

FOOD AND NUTRITION SERVICE

2018 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 and well-being of Americans by developing and promoting dietary guidance that links the latest body of scientific research to the nutrition needs of consumers. The agency carries out its mission by leading food, nutrition, and economic analyses that inform Federal and State programs; translating science into actionable food and nutrition guidance for all Americans; and leading national communication initiatives that help advance consumers' dietary and economic knowledge and inform choices.

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, as amended, SNAP is the cornerstone of the Nation's nutrition assistance safety net, touching the lives of more than 42 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 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 about 35 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. FFVP, 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 Emergency Food Assistance Program (TEFAP)*: This program supports the emergency food organization network by distributing USDA-purchased, 100 percent domestically grown foods for use by emergency feeding organizations including soup kitchens, food recovery organizations, and food banks. The foods are also provided to other types of local organizations, such as community action agencies, which distribute the foods directly to low-income households. TEFAP also provides administrative funds to defray State and local costs associated with transportation, processing, 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 2016, elderly participants comprised over 99.5 percent of total participation. Participants receive a monthly food package of USDA Foods. State agencies are provided funding to cover State and local administrative costs such as nutrition education, warehousing, food delivery, and participant certification. States work with local agencies to distribute the monthly food package to participants.
- *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, herbs and honey at farmers' markets, roadside stands, and community-supported agriculture programs.
- *Pacific Island and Disaster Assistance*: Pacific Island Assistance includes assistance to the nuclear-affected islands of the Republic of the Marshall Islands (RMI) 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.

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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.

THE CENTER FOR NUTRITION POLICY AND PROMOTION

The Center for Nutrition Policy and Promotion (CNPP) serves as a Federal authority on evidence-based food, nutrition and economic analyses. It is a non-regulatory agency. The agency's initiatives – involving data analyses, guidance development, and translation of the technical information into consumer education – serve as the foundation for many Federal departments' and agencies' policies and programs. Key CNPP initiatives include:

- *Dietary Guidelines for Americans:* The development of the *Dietary Guidelines for Americans* is mandated under the 1990 National Nutrition Monitoring and Related Research Act. The Agricultural Act of 2014 (Farm Bill) mandates that dietary guidance for the birth to 24 months population and women who are pregnant be incorporated into the Dietary Guidelines beginning with the 2020 edition. Per the mandate, an updated edition of the Dietary Guidelines is issued every 5 years jointly by USDA and HHS. While more than 100 countries worldwide develop food-based dietary guidelines, the *Dietary Guidelines for Americans* and the U.S. is seen as a global leader in this area. Written for a professional audience, it provides advice on foods, food groups, and eating patterns to promote overall health and prevent diet-related chronic diseases. An essential resource for health professionals, educators, and policymakers, the guidance serves as a cost-efficient means of developing one central source that nutrition programs across the Federal Government can implement “with one voice.” Individual Federal departments and agencies rely on the Dietary Guidelines, which they tailor for their specific program audiences, preventing the need for each program to use time and resources to develop multiple sets of guidelines. In addition to being implemented by USDA and HHS, including children and older Americans, the Dietary Guidelines is used to encourage healthy eating and physical activity, for example, by the Department of Defense and the Veterans Affairs Administration. The *2015-2020 Dietary Guidelines* is the 8th edition and remains the current edition until the *2020-2025 Dietary Guidelines* is released.
- *Healthy Eating Index:* The Healthy Eating Index (HEI) is an analytic tool used to assess how well diets align with the Dietary Guidelines. The HEI was developed so that adherence to the Dietary Guidelines could be objectively measured. With this tool we can track how the diets of Americans are changing over time. The HEI is a scoring metric that can be applied to any defined set of foods, such as previously collected dietary data, a defined menu, or a market basket. It is used widely by Federal agencies including many agencies within the USDA, such as the Food and Nutrition Service, National Institute of Food and Agriculture, and Economic Research Service. Researchers nationwide use the tool and have published nearly 300 studies since the release of HEI-2005.
- *Nutrition Evidence Library:* The Nutrition Evidence Library (NEL) supports CNPP's mission by using a systematic approach to review scientific research to answer nutrition and health questions that inform dietary guidance. It is the only resource in the Federal Government that specializes in systematic reviews of diet and health. CNPP's NEL staff use state-of-the-art methodology to search, evaluate, and synthesize food and nutrition-related research. The NEL is designed to be rigorous, transparent, and to minimize bias. NEL staff also conduct nutrition-focused systematic reviews when needed by the Department, as well as other Departments and agencies; they also are a key resource for identifying research limitations and gaps to inform food and nutrition research planning.
- *Expenditures on Children by Families:* The Expenditures on Children by Families report, also known as the Cost of Raising a Child, provides estimates of the cost of raising children from birth through age 17 for

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a broad range of spending categories that American families consider in raising children. Issued annually, the report is based on data from the Federal government's Consumer Expenditure Survey, the most comprehensive source of information available on household expenditures. As the only annual report of its kind – both inside and outside of the federal government – many courts and state governments use data from this report to calculate child support and foster care payments. It also is a longstanding resource for consumer education on personal finance and family budgeting. Banking institutions and family oriented not-for profit (public health and education professionals) agencies also use the analysis for informing customers as they plan for family costs. [The Cost of Raising a Child Calculator](#) is available for families to enter the number and ages of their children to obtain an estimate of costs through an interactive web version of the report.

- *USDA Food Plans:* CNPP calculates four Food Plans (Thrifty, Low Cost, Moderate Cost, and Liberal) that exemplify nutritious diets at four cost levels and can help Americans eat healthfully on a budget. The Food Plans are derived using national data on food composition, consumption patterns, and food prices. Each month CNPP releases a report with updated food costs that reflect changes in the Consumer Price Index. The USDA Food Plans are important for many Federal programs. For example, the maximum allotment for the Supplemental Nutrition Assistance Program (SNAP) is based on the Thrifty Food Plan, per Congressional mandate. The Low Cost Plan is used in bankruptcy courts to ensure people are left with enough money to buy food. The Department of Defense uses the Moderate Cost and Liberal Food Plans to determine the Basic Allowance for Subsistence (the food allowance) paid to U.S. service members, as well as the Basic Daily Food Allowance used for reimbursement rates for dining facilities on military bases.
- *MyPlate:* Similar to the Dietary Guidelines serving as the basis from which other federal agencies adapt the guidance to fit the needs of their target population, MyPlate serves as the foundation to federal, state and local agencies' consumer nutrition education. MyPlate is USDA's food guidance symbol that serves as a simple reminder of the key building blocks for healthy eating. Approximately 80 percent of dietitians report using MyPlate in their consumer nutrition education, and as many as 2 in 3 Americans recognize it. MyPlate is used by multiple Federal, State, and local government agencies, as well as educational institutions, health organizations, and industry partners. Through [ChooseMyPlate.gov](#), CNPP provides free MyPlate consumer resources based on the *Dietary Guidelines for Americans*. Key MyPlate messages also reach the public through the agency's public-private partnerships that comprise its Nutrition Communicators Network, made up of National Strategic Partners, Community Partners, Campus Ambassadors, and Federal Partners. Grounded in the *2015-2020 Dietary Guidelines*, the current MyPlate, MyWins campaign focuses on meeting consumers where they are, allowing them to make common sense food choices that fit their lifestyle and traditions and to celebrate their successes.
- *SuperTracker:* Available as a desktop and mobile website, SuperTracker is an online, interactive food and physical activity tracking tool. It is the only free food tracker based entirely on the *Dietary Guidelines for Americans* and the only tool to use MyPlate's unique and simple five food group tracking system. People of all ages can compare their food choices with personalized targets, and empowers them to work toward a healthier eating pattern. Its resources are used widely across the Federal government and among the general public. It has been used for Federal worksite wellness by the Department of Defense, Office Personnel Management, as well as HHS and USDA. SuperTracker Lesson Plans for High School Students are used as the basis for SNAP teen nutrition education pilots. Since its launch in 2011, more than 8 million people have registered accounts; the site averages 300,000 page views and 4,000 new registered users per day.

FNS Staff:

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

FNS staff is funded primarily out of the Nutrition Programs Administration account, which represents approximately one-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

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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. 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 260,115 stores and other outlets as of September 30, 2016 authorized to redeem SNAP benefits.

As of September 30, 2016, there were approximately 1,574 full-time permanent employees in the agency. There were 611 employees in the Washington headquarters office; and 963 in the field, which includes seven regional offices and 18 field/satellite offices. The chart below displays staff year utilization.

STAFF YEAR DISTRIBUTION (From All Sources of Funds)					
FNS Projects and CNPP	2015 Actual	2016 Actual	2017 Estimate	Change	2018 President’s Budget
Supplemental Nutrition Assistance Program	285	316	372	0	372
Child Nutrition Programs	268	282	289	0	289
Commodity Assistance Program	2	2	2	0	2
Special Supplemental Nutrition Program for Women, Infants and Children	37	46	44	0	44
Nutrition Programs Administration	834	857	852	-30	822
Center for Nutrition Policy and Promotion*	31	27	28	0	28
Total Available	1,457	1,530	1,587	-30	1,557

*CNPP Staff Year Distribution includes four staff years funded by the Child Nutrition Programs.

Audit Reports of National Significance Issued for Fiscal Year 2016

OIG Audits Issued

Area	Number	Date	Title	Status
Financial Management	27401-0005-21	11-2015	Food and Nutrition Service Financial Statements for Fiscal Years 2015 and 2014	Report contained an unmodified opinion with no recommendations.
SNAP	27601-0002-31	9-2016	FNS Controls Over SNAP Benefits for Able-Bodied Adults Without Dependents	Two recommendations closed. Final action pending on remaining open recommendations.
SNAP	27601-0003-22	9-2016	SNAP Administrative Costs	Pending management decision on one of the fourteen recommendations. One recommendation closed and final action pending on remaining open recommendations.

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GAO Audits Issued

Area	Number	Date	Title	Status
CNP	GAO-15-656	10-2015	School Meals Update	Report made no recommendations. Audit closed upon issuance of final report.
CNP, SNAP, WIC	GAO-16-561	7-2016	Nutrition Assistance for Active Duty Service Members and Their Families	Report made no recommendations to USDA. Audit closed for USDA reporting purposes.

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

Item	2015 Actual		2016 Actual		2017 Estimate		2018 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Supplemental Nutrition Assistance Program	\$77,148,792	285	\$73,812,950	316	\$75,567,907	372	\$70,697,500	372
Child Nutrition Program:								
Appropriation.....	12,845,161	232	13,241,283	248	13,513,738	253	15,457,532	253
Permanent Appropriation.....	228,169	36	200,268	34	187,250	40	191,250	40
Transfer from Section 32.....	8,355,671		8,969,178		9,503,998		8,861,010	
Total - Child Nutrition Program.....	21,429,001	268	22,410,729	282	23,204,986	293	24,509,792	293
Special Supplemental Nutrition Program for Women, Infants, and Children	6,767,932	37	6,879,898	46	7,007,079	44	6,911,896	44
Commodity Assistance Program.....	288,661	2	319,143	2	381,458	2	361,924	2
Nutrition Programs Administration.....	146,986	865	148,824	884	148,453	876	148,541	846
Congressional Hunger Center.....	2,000		2,000		1,995		0	
Dietary Guidelines Study by IOM.....	0		1,000		998		0	
Total, Food and Nutrition Service Funds.....	105,783,372	1,457	103,574,544	1,530	106,312,876	1,587	102,629,653	1,557
<u>Obligations under other</u>								
<u>USDA Appropriations:</u>								
Office of the Chief Information Officer.....	11		11		0		0	
Office of the Chief Scientist	0		102		0		0	
Office of Communications.....	0		50		0		0	
Office of Congressional Relations.....	0		23		0		0	
Agricultural Research Service.....	47		0		0		0	
Office of Homeland Security.....	0		4		0		0	
Office of Budget and Program Analysis.....	40		0		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.....	26		21		0		0	
Farm Service Agency.....	11		11		0		0	
Rural Development.....	11		11		0		0	
Total, Agriculture Appropriations.....	177		264		0		0	
<u>Other Federal Funds:</u>								
Health and Human Services.....	0		234		0		0	
Total, Other Federal Funds.....	0		234		0		0	
Total, Food and Nutrition Service.....	105,783,549	1,457	103,575,042	1,530	106,312,876	1,587	102,629,653	1,557

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	2015 Actual			2016 Actual			2017 Estimate			2018 Estimate		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
Senior Executive Service	9	7	16	10	8	18	10	8	18	10	8	18
GS-15.....	45	25	70	47	30	77	47	30	77	47	30	77
GS-14.....	108	76	184	109	86	195	104	82	186	102	80	182
GS-13.....	259	201	460	291	225	516	277	215	492	271	211	482
GS-12.....	94	446	540	78	460	538	75	440	515	73	431	504
GS-11.....	48	150	198	46	90	136	44	86	130	43	84	127
GS-9.....	36	39	75	39	66	105	38	64	102	37	63	100
GS-8.....	9	4	13	13	1	14	13	1	14	13	1	14
GS-7.....	18	31	49	9	29	38	9	29	38	9	29	38
GS-6.....	3	5	8	3	5	8	3	5	8	3	5	8
GS-5.....	1	4	5	0	3	3	0	3	3	0	3	3
GS-4.....	3	0	3	2	0	2	2	0	2	2	0	2
Other Graded Positions..	0	1	1	1	1	2	1	1	2	1	1	2
Total Permanent Positions.....	633	989	1,622	648	1,004	1,652	623	964	1,587	611	946	1,557
Unfilled Positions End-of Year.....	55	98	153	37	41	78						
Total, Permanent Full-Time Employment End-of Year.....	578	891	1,469	611	963	1,574	623	964	1,587	611	946	1,557
Staff Year Estimate	568	889	1,457	597	933	1,530	623	964	1,587	611	946	1,557

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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 three 12-passenger vans and one 4-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 fleet increased by nine vehicles during FY 2016. Additional vehicles were acquired to accommodate the Retailer Operations Division (ROD) investigators. Investigators use the motor vehicle fleet to conduct compliance monitoring for retailer oversight and integrity of stores participating in the SNAP program. The Agency expanded compliance monitoring in FY 2016.

Replacement of passenger motor vehicles. There was one vehicle replaced during FY 2016 due to lease expiration and replacement (converted to GSA lease from commercial lease).

Impediments to managing the motor vehicle fleet. One impediment to managing the motor vehicle fleet in the most cost-effective manner is the limited availability of FLEX fuel stations.

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 2015	22	9	1	4	-	-	-	36	129
Change	-	+9	-	-	-	-	-	+9	+32
FY 2016	22	18	1	4	-	-	-	45	161
Change	+2	-	-	-	-	-	-	+2	+7
FY 2017	24	18	1	4	-	-	-	47	168
Change	-	-	-	-	-	-	-	-	-
FY 2018	24	18	1	4	-	-	-	47	168

NOTES:

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

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CHILD NUTRITION PROGRAMS

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

Child Nutrition Programs (including transfers of funds):

- For necessary expenses to carry out the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except sections 17 and 21; [~~\$22,149,746,000~~] \$24,256,266,000 to remain available through September 30, [2017] 2019, 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~~] \$16,972,000 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 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~~] \$22,957,000 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]" 2017" and inserting "2010 through [2016]" 2018"[.]:
- 1
- 2 *Provided further*, That section 9(h)(3) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(h)(3)) is amended in the first sentence by striking "for each of fiscal years 2011 through 2015" and inserting "for fiscal year 2018": *Provided further*, That section 9(h)(4) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(h)(4)) is amended in the first sentence by striking "for each of fiscal years 2011 through 2015" and inserting "for fiscal year 2018".
- 3

The first change removes language that provided funding for School Meals Equipment Grants.

The second change extends the authorization for the Information Clearinghouse through fiscal year 2018.

The third change requires the Secretary to conduct an audit of State reports of food safety inspections conducted in schools participating in the school lunch or breakfast programs.

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CHILD NUTRITION PROGRAMS
Lead-Off Tabular Statement

Budget Estimate, 2018.....	\$24,256,266,000
2017 Annualized Continuing Resolution.....	22,785,820,000
Change in Appropriation	<u>+1,470,446,000</u>

Note: FY 2017 Annualized Continuing Resolution does not include \$7M appropriated in General Provision 741(b) of Consolidated Appropriations Act of 2016 (P.L. 114-113).

