.

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 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. With a prototype of the system developed in FY 2014, FNS hired a contractor to validate the user interface and system requirements to ensure the system will meet the needs of FNS and our State agency partners.

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

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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 2016 SNAP-Ed Guidance, released in March 2015, provided instructions to State agencies on implementing policy, systems, and environmental interventions defined for SNAP-Ed. 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 2016.

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. A revised EARS form was published for comment in the *Federal Register* on August 17, 2015. The new form will enable States and implementing agencies to report data on obesity prevention activities that use public health strategies, to include policy, systems, and environmental change interventions for SNAP-Ed.

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, and 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 was completed. Formative field testing for message development is currently underway. Focus groups are scheduled to take place at ten locations across the country and will include groups of high school teens of mixed gender and ethnicity. Three of the ten focus groups will be held with high school teachers.

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 2015, FNS approved a waiver of the equal treatment requirement in SNAP regulations (7 CFR 278.2(b)) to continue Michigan's Double Up Food Bucks incentive pilot program in retail food stores aimed at increasing healthy food purchases with SNAP benefits. The pilot was expanded to eight additional stores located in the Detroit area, eleven additional stores in the State of Michigan, and two stores each in the States of Kansas and Missouri, respectively. The pilot provides incentives using gift cards 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.

In FY 2015, FNS also provided guidance to Food Insecurity and Nutrition Incentive (FINI) grantees clarifying that because the 2014 Farm Bill requires FINI grantees to provide incentives specifically to SNAP clients, the equal treatment provision of 7 CFR 278.2(b) does not apply to FINI grantees for the purpose of providing incentives under the FINI grants. However, the remainder of the equal treatment provision still applies. The primary objective of the

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FINI grants is to increase the purchase of fruits and vegetables by low-income consumers participating in SNAP by providing incentives at the point of purchase.

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 2015, 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 2015, 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 2015, six states continued to operate 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 2015, 16 states operated Standard Medical Deduction projects (Alabama, Arkansas, Iowa, Illinois, Kansas, Massachusetts, Missouri, New Hampshire, Oklahoma, Rhode Island, South Carolina, Texas, Virginia, Vermont, Washington, and Wyoming). Georgia requested and received FNS approval to operate the demo in FY 2015, but implemented the program in FY 2016.

Payment Accuracy

The FY 2014 national average certification payment error rate, announced in June 2015, was 3.66 percent. Regulations require State agencies to analyze data and develop corrective action plans to reduce or eliminate program deficiencies when their combined payment error rate is above the 6 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 2014 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 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 FY 2016. Currently, D-SNAP operates under interim regulations. The forthcoming regulations will provide detailed guidance on disaster planning, requesting D-SNAP, and reporting requirements.

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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 2015:

State	Disaster	Total Households	Total Issuance
Wyoming	Flooding	9	\$1,956
California – Lake County	Forest Fire	1,118	464,752
California – Calaveras County	Forest Fire	41	10,958
TOTAL		1,168	477,666

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;
- 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 2014, States reported that over 13.6 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 2015, 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 required by Section 4022 of the Agricultural Act of 2014.

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Funding

SNAP E&T is funded under four funding streams:

Budget Item	Description	2015 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.	\$83,359
ABAWD 100 Percent Federal Grant	Additional grants for States that guarantee certain activities aimed at the ABAWD population.	\$20,000
Federal 50 percent Administrative Grants	50 percent reimbursement for States that exceed their 100 percent Federal grant.	\$234,787
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.	\$69,117
	TOTAL	\$407,263

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 are designed to increase the number of work registrants who obtain unsubsidized employment, increase their earned income, and reduce their reliance on public assistance. Pilot States must participate in an evaluation, maintain a robust data collection system, collaborate with State workforce boards, and maintain FY 2013 State funding levels for E&T. Ten pilots were awarded on March 20, 2015 for innovative approaches to provide work eligible SNAP recipients with skills needed to attain meaningful work that leads to self-sufficiency. The projects target certain populations such as those with low skills, are 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. Staff provides technical assistance and monitor implementation of the pilots. The following projects received awards in 2015:

County of Fresno Department of Social Services.

Fresno will build on an existing program called the Fresno Bridge Academy to offer multiple career-driven services, including education, job training, support services, subsidized and unsubsidized employment, retention services, ongoing case management, and financial incentives for milestone achievements. The pilot includes a multi-generational approach that includes adult development topics such as nutrition and health management, parenting skills, financial literacy, and services to ensure children are excelling in school. *Awarded \$12,166,778*

Delaware Department of Health and Social Services

The Delaware Work Opportunity Networks to Develop Employment Readiness (WONDER) will provide intensive case management, wrap around services to address work readiness barriers, and a choice of four service tracks. Individual placement into service tracks will be based on location, interest, and work readiness for one of three sector-based tracks (construction, culinary arts, or manufacturing) or a fourth, broader job placement track. *Awarded \$18,765,069*

Georgia Division of Family and Children Services

Georgia will use an integrated case management system, based on a medical HMO model, and apply a three-tiered assessment system to effectively address the needs of SNAP E&T participants with multiple barriers to employment, focusing on ABAWDs who have been unemployed for more than 12 months. Depending on individual skill levels, pilot participants will be offered job readiness services, basic education, occupational training, subsidized employment, and job retention services. Participants will also have access to Employ Georgia's Focus Career Explorer, an innovative self-service tool that will allow pilot participants to manage their career path and interact with staff and services on-line to support successful career placement. *Awarded \$15,011,438*

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Illinois Department of Human Services Job Training and Economic Development SNAP E&T Program.

This program builds on a small-scale program for disadvantaged workers to offer comprehensive assessments and case management. The pilot will be rolled out into seven workforce investment areas in the northern, central and southwestern parts of the State. After a holistic assessment, case managers will place participants in an accelerated and integrated adult education program, bridge program and/or technical training or a work-based learning pathway. *Awarded \$21,857,568*

Kansas Department for Children and Families.

The Generating Opportunities to Attain Lifelong Success (GOALS) program is an intensive case management program that will be followed by career pathways training and work-based learning opportunities. *GOALS* is a four-phase, client-centered strategy that includes intensive case management services; job-driven training and career pathways; work-based learning; and job retention services. Participants will be assigned a Career Navigator that stays with them throughout the course of their program to assist with overcoming barriers to training and employment and developing a career plan. The project is supported further by cross-system communication at the state and site levels through a Collective Impact facilitator. *Awarded \$13,509,167*

Kentucky Department of Community Based Services

The Paths 2 Promise program will provide team-based case management, intensive supportive services, education, training and subsidized employment to SNAP work registrants in the Eastern Kentucky Promise Zone region. The project will utilize a collective impact service model that aligns new and existing programs, such as Accelerating Opportunity Kentucky, a successful career pathway model, to better support SNAP work registrants. Services will include an electronic Individual Employment Plan (IEP) used to coordinate assessment and case management across partner agencies, job readiness, soft skills, Adult Basic Education, short-term, stackable occupational training courses will be linked to internships, work experience, work study, on-the-job training and deep employer engagement through the establishment of Employer Resource Networks. *Awarded \$19,987,148*

Mississippi Department of Human Services

The Mississippi Works Career Assessment Program is a four-week course that prepares participants for future employment or postsecondary education. It includes career planning, job skills training, education, personal and behavioral modification, and life skills. At the end of the course, the participant is provided with a voucher to implement their career plan through one of three pathways: 1) an academic pathway focused on GED attainment or career-technical education (with an emphasis on the I-BEST model for basic skills education), 2) a life skills pathway, or 3) a work pathway, in which students can participate in subsidized or unsubsidized employment, or additional career training. *Awarded \$20,505,890*

Virginia Department of Social Services

The program will target innovative employment and training services through its project to ABAWDs, non-custodial parents, and low-skilled individuals, each of whom will earn at least one industry-recognized credential valued by employers. The state will operate three programs customized to the skill levels of participants upon entry: a hybrid online learning lab with instructor-led workshops, job readiness and training leading to a certificate or certification, and a longer-term integrated basic education and training program, all of which draw from evidence-based strategies. Each program will be supported by intensive case management and advising. *Awarded \$22,329,952*

Vermont Department for Children and Families

This program will provide a range of education and training options to high-need populations, including homeless adults, individuals connected to the correctional systems, and individuals with substance addiction illness. Services will include adult basic education and GED services, job readiness training, occupational training, and work-based learning such as apprenticeships and on-the-job training. All pilot participants will receive a comprehensive, clinical assessment that will inform the creation of an intensive cross-agency case management team to ensure that pilot participants have access to all necessary supportive services. Most pilot participants will be referred to the Governor's Career Ready Program at Vermont Community College; program completers will receive a National Career Readiness Certificate that, whenever possible, will be paired with an industry recognized certificate or credential. *Awarded \$8,959,379*

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Washington Department of Social and Health Services

The Resources to Initiate Successful Employment (RISE) will help individuals with significant barriers to employment—including homeless adults, limited English proficient individuals, veterans, and non-custodial parents with child support obligations—through comprehensive case management and work-based learning opportunities. The pilot will operate in King, Pierce, Spokane, and Yakima counties, with case management services provided by community colleges and community based organizations. Case managers will help resolve barriers to employment by leveraging housing resources, working with the Division of Child Support for clients who are delinquent in child support payments, and creating accelerated training strategies and job placements within in-demand or high growth industries. *Awarded \$22,000,000*

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

The Agricultural Act of 2014 placed an emphasis on assisting program participants to move off a reliance on SNAP through robust employment and training activities. As a result, FNS requested and was provided with the funding to establish a division within SNAP, the Office of Employment and Training (OET), with experts in SNAP E&T and workforce development strategies. The OET monitors the effectiveness of States' E&T programs, provides technical assistance to State agencies to create job-driven programs, and increases collaboration with other Federal training programs. Additional staff was hired in each regional office in FY 2015 who 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.

Technical Assistance

FNS awarded a contract for E&T Technical Assistance (TA) to the Seattle Jobs Initiative (SJI) which will build on the Administration's commitment to job-driven training. The TA will support best practices that help SNAP participants gain the skills they need for jobs employers are looking to fill today. SJI is partnering with Abt Associates in this effort. The TA is central to FNS' efforts to leverage SNAP E&T so more States can help SNAP clients work toward economic self-sufficiency. In collaboration with FNS, the TA will support, guide, and empower select States to build better, stronger E&T programs. It will serve as a "hub" that provides all States the tools they need to build job-driven programs. In addition, a targeted group of States will have an opportunity to receive enhanced technical assistance.

Future Plans

In FY 2016, 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.

Retailer File System (RFS): RFS is a way to digitize, share and manage electronic retailer records. The system allows users to upload documents through a scanning application, correct filing mistakes and view electronic records. The RFS was piloted in The Retailer Operations Branch for application documents. There will be a staggered roll out for application and reauthorization documents to the remaining Work Centers in FY 2016.

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ALERT: FNS released a Request for Proposal (RFP) and selected a qualified contractor team to operate and maintain FNS' system for fighting SNAP retailer fraud known as ALERT. Renewal of the contract ensures continued system operations and enhancements using the best-suited prevalent architectures and technologies available in the IT industry, and allows for continued data mining support services.

Studies and Evaluations

FNS published three major reports related to SNAP during FY 2015, which are available at <http://www.fns.usda.gov/ops/supplemental-nutrition-assistance-program-snap-research>. These include:

- **An Assessment of the Roles and Effectiveness of Community-Based Organization in the Supplemental Nutrition Assistance Program**, which examined program outcomes such as procedural denials and application timeliness when applicant interviews were conducted by community-based organizations staff to outcomes when SNAP staff conducted applicant interviews in 4 states - Florida, Michigan, Nevada, and Texas.
- **Assessment of the Contributions of an Interview to Supplemental Nutrition Assistance Program Eligibility and Benefits Determinations** tested how key outcomes, such as program access, payment accuracy, and administrative costs, vary with and without an interview at both certification and recertification in demonstrations in two States - Oregon and Utah.
- **Diet Quality of Americans by SNAP participation Status: Data from the National Health and Nutrition Examination Survey, 2007-2010** provides a comprehensive picture of the nutrient intakes, food choices, and diet quality of SNAP participants, compared with income-eligible nonparticipants and higher-income nonparticipants.

Work on three studies mandated by the Agricultural Act of 2014 continued in FY 2015:

- **Examination of Cash Nutrition Assistance Program Benefits in Puerto Rico** reviews 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 also includes 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). The final report was released in August 2015.
- **Assessment of Tribal Administration of Federal Nutrition Assistance Programs** examines the feasibility of Indian Tribal Organizations (ITOs) administering Federal nutrition assistance programs in lieu of State agencies or other administering entities, in response to Section 4004 of the Act. The study will describe the administrative requirements of four key nutrition assistance programs, highlight findings from a survey and site visits to assess Tribes' interest in and past experience with administering Federal programs, and discuss obstacles to ITO administration of Federal nutrition assistance programs. The study will be completed early in 2016.
- **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 will also assess alternative models of SNAP operation and benefit delivery that best meet the nutrition assistance needs of CNMI. The study will 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). The study will be completed early in 2016.

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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 Farm Bill, Section 4026 of the Agricultural Act of 2014 increased that amount to \$9 million beginning in FY 2015. This grants program is administered by the National Institute of Food and Agriculture (NIFA). In FY 2015, NIFA awarded six project planning grants (about \$35,000 each), and 26 Community Food Project Grants (from about \$90,000 to \$400,000 each) totaling \$8.64 million.

Farmers' Markets and Direct-Marketing Farmers

FNS spent \$4 million in FY 2015 to provide wireless SNAP EBT equipment to farmers' markets and farmers not currently participating in SNAP. To accomplish this, FNS' contractor continued 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 2015, approximately 1,770 farmers markets and direct marketing farmers received wireless SNAP EBT equipment through this contract.

As of September 30, 2015, the number of SNAP-authorized farmers markets and direct marketing farmers increased from 5,172 in FY 2014 to approximately 6,483 with redemptions slightly over \$19 million in FY 2015. FNS expects to continue activities that promote SNAP operations at farmers markets, and support the goals and mission of SNAP.

FNS also hired a contractor to provide \$700,000 in replacement SNAP EBT equipment to farmers markets and direct marketing farmers experiencing situations of hardship, as well as developing a process to provide support grants for SNAP EBT services at farmers markets. In FY 2015, approximately 269 farmers markets and direct marketing farmers were approved to receive replacement equipment through this contract.

FNS awarded \$8.1 million in support grants to expand SNAP EBT services at farmers markets. Awards were made to the following projects:

1. **Plant Chicago, NFP, Chicago, IL**
Plant Chicago's Ensuring SNAP Success project, will improve SNAP programming in the urban center of Chicago, IL by increasing SNAP-customers at the organization's farmers market through community, bi-lingual outreach and a local marketing campaign. Through this project the SNAP program at the market will expand to include a volunteer program for weekdays and weekends. Plant Chicago intends to increase SNAP participation at their market by over 25% for 2017. *Awarded \$15,379*
2. **Trust for Conservation Innovation, San Francisco, CA**
The Making Farmers Market Purchases a SNAP in Northern California project will support staffing for the SNAP at eight small-scale farmers markets in Northern California that currently struggle to provide SNAP on a regular basis. Through this project, these markets will receive EBT technical training and assistance. Additionally, the project will increase SNAP redemptions at farmers markets through community outreach and promotion and develop best practices to ensure growth and sustainability. *Awarded \$123,068*
3. **Morgantown Farmers' Market Growers Association, Morgantown, WV**
The Morgantown Farmers' Market Growers Association will hire an EBT coordinator to manage the growing SNAP at two farmers markets and increase redemptions by engaging in outreach specifically targeted to SNAP-participants in urban food-desert of West Virginia. The Association will also identify best practices that can be incorporated into a long-term plan for the SNAP at other markets throughout West Virginia. *Awarded \$36,599*

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4. **Growing Places Indy, Inc.**, Indianapolis, IN
The Indy Winter Farmers Market (IWFM) “Good Eating Is a SNAP, All Winter Long” program will increase access to SNAP by hiring a dedicated EBT manager that will also coordinate educational demonstrations and outreach materials. This staff member will provide farmer vendors with needed training and technical support. These activities will help to increase the consumption of farmers market products by SNAP customers and give farmers the tools they need to increase SNAP redemptions and build their businesses. *Awarded \$58,740*
5. **Homefull**, Montgomery, OH
Through Growing SNAP Success with Southwest Ohio Farmers' Markets, Homefull will reach a three-county area to bolster and increase SNAP at over fifteen local farmers markets and promote SNAP availability at the participating markets. Homefull will achieve this through EBT training and technical assistance, outreach, EBT staffing, and market ambassadors. The project plans to double the number and dollar value of SNAP transactions at southwest Ohio farmers markets. *Awarded \$113,258*
6. **The Experimental Station-6100 Blackstone**, Chicago, IL
Over a two-year project, the Experimental Station will provide EBT support to Illinois farmers markets accepting SNAP through EBT/SNAP consulting, technical support and establishing an online community of EBT support to Illinois farmers markets. This project will also create and disseminate outreach materials and television advertisements, to create greater awareness of the availability of SNAP at Illinois farmers markets. The Experimental Station aims to double SNAP sales at markets throughout Illinois during the life of this project. *Awarded \$250,000*
7. **Houston Department of Health and Human Services, Houston, TX**
The Houston Department of Health and Human Services through the Expanding Opportunity for Use of SNAP at Houston Farmers' Markets project will provide staff and EBT technical support and promotional activities related to the expansion of SNAP acceptance at Houston farmers markets. Outreach and promotional activities will be implemented in partnership with local community organizations to increase the number of farmers markets accepting SNAP to six. The project aims to increase the number of SNAP transactions at farmers markets within the City of Houston to 8,980 by 2018. *Awarded \$250,000*
8. **Missouri Farmers Market Association**, Webb City, Missouri
The Missouri Farmers Market Association will expand the SNAP at ten farmers markets throughout Missouri. SNAP-expansion will occur through a variety of marketing tools tailored to the individual market and its SNAP-customers. The marketing tools range from radio advertising to cooking demonstrations, to banners, and brochures, all designed to best reach local SNAP-participants. *Awarded \$73,160*
9. **Hamakua Harvest, Inc.**, Honokaa, HI
The Hamakua Harvest Farmers' Market SNAP/EBT Expansion Program will support the newly-authorized farmers market in Honokaa, HI gain the support it needs to thrive. The funds will be used to promote and expand the SNAP through staffing an EBT manager, purchasing SNAP supplies, training for EBT market vendors, and outreach to SNAP-recipients. Hamakua Harvest anticipates the impact of the project to include 36 vendors to be trained to accept SNAP. *Awarded \$137,174*
10. **North Union Farmers Market**, Cleveland, OH
North Union Farmers Market will strengthen their SNAP by hiring a part-time educational coordinator who will be responsible for expanding the market's outreach programs and build relationships with community partners that work with SNAP-clients. The expanded outreach programs will include cooking demonstrations, family-friendly educational activities and workshops on food preservation. The North Union Farmers Market will also implement a marketing program using print and digital media and radio advertisements. The anticipated impact of the project is an increase in redemptions by 10 percent. *Awarded \$59,302*
11. **Broad Street Events, INC.**, Chesaning, Michigan
The project Spotlight on SNAP will effectively market the SNAP to surrounding SNAP-residents and increase the amount of SNAP users at the Downtown Chesaning Market. Funding will provide the needs to expand outreach and effectively promote SNAP through market activities, newspaper articles, television commercials, and outreach events. Broad Street Events will partners with many local organizations and schools with high

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populations of SNAP-recipients. *Awarded \$17,480*

12. **Village of Park Forest**, Park Forest, IL

The Park Forest Farmers' Market EBT Program will increase SNAP benefit redemption at the Park Forest Farmers Market by hiring an EBT manager who will administer the program, plan and implement outreach strategies for informing SNAP participants of their ability to use benefits at the farmers market, and conduct trainings for farmer-producers new to the market on participation in the EBT program. By expanding the EBT program, the market can continue to involve more vendors and offer greater varieties of products available to SNAP customers. *Awarded \$16,975*

13. **Harvest Home Farmer's Market**, New York, NY

Through 19 different farmers markets in food-deserts around New York, Harvest Home will increase the number of SNAP transactions processed at their farmers markets, increase the number of farmers and vendors who serve SNAP recipients, and broaden their reach into the surrounding communities. Harvest Hands will achieve these goals by creating culturally and linguistically appropriate promotional materials to reach SNAP-recipients, improve the technology needed to process SNAP transactions on-site and in real time, and conduct ongoing vendor SNAP recruitment for farmer producers. *Awarded \$250,000*

14. **Everyone's Harvest**, Marina, CA

Everyone's Harvest will double its annual SNAP redemptions and grow its SNAP customer base by 70% by using a customer relationship management database and outreach to SNAP market shoppers. The organization will achieve this by engaging Spanish-speaking community members in producing a Spanish-language promotional video focused on SNAP and creating a mailing and email outreach campaign. *Awarded \$109,716*

15. **Eastern Market Corporation**, Detroit, MI

The Eastern Market: Detroit's SNAP Food Security Blanket program will provide resources for program support staff, consulting fees, and supplies to allow for significant program improvements through increased operational efficiencies and greater program effectiveness. This will be achieved by discontinuing the use of a paper-based system and expanding the SNAP program to an additional market. *Awarded \$249,663*

16. **Friends of the Rochester Public Market, Inc.**, Rochester, NY

Through the Greater Rochester Farmers' Market SNAP Collaborative project the Friends of the Rochester Public Market will implement a community-wide marketing campaign that increases awareness of SNAP use at regional farmers markets. Additionally funds will be used to develop a new SNAP Token Center at the Public Market and staff salaries for SNAP related activities. *Awarded \$178,902*

17. **Fresh Approach**, Concord, CA

Fresh Approach will use funds to perform SNAP data collection, build a network of farmers market stakeholders, create and distribute bi-lingual marketing material, produce outreach events, create a best practices manual for farmers markets to utilize setting up a SNAP program, and train farmers market staff on SNAP program implementation. *Awarded \$190,951*

18. **Glenville State College Research Corporation**, Glenville, WV

This project will use funds to design and distribute educational posters and handouts, create and execute an extensive marketing campaign including TV and radio ads, provide salary for an EBT operator and manager, and train volunteers and market staff on SNAP procedures. *Awarded \$42,020*

19. **Southern Tier West Regional Planning and Development Board, Salamanca, NY**

From the Ground Up: Expand and Sustain SNAP at Farmers Markets project will provide research and data analysis, technical assistance, educational training, volunteer training, and capacity building strategies to farmers market managers, and perform outreach to SNAP clients, develop curriculum and training materials for the Southern Tier West Regional Farmers Market Network. *Awarded \$99,813*

20. **City of Independence**, Independence, MO

The City of Independence will design and implement a marketing plan for the Independence Farmers market through movie, billboard, local print and bus advertisements, additionally banners and other printed advertising

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material will be used at the farmers market and distributed throughout the community. City staff will also perform outreach and educational events in order to increase redemptions at the farmers market due to higher community awareness of SNAP at the farmers market. *Awarded \$144,976*

21. **Florida Certified Organic Growers and Consumers, Inc.**, Gainesville, FL
The Increasing the Capacity of Fresh Access Bucks in Florida project will pay personnel for SNAP administration, organization to provide resources, and technical assistance to farmers market managers. The project will also develop strategic branding and promotional materials for FL farmers markets and promote SNAP at markets through regular press releases, advertising on the radio, in newspapers, on public transit, on electric bills in each county, direct mailings, and through social media. *Awarded \$250,000*
22. **Boulder County Public Health**, Boulder, CO
Boulder County Public Health will use funds to staff a farmers market SNAP coordinator, conduct focus groups on the barriers to accessing farmers markets, develop and implement an outreach plan, train farmers and market managers on managing a SNAP program, hire bi-lingual staff for markets, and create communication tools to distribute best practices to farmers markets in the county. *Awarded \$231,460*
23. **Appalachian Sustainable Agriculture Project**, Asheville, NC
Through the Increasing SNAP at NC Farmers Markets project, the Appalachian Sustainable Agriculture Project will conduct outreach and promotion to and collaboration with local agencies on SNAP at farmers markets, conduct trainings for market managers and farmers on how to increase SNAP redemptions at markets, evaluate community needs through research and surveys, and provide technical assistance to market managers following their initial training. *Awarded \$164,625*
24. **The Food Trust**, Philadelphia, PA
The Food Trust will conduct focus groups, staff EBT operation at markets, implement promotional events around SNAP, develop marketing plan to educate SNAP-clients on EBT at farmers markets, develop bi-lingual marketing and educational materials, train market managers on SNAP program management, and collaborate with local partners. *Awarded \$150,103*
25. **Hub City Farmers' Market**, Spartanburg, SC
This project seeks to create a market model that can serve as an inspiration to markets across the state, alleviate market and user barriers, and help municipalities understand the importance of supporting SNAP in markets they run. Hub City Farmers' Market of Spartanburg will work with Eat Smart Move More South Carolina and the University of South Carolina Center for Research in Nutrition and Health Disparities to develop a set of best practices to help mentor two markets in key areas of the State. *Awarded \$247,100*
26. **El Dorado County Trails Farm Association**, Placerville, CA
The project's main goal is to boost public awareness of farmers' market accepting SNAP benefits. The grantee will partner with the Health and Human Services Department and El Dorado CNAP to conduct outreach along with media blitz and raise awareness about the program. *Awarded \$16,057*
27. **Feed the Hunger Foundation**, San Francisco, CA/Honolulu, HI
This project includes outreach to the following communities: 1) news outlets engaging communities whose first language is not English: Samoan, Tongan, Chuukese, Tagalog, Ilocano, Korean, Cantonese, Vietnamese, Thai, Lao, Cambodian, Japanese; 2) Military news at Joint Base Pearl Harbor Hickam; 3) University of Hawaii system (including community and adult education outreach colleges). 4) Coordinating with other SNAP – accessible farmers markets to collaborate on promotion. *Awarded \$243,450*
28. **Ecology Center**, Alameda, CA
The project's will: (1) reach out to the 350 California farmers' markets that do not yet offer SNAP access with a compelling Case Statement on the benefits of accepting SNAP; (2) provide comprehensive technical assistance, training, shopper outreach materials, scrip, and systems to help a minimum of 120 of those markets add SNAP access; (3) update, improve, and maintain Ffinder.org, the Ecology Center's website and mobile site designed to help SNAP shoppers easily find up-to-the-minute information on CA farmers' markets where they can use their benefits; (4) work with the Departments of Social Services in Los Angeles and Alameda Counties to mail

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over 1.3 million inserts to 632,205 SNAP in order to educate them about the availability of SNAP programs at local farmers' markets and direct the shoppers to FMfinder.org to find locations and hours of operation; and (5) through these combined efforts, increase SNAP sales at CA Farmers' Markets by \$1.23 million (a 33% increase over 2014) by the end of the grant term. *Awarded \$242,828*

29. **Kokomo Farmers Market Corp**, Kokomo, IN
The project goals are to (1) increase SNAP client accessibility and participation at the Kokomo Downtown Farmers Market (KDFM) through extended hours, targeted outreach and expanded marketing, to (2) improve systems for SNAP transactions, recording, and reporting, and to (3) support SNAP recipients with cooking and preserving demonstrations at various outreach locations. *Awarded \$248,770*
30. **Sustainable Farms & Communities, Inc.**, Columbia, MO
Expanding SNAP Participation in Boone County, Missouri project will provide staff for EBT market management, including record keeping, token management and educational activities. Also, the project will develop a comprehensive marketing and community outreach plan, and healthy cooking and living demonstrations. *Awarded \$146,983*
31. **Health Education Council**, West Sacramento, CA
This project will provide technical training and support to SNAP market managers, the funds will also provide EBT staffing for markets, outreach to SNAP customers at markets, marketing material, and regional meetings and trainings. *Awarded \$240,429*
32. **Washington State University**, Pullman, WA
Washington State University will implement the Skagit Farmers Market Flash project through organizing and producing market outreach events, increase access to farmers markets for seniors, develop and roll-out a marketing campaign, and provide EBT training and technical assistance for farmers market managers. *Awarded \$250,000*
33. **Federation of Massachusetts Farmers Markets**, Waltham, MA
Massachusetts SNAP Support Project will provide SNAP operating support to farmers market managers across Massachusetts; awarding sub-grants for time spent operating SNAP/EBT machines at market, SNAP accounting, vendor payments, reporting, and performing outreach to SNAP participants, as well as purchasing scrip and accounting software necessary for SNAP/EBT. *Awarded \$250,000*
34. **Dianne's Call**, Sumter, SC
Dianne's Call will expand the SNAP program at local farmers markets through training, conducting hands-on cooking classes, provide educational material for SNAP at farmers markets and implement health and behavior promotional events. *Awarded \$229,589*
35. **Downtown Fond du Lac Partnership, Inc.**, Fond du Lac, WI
This project will provide market managers and farmer EBT trainings, SNAP community outreach, extensive marketing campaign to SNAP-clients, creation of promotional videos, language translation for marketing materials, market and SNAP tours for clients, educational and cooking demonstrations, and additional SNAP signage. *Awarded \$28,471*
36. **Village of Farwell**, Farwell, MI
The Farwell Farmer's Market SNAP Project will provide staff for the farmers market, train vendors on EBT use, create marketing materials, implement marketing plan, and a social media campaign. *Awarded \$89,160*
37. **Maine Federation of Farmers' Markets**, Pittsfield, ME
The Maine Federation of Farmers' Markets will use funds to provide training for market managers and farmers on EBT, provide support and technical assistance for local farmers markets, produce and utilize SNAP-Farmers Market communication tools, update EBT training manual, implement a branding campaign in conjunction with FINI, and develop and train market liaisons. *Awarded \$249,677*

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38. **Sankofa Safe Child Initiative**, Chicago, IL
The Sankofa Seniors Farmer's Market Project will use funds to do community outreach, cooking demonstrations and other educational sessions targeted toward seniors, and increase access to farmers market for seniors. *Awarded \$28,616*
39. **Farm Fresh Rhode Island**, Pawtucket, RI
Farm Fresh Rhode Island will develop and implement extensive marketing plan focusing on SNAP at farmers markets and provide financial support to local farmers markets to maintain their EBT programs. *Awarded \$250,000*
40. **Billings Forge Community Works, Inc.**, Hartford, CT
The More SNAP: Local Vegetables and Fruit for Hartford Tables project will involve rolling-out promotional plan for SNAP at farmers markets, which includes various advertisements, produce a farmers market toolkit, and train market managers and farmers on EBT. *Awarded \$198,776*
41. **CEN-TEX Certified Development Corporation**, Austin, TX
This project will provide EBT staffing and administration for the Mercado O'liva Farmers Markets. Additionally the project will implement social media promotion and an advertisement campaign consisting of print, radio and TV and CEN-TEX will hold cooking demonstrations targeted to SNAP-clients at markets. *Awarded \$88,662*
42. **Ajo Center for Sustainable**, Ajo, AZ
The Good Food for All project will expand and support the SNAP/EBT program at the Ajo Farmers Market, design and implement standard practices, provide training on EBT for market vendors and volunteers meeting the needs of SNAP-clients in a poor rural area. *Awarded \$223,530*
43. **Council on the Environment, Inc. (GrowNYC)**, New York, NY
GrowNYC will create a branding and advertising campaign that promotes SNAP acceptance at Greenmarkets throughout the city and purchase marketing materials, such as banners, flyers, canopies, etc., based on the campaign. *Awarded \$186,335*
44. **The Gleaning Network of Texas (GROW North Texas)**, Dallas, TX
The Gleaning Network of Texas will hire market staff for four seasonal markets to run SNAP programs, provide technical EBT assistance to farmers, purchase SNAP tokens, and implement and outreach plan. *Awarded \$230,230*
45. **Corporation for Findlay Market**, Cincinnati, OH
Get Fresh With Us will use funds to train interns to help manage EBT operations at farmers markets, provide community outreach for SNAP at farmers markets, give market tours for SNAP-clients, develop and distribute SNAP outreach materials, and hold cooking demonstrations at markets in the area. *Awarded \$37,932*
46. **Gloria Tu Gilbert**, Westford, MA
The Westford Farmers Market Project will provide staff for operating the SNAP program at the farmers market, training for EBT staff, and marketing SNAP at the farmers market and throughout the community, and supplies needed to operate a SNAP program. *Awarded \$27,709*
47. **Main Street Monroe, Inc.**, Monroe, WI
This project will collaborate with community partners to implement community outreach promoting SNAP acceptance at the Main Street Monroe Farmers Market, develop a transportation plan to distribute to SNAP-clients helping them overcome transportation barriers, establish procedures for operating EBT at the market, and provide training to vendors to operate EBT. *Awarded \$179,051*
48. **Sustainable Food Center**, Austin, TX
This project will hire staff for running EBT at markets, develop a Neighborhood Farm Market Startup Guide and training materials, train market managers and vendors on EBT management, provide technical assistance to

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farmers markets, and provide community outreach. *Awarded \$147,210*

49. **Fuller Park Community Development Corporation**, Chicago, IL
The Eden's Place Project will develop outreach and marketing materials, targeted outreach to seniors on SNAP, on-site educational demonstrations at the market, host informational and training workshops on managing EBT at markets, and provide technical assistance to market managers and farmers on EBT. *Awarded \$111,418*
50. **Northeast Organic Farming Association of Vermont (NOFA-VT)**, Richmond, VT
This project will implement a marketing campaign using direct mailings, financial and technical support for area farmers markets, provide outreach and education to community partners on SNAP acceptance at farmers markets, and provide supplies to markets for successful EBT programs. *Awarded \$247,048*
51. **The CSU, Chico Research Foundation**, Chico, CA
The Chico Research Foundation will use funds to develop and implement a SNAP outreach and marketing campaign, purchase SNAP signage and other supplies, farmers market staff will be trained on SNAP operations and program strategies, host market tours to promote EBT use at the market, and cooking demonstrations will be held to encourage eating more fruits and vegetables. *Awarded \$250,000*
52. **North Carolina State University**, Wake, NC
This project will provide outreach and information to community SNAP-clients, marketing materials published and distributed to SNAP-clients, provide market tours to SNAP-recipients, and cooking demonstrations. *Awarded \$248,530*

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, 1.32 million people were served monthly during FY 2015.
- In FY 2015, total benefit costs were \$1.9 billion, or about \$121 per person per month, for nutrition assistance program recipients.
- Puerto Rico spent an estimated \$43 million of Federal funds on administrative activities in FY 2015, 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.

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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 2015 actuals is as follows:

NUTRITION ASSISTANCE FOR PUERTO RICO

Summary of Funding
(Dollars in thousands)

	2012 Actual	2013 Actual	2014 Actual	2015 Actual
Benefit Costs	\$1,954,556	\$1,954,380	\$1,859,566	\$1,908,535
Administrative Costs	45,546	46,071	42,851	42,346
Nutrition Education Program	465	115	353	516
Total Federal Funds	2,000,568	2,000,568	1,902,770	1,951,397
State Administrative Costs	45,546	43,633	40,256	42,862
Total Program Costs	2,046,114	2,044,201	1,943,027	1,994,259

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

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 1.32 million persons were served monthly or about 35.8 percent of Puerto Rico's total estimated population of 3.7 million participated in the program in FY 2015. Monthly participation for FYs 2012 through 2015 actual is as follows:

NUTRITION ASSISTANCE FOR PUERTO RICO

Summary of Participation

	2012 Actual	2013 Actual	2014 Actual	2015 Actual
Average Number of Persons (million)	1.37	1.36	1.35	1.32
Average Number of Households	662,635	666,624	673,160	671,682
Average Household Size (persons)	2.07	2.04	2.01	1.97
Average Benefit Per Household	\$241	\$240	\$232	\$238

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 2015, \$7,802,000 was authorized to be expended under American Samoa's block grant.

Facts in Brief

- A monthly average of 4,076 persons, or about 7.34 percent of American Samoa's total estimated population of 55,519 was served during FY 2015.
- In FY 2015, average monthly benefit costs were \$466,378, or \$114.41 per person.
- American Samoa spent about \$1.001 million for administrative activities for FY 2015. 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.

FOOD AND NUTRITION SERVICE

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 2015, \$12,648,000 in grant funds were provided to CNMI. This amount included a reprogramming of \$500,000 from SNAP benefits to CNMI to address unanticipated costs as a result of Typhoon Soudelor.

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 8,077 people or 15.7 percent of CNMI's total estimated population of 51,483 were served during FY 2015.
- In FY 2015, average benefit costs were \$286 per household per month.
- CNMI NAP has elected to increase the Saipan allotment by 16 percent starting in January 2015.
- The CNMI spent an estimated \$1.342 million on administrative activities for FY 2015. This includes \$153,817 in Disaster Related expenditures due to Typhoon Soudelor. Block grant funding provides 100 percent of administrative and benefits costs.
- CNMI is allowed to set its eligibility standards within the capped block grant.
- CNMI prints its own food coupons.
- CNMI was hit with Typhoon Souledor in August and \$3,387,942 was spent in Disaster Supplemental Nutrition Assistance Benefits to aid 9,194 households.

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) or an agency of the State government to operate a food distribution program for households who prefer USDA Foods to

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SNAP benefits. Each month, participating households receive a food package to help them maintain a nutritionally balanced diet. Participants may select from over 100 products including:

- Frozen ground beef, beef roast, and chicken
- Fresh and canned fruits and vegetables; pastas, cereals, rice, and other grains
- Canned soups
- Cheese, low-fat 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, group cooking demonstrations, nutrition classes, and the dissemination of resources, including recipes, related to USDA Foods. Households may not participate in FDPIR and SNAP in the same month.

Facts in Brief

- In FY 2015, 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 88.6 thousand persons per month at a cost to FNS of \$65.22 per food package in FY 2015, with an average monthly per person administrative cost of \$39.77.

FDPIR PARTICIPATION AND COST

	2008	2009	2010	2011	2012	2013	2014	2015
Average Participation (in Thousands)	90.1	95.4	84.6	77.8	76.5	75.6	85.4	88.6
Per Person Per Month Food Cost (Entitlement)	\$54.42	\$54.65	\$47.45	\$50.71	\$57.04	\$59.31	\$60.92	\$65.22
Total FNS Food Cost (\$ in Millions)	\$53.41	\$55.02	\$48.17	\$47.37	\$52.38	\$53.94	\$62.51	\$69.34

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

Increased Food Funds for FDPIR: In FY 2014, FNS reprogrammed \$15.5 million from the SNAP account to FDPIR to support the unforeseen rise in food costs and program participation during the Fiscal Year. 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. FY 2015 continued to support higher participation levels and rises in food costs with a full year appropriations amount of almost \$104.4 million in food funding. The FY 2015 food allocation included \$5 million to procure traditional and locally-grown foods for the program.

Food Package: FNS continues its commitment to improve the food package offered under FDPIR through the FDPIR Food Package Review Work Group. The work group, consisting of National Association of Food Distribution Programs on Indian Reservations (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 2015, the work group assisted with piloting fresh shell eggs, the selection of bison and blue cornmeal as traditional food items, and the addition of pork chops to the FDPIR food package. In addition, the fresh lemons, cranberries and clementines were added through FNS' partnership with the Department of Defense (DoD) Fresh Program.

Traditional and Locally-Grown Food Fund: The 2014 Farm Bill reauthorized the 2008 Farm Bill provision which provided for the establishment of a fund, subject to the availability of appropriations, for use in purchasing

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traditional and locally-grown foods for FDPIR. In the FY 2015 full-year appropriated budget, FDPIR was allocated, for the first time, \$5 million to meet this provision. During the fiscal year, FNS worked the FDPIR Food Package Review Work Group members, to prioritize traditional food items for purchase based on participant preferences. As a result, FNS worked with AMS to purchase bison and blue cornmeal in FY 2015 to expend the \$5 million. These foods are expected to be delivered in FY 2016 to FDPIR participants. The selection of bison and blue cornmeal by the work group members was procured in FY 2015 to meet the provision.

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 2016.

Nutrition Education Activities: In FY 2015, FNS awarded nearly \$1 million in Food Distribution Program on Indian Reservations Nutrition Education Grants to 15 grantees. The grants promote the healthy foods offered in FDPIR and follow the most recent edition of the *Dietary Guidelines for Americans*. Among the recipients, six awardees are located in areas designated to participate in the Secretary of Agriculture's *StrikeForce for Rural Growth and Opportunity Initiative*, and one awardee is located in a community to benefit from President Obama's *Promise Zones Initiative*. In addition, USDA FNS staff worked with the FDPIR Program Directors to create double-sided banners highlighting the FDPIR Food Package and nutrition education. The double-sided banner highlights the program under the tagline, *Healthy Choices, 100% American Grown*, and features information on nutrition education and the FDPIR food package. Tribal Organizations operating FDPIR may use the banner at health fairs, with partner organizations, and during FDPIR nutrition education events. In addition, at the end of FY 2015, FNS awarded a contract to evaluate incorporating a nutrition paraprofessional component to the FDPIR nutrition education portfolio. Final results are expected in FY 2017.

FOOD AND NUTRITION SERVICE

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

FISCAL YEAR 2015

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-----	889	418	\$1,341,907	\$125.73	\$45,907
Alaska-----	81	34	168,054	172.64	10,705
Arizona-----	999	439	1,459,585	121.71	71,178
Arkansas-----	469	214	648,770	115.30	37,282
California-----	4,418	2,097	7,527,765	142.00	986,678
Colorado-----	495	233	771,960	129.92	42,800
Connecticut-----	442	248	715,335	134.82	53,407
Delaware-----	150	72	228,935	127.20	13,976
District of Columbia-----	142	80	224,104	131.66	19,653
Florida-----	3,656	2,010	5,688,712	129.66	89,450
Georgia-----	1,801	839	2,803,607	129.76	102,703
Hawaii-----	189	96	505,466	222.99	19,245
Idaho-----	197	84	273,758	115.88	8,798
Illinois-----	2,042	1,061	3,303,103	134.78	109,026
Indiana-----	832	380	1,244,188	124.66	53,121
Iowa-----	391	185	516,608	110.04	20,785
Kansas-----	274	122	374,433	113.89	19,837
Kentucky-----	769	369	1,112,381	120.56	54,506
Louisiana-----	860	390	1,298,446	125.86	62,180
Maine-----	203	105	282,015	116.01	14,565
Maryland-----	781	405	1,149,658	122.66	69,308
Massachusetts-----	786	449	1,202,313	127.51	59,777
Michigan-----	1,571	825	2,369,204	125.65	168,178
Minnesota-----	496	240	627,633	105.44	70,770
Mississippi-----	636	296	916,552	120.03	23,627
Missouri-----	845	399	1,258,536	124.18	42,220
Montana-----	119	56	171,414	119.96	11,394
Nebraska-----	174	78	242,093	115.88	15,675
Nevada-----	420	210	605,593	120.04	24,111
New Hampshire-----	106	51	132,498	103.87	8,809
New Jersey-----	906	453	1,291,436	118.82	148,416
New Mexico-----	453	206	685,207	126.01	34,637
New York-----	3,039	1,666	5,046,487	138.38	350,409
North Carolina-----	1,646	803	2,395,550	121.27	96,896
North Dakota-----	53	25	77,913	122.16	8,672
Ohio-----	1,676	819	2,527,967	125.67	109,116
Oklahoma-----	598	271	864,951	120.48	44,078
Oregon-----	780	442	1,152,975	123.22	77,986
Pennsylvania-----	1,827	919	2,699,655	123.16	182,164
Rhode Island-----	175	101	282,975	134.73	10,784
South Carolina-----	805	380	1,208,605	125.18	32,378
South Dakota-----	99	43	148,867	125.88	9,272
Tennessee-----	1,229	612	1,884,709	127.75	69,194
Texas-----	3,725	1,559	5,265,414	117.80	202,979
Utah-----	226	88	313,811	115.92	16,726
Vermont-----	85	45	124,409	121.98	10,940
Virginia-----	860	404	1,230,788	119.21	105,653
Washington-----	1,071	572	1,527,741	118.88	102,309
West Virginia-----	368	182	497,269	112.63	17,751
Wisconsin-----	806	407	1,051,154	108.74	55,115
Wyoming-----	33	14	46,448	118.71	6,209
American Samoa 1/-----	0	0	0	0.00	0
CNMI 1/-----	0	0	0	0.00	0
Guam-----	47	16	109,109	192.78	1,692
Virgin Islands-----	27	13	56,466	171.35	5,160
Anticipated Adjustment-----	0	0	-58,021	0.00	701,733
TOTAL-----	45,767	22,522	\$69,596,506	\$128.17	\$4,729,941

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.