Summary of Increases and Decreases
(Dollars in thousands)

	2015 Actual	2016 Change	2017 Change	2018 Change	2018 President's Budget
Discretionary Appropriations:					
Team Nutrition/HUSSC	\$17,004	0	-\$32	0	\$16,972
Summer Demonstration	16,000	\$7,000	-43	0	22,957
School Meals Equipment Grants	25,000	5,000	-56	-\$29,944	0
Subtotal, Discretionary	58,004	12,000	-131	-29,944	39,929
Mandatory Appropriations:					
Meal Reimbursement Payments to States					
National School Lunch Program	11,996,089	158,631	185,038	670,295	13,010,053
School Breakfast Program	3,959,929	378,703	131,615	305,382	4,775,629
Child and Adult Care Food Program	3,195,866	144,215	150,856	428,447	3,919,384
Summer Food Service Program	495,521	60,208	71,366	12,694	639,789
Special Milk Program	11,216	-1,784	-256	-417	8,759
State Administrative Expenses	263,686	7,192	8,180	20,081	299,139
Commodity Reimbursement/Procurement	1,255,510	95,173	77,406	61,260	1,489,349
Mandatory Other Program Costs	64,349	7,238	0	2,648	74,235
Subtotal, Mandatory	21,242,166	849,576	624,205	1,500,390	24,216,337
Total Appropriation	21,300,170	861,576	624,074	1,470,446	24,256,266
Sequestration	-4,310	452	-207	4,065	0
Total Adjusted Appropriation (after sequester)	21,295,860	862,028	623,867	1,474,511	24,256,266

FOOD AND NUTRITION SERVICE

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

Project	2015 Actual	SY	2016 Actual	SY	2017 Estimate	SY	Inc. or Dec.	2018 President's Budget	SY
Meal Reimbursement Payments to States									
National School Lunch Program	\$11,996,089		\$12,154,720		\$ 12,339,758		\$670,295	\$13,010,053	
School Breakfast Program	3,959,929		4,338,632		4,470,247		305,382	4,775,629	
Child and Adult Care Food Program	3,195,866		3,340,081		3,490,937		428,447	3,919,384	
Summer Food Service Program	495,521		555,729		627,095		12,694	639,789	
Special Milk Program	11,216		9,432		9,176		-417	8,759	
Subtotal, Meal Reimbursements	19,658,621		20,398,594		20,937,213		1,416,401 (1)	22,353,614	
State Administrative Expenses	263,686		270,878		279,058		20,081 (2)	299,139	
Commodity Reimbursement/Procurement	1,255,510		1,350,683		1,428,089		61,260 (3)	1,489,349	
Mandatory Other Program Costs:									
Food Safety Education	2,718		2,761		2,761		119	2,880	
Coordinated Review	10,000		10,000		10,000		0	10,000	
Computer Support	11,250		11,430		11,430		491	11,921	
Training and Tech. Assist.	8,137		13,137		13,137		565	13,702	
CN Studies	20,079		20,400		20,400		877	21,277	
CN Payment Accuracy	9,904		10,562		10,562		454	11,016	
Farm to School Team	2,261		3,297		3,297		142	3,439	
Subtotal, Mandatory Other Program Costs	64,349		71,587		71,587		2,648 (4)	74,235	
Subtotal, Mandatory	21,242,166		22,091,742		22,715,947		1,500,390	24,216,337	
Discretionary Activities:									
Team Nutrition/HUSSC	17,004		17,004		16,972		0	16,972	
Summer Demonstration	16,000		23,000		22,957		0	22,957	
School Meals Equipment Grants	25,000		30,000		29,944		-29,944	0	
Subtotal, Discretionary Activities	58,004		70,004		69,873		-29,944 (5)	39,929	
Total Appropriation	21,300,170		22,161,746		22,785,820		1,470,446	24,256,266	
Sequester	-4,310		-3,858		-4,065		4,065	0	
Total Adjusted Appropriation	21,295,860	232	22,157,888	248	22,781,755	253	1,474,511	24,256,266	253

FOOD AND NUTRITION SERVICE

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

Project	2015 Actual	SY	2016 Actual	SY	2017 Estimate	SY	Inc. or Dec.	2018 President's Budget	SY
Meal Reimbursement Payments to States									
National School Lunch Program	\$11,928,964		\$12,259,688		\$12,413,673		\$658,656	\$13,072,329	
School Breakfast Program	4,057,189		4,241,537		4,489,379		286,250	4,775,629	
Child and Adult Care Food Program	3,350,488		3,451,559		3,658,373		261,011	3,919,384	
Summer Food Service Program	517,349		539,938		589,701		50,088	639,789	
Special Milk Program	10,966		9,187		8,717		42	8,759	
Subtotal, Meal Reimbursements	19,864,956		20,501,909		21,159,843		1,256,047	22,415,890	
State Administrative Expenses	223,554		267,985		282,467		16,672	299,139	
Commodity Reimbursement/Procurement	1,019,278		1,312,243		1,398,191		91,158	1,489,349	
Mandatory Other Program Costs:									
Food Safety Education	2,203		2,000		3,739		-859	2,880	
Coordinated Review	7,857		9,582		11,274		-1,274	10,000	
Computer Support	9,629		10,661		11,430		491	11,921	
Training and Tech. Assist.	7,452		7,991		18,117		-4,415	13,702	
CN Studies	6,152		17,411		35,342		-14,065	21,277	
CN Payment Accuracy	2,814		9,357		17,731		-6,715	11,016	
Farm to School Team	1,823		2,228		4,389		-950	3,439	
Subtotal, Mandatory Other Program Costs	37,930		59,230		102,022		-27,787	74,235	
Subtotal, Mandatory	21,145,718		22,141,367		22,942,523		1,336,090	24,278,613	
Discretionary Activities:									
Team Nutrition/HUSSC	14,571		15,830		20,364		-3,392	16,972	
Summer EBT Demonstration	15,543		25,218		22,957		0	22,957	
School Meals Equipment Grants	25,000		28,046		31,892		-31,892	0	
Subtotal, Discretionary	55,114		69,094		75,213		-35,284	39,929	
Total Obligations	21,200,832	232	22,210,461	248	23,017,736	253	1,300,806	24,318,542	253
Prior Year Recoveries/Collections	-129,500		-299,804		0		0	0	
Unobligated Balance Start-of-Year	-515,089		-649,324		-801,099		231,916	-569,183	
Unobligated Balance End-of-Year	649,324		801,099		569,183		-62,276	506,907	
Unobligated Balance Expiring	94,603		99,314		0		0	0	
Total Appropriation	21,300,170	232	22,161,746	248	22,785,820	253	1,470,446	24,256,266	253
Sequester	-4,310		-3,858		-4,065		4,065	0	
Total Adjusted Appropriation	21,295,860	232	22,157,888	248	22,781,755	253	1,474,511	24,256,266	253

FOOD AND NUTRITION SERVICE

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

	2015 Actual	SY	2016 Actual	SY	2017 Estimate	SY	Inc. or Dec.	2018 President's Budget	SY
Direct Appropriation and Transfer Activities									
Information Clearinghouse	\$250		\$250		\$250		\$0	\$250	
Institute of Child Nutrition	5,000		5,000		5,000		0	5,000	
Fresh Fruit and Vegetable Program (transfer) <u>1/</u>	159,000		161,000		168,000		4,000	172,000	
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	0		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	
Total Direct Appropriations/Transfers <u>2/</u>	178,250	36	180,250	34	187,250	40	4,000	191,250	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, 2018 transfer of \$125 million. Absent the proposed delay, \$297 would be transferred into FFVP in 2018.

2/ The amounts displayed in the table above incorporate all delays in the transfer amount, including the proposed delay from the July 1, 2018, transfer.

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

- 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.
- In FY 2017, the appropriation bill specified that \$125 million of the July 1, 2017 transfer would not be available until October 1, 2017.

The FY 2018 proposal would have \$125 million of the July 1, 2018 transfer not be made available until October 1, 2018.

FOOD AND NUTRITION SERVICE

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

	2015		2016		2017		Inc. or	2018	
Direct Appropriation and Transfer Activities	Actual	SY	Actual	SY	Estimate	SY	Dec.	President's	SY
								Budget	
Information Clearinghouse	\$250		\$250		\$250		0	\$250	
Institute of Child Nutrition	5,000		5,005		5,000		0	5,000	
Fresh Fruit and Vegetable Program (transfer)	174,241		166,565		168,000		4,000	172,000	
Technical Assistance Program Integrity	3,388		5,252		4,000		0	4,000	
Grants to States (Administrative Review)	3,348		6,698		4,000		0	4,000	
Summer Demonstration Projects	5,299		0		0		0	0	
Direct Certification Technical Assistance	1,276		4,069		0		0	0	
CACFP Nutrition Technical Assistance	624		3,855		0		0	0	
Professional Standards - Foodservice	507		2,988		1,000		0	1,000	
Farm to School Grants	4,754		5,070		5,000		0	5,000	
Child Hunger Research	1,080		515		0		0	0	
Hunger Demonstration Projects	27,643		1		0		0	0	
CACFP Audit Funds - X year	759		0		0		0	0	
Total Obligations	228,169	36	200,268	34	187,250	40	4,000	191,250	40
Unobligated Balance Start of Year	-136,472		-98,451		-106,379		0	-106,379	
Collections/Recoveries	-11,898		-27,947		0		0	0	
Unobligated Balance Expiring	0		0		0		0	0	
Unobligated Balance End of Year	98,451		106,379		106,379		0	106,379	
Total Direct Appropriations/Transfers	178,250	36	180,250	34	187,250	40	4,000	191,250	40

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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 2018 request for the Child Nutrition Programs reflects a net increase of \$1,470,446,000 (\$22,785,820,000 and 253 staff years available for 2017).

Base funds for Child Nutrition Programs will continue to fund school meals, child and adult care feeding, and summer meals programs that are correlated with a long term improvement in the nutritional content of American diets.

A 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 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

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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.¹

The funding change is requested in the following items:

- (1) An increase of \$1,416,401,000 for meal reimbursements (\$20,937,213,000 available in FY 2017).

School Lunch Program: This program will require an increase of \$670,295,000 (about 5.4 percent) for an appropriation of \$13,010,053,000 in FY 2018 (\$12,339,758,000 estimated for FY 2017). This increase reflects anticipated increases in meal reimbursement rates as well as in participation.

The total number of school lunches and snacks in FY 2018 is projected to be 5.43 billion, an increase of 65.6 million (or 1.2 percent) over the current estimate for FY 2017 of 5.37 billion. Student participation in the NSLP is expected to continue at almost 60 percent of enrollment in participating schools. Free lunches are estimated at 68.7 percent of all lunches served in FY 2018, which is slightly higher than the proportion of lunches estimated to be served free in FY 2017 (67.7 percent). This request also reflects the cost of the six-cent performance-based reimbursement rate increase authorized in Section 4(b)(3) of the Richard B. Russell National School Lunch Act and of snacks served under the after-school NSLP snack program created by the William F. Goodling Child Nutrition Reauthorization Act of 1998 (P.L. 105-336).

Other information: Income Eligibility

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

Poverty Level	2015-2016 School Year	2016-2017 School Year
100 Percent	\$24,250	\$24,300
130 Percent	31,525	31,590
185 Percent	44,863	44,955

¹ 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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PROGRAM INDICATORS					
SCHOOL LUNCH PROGRAM PROGRAM PERFORMANCE DATA	2015 ACTUAL	2016 ACTUAL	2017 ESTIMATE	2018 ESTIMATE	CHANGE
Lunches Served (millions):					
Above 185% of poverty	1,370.5	1,350.5	1,343.3	1,322.8	-20.5
130% - 185% of poverty	360.1	336.5	320.5	308.7	-11.8
Below 130% of poverty	3,275.5	3,365.3	3,479.8	3,574.9	95.1
TOTAL, Lunches	5,006.1	5,052.2	5,143.6	5,206.4	62.8
Average Daily Participation (millions):	30.5	30.4	30.6	30.6	0.0
Lunch Rate per meal (blended) (cents):					
Above 185% of poverty	34.2	35.2	36.2	37.1	0.9
130% - 185% of poverty	266.2	274.7	283.6	291.3	7.7
Below 130% of poverty	306.4	314.9	323.8	331.5	7.7
Snacks Served (millions):					
Above 185% of poverty	7.9	7.7	8.1	8.2	0.1
130% - 185% of poverty	0.7	0.6	0.7	0.7	0.0
Below 130% of poverty	212.3	202.7	215.0	217.7	2.7
TOTAL, Snacks	220.9	211.1	223.8	226.6	2.8
Snack subsidy per meal (blended)(cents):					
Above 185% of poverty	7.0	7.0	7.1	8.0	0.9
130% - 185% of poverty	41.2	42.2	43.2	44.2	1.0
Below 130% of poverty	82.5	84.4	86.5	89.4	2.9
TOTAL, Lunches and Snacks	5,227.0	5,263.2	5,367.4	5,433.0	65.6
TOTAL, Meal Reimbursement (millions)	\$11,929.0	\$12,259.7	\$12,413.7	\$13,072.3	\$658.6

School Breakfast Program: This program will require an increase of \$305,382,000 (about 6.8 percent) for an appropriation of \$4,775,629,000 in FY 2018 (\$4,470,247,000 estimated for FY 2017). The current estimate projects an increase of 96.3 million breakfasts in FY 2018. This increase is largely a result of the availability of community eligibility in schools across the country and the increased use of different serving techniques, such as breakfast after the bell, making school breakfasts more available to students. The estimate of total breakfast meals projected to be served in FY 2018 is 2.64 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	2015 ACTUAL	2016 ACTUAL	2017 ESTIMATE	2018 ESTIMATE	CHANGE
Meals Served (millions):					
Above 185% of poverty	345.8	363.6	376.8	389.8	13.0
Reduce Price, Regular	9.6	9.0	5.4	5.7	0.3
Reduce Price, Severe Need	137.4	133.2	120.9	120.2	-0.7
130%-185% of poverty, Total	147.0	142.2	126.3	125.9	-0.4
Free, Regular	68.0	63.2	53.2	55.2	2.0
Free, Severe Need	1,773.9	1,879.3	1,983.6	2,065.3	81.7
Below 130% of poverty, Total	1,841.9	1,942.5	2,036.8	2,120.5	83.7
TOTAL, Meals	2,334.7	2,448.3	2,539.9	2,636.2	96.3
Average Daily participation (millions)	14.0	14.6	15.1	15.7	0.6
Average Subsidy Per Meal (cents):					
Paid	28.2	29.0	29.2	30.2	1.0
Reduced Price:					
Regular	132.9	136.8	141.7	145.7	4.0
Severe Need	164.4	170.0	175.0	179.8	4.8
Free:					
Regular	163.0	166.9	171.8	175.8	4.0
Severe Need	194.6	200.1	205.1	210.0	4.9
PROGRAM TOTAL (millions)	\$4,057.2	\$4,241.5	\$4,489.4	\$4,775.6	\$286.2

Child and Adult Care Food Program (CACFP): This program will require an increase of \$428,447,000 (about 12.3 percent) for an appropriation of \$3,919,384,000 in FY 2018 (\$3,490,937,000 available for FY 2017). The current estimate projects 2.25 billion meals served in childcare centers, family day care homes and adult care centers in 2018. This represents an increase of over 50 million meals (or 2.4 percent) above the FY 2017 estimate of 2.20 billion meals.

The change is mainly the result of an anticipated 3.4 percent increase in meals provided in centers, with most of the growth in free meals (a 44.4 million meal increase, or 3.7 percent) plus paid meals (11.0 million increase over FY 2017, or a 2.7 percent increase). For Tier 1 (low-income) homes, a decrease is forecasted, with a -0.5 percent decrease in meals (2.2 million less than in FY 2017), while meals reimbursed at Tier 2 (upper income) homes are also projected to fall in FY 2018, continuing the current trend (down 2.7 million meals, a decrease of -5.9 percent from FY 2017).

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	2015 ACTUAL	2016 ACTUAL	2017 ESTIMATE	2018 ESTIMATE	CHANGE
Meals Served (millions):					
Centers:					
Above 185% of poverty	366.9	380.0	401.1	412.1	11.0
130% - 185% of poverty	80.5	81.8	86.0	88.6	2.6
Below 130% of poverty	1,046.2	1,109.4	1,211.7	1,256.1	44.4
TOTAL, Centers	1,493.6	1,571.2	1,698.8	1,756.8	58.0
Family Day Care Homes:					
Tier 1 (Low Income)	461.1	451.8	455.1	452.9	-2.2
Tier 2 (Upper Income)	64.7	59.9	46.1	43.4	-2.7
TOTAL, Family Day Care Homes:	525.8	511.7	501.2	496.3	-4.9
Total Child & Adult Care Program Meals:	2,019.4	2,082.9	2,200.0	2,253.1	53.1
Average Subsidy per meal (cents): <u>1/</u>					
Centers:					
Above 185% of poverty	19.7	20.3	20.7	21.5	0.8
130% - 185% of poverty	142.6	147.6	150.9	155.0	4.1
Below 130% of poverty	197.7	205.7	213.4	219.4	6.0
Family Day Care Homes					
Tier 1 (Low Income)	156.9	157.3	156.6	158.5	1.9
Tier 2 (Upper Income)	68.0	70.0	71.2	71.9	0.7
Funding: (millions)					
Meal Reimbursement	\$3,191.7	\$3,290.0	\$3,475.3	\$3,730.6	\$255.3
Sponsor Admin	113.2	105.0	114.3	116.1	1.8
Audits	43.2	54.1	66.3	70.1	3.8
Training & Tech. Assistance	2.4	2.5	2.5	2.6	0.1
TOTAL (millions)	\$3,350.5	\$3,451.6	\$3,658.4	\$3,919.4	\$261.0

1/ Rates are a blend of all meals types.

Summer Food Service Program: This program will require an increase of \$12,694,000 (about 2.0 percent) for an appropriation of \$639,789,000 in FY 2018 (\$627,095,000 available for FY 2017). The current estimate projects 199.4 million meals, which is an increase of approximately 11.3 million meals (or 6.0 percent) above the estimate for FY 2017. 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	2015 ACTUAL	2016 ACTUAL	2017 ESTIMATE	2018 ESTIMATE	CHANGE
Meals Served (millions):					
Summer Food Program	163.5	154.5	188.1	199.4	11.3
Average Subsidy Per Meal (cents):					
Lunch	330.0	339.0	355.0	363.0	8.0
Breakfast	189.0	194.0	199.0	204.0	5.0
Supplements	77.0	79.0	81.0	83.0	2.0
PROGRAM TOTAL (millions)	\$517.3	\$539.9	\$589.7	\$639.8	\$50.1

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Special Milk Program: Funding needed for this program will decrease by \$417,000 (-4.5 percent) for an appropriation of \$8,759,000 in FY 2018 (\$9,176,000 available for FY 2017). 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	2015 ACTUAL	2016 ACTUAL	2017 ESTIMATE	2018 ESTIMATE	CHANGE
Half Pints Served (millions):					
Paid (Above 130% of poverty)	42.1	40.9	39.1	38.3	-0.8
Free (130% of poverty or below)	4.8	4.3	4.6	4.5	-0.1
TOTAL, Half pints	47.0	45.2	43.7	42.8	-0.9
Reimbursement Rates (cents):					
Paid	22.4	19.9	19.9	20.4	0.5
Free	23.4	20.8	20.7	21.3	0.5
PROGRAM TOTAL (millions)	\$11.0	\$9.2	\$8.7	\$8.7	\$0.0

- (2) An increase of \$20,081,000 for State Administrative Expenses (\$279,058,000 available for FY 2017).