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SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
 FIRMS AUTHORIZED TO RECEIVE AND REDEEM SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS
 FISCAL YEAR 2015

State	Retailers	Wholesalers	Drug and/or Alcohol Treatment Program	Shelter for Battered Women and Children	Communal Dining Facility	Group Living Arrangement	Homeless Meal Provider	Meal Delivery Service	Private Restaurant/Meal Delivery	Sr Citizens Center/Residential Building	Total
Alabama	5,443		21	1		23	1				5,489
Alaska	536		8	1			1				546
Arizona	3,991		8	2	1		2	2	154		4,160
Arkansas	2,767		18				2				2,787
California	25,107		190	5	4		25	8	1,592		26,931
Colorado	2,704		10		2		3	5			2,724
Connecticut	2,635		15	1	2		1	1			2,655
Delaware	810		4				4				818
District of Columbia	502				1		1				504
Florida	16,076		67		1	28	5	2	6		16,185
Georgia	10,083		3		5	2	3			1	10,097
Guam	268										268
Hawaii	1,016		9	3	1	2		1			1,032
Idaho	1,078							1			1,079
Illinois	9,102		11		25	13	6	14		117	9,288
Indiana	5,150		3	1	2		6	11		1	5,174
Iowa	2,725		13		8			6			2,752
Kansas	1,979		10		11	6	1	6			2,013
Kentucky	4,678		32		3	2					4,715
Louisiana	4,802		8		1	1	8				4,820
Maine	1,542		12		10	1	1	1		2	1,569
Maryland	3,989		14	3	6	25	8	2			4,047
Massachusetts	5,141		80	5	4	105	9	2		4	5,350
Michigan	9,917		21		29	36	8	16			10,027
Minnesota	3,323		3		5		2	5		1	3,339
Mississippi	3,607		3								3,610
Missouri	4,835		10	2	2		8	2			4,859
Montana	742		2		16	10	2			4	776
Nebraska	1,215		11				2				1,228
Nevada	1,817		5	1			6				1,829
New Hampshire	1,035		4			1	2	1		1	1,044
New Jersey	6,208		25			3	4			1	6,241
New Mexico	1,540		2								1,542
New York	18,548		110		23	204	11	31		5	18,932
North Carolina	9,483	1	3		2		1	2			9,492
North Dakota	450		4		19	4	1	6		1	485
Ohio	9,525		32		3	1	2	6			9,569
Oklahoma	3,437		14		2		1				3,454
Oregon	3,445		28	1	4	29	9	3		1	3,520
Pennsylvania	10,261		13		6	17	26	13	7	1	10,344
Rhode Island	965		7	1	7	4	1		5		990
South Carolina	5,322		3				1				5,326
South Dakota	712		2		11	17		4			746
Tennessee	6,890		19	1		23	1	2		1	6,937
Texas	18,995		24			2	3				19,024
Utah	1,400		5		1	2					1,408
Vermont	725		1		1						727
Virgin Islands	107		1								108
Virginia	6,419		12		1	3		1			6,436
Washington	4,975		24		7	6	2	5			5,019
West Virginia	2,167		1		3		1	1			2,173
Wisconsin	4,076		5	1	15	2	2	8			4,109
Wyoming	327		6		1		1				335
Total	254,592	1	936	29	245	572	184	168	1,764	141	258,632

FOOD AND NUTRITION SERVICE

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS
PARTICIPATION AND FUNDING
FISCAL YEAR 2015

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION	FOOD COSTS <u>1/</u>	ADMINISTRATIVE FUNDING <u>2/</u>	TOTAL FOOD AND ADMIN.
Alaska-----	479	\$327,587	697,973	\$1,025,560
Arizona-----	11,880	9,623,243	4,565,882	14,189,125
California-----	5,159	3,629,465	2,711,221	6,340,686
Colorado-----	402	302,388	272,505	574,893
Idaho-----	1,688	1,168,757	729,514	1,898,271
Kansas-----	569	431,466	258,688	690,154
Michigan-----	1,971	1,596,726	1,216,091	2,812,817
Minnesota-----	2,645	2,098,052	1,593,067	3,691,119
Mississippi-----	958	666,056	260,424	926,480
Montana-----	3,149	2,532,773	2,488,916	5,021,689
Nebraska-----	1,339	969,725	399,290	1,369,015
Nevada-----	1,508	957,133	710,814	1,667,947
New Mexico-----	2,966	2,199,657	1,617,002	3,816,659
New York-----	369	379,566	379,109	758,675
North Carolina-----	743	554,334	166,419	720,753
North Dakota-----	4,976	3,963,907	2,066,235	6,030,142
Oklahoma-----	31,042	24,935,465	10,188,367	35,123,832
Oregon-----	800	576,716	696,330	1,273,046
South Dakota-----	8,208	6,583,634	3,332,762	9,916,396
Texas-----	142	87,861	145,834	233,695
Utah-----	217	151,091	95,571	246,662
Washington-----	3,284	2,505,025	2,381,611	4,886,636
Wisconsin-----	3,240	2,414,412	1,837,047	4,251,459
Wyoming-----	881	695,868	227,766	923,634
AMS / FSA / PCIMS / Computer Support-----	0	836,044	0	836,044
Undistributed-----	0	32,016,508	1,679,096	33,695,604
TOTAL-----	88,615	\$102,203,458	\$40,717,534	\$142,920,992

SOURCE: FPRS FNS-152 data - Food distributed to participants in fiscal year 2015.

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 2015

ENTITLEMENT COMMODITIES	Pounds	Dollars
APPLESAUCE, CANNED, W/O SALT, UNSWEETENED	490,050	\$291,893
APRICOTS, CANNED, HALVES, LT SYRUP	393,975	448,122
BEANS, CANNED, BLACK	142,290	62,409
BEANS, CANNED, GREEN, LOW-SODIUM	977,228	382,097
BEANS, CANNED, LIGHT RED KIDNEY, LOW-SODIUM	462,443	215,745
BEANS, CANNED, PINTO, LOW-SODIUM	462,443	190,837
BEANS, CANNED, REFRIED, LOW-SODIUM	550,800	250,400
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	403,920	171,743
BEANS, DRY, GREAT NORTHERN, W/O SALT	483,840	234,736
BEANS, DRY, PINTO, W/O SALT	1,310,640	524,372
BEEF, CANNED	648,000	2,314,105
BEEF, FINE GROUND, FROZEN	3,288,000	11,139,822
BEEF, ROUND ROAST, FROZEN	1,680,000	7,388,468
BEEF STEW, CANNED	2,557,800	2,688,921
BISON, GROUND, FROZEN	640,000	5,334,000
CARROTS, CANNED, LOW-SODIUM	307,350	143,430
CHICKEN, CONSUMER SPLIT BRST PKG	1,716,000	2,871,426
CHICKEN, WHOLE, BAGGED	1,084,800	1,183,589
CHICKEN, CANNED	455,625	863,901
CORN, CANNED, CREAM STYLE	364,500	181,926
CORN, CANNED, WHOLE KERNEL, NO SALT ADDED	1,366,443	548,015
CRANBERRY SAUCE, CANNED	220,320	123,471
*DoD FRESH PRODUCE		8,016,641
EGG MIX, DRIED	648,000	3,950,348
FRUIT-NUT MIX, DRY	209,664	665,363
HAM, WATER ADDED, FROZEN	727,200	1,100,808
PORK CHOPS, FROZEN	950,000	3,376,300
HOMINY, CANNED	143,820	69,554
JUICE, BOTTLED, APPLE, UNSWEETENED	3,406,572	1,249,506
JUICE, BOTTLED, CRANBERRY APPLE, UNSWEETENED	1,783,500	714,558
JUICE, BOTTLED, GRAPE, UNSWEETENED	1,630,380	691,650
JUICE, BOTTLED, GRAPEFRUIT, UNSWEETENED	356,700	126,957
JUICE, BOTTLED, ORANGE, UNSWEETENED	3,014,550	1,479,718
JUICE, BOTTLED, TOMATO, UNSWEETENED	763,860	228,315
MIXED FRUIT, CANNED, LT SYRUP	1,136,025	1,203,387
MIXED VEGETABLES, CANNED, LOW-SODIUM	583,200	321,262
PEACHES, CANNED, CLING, LT SYRUP	1,714,950	1,753,584
PEARS, CANNED, LT SYRUP	546,750	491,540
PEAS, CANNED, LOW-SODIUM	635,850	340,393
PLUMS, DRIED	216,000	551,985
POTATOES, DEHYDRATED	300,000	290,325
POTATOES, CANNED, SLICED	330,480	140,928
PUMPKIN, CANNED	145,800	112,946
RAISINS	272,160	345,220
SOUP, CANNED, TOMATO, CONDENSED, LOW-SODIUM	283,800	182,512
SOUP, CANNED, VEGETABLE, LOW-SODIUM	248,325	198,792
SOUP, CREAM OF CHICKEN, REDUCED SODIUM	693,000	687,288
SOUP, CREAM OF MUSHROOM, REDUCED SODIUM	554,400	527,352
SPAGHETTI SAUCE, CANNED, MEATLESS, LOW-SODIUM	826,875	332,050
SPINACH, CANNED, LOW-SODIUM	203,490	111,193
TOMATO SAUCE, CANNED, NO SALT ADDED	722,925	283,004
TOMATOES, CANNED, DICED, NO SALT ADDED	845,640	353,662
SALMON, CANNED	106,200	212,160
TURKEY BREAST, COOKED	360,126	1,652,514
SUBTOTAL	44,366,708	\$69,315,244

FOOD AND NUTRITION SERVICE

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (Cont.)

Quantity and Value of Commodities

Fiscal Year 2015

ENTITLEMENT COMMODITIES	Pounds	Dollars
BUTTER, SALTED	235,440	\$535,203
BUTTERY SPREAD, LIGHT, ZERO TRANS FAT	372,623	372,250
CEREAL, CORN AND RICE, READY-TO-EAT	102,060	151,631
CEREAL, CORN FLAKES, READY-TO-EAT	240,570	209,539
CEREAL, CORN SQUARES, READY-TO-EAT	148,176	240,223
CEREAL, OAT CIRCLES, READY-TO-EAT	144,732	151,886
CEREAL, RICE CRISPS, READY-TO-EAT	288,000	329,978
CEREAL, WT BRAN FLAKES, READY-TO-EAT	127,272	109,524
CHEESE, BLEND, AMER/SKIM MILK, SLICED	752,400	1,229,275
CHEESE, PROCESSED, LOAVES	2,574,000	4,760,506
CORNMEAL, BLUE	76,032	69,569
CORNMEAL, YELLOW	1,328,040	298,968
CRACKERS, UNSALTED	993,600	1,344,859
EGG NOODLES	718,800	607,023
FARINA, QUICK COOKING	426,888	256,016
FLOUR MIX, LOWFAT	1,671,840	1,494,847
FLOUR, ALL PURPOSE, ENRICHED	6,897,240	1,540,672
FLOUR, WHOLE WHEAT	471,240	106,183
MAC N CHEESE MIX, DRY	793,962	568,126
MACARONI	1,419,600	655,468
MILK, EVAPORATED, CANNED, SKIM	2,416,635	1,500,775
MILK, INSTANT NDM	172,800	311,618
MILK, UHT, 1% LOW-FAT	6,869,250	2,405,012
OATS, WHOLE GRAIN, NO ADDED SALT	1,575,000	752,372
OIL, VEGETABLE	1,234,926	668,316
PEANUT BUTTER, SMOOTH	804,330	850,671
PEANUTS, ROASTED	285,120	537,449
RICE, WHITE	1,311,000	441,047
ROTINI, WHOLE GRAIN	102,000	46,077
SPAGHETTI	1,042,400	459,423
SUBTOTAL	35,595,975	\$23,004,506
AMS / FSA / WBSCM / Computer Support	0	836,044
Anticipated Adjustment	0	9,047,664
TOTAL COMMODITY ENTITLEMENT	79,962,683	\$102,203,458
BONUS COMMODITIES	Pounds	Dollars
NONE	0	\$0
TOTAL BONUS COMMODITIES	0	0
TOTAL -- ALL COMMODITIES	79,962,683	\$102,203,458
Anticipated Adjustment	0	0
GRAND TOTAL	79,962,683	\$102,203,458

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, [~~\$296,217,000~~] \$313,139,000 to remain available through September 30, [2017] 2018: *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 [2016] 2017 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, [2017] 2018: *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.

Lead-Off Tabular Statement

COMMODITY ASSISTANCE PROGRAM (CAP)

2017 Budget Estimate.....	\$313,139,000
2016 Enacted	<u>296,217,000</u>
Change in Appropriation	<u>+16,922,000</u>

Item of Change	2014 Actual	2015 Change	2016 Change	2017 Change	2017 Estimate
Discretionary Appropriations:					
Commodity Supplemental Food Program	\$202,682	\$8,800	\$10,716	\$13,922	\$236,120
All Other Discretionary Activities	67,019	0	7,000	3,000	77,019
Total Appropriation or Change	269,701	8,800	17,716	16,922	313,139

FOOD AND NUTRITION SERVICE

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

Project	2014		2015		2016		Inc. or Dec	2017	
	Actual	SY	Actual	SY	Enacted	SY		Estimate	SY
Commodity Supplemental Food Program	\$202,682		\$211,482		\$222,198		\$13,922	(1)	\$236,120
Farmers' Market Programs									
Farmers' Market Nutrition Program	16,548		16,548		18,548		-2,000	(2)	16,548
Senior Farmers' Market Nutrition Program (transfer) <u>1/</u>	20,600		20,600		20,600		0		20,600
Total Adjusted FMP	37,148		37,148		39,148		-2,000		37,148
The Emergency Food Assistance Program									
Administrative Costs	49,401		49,401		54,401		5,000	(3)	59,401
Other Programs									
Nutrition Services Incentive Program <u>2/</u>	2,392		2,549		2,214		-2,214		0
Nuclear Affected Islands	574		574		574		0	(4)	574
Disaster Assistance	496		496		496		0	(5)	496
Total Adjusted Appropriation	292,693	2	301,650	2	319,031	3	14,708		333,739
SFMNP Sequester	-1,483		-1,504		-1,401		1,401		0
Transfers (SFMNP and NSIP)	-22,992		-23,149		-22,814		2,214		-20,600
Total Appropriation	269,701	2	278,501	2	296,217	3	16,922		313,139

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 2017 will be determined at a later date.

FOOD AND NUTRITION SERVICE

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

Project	2014 Actual	SY	2015 Actual	SY	2016 Enacted	SY	Inc. or Dec.	2017 Estimate	SY
Commodity Supplemental Food Program									
USDA Food Purchases <u>3/</u>	\$138,087		\$150,304		\$181,680		\$45,020	\$226,700	
Administrative Costs	42,842		44,268		45,854		1,142	46,996	
Subtotal, CSFP Obligations	180,929		194,572		227,534		46,162	273,696	
Recoveries & Collections of Prior Yr Obligations	-2,872		-154		0		0	0	
Unobligated Balances:									
Available Start of Year	-144		-24,344		-42,912		5,336	-37,576	
Available End of Year	24,344		42,912		37,576		-37,576	0	
Balance Lapsing	425		0		0		0	0	
Subtotal, CSFP Appropriation	202,682		212,986		222,198		13,922	236,120	
Farmers' Market Programs									
Seniors Farmers' Market Nutrition Program	20,585		20,593		20,621		-21	20,600	
Farmers' Market Nutrition Program	19,633		19,667		18,592		-2,044	16,548	
Subtotal, FMP Obligations	40,218		40,260		39,213		-2,065	37,148	
Transfer from CCC	-20,600		-20,600		-20,600		0	-20,600	
Recoveries & Collections of Prior Yr Obligations	-4,616		-4,595		0		0	0	
Unobligated Balances:									
Available Start of Year	-25		-86		-65		65	0	
Available End of Year	86		65		0		0	0	
Balance Lapsing	2		0		0		0	0	
Subtotal, FMP Appropriation	15,065		15,044		18,548		-2,000	16,548	
The Emergency Food Assistance Program <u>1/</u>									
Administrative Costs	49,579		49,618		54,401		5,000	59,401	
SNAP/TEFAP Admin. (non add)	(19,500)		(24,350)		0		0	0	
SNAP/TEFAP USDA Foods (non add)	(248,516)		(296,596)		(318,000)		-11,000	(329,000)	
Subtotal, TEFAP Obligations	49,579		49,618		54,401		5,000	59,401	
Recoveries & Collections of Prior Yr Obligations	-178		-217		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	49,401		49,401		54,401		5,000	59,401	
Other Programs:									
Nutrition Services Incentive Program <u>2/3/</u>	1,906		2,598		2,214		-2,214	0	
Nuclear Affected Islands	574		574		574		0	574	
Disaster Assistance <u>3/</u>	228		450		983		-487	496	
Subtotal, Other Program Obligations	2,708		3,622		3,771		-2,701	1,070	
Transfer from DHHS	-2,392		-2,549		-2,214		2,214	0	
Recoveries & Collections of Prior Yr Obligations	-204		-200		0		0	0	
Unobligated Balances:									
Available Start of Year	-459		-743		-487		487	0	
Available End of Year	743		487		0		0	0	
Balance Lapsing	674		453		0		0	0	
Subtotal, Other Program Appropriation	1,070		1,070		1,070		0	1,070	
Total, CAP Obligations	273,434	2	288,072	2	324,919	3	46,396	371,315	3
SFMNP Sequester	1,483		1,504		1,401		-1,401	0	
Total Appropriation	269,701	2	278,501	2	296,217	3	16,922	313,139	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 2017 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 2017 request for the Commodity Assistance Program (CAP) reflects an increase of \$16,922,000 (\$296,217,000 and 3 staff years are available in FY 2016). 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.

- (1) An increase of \$13,922,000 for the Commodity Supplemental Food Program (\$222,198,000 enacted in FY 2016).

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 47 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 2017 assumes that only 1,000 participants, or less than two-tenths of one percent, of the caseload is non-elderly.

The funding requested will provide 639,000 caseload slots. According to the Census Bureau, the elderly population in the United States has been growing over the past several years and will continue to grow by an additional 27 percent by 2050. Our most recent SNAP data shows that, of the proportion of the elderly population who are eligible, only about 41 percent currently receive SNAP benefits. This means that 59 percent of the low-income, elderly population must rely on other sources of food assistance through food banks and food pantries, and programs such as Meals on Wheels and CSFP. Given the sizeable amount of unmet need, the request to increase CSFP caseload to 639,000 represents an opportunity to make important progress in reducing hunger issues in the elderly populations.

- (2) A decrease of \$2,000,000 in the Farmer's Market Nutrition Program (\$18,548,000 enacted in FY 2016).

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. The FY 2016 Omnibus Appropriations Act provided an additional \$2 million above the traditional funding level of \$16.5 million. The request for FY 2017 returns to the base funding level.

- (3) An increase of \$5,000,000 for The Emergency Food Assistance Program (\$54,401,000 enacted in FY 2016).

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. Funding for this initiative has largely remained stagnant for the past decade, therefore, this investment is needed in order to increase State agencies' capacity to effectively support the storage and distribution efforts of USDA Foods through emergency feeding organizations within the TEFAP network.

- (4) No change in Nuclear Affected Islands program (\$574,000 enacted in FY 2016).

FOOD AND NUTRITION SERVICE

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 2016).

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 that have not been declared a disaster or emergency by the President.

FOOD AND NUTRITION SERVICE

Commodity Supplemental Food Assistance Program
Program Performance Data

	2014 Actual	2015 Actual	2016 Enacted	Difference	2017 Estimate
RESOURCES--START OF YEAR : (Dollars in thousands)					
Appropriation (Includes Rescission)	\$202,682	\$211,482	\$222,198	\$13,922	\$236,120
Cash Carry-In/Recoveries	144	24,344	0	0	0
Beginning Inventory (Federal-State-Local)	23,906	49,000	41,600	10,889	52,489
TOTAL RESOURCES	226,732	284,826	263,798	24,811	288,609
DEMAND:					
1. Program Performance Data:					
Caseload (Calendar Year)	588.000	604.000	619.000	20.000	639.000
Participation (Fiscal Year)	573.703	585.000	619.000	20.000	639.000
Participation					
<i>Women-Infants-Children</i>	9.996	1.630	0.540	-0.220	0.320
<i>Elderly</i>	563.707	570.210	618.460	20.220	638.680
Avg. Food Cost Person/Month (whole \$):					
Women-Infants-Children	25.74	25.45	26.06	0.55	26.61
FNS Funded <u>1/</u>	23.82	25.04	26.06	0.55	26.61
<i>Free (donated)</i>	1.92	0.41	0.00	0.00	0.00
Elderly	21.03	21.62	22.12	0.44	22.56
FNS Funded <u>1/</u>	19.24	21.27	22.12	0.44	22.56
<i>Free (donated)</i>	1.79	0.35	0.00	0.00	0.00
2. Food Costs: (Dollars in thousands)					
Food Distribution Costs	\$133,006	\$161,943	\$164,362	\$8,606	\$172,968
<i>Women-Infants-Children</i>	2,857	1,559	169	-67	102
<i>Elderly</i>	130,149	160,384	164,193	8,673	172,866
Commodity Administrative Costs	1,740	1,616	1,581	26	1,607
<i>AMS/ FSA Charges</i>	474	335	331	6	337
<i>WBSCM</i>	1,112	1,188	1,100	18	1,118
<i>Computer Support/Internet</i>	155	162	150	2	152
Total Food Costs	134,746	163,559	165,943	8,632	174,575
3. State Administrative Expenses (Dollars in thousands)					
TOTAL DEMAND	177,588	207,826	211,797	11,738	223,535
BALANCES-- YEAR-END: (Dollars in thousands)					
Funds (Carry-out)	24,344	42,912	0	0	0
Ending Inventory	49,000	41,600	52,001	13,073	65,074
COMMODITY ACTIVITY:					
Purchases	159,840	156,159	176,344	10,816	187,160
Inventory Change	25,094	-7,400	10,401	2,184	12,585

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

FOOD AND NUTRITION SERVICE

COMMODITY SUPPLEMENTAL FOOD PROGRAM		
CALENDAR YEAR AUTHORIZED CASELOAD LEVELS		
FOR ELDERLY AND WIC a/		
STATE/ TRIBAL ORG.	2015	2016
Alaska	2,108	1,893
Arizona	12,598	12,912
Arkansas	3,052	3,281
California	77,242	82,333
Colorado	17,991	15,941
Connecticut	2,400	2,400
Delaware	2,442	2,442
District of Columbia	5,746	5,264
Florida	2,400	2,580
Georgia	3,048	3,277
Hawaii	2,400	2,400
Idaho	2,000	2,000
Illinois	16,151	17,365
Indiana	3,579	3,672
Iowa	2,974	3,095
Kansas	4,898	5,110
Kentucky	23,823	25,614
Louisiana	63,615	60,172
Maine	3,004	3,229
Maryland	2,400	2,400
Massachusetts	2,400	2,400
Michigan	75,340	74,834
Minnesota	15,951	16,200
Mississippi	9,768	10,503
Missouri	15,963	17,162
Montana	8,300	8,502
Nebraska	10,185	9,307
Nevada	7,283	7,830
New Hampshire	5,322	4,604
New Jersey	3,016	3,200
New Mexico	16,591	16,364
New York	34,754	34,754
North Carolina	1,161	1,237
North Dakota	1,921	1,799
Oglala Sioux, SD	580	506
Ohio	20,770	22,331
Oklahoma	3,049	3,222
Oregon	1,652	1,776
Pennsylvania	34,619	34,619
Red Lake, MN	84	84
Rhode Island	2,000	2,000
South Carolina	5,474	5,751
South Dakota	4,174	4,376
Tennessee	13,740	13,507
Texas	34,627	37,229
Utah	2,469	2,649
Vermont	3,075	2,896
Washington	5,261	5,581
Wisconsin	10,600	11,397
SUBTOTAL	604,000	614,000
NEW STATES		
Virginia		5,000
SUBTOTAL		5,000
TOTAL CASELOAD	604,000	619,000

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, the Farm Bill).

FOOD AND NUTRITION SERVICE

Geographic Breakdown of Obligations and Staff Years (SY)

(Dollars in thousands)

Commodity Assistance Program--Federal Salaries & Expenses								
	<u>2014 Actual</u>		<u>2015 Actual</u>		<u>2016 Enacted</u>		<u>2017 Estimated</u>	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Virginia	\$2,031	2	\$2,100	2	\$2,051	3	\$2,128	3
Undistributed	0	0	0	0	0	0	0	0
Total obligations	\$2,031	2	\$2,100	2	\$2,051	3	\$2,128	3

Commodity Assistance Program

Classification by Objects

(Dollars in Thousands)

	<u>2014 Actual</u>	<u>2015 Actual</u>	<u>2016 Enacted</u>	<u>2017 Estimate</u>
Personnel Compensation:				
Washington D.C.....	\$81	\$130	\$134	\$139
Field.....	96	150	158	163
11.0 Total personnel compensation.....	177	280	292	302
12.0 Personnel benefits.....	56	89	92	96
Total personnel comp. and benefits.....	233	369	384	398
Other Objects:				
21.0 Travel and transportation of persons.....	33	34	34	34
25.0 Other services from non-Federal sources.....	1,308	1,329	1,329	1,329
26.0 Supplies and materials.....	140,221	153,303	185,365	227,196
31.0 Equipment.....	0	0	0	0
41.0 Grants.....	131,639	133,037	137,807	142,358
Total, Other Objects.....	273,201	287,703	324,535	370,917
100 Total, new obligations.....	273,434	288,072	324,919	371,315

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 2014 Farm Bill 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.

In FY 2015, the program operated in parts of 46 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 2015, a total of 604,000 caseload slots were allocated to participating States and ITOs (CSFP caseload is assigned by calendar year).
- For FY 2015, program participation averaged 571,834 monthly.
- Average monthly participation of women, infants, and children decreased from 9,996 in FY 2014 to 1,627 in FY 2015; average monthly elderly participation increased in the same period from 563,707 to 570,207.
- In FY 2015, Congress specifically provided funding to permit those States with approved State Plans which were not yet operating CSFP to begin program operations. As a result, seven new States – Connecticut, Florida, Hawaii, Idaho, Maryland, Massachusetts, and Rhode Island – began CSFP operations in 2015.

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.

FOOD AND NUTRITION SERVICE

CSFP Average Monthly Participation

Participation ^{1/}	2010	2011	2012	2013	2014	2015
Women	2,954	2,484	2,540	2,038	1,026	22
Infants	1,275	1,055	1,053	875	382	15
Children under 6	16,911	15,690	14,046	12,190	8,588	1,590
Total WIC Type	21,139	19,229	17,639	15,103	9,996	1,627
Elderly	497,707	568,847	576,556	564,656	563,707	570,207
Total, CSFP	518,846	588,076	594,195	579,759	573,703	571,834

^{1/} Based on National Databank version 8.2 data through September FY 2015. 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 2015, \$73.78 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 emergency 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.

FOOD AND NUTRITION SERVICE

Administrative Funding

TEFAP administrative funds are provided to States under the CAP account to help defray State and local costs associated with the transportation, processing, storage, and distribution of USDA Foods or foods secured from other sources, including the private sector. Unless expressly prohibited by appropriations legislation, a State can also choose to convert up to ten percent of their TEFAP food funds to administrative funds. Additionally, States can convert any amount of their 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 2015, including several new products: fresh potatoes, fresh pears, and low-fat cheese. Other foods included were:

- dehydrated potatoes
- dried plums
- Frozen apple slices
- raisins
- frozen ground beef
- frozen whole chicken
- pouched chicken
- frozen ham
- frozen turkey roast
- frozen catfish
- 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
- white and brown rice
- whole grain rotini
- whole grain spaghetti
- whole grain macaroni
- peanut butter
- roasted peanuts
- vegetable oil
- ultra high temperature fluid, 1 percent milk wheat bran flakes
- corn cereal
- oat cereal
- rice cereal
- corn and rice cereal
- shredded whole wheat cereal
- low sodium green beans
- low sodium black eye 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
- reduced sodium cream of chicken soup
- reduced sodium cream of mushroom soup
- low sodium tomato soup
- low sodium vegetable soup
- low sodium spaghetti sauce
- low sodium spinach
- sweet potatoes with extra light syrup
- no salt added diced tomatoes
- low sodium tomato sauce
- low sodium mixed vegetables
- unsweetened applesauce
- apricots with extra light syrup
- mixed fruit with extra light syrup
- cling peaches with extra light syrup
- pears with extra light syrup
- beef
- beef stew
- pork,
- Salmon and kosher salmon
- unsweetened apple juice
- unsweetened cherry apple juice
- unsweetened cranberry-apple juice
- unsweetened grape juice
- unsweetened grapefruit juice
- unsweetened orange juice
- unsweetened tomato juice

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Bonus Food

In FY 2015, 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 2015 for distribution through TEFAP outlets was \$302.9 million. Bonus USDA Foods include products made from chicken, lamb, salmon, kosher salmon, carrots, oranges, grapefruit, apples, grapes, cherries, and cranberries.

FY 2015 TEFAP Spending

In FY 2015, \$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 2015 appropriation for TEFAP entitlement food, provided in the SNAP account, was \$327 million, the level authorized by Section 27(a)(2) 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)	2010	2011	2012	2013	2014	2015
State Administrative Expenses	\$121.7	\$70.3	\$65.8	\$64.3	\$69.1	\$74.0
Bonus Foods ^{1/}	\$346.6	\$235.3	\$304.2	\$228.5	\$298.8	\$302.9
Entitlement Foods ^{2/}	\$231.9	\$228.4	\$242.9	\$247.2	\$268.0	\$327.0
TOTAL	\$700.2	\$534.0	\$612.9	\$540.0	\$635.9	\$703.9
Supplemental Funding for Hurricane Sandy (Disaster Relief -- Food and Administrative Funds)	\$0.0	\$0.0	\$0.0	\$5.7	\$0.0	\$0.0
TOTAL – Including Hurricane Sandy	\$700.2	\$534.0	\$612.9	\$545.7	\$635.9	\$703.9

^{1/} Includes barter foods

^{2/} From SNAP Account

The State Administrative Expenses shown in the table above include administrative funds, food funds converted to administrative funds, ARRA funds (FY 2010), and administrative funds recovered from the previous year. In FY 2015, of the \$32.7 million eligible for conversion, States chose to convert \$24.3 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 2015, \$327 million was provided for TEFAP entitlement food funds. The entitlement foods line also includes administrative funds that States chose to use instead to increase their food entitlements. In FY 2015, 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 Fiscal Year 2014, the last year for which data is available, the FMNP was operated by 48 State agencies and Indian Tribal Organizations (ITOs).

In FY 2014, the FMNP provided coupons to 1,635,261 WIC participants. The participants redeemed their coupons at 6,441 authorized farmers' markets and roadside stands, providing revenue to 17,450 small family farmers.

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WIC Farmers' Market Nutrition Program

	2010	2011	2012	2013	2014	2015
Funding (\$000)	\$22,089	\$23,283	\$20,517	\$18,723	\$19,633	\$19,667
WIC Recipients	2,153,467	1,919,477	1,717,668	1,559,312	1,635,261	*
Farmers' Markets**	6,419	4,079	6,361	6,080	6,441	*
Farmers	18,245	18,487	18,246	17,713	17,450	*

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 Senior Farmers' Market Nutrition Program (SFMNP) provides access to fresh, locally grown fruits and vegetables to nearly 800,000 low income older Americans in 43 states, the District of Columbia, Puerto Rico, and eight ITOs. In FY 2014 the Choctaw Nation of Oklahoma became the 53rd State agency to participate in the SFMNP.

Farmers' markets play a key role in developing local and regional food systems that support farmers and help grow rural economies. In FY 2014 SFMNP coupons for fresh produce were accepted by over 20,248 farmers at farmers markets, roadside stands and community supported agriculture programs. The SFMNP benefits local farmers by increasing the sustainability of the land and of the local economy through bringing additional customers to their markets.

The 2014 Farm Bill reauthorized the SFMNP through 2018 at a level of \$20.6 million per year. However, the Budget Control Act required a sequestration of 7.3 percent for all mandatory programs, resulting in a total transfer of \$19,096,200 to the Food and Nutrition Service (FNS) from the Commodity Credit Corporation (CCC) for FY 2015.

During FY 2015, the SFMNP operated in a total of 43 States, the District of Columbia, Puerto Rico, and eight 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	2015
Funding (\$000)	\$22,459	\$22,227	\$22,241	\$21,187	\$20,585	\$20,617
SFMNP Recipients	844,999	856,943	885,116	835,795	783,810	*
Farmers	20,106	19,069	19,892	20,617	20,248	*
Farmers' Markets	4,601	4,598	3,988	4,247	3,912	*
Roadside Stands	3,681	3,445	3,075	3,083	3,177	*
Community Supported Agriculture Programs	163	141	154	191	154	*

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

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provided as cash in-lieu of USDA Foods and administrative funds. USDA previously provided nutrition assistance under this account to the former Trust Territory of the Pacific Islands; however, as the trust relationship ended for the Federated States of Micronesia, 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. In FY 2015, FNS collaborated with the U.S. Agency for International Development, to provide USDA Foods to the Federated States of Micronesia in response to typhoon Maysak.

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 Units on Aging, which include Indian Tribal Organizations, 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 Units 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 2015, no bonus USDA foods were distributed to charitable institutions.

FOOD AND NUTRITION SERVICE

COMMODITY SUPPLEMENTAL FOOD PROGRAM
PROJECTS, PARTICIPATION AND FOOD COST
FISCAL YEAR 2015

STATE OR TERRITORY	PROJECTS	AVERAGE MONTHLY PARTICIPATION (FNS-153)					TOTAL	FOOD COSTS IN DOLLARS 1/	ADMINISTRATIVE COST IN DOLLARS 2/
		WOMEN	INFANTS	CHILDREN	ELDERLY				
Alaska-----	2	0	0	6	1,838	1,845	\$431,317	\$154,945	
Arizona-----	10	0	0	11	12,432	12,443	3,169,936	924,883	
Arkansas-----	3	0	0	0	3,037	3,037	753,689	224,069	
California-----	6	1	0	127	75,193	75,321	18,143,920	5,670,700	
Colorado-----	6	9	6	193	15,729	15,936	3,714,924	1,329,380	
Connecticut-----	1	0	0	0	334	334	77,525	132,803	
Delaware-----	1	0	0	0	2,421	2,421	633,273	179,284	
District of Columbia-----	1	0	0	37	5,194	5,231	1,232,734	434,691	
Florida-----	1	0	0	0	741	741	171,314	117,023	
Georgia-----	2	0	0	0	3,048	3,048	715,604	223,454	
Hawaii-----	1	0	0	0	571	571	148,328	132,803	
Idaho-----	1	0	0	0	561	561	131,370	110,669	
Illinois-----	3	0	0	0	16,281	16,281	3,992,225	1,207,699	
Indiana-----	5	0	0	0	3,414	3,414	771,289	265,274	
Iowa-----	1	0	0	8	2,870	2,879	679,078	219,863	
Kansas-----	3	0	0	8	4,744	4,752	1,169,633	362,110	
Kentucky-----	6	0	0	20	23,655	23,674	5,812,309	1,749,258	
Louisiana-----	1	1	1	110	60,059	60,172	14,760,878	4,719,312	
Maine-----	5	0	0	0	2,984	2,984	721,940	220,545	
Maryland-----	1	0	0	0	48	48	10,148	132,803	
Massachusetts-----	1	0	0	0	46	46	9,794	117,023	
Michigan-----	18	11	6	811	73,006	73,834	17,242,122	5,577,479	
Red Lake, Minnesota-----	1	0	0	0	82	82	18,715	6,271	
Minnesota-----	5	0	0	29	15,481	15,510	3,683,013	1,175,973	
Mississippi-----	1	0	0	0	9,686	9,686	2,336,859	713,502	
Missouri-----	6	0	0	0	15,912	15,912	3,647,912	1,170,466	
Montana-----	12	0	0	13	8,201	8,214	1,909,068	610,471	
Nebraska-----	8	0	0	46	9,261	9,307	2,135,273	764,080	
Nevada-----	3	0	0	9	7,215	7,223	1,656,981	536,028	
New Hampshire-----	4	0	0	17	4,586	4,604	1,074,117	399,811	
New Jersey-----	3	0	0	0	2,987	2,987	668,916	221,541	
New Mexico-----	4	0	0	36	16,090	16,126	3,936,969	1,224,243	
New York-----	2	0	0	0	32,451	32,451	7,575,087	2,551,446	
North Carolina-----	1	0	0	0	1,151	1,151	291,352	85,234	
North Dakota-----	6	0	0	0	1,799	1,799	434,690	144,055	
Ohio-----	9	0	0	0	20,693	20,693	5,017,718	1,527,183	
Oklahoma-----	2	0	0	0	2,974	2,974	692,484	223,848	
Oregon-----	4	0	0	0	1,649	1,649	386,809	121,755	
Pennsylvania-----	17	0	0	1	33,846	33,846	8,151,022	2,554,176	
Rhode Island-----	1	0	0	0	54	54	12,396	59,761	
South Carolina-----	2	0	0	0	5,202	5,202	1,268,537	371,248	
South Dakota-----	2	0	0	0	4,070	4,070	972,698	308,786	
Oglala Sioux, S.D.-----	1	0	1	72	433	506	116,598	43,179	
Tennessee-----	4	0	0	0	13,190	13,190	2,988,799	858,795	
Texas-----	6	0	0	7	34,115	34,122	8,224,035	2,541,132	
Utah-----	1	0	0	2	2,462	2,464	582,657	181,179	
Vermont-----	1	0	0	4	2,892	2,896	716,809	228,532	
Washington-----	10	0	0	2	5,135	5,137	1,177,857	387,195	
Wisconsin-----	3	0	0	23	10,387	10,410	2,469,567	769,038	
AMS/FSA/PCIMS Admin. Exp.--	0	0	0	0	0	0	1,684,928	0	
Anticipated Adjustment-----	0	0	0	0	0	0	11,978,776	281,761	
3/ TOTAL-----	198	22	15	1,590	570,207	571,834	\$150,303,992	\$44,267,759	

SOURCE: FPRS FNS-153 data - Food distributed to participants in fiscal year 2015.

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

**FOOD AND NUTRITION SERVICE
COMMODITY SUPPLEMENTAL FOOD PROGRAM
Quantity and Value of Commodities
Fiscal Year 2015**

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 6/32 TYPE:</i>		
APPLESAUCE, CANNED, NO SALT ADDED, UNSWEETENED	3,866,175	\$2,285,437
APRICOTS, CANNED, HALVES, LT SYRUP	1,633,275	1,908,276
BEANS, CANNED, GREEN, LOW-SODIUM	3,959,805	1,592,300
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	1,689,120	722,084
BEANS, DRY, BABY LIMA, NO SALT ADDED	1,128,960	886,809
BEANS, DRY, GREAT NORTHERN, NO SALT ADDED	1,249,920	616,527
BEANS, DRY, LT RED KIDNEY NO SALT ADDED	1,370,880	1,001,616
BEANS, DRY, PINTO, NO SALT ADDED	1,542,000	651,985
BEEF, CANNED	2,295,000	8,166,592
BEEF, CANNED, CHILI W/O BEANS	1,836,000	3,108,064
BEEF, CANNED, STEW	2,603,628	2,792,033
CARROTS, CANNED, LOW-SODIUM	2,772,675	1,314,068
CHICKEN, CANNED	1,350,000	2,373,638
CHICKEN, POUCHED	1,440,000	3,995,171
CORN, CANNED, NO SALT ADDED	4,217,035	1,749,243
JUICE, BOTTLED, APPLE, UNSWEETENED	16,523,562	5,895,820
JUICE, BOTTLED, CRANAPPLE, UNSWEETENED	13,153,008	5,096,713
JUICE, BOTTLED, GRAPE, UNSWEETENED	9,024,510	3,695,228
JUICE, BOTTLED, ORANGE, UNSWEETENED	11,342,712	5,354,441
JUICE, BOTTLED, TOMATO, UNSWEETENED	4,122,130	1,195,023
MIXED FRUIT, CANNED, LT SYRUP	2,652,750	2,785,962
MIXED VEGETABLES, CANNED, LOW-SODIUM	1,931,850	1,079,503
PEACHES, CANNED, LT SYRUP	2,791,575	2,851,543
PEARS, CANNED, LT SYRUP	1,239,300	1,175,099
PEAS, CANNED, LOW-SODIUM	2,334,150	1,276,189
PLUMS, CANNED	874,800	574,160
POTATOES, CANNED, SLICED, LOW-SODIUM	1,542,240	674,363
SALMON, CANNED	2,460,300	4,865,332
SPAGHETTI SAUCE (MEATLESS), CANNED, LOW-SODIUM	2,439,360	967,713
SPINACH, CANNED, LOW-SODIUM	1,950,921	1,089,652
TOMATOES, CANNED, DICED, NO SALT ADDED	2,360,745	996,721
SUBTOTAL, SECTION 6/32 TYPE	109,698,386	\$72,737,302
<i>SECTION 416 TYPE:</i>		
CEREAL, CORN AND RICE, READY-TO-EAT	997,920	\$1,482,610
CEREAL, CORN FLAKES, READY-TO-EAT	1,829,871	1,592,050
CEREAL, CORN SQUARES, READY-TO-EAT	1,333,584	2,162,007
CEREAL, OAT CIRCLES, READY-TO-EAT	1,732,164	1,834,350
CEREAL, RICE CRISPS, READY-TO-EAT	1,508,256	1,707,605
CEREAL, WT BRAN FLAKES, READY-TO-EAT	1,805,420	1,556,298
CEREAL, WT SHREDDED, READY-TO-EAT	867,253	782,866
CHEESE BLEND AMER SKIM LOAVES	13,381,464	23,069,496
FARINA	1,358,280	816,326
GRITS	299,880	88,000
MACARONI	2,863,920	1,351,395
MILK UHT 1%	29,809,965	10,986,369
MILK, INSTANT NDM PKG	5,660,160	10,112,294
OATS	2,181,744	984,093
PEANUT BUTTER, SMOOTH	5,785,911	6,162,243
RICE	4,821,000	1,709,068
ROTINI, WHOLE GRAIN	2,201,500	1,025,244
SPAGHETTI	3,378,000	1,584,724
SUBTOTAL, SECTION 416 TYPE	81,816,292	\$69,007,038
Anticipated Adjustment	0	6,874,724
AMS/FSA/WBSCM Admin. Expenses	0	1,684,928
TOTAL COMMODITY ENTITLEMENT	191,514,677	\$150,303,992

FOOD AND NUTRITION SERVICE

**FOOD AND NUTRITION SERVICE
COMMODITY SUPPLEMENTAL FOOD PROGRAM (Cont.)**

Quantity and Value of Commodities

Fiscal Year 2015

BONUS COMMODITIES	Pounds	Dollars
<i>SECTION 32 TYPE:</i> JUICE, BOTTLED, GRAPE, UNSWEETENED	7,098,330	\$2,524,816
SUBTOTAL, SECTION 32 TYPE	7,098,330	\$2,524,816
TOTAL BONUS COMMODITIES	7,098,330	\$2,524,816
TOTAL -- ALL COMMODITIES	198,613,007	\$152,828,808
Adjustment		0
Cash In-Lieu of Commodities		0
GRAND TOTAL	198,613,007	\$152,828,808

Source: WBSCM -- Sales Order and contract information.