An appropriation of \$299,139,000 is needed in FY 2018 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 2016 for FY 2018). The request for funding increases is due to a rise in the actual program obligations for FY 2016, which is the base year for calculating the availability of funds for this program in FY 2018. State Administrative Expense funds are used for State employee salaries, benefits, support services and office equipment.

- (3) An increase of \$61,260,000 for Commodity Reimbursement/Procurement (\$1,428,089,000 available for FY 2017).

An appropriation of \$1,489,349 will be needed to fund commodity reimbursement and procurement costs in FY 2018. The increase in funding from 2017 is due to the increase in the number of meals served. Funding is provided for commodity purchases used in the School Lunch, Child and Adult Care Food, and the Summer Food Service Programs, including the costs of procuring those commodities. The estimate is in addition to FNS receiving \$465 million each year in support for entitlement commodities from Section 32 or Commodity Credit Corporation funds.

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 :	2015 ACTUAL	2016 ACTUAL	2017 ESTIMATE	2018 ESTIMATE	CHANGE
CN Appropriation:					
AMS/CCC Commodities	\$465.0	\$465.0	\$465.0	\$465.0	\$0.0
Section 6 Commodities/Cash/Procurement Costs	785.1	720.4	716.7	744.5	27.8
12% Commodity Floor Requirement	320.4	482.1	529.5	549.9	20.4
SCHOOL LUNCH TOTAL	1,570.5	1,667.5	1,711.2	1,759.4	48.2
Child & Adult Care Food Program:					
Commodities/Cash	148.3	146.4	180.2	193.2	13.0
Summer Food Service Program:					
Commodities	1.7	1.8	1.7	1.8	0.1
TOTAL COMMODITY COSTS	1,720.5	1,815.7	1,893.1	1,954.4	61.3
APPROPRIATION	\$1,255.5	\$1,350.7	\$1,428.1	\$1,489.3	\$61.2

- (4) An increase of \$2,648,000 in Mandatory Other Program Costs (\$71,587,000 available for FY 2017) as shown below.

Changes in Mandatory Other Program Costs (Thousands)

Project	2017 Estimate	Non-Pay Cost Change	Pay Cost Change	2018 President's Budget
Mandatory Other Program Costs				
Food Safety Education	\$2,761	\$103	\$16	\$2,880
Coordinated Review	10,000	-178	178	10,000
Computer Support	11,430	450	41	11,921
Training and Technical Assistance	13,137	441	124	13,702
CN Studies	20,400	851	26	21,277
CN Payment Accuracy	10,562	296	158	11,016
Farm to School	3,297	110	32	3,439
Total Mandatory Other Program Costs	71,587	2,072	576	74,235

The overall change consists of the following:

- a. An increase of \$119,000 for Food Safety Education (\$2,761,000 available for FY 2017).

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 for schools, summer feeding sites, childcare centers, family day care homes and adult care centers. 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 \$16,000 for pay costs and \$103,000 for estimated inflation.

- b. No change for the Coordinated Review Program (\$10,000,000 available in FY 2017).

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 \$491,000 for Computer Support (\$11,430,000 available for FY 2017).

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 \$41,000 for pay costs and \$450,000 for estimated inflation.

- d. An increase of \$565,000 for Training and Technical Assistance (\$13,137,000 available for FY 2017).

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 change reflects \$124,000 for pay costs and \$441,000 for inflation.

- e. An increase of \$877,000 for CN Studies (\$20,400,000 available for FY 2017).

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 \$851,000 general inflation, and \$26,000 for pay costs.

- f. An increase of \$454,000 for CN Payment Accuracy (\$10,562,000 available for FY 2017).

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 \$158,000 for pay costs and \$296,000 for general inflation.

- g. An increase of \$142,000 for the Farm to School Team (\$3,297,000 available for FY 2017).

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 child nutrition programs. The Farm to School Team supports local and regional food systems by facilitating alliances between program operators 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 program operators in accessing local markets, enabling food producers to effectively service their local schools and communities, and facilitating communication between interested stakeholders. The change includes \$32,000 for pay costs and \$110,000 for general inflation.

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- (5) A decrease of \$29,944,000 in Discretionary Other Program Costs (\$69,873,000 available in FY 2017).

Changes in Discretionary Activities (Thousands)

Project	2017 Estimate	Non-Pay Cost Change	Pay Cost Change	2018 President's Budget
Team Nutrition/HUSSC	\$16,972	-\$90	\$90	\$16,972
Summer EBT Demonstration	22,957	0	0	22,957
School Meals Equipment Grants	29,944	-29,944	0	0
Total Discretionary Other Program Cost	69,873	-30,034	90	39,929

Explanation of Change:

- a. No change for Team Nutrition and the Healthier US School Challenge (HUSSC) (\$16,972,000 available in FY 2017).

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. No change for the Summer EBT Demonstration (\$22,957,000 available for FY 2017).

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 first 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 on debit cards, 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 vegetables, whole grains, and dairy foods while consuming fewer sugar-sweetened beverages.

The Further Continuing and Security Assistance Appropriations Act of 2017 (P.L. 114-254) provided full-year funding for USDA to continue supporting Summer EBT demonstrations in 2017. In March 2017, FNS awarded about \$30 million to nine experienced States and Indian Tribal Organizations to continue operating their demonstrations in 2017 with some expansion into additional rural communities. USDA will also fund up to two new grantees, selected through a competitive process, to begin preparing for summer EBT projects in 2018.

- c. A reduction of \$29,944,000 for School Meals Equipment Grants (\$29,944,000 available in FY 2017).

Between FY 2009 and FY 2016, FNS has distributed \$215 million in grants to help schools purchase the equipment needed to serve healthier meals, improve food safety, expand access and/or improve energy

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efficiency. The grants were targeted to schools, particularly in low-income areas, that needed additional assistance to meet updated meal standards. In FY 2016, over 99 percent of schools reported that they were successfully meeting the updated meal standards, reducing the need for additional equipment funds. However, necessary school equipment remains an allowable use of funds within school food authority accounts. In addition, there are non-Federal sources of funds for school equipment.

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Geographic Breakdown of Obligations and Staff Years (SY)

(Dollars in thousands)

Child Nutrition Programs--Federal Salaries, Benefits & All Other Expenses								
	<u>2015 Actual</u>		<u>2016 Actual</u>		<u>2017 Estimate</u>		<u>2018 President's Budget</u>	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Arkansas	\$145	1	\$140	1	\$147	1	\$151	1
California	2,723	20	2,776	20	2,916	20	2,998	20
Colorado	3,303	25	3,526	25	3,704	26	3,808	26
Florida	290	2	200	1	210	1	216	1
Georgia	2,831	21	2,724	20	2,861	20	2,942	20
Illinois	2,142	16	2,364	17	2,483	17	2,553	17
Indiana	145	1	140	1	147	1	151	1
Maryland	109	1	112	1	117	1	121	1
Massachusetts	2,868	21	3,051	22	3,205	22	3,295	22
New Jersey	2,541	19	2,596	19	2,727	19	2,804	19
New York	0	0	116	1	122	1	125	1
North Carolina	145	1	140	1	147	1	151	1
Ohio	73	1	0	0	0	0	0	0
Oregon	145	1	140	1	147	1	151	1
South Carolina	145	1	140	1	147	1	151	1
Tennessee	73	1	32	0	34	0	35	0
Texas	2,178	16	1,949	14	2,047	14	2,105	14
Virginia	74,124	123	67,541	140	68,536	145	69,118	146
Washington	145	1	76	1	80	2	82	1
Undistributed	0	0	0	0	0	0	0	0
TOTAL	\$94,126	272	\$87,760	286	\$89,775	293	\$90,955	293

Note: Totals may not add due to rounding. Also, the table above does include 4 CNPP staff years funded by the Child Nutrition Programs

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Child Nutrition Programs - Appropriation

Classification by Objects

(Dollars in Thousands)

	2015	2016	2017	2018
	Actual	Actual	Estimate	President's Budget
Personnel Compensation:				
Washington D.C.....	\$ 10,679	\$ 11,432	\$ 12,913	\$ 13,287
Field.....	12,537	13,420	15,159	15,597
11.0 Total personnel compensation.....	23,216	24,852	28,072	28,884
12.0 Personnel benefits.....	6,876	7,848	8,865	9,121
Total personnel comp. and benefits.....	30,092	32,700	36,937	38,005
Other Objects:				
21.0 Travel and transportation of persons.....	1,316	1,975	2,015	2,055
22.0 Transportation of things.....	1	1	1	1
23.2 Rental payments to others.....	100	102	104	106
24.0 Printing and reproduction.....	2,498	814	830	847
25.2 Other services from non-Federal sources.....	45,246	40,018	40,818	41,635
26.0 Supplies and materials.....	1,019,278	1,029,243	1,398,191	1,489,413
31.0 Equipment.....	521	491	501	511
41.0 Grants.....	20,101,780	21,105,117	21,538,339	22,745,970
Total, Other Objects.....	21,170,740	22,177,761	22,980,799	24,280,537
99.9 Total, new obligations.....	21,200,832	22,210,461	23,017,736	24,318,542
Position Data:				
Average Salary (dollars), GS Position.....	92,669	95,435	97,439	99,290
Average Grade, GS Position.....	12.3	12.4	12.4	12.4

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Child Nutrition Programs - Permanent Appropriation

Classification by Objects

(Dollars in Thousands)

		2015	2016	2017	2018
		Actual	Actual	Estimate	President's Budget
Personnel Compensation:					
	Washington D.C.....	\$ 1,249	\$ 1,590	\$ 1,753	\$ 1,793
	Field.....	1,467	1,866	2,058	2,105
11.0	Total personnel compensation.....	2,716	3,456	3,811	3,898
12.0	Personnel benefits.....	848	1,092	1,203	1,231
	Total personnel comp. and benefits.....	3,564	4,548	5,014	5,129
Other Objects:					
21.0	Travel and transportation of persons.....	159	162	165	169
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.....	16,358	16,620	16,952	17,291
26.0	Supplies and materials.....	20	20	20	21
31.0	Equipment.....	12	12	12	12
41.0	Grants.....	208,046	178,896	165,075	168,617
	Total, Other Objects.....	224,605	195,720	182,236	186,121
99.9	Total, new obligations.....	228,169	200,268	187,250	191,250
Position Data:					
	Average Salary (dollars), GS Position.....	\$ 94,830	\$ 94,655	\$ 96,643	\$ 98,479
	Average Grade, GS Position.....	12.6	12.4	12.4	12.4

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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 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 Child Nutrition Programs were reauthorized by the Healthy, Hunger-Free Kids Act of 2010 (HHFKA, P.L. 111-296) 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 improved the nutrition environment in schools by requiring the USDA to align nutritional standards guided by the Dietary Guidelines for Americans 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 age-appropriate portion sizes on their trays.
- Instituted the first non-inflationary reimbursement rate increase in over 30 years by providing a six-cent increase for school lunches for districts that comply with new federal nutrition standards. As of the end of School Year 2015-2016, 99 percent of school food authorities have been certified eligible to receive the additional six cents reimbursement.
- Required USDA to review and update nutrition standards and meal costs in the Child and Adult Care Food Program.
- Ensured at-risk children had access to nutrition through updates to the Child and Adult Care Food Program.
- Required 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.
- Improved program integrity and reduced administrative inefficiencies through Direct Certification with Medicaid. Rather than requiring duplicative paperwork, Direct Certification enables schools to use verified Medicaid eligibility for school meals eligibility, which reduces certification errors and administrative burden.
- Created the Community Eligibility Provision, which improves program integrity without compromising low-income children's access to nutritious meals. In School Year 2016-2017, more than 18,500 schools are improving administrative efficiency by using Direct Certification as their primary certification method. This impacts about 8.6 million children in high-poverty communities
- Strengthened 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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- Required 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.
- Increased the supply-chain of nutritious foods meeting meal requirements through USDA Foods improvements.
- Established a Farm-to-School program in order to assist eligible entities, through grants and technical assistance, in improving access to local foods.
- Required 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.
- Required USDA to consolidate and update the administrative review procedures to create 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 over the last year, in the order of their publication date:

- Proposed Rule: “Child Nutrition Program Integrity” (03/29/2016)
- Final Rule: “Child and Adult Care Food Program: Meal Pattern Revisions Related to the Healthy, Hunger-Free Kids Act of 2010” (04/25/2016)
- Final Rule: “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” (07/29/2016)
- Final Rule: “Local School Wellness Policy Implementation Under the Healthy, Hunger-Free Kids Act of 2010” (07/29/2016)
- Final Rule: “Administrative Reviews in the School Nutrition Programs” (07/29/2016)
- Final Rule: “National School Lunch Program and School Breakfast Program: Eliminating Applications Through Community Eligibility as Required by the Healthy, Hunger-Free Kids Act of 2010” (07/29/2016)

While the HHFKA extension technically expired at the end of FY 2015, most Child Nutrition Programs and provisions have continued operating via the annual appropriations.

Additional information on implementation activities is 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 2016-2017, a child from a family of four with an annual income of \$31,590 or less is eligible for free meals, and a child from a family of four with a family income of no more than \$44,955 is eligible for reduced price meals. The reimbursement rates for meals are revised on July 1 of each year. The cash reimbursement for a free or reduced price lunch is the sum of Section 4 (base) and Section 11 (supplemental) reimbursement rates. School food authorities (SFAs) that served 60 percent or more free and reduced price lunches during the second preceding school year receive increased assistance

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at the rate of 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.

Facts in Brief

On an average school day in FY 2016, more than half of all school children in America were provided an NSLP lunch. At participating schools and Residential Child Care Institutions (RCCIs), approximately 59.05 percent of the enrolled students participated in the NSLP on a daily basis in FY 2016; this is slightly higher than the participation level in FY 2015 of 58.97 percent.

- In FY 2016, more than 5.02 billion lunches were served in the NSLP, an increase of 19 million from FY 2015. Average daily participation in 2016 was 30.4 million a decrease from FY 2015 at 30.5 million.
- In FY 2016, approximately 73.3 percent of total lunches served were provided free or at a reduced price, up from 72.6 percent in FY 2015.
- The number of schools participating in the NSLP increased by 47 from FY 2015 to FY 2016, while the number of RCCIs decreased by 250. A total of 99,292 schools and RCCIs participated in the NSLP in FY 2016.

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 calorie levels, and set phased-in sodium limits.

Throughout FY 2017, USDA will continue to develop guidance materials for State and local educational agencies and assist with targeted technical assistance efforts to promote successful implementation.

Facts in Brief

- In FY 2016, program availability increased to 91,387 schools and institutions (an increase of 0.84 percent from FY 2015) with an enrollment of 48.3 million students (roughly the same as FY 2015). 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 94 percent of the students enrolled in schools participating in the lunch program in FY 2016, as compared to 50 percent in FY 1990. Average daily participation in FY 2016 was 14.6 million, an increase of approximately 3.7 percent from the prior year.
- The proportion of total meals served free or at a reduced price was about 85.1 percent during FY 2016, about the same as in FY 2015.
- Approximately 2.5 billion breakfasts were served in FY 2016, an increase of 4.9 percent over FY 2015. This is an increase of 245 percent from 0.71 billion in FY 1990.

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FNS continues to partner with State agencies to support best practices in implementing effective school breakfast programs that ensure low-income children have access to nutritious breakfasts to support learning during the school day.

Improving the Nutrition Environment in Schools

The HHFKA required USDA to update the meal patterns and nutrition standards for the National School Lunch and School Breakfast Programs to align them with the Dietary Guidelines for Americans. Beginning in school year (SY) 2012-2013, schools participating in the lunch and breakfast programs began to offer healthier meals with more fruits, vegetables, and whole grains; lower levels of sodium, saturated fat, and trans fat; and age-appropriate calorie levels. Currently, 99 percent of participating schools indicate they have successfully implemented the updated meal requirements, and rigorous research is illustrating how the changes are helping children access healthier food choices:

- A study published in the Journal of the American Medical Association (JAMA) in January 2016 shows that the overall nutritional quality of the foods students chose increased by 29 percent, and participation in the lunch program held steady between 2011 and 2014. See http://www.rwjf.org/en/culture-of-health/2015/12/healthier_cafeterias.html.
- The School Health Policies and Practices Study released by the Centers for Disease Control and Prevention in August 2015 shows a substantial improvement in school meals from 2006. As of 2014, more schools were offering a variety of fruits and vegetables and more whole grains, and using strategies to reduce sodium in school meals. See http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6433a3.htm?s_cid=mm6433a3_x.

In order to help schools transition to the updated meal standards, HHFKA provided an extra six cent reimbursement per meal for schools certifying compliance with the standards. In addition, USDA works in partnership with the State agencies and school food authorities (SFAs) to address operational challenges. For example, beginning in SY 2014-2015 and through SY 2016-17, SFAs facing significant difficulty offering whole grain-rich products (50 percent whole grains and the rest of the grain content enriched) were allowed to request a temporary exemption from the whole grain-rich requirement. As of October 2016, 49 State agencies notified USDA that they intended to offer exemptions. However, few school districts have requested exemptions. Of the more than 20,000 SFAs nationwide, fewer than 2,800, or about 14 percent, have requested and received an exemption from the whole grain-rich requirement. The following five State agencies reported that they will not offer exemptions: Arkansas, Guam, Maryland, Rhode Island, and the U.S. Virgin Islands.