FOOD AND NUTRITION SERVICE

THE EMERGENCY FOOD ASSISTANCE PROGRAM
Administrative Funds / Entitlement and Bonus Commodities
Fiscal Year 2015

State or Territory	TEFAP Admin. Funds	Entitlement Commodities	Bonus Commodities*	Total Food	Total Admin. and Food
Alabama.....	\$888,003	\$5,036,084	\$5,266,804	\$10,302,888	\$11,190,891
Alaska.....	140,426	494,496	1,107,966	1,602,461	1,742,887
Arizona.....	1,879,860	6,717,927	7,476,246	14,194,173	16,074,033
Arkansas.....	688,591	3,114,659	2,876,988	5,991,648	6,680,239
California.....	10,904,038	38,068,569	40,722,884	78,791,453	89,695,491
Colorado.....	1,182,166	4,246,742	4,939,922	9,186,664	10,368,830
Connecticut.....	472,541	3,195,558	2,805,476	6,001,034	6,473,575
Delaware.....	201,527	774,848	1,319,498	2,094,346	2,295,873
District of Columbia.....	117,629	702,651	1,131,929	1,834,580	1,952,209
Florida.....	4,069,058	19,584,885	17,047,151	36,632,036	40,701,094
Georgia.....	1,756,572	11,284,988	9,356,970	20,641,959	22,398,531
Hawaii.....	239,901	1,064,058	836,365	1,900,424	2,140,325
Idaho.....	223,202	1,525,882	1,674,187	3,200,068	3,423,270
Illinois.....	2,532,681	13,085,878	12,661,490	25,747,368	28,280,049
Indiana.....	976,569	6,232,917	5,958,703	12,191,619	13,168,188
Iowa.....	484,440	2,147,714	2,257,837	4,405,551	4,889,991
Kansas.....	571,776	2,160,139	2,527,254	4,687,393	5,259,169
Kentucky.....	1,290,062	4,516,041	3,982,534	8,498,574	9,788,636
Louisiana.....	1,204,719	4,157,816	4,343,852	8,501,669	9,706,388
Maine.....	309,865	1,091,874	1,433,709	2,525,583	2,835,448
Maryland.....	1,038,638	4,183,310	3,331,195	7,514,505	8,553,143
Massachusetts.....	880,390	5,903,667	4,987,499	10,891,166	11,771,556
Michigan.....	2,788,580	9,494,810	10,887,569	20,382,379	23,170,959
Minnesota.....	1,026,127	3,482,508	3,513,000	6,995,508	8,021,635
Mississippi.....	867,037	3,519,700	3,459,889	6,979,589	7,846,626
Missouri.....	1,340,378	5,497,534	6,142,598	11,640,132	12,980,510
Montana.....	242,744	872,241	842,281	1,714,522	1,957,266
Nebraska.....	352,518	1,214,810	1,426,639	2,641,450	2,993,968
Nevada.....	477,106	2,996,102	2,658,976	5,655,078	6,132,184
New Hampshire.....	198,097	821,699	916,414	1,738,113	1,936,210
New Jersey.....	1,982,240	7,133,173	8,497,665	15,630,839	17,613,079
New Mexico.....	636,064	2,181,282	2,597,342	4,778,624	5,414,688
New York.....	4,933,304	18,371,804	18,620,022	36,991,826	41,925,130
North Carolina.....	2,106,038	9,837,131	8,950,665	18,787,797	20,893,835
North Dakota.....	114,907	403,643	567,207	970,850	1,085,757
Ohio.....	2,340,539	10,542,419	11,410,710	21,953,129	24,293,668
Oklahoma.....	542,854	3,495,855	3,606,518	7,102,373	7,645,227
Oregon.....	1,055,852	3,825,706	4,332,511	8,158,217	9,214,069
Pennsylvania.....	2,918,392	10,537,150	13,778,716	24,315,866	27,234,258
Rhode Island.....	177,583	1,186,026	673,828	1,859,854	2,037,437
South Carolina.....	1,252,381	4,426,998	4,659,567	9,086,565	10,338,946
South Dakota.....	165,602	579,716	158,704	738,420	904,022
Tennessee.....	1,781,630	6,186,879	5,971,372	12,158,252	13,939,882
Texas.....	6,585,208	23,868,208	25,823,665	49,691,873	56,277,081
Utah.....	530,691	1,853,524	2,309,040	4,162,564	4,693,255
Vermont.....	109,007	434,513	695,436	1,129,949	1,238,956
Virginia.....	1,616,758	5,621,731	5,173,984	10,795,716	12,412,474
Washington.....	480,077	5,862,644	7,857,031	13,719,675	14,199,752
West Virginia.....	1,638,156	1,682,949	2,936,052	4,619,001	6,257,157
Wisconsin.....	1,330,123	4,515,341	4,752,982	9,268,323	10,598,446
Wyoming.....	101,871	364,003	501,529	865,532	967,403
Northern Mariana Islands	22,438	146,148	0	146,148	168,586
Guam.....	32,078	239,416	139,107	378,523	410,601
Puerto Rico.....	2,130,105	7,774,619	812,300	8,586,919	10,717,024
Virgin Islands.....	38,034	154,380	146,919	301,299	339,333
AMS/FSA/WBSCM Admin. Exp....	0	2,832,987	0	2,832,987	2,832,987
Anticipated Adjustment.....	261	-4,651,762	0	-4,651,762	-4,651,501
TOTAL.....	\$73,967,434	\$296,596,593	\$302,866,700	\$599,463,292	\$673,430,726

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 2015

ENTITLEMENT COMMODITIES	Pounds	Dollars
APPLESAUCE, CANNED, W/O SALT, UNSWEETENED	12,702,375	\$7,566,951
APPLESAUCE, CUPS	1,738,800	1,115,058
APPLE SLICES, FROZEN	1,702,800	1,113,235
APRICOTS, CANNED, HALVES, EXT LT SYRUP	1,763,550	2,003,606
BEANS, CANNED, BLACKEYE, LOW-SODIUM	4,873,433	2,362,116
BEANS, CANNED, GREEN, LOW-SODIUM	21,383,513	8,762,767
BEANS, CANNED, LT RED KIDNEY, LOW-SODIUM	6,687,630	3,194,535
BEANS, CANNED, REFRIED, LOW-SODIUM	4,993,920	2,306,506
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	5,397,840	2,380,848
BEANS, DRY, BLACKEYE, W/O SALT	403,200	357,976
BEANS, DRY, GARBANZO, W/O SALT	362,880	204,691
BEANS, DRY, GREAT NORTHERN, W/O SALT	2,983,680	1,472,181
BEANS, DRY, LIMA, W/O SALT	564,480	439,512
BEANS, DRY, LT RED KIDNEY, W/O SALT	403,200	273,622
BEANS, DRY, PINTO, W/O SALT	16,178,400	6,779,341
BEEF, CANNED	1,305,000	4,350,968
BEEF, CANNED, STEW CHUNKY	16,330,572	17,236,965
BEEF, FINE GROUND, FROZEN	3,032,000	9,962,370
BEEF, FINE GROUND, FROZEN, LFT	80,000	295,104
CARROTS, CANNED, NO ADDED SALT	8,073,675	3,793,256
CHEESE BLEND, AMERICAN, SKIM	3,171,336	5,487,225
CHICKEN, WHOLE BAGGED	15,705,600	16,199,437
CHICKEN, CANNED	2,538,000	4,433,582
CHICKEN, POUCHED	2,412,000	6,678,956
CORN, CANNED, CREAM, LOW-SODIUM	2,041,200	1,030,919
CORN, CANNED, WHOLE KERNEL, W/O SALT	17,015,387	7,333,566
EGG MIX, DRY	216,000	1,691,622
EGGS, FRESH	4,353,750	4,640,085
JUICE, BOTTLED, APPLE, UNSWEETENED	7,500,096	2,655,863
JUICE, BOTTLED, CHERRY APPLE, UNSWEETENED,	1,319,790	622,390
JUICE, BOTTLED, CRANBERRY APPLE, UNSWEETENED	3,362,202	1,327,014
JUICE, BOTTLED, GRAPE CONCORD, UNSWEETENED	688,170	284,027
JUICE, BOTTLED, GRAPEFRUIT JUICE, UNSWEETENED	784,740	239,614
JUICE, BOTTLED, ORANGE, UNSWEETENED	3,049,698	1,410,798
JUICE, BOTTLED, TOMATO, UNSWEETENED	2,319,350	640,828
LENTILS, DRY	3,709,440	2,020,863
MIXED FRUIT, CANNED, EXT LT SYRUP	6,708,825	7,022,482
PEACHES, CANNED, SLICED, EXT LT SYRUP	11,677,275	11,772,199
PEARS, CANNED, EXT LT SYRUP	5,030,100	4,766,542
PEARS, FRESH	539,640	300,936
PEAS, CANNED, LOW-SODIUM	5,923,800	3,284,397
PLUMS, DRIED, PITTED	180,000	383,175
PORK CHOPS, BONELESS, FROZEN	152,000	525,920
PORK, CANNED	4,320,000	5,788,667
PORK , FROZEN, HAM, WATER ADDED	5,392,800	8,209,476
POTATOES, FRESH	10,240,000	2,061,440
POTATOES, FLAKES, DEHYDRATED	3,653,328	3,537,590
POTATOES, CANNED, SLICED, LOW-SODIUM	7,344,000	3,278,311
PUMPKIN, CANNED, LOW-SODIUM	1,166,400	964,921
RAISINS	544,320	710,156
SALMON, CANNED, PINK	2,212,500	4,346,342
SOUP, CRM OF CHICKEN, LOW-SODIUM	2,390,850	2,352,924
SOUP, CRM OF MUSHROOM, LOW-SODIUM	1,593,900	1,529,241
SOUP, CANNED, TOMATO, LOW-SODIUM	3,689,400	2,369,620
SOUP, CANNED, VEGETABLE, LOW-SODIUM	4,079,625	3,426,792
SPAGHETTI, CANNED, MEATLESS SAUCE, LOW-SODIUM	17,984,115	7,306,487

FOOD AND NUTRITION SERVICE

THE EMERGENCY FOOD AND ASSISTANCE PROGRAM (Cont.)

Quantity and Value of Commodities

Fiscal Year 2015

ENTITLEMENT COMMODITIES (cont.)	Pounds	Dollars
SPINACH, CANNED	6,663,489	3,703,878
TOMATO SAUCE, CANNED, LOW-SODIUM	9,466,875	3,725,933
TOMATOES, CANNED, DICED, LOW-SODIUM	8,209,755	3,500,424
VEGETABLES, CANNED, MIXED, LOW-SODIUM	8,128,350	4,557,040
SUBTOTAL	308,439,053	\$222,093,287
ENTITLEMENT COMMODITIES	Pounds	Dollars
CEREAL, CORN FLAKES	4,563,540	\$3,954,283
CEREAL, CORN SQUARES	230,496	373,680
CEREAL, OAT CIRCLE	2,624,832	2,736,360
CEREAL, RICE CRISP	1,492,128	1,685,211
CEREAL, CORN RICE BISC	306,180	454,892
CEREAL, FLAKES, WHEAT BRAN	1,139,271	977,124
CEREAL, SHREDDDED, WHEAT	1,563,084	1,424,085
EGG NOODLES	4,442,160	3,884,445
FLOUR MIX, BAKERY, LOWFAT	1,399,680	1,223,033
GRITS	4,026,960	1,180,430
MACARONI	8,578,560	3,925,714
OATS, NO SALT ADDED, WHOLE GRAIN	5,824,656	2,615,100
PEANUT BUTTER SMTH	19,575,999	20,910,755
PEANUTS, ROASTED, NO ADDED SALT	51,840	97,016
RICE, BROWN	2,772,000	1,459,899
RICE, WHITE	22,806,000	8,207,842
SPAGHETTI	9,158,800	4,149,123
UHT MILK 1%	23,086,779	9,242,123
VEGETABLE OIL	5,388,768	2,935,509
WHOLE GRAIN MACARONI	1,876,800	794,041
WHOLE GRAIN ROTINI	2,286,500	1,086,448
WHOLE GRAIN SPAGHETTI	7,711,200	2,858,819
SUBTOTAL	130,906,233	\$76,175,933
Anticipated Transportation/misc		\$0
Cash In-Lieu of Commodities - CNMI		146,148
AMS/FSA/WBSCM/Computer Support		2,832,987
Anticipated Adjustment		-4,651,762
TOTAL COMMODITY ENTITLEMENT	439,345,286	\$296,596,593

FOOD AND NUTRITION SERVICE

THE EMERGENCY FOOD AND ASSISTANCE PROGRAM (Cont.)

Quantity and Value of Commodities

Fiscal Year 2015

BONUS COMMODITIES	Pounds	Dollars
APPLES, CANNED, W/O SALT, UNSWEETENED	6,524,550	\$3,609,777
APPLES, FRESH	19,438,398	10,645,385
APPLESAUCE, CUPS	2,797,200	1,588,955
CARROTS, DICED, LOW SODIUM	7,048,800	3,490,344
CHERRIES, DRIED	6,652,801	30,842,891
CHERRIES, TART, PITTED	7,920,000	8,475,651
CHICKEN, FROZEN, LEGS/QUARTERS	111,074,000	35,550,421
CRANBERRIES, DRIED	24,330,240	32,968,541
CRANBERRY, CANNED, SAUCE	45,128,880	23,196,544
JUICE, BOTTLED, APPLE, UNSWEETENED	5,885,550	2,188,816
JUICE, BOTTLED, GRAPE CONCORD, UNSWEETENED	19,475,820	7,036,061
JUICE, BOTTLED, GRAPEFRUIT, UNSWEETENED	33,529,800	9,929,902
JUICE, BOTTLED, ORANGE, UNSWEETENED	30,747,540	13,838,896
JUICE, CANNED, CRANBERRY CONCENTRATE	54,552,960	42,273,612
LAMB, LEG ROAST, FROZEN	120,000	586,800
LAMB, LEG ROAST, BONELESS, FROZEN	560,000	3,267,312
LAMB, SHANK, FROZEN	360,000	1,504,320
LAMB, SHOULDER ROAST, FROZEN	360,000	2,161,280
ORANGE JUICE, SINGLES, CARTON	7,150,080	3,519,130
ORANGE JUICE, SINGLES, CUP	5,398,272	2,523,643
RAISINS	25,650,144	33,710,281
SALMON, CANNED, RED	9,891,000	29,958,138
TOTAL BONUS COMMODITIES	424,596,035	302,866,700
TOTAL -- ALL COMMODITIES		
Entitlement	439,345,286	\$296,596,593
Bonus 32C	424,596,035	302,866,700
Anticipated Adjustment	0	0
GRAND TOTAL	863,941,321	\$599,463,292

Source: WBSCM -- Sales Order and contract information.

FOOD AND NUTRITION SERVICE

**WIC FARMERS MARKET NUTRITION PROGRAM
PARTICIPATION AND PROGRAM FINANCING
FISCAL YEAR 2014 and 2015**

STATE OR TERRITORY	Fiscal Year 2014 TOTAL PARTICIPATION <u>1/</u>				FY 2014 PROGRAM GRANT	FY 2015 PROGRAM GRANT
	WOMEN	INFANTS	CHILDREN	TOTAL		
Alabama-----	1,778	0	5,719	7,497	\$113,343	\$113,343
Alaska-----	2,300	1,602	4,849	8,751	185,379	185,379
Arizona-----	3,488	0	6,185	9,673	193,885	193,885
Arkansas-----	4,611	0	8,525	13,136	156,599	156,599
California-----	81,671	54,251	227,097	363,019	2,063,983	2,063,983
Connecticut-----	10,261	0	38,112	48,373	298,107	299,230
Delaware-----	0	0	0	0	262,093	262,093
District of Columbia-----	4,551	0	7,642	12,193	283,121	283,121
Florida-----	8,424	0	16,509	24,933	255,755	256,718
Georgia-----	6,117	2,535	12,636	21,288	952,217	952,217
Guam-----	1,048	0	2,194	3,242	78,911	78,911
Illinois-----	10,840	0	20,519	31,359	363,653	363,653
Indiana-----	5,961	0	9,447	15,408	238,853	238,853
Iowa-----	5,006	0	18,770	23,776	466,435	468,191
Kentucky-----	3,489	220	8,398	12,107	185,361	185,361
Louisiana-----	185	41	248	474	9,167	9,202
Maine-----	1,696	0	6,129	7,825	75,000	75,000
Maryland-----	10,143	2,448	22,384	34,975	320,742	321,950
Massachusetts-----	5,121	2,088	15,305	22,514	404,569	406,092
Michigan-----	6,169	0	15,674	21,843	371,145	372,543
Minnesota-----	12,312	11,014	29,598	52,924	288,497	289,583
Mississippi <u>2/</u> -----	2,290	41	5,027	7,358	113,781	114,136
Montana-----	615	0	1,554	2,169	59,782	59,782
Nebraska-----	678	0	1,821	2,499	75,000	75,000
New Jersey-----	19,000	0	22,485	41,485	1,056,954	1,056,954
New Mexico <u>2/</u> -----	2,063	98	4,584	6,745	266,130	266,130
New York-----	101,714	77,189	161,940	340,843	3,238,995	3,251,192
North Carolina-----	4,882	0	4,319	9,201	233,600	233,600
Ohio-----	8,193	2,239	20,550	30,982	447,916	447,916
Oklahoma Chickasaw-----	855	432	1,716	3,003	75,000	75,000
Oklahoma Osage Tribe-----	340	451	785	1,576	31,325	31,325
Oklahoma Choctaw Nation-----	446	250	1,276	1,972	75,000	75,000
Oregon-----	8,192	4,071	20,890	33,153	343,651	344,945
Pennsylvania-----	49,903	0	106,044	155,947	1,681,813	1,688,146
Puerto Rico-----	15,823	0	47,188	63,011	1,554,783	1,554,783
Rhode Island-----	4,325	0	11,536	15,861	125,787	125,787
South Carolina-----	5,313	0	9,880	15,193	126,899	126,899
Tennessee-----	3,157	0	5,864	9,021	79,276	79,575
Texas-----	7,642	0	21,031	28,673	1,054,646	1,054,646
Vermont-----	652	209	2,013	2,874	75,000	75,282
Virginia-----	671	551	1,016	2,238	60,241	63,766
Virgin Islands-----	304	0	815	1,119	81,316	77,791
Washington-----	11,561	0	27,032	38,593	552,751	554,832
West Virginia-----	1,086	573	2,291	3,950	74,965	74,965
Wisconsin-----	25,626	0	56,859	82,485	581,340	583,529
Anticipated Adjustment-----	0	0	0	0	0	0
TOTAL-----	460,502	160,303	1,014,456	1,635,261	19,632,766	19,666,888

1/ Participation data reflects Fiscal Year 2014. Participation data for Fiscal Year 2015 is not due until February 2016.

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 2015

Disaster Feeding		
ENTITLEMENT COMMODITIES	Pounds	Dollars
CHICKEN, CANNED	12,375	\$24,844
CORN, CANNED, WHOLE KERNEL, NO SALT ADDED	805,851	369,483
MIXED FRUIT, CANNED, LT SYRUP	364,500	361,949
SUBTOTAL	1,182,726	\$756,276
OIL, VEGETABLE	374,220	\$217,983
RICE	1,554,000	814,590
SUBTOTAL	1,928,220	\$1,032,573
Federal States of Micronesia Anticipated Transportation, Storage, and Handling*		\$1,563,324
TOTAL COMMODITY ENTITLEMENT	3,110,946	\$3,352,173
BONUS COMMODITIES	Pounds	Dollars
NONE	0	\$0
SUBTOTAL	0	\$0
BONUS COMMODITIES	Pounds	Dollars
NONE	0	\$0
SUBTOTAL	0	\$0
TOTAL BONUS COMMODITIES	0	\$0
GRAND TOTAL -- ALL COMMODITIES	3,110,946	\$3,352,173

Source: WBSCM Sales Order and contract information.

* Estimated Transportation/Storage Handling for Disaster Assistance to the Federal States of Micronesia

* Includes Section 32 Funds

FOOD AND NUTRITION SERVICE

DISASTER FEEDING
Value of Commodities to States
Entitlement and Bonus
Fiscal Year 2015

State or Territory	Entitlement	Bonus	Total
Federal States of Micronesia.....	\$1,788,849	\$0	\$1,788,849
Anticipated Transportation.....	1,563,324	0	1,563,324
TOTAL.....	\$3,352,173	\$0	\$3,352,173

Source: WBSCM Order and Shipment Quantities and Value Report.

* Includes Section 32 Funds

NUTRITION SERVICES INCENTIVE PROGRAM
Value of Commodities to States
Entitlement and Bonus
Fiscal Year 2015

State or Territory	Entitlement	Bonus	Total
Connecticut.....	0	0	0
Delaware.....	\$276,503	0	\$276,503
Idaho.....	19,604	0	19,604
Kansas.....	231,525	0	231,525
Massachusetts.....	1,546,530	0	1,546,530
Montana.....	279,387	0	279,387
Nevada.....	170,772	0	170,772
Oklahoma.....	19,159	0	19,159
AMS/FSA/WBSCM Admin Exp.....	23,715	0	23,715
Anticipated Adjustment.....	31,000	0	31,000
TOTAL.....	\$2,598,195	\$0	\$2,598,195

Source: WBSCM -- Sales Order and contract information.

FOOD AND NUTRITION SERVICE

NUTRITION SERVICES INCENTIVE PROGRAM
Quantity and Value of Commodities
Fiscal Year 2015

ENTITLEMENT COMMODITIES	Pounds	Dollars
APPLE SLICES, CANNED	71,136	\$54,082
APPLESAUCE, CUPS	94,500	61,747
BEANS, CANNED, GREEN, LOW-SODIUM	103,968	43,767
BEANS, GREEN, FROZEN, NO ADDED SALT	118,800	64,231
BEANS, CANNED, GARBANZO, LOW-SODIUM	34,992	11,552
BEANS, CANNED, PINTO, LOW-SODIUM	405	136
BEANS, CANNED, RED KIDNEY, LOW-SODIUM	34,992	15,690
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	35,802	12,718
BEEF, FINE GROUND, FROZEN	160,800	503,656
BROCCOLI, FROZEN	34,020	43,001
CARROTS, FROZEN, SLICED, NO ADDED SALT	118,800	56,826
CATFISH STRIPS, BREADED, OVEN-READY	400	1,760
CORN, WHOLE KERNEL, LIQUID, NO ADDED SALT	36,252	17,045
CORN, FROZEN	79,200	48,272
CHICKEN, CUT UP, FROZEN	80,000	86,640
CHICKEN, DICED, FROZEN	80,000	189,584
CHICKEN, FAJITA STRIPS	300	555
CHICKEN, LARGE, CHILLED	180,000	175,752
CHICKEN, SMALL, CHILLED	36,000	34,200
CHICKEN STRIPS, FROZEN	33,000	97,350
EGGS, WHOLE, LIQUID, BULK	48,000	33,581
HAM, WATER ADDED, FROZEN	400	706
MIXED FRUIT, CANNED	217,512	209,368
PEACHES, CANNED, SLICED, EXT LT SYRUP	72,504	72,741
PEANUT BUTTER, SMOOTH	600	569
PEARS, DICED, CANNED	256,118	212,017
PEARS, SLICED, CANNED	25,873	19,604
PEAS, GREEN, FROZEN, NO SALT ADDED	118,800	85,628
PORK, BONELESS, FROZEN	40,020	43,834
PORK, LEG ROAST, FROZEN	40,000	55,260
SPAGHETTI SAUSE, CANNED	398	151
STRAWBERRIES, DICED, FROZEN, CUPS	37,800	67,200
TOMATO, DICED, CANNED, LOW-SODIUM	104,652	43,256
TOMATO, PASTE, CANNED, LOW-SODIUM	416	234
TOMATO SALSA, CANNED LOW-SODIUM	398	204
TOMATO SAUCE, CANNED, LOW-SODIUM	217,910	74,128
SUBTOTAL	2,514,766	\$2,437,048
ENTITLEMENT COMMODITIES	Pounds	Dollars
CHEESE, BLEND, AMER/SKIM MILK, SLICED	600	\$938
CHEESE, BULK, NATURAL AMERICAN, BARREL	40800	83,348
CHEESE, MOZZERALLA, PART SKIM	4547	7,840
RICE, BROWN	42250	14,305
SUBTOTAL	88,197	\$106,432
Anticipated Adjustment	0	31,000
AMS / FSA / WBSCM Admin. Expenses	0	23,715
TOTAL COMMODITY ENTITLEMENT	2,602,963	\$2,598,195
BONUS COMMODITIES	Pounds	Dollars
NONE	0	\$0
SUBTOTAL	0	\$0
Anticipated Adjustment	0	0
TOTAL BONUS COMMODITIES	2,602,963	2,598,195
TOTAL -- ALL COMMODITIES	2,602,963	\$2,598,195
Cash In-Lieu of Commodities	0	0
GRAND TOTAL	2,602,963	\$2,598,195

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~~] \$179,447,000: *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.