USDA also provides other financial and technical assistance support, including the *Team Up for School Nutrition Success* initiative and the Team Nutrition grants.

Team Up for School Nutrition Success (Team Up) is a FNS 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. The *Team Up* training uses a peer mentor-based model to cover topics like menu planning, financial management, increasing meal program participation, Smart Snacks, special dietary needs, food safety, human resources, as well as strategies to reduce plate waste. Participants have the opportunity to network and learn from each other, and each attendee develops an individualized action plan with focused goals to achieve when they return to their respective school food service operation. 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; since then, almost 9,700 participants have joined at least one of the 21 webinars. Nearly a dozen national 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 addition to national allied organization support, State agencies have leveraged their own partnerships and included organizations that will enhance the learning and resource needs of their State's participants and mentors; in FY 2016, more than 60 unique organizations or affiliates attended a State-level *Team Up* training. In FY 2015 and FY 2016, between the in-person trainings and webinars, the *Team Up* initiative reached nearly 11,900 school nutrition professionals across the 50 States, DC, Puerto Rico, and the Virgin Islands.

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Based on the FY 2015 success of the seven FNS regional *Team Up* workshops, FNS expanded the initiative in FY 2016 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 empowering them to facilitate their own *Team Up* workshop in order to provide tailored training and technical assistance for many more school nutrition professionals. Several State agencies observed the success of the *Team Up* model and have adapted the framework, ensuring *Team Up* is a sustainable training initiative that meets the unique needs of each State or region. Innovations included providing the training to various levels of school nutrition staff and applying the model to other Child Nutrition Programs, like the Summer Food Service Program. These adaptations will continue to inform the evolution of the *Team Up for School Nutrition Success* initiative in order to ensure a sustainable training model, and one that continues to meet the training needs of school nutrition professionals across the country. In 2016, the State agency-led *Team Up* workshops are helping to ensure that all schools are able to get the support they need. As of October 14, 2016, 28 State-level *Team Up* trainings have been completed, reaching over 1,400 school nutrition professionals from across the country.

Training: FNS, in cooperation with the Institute of Child Nutrition (ICN), 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*, as noted above) to enhance school food operations, as well as 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 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.

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 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. School-based materials are connected to educational standards, school gardens and the cafeteria, and include information for families in a variety of languages. 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 *Dietary Guidelines for Americans*. Team Nutrition supports the Chefs Move to Schools initiative 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.

FNS 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 through the Healthier US School Challenge: Smarter Lunchrooms (HUSCC: SL). Since the beginning of the program in 2004, HUSCC: SL awards have been given to schools in 50 States and the District of Columbia. As of February 28, 2017, there are 3,868 schools certified (2,681 Bronze, 802 Silver, 284 Gold, and 101 Gold Award of Distinction).

Grants: Team Nutrition provides grants to State agencies to expand and enhance statewide sustainable infrastructure and training systems to assist local agencies in implementing USDA's nutrition requirements and support healthy environments for the nation's youth. In FY 2016, 14 States received a 3-year 2016 Team Nutrition

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Training Grant of up to \$500,000 – \$6.7 million in total – to support trainings for school nutrition and child care professionals that focus on encouraging healthy eating. Those efforts could include:

- Providing training and technical assistance to school nutrition or child care professionals, such as training on behavioral economics and “Smarter Lunchroom” strategies, or culinary training to improve the taste and appeal of school meals;
- Providing nutrition education utilizing the six communication channels: school or child care center events, classrooms, cafeterias/dining areas, home connections, community involvement, and media (print and/or social); and
- Building support for healthy school or child care environments that encourage nutritious food choices and physically active lifestyles, such as conducting trainings to generate awareness among school staff, parents, and the community of the school wellness policy, and hosting student taste-tests of new school meal menu items.

This year, a portion of these grants included a focus on training providers participating in CACFP, which serves almost 5 million eligible low-income children and adults nutritious meals and snacks each day through child and adult care institutions and family or group day care homes. Earlier this year, USDA issued a final rule updating the CACFP meal patterns to better reflect the recommendations of the *2015-2020 Dietary Guidelines for Americans* and foster healthy habits early.

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://teamnutrition.usda.gov/>) to download and many are available to order in print. Publications include *Grow It, Try It, Like it! Preschool Fun with Fruits and Vegetables* and the *Two Bite Club* storybook (for preschool children), 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 *Discover MyPlate: Nutrition Education for Kindergarten*. 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 3-6. 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.

During FY 2016, Team Nutrition utilized new technology to increase consumer, school, and child care access to nutrition education stories through the use of eight interactive eBooks that incorporated audio narration, games, comprehension questions, and common sight words for young children. Since their release in January, the eBooks have been downloaded over 17,500 times through the Apple iTunes store, FNS website, and Government Printing Office Bookstore. In addition, Team Nutrition released a comprehensive collection of nutrition education resources for the Seamless Summer Option of the National School Lunch Program (NSLP) and Summer Food Service Program (SFSP). These resources included the *Take a Healthy Summer Break* infographic, the *This Summer, Eat Smart to Play Hard* parent handout, the *Summer Food, Summer Moves* operator’s kit, and *Offering Healthy Summer Meals that Kids Enjoy* tip sheet. These materials were developed using an audience-centered approach and incorporated formative research with parents and summer meal site operators, recipe taste testing with children, and pilot testing of the materials at summer meal sites.

Other resources released during FY 2016 include the *How You Can Help Prevent Wasted Food at Schools* booklet for schools that provides information to school nutrition professionals, school administrators, teachers, parents, and students about reducing food waste; *A Guide to Smart Snacks in Schools*, an easy-to-read educational resource to help individuals who sell foods in school understand and apply the Smart snacks requirements; a *Summary of the Local Wellness Policy Final Rule*, a one-page summary of the Local Wellness Policy Final Rule; all of which are available on the Team Nutrition Resource Library Web site. Team Nutrition also collaborated with the Center for Nutrition Policy and Promotion (CNPP) to jointly release MyPlate for Families in July 2016, which included several new co-developed printable resources, including *MyPlate Guides for School Lunch* and *MyPlate Guides for School Breakfast*, which provide a one-page handout for schools to share with families during back to school and National School Lunch and Breakfast Weeks; these resources highlight the nutritional benefits of school meals as well as their value and convenience.

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To support the Child and Adult Care Food Program, in FY 2016, 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, including two new supplements - *Supplement D: Create a Positive Meal Environment* and *Supplement E: Serving Family Style Meals for Nutrition and Wellness Tips for Young Children: Provider Handbook for CACFP*. 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 also available on the Team Nutrition website.

In FY 2016, Team Nutrition worked with the Government Printing Office to develop a new online order form for Team Nutrition materials, which includes modern shopping cart functionality, identification of the Child Nutrition Program the customer is affiliated with, and order confirmations.

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; 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. Team Nutrition also publishes e-Newsletters and bulletins that consistently maintain an average 20 percent opening rate, which is above the established rate set up on GovDelivery for Government bulletins (6,402 recipients) and maintains Team Nutrition Twitter (@TeamNutrition with 5,100 followers, a 6.4 percent increase compared to the previous fiscal year).

Technical Assistance on Sodium Reduction: 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 is leading 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 2016, nearly 45 national partners signed on to publicly join FNS in this effort. School food authorities were provided with support through the *What’s Shaking?* website (<https://healthymeals.fns.usda.gov/whatsshaking>), an infographic for school nutrition professionals, conference sessions, listening sessions, webinars, and sharing of best practices.

In FY 2016, Team Nutrition developed and released the new CN Labeling Verification System to assist State reviewers during the Administrative Review with confirming the status of CN Labels and the validity of CN Labels with watermarks as acceptable documentation.

Smart Snacks in Schools

HHFKA required USDA to establish nutrition standards for all foods sold during the school day so they would be consistent with the most recent *Dietary Guidelines for Americans*. The 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.

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.” An interim final rule, “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” was published June 28, 2013, which included nutrition standards for foods offered for sale to students outside of the Federal school lunch and school breakfast programs and became effective in School Year 2014-15. The 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. The standards for competitive foods and beverages represent minimum standards that local educational agencies, school food authorities, and schools are required to meet. State agencies and/or local school districts also 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

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on the school campus during the school day, allowing infrequent sale of foods that do not meet the new nutrition standards.

A rule finalizing the standards with minor modifications was published on July 29, 2016. The final rule maintained as interim the standard on total fat and requested comments on this standard. FNS is reviewing the comments received on this individual standard and will determine if this standard should be retained or eliminated.

Improving School Meal Program Integrity

Ensuring the integrity of the school meal programs by minimizing improper payments and other errors is a key priority for FNS. As stewards of the Federal funds that support these programs, the agency has a responsibility to maintain the public's trust while guaranteeing that program benefits are available to the eligible households who rely on them.

FNS' efforts to enhance program integrity in the school meal programs fall under three categories: research, process improvements, and monitoring/compliance.

Research

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. These findings motivated much of the agency's integrity work in FY 2016. Looking ahead, FNS and its contractor developed the plan for the next study in this series in FY 2016; data collection for the *Access, Participation, Eligibility, and Certification Study III* (APEC-III) will begin in 2017.

APEC-II identifies applicant error in the certification process as one of the key sources of improper payments. In response to this finding, USDA is using multiple avenues to improve applicants' understanding of the forms, and using behavioral science techniques to improve accuracy when completing applications. In 2016, FNS reached agreement with the United States Census Bureau for a cognitive testing study to better understand the underlying causes of household misreporting on free and reduced price meal applications. The testing, which will include FNS prototype application designs as well as formats developed by State and local agencies, is slated to take place in 2017.

The agency awarded several additional research contracts in FY 2016 that will add to our understanding of school meal program error and the effectiveness of steps already in place to reduce it. These include an evaluation of the ongoing direct certification with Medicaid demonstrations, an examination of household non-response in the annual school meal verification process, an assessment of the accuracy of child nutrition administrative data reported to the Federal government, and an evaluation of the effectiveness of the recently redesigned process of State agency Administrative Review of school district operations.

Process Improvements

FNS worked extensively in 2016 to develop its first web-based prototype free and reduced-price school meal application. The application will contain a number of features inspired by APEC and other research that target applicant error and are intended to reduce applicant burden. The Department used its authority under the America COMPETES Act to host a public prize competition to launch the development effort. The competition, which was concluded in March 2016, generated a number of high quality entries and provided the basis for the second phase of the project. FNS partnered with the White House Presidential Innovation Fellows (PIFs) in the second half of the fiscal year to develop the final product. Collaborating with the PIFs allowed FNS to take advantage of a team of established technology professionals with advanced skills in application programming, whose broad expertise and interest in public service brought additional value to the project. The web-based prototype application version 1.0 was released in early FY 2017.

The agency continued to refine its model paper application in FY 2016 to further promote accurate household reporting. Improvements in FY 2016 include translation of the application into more than 40 languages. The model application uses human-centered design to improve clarity and reduce the opportunity for applicant and

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administrative error. Developed in partnership with the Office of Personnel Management (OPM) Innovation Lab ahead of the 2015-2016 school year, the application has generated strong and positive stakeholder feedback. FNS undertook an initial examination of administrative certification error by several school districts that adopted the redesigned application for school year 2015-2016.

FNS continued its partnership with the White House Social and Behavioral Sciences Team (SBST) in FY 2016 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 and tests the effect of research-inspired changes to school districts' communication with households through a randomized control trial. The agency's goal is to strengthen the integrity of the process and reduce the risk that eligible households lose their benefits. Over 60 school districts collaborated with FNS and SBST in FY 2016 to improve the communication of verification requirements to households. In October 2015, the FNS study team tested changes to the verification letters sent to households that draw on insights from the social and behavioral sciences literature and the SBST's own research. The agency and the SBST began work with several large districts in August and September 2016 to test the impact of sending verification notices to households on a continuous basis, as applications are processed, rather than all at once at the end of the application season.

Monitoring/Compliance

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 HRFKA, 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 HRFKA, is designed to reduce the kind of administrative mistakes 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.

Direct Certification

With the enactment of the HRFKA in December 2010, State agencies were 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 HRFKA requires that they develop and implement continuous improvement plans to help ensure that eligible children from SNAP households are directly certified for school lunch. 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 its proactive technical assistance efforts with State agencies to improve direct certification performance. Specifically in 2016, the technical assistance team visited nine States, and continued to develop and transmit a quarterly technical publication dedicated to direct certification.

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To support states' direct certification efforts, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (P.L. 111-80) provided grants to State agencies that administer the NSLP. Under this funding, FNS has awarded 52 Direct Certification grants to States to assist them in implementing direct certification process improvements.

Demonstrations to Evaluate Direct Certification with Medicaid Data

The HHFKA also authorized 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 provided for \$5 million in funds to study and evaluate the projects. The evaluation indicated that Direct Certification is a means to improve program efficiency.

Direct Certification is a key error-reduction strategy for the school meals programs. HHFKA required states to maximize program efficiency through a high direct certification rate with SNAP. It also provided for a demonstration to test the efficiency of direct certification with the Medicaid program. The original demonstrations were implemented in seven states--California, Florida, Illinois, Kentucky, Massachusetts, New York, and Pennsylvania. California is conducting data matching with Medicaid in 14 school districts while the other States implemented demonstrations statewide.

A rigorous evaluation indicated that direct certification with Medicaid had high potential for reducing error and increasing efficiency in school meals. Based on these findings, USDA decided to examine the potential additional efficiencies of using direct certification for students in the reduced-price meal category in addition to the free category. Through a competitive process, eleven States will participate in demonstrations in SY 2016-2017. FNS is currently reviewing applications for additional States for SY 2017-2018 and anticipates including up to 21 states in the demonstration by next school year.

Community Eligibility Provision

The HHKFA established a structure in which Local Education Agencies (LEAs) could use the Community Eligibility Provision (CEP) if they determined it would maximize program efficiency without compromising student access. CEP provides for a Federal-local partnership that is unique to school meals. CEP increases efficiency by enabling schools to access data already collected and verified through other programs and apply it to their certification process, rather than doubling data collection efforts through a duplicative process. CEP uses Direct Certification data for student certification. If a minimum percentage of students qualify, the Local Education Agency (LEA) conducts its own cost-benefit analysis. Using an established equation, the LEA calculates the amount of federal reimbursement it will receive and the level of local funds it will be required to contribute. The LEA weighs its funding contribution in comparison to anticipated savings through reductions in administrative cost and burden. If it determines that CEP is more efficient than the traditional NSLP administrative structure specific to its local circumstances, the LEA can choose to move to CEP. For SY 2016-2017, about 20,750 schools serving 9.7 million students have adopted the CEP structure.

On July 29, 2016, FNS published the final rule, *National School Lunch Program and School Breakfast Program: Eliminating Applications through Community Eligibility as Required by the Healthy, Hunger-Free Kids Act of 2010*, codifying CEP in Federal regulation. Looking ahead, FNS will continue to build on CEP's success by providing timely policy guidance and technical assistance to State and local officials aiming to implement CEP in high-poverty schools and districts.

In January 2016, FNS published the first edition of *Community Eligibility Provision: Planning and Implementation Guidance*. The manual consolidates existing CEP guidance, policy, and best practices into resource, streamlining implementation and ensuring eligible schools and districts have the necessary information to make an informed choice about CEP for their local circumstances. In September 2016, FNS updated the manual to include new information codified in the CEP final rule. In 2016, FNS also issued a number of policy memoranda to provide additional guidance and address changes made by the CEP final rule. In addition, FNS hosted eight CEP webinars addressing questions from State agency staff and school district officials. FNS also informed eligible LEAs about CEP through blog posts, social media, site visits with key officials and partners, press releases, and other means as deemed appropriate. FNS staff also presented at conferences, meetings, and on-site visits throughout FY 2016 to ensure eligible LEAs knew about the structure of CEP.

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In FY 2016, FNS also continued working with the U.S. Department of Education and the Federal Communications Commission to provide guidance to ensure 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.

Looking ahead, in SY 2016-2017, USDA will conduct a national CEP evaluation study to assess characteristics of participating and non-participating schools. The study will also assess how CEP impacts student participation, revenue, attendance, and the type of breakfast program offered by the school. The results of the study will help USDA apply the best principles of continuous improvement, through identifying the strengths and weakness of CEP in order to help LEAs make determinations about CEP for their specific circumstances.

Professional Standards for School Food Service Administrators

Section 306 of the HRFKA 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, 2015, and 2016. 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, advocacy 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.

Community Food Systems

In October 2015, FNS formally created the Office of Community Food Systems (OCFS) within FNS' Child Nutrition Programs. This office represents an expansion of ongoing Child Nutrition activities in accordance with directives in the HRFKA to increase access to local foods through the Child Nutrition Programs, and to strengthen local and regional food systems that support community health and well-being. The establishment of OCFS 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. Also in October 2015, FNS published [Farm-to-School at USDA, 2012-2015: Four Years in Review](#) which outlined the progress the team made and sought feedback on future work.

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: FNS provides extensive training and technical assistance to program operators through in-person meetings, webinars, and new materials. In FY 2016, the team published six new fact sheets on topics ranging from research on Farm-to-School to integrating local foods, and school gardens. In addition, three fact sheets were translated to Spanish. FNS manages an e-letter, *The Dirt*, which boasts a subscriber base of over 22,000 and 35 messages were sent through this mechanism. FNS worked to integrate community food systems information into several existing initiatives and resources such as Team Up for School Nutrition Success, the SNAP-Ed Toolkit, and Produce Safety University.

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

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programs. This compilation brought the Farm-to-School Toolkit to life, following the Toolkit modules as a frame and offering context and examples.

Throughout FY 2016, OCFS worked to embed Farm-to-Preschool and farm to summer content in routine workflows, such as the summer management and administrative plans (MAPs), annual sponsor trainings, and management evaluations. Thirty-nine states included community food systems information in farm to summer and Farm-to-Preschool sponsor trainings and 32 state agencies integrated farm to summer activities in their management and administration plans. FNS released a policy memo on farm to summer and included information in SFSP guides, toolkit, and webinars. In addition, FNS shared Farm-to-Preschool information at several national conferences, such as the National CACFP Sponsors Association Conference and the National Head Start Association Annual Conference. Local and seasonal foods are also listed as a best practice in the final CACFP meal pattern rule.

In addition, in FY 2016, OCFS expanded its support for tribal communities. A fact sheet specifically for tribal communities and a four-part webinar series, along with in-person technical assistance at conferences throughout the year, provided ongoing support for tribal communities. All of these efforts highlighted how Farm-to-School strategies are working to bring traditional foods into schools and supporting native agricultural heritage. FNS also published a memo clarifying the rules around purchasing and serving meat, poultry, and game products in child nutrition programs.

Grants: USDA's Farm-to-School grants fund school districts, state and local agencies, tribal communities, agricultural producers, and non-profit organizations in their efforts to increase local foods served through child nutrition programs, teach children about food and agriculture through garden and classroom education, and develop schools' and farmers' capacities to participate in Farm-to-School. Awards ranging from \$20,000 to \$100,000 are distributed in four different grant categories: Planning, Implementation, Support Service, and Training.

In December 2015, FNS awarded over \$5 million in grants to 79 projects spanning 40 States. This included awarding funds to 18 training events, 16 implementation projects, 26 support service projects and 19 planning projects. From 2013 to 2016, the USDA Farm-to-School Grant Program funded 300 Farm-to-School projects, totaling approximately \$20.4 million. All 50 states, the District of Columbia, and the U.S. Virgin Islands have received at least one award. Funded projects are estimated to reach approximately 18,136 schools and involve an estimated 10.2 million students. To provide an overview of the grant program, FNS published the *FY 2013-16 Summary of Farm-to-School Grant Awards* report, which provides a snapshot of the work and statistics of all 300 grantees.

Each year, FNS brings together the current class of grantees for a Grantee Gathering. In April 2016, the group assembled in Fort Worth, Texas for two-days of skill development, project planning, and peer sharing.

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. In March 2016, FNS released final results from the [2015 USDA Farm-to-School Census](#), showing that more than 42,000 schools across the country are operating Farm-to-School programs and another 10,000 have plans to start in the future. During the 2013-2014 school year, these schools purchased nearly \$800 million worth of local products from farmers, ranchers, fishermen and other food producers – a 105 percent increase from the 2011-2012 school year – and tended to more than 7,101 school gardens.

FNS shared the data on a user-friendly, interactive website releasing data and new features three times throughout spring 2016. During the first month the data was available, FNS ran a “One in a Melon” contest which created an opportunity for the public to vote on their favorite Farm-to-School districts in each state. The final data release included a Data Explorer Tool which allows users to explore the data on the website and drill down to state and individual school district data.

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.

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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 the 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 47 million in FY 2015 to 45 million in FY 2016, a 4 percent decrease. Overall, the number of half pints served has decreased from 181.3 million in FY 1990, a 75 percent decrease.
- A total of 3,692 schools, residential child care institutions, non-residential child care institutions, and summer camps participated in the SMP in FY 2016, a 7.9 percent decrease from the FY 2015 level of 4,001.
- The portion of half pints served free during FY 2016 was about 9.5 percent, as compared to 10 percent in FY 2015.

CHILD AND ADULT CARE FOOD PROGRAM

Program Mission

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

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

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

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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.

Facts in Brief

- In FY 2016, the peak participation attendance in CACFP was approximately 4.8 million children and adults, an increase from the peak participation of 4.5 million in FY 2015.
- Of 4.3 million children in average daily attendance in FY 2016, approximately 3.5 million were in child care centers and approximately 0.76 million were in family day care homes, an increase from 4.1 million children in average daily attendance, of which 3.3 million were in centers and .78 were in family day care homes in FY 2015.
- On average, in FY 2016, a CACFP child care center had approximately 54 children in attendance on an average day, and received about \$37,086 a year in meal reimbursement (compared to almost 52 children and \$35,429 in FY 2015).
- By comparison, on average a family day care home cared for and fed almost seven children daily, and received slightly more than \$7,046 a year in meal reimbursement (compared to seven children and slightly more than \$6,981 in FY 2015).
- Total meal service increased 2.8 percent from FY 2015 to FY 2016, a total of approximately 2.08 billion meals were served in FY 2016.
- In FY 2016, approximately 81.3 percent of total meals served were provided free or at a reduced price, about the same level as in 2015.
- In FY 2016, 22,204 At-Risk Child Care Centers provided a total of 202.72 million meals and snacks to children (compared to the 18,494 At-Risk Child Care Centers operating in FY 2015 that served a total of 195.06 million meals and snacks). This is a 15 percent increase in the number of operating At-Risk sites and a 4 percent increase in the number of meals and snacks served to children.
- In FY 2016, CACFP At-Risk Child Care Centers had an average of 70 children daily, an increase from approximately 68 children in attendance daily during FY 2015.

Improving Nutrition

FNS has been working to require meals and snacks served in CACFP to better reflect the Dietary Guidelines for Americans. Enhancing the nutritional quality of CACFP meals will help children build healthy habits and improve the wellness of adult participants. FNS commissioned the National Academy of Sciences Institute of Medicine (IOM) to review the CACFP meal patterns and propose science-based recommendations that would improve the quality of meals and align them with the Dietary Guidelines. In promulgating rulemaking, FNS relied on the recommendations in the IOM report, the 2010 Dietary Guidelines, recommendations of the American Academy of Pediatrics, and input from stakeholders.

In March 2016, FNS published a final rule, *Child and Adult Care Food Program: Meal Pattern Revisions Related to the Healthy, Hunger-Free Kids Act of 2010*, to update the CACFP meal patterns and announce new nutrition standards for meals and snacks served to infants, children, and adult participants. Under the new standards, meals and snacks served will include a greater variety of vegetables and fruit, more whole grains, and less added sugar and saturated fat. In addition, the standards will improve access to healthy beverages, including low-fat and fat-free milk and water, encourage breastfeeding, and better align CACFP with the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and with other Child Nutrition Programs. The final rule also includes best practices that highlight areas where centers and day care homes can take additional steps to further improve the nutritional quality of the meals they serve.

The new standards were carefully designed to make significant, achievable, and cost-neutral improvements to the nutritional quality of the meals and snacks served in CACFP. FNS focused on incremental changes that balance the

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science behind the diverse nutritional needs of CACFP participants and the practical abilities of participating centers and day care homes to implement these changes. By setting an implementation date of October 1, 2017, the final rule provides ample lead time for centers and day care homes to learn and understand the new meal pattern standards before they are required to be in full compliance.

FNS is committed to providing guidance, resources, best practices, and training, for CACFP centers and day care homes to support them in providing healthy, balanced meals and snacks to the children and adults they serve. In FY 2016, FNS provided technical assistance to State agencies, sponsoring organizations, centers, and day care homes by hosting in-person and online trainings and issuing tip sheets and policy guidance. Eight new memoranda helped explain the updated meal patterns and answer questions about implementation, best practices, meal components, drinking water, and meals for infants and for children in preschool and afterschool care programs.

FNS also partnered with the Institute of Child Nutrition to design a training curriculum to provide State agency staff with the fundamental knowledge and skills they need to implement the updated meal patterns in every CACFP setting. Upon completion of the training, staff will have all the materials they need to conduct the same training for sponsoring organizations and centers in their States.

CACFP Program Integrity and Simplification

FNS is committed to working with States to ensure that sponsoring organizations, centers, and day care homes meet high standards of Program effectiveness and integrity. To that end, FNS has proposed a series of improvements to target systemic and significant violations to further safeguard the integrity of the Child Nutrition Programs and help ensure that taxpayer dollars are being invested as intended.

The enhanced oversight and enforcement tools included in the proposed rule, *Child Nutrition Program Integrity*, published in FY 2016, would improve the financial management of CACFP by increasing State resources, strengthening review timeframes, and establishing other requirements designed to improve oversight by State agencies and sponsoring organizations. Publication of a final rule, combined with ongoing efforts to support CACFP sponsoring organizations, centers, and day care homes will result in improved Program implementation, ensuring America's children receive the nutritious meals they need to learn and thrive.

In addition to the measures FNS is taking to protect program integrity through the *Child Nutrition Program Integrity* rule, FNS will be codifying provisions from the HRFKA to improve the efficiency of CACFP processes. The HRFKA made changes to CACFP that simplified the application and renewal process and eligibility determinations, while addressing Program management weaknesses. Additional provisions provide for the use of a standard permanent agreement between sponsoring organizations and day care centers, require sponsoring organizations to vary the timing of reviews, and streamline administrative payments. In FY 2012, FNS published a proposed rule, *Child and Adult Care Food Program: Amendments Related to the Healthy, Hunger-Free Kids Act of 2010*, to address these Program changes. FNS will codify these changes in the final stage of rulemaking.

The HRFKA also directed FNS 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. FNS engaged a workgroup of CACFP stakeholders to explore recommendations for streamlining CACFP, which were included in a report submitted to Congress in FY 2015. The report has recommendations to promote local flexibility, embrace technology solutions, and support innovative ways to expand participation. The recommendations also emphasize potential flexibilities to make monitoring tools and reporting processes more effective at improving CACFP integrity and encourage consistency with other Child Nutrition Programs.

Since the enactment of HRFKA, FNS has issued nine memoranda to address many of the workgroup's initial recommendations and provided clarification where needed. In FY 2016, FNS issued additional policy guidance, hosted a webinar, and created a resource library. FNS also engaged States in training on technology solutions – keys to shaping the future of CACFP and improving access, oversight, and integrity.

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SUMMER FOOD SERVICE PROGRAM

Program Mission

The Summer Food Service Program (SFSP) was established to provide low-income children with access to nutritious meals when school is not in session. Free meals, meeting Federal nutrition guidelines, are provided to all children 18 years old and under at approved SFSP sites in areas in which 50 percent of children are eligible for free or reduced price school meals during the school year. Local organizations sponsoring the program must be public or private non-profit schools, government agencies, private non-profit organizations that meet certain criteria or residential camps. Meal sites are limited to two meals (which cannot include both lunch and supper) or one meal and one snack daily. However, 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 every eligible child each day.

Sponsoring organizations receive reimbursement for each eligible meal served through SFSP, and may receive USDA Foods for use in their meals. Funds also are made available to conduct health inspections and to defray State and local administrative costs.

Facts in Brief

- During 2016, 154.5 million meals were served, 5.5% decrease from FY 2015 at 163.5 million meals.
- During FY 2016, 48,618 feeding sites provided 154.5 million meals to needy children through the SFSP. Compared to FY 1990, meals have increased 70.2 percent from 91.2 million.
- In FY 2016, approximately 57.2 percent of the meals served were lunches (56.7 percent in FY 2015), 28.2 percent were breakfasts (27.4 percent FY 2015), and the remaining 14.7 percent were suppers and supplements (15.8 percent in FY 2015).

SFSP Integrity and 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 intends to finalize this rule. By streamlining 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.

Increased Access to Summer Meals

Increasing access to summer meals for children in low-income areas is an important priority for USDA. Historically, summer meals served through the SFSP and the National School Lunch Program's Seamless Summer Option (SSO) reach only about 17 percent of the 21 million children receiving free or reduced price lunches during the school year. Beginning in 2013, FNS formed State Targeted Technical Assistance Teams (STATs) to improve access to the USDA summer meal programs by focusing efforts on specific States. Over the last four years, FNS has increased participation of eligible children through the STAT approach, publicized best practices among all States, and enhanced the Agency's understanding of Program implementation challenges to better inform future policy decisions. Through intensive technical assistance, FNS has cultivated strong partnerships with State leaders around specific access goals to ensure that local community efforts are supported at all levels.

During each year of the targeted assistance, FNS focused on specific areas for expansion, including delivery of meals in rural and tribal areas, transportation of children to meal sites, informing low-income families about the availability of summer meals, and increasing the number of sites in underserved areas. FNS also developed and

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launched extensive technology innovations to help connect families to meals through the Summer Site Finder, and to assist States and community leaders to identify key areas of need using the Capacity Builder. In an effort to institutionalize successful strategies, FNS has begun to shift from targeting assistance in focus States to promoting sustainable growth nationwide.

Summer EBT Demonstrations

Improving access to food during the summer months when school is not in session has been a long standing priority for USDA. However, SFSP and SSO are still reaching only a fraction of the children in need of nutrition assistance when school is out, due in part to statutory limitations on SFSP site eligibility. Since 2010, USDA has implemented several types of demonstration projects to test alternative methods for feeding children over the summer. These projects have been operated under authority provided in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (P.L. 111-80) which provided \$85 million to conduct demonstration projects aimed at reducing or eliminating food insecurity and hunger among children and improving their nutritional status during the summer months.

The largest of these demonstration projects is the Summer Electronic Benefits Transfer for Children (Summer EBT) project which provides food benefits on debit cards to eligible low-income families with school-aged children during the summer months, giving them resources to use at retail food stores. Rigorous evaluations of this project show its tremendous potential to reduce food insecurity among children. 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. In 2013, FNS also tested the difference between providing children with a \$30 benefit versus a \$60 benefit in Michigan, Oregon, Chickasaw, and Delaware. 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 addition, Summer EBT was able to improve the diets of young, low-income Americans during the summer. Participating children in households with Summer EBT ate more fruits and vegetables, whole grains, and dairy foods while consuming fewer sugar-sweetened beverages than a control group of non-participating peers. Evaluations have also illustrated the success of the Summer EBT projects at significantly reducing food insecurity and improving the nutritional status of low-income children in the summer across diverse project areas. This indicates that this model could be effectively implemented in a wide variety of communities, including those that have difficulty accessing existing summer meal programs and that have historically shown low participation in summer meals. This includes rural and tribal areas, communities in which transportation options are limited or costly, and communities that face barriers to access due to parental concern about crime or adverse weather during the summer months.

The size of the Summer EBT projects varied by year as a result of the program evaluation and the availability of funding.

- In 2011, 11,400 children participated in five States that were selected as proof-of concept grantees: Connecticut, Michigan, Missouri, Oregon, and Texas.
- In 2012, 61,000 children participated in ten States and Tribal Nations. The demonstration operated in all five 2011 grantees and was expanded to include 5 new grantees: Cherokee Nation, Chickasaw Nation, Delaware, Nevada, and Washington.
- In 2013, the same 10 grantees operated as in 2012, providing benefits to 91,000 participating children.
- In 2014, the demonstration was scaled back, and nearly 17,000 children participated in three States and Tribal Nations: Cherokee Nation, Michigan, and Oregon.
- In 2015, FNS received additional funds in the 2015 appropriations bill and, as a result, was able to fund eight States and Tribal Nations to provide benefits to the same households that participated in 2013 and to expand to new households in rural areas. In total, 137,000 children participated in summer 2015,
- In 2016, FNS received additional funds in the 2016 appropriations bill and awarded \$28.6 million to 2015 grantees to continue their Summer EBT efforts and to further expand to reach more children in rural areas

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or areas of significant need, including Flint, Michigan. Grantees were approved to target benefits to over 250,000 children, nearly 90 percent more than were served in 2015. Six grantees expanded their programs in rural areas (Cherokee, Chickasaw, Delaware, Missouri, Nevada, and Oregon), building on the significant rural and tribal expansion that began in 2015. Two grantees (Michigan and Missouri) expanded in areas of extreme need, which included Flint, MI, Detroit, MI and Ferguson, MO.

Other demonstration projects implemented using authority and funds provided in the 2010 appropriations bill included projects that tested extending the length of SFSP operations, incentivizing activities at SFSP sites, delivering meals in rural areas, and giving children backpacks with meals to take home on the days that SFSP meals are not available. Ultimately, it was determined that Summer EBT had the greatest potential to efficiently reach a large number of children through an EBT benefit.

FRESH FRUIT AND VEGETABLE PROGRAM

Program Mission

The Fresh Fruit and Vegetable Program (FFVP) provides fresh fruits and vegetables to all children in participating elementary schools located in low-income areas as snacks outside the regular meal service. USDA provides a limited amount of funding to States which select schools to participate based on statutory criteria. States rank order schools based on the percentage of children eligible for free and reduced price meals, and distribute the funds accordingly. The program 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 percent of the SY funds) and October 1 (approximately 75 percent of the remaining SY funds are delayed each year by the appropriations language). USDA:

- Provides implementation guidance and technical assistance as needed;
- Provides training to program operators as needed;
- Developed an 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 codify 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.

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USDA was directed to conduct an evaluation of the impacts, implementation, acceptance and other outcomes of the pilot. Schools were authorized to 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. Results from the evaluation are expected in 2017.

FOOD SAFETY

The Office of Food Safety (OFS) uses its food safety education funds to develop education, instruction and technical assistance resources to facilitate the implementation of food safety requirements in Child Nutrition programs and support the food safety needs of program operators at every level of program administration. These resources are supported by science-based food safety research as well as continuous collaboration with food safety partners.