FOOD AND NUTRITION SERVICE

NUTRITION PROGRAM ADMINISTRATION

Lead-Off Tabular Statement

Budget Estimate, 2017	\$179,447,000
2016 Enacted	<u>150,824,000</u>
Change in Appropriation	<u>+28,623,000</u>

Summary of Increases and Decreases
(Dollars in thousands)

Item of Change	2014 Actual	2015 Change	2016 Change	2017 Change	2017 Estimate
Direct Program, FNS and CNPP <u>1/</u>	\$139,348	-\$4,058	-\$294	\$4,731	\$139,727
Dietary Guidelines, MyPlate	0	0	0	4,000	4,000
Dietary Guidance, Birth to Two Years	0	0	0	1,000	1,000
Congressional Hunger Center	2,000	0	0	0	2,000
National Commission on Hunger	1,000	-1,000	0	0	0
Decentralized GSA & Security Payments	0	13,534	294	18,892	32,720
Total Appropriation	142,348	8,476	0	28,623	179,447

1/ Administrative expenses for CNPP: FY 2014-2015 is \$4,538,200; FY 2016-2017 is \$4,960,000.

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

Project	<u>2014 Actual</u>		<u>2015 Actual</u>		<u>2016 Enacted</u>		<u>Inc. or Dec.</u>		<u>2017 Estimate</u>	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Food and Nutrition Service/CNPP	\$139,348	804	\$135,290	861	\$134,996	1,000	\$4,731	0	\$139,727	1,000
Dietary Guidelines, MyPlate	0		0		0		4,000		4,000	
Dietary Guidance, Birth to Two Years	0		0		0		1,000		1,000	
Congressional Hunger Center	2,000		2,000		2,000		0		2,000	
National Commission on Hunger	1,000		0		0		0		0	
Decentralized GSA & DHS Security Payments	0		13,534		13,828		18,892		32,720	
Total Adjusted Appropriation	142,348	804	150,824	861	150,824	1,000	28,623	0	179,447	1,000
Rescission	0		0		0		0		0	
Sequestration	0		0		0		0		0	
Total Appropriation	142,348	804	150,824	861	150,824	1,000	28,623	0	179,447	1,000

FOOD AND NUTRITION SERVICE

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

Project	2014 Actual		2015 Actual		2016 Enacted		Inc. or Dec.		2017 Estimate	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Food and Nutrition Service/CNPP	\$136,780	804	\$133,452	861	\$134,996	1,000	\$4,731	(1,2) 0	\$139,727	1,000
Dietary Guidelines, MyPlate	0		0		0		4,000	(3)	4,000	
Dietary Guidance, Birth to Two Years	0		0		0		1,000	(4)	1,000	
Congressional Hunger Center	2,000		2,000		2,000		0		2,000	
National Commission on Hunger	1,000		0		0		0		0	
Congressional Relations	212		212		0		0		0	
Miscellaneous Reimbursements	366		178		0		0		0	
Decentralized GSA & Security Payments	0		13,534		13,828		18,892	(5,6)	32,720	
Total Obligations	140,358	804	149,376	861	150,824	1,000	28,623	0	179,447	1,000
Congressional Relations	-212		-212		0		0		0	
Miscellaneous Reimbursements	-366		-178		0		0		0	
Direct Obligations	139,780	804	148,986	861	150,824	1,000	28,623	0	179,447	1,000
Balance Lapsing	2,568		1,838		0		0		0	
Rescission	0		0		0		0		0	
Sequestration	0		0		0		0		0	
Total Appropriation	142,348	804	150,824	861	150,824	1,000	28,623	0	179,447	1,000

Nutrition Programs Administration	FY 2017
Supplemental Nutrition Assistance Program	\$78,719
Child Nutrition Programs	45,221
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	25,123
Commodity Assistance Program	18,424
Subtotal	167,487
Congressional Hunger Center	2,000
Dietary Guidelines - My Plate	4,000
Dietary Guidelines - Birth to Two Years	1,000
Center for Nutrition Policy and Promotion	4,960
Total Request, Nutrition Programs Administration	179,447

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Justification of Increases and Decreases

A net increase of \$28,623,000 for the Nutrition Assistance Programs (\$150,824,000 available in FY 2016).

- (1) An increase of \$2,558,000 to fund increased pay costs (\$1,587,000 for 2017 pay cost of 1.6 percent and \$423,000 for 2016 of 1.3 percent; \$548,000 for maintaining staff levels).

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 \$2,173,000 for other purchases from 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. The additional funds will cover rising costs for contracts such as those to support Human Resources Administrative Services.

- (3) An increase \$4,000,000 for Dietary Guidelines, MyPlate

FNS requests \$3 million of funding for the Center for Nutrition Policy and Promotion (CNPP) to improve the health of Americans by developing and promoting robust *Dietary Guidelines for Americans* that link evidence-based scientific research to the nutrition needs of consumers. This work will strengthen dietary guidance and its application at all levels*—the scientific evidence; policy development for all Americans, including pregnant women and infants from birth to 24 months; and, making this guidance relevant to all consumers, particularly those who are underserved, financially-challenged, and located in rural areas. CNPP will bolster and utilize its nutrition and economic data (e.g., Cost of Raising a Child; Food Plans), as well as its marketing staff to develop and implement campaigns, partnerships at national, community, and campus levels, and interactive tools that will provide materials and tips to help the average consumer and family, regardless of their nutrition and budget concerns, access to healthy food, and lifestyle limitations. CNPP will use its extensive experience and expertise in the area of national food policy and technology to utilize this funding in the most cost-efficient, proven, and cutting edge ways to help meet USDA and FNCS priorities, and ultimately benefit the American people.

*Funding will be used for contracted services to focus on meeting evolving needs for continued quality advancement of scientific analytic platforms that serve as the underpinning of the Dietary Guidelines, and to addressing new, expanded demands on CNPP resources due to the Agricultural Act of 2014 (Farm Bill) requiring that the scope of the Dietary Guidelines increase to address the nutritional needs of a significant, new population: infants and toddlers from birth to 24 months, as well as pregnant women. The needs the requested funding addresses include:

- Continuous advancement and validation of the Nutrition Evidence Library (NEL) Bias Assessment Tool
 - The NEL Bias Assessment Tool (NEL BAT) is a tool used to assess the risk of bias of each study included in a NEL systematic review to determine whether any error exists to either over- or under-estimate the study results. The NEL BAT was created with assistance from an expert panel of systematic review methodologists. The tool is effective at systematically and objectively assessing types of bias relevant to food and nutrition research. Since its creation, however, there have been methodological developments in this area. Continuous advancement of the tool is needed, specifically to the items and rating system. Once refined, the tool will be validated to ensure that the methods used to review evidence to inform the Dietary Guidelines continue to be rigorous and state-of-the-art.
- Expand NEL capabilities to include quantitative synthesis methods, such as meta-analysis
 - The NEL currently uses qualitative synthesis methods to describe the body of evidence available to answer a systematic review question. While experts, particularly in the medical community, promote quantitative methods as a synthesis tool, this approach has a unique set of challenges for nutrition evidence due to the study designs used and the high degree of data complexity and heterogeneity. The addition of quantitative analysis techniques to the NEL's capabilities would augment current synthesis strategies and advance the NEL systematic review methodology to align with methods used in other disciplines.

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- Continuous advancement of food pattern modeling
 - Food pattern modeling is the process used to develop the USDA Food Patterns, which are a key component of the Dietary Guidelines and subsequent Federal programs. Food pattern modeling assesses how well various combinations and amounts of foods from all food groups (vegetables, fruits, grains, dairy, and protein foods) combine to meet nutrient needs and accommodate limits, such as those for saturated fats, added sugars, and sodium. The USDA Food Patterns are a set of healthy eating patterns, which all include recommended intakes for the five food groups and for subgroups within the vegetables, grains, and protein foods groups. The patterns are provided at 12 calorie levels from 1,000 to 3,200 calories to meet varied calorie needs. The methods used to develop the USDA Food Patterns are grounded in that of the food guides USDA has developed for the last 30 years. Continuous advancement of the methodology is required to ensure the methods used to help inform the Dietary Guidelines continue to be rigorous, state-of-the-art, and time- and cost-efficient.

The main benefit is science-based, efficient, and consistent promotion of federal nutrition policy to the public to ultimately increase healthful behaviors, reduce incidence of chronic disease and obesity, and lower healthcare costs.

FNS requests \$1 million for CNPP for Dietary Guidelines/My Plate/SuperTracker. This funding is 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 and technology-based solutions to not only target vulnerable populations, but also to address 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 stimulate improved 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 and older Americans is critical to the future of the public's health.
 - Target Americans 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 the effectiveness of nutrition education delivered via digital media/technology in improving dietary intake among children and adolescents. SuperTracker is widely used in schools, and in just three years since its launch, SuperTracker has amassed a total of more than 4.8 million registered users and 375+ million page views.
- (4) An increase of \$1,000,000 for the CNPP for Phase II of developing unified Federal dietary guidance for Americans from birth to 24 months of age and pregnant women.

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 2017 to conduct foundational work to support development of this guidance.

To ensure release of this guidance by 2020, CNPP, in partnership with the Department of 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, which is 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-Departmental 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

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in the *American Journal of Clinical Nutrition* (findings available at: <http://www.ncbi.nlm.nih.gov/pubmed/24452234> and <http://www.ncbi.nlm.nih.gov/pubmed/24500158>). The funds requested for FY 2017 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 both 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, the 2015 *Dietary Guidelines* for Americans required a lengthy and significant investment. The 2015 *Dietary Guidelines* also benefited 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) the guidance will need to 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 requirements of 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 vital foundational work to support the development of dietary guidance for this important age group.

(5) An increase of \$17,700,000 for FNCS Headquarters renovation or office relocation

The Food, Nutrition and Consumer Services mission area has occupied Park Office Center (POC) since 1985 and the current 15-year lease will expire in May, 2017. The space no longer meets most of the Executive Orders, mandates, and regulations enforced by the General Services Administration (GSA) – These requirements are included in such documents as the Energy Policy Act of 2005; Federal Leadership in Higher Performance and Sustainable Buildings Memorandum of Understanding; the Energy Independence and Security Act of 2007; Executive Order 13514 of October 5, 2009 – Federal leadership in Environmental, Energy, and Economic Performance, and OMB Memorandum M-12-12, Promoting Efficient Spending to Support Agency Operations. As a result, FNCS will either need to move to a new location or POC will have to undergo serious renovations when the current lease expires.

FNCS will submit a prospectus to GSA in March 2016 outlining the needs and requirements which include a reduction in per person space requirements, as well as improvements in security, general facilities and fire protection. FNCS anticipates that GSA will submit the prospectus to Congress in early summer 2016. Once the prospectus is approved by Congress, GSA will begin moving forward on lease procurement. Funding is needed before GSA can approve a contract. A \$17.7 million dollar investment will cover all related costs, such as design and build out of leased space, physical moves, telecommunications setup, and limited new furniture. The investment is necessary to accommodate the moving or renovation needs of FNCS. This investment will ultimately save approximately \$1.4 million in annual rental payments due to a reduction of about 50,000 square feet.

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- (6) An increase of \$1,192,000 for Decentralized GSA Rent/DHS Security Payments
These funds are necessary to accommodate projected increases (separate from the relocation or renovation item above) from GSA and the Department of Homeland Security (DHS), the agencies responsible for providing property leasing/management and security to FNCS, respectively.

FOOD AND NUTRITION SERVICE

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

Nutrition Programs Administration--Federal Salaries & Expenses								
	<u>2014 Actual</u>		<u>2015 Actual</u>		<u>2016 Enacted</u>		<u>2017 Estimated</u>	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Alabama	\$396	3	\$107	1	\$128	1	\$126	1
Arizona	198	2	0	0	0	0	0	0
Arkansas	198	2	107	1	128	1	126	1
California	7,083	56	8,449	68	10,093	79	9,940	79
Colorado	6,341	51	8,342	67	9,965	78	9,814	78
District of Columbia	198	2	321	3	383	3	377	3
Florida	594	5	428	3	511	4	503	4
Georgia	7,943	64	8,449	68	10,093	79	9,940	79
Hawaii	198	2	0	0	0	0	0	0
Illinois	6,703	54	6,631	53	7,921	62	7,801	62
Indiana	198	2	107	1	128	1	126	1
Iowa	396	3	214	2	256	2	252	2
Kansas	198	2	0	0	0	0	0	0
Kentucky	198	2	0	0	0	0	0	0
Louisiana	99	1	214	2	256	2	252	2
Maine	99	1	107	1	128	1	126	1
Maryland	396	3	321	3	383	3	377	3
Massachusetts	6,129	49	6,310	51	7,538	59	7,424	59
Michigan	297	2	321	3	383	3	377	3
Minnesota	991	8	535	4	639	5	629	5
Mississippi	99	1	107	1	128	1	126	1
Missouri	396	3	321	3	383	3	377	3
Montana	99	1	0	0	0	0	0	0
Nebraska	0	0	107	1	128	1	126	1
New Hampshire	99	1	0	0	0	0	0	0
New Jersey	7,368	59	7,700	62	9,198	72	9,059	72
New Mexico	198	2	214	2	256	2	252	2
New York	1,387	11	1,283	10	1,533	12	1,510	12
North Carolina	495	4	642	5	767	6	755	6
North Dakota	99	1	107	1	128	1	126	1
Ohio	495	4	107	1	128	1	126	1
Oklahoma	99	1	214	2	256	2	252	2
Oregon	495	4	428	3	511	4	503	4
Pennsylvania	495	4	535	4	639	5	629	5
South Carolina	198	2	0	0	0	0	0	0
South Dakota	0	0	107	1	128	1	126	1
Tennessee	297	2	214	2	256	2	252	2
Texas	7,802	62	8,235	66	9,837	77	9,688	77
Utah	198	2	107	1	128	1	126	1
Virginia	79,712	318	86,635	357	76,342	417	106,092	417
Washington	0	0	0	0	0	0	0	0
West Virginia	99	1	214	2	256	2	252	2
Wisconsin	99	1	107	1	128	1	126	1
Puerto Rico	693	6	642	5	767	6	755	6
TOTAL	\$139,780	804	\$148,986	861	\$150,824	1,000	\$179,447	1,000

Note: Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

Nutrition Programs Administration

Classification by Objects

(Dollars in Thousands)

	2014 Actual	2015 Actual	2016 Enacted	2017 Estimate
Personnel Compensation:				
Washington D.C.....	\$34,837	\$37,280	\$44,050	\$45,915
Field.....	40,895	43,764	51,710	51,777
11.0 Total personnel compensation.....	75,732	81,044	95,760	97,692
12.0 Personnel benefits.....	23,272	25,904	30,224	30,850
13.0 Benefits for former personnel	54	0	17	17
Total personnel comp. and benefits.....	99,058	106,948	126,001	128,559
Other Objects:				
21.0 Travel and transportation of persons.....	1,684	1,959	1,787	1,787
22.0 Transportation of things.....	21	1	2	2
23.1 Rental payments to GSA.....	0	12,236	12,530	31,351
23.2 Rental payments to others.....	65	12	65	65
23.3 Communications, utilities, and misc. charges.....	441	552	422	422
24.0 Printing and reproduction.....	265	251	283	283
25.2 Other services from non-Federal sources.....	27,030	17,920	2,630	7,630
25.3 Other purchases of goods and services from Federal sources*.....	4,600	5,089	3,130	5,374
25.4 Operation and maintenance of facilities.....	0	16	26	26
25.5 Research and development contracts.....	0	0	0	0
25.6 Medical care.....	19	8	11	11
25.7 Operation and Maintenance of Equipment.....	237	50	184	184
25.8 Subsistence and support of persons.....	7	8	8	8
26.0 Supplies and materials.....	675	793	553	553
31.0 Equipment.....	2,677	1,085	1,191	1,191
41.0 Grants.....	3,000	2,000	2,000	2,000
42 Insurance claims and indemnities.....	1	58	1	1
Total, Other Objects.....	40,722	42,038	24,823	50,888
99.9 Total, new obligations.....	139,780	148,986	150,824	179,447

*DHS Security.....	n/a	1,279	1,298	1,369
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Position Data:

Average Salary (dollars), ES Position.....	\$170,694	\$172,401	\$174,642	\$177,314
Average Salary (dollars), GS Position.....	\$94,194	\$95,136	\$96,373	\$97,848
Average Grade, GS Position.....	12.2	12.2	12.2	12.2

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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 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 \$108 billion must be a top priority.

The most significant accomplishments under this NPA appropriation during FY 2015 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 more than 260,000 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 2015 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 2015, 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, a new system was implemented to monitor and track the status of MEs. Enhancements to that system are scheduled for implementation in FY 2016 that will provide data to identify chronic problems and assist FNS in targeting actions to correcting those problems.

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 workload management 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 2014 was 3.66 percent, representing the eleventh consecutive year with a payment error rate below 6 percent. The rate reflects an over-issuance rate of 2.96 percent and an under-issuance rate of 0.69 percent. In FY 2015, 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 approximately \$355 million in recipient claims in FY 2015. FNS continued to monitor corrective actions performed by States to address previously identified deficiencies in recipient claims systems.
- *Anti-fraud Locator using EBT Retailer Transactions (ALERT):* During FY 2015, FNS awarded a new contract to continuously enhance the ALERT system with cutting edge technology to identify fraud.
- *Retailer File System (RFS):* In FY 2015, FNS began launching RFS to end users. RFS is a way to digitize, share, and manage electronic retailer records. The system allows users to upload documents through a scanning application, correct filing mistakes, and view electronic records. The RFS was piloted in The Retailer Operations Branch for application documents. There will be a staggered roll out for application and reauthorization documents to the remaining Work Centers in FY 2016.
- *System for Award Management (SAM):* FNS successfully uploaded 4,897 excluded retailers to the SAM database. The file upload generally occurs during the 15th of every month. Currently, FNS responds, on average, to 40 SAM inquiries weekly.
- *Retailer Oversight and Integrity:* In FY 2015, FNS staff authorized or reauthorized 74,156 retailers to participate in SNAP. FNS utilized contractor store visits to verify the initial or continued eligibility of 41,424 stores participating in SNAP. In this same period, 29,983 firms were withdrawn from participation because of changes in ownership, business closings, or nonconformance with authorization criteria. In addition, 2,693

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stores were fined or disqualified temporarily or permanently for noncompliance with law or SNAP regulations. At the end of FY 2015, a total of 258,632 stores were authorized to participate in SNAP, a decrease of 2,518 stores from FY 2014 and an increase of 12,067 stores over the last three fiscal years.

During FY 2015, FNS conducted undercover investigations of 3,825 stores nationwide. Approximately 44 percent (1,682) of these investigations documented evidence of SNAP violations. Of the 1,682 investigations, FNS investigators uncovered trafficking in 362 stores.

Overall, FNS compliance analysts and investigators reviewed over 17,000 stores for compliance monitoring purposes. As a result, there were 2,693 sanctions, including 1,906 stores permanently disqualified from the program in FY 2015.

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 2015, FNS approved 10 RFPs, eight contracts, and reviewed and approved nine 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 2015 accomplishments supported by the NPA appropriation and related to the FDPIR include:

Food Package: FNS continues its commitment to improve the food package offered under FDPIR through the FDPIR Food Package Review Work Group. The work group, consisting of National Association of Food Distribution on Indian Reservations (FNAFDPIR)-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 2015, the work group assisted with piloting fresh shell eggs, the selection of bison and blue cornmeal as traditional food items, and the addition of pork chops to the FDPIR food package. In addition, the fresh lemons, cranberries, and clementines were added through FNS' partnership with the Department of Defense (DoD) Fresh Program.

Traditional and Locally-Grown Food Fund: The Consolidated and Further Continuing Appropriations Act of 2015 provided FDPIR with \$5 million to procure traditional foods for distribution to ITOs. FNS worked with the FDPIR Food Package Review Work Group members to prioritize traditional food items for purchase based on participant preferences. As a result, FNS was able to procure bison and blue cornmeal in FY 2015, which will be delivered in FY 2016 to FDPIR participants.

Studies and Evaluations: FNS is working on a 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 2015, the research team continued to engage 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 in 2016.

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Nutrition Education Grants: In FY 2015, FNS awarded nearly \$1 million in FDPIR 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*. Among the recipients, six awardees are located in areas designated to participate in the Secretary of Agriculture's *StrikeForce for Rural Growth and Opportunity Initiative*, and one awardee is located in a community to benefit from President Obama's *Promise Zones Initiative*.

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

NPA funds a portion of 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 2015 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 a final rule incorporating the EBT-related provisions is expected to be published in December 2015.

Breastfeeding Promotion Efforts: FNS continues to promote and support breastfeeding as the best form of nutrition for infants

Exemplary Breastfeeding Recognition: In FY 2015, FNS launched the first ever Loving Support Awards of Excellence to recognize and celebrate WIC local agencies that provide exemplary breastfeeding programs and support services. Fifty local WIC agencies across the nation were recognized for a Gold award, and an additional five local WIC agencies were selected for a Gold Premiere award, the highest level of award.