Food Safety and Food Defense in Schools

In FY 2016, OFS continued to promote food safety through the distribution and development of food safety resources. OFS published an infographic on Food Safety in Schools to communicate food safety practices that prevent the transmission of norovirus through school meals; distributed nearly 400 copies of the *Food-Safe Schools Action Guide: Creating a Culture of Food Safety* – a tool that guides school nutrition directors in creating a gold standard food safety program; and continued its food defense efforts by offering Food Defense Tabletop Exercises through the Institute of Child Nutrition.

Produce Safety

Produce Safety University (PSU), a week-long course offered by OFS that immerses school nutrition professionals into the produce industry and highlights food safety concerns across the supply chain, was offered six times in FY 2016 resulting in the direct development of 180 Child Nutrition program operators from 45 States, DC, American Samoa, Northern Mariana Islands, and Puerto Rico. Classes were held across the country in Davis, CA; Ft. Lauderdale, FL; Beltsville, MD; 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. As a result of their experience at PSU, 63 percent of graduates worked with their distributor to source local produce, and 41 percent worked directly with a local grower to bring in farm fresh produce. Additionally, 64 percent of graduates made changes to receiving, storing, or handling practices. The train-the-trainer element of PSU was expanded in 2016, with publication of best practice guides for site visits to produce distributors and fresh-cut facilities, two harvest preservation guides, and a training video on the Agricultural Marketing Service's (AMS) Market News. OFS also developed the hashtag #producesafetynu, a repository for produce safety information as well as a forum for dialogue amongst PSU graduates.

Food Allergies

Through cooperative agreements with the Center of Excellence for Food Safety Research in Child Nutrition Programs at Kansas State University and the Institute of Child Nutrition (ICN) at the University of Mississippi, FNS guided the development of a research-based educational video that addresses the importance of safe food practices in the management of food allergies in schools. This tool, specifically designed to motivate behavior change, will be integrated into ICN's *Managing Food Allergies in Child Nutrition* – a training course supported by a cooperative agreement with the Office of Food Safety. In FY 2016, *Managing Food Allergies in Child Nutrition Programs* was offered at no cost to child nutrition professionals more than nine times in multiple locations across the United States, reaching more than 335 individuals.

OFS also manages a cooperative agreement with the National Academies of Sciences, Engineering, and Medicine, Health and Medicine Division (HMD) (formerly the Institute of Medicine (IOM)) to support the Global Consensus Study on Food Allergies. This alliance highlights the importance of food allergies in schools to develop a study focused on the issue and shaped related research questions. Publication of the study results is anticipated in 2017.

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. In this capacity, the Center

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contributed, as an expert body in food safety, to numerous outreach events including the International Association of Food Protection (IAFP) Annual Meeting, Institute of Food Technologists (IFT) Annual Meeting, School Nutrition Association Annual (SNA) National Conference (ANC), and various webinars and regionally based conferences. In FY 2016, the Center delivered three sessions of *Serving up Science: The Path to Safe Food in Schools*. This food science immersion course 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. In FY 2016, the Center published the results of a produce wash study in *Food Control* as well as final reports on research related to food allergy management in schools and food safety practices in summer meal programs. Additionally, the Center continues to conduct research in the areas of behavior assessment, safe cooling practices, the application of food safety practices in child care programs, and the relationship between food safety and food waste.

Institute of Child Nutrition

The Institute of Child Nutrition (ICN) at the University of Mississippi delivers food safety training, resources and technical assistance in a variety of easy-to-use formats to operators of federally funded Child Nutrition Programs through a cooperative agreement with OFS. 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 FY 2016, through the OFS cooperative agreement, ICN offered 65 in-person food safety training courses that reached more than 2,000 child nutrition professionals on subjects that included Norovirus, Food Allergies, Food Defense, Food Safety Basics, Food Safety in Schools, and Food Safety in Child Care. Food Safety in Schools is now available in Spanish in an in-person, instructor led format. The ICN also held a Child and Adult Care Food Program (CACFP) Food Safety National Advisory Council meeting to identify and address gaps in food safety resources for this audience. This meeting was followed by a Child Care Food Safety Task Force. The work product of these groups, the Food Safety in Family Child Care Resource Guide, was finalized in May 2016.

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, the *Dietary Guidelines for Americans*, and the *Foodservice Guidelines for Federal Facilities*. OFS also delivered presentations to these stakeholders and liaised with multiple agencies and offices within USDA and Department of Health and Human Services (DHHS) on behalf of FNS.

In FY 2016, OFS provided technical food safety assistance that informed FNS nutrition policy, including *The Use of Share Tables in Child Nutrition Programs*, *Taking Food Components Off-site in the At-Risk Afterschool Component of the Child and Adult Care Food Program*, and *Procuring Local Meat, Poultry, Game, and Eggs for Child Nutrition Programs*. OFS also provided expert technical review for nutrition education projects such as *A Menu Planner for Healthy School Meals*, the *Infant Feeding Guide*, and the *Summer Meals, Summer Moves* toolkit.

Hold and Recall Actions

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 Food and Drug Administration, DHHS) to determine the impact of food recalls on USDA Foods. In 2016, significant recalls potentially impacting FNS programs included a chicken nugget recall and a very large frozen fruit and vegetable recall.

In FY 2016, OFS continued to host the USDA State Emergency Notification System (SENS) – an alert system that allows State agencies to rapidly notify local agencies about food safety emergencies, such as recalls. At the end of FY 2016, 41 State agencies had SENS accounts.

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

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quantities needed to meet planned levels of assistance. In addition to providing food to people who need it, purchases of USDA Foods support domestic agricultural markets.

The USDA Foods subsidy for the NSLP and CACFP is authorized by the NSLA in Sections 6(c) and 17(h), respectively, and is based on a "rate per meal" concept which is adjusted each July 1 to reflect changes in the Producer Price Index for food used in schools and institutions. Similarly, Section 13(h) of the NSLA authorizes USDA Foods for the SFSP. Additionally, Section 6(e) of the NSLA requires that in each school year, not less than 12 percent of all Federal nutrition assistance in the NSLP be provided in the form of USDA Foods. When available, USDA also provides bonus foods acquired through the price support and surplus removal programs (Section 32). The value of bonus food is counted towards the 12 percent requirement.

The Agricultural Act of 2014 (P.L. 113-79, the 2014 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 2016 USDA Foods Assistance Rate

For SY 2015-2016, schools, daycare centers and residential institutions were authorized to receive an average of 23.75 cents worth of USDA Foods per lunch/supper served. The rate for USDA Foods decreased to 23 cents on July 1, 2016, for SY 2016-2017. USDA Foods provided to Child Nutrition Programs (excluding bonus and cash in lieu of entitlement USDA Foods) totaled \$1.6 billion for FY 2016.

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 must not be less than 12 percent of the total value of expenditures supporting NSLP. Therefore, despite a drop in the SY 2016-2017 per meal rate, the overall USDA Foods entitlement amount schools receive will increase slightly in SY 2016-2017 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 2016, FNS continued to ensure schools had access to a wide variety of healthy foods by adding new products such as dried cranberries in individual bags, frozen pepper/onion blend, crinkle cut sweet potatoes, precooked 100 percent beef patties, precooked pulled pork, individual portion peanut butter cups, and medium grain brown rice. To ensure effective use of USDA Foods in schools and improve knowledge of best practices for USDA Foods utilization, FNS provided education sessions at national conferences, local meetings, and webinars, and circulated a quarterly USDA Foods e-letter targeting the school foodservice population.

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 over \$198 million in entitlement funds on produce through this program in SY 2015-2016.

The Fresh Fruits and Vegetables Order Receipt System (FFAVORS) web application offers participating agencies in 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 2016, FNS

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implemented four software releases to the FFAVORS web application providing enhancements and code fixes to existing functionality.

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 all States receiving deliveries in FY 2016 and spending approximately \$5.4 million in USDA Foods entitlement funds.

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 is conducting an evaluation of the pilot, as directed in the 2014 Farm Bill.

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 2016, \$271 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 six reports related to the Child Nutrition Programs during FY 2016, which are available at: <http://www.fns.usda.gov/ops/child-nutrition-programs>. These reports include:

- **CACFP Sponsor Tiering Determination Assessment 2014:** This annual study reports on errors in CACFP FDCH tiering in response to IPERA reporting requirements.
- **Healthy, Hunger-Free Kids Act (HHFKA) Implementation Research Briefs:** This series of eight research briefs focuses on SFAs that have successfully implemented key provisions of the Healthy, Hunger-

FOOD AND NUTRITION SERVICE

Free Kids Act. The briefs examine successful strategies for meeting sodium and whole grains targets, increasing fruit and vegetable consumption, reducing plate waste, implementing Smart Snacks, and maintaining or increasing revenue and participation. An additional paper provides a conceptual view of the role of HHFKA and SFAs in addressing childhood obesity. The briefs are based on a series of focus groups and interviews conducted with SFA directors around the country.

- **Summer Electronic Benefit Transfer for Children (Summer EBT) Demonstration: Summary Report 2011-2014:** This comprehensive report follows a series of prior reports that provided annual information on each summer's activities. This report summarizes findings from each evaluation of Summer EBT from 2011-2014 by analyzing data pooled from the 2011, 2012, 2013, and 2014 (benefit use only) evaluations.
- **Direct Certification with Medicaid in the National School Lunch Program: Year 2 Report (Report to Congress):** This study presents an evaluation of the Direct Certification with Medicaid demonstration project. This report examines the impact on school meals certification processes of directly certifying children for school lunch based on participation in Medicaid.
- **Regional Office Review of Applications (RORA) for School Meals 2015:** This is the eleventh in a series of annual reports that examines administrative errors incurred during the local educational agency's (LEA) approval process of household applications for free and reduced-price meals in the National School Lunch Program (NSLP).
- **Approaches to Measuring Erroneous Payments in the NSLP and SBP at the State-Level:** The second Access, Participation, Eligibility and Certification Study (APEC II) included a follow-on report that provided statistically-derived State-level estimates of school meals erroneous payments. However, while APEC II provided a rough indicator of relative risk for groups of States (e.g., higher than average, about average, lower than average), it was not a State-representative direct measure, and creating actual annual measures of such erroneous payments at the State level using APEC methodology is cost-prohibitive. This report explores alternative approaches to developing measurement-based State-specific estimates that are responsive to year-to-year changes in the actual underlying rate in each State. It also provides cost and burden estimates for the implementation of each of these methods.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

FINANCING FOR FISCAL YEAR 2016

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-----	\$24,396	\$219,342,818	\$78,779,542	\$3,984,270	\$29,355,074	\$52,538,987	\$8,438,310	\$392,463,398
Alaska-----	1,656	35,419,400	12,052,893	1,208,312	2,579,137	9,202,697	2,028,923	62,493,019
Arizona-----	45,865	278,117,716	93,091,357	4,512,203	30,741,539	51,168,540	3,476,885	461,154,105
Arkansas-----	0	134,994,259	53,083,359	3,459,256	15,525,904	57,462,073	6,025,824	270,550,674
California-----	321,817	1,471,535,566	503,354,177	27,252,813	176,889,902	429,088,713	24,220,797	2,632,663,784
Colorado-----	151,967	134,304,848	49,266,571	3,042,937	16,309,990	25,792,326	4,707,703	233,576,341
Connecticut-----	123,480	98,891,440	30,633,912	1,954,104	11,312,358	18,032,257	5,052,446	165,999,997
Delaware-----	24,900	36,358,353	13,804,740	940,576	6,478,295	16,187,246	2,064,930	75,859,040
District of Columbia-----	7,287	28,071,378	11,318,459	719,296	1,177,940	8,663,174	2,537,437	52,494,971
Florida-----	16,892	821,087,755	256,395,244	12,238,973	90,191,037	249,852,820	42,523,003	1,472,305,725
Georgia-----	11,825	529,920,790	191,255,997	9,268,679	54,726,220	119,257,644	15,997,009	920,438,164
Hawaii-----	0	45,191,207	11,598,498	995,857	4,193,840	7,103,004	626,681	69,709,091
Idaho-----	112,652	54,065,333	19,374,860	1,235,373	6,675,729	7,730,836	4,369,159	93,563,942
Illinois-----	1,971,541	462,429,665	139,125,608	6,853,496	49,865,477	146,783,914	11,585,290	818,614,990
Indiana-----	147,421	260,970,426	78,398,599	3,698,208	42,049,655	56,735,154	8,813,678	450,813,141
Iowa-----	64,928	107,955,283	27,177,210	2,383,326	17,640,631	27,690,218	4,164,372	187,075,968
Kansas-----	62,367	106,496,922	31,271,107	1,923,467	11,183,794	33,198,842	4,421,897	188,558,396
Kentucky-----	24,432	222,013,127	88,082,316	3,225,799	25,025,049	37,380,184	8,073,128	383,824,035
Louisiana-----	17,090	227,359,439	79,253,335	5,051,099	25,716,651	99,967,921	9,939,633	447,305,168
Maine-----	15,839	34,496,695	12,570,921	980,482	4,677,145	10,098,885	2,457,195	65,297,162
Maryland-----	282,725	174,269,596	70,117,743	4,061,705	23,185,894	56,678,229	9,468,138	338,064,029
Massachusetts-----	267,363	189,450,949	57,783,338	3,430,312	27,833,544	65,393,167	8,769,200	352,927,872
Michigan-----	248,896	301,195,840	109,900,485	5,409,461	35,503,908	68,388,325	12,021,781	532,668,695
Minnesota-----	712,920	165,374,762	50,994,391	3,870,714	29,173,293	63,810,099	9,121,538	323,057,717
Mississippi-----	2,917	175,471,602	64,091,483	2,769,304	19,481,864	43,299,128	8,024,033	313,140,331
Missouri-----	426,359	210,184,698	75,560,386	3,854,220	31,119,378	51,130,128	14,214,975	386,490,145
Montana-----	13,527	27,686,252	9,177,039	810,324	4,399,181	10,928,461	2,090,392	55,105,176
Nebraska-----	68,947	69,791,204	17,717,384	1,737,628	12,338,657	32,315,481	2,774,117	136,743,419
Nevada-----	151,310	100,174,893	35,695,108	1,757,726	11,383,069	10,284,070	1,956,064	161,402,239
New Hampshire-----	153,132	23,032,082	5,504,563	576,712	4,800,032	5,224,056	1,174,672	40,465,249
New Jersey-----	351,045	261,055,805	95,778,776	6,499,092	29,054,614	79,318,602	9,401,087	481,459,020
New Mexico-----	0	100,977,487	44,852,473	2,898,046	11,509,983	33,855,831	6,214,597	200,308,417
New York-----	646,009	697,620,023	220,054,258	11,826,803	84,108,280	266,964,527	62,213,382	1,343,433,282
North Carolina-----	127,348	380,891,504	134,649,155	7,108,093	49,983,578	95,185,194	13,842,989	681,787,860
North Dakota-----	22,409	20,147,018	5,299,991	741,677	5,260,780	10,933,973	782,848	43,188,697
Ohio-----	341,330	362,159,791	122,278,865	7,886,214	57,194,450	87,679,478	11,291,204	648,831,331
Oklahoma-----	21,044	170,703,773	61,271,678	4,434,332	24,806,705	57,902,762	4,429,632	323,569,926
Oregon-----	94,789	117,759,883	39,415,239	3,136,716	15,280,802	35,408,358	6,141,062	217,236,849
Pennsylvania-----	295,928	369,272,377	110,896,207	6,602,629	52,013,202	113,446,018	14,547,017	667,073,378
Rhode Island-----	50,790	30,892,761	10,036,041	1,099,515	4,398,004	9,600,436	1,556,444	57,633,992
South Carolina-----	6,677	210,913,475	80,698,341	3,135,312	22,257,266	33,065,850	8,730,892	358,807,814
South Dakota-----	24,786	31,132,290	8,368,021	888,407	4,329,469	8,957,987	1,537,835	55,238,796
Tennessee-----	20,751	278,803,778	110,632,188	4,633,787	24,824,823	69,526,312	10,704,656	499,146,295
Texas-----	18,125	1,444,299,620	566,291,978	27,872,575	161,603,092	361,047,645	40,800,937	2,601,933,973
Utah-----	50,471	99,481,186	22,056,764	1,935,080	14,044,099	28,381,195	1,252,778	167,201,573
Vermont-----	35,857	15,357,714	5,700,033	834,066	2,281,636	6,447,412	1,398,709	32,055,428
Virginia-----	119,566	241,811,348	82,495,959	4,009,043	24,605,631	46,229,760	10,282,641	409,553,947
Washington-----	221,368	201,583,930	55,763,496	3,946,644	26,785,595	47,467,647	5,918,150	341,686,830
West Virginia-----	17,502	76,535,853	40,251,144	1,924,727	11,378,511	16,216,985	1,735,192	148,059,914
Wisconsin-----	1,060,724	170,789,226	51,663,958	2,828,897	27,169,830	40,233,410	8,742,421	302,488,466
Wyoming-----	29,516	14,930,974	3,850,446	580,406	2,555,346	4,929,678	940,435	27,816,800
American Samoa-----	0	0	0	0	0	0	0	0
Guam-----	0	7,939,599	2,768,603	376,848	21,189	419,541	0	11,525,780
North Mariana Islands-----	0	0	0	0	0	0	0	0
Puerto Rico-----	0	116,528,180	30,919,748	2,003,340	13,197,783	28,531,644	11,486,527	202,667,221
Trust Territory (excluding CNMI)-----	0	0	0	0	0	0	0	0
Virgin Islands-----	0	4,725,837	995,869	332,907	323,318	1,489,103	528,762	8,395,796
Indian Tribe Set Asi-----	0	0	0	0	0	0	0	0
Indian Tribes-----	0	0	0	0	0	0	0	0
Freely Associated Sts-----	0	0	0	0	0	0	0	0
DOD/AF/USMC/Navy-----	0	8,453,713	0	0	205,457,965	0	0	213,911,678
AMS/WBSCM-----	0	0	0	0	10,661,239	0	0	10,661,239
Perfect Truck Pilot-----	0	0	0	0	0	0	0	0
AAFES-----	0	0	0	0	1,316,497	0	0	1,316,497
Anticipated Adjustment-----	156,513	79,266,559	58,117,145	37,242,853	-395,715,089	96,933,072	64,318,597	-59,680,350
TOTAL-----	\$9,187,000	\$12,259,688,000	\$4,241,537,000	\$267,984,641	\$1,312,242,789	\$3,451,559,000	\$539,938,000	\$22,082,136,430

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

**FOOD AND NUTRITION SERVICE
CHILD NUTRITION PROGRAM
Entitlement and Bonus
Fiscal Year 2016**

STATE OR TERRITORY	Entitlement	Bonus	Total
Alabama	\$27,654,337	\$0	\$27,654,337
Alaska	2,298,032	0	2,298,032
Arizona	28,224,397	0	28,224,397
Arkansas	14,011,246	0	14,011,246
California	163,562,978	0	163,562,978
Colorado	15,278,688	0	15,278,688
Connecticut	10,708,103	0	10,708,103
Delaware	5,956,164	0	5,956,164
District of Columbia	970,484	0	970,484
Florida	84,041,841	0	84,041,841
Georgia	50,048,558	0	50,048,558
Hawaii	3,834,238	0	3,834,238
Idaho	6,349,017	0	6,349,017
Illinois	44,377,662	0	44,377,662
Indiana	40,056,361	0	40,056,361
Iowa	16,310,286	0	16,310,286
Kansas*	0	0	0
Kentucky	23,523,322	0	23,523,322
Louisiana	23,141,912	0	23,141,912
Maine	4,219,152	0	4,219,152
Maryland	21,334,642	0	21,334,642
Massachusetts	25,728,288	0	25,728,288
Michigan	32,574,626	0	32,574,626
Minnesota	25,932,337	0	25,932,337
Mississippi	18,185,445	0	18,185,445
Missouri	28,967,316	0	28,967,316
Montana	3,921,761	0	3,921,761
Nebraska	11,186,945	0	11,186,945
Nevada	11,231,471	0	11,231,471
New Hampshire	4,699,316	0	4,699,316
New Jersey	26,489,326	0	26,489,326
New Mexico	9,807,367	0	9,807,367
New York	76,288,181	0	76,288,181
North Carolina	45,874,035	0	45,874,035
North Dakota	4,698,329	0	4,698,329
Ohio	53,216,280	0	53,216,280
Oklahoma	22,437,663	0	22,437,663
Oregon	14,032,002	0	14,032,002
Pennsylvania	48,569,540	0	48,569,540
Rhode Island	4,045,489	0	4,045,489
South Carolina	21,041,099	0	21,041,099
South Dakota	3,873,370	0	3,873,370
Tennessee	22,785,562	0	22,785,562
Texas	150,724,494	0	150,724,494
Utah	12,956,623	0	12,956,623
Vermont	2,105,085	0	2,105,085
Virginia	22,855,877	0	22,855,877
Washington	24,555,278	0	24,555,278
West Virginia	10,570,814	0	10,570,814
Wisconsin	24,879,345	0	24,879,345
Wyoming	2,275,840	0	2,275,840
Puerto Rico	12,216,893	0	12,216,893
Virgin Islands	295,891	0	295,891
AAFES	1,316,497	0	1,316,497
DoD Fresh	205,457,965	0	205,457,965
AMS/WBSCM Admin Expenses	10,661,239	0	10,661,239
Undistributed	-395,715,151	0	-395,715,151
TOTAL	\$1,186,643,857	\$0	\$1,186,643,857

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

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAM

Quantity and Value of Commodities

Fiscal Year 2016

ENTITLEMENT COMMODITIES	Pounds	Value
APPLES, BULK FOR PROCESSING	34,475,835	\$12,669,843
APPLES, CANNED, UNSWEETENED	5,619,744	4,060,353
APPLES, FRESH	3,201,660	1,966,023
APPLES, FROZEN, UNSWEETENED	2,692,800	1,235,214
APPLESAUCE, CANNED, UNSWEETENED	30,128,435	13,651,418
APPLESAUCE, CUPS, UNSWEETENED	26,281,800	14,565,569
APRICOTS, CUPS, FROZEN	2,069,760	3,681,454
APRICOTS, SLICES, FROZEN	190,000	279,186
APRICOTS, CANNED, EXTRA LIGHT SYRUP	1,588,248	1,333,661
BEANS, CANNED, BABY LIMA, LOW-SODIUM	349,920	137,350
BEANS, CANNED, BLACK TURTLE, LOW-SODIUM	2,799,360	924,386
BEANS, CANNED, BLACK-EYED PEA, LOW-SODIUM	1,084,347	413,097
BEANS, CANNED, GARBANZO, LOW-SODIUM	1,994,544	698,172
BEANS, CANNED, GREAT NORTHERN, LOW-SODIUM	559,872	178,597
BEANS, CANNED, GREEN, LOW-SODIUM	18,194,400	7,243,874
BEANS, CANNED, KIDNEY, LOW-SODIUM	2,379,456	811,704
BEANS, CANNED, PINTO, LOW-SODIUM	9,726,966	3,235,678
BEANS, CANNED, REFRIED, LOW-SODIUM	5,297,628	2,189,848
BEANS, CANNED, SMALL RED, LOW-SODIUM	804,816	265,715
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	9,237,483	2,960,888
BEANS, DRY, PINTO, NO SALT ADDED	400,000	184,976
BEANS, DRY, PINTO, BULK FOR PROCESSING	540,000	271,128
BEANS, GREEN, FROZEN, NO SALT ADDED	6,296,400	3,097,199
BEEF, BULK FOR PROCESSING	73,267,000	166,209,780
BEEF, CANNED	432,000	1,240,524
BEEF, CRUMBLES, WITH SOY PROTEIN, COOKED, FROZEN	3,000,000	7,357,739
BEEF, FINE, GROUND, 85/15, FROZEN	24,187,000	56,428,410
BEEF, FINE, GROUND, 85/15, FROZEN, LFTB OPTIONAL	1,640,000	3,991,276
BEEF, PATTIES, 85/15, FROZEN	2,014,000	4,914,380
BEEF, PATTIES, 85/15, WITH SOY PROTEIN, FROZEN	1,216,000	2,585,930
BEEF, PATTIES, 90/10, FROZEN	570,000	1,575,735
BEEF, PATTIES, COOKED, WITH SOY PROTEIN, FROZEN	3,154,000	7,709,257
BEEF, PATTIES, LEAN, FROZEN	418,000	1,280,984
BEFF, PATTIES, COOKED, FROZEN	1,444,000	5,636,829
BLUEBERRIES, FROZEN, HIGHBUSH, UNSWEETENED	4,514,250	4,550,962
BLUEBERRIES, FROZEN, WILD, UNSWEETENED	1,267,200	1,402,372
BROCCOLI, FROZEN, NO SALT ADDED	12,587,400	15,634,560
CARROTS, CANNED, LOW-SODIUM	2,773,848	1,130,616
CARROTS, FROZEN, NO SALT ADDED	7,603,200	3,308,851
CATFISH, WHOLE GRAIN-RICH BREADED, FILLET STRIPS, FROZEN	1,040,000	4,824,400
CHEESE, AMERICAN, LOAVES	1,544,400	2,995,613
CHEESE, AMERICAN, SLICES	8,909,700	15,725,523
CHEESE, BLENDED AMERICAN, REDUCED FAT, SLICES	11,919,600	18,910,676
CHEESE, CHEDDAR, BULK FOR PROCESSING	49,062,000	94,127,301
CHEESE, CHEDDAR, REDUCED FAT, SHREDDED	8,601,450	16,226,421
CHEESE, CHEDDAR, SHREDDED	2,649,600	5,036,441
CHEESE, MOZZARELLA, BULK FOR PROCESSING	56,917,000	93,585,269
CHEESE, MOZZARELLA, LITE, SHREDDED	2,943,360	5,357,856
CHEESE, MOZZARELLA, LOW MOISTURE, PART SKIM, LOAVES	5,967,360	10,100,967
CHEESE, MOZZARELLA, LOW MOSITURE, PART SKIM, SHREDDED	6,693,120	12,132,369
CHEESE, MOZZARELLA, LOW MOSITURE, PART SKIM, STRING	3,099,600	7,408,743

FOOD AND NUTRITION SERVICE

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAM

Quantity and Value of Commodities

Fiscal Year 2016

ENTITLEMENT COMMODITIES (cont.)	Pounds	Value
CHERRIES, CANNED, WATER PACKED	528,322	400,724
CHERRIES, DRIED	118,272	536,807
CHERRIES, FROZEN, UNSWEETENED	806,040	656,281
CHERRIES, FROZEN, TART	153,600	133,568
CHICKEN, BULK FOR PROCESSING	146,466,000	117,537,907
CHICKEN, CANNED, WHITE MEAT	562,125	1,309,380
CHICKEN, CUT UP, FROZEN	4,000,000	3,506,424
CHICKEN, DICED, COOKED, FROZEN	12,840,000	28,133,042
CHICKEN, FAJITA STRIPTS, COOKED, FROZEN	11,310,000	17,657,411
CHICKEN, OVEN ROASTED, COOKED, FROZEN	7,236,000	16,664,298
CHICKEN, UNSEASONED STRIPS, COOKED, FROZEN	5,537,400	9,918,572
CORN, CANNED, NO SALT ADDED	14,645,808	5,729,386
CORN, FROZEN, NO SALT ADDED	15,246,000	7,298,233
CRANBERRIES, DRIED	519,750	796,964
CRANBERRIES, DRIED INDIVIDUAL PORTIONS	815,625	1,312,445
DoD FRESH PRODUCE		205,457,965
EGGS, BULK FOR PROCESSING	15,648,000	9,569,827
EGGS, LIQUID WHOLE, FROZEN	4,042,020	3,236,726
FLOUR, BULK FOR PROCESSING	24,660,000	4,806,983
FLOUR, WHITE WHOLE WHEAT/ENRICHED BLEND	4,334,635	1,084,994
FLOUR, WHOLE WHEAT	344,160	68,880
FRUIT MIX, CANNED, EXTRA LIGHT SYRUP	36,505,168	31,724,311
FRUIT MIX, DRIED	509,600	1,456,903
HAM, COOKED, FROZEN	9,920,000	17,135,996
MILK, 1% LOW-FAT	437,133	231,987
MUSHROOMS, DICED, FROZEN, NO SALT ADDED	110,880	98,960
OATS, ROLLED	320,256	129,852
OIL, SOYBEAN	591,360	407,599
OIL, VEGETABLE	3,252,249	1,756,540
OIL, VEGETABLE, BULK FOR PROCESSING	1,104,000	480,826
ORANGE JUICE, INDIVIDUAL, FROZEN, UNSWEETENED	14,538,240	7,338,712
PANCAKES, WHOLE GRAIN-RICH	1,836,864	1,639,645
PASTA, WHOLE GRAIN	1,091,600	362,876
PASTA, WHOLE GRAIN-RICH	3,566,600	1,305,279
PEACHES, CANNED, EXTRA LIGHT SYRUP	67,536,681	58,241,605
PEACHES, CUPS, FROZEN	14,636,160	22,726,191
PEACHES, SLICED, FROZEN	1,292,000	1,328,575
PEANUT BUTTER	3,289,140	3,213,166
PEANUT BUTTER BULK FOR PROCESSING	4,920,000	3,962,068
PEANUT BUTTER, INDIVIDUAL PACKAGES	285,828	370,860
PEANUTS, BULK FOR PROCESSING	5,500,000	2,536,780
PEARS, CANNED, EXTRA LIGHT SYRUP	43,696,520	34,149,351
PEARS, FRESH	607,500	372,033
PEAS, CANNED, LOW-SODIUM	2,593,728	1,227,014
PEAS, FROZEN, NO SALT ADDED	5,306,400	3,141,823
PEPPER/ONION BLEND, FROZEN	1,029,600	962,636
POLLOCK, ALASKA, BULK FOR PROCESSING	3,643,200	4,668,020
PORK, BULK FOR PROCESSING	15,781,320	15,367,383
PORK, CANNED	432,000	713,102
PORK, LEG ROAST, FROZEN	3,280,000	4,225,393

FOOD AND NUTRITION SERVICE

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAM

Quantity and Value of Commodities

Fiscal Year 2016

ENTITLEMENT COMMODITIES	Pounds	Value
PORK, PULLED, FROZEN	1,560,000	4,331,334
POTATO WEDGES, FAT FREE, LOW-SODIUM, FROZEN	3,128,400	2,068,968
POTATO WEDGES, LOW-SODIUM, FROZEN	3,405,600	2,029,255
POTATOES, BULK FOR PROCESSING	202,935,845	16,004,422
POTATOES, OVEN FRIES, LOW-SODIUM, FROZEN	9,146,550	5,168,591
POTATOES, RUSSET, FRESH	200,000	60,448
RAISINS, INDIVIDUAL BOX, UNSWEETENED	3,888,576	5,571,096
RICE, BROWN	9,366,000	3,729,075
SALSA, CANNED/POUCH, LOW-SODIUM	6,809,652	2,758,556
SPAGHETTI SAUCE, CANNED/POUCH, LOW-SODIUM	6,408,972	2,293,265
SPINACH, FROZEN	1,141,200	924,336
STRAWBERRIES, CUPS, FROZEN	38,329,065	62,042,325
STRAWBERRIES, SLICED, FROZEN	5,425,200	6,507,829
STRAWBERRIES, WHOLE, FROZEN, UNSWEETENED	4,435,200	5,173,489
SUNFLOWER SEED BUTTER	702,240	1,372,879
SWEET POTATOES, FRESH	280,000	168,050
SWEET POTATOES, BULK FOR PROCESSING	15,861,500	3,569,750
SWEET POTATOES, CANNED, LIGHT SYRUP	2,437,776	1,502,728
SWEET POTATOES, FROZEN, CHUNKS, NO SALT ADDED	712,800	491,845
TOMATO PASTE, BULK FOR PROCESSING	13,805,400	5,649,964
TOMATO PASTE, CANNED/POUCH, NO SALT ADDED	1,676,135	953,126
TOMATO SAUCE, CANNED/POUCH, LOW-SODIUM	3,075,696	1,067,565
TOMATOES, CANNED, DICED, NO SALT ADDED	4,081,428	1,392,907
TORTILLAS, WHOLE GRAIN- RICH	2,064,690	1,138,080
TUNA, CANNED	3,052,411	5,457,125
TURKEY HAM, FROZEN	3,439,600	6,218,957
TURKEY, BULK FOR PROCESSING	37,368,000	49,383,961
TURKEY, DELI BREAST, FROZEN	10,679,800	36,623,472
TURKEY, ROAST, FROZEN	10,010,920	24,546,045
TURKEY, TACO FILLING , COOKED, FROZEN	4,484,250	7,239,992
TURKEY, WHOLE, FROZEN	114,000	148,508
YOGURT, CUP, BLUEBERRY, HIGH PROTEIN	414,126	529,549
YOGURT, CUP, STRAWBERRY, HIGH PROTEIN	541,224	694,274
YOGURT, CUP, VANILLA, HIGH PROTEIN	131,928	167,519
YOGURT, TUB VANILLA, HIGH PROTEIN	147,163	176,872
YOGURT, TUB, PLAIN, HIGH PROTEIN	3,672	4,131
SUBTOTAL	1,394,041,365	\$1,571,697,708
Anticipated Adjustment		-\$395,715,089
AMS/WBSCM Admin Expenses		10,661,239
TOTAL COMMODITY ENTITLEMENT	1,394,041,365	\$1,186,643,857
<i>Bonus Commodities</i>	0	\$0
TOTAL BONUS COMMODITIES	0	\$0
TOTAL -ALL COMMODITIES	1,394,041,365	1,186,643,857
Cash In-Lieu of Commodities	0	\$125,598,932
GRAND TOTAL	1,394,041,365	1,312,242,789
Source: WBSCM -- Sales Order and contract information.		