WIC Peer Counseling: WIC State agencies are implementing plans that institutionalize breastfeeding peer counseling as a core service in WIC. In FY 2015, FNS awarded approximately \$60 million in grants for breastfeeding peer counseling. The FY 2015 WIC Breastfeeding Policy Inventory reported that ninety-three percent of State agencies (n=87) are operating or overseeing local agencies that had peer counseling programs. Sixty-nine percent of local agencies (n=1,658) operate a peer counseling program. Among these local agencies, the peer counseling program was available in an average of 83 percent of their clinic sites. These local agencies served 86 percent of the WIC population. Among agencies operating a peer counseling program and providing direct services to participants, there were on average four peer counselors in local agencies and seven peer counselors in State agencies that provide direct-services.

Loving Support Makes Breastfeeding Work Campaign: In November 2014, FNS awarded a three-year cooperative agreement grant for approximately \$2 million to Hager Sharp, Inc., a health communications firm based in Washington, DC, to update the existing USDA breastfeeding promotion campaign.

WIC Food Package Review: As required by authorizing legislation, on August 14, 2014, FNS awarded a contract to the Institute of Medicine (IOM) of the National Academies to review the WIC-eligible population and provide scientifically-based recommendations for the WIC food packages. In FY 2015, FNS undertook activities related to Phase I of the contract. As part of this comprehensive review, the IOM held three public meetings to gather public comments and issued a letter report, *An Evaluation of White Potatoes in the Cash Value Voucher*, in March 2015. The IOM's full WIC food package review is due in 2017.

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

- *Nutrition Education Materials* - In collaboration with the Center for Nutrition Policy and Promotion, in FY 2015, FNS published and disseminated *Give Your Baby A Healthy Start*, a participant brochure on dangers of alcohol and harmful substances abuse and translated it to Spanish. The participant nutrition education brochure, *Next Steps to Health for You and Your Family* (formerly titled, *After You Deliver*) was revised to reflect the following: (1) changes in the Dietary Guidelines for Americans 2010; (2) feedback from focus group testing with WIC moms; (3) align with current health recommendations from the Centers for Disease Control and Prevention, the American Academy of Pediatrics, and other professional organizations; and (4) translated into Spanish.
- *WIC Special Project Grants* - In FY 2015, FNS awarded 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 WIC Special Project Grants focusing on WIC child retention. In FY 2015 both Full and Mini WIC Special Project Grants with a focus on child retention have progressed as planned.
- *WIC Works Resource System* - In FY 2015 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 36,084 active users in FY 2015. The WIC Works Summer mailing was distributed to State, local and regional WIC offices, highlighting WIC's breastfeeding efforts and a proclamation from Secretary Vilsack for "National WIC Breastfeeding Week".
- FNS, in collaboration with the Food and Nutrition Information Center at the National Agricultural Library, developed a new one hour online course for WIC staff titled, VENA: Connecting the Dots between Assessment and Intervention course, available through WIC Learning Online, and, Revised the content of four existing online courses (Baby Behavior, WIC 101, Infant Feeding, and Breastfeeding Basics), to reflect the WIC final food package rule, published in FY 2014, and current information related to nutrition and infant feeding.
- 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 2015 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 2016.
- *Revised WIC Nutrition Risk Criteria* - In FY 2015 three WIC nutrition risk criteria were revised (to be

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implemented in FY 2017) as part of the on-going cyclical review of risk criteria. The following criteria were revised: Elevated Blood Lead Levels, Short Interpregnancy Interval, and Inappropriate Nutrition Practices for Children. In addition, three risk criteria were corrected with minor edits: Low Hematocrit/Low Hemoglobin, Breastfeeding Mother of Infant at Nutritional Risk, and Breastfeeding Complications or Potential Complications.

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. Currently, the WIC Prescreening Tools is available in nine different languages: English, Spanish, Mandarin Chinese, (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 2015, FNS staff gave a presentation on the newly developed drug and alcohol substance abuse manual for attendees of the course.

Continue WIC Electronic Benefit Transfer Expansion: FNS is promoting EBT in State agencies with the goal of nationwide EBT implementation by October 2020, as required by Congress.

EBT systems 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 2015, 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 2015, three additional State agencies achieved statewide EBT.

Enhancing Program Management and Oversight: FNS Regional staff completed 47 on-site evaluations during FY 2015. 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 Certification Eligibility. The remaining 43 State Agencies will be reviewed in FY 2016. The goal of this targeted effort was to conduct a national in-depth review of Certification Eligibility policy, practices, and procedures. Additionally, FNS reviewed and analyzed the ME questions in 8 functional areas in preparation for a revision process. Planning for the revision process began in FY 2015 and will continue in FY 2016. Additionally, FNS improved the ME Tool’s (the online application used to conduct WIC MEs) functionality and reporting capabilities in order to better track and identify national trends.

Expanding Services to the Military: In FY 2015, 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.

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Vendor Cost Containment and Program Integrity: FNS continued to work with State agencies to ensure their vendor cost containment systems comply with the vendor cost containment provisions of the Child Nutrition and WIC Reauthorization Act of 2004.

- FNS is managing several vendor-management and vendor cost containment-related studies. The Healthy, Hunger-Free Kids Act of 2010 requires WIC to transition to EBT benefit delivery by 2020. The nature of vendor management under EBT is fundamentally different from vendor management under the traditional paper WIC food instrument in several ways; therefore, FNS is studying key components of vendor management and cost containment. The Vendor Risk Reduction Study is exploring 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 2015, FNS evaluated the Vendor Management (VM) MEs that were done in FY 2013 and FY 2014 and created a plan to address common areas of noncompliance in an effort to improve program integrity. This plan includes the creation of in-depth, comprehensive WIC VM guidance and training materials. In FY 2015, FNS provided three VM training webinars, presented three new vendor tools at the National WIC Association's Technology and Program Integrity Conference, and began work on a comprehensive VM Handbook. Work on VM guidance and training materials will continue through FY 2016.
- In FY 2015, FNS issued Cost Containment Guidance to WIC State agencies to disseminate best practices for reducing WIC food costs in two key areas: 1) vendor management and 2) selection and authorization of supplemental foods.
- In FY 2015, FNS implemented the State Agency Targeted Assistance Review Tool (START), which provides a uniform, comprehensive and consistent method to identify State agencies with potential vendor integrity issues.

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, The Federated States of Micronesia, and to the survivors of Presidentially-declared disasters.

More information about the CAP programs during FY 2015 is described under "Acquisition and Distribution of USDA Foods" in the Child Nutrition Programs section.

CSFP New States Training: The Consolidated and Further Continuing Appropriations Act of 2015 provided funding to add seven new CSFP States in 2015 – Connecticut, Florida, Hawaii, Idaho, Maryland, Massachusetts, and Rhode Island. On February 24 and 25, 2015, FNS hosted an orientation meeting for the new CSFP State Directors and staff. FNS staff from the regional offices in each new State attended. Presentations covered a variety of topics, including CSFP regulations and policy, food ordering and inventory management, caseload management, civil rights requirements, and nutrition. Throughout the year, FNS staff provided technical assistance to the new States on food ordering and inventory management.

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:

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- **Multi-Agency Task Force** - USDA FNS has taken the 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 submitted a report to Congress in February 2015 pursuant to 2014 Farm Bill requirements. The report summarized the task force's activities to improve USDA Foods procurement programs.
- **Web-Based Supply Chain Management (WBSCM)** - Web-Based Supply Chain Management (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 2016, a new services contract will be awarded for WBSCM support. The original contract award in FY 2015 received a protest that was sustained by GAO requiring additional acquisition activities in FY 2015. The new contract contains tasks to improve and enhance the WBSCM investment through additional functionality, software releases, computer system migrations and interfaces over the life of the contract.
- **USDA Foods Business Management Improvement** - In FY 2015, FNS and AMS launched a broad effort to review and re-engineer USDA's food procurement practices to improve the program for customers and stakeholders. A contract for BMI/BPR support was awarded in September 2015. The contractor will facilitate review of existing processes supporting USDA Foods ordering, procurement and distribution and development of new processes to improve efficiency and performance for the nutrition assistance programs. Planning and project scope sessions will be conducted through the fall of 2015, with process review and design sessions planned to start in early 2016. USDA will be involving State, Recipient, Industry and Federal stakeholder groups in the effort.
- **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.
- **SENS**-The State Emergency Notification System (SENS) is a system that allows state agencies to rapidly communicate food recall information to recipient agencies and warehouses. In January 2015, a saturation survey was conducted to determine the current recall messaging capabilities of state agencies that have not yet adopted the system, as well as the likelihood of future adoption by these agencies. Two webinars were conducted to increase accounts, as well as to inform account holders of best management practices. During FY 2015, state agency accounts increased from 24 to 32.

FINANCIAL MANAGEMENT INITIATIVES

Debt Collection Activity in FY 2015

For Federally-managed Federal debt, FNS continued its vigorous pursuit of debt owed the agency by billing \$236 million in new receivables during the fiscal year. Year-end outstanding debts for the fiscal year increased from the previous year by \$54 million. The overall debt resolution rate achieved was about 61 percent.

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**Federally Managed Federal Debt Profile
FY 2012 – FY 2015
(\$ millions)**

Debt Management Category	2012	2013	2014	2015
Accounts Receivable	\$82	\$79	\$16	\$67
Collections	23	61	27	177
Litigation	3	2	1	0
Past due	16	15	13	26
Recipient Claims	283	293	275	278

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 2013 – FY 2015 (\$ Millions)**

Claims Activity ^{1/}	2013	2014	2015
Claims Established	415	421	592
Claims Collected	283	288	355
Ending Balance	1,680	1,762	1,919

^{1/} 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.

Financial Statements Audit

FNS received an unmodified ("clean") opinion on the FY 2015 Financial Statements, meaning that the agency met the highest auditing standards.

Financial Management Modernization Initiative (FMMI)

The goal of the Financial Management Modernization Initiative (FMMI) is to improve financial management performance by efficiently providing USDA with a modern, core financial management system that provides

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maximum support to the mission. The FMMI project was designed by the USDA Office of Chief Financial Officer (OCFO) to modernize the departmental and agency financial and administrative payment and program general ledger systems. The full FMMI solution was rolled out in 4 deployments.

FNS moved accounting administrative functions to the new platform as part of the second FMMI deployment (FMMI D2) in FY 2010. In May 2015, FNS deployed FMMI for all program accounting functions (FMMI D4 initiative). To accomplish this, FNS moved all program accounting and financial processing from its former Integrated Program Accounting System (IPAS) to the USDA FMMI platform.

The goals and benefits of FMMI are to remedy legacy system (IPAS) support and material weaknesses by migrating to an integrated/real-time financial system with on-demand query capabilities. FMMI allows FNS to streamline financial-business processes and provide data integrity, reliability, consistency, and sharing across USDA. FMMI has improved functional integration, accountability, and internal controls as well as financial performance and management reporting to help with decision-making.

ADMINISTRATIVE MANAGEMENT INITIATIVES

Acquisition Strategies

The FNS FY 2015 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 advancing and promoting USDA’s Blueprint for Stronger Service by awarding 90 percent of the Agency’s FY 2015 portfolio through a number of GSA schedules and approximately 24 task orders to other agencies. Additionally, the Agency continued its support of Small Businesses through its established Small Business Connect Program (with a specific target of opening opportunities under North American Industry Classification System (NAICS) Code 541720 Research). In FY 2015, this comprehensive effort positioned the Agency to: 1) exceed its and the Department’s 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.

Small Business		Small Business Disadvantage		8 (a) Small Business		Woman-owned Businesses		Hub Zones		Service-disabled Veteran Owned		Persons with Disabilities	
Goal	53 %	Goal	5 %	Goal	5 %	Goal	5 %	Goal	3 %	Goal	3 %	Goal	3 %
Actual	53.2 %	Actual	26.3 %	Actual	6.7 %	Actual	19.9 %	Actual	3.9 %	Actual	3.4 %	Actual	26.3 %

The Agency executed an Acquisition Strategy that generated efficiencies and savings without compromise to operations or compliance. Results of this effort netted a reduction in cost growth and a cumulative savings of \$14 million — a significant savings returned for Program use. This result exceeded the Department’s assignment of savings to FNS for \$9 million and FNS’s own stretch goal of \$11 million.

Improved Business Processes

ARCHIBUS:

Based on a need for an enterprise-wide system for space and asset management, FNS implemented the ARCHIBUS Asset Management and Hoteling modules, which will enable FNCS to meet the property accountability requirements of the Federal Management Improvement Act of 1996. The system provides transaction audit trails and an enterprise view of on-hand property throughout the mission area.

Employee Engagement

The Agency commitment to increase employee engagement, align human resources objectives with the organization's vision and goals and ensure that equity of opportunity is extended to empower all employees to reach their full potential. The Agency advances a customer centric, inclusive and high performance workforce by investing in and engaging employees to improve professional proficiencies and close employee competency gaps — developing future leaders. In support USDA's Strategic Goal 5: *To create a USDA for the 21st century that is high performing, efficient, and adaptable* and to achieve the Mission goal of positioning FNCS as one of *The Top 10 Places to Work in Federal Government by 2015* (based on OPM's Best Places to Work Rankings), the Agency effected:

- Career-pathing, an initiative borne from recommendations from employee led teams using Employee Viewpoint Survey (EVS) assessment data. Results of this effort—Development of a Career-pathing Guide for 10 critical series to support Vision 2015 — enables staff to assess current and needed skills and assist them in identifying action steps for professional advancement to meet their full professional potential. The output supports position management and an agency-wide succession plan strategy that assures that all FNCS employees can take advantage of meaningful opportunities to develop and to qualify for advancement.
- An enhancement for employee development through the creation of an “Aspiring Leaders Program,” a structured competency building opportunity for Grades 5 through 11 and the development of the “Managerial Excellence Program,” a competitive opportunity for grades 14 and 15 to collaborate with other public and private sector leaders in highly valued instructional settings.
- Quarterly “Town Hall” mission area-wide listening sessions were conducted across FY 2015 with the goal of increasing employee engagement and satisfaction with their relationship with FNCS leadership. Outcomes included the creation of innovative approaches to support employer of choice messaging and training and model investments to decrease the trust gap between labor and management. Additionally, employee inputs and expressed needs were assessed and used in shaping the Agency's Internal Communications Plan and engagement strategies.
- A comprehensive reassessment of employee competencies using the training needs assessment/FOCL survey to determine efficacy of training. The FOCL was completed and the results distributed to the across the agency. Efforts delivered a refinement of learning opportunities to better respond to and address identified training needs.
- Critical funding was allocated to Regional Offices to ensure training delivery on “Improving Information Technology Skills” as a continuance to closing the technology competency gap, identified in the Agency's FY 2014 FOCL. Training addressed regionally specific required technology training based on self-assessments and was delivered in an array of flexible methods.

Performance Management

FNS implemented virtually all components of the Performance Management matrix to support employee understanding of performance management. FNS trained approximately one-thousand (1,000) employees on the new Performance Management Department Regulations (DR). The training included the new Performance Work Plans (PWP), as well as the new appraisal scoring system and forms. Additional training was offered to supervisors and managers introducing the concept of Evidence Based Performance Measures (EBPM) framework, with the purpose of teaching supervisors and managers the proper methods to use when developing results oriented performance standards. Twenty FNS staff completed the 40 hour classroom training for certification as internal consultants for EBPM. The certification qualifies those employees to guide individuals, teams, programs and SEC members with the use of developing results oriented and effective performance standards and measures.

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Diversity and Inclusion

In FY 2015, the Agency advanced workforce diversity and workplace inclusion to develop a culture that connects each employee to the organization, encourages collaboration, flexibility and fairness, and leverages the strength of differences throughout the organization. The mission goal of achieving an applicant pool of at least 10 percent of Hispanic representation and a workforce representative level of 3 percent for persons with targeted disabilities fluctuated throughout FY 2015, however the Agency held steady at its prior year mark on both fronts with a rolling average rate of 8 and 2 percent, respectively. The Agency delivered a 13 percent level for overall disability hires (exceeding 10 percent Departmental target) and increased Schedule-A hires in FY 2015 by 240 percent compared to FY 2014 hires. The Agency has exceeded our monthly Veteran's hiring goals for the past 6 months, and at approximately 27.6 percent veteran hires during the current fiscal year. FNCS is one of the few USDA Mission Areas which has met or exceeded the Cultural Transformation goal for USDA agencies in the appointment of qualified veterans. Through our increased efforts, we successfully used the Returned Peace Corps Volunteer authority and Pathways Presidential Management Fellows appointments. We established partnerships with more than eight organizations through face-to-face, phone and online contacts which service our underrepresented population. We also shared job announcements with each of our points of contact on our expanded Diversity Notification Listing.

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) is to improve the health of Americans by developing and promoting dietary guidance that links scientific research to the nutrition needs of consumers. CNPP serves as the Federal authority on evidence-based food, nutrition and economic analyses that inform policy and programs. 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 the general population as well as those aimed at healthful eating on a budget. By translating science into actionable food and nutrition guidance for all Americans, CNPP leads national communication initiatives that apply science-based messages to advance consumers' dietary and economic knowledge and behaviors.

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. Within USDA, they are used by the National School Breakfast Programs, 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 2015, 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 two public meetings of the Committee that were held by webinar on November 7, 2014 and in-person on December 15, 2014 at the

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National Institutes for Health;

- Supported the work of five Sub-Committees and four working/writing groups;
- 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;
- Managed the public comments application;
- Released the *Scientific Report of the 2015 Dietary Guidelines Advisory Committee* through a notice in the *Federal Register*, received written comments during a 75-day public comment period as well as a one day meeting in March to hear oral testimony from the public, and managed a process to received comments from Federal agencies; and
- Utilized the *2010 Dietary Guidelines for Americans*, the *Scientific Report of the 2015 DGAC*, public and agency comments to begin development of the *2015-2020 Dietary Guidelines for Americans*. Coordinated and managed a peer review, technical review and Federal agency review of the draft policy to ensure the clarity and technical accuracy of the translation of the evidence from the Advisory Report into the draft policy.

Dietary Guidance to Address the Dietary Needs of Children from Birth to 24 Months of Age 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 years old. Working closely with HHS, CNPP developed a framework for moving forward with the project including the formation of a Federal Expert Group with representatives from about 20 Agencies within USDA, HHS and USAID to oversee the foundational work to be performed over the next two years. CNPP is currently engaged in reviewing the evidence on nutrition and health for these populations using a rigorous and transparent systematic review process informed by a broad range of experts in the field of nutrition and health of infants, toddlers, and women during pregnancy.

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. These channels, individually and collectively, serve as a cost-effective and high-intensity mechanism to strive toward reaching CNPP's target audience of 317 million Americans. During FY 2015, CNPP accomplished the following:

- Materials were launched to help the public in using SuperTracker in a variety of settings, including High School Lesson Plans and a Worksite Wellness Toolkit, downloaded 2,940,241 and 339,018 times, respectively. From launch on December 22, 2011 to close of FY 2015, a total of 5,885,680 users registered for SuperTracker accounts. This is an increase of 36 percent, or 1,550,468 new registered users from fiscal year 2014. In fiscal year 2015, the total number of unique visitors was 5,217,262 and the total number of page views was 121,635,115.
- SuperTracker experienced 3 major enhancements in FY 2015. First was the development of mobile- and tablet-friendly versions of the SuperTracker website using responsive delivery technology to address the number one request from SuperTracker users, resulting in a significant increase of mobile traffic (28.5 percent after mobile site versus 12.4 percent prior). Second, the Body Weight Planner was added as a goal-setting resource within SuperTracker in partnership with the National Institutes of Health (NIH). The Body Weight Planner calculates the calories and physical activity an individual needs to reach a goal weight within a specific time period and maintain it afterwards. The release of the Body Weight Planner resulted in a spike of SuperTracker user sessions (230,000 compared to 25,000 on an average day). Finally, SuperTracker Groups functionality was created in collaboration with FNS Team Nutrition. SuperTracker Groups allow educators and health professionals to create a group, invite other users to join the group, and access reports analyzing dietary intake for group members as a whole and individually. From soft launch on August 28, 2015 to September 30, 2015, a total of 677 user groups were created.
- 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

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the development of the mobile site in English and Spanish, developing menu builder, testing, and ongoing operations and maintenance of the project.

- The ChooseMyPlate.gov Web site achieved a total of 42,299,687 downloads. ChooseMyPlate.gov achieved a total of 16,030,929 visitors and 72,197,787 page views. This is an increase of 35 percent and 2 percent, respectively, from FY 2014 over the previous year. During this time, the 10 Tips Nutrition Education Series were downloaded 4.3 million times.
- GovDelivery gained a total of 130,133 new subscribers and 1.28 million additional subscriptions. The average number of subscriptions per subscriber has increased from 7.6 to 8.3. Twitter followers were increased by 22 percent over the previous fiscal year, bringing the current total to 82,400. @MyPlate distributed more than a thousand tweets and participated in 18 twitter chats, primarily with Federal agencies. The MyPlate Facebook account grew its fan base by 55 percent. The Nutrition Communicators Network added 15 new and diverse National Strategic Partners, including Chobani, National CACFP Association, Sunrise Senior Living, and Sabra Dipping Company. This was a 15 percent increase in National Strategic Partners. The Community Partner category grew 5.8 percent in the past fiscal year and the MyPlate on Campus sector of the partnership experienced a 37 percent increase in its membership. The National Strategic Partnership was responsible for 4.9 billion consumer impressions and 944 million consumer influencer impressions between January – June 2015.
- In addition to being able to utilize the channels above individually, there is a further amplification effect associated with implementing campaigns that leverage them collectively. For instance, during the Winter Food Fun campaign, MyPlate's Facebook posts demonstrated a 150% increase in reach with a total reach of over 150,000 people; the New Year's Resolutions campaign generated a cumulative 183,000 and 144,000 impressions through Twitter and Facebook, respectively; in National Nutrition Month, the top tweet was retweeted 311 times and the top Facebook post reached nearly 164,000 users, received over 6,500 likes, 760 comments, and was shared over 1,000 times.
- These efforts help to raise the profile of MyPlate and teach consumers how to implement healthy eating solutions into their everyday life. MyPlate was released less than 5 years ago. Currently, 63 percent of consumers surveyed recognize the MyPlate graphic and 73 percent of dietitians report using MyPlate to educate their clients about nutrition.

Nutrition Evidence Library Informs Federal Nutrition Policy and Programs. USDA's Nutrition Evidence Library (NEL) is a systematic review methodology housed within the Center for Nutrition Policy and Promotion and was designed specifically to analyze food, nutrition and public health science. 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 identify research limitations and gaps to inform research agendas.

During FY 2015, the CNPP Nutrition Evidence Library supported three major evidence-based initiatives:

- NEL staff supported the 2015 Dietary Guidelines Advisory Committee by conducting a comprehensive series of systematic reviews to answer policy relevant questions related to dietary patterns, individual diet and physical activity behavior change, and food and physical activity environments, to inform development of the *2015 Dietary Guidelines for Americans*. After the 2015 Advisory Committee developed the questions and established the inclusion criteria for its systematic reviews, NEL staff screened approximately 4,000 studies, and supported the Advisory Committee's review of nearly 300 articles which met inclusion criteria to answer each of the research questions. All questions, analytical frameworks, search plan and results, evidence summaries, graded conclusion statements and research recommendations are publically available at www.nel.gov.
- The NEL continued to support the *Dietary Guidance Development Project for Infants and Toddlers from Birth to 24 Months and Women Who are Pregnant (B-24/P)*. NEL staff provided, guidance, recommendations and technical advice to a broadly representative Federal Expert Group, to aid

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prioritization and refinement of systematic review questions which, once finalized, will provide an evidence-base for use by the 2020 DGAC. Three Technical Expert Collaboratives (TECs), each composed of 8 to 9 leading scientists, were established and are working with the NEL to critically evaluate and synthesis literature related to human milk and formula feeding; feeding practices, acceptability, and intake; and complementary feeding; and health outcomes.

- The NEL has embarked on a multi-pronged Continuous Quality Advancement (CQA) program to ensure its process remains at the forefront of systematic review methodology as it supports the B-24/P and the 2020 DGA projects. CNPP hosted the USDA Roundtable on Systematic Review Methodology which involved leaders from scientific and public health organizations, academia and the Federal government who identified opportunities to further enhance the application of systematic reviews in the field of nutrition. NEL staff created training modules for each step of the systematic review process which enhanced the rigor, and consistency of training provided to new staff, expert panel members and evidence abstractors.

USDA Food Plans Increase Food Security of SNAP Recipient sand 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 2015:

- The monthly USDA Food Plans were updated to reflect the latest prices of food.

During FY 2015 the monthly USDA Food Plans were updated to reflect the latest prices of food.

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 2015:

- CNPP, in collaboration with staff at the National Cancer Institute, began preparations for updating the HEI to reflect the 2015 *Dietary Guidelines for Americans*. These efforts included a Federal Stakeholders Meeting to better understand how the HEI is being applied within Federal programs.
- CNPP updated the diet quality scores for children for the *America's Children: Key National Indicators of Well-Being, 2015* report. Findings showed that over the three time periods, the total HEI scores for children 2-17 years fell considerable short of dietary recommendations. However, some improvements were observed. Component scores for total fruit and whole fruit were significantly higher in 2007-2008 and in 2009-2010, than in 2005-2006, while dairy intakes during 2009-2010 were significantly higher than in previous years.

Average Healthy Eating Index scores for children ages 2-17 as a percentage of Federal diet quality standards by dietary components, 2005-2010.

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Dietary component	2005–2006	2007–2008	2009–2010
Total Healthy Eating Index-2010 Score	49	51	52
Adequacy (higher score indicates higher consumption)			
Total fruit	66	76	76
Whole fruit	52	72	70
Total vegetables	44	46	44
Greens and beans	18	24	20
Whole grains	17	18	22
Dairy	85	86	93
Total protein foods	84	88	86
Seafood and plant proteins	48	44	48
Fatty acids	29	30	31
Moderation (higher score indicates lower consumption)			
Refined grains	48	51	46
Sodium	51	50	45
Empty calories ^a	51	52	56

^a Empty calories are calories from solid fats (i.e., sources of saturated fats and trans fats) and added sugars (i.e., sugars not naturally occurring).

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 2015:

- A process improvement plan was implemented such that future reports on child-rearing expenses will be calculated based on the most recently available Consumer Expenditure and Consumer Price Index data.

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Food and Nutrition Service
Shared Funding Projects
(Dollars in thousands)

	FY 2014	FY 2015	FY 2016	FY 2017
	<u>Actual</u>	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>
Working Capital Fund:				
Administration:				
Beltsville Service Center.....	\$86	\$78	\$127	\$134
Mail and Reproduction Management.....	24	11	23	30
Integrated Procurement System.....	181	223	275	274
Subtotal.....	291	312	425	438
Communications:				
Creative Media & Broadcast Center.....	297	325	767	490
Finance and Management:				
NFC/USDA.....	4,122	3,589	1,288	4,440
Financial Management Services.....	6,921	3,833	678	689
Internal Control Support Services.....	140	159	147	158
Subtotal.....	11,183	7,581	2,113	5,287
Information Technology:				
NITC/USDA.....	1,933	1,952	1,089	1,144
Client Technology Services.....	179	193	218	219
Telecommunications Services.....	217	209	312	351
Subtotal.....	2,329	2,354	1,619	1,714
Correspondence Management.....	130	149	137	172
Total, Working Capital Fund.....	14,230	10,721	5,061	8,101
Departmental Shared Cost Programs:				
1890's USDA Initiatives.....	39	40	42	42
Advisory Committee Liason Services.....	3	3	4	4
Classified National Security Information.....	0	15	15	15
Continuity of Operations Planning.....	27	31	31	31
Emergency Operations Center.....	31	33	34	34
Facility and Infrastructure Review and Assessment.....	6	7	6	6
Faith-Based Initiatives and Neighborhood Partnerships.....	3	6	6	6
Federal Biobased Products Preferred Procurement Progra.....	5	0	0	0
Hispanic-Serving Institutions National Program.....	27	26	29	29
Honor Awards.....	1	1	1	1
Human Resources Transformation (inc. Diversity Council):				
Identity & Access Management (HSPD-12).....	91	98	98	98
Medical Services.....	22	45	0	0
People's Garden.....	8	10	10	10
Personnel Security Branch (was PDSB).....	17	15	16	16
Pre-authorizing Funding.....	49	55	54	54
Retirement Processor/Web Application.....	8	9	9	9
Sign Language Interpreter Services.....	32	0	0	0
TARGET Center.....	12	20	21	21
USDA 1994 Program.....	10	10	11	11
Virtual University.....	26	29	29	29
Visitor Information Center.....	3	0	0	0
Total, Departmental Shared Cost Programs.....	443	478	442	442
E-Gov:				
Budget Formulation and Execution Line of Business.....	1	1	17	17
Disaster Assistance Improvement Plan.....	7	5	21	37
Enterprise Human Resources Intigration.....	30	31	31	31
E-Rulemaking.....	14	12	87	191
E-Training.....	37	40	41	-
Financial Management Line of Business.....	2	2	2	1
Geospatial Line of Business.....	0	0	8	13
GovBenefits.gov.....	18	19	75	134
Grants.gov.....	8	8	18	27
Grants Management Line of Business.....	0	0	0	0
Human Resources Line of Business.....	4	4	4	4
Integrated Acquisition Environment - Loans and Grants....	26	27	0	0
Integrated Acquisition Environment.....	9	10	96	229
Recreation One-Stop.....	0	0	0	0
Total, E-Gov.....	156	159	400	684
Agency Total.....	14,829	11,358	5,903	9,227

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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
USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious and balanced meals	<u>Agency Strategic Goal/Objective 4.1:</u> Increase Access to Nutritious Food	Supplemental Nutrition Assistance Program Child Nutrition Programs Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	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	Supplemental Nutrition Assistance Program Child Nutrition Programs Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Center for Nutrition Policy and Promotion	Key Outcome 3: 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 prevalence of food insecurity in households with children was 19.2 percent in 2014.
- The percentage of eligible individuals participating in SNAP reached 85 percent in 2013.
- FNS served 191 million meals in the summer of 2015, a 3 million meal increase over the prior year.

Selected Accomplishments Expected at the FY 2017 Proposed Resource Level:

- The prevalence of food insecurity in households with children will decline to 18.5 percent.

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- As the economy continues to improve and participation continues to decline, the SNAP participation rate will stay level at 85 percent.
- The percentage of children participating in the free or reduced price school lunch program who participate in summer feeding programs will increase to 17.4 percent in 2017.

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 2014 SNAP payment accuracy rate was 96.34 percent.

Selected Accomplishments Expected at the FY 2017 Proposed Resource Level:

- The SNAP payment accuracy rate will be percent. This represents an increase from the target of percent in FY 2016.

Key Outcome 3: Help Americans eat smart.

Long-term Performance Measures:

- 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 final rule to set professional standards for school nutrition personnel to strengthen the ability of the school meals programs to serve healthful and appealing meals.
- Worked with the Institute for Child Nutrition to implement Team Up for School Nutrition Success, a series of workshops across the country to assist schools with meeting updated meal pattern requirements. Recognized 55 local WIC agencies for exemplary breastfeeding programs and support services.
- Provided grants to States to provide point-of-sale equipment and wireless access to increase the number of farmers' markets participating in SNAP. Over 6,400 direct marketing farmers and farmers' markets were authorized to redeem SNAP benefits in FY 2015, and redeemed \$19.4 million in benefits.

Selected Accomplishments Expected at the FY 2017 Proposed Resource Level:

- Over 7,400 farmers' markets will be authorized to redeem SNAP benefits, and redeem over \$20 million in benefits.

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.

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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				
	2013 Actual	2014 Actual	2015 Actual	2016 Target	2017 Target
Prevalence of food insecurity in households with children	19.5%	19.2%	19.1%*	18.8%	18.5%
Annual percentage of eligible people participating in SNAP	85%	85%*	85%*	85%	85%
Annual percentage of eligible people participating in NSLP	55.7%	54.8%	55.4%	56.8%	58.3%
Annual percentage of children participating in the free/reduced price school lunch program that participate in summer feeding programs	16.3%	17.5%	17.1%	17.2%	17.4%

*Figure is a target, since actual data not 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.

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				
	2013 Actual	2014 Actual*	2015 Actual	2016 Target	2017 Target
SNAP payment accuracy rate.	96.80%	96.34%	96.34%**	96.34%	96.34%

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*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 are counted as part of a State's over or under payment error rate beginning in FY 2014.

**FY 2015 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:

- 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, remaining at 16.9 percent since 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.

Achieving and maintaining a healthy weight 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. CNPP communicates the nutrition messages from the *Dietary Guidelines for Americans* linked to the 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 though such vendors can help low-income families take advantage of improved access to healthful choices.

Key Performance Measures:

- 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				
	2013 Actual	2014 Actual	2015 Actual	2016 Target	2017 Target
SNAP-authorized direct marketing farmers and farmers’ markets	4,057	5,175	6,483	7,443	7,443
SNAP redemptions in farmers’ markets.	\$17.5 million	\$18.8 million	\$19.4 million	\$20.0 million	\$20.0 million

FOOD AND NUTRITION SERVICE

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

- Implement the 2015-2020 *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	2014 Actual	2015 Actual	2016 Enacted	Increase or Decrease	2017 Request
Department Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals					
Supplemental Nutrition Assistance Program					
Benefits.....	\$71,845,455	\$71,035,786	\$70,124,319	-\$1,328,817	\$68,795,502
State Administrative Funding.....	3,999,024	4,122,994	4,221,946	126,658	4,348,604
Employment and Training.....	437,405	447,227	455,320	10,360	465,680
Nutrition Education and Obesity Prevention Grant.....	401,000	407,000	408,000	6,000	414,000
Mandatory Other Program Costs.....	161,180	174,992	182,457	17,851	200,308
Discretionary Other Program Costs.....	998	998	998	7,000	7,998
Puerto Rico/American Samoa/CNMI.....	1,913,634	1,971,382	1,979,152	6,304	1,985,456
FDPIR.....	119,500	145,191	145,191	5,809	151,000
TEFAP Commodities.....	268,750	327,000	318,000	-19,000	299,000
Other SNAP Activities.....	23,000	205,000	14,000	2,000	16,000
Contingency Reserve.....	3,000,000	3,000,000	3,000,000	2,000,000	5,000,000
Subtotal, SNAP Appropriations.....	82,169,946	81,837,570	80,849,383	834,165	81,683,548
ARRA Funding.....	5,796,384	0	0	0	0
Subtotal, SNAP.....	87,966,330	81,837,570	80,849,383	834,165	81,683,548
Staff Years, SNAP.....	238	285	373	0	373
Child Nutrition Programs					
Meal Reimbursements.....	17,856,952	19,658,621	20,398,594	928,378	21,326,972
State Administrative Expenses.....	247,182	263,686	270,878	8,180	279,058
Commodity Reimbursement/Procurement.....	1,078,668	1,255,510	1,350,683	77,406	1,428,089
Mandatory Other Program Costs.....	63,151	64,349	71,587	26,023	97,610
Discretionary Activities.....	42,004	58,004	70,004	29,000	99,004
Subtotal, CNP Appropriations.....	19,287,957	21,300,170	22,161,746	1,068,987	23,230,733
Direct Appropriation/Transfers.....	186,250	178,250	181,250	6,750	188,000
Subtotal, CNP.....	19,474,207	21,478,420	22,342,996	1,075,737	23,418,733
Staff Years, CNP.....	249	268	288	4	292
Special Supplemental Nutrition Program (WIC)					
Grants to States.....	6,467,841	6,468,000	6,260,000	-30,000	6,230,000
Other Program Costs.....	248,000	155,000	310,000	-190,000	120,000
Subtotal, WIC Appropriations.....	6,715,841	6,623,000	6,570,000	-220,000	6,350,000
Direct Appropriation (UPC Database).....	1,000	1,000	1,000	0	1,000
Subtotal, WIC.....	6,716,841	6,624,000	6,571,000	-220,000	6,351,000
Staff Years, WIC.....	32	37	40	0	40
Commodity Assistance Programs					
CSFP.....	202,682	211,482	222,198	13,922	236,120
Other CAP Activities.....	67,019	67,019	74,019	3,000	77,019
Subtotal, CAP Appropriations.....	269,701	278,501	296,217	16,922	313,139
Transfers (SFMNP/NSIP).....	22,992	23,149	22,814	-2,214	20,600
Subtotal, CAP.....	292,693	301,650	319,031	14,708	333,739
Staff Years, CAP.....	2	2	3	0	3
Nutrition Programs Administration					
FNS/CNPP.....	139,348	135,290	134,996	4,731	139,727
GSA Rental Payments.....	0	13,534	13,828	18,892	32,720
Dietary Guidance/MyPlate.....	0	0	0	5,000	5,000
National Commission on Hunger.....	1,000	0	0	0	0
Congressional Hunger Center.....	2,000	2,000	2,000	0	2,000
Subtotal, NPA.....	142,348	150,824	150,824	28,623	179,447
Staff Years, NPA.....	804	861	1,000	0	1,000
Subtotal, FNS Appropriations.....	108,585,793	110,190,065	110,028,170	1,728,697	111,756,867
Subtotal, Direct Appropriations/Transfers.....	6,006,626	202,399	205,064	4,536	209,600
Total, FNS.....	114,592,419	110,392,464	110,233,234	1,733,233	111,966,467
Total Staff Years.....	1,325	1,453	1,704	4	1,708

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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 2014	FY 2015	FY 2016	FY 2017
Child Nutrition Program				
Child Nutrition Programs				
School Lunch Program	\$11,289,685	\$11,928,964	\$12,528,345	\$13,005,326
School Breakfast Program	3,716,095	4,057,189	4,338,632	4,486,347
Child and Adult Care Food Program	3,111,875	3,350,488	3,340,081	3,446,278
Summer Food Service Program	464,439	517,349	555,729	628,484
Special Milk Program	10,662	10,966	9,432	9,236
State Administrative Expense	256,646	223,554	270,878	279,058
Total, Cash Grants to States	18,849,402	20,088,510	21,043,097	21,854,729
		21,200,832		
USDA Foods (Sec 6e Entitlement)	1,079,060	1,019,278	1,350,683	1,428,089
Child Nutrition Program Other Program Costs	107,217	93,044	141,591	198,614
Child Nutrition Program Permanent Activities	228,176	228,169	181,250	188,000
Nutrition Programs Administration (Allocation to this program)	35,599	38,546	38,838	46,021
Other Program Costs 2/	465,000	465,000	465,000	465,000
Total Cost	\$20,764,454	\$21,932,547	\$23,220,459	\$24,180,453
FTEs	458	493	548	552
	\$20,263,855	\$21,429,001	\$22,716,621	\$23,669,432
		0		
Unit Costs				
Child Nutrition Total Cost per Meal Served (\$/service unit) 3/	\$2.14	\$2.14	\$2.24	\$2.28
Performance Measure: Avg. daily NSLP participation (millions)	30.5	30.5	30.9	32
Performance Measure: Avg. daily SBP participation (millions)	13.6	14.0	14.6	15.0
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)				
Cash Grants to States: Food & NSA (inclusive of projected carryout)	\$6,901,816	\$6,670,377	\$7,111,238	\$6,801,067
Infrastructure Grants	7,464	10,139	13,600	13,600
Technical Assistance	398	381	400	400
Breastfeeding Peer Counselors	60,000	59,707	60,000	80,000
Management Information Systems	35,590	9,961	50,000	75,000
Program Evaluation and Monitoring	7,812	13,461	5,000	15,000
Federal Administrative Oversight and Infrastructure	5,536	3,484	11,000	11,000
WIC Contingency Funds	125,000	0	0	0
UPC Database (Permanent Approp.)	1,208	422	1,000	1,000
Nutrition Programs Administration (Allocation to this program)	20,125	21,637	21,580	25,123
Other Program Costs	0	0	0	0
Total Cost	\$7,164,949	\$6,789,569	\$7,273,818	\$7,022,190
FTEs	148	162	184	184
Unit Costs				
WIC (Total Annual Cost per Participant)	\$863.25	\$848.70	\$898.00	\$866.94
Performance Measure: Average monthly WIC participation (millions)	8.3	8.0	8.1	8.1

FOOD AND NUTRITION SERVICE

Full Cost by Strategic Goal cont.
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 2014	FY 2015	FY 2016	FY 2017
Supplemental Nutrition Assistance Program Account				
Supplemental Nutrition Assistance Program (SNAP)	\$68,967,877	\$74,489,691	\$75,463,320	\$74,312,092
ARRA SNAP Benefits	5,629,000	0	0	0
Nutrition Assistance for Puerto Rico (NAP)	1,736,056	1,951,397	1,959,136	1,965,415
ARRA NAP Funds	166,714	0	0	0
Food Distribution Program on Indian Reservation (FDPIR)	119,146	142,921	145,191	151,000
The Emergency Food Assistance Program (TEFAP) Commodities	268,016	320,946	318,000	299,000
American Samoa	6,972	7,802	7,868	7,893
ARRA American Samoa Benefits	670	0	0	0
Program Access/ Community Food/ CNMI/Nut Ed Center of Excellence	22,148	26,648	26,148	28,148
Farm Bill Studies and Pilots	1,937	201,000	0	0
Nutrition Programs Administration (Allocation to this program)	62,465	67,396	67,579	80,519
Other Program Costs 4/	0	0	0	0
Total Cost	\$76,981,001	\$77,207,801	\$77,987,242	\$76,844,067
FTEs	601	677	825	825
Unit Costs				
SNAP (Total Annual Cost per Participant)	\$1,605.58	\$1,624.34	\$1,660.02	\$1,671.74
FDPIR (Total Annual Cost per Participant)	\$1,391.89	\$1,614.93	\$1,544.59	\$1,510.00
Performance Measure: Average monthly SNAP participation (millions)				
	46.5	45.9	45.5	44.5
Commodity Assistance Program Account				
Commodity Supplemental Food Program (CSFP)	\$180,929	\$194,572	\$227,534	\$273,696
Emergency Food Assistance Program (TEFAP) Administrative Cost	49,579	49,618	54,401	59,401
Farmers' Market Programs				
Farmers' Market Nutrition Program	19,633	19,667	18,592	16,548
Seniors' Farmers' Market Program	20,585	20,593	20,621	20,600
Other Commodity Assistance (Nuc. Affected Isld, Disaster Asst., NSIP Comm.)	2,708	3,622	3,771	1,070
Nutrition Programs Administration (Allocation to this program)	14,631	14,829	15,867	15,825
Other Program Costs 5/	313,816	305,392	0	0
Total Cost	\$601,881	\$608,293	\$340,786	\$387,140
FTEs	87	94	109	109
Unit Costs				
CSFP (Total Annual Cost per Participant) 6/	\$357.36	\$358.23	\$367.58	\$428.32
Performance Measure: Average monthly CSFP participation (thousands)				
	573.700	585.000	619.000	639.000

FOOD AND NUTRITION SERVICE

Full Cost by Strategic Goal cont.
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 2014	FY 2015	FY 2016	FY 2017
Nutrition Programs Administration Account (Center for Nutrition Policy and Promotion)				
Center for Nutrition Policy and Promotion	\$4,538	\$4,578	\$4,960	\$9,960
Congressional Hunger Center Fellows	2,000	2,000	2,000	2,000
Nutrition Programs Administration (Allocation to this program)	N/A	N/A	N/A	N/A
Other Program Costs	0	0	0	0
Total Cost	\$6,538	\$6,578	\$6,960	\$11,960
FTEs	31	31	38	38
Performance Measure: SNAP redemptions in Farmers' Markets (in millions)	\$18.8	\$19.4	\$20.0	\$20.0
Total for Strategic Goal				
Subtotal FNS Program Cost	\$105,518,823	\$106,544,788	\$108,829,265	\$108,445,809
Less Other Program Costs	778,816	770,392	465,000	465,000
Total FNS Program Cost	\$104,740,007	\$105,774,396	\$108,364,265	\$107,980,809
FTEs	1,325	1,457	1,704	1,708

Notes

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

Child Nutrition Programs Account

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

3/ Unit cost calculated based on full cost of Child Nutrition account divided by all units of service funded under this account.

Supplemental Nutrition Assistance Program Account

4/ Includes FDPIR bonus USDA foods.

Commodity Assistance Program Account

5/ Includes bonus USDA foods for TEFAP, CSFP, Disaster, Summer Camps, Prisons, Nuclear Affected Island, and other commodity assistance.

6/ Includes recoveries and use of inventory.