FOOD AND NUTRITION SERVICE

**SCHOOL LUNCH PROGRAM
SCHOOLS, ENROLLMENT AND PARTICIPATION
FISCAL YEAR 2016**

STATE OR TERRITORY	NUMBER OF SCHOOLS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,473	754	543
Alaska-----	437	117	54
Arizona-----	1,794	1,072	646
Arkansas-----	1,118	482	325
California-----	9,971	6,297	3,278
Colorado-----	1,738	839	373
Connecticut-----	1,065	520	290
Delaware-----	251	144	100
District of Columbia-----	230	85	55
Florida-----	3,880	2,853	1,728
Georgia-----	2,312	1,734	1,246
Hawaii-----	295	180	110
Idaho-----	686	291	159
Illinois-----	4,129	1,855	1,125
Indiana-----	2,138	1,113	761
Iowa-----	1,397	540	389
Kansas-----	1,505	490	349
Kentucky-----	1,351	727	536
Louisiana-----	1,535	798	561
Maine-----	614	177	101
Maryland-----	1,505	927	449
Massachusetts-----	2,191	979	541
Michigan-----	3,372	1,550	846
Minnesota-----	2,013	875	626
Mississippi-----	914	501	392
Missouri-----	2,482	945	606
Montana-----	819	151	84
Nebraska-----	939	347	244
Nevada-----	606	442	227
New Hampshire-----	449	177	88
New Jersey-----	2,630	1,287	705
New Mexico-----	894	253	222
New York-----	6,150	2,925	1,715
North Carolina-----	2,536	1,534	902
North Dakota-----	407	116	94
Ohio-----	3,713	1,827	1,035
Oklahoma-----	1,878	682	460
Oregon-----	1,354	589	310
Pennsylvania-----	3,472	1,778	1,053
Rhode Island-----	358	151	82
South Carolina-----	1,199	794	488
South Dakota-----	869	149	111
Tennessee-----	1,800	1,002	678
Texas-----	8,266	5,321	3,431
Utah-----	950	656	339
Vermont-----	340	87	50
Virginia-----	1,960	1,278	706
Washington-----	2,107	1,247	529
West Virginia-----	746	292	197
Wisconsin-----	2,447	889	539
Wyoming-----	316	94	51
American Samoa-----	0	0	0
Guam-----	45	33	21
Puerto Rico-----	1,589	458	306
Virgin Islands-----	54	16	12
DOD/ Army/AF/USMC/Navy-----	3	43	19
TOTAL-----	99,292	51,462	30,882

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 2016

STATE OR TERRITORY	TOTAL LUNCHES SERVED			
	PAID (000)	REDUCED PRICE (000)	FREE (000)	TOTAL (000)
Alabama-----	20,824	4,659	62,361	87,844
Alaska-----	1,981	511	6,269	8,761
Arizona-----	23,213	7,929	76,642	107,785
Arkansas-----	11,709	4,793	36,876	53,378
California-----	101,434	58,874	396,964	557,272
Colorado-----	21,011	6,080	34,359	61,450
Connecticut-----	18,289	2,454	26,801	47,544
Delaware-----	4,967	494	10,465	15,926
District of Columbia-----	1,052	166	7,948	9,166
Florida-----	47,305	13,823	236,662	297,791
Georgia-----	45,843	11,607	149,667	207,117
Hawaii-----	6,582	1,836	9,558	17,976
Idaho-----	8,620	2,437	13,866	24,923
Illinois-----	40,049	7,314	134,726	182,089
Indiana-----	49,124	9,714	67,696	126,534
Iowa-----	32,353	4,201	26,783	63,337
Kansas-----	21,915	5,206	26,346	53,466
Kentucky-----	16,541	1,904	66,110	84,554
Louisiana-----	17,304	3,414	65,823	86,541
Maine-----	5,855	1,229	9,058	16,141
Maryland-----	20,668	5,165	48,075	73,907
Massachusetts-----	30,690	3,121	52,661	86,472
Michigan-----	37,962	8,840	83,777	130,579
Minnesota-----	51,337	8,870	38,538	98,744
Mississippi-----	9,554	3,529	51,253	64,337
Missouri-----	33,901	7,154	56,452	97,507
Montana-----	5,260	961	7,273	13,494
Nebraska-----	18,963	3,785	16,455	39,203
Nevada-----	6,118	3,784	27,292	37,194
New Hampshire-----	7,671	908	5,628	14,207
New Jersey-----	38,370	7,614	70,063	116,047
New Mexico-----	5,122	1,449	29,416	35,988
New York-----	66,454	15,317	198,323	280,094
North Carolina-----	31,633	8,295	108,446	148,374
North Dakota-----	9,552	986	4,453	14,992
Ohio-----	53,099	9,743	102,470	165,312
Oklahoma-----	17,934	5,608	46,574	70,117
Oregon-----	11,628	3,169	33,305	48,102
Pennsylvania-----	58,834	6,859	107,607	173,300
Rhode Island-----	3,873	923	8,421	13,216
South Carolina-----	17,135	3,903	59,740	80,778
South Dakota-----	8,743	1,266	7,406	17,415
Tennessee-----	22,381	4,310	83,309	110,000
Texas-----	130,461	35,991	404,125	570,578
Utah-----	26,587	5,749	23,329	55,665
Vermont-----	3,251	648	4,041	7,939
Virginia-----	41,544	9,586	63,217	114,347
Washington-----	25,590	8,285	53,286	87,161
West Virginia-----	9,522	903	22,028	32,453
Wisconsin-----	36,517	4,927	44,928	86,373
Wyoming-----	3,967	1,013	3,393	8,373
Guam-----	424	46	2,421	2,891
Puerto Rico-----	7,340	4,221	30,480	42,041
Virgin Islands-----	253	125	1,385	1,763
DOD Army/AF/USMC/Navy-----	2,149	758	716	3,623
TOTAL-----	1,350,458	336,458	3,365,264	5,052,180

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

FOOD AND NUTRITION SERVICE

**SCHOOL BREAKFAST PROGRAM
SCHOOLS, ENROLLMENT, AND PARTICIPATION
FISCAL YEAR 2016**

STATE OR TERRITORY	NUMBER OF SCHOOLS AND INSTITUTIONS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,426	739	277
Alaska-----	382	105	25
Arizona-----	1,687	1,034	318
Arkansas-----	1,102	478	192
California-----	8,825	5,756	1,765
Colorado-----	1,445	701	190
Connecticut-----	871	437	109
Delaware-----	250	150	53
District of Columbia-----	211	85	38
Florida-----	3,816	2,839	846
Georgia-----	2,335	1,560	666
Hawaii-----	294	180	38
Idaho-----	651	281	82
Illinois-----	3,395	1,591	434
Indiana-----	1,939	1,054	289
Iowa-----	1,294	522	107
Kansas-----	1,405	464	122
Kentucky-----	1,283	704	310
Louisiana-----	1,455	764	289
Maine-----	589	174	51
Maryland-----	1,482	917	284
Massachusetts-----	1,806	804	194
Michigan-----	3,041	1,439	415
Minnesota-----	1,749	806	227
Mississippi-----	862	459	217
Missouri-----	2,303	924	297
Montana-----	712	135	33
Nebraska-----	779	307	77
Nevada-----	579	423	111
New Hampshire-----	411	164	22
New Jersey-----	2,121	1,044	325
New Mexico-----	832	244	156
New York-----	5,731	2,718	729
North Carolina-----	2,502	1,525	482
North Dakota-----	363	109	26
Ohio-----	3,229	1,640	469
Oklahoma-----	1,827	668	241
Oregon-----	1,282	573	150
Pennsylvania-----	3,112	1,638	398
Rhode Island-----	349	150	36
South Carolina-----	1,185	792	279
South Dakota-----	746	138	31
Tennessee-----	1,770	982	408
Texas-----	8,254	5,305	2,002
Utah-----	839	581	86
Vermont-----	330	86	25
Virginia-----	1,929	1,277	315
Washington-----	1,959	1,153	189
West Virginia-----	738	290	161
Wisconsin-----	1,954	790	191
Wyoming-----	288	90	15
Guam-----	42	31	10
Puerto Rico-----	1,589	458	111
Virgin Islands-----	37	14	3
TOTAL-----	91,387	48,294	14,917

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 2016**

STATE OR TERRITORY	TOTAL BREAKFASTS SERVED					TOTAL (000)
	PAID (000)	REDUCED PRICE		FREE		
		REGULAR (000)	SEVERE NEED (000)	REGULAR (000)	SEVERE NEED (000)	
Alabama-----	5,817	102	1,690	781	36,376	44,767
Alaska-----	625	6	185	48	3,522	4,387
Arizona-----	7,547	131	3,271	1,288	41,522	53,759
Arkansas-----	4,504	49	2,473	463	23,415	30,902
California-----	42,053	577	28,331	3,540	221,284	295,785
Colorado-----	6,237	189	2,900	819	20,466	30,611
Connecticut-----	2,806	125	580	997	13,607	18,114
Delaware-----	1,549	27	172	209	6,379	8,335
District of Columbia-----	603	12	68	58	5,381	6,123
Florida-----	18,743	117	5,731	896	120,099	145,586
Georgia-----	14,479	163	5,433	1,122	87,921	109,118
Hawaii-----	1,249	55	488	213	4,151	6,156
Idaho-----	3,040	32	1,065	176	8,262	12,574
Illinois-----	4,800	125	1,791	1,042	66,712	74,470
Indiana-----	7,835	310	2,752	2,076	33,961	46,935
Iowa-----	3,582	340	775	2,014	10,567	17,278
Kansas-----	2,994	194	1,589	754	13,161	18,692
Kentucky-----	4,877	43	701	402	42,362	48,386
Louisiana-----	3,911	76	1,228	1,130	37,135	43,481
Maine-----	1,997	38	614	163	5,330	8,142
Maryland-----	11,703	147	3,000	1,012	29,923	45,785
Massachusetts-----	3,627	134	849	1,629	26,435	32,675
Michigan-----	10,353	206	3,359	2,946	48,807	65,671
Minnesota-----	10,854	1,005	2,633	3,030	18,747	36,269
Mississippi-----	2,392	9	1,395	605	30,268	34,670
Missouri-----	9,223	237	3,019	1,934	32,589	47,002
Montana-----	1,315	51	289	196	4,010	5,861
Nebraska-----	3,532	212	1,088	766	6,640	12,238
Nevada-----	2,522	14	1,760	55	16,173	20,524
New Hampshire-----	909	61	189	398	2,109	3,665
New Jersey-----	8,735	170	2,830	1,437	42,916	56,087
New Mexico-----	3,142	31	744	338	21,050	25,305
New York-----	16,280	465	5,154	5,002	100,762	127,664
North Carolina-----	10,276	110	3,704	968	61,899	76,957
North Dakota-----	1,617	232	141	861	1,466	4,316
Ohio-----	11,028	229	3,092	2,103	56,786	73,239
Oklahoma-----	5,940	151	2,498	852	26,991	36,432
Oregon-----	3,731	34	1,405	301	17,931	23,402
Pennsylvania-----	8,580	330	1,561	4,597	50,918	65,985
Rhode Island-----	1,021	13	353	105	4,482	5,974
South Carolina-----	5,802	66	1,692	535	37,443	45,538
South Dakota-----	883	135	190	560	3,200	4,967
Tennessee-----	8,206	79	1,947	1,775	52,759	64,766
Texas-----	49,055	853	16,547	5,661	256,988	329,104
Utah-----	2,993	219	1,210	968	8,640	14,029
Vermont-----	960	63	282	261	2,402	3,969
Virginia-----	9,434	408	3,639	2,225	35,184	50,889
Washington-----	4,452	114	3,127	0	24,053	31,746
West Virginia-----	6,694	42	573	316	18,362	25,988
Wisconsin-----	5,969	412	1,222	2,670	21,338	31,612
Wyoming-----	654	43	281	204	1,403	2,584
Guam-----	162	0	11	0	1,351	1,525
Puerto Rico-----	2,242	3	1,584	8	13,206	17,043
Virgin Islands-----	81	0	40	0	455	576
DOD Army/AF/USMC/Navy-----	0	0	0	0	0	0
TOTAL-----	363,613	8,988	133,245	63,197	1,879,303	2,448,346

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 2016

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-----	1,929	69	5,044	1,186	22,422	28,652	3,445	32,097
Alaska-----	529	12	1,568	245	1,550	3,362	981	4,344
Arizona-----	3,221	46	6,607	1,451	15,187	23,244	8,809	32,053
Arkansas-----	1,854	75	6,445	2,221	25,623	34,289	2,671	36,960
California-----	22,415	644	18,187	6,945	125,411	150,543	68,301	218,843
Colorado-----	2,104	50	5,443	811	9,012	15,267	3,845	19,112
Connecticut-----	1,170	25	1,643	575	5,791	8,009	2,794	10,803
Delaware-----	901	22	2,302	275	5,453	8,031	2,337	10,368
District of Columbia-----	277	13	780	181	3,470	4,431	166	4,598
Florida-----	6,924	320	28,452	9,420	108,491	146,363	9,438	155,801
Georgia-----	4,435	164	21,260	4,681	47,876	73,817	7,364	81,181
Hawaii-----	497	12	3,377	379	1,638	5,394	708	6,102
Idaho-----	483	13	1,719	272	2,489	4,481	1,232	5,713
Illinois-----	9,094	159	14,228	3,111	41,439	58,778	33,770	92,549
Indiana-----	3,137	98	7,167	1,181	15,821	24,169	15,358	39,527
Iowa-----	2,487	46	8,456	617	5,635	14,707	8,727	23,434
Kansas-----	3,745	53	6,213	883	5,035	12,130	13,080	25,210
Kentucky-----	1,582	78	7,567	1,398	15,712	24,677	1,418	26,094
Louisiana-----	9,455	117	3,989	911	20,157	25,057	27,479	52,536
Maine-----	1,065	12	898	135	1,426	2,460	4,396	6,856
Maryland-----	4,501	116	5,189	444	17,145	22,778	11,876	34,654
Massachusetts-----	5,170	91	4,700	1,409	19,409	25,519	15,854	41,373
Michigan-----	5,588	113	5,787	942	17,540	24,269	18,551	42,820
Minnesota-----	7,741	97	6,589	590	8,363	15,542	32,212	47,755
Mississippi-----	1,632	48	3,786	1,223	19,695	24,704	2,187	26,892
Missouri-----	2,552	80	10,019	1,058	18,522	29,599	6,844	36,442
Montana-----	818	15	1,667	194	2,477	4,338	3,039	7,377
Nebraska-----	2,723	47	6,079	516	7,156	13,751	10,247	23,998
Nevada-----	484	20	1,187	163	3,857	5,207	438	5,645
New Hampshire-----	290	10	1,765	175	1,914	3,854	441	4,295
New Jersey-----	2,109	100	5,393	2,017	33,834	41,244	1,509	42,754
New Mexico-----	2,892	40	3,381	629	9,255	13,266	7,131	20,396
New York-----	14,336	392	13,580	2,871	72,747	89,197	52,287	141,484
North Carolina-----	4,152	136	20,275	4,434	38,734	63,443	7,558	71,001
North Dakota-----	1,263	19	2,997	122	1,288	4,406	5,168	9,574
Ohio-----	4,345	129	14,320	2,158	33,387	49,865	9,578	59,442
Oklahoma-----	2,639	58	7,119	1,662	21,086	29,866	8,574	38,440
Oregon-----	2,909	56	1,974	211	7,408	9,593	9,649	19,242
Pennsylvania-----	5,215	161	16,344	3,612	45,841	65,796	8,078	73,874
Rhode Island-----	500	10	1,268	244	3,524	5,036	1,086	6,122
South Carolina-----	1,257	49	3,819	689	13,832	18,339	2,660	21,000
South Dakota-----	812	18	2,589	152	1,911	4,653	3,088	7,741
Tennessee-----	3,708	92	7,235	1,574	23,875	32,684	10,562	43,246
Texas-----	12,394	628	42,539	13,441	136,991	192,971	25,817	218,788
Utah-----	2,075	36	3,446	346	4,829	8,621	9,732	18,353
Vermont-----	684	12	724	100	1,605	2,429	1,728	4,157
Virginia-----	3,726	75	9,937	1,296	14,759	25,992	9,276	35,268
Washington-----	3,176	86	10,145	1,172	15,737	27,054	8,493	35,547
West Virginia-----	1,566	28	2,728	283	4,733	7,745	2,949	10,694
Wisconsin-----	2,917	65	10,321	783	11,916	23,019	7,100	30,119
Wyoming-----	413	8	1,261	228	1,041	2,530	1,457	3,987
Guam-----	23	1	193	16	151	360	4	364
Puerto Rico-----	1,370	31	231	159	14,493	14,883	224	15,107
Virgin Islands-----	78	2	70	49	701	820	0	820
TOTAL-----	183,362	4,899	380,005	81,839	1,109,392	1,571,236	511,715	2,082,951

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 2016**

STATE OR TERRITORY	NUMBER OF SITES	PARTICIPATION (JULY) (000)	TOTAL MEALS SERVED (000)
Alabama-----	925	49	2,597
Alaska-----	153	5	303
Arizona-----	278	13	1,076
Arkansas-----	574	36	2,032
California-----	2,224	124	8,558
Colorado-----	470	20	1,465
Connecticut-----	574	28	1,586
Delaware-----	336	12	721
District of Columbia-----	299	28	802
Florida-----	4,235	505	14,584
Georgia-----	1,438	88	5,255
Hawaii-----	84	6	189
Idaho-----	276	19	1,252
Illinois-----	1,519	58	3,962
Indiana-----	1,248	56	2,869
Iowa-----	427	18	1,234
Kansas-----	477	30	1,341
Kentucky-----	1,640	42	2,489
Louisiana-----	607	33	3,221
Maine-----	389	14	764
Maryland-----	1,455	74	3,065
Massachusetts-----	1,058	60	2,732
Michigan-----	1,549	84	3,643
Minnesota-----	751	55	2,980
Mississippi-----	507	35	2,623
Missouri-----	752	39	4,585
Montana-----	202	10	633
Nebraska-----	186	9	821
Nevada-----	304	12	645
New Hampshire-----	170	15	290
New Jersey-----	1,351	58	2,951
New Mexico-----	637	28	1,835
New York-----	2,460	416	19,318
North Carolina-----	2,028	69	4,550
North Dakota-----	78	4	240
Ohio-----	1,653	51	3,955
Oklahoma-----	522	14	1,431
Oregon-----	812	38	1,819
Pennsylvania-----	2,365	71	5,024
Rhode Island-----	208	11	471
South Carolina-----	1,509	62	3,023
South Dakota-----	88	6	478
Tennessee-----	1,539	40	3,680
Texas-----	3,220	128	13,326
Utah-----	99	8	373
Vermont-----	266	9	480
Virginia-----	1,263	59	3,611
Washington-----	860	43	1,928
West Virginia-----	430	10	555
Wisconsin-----	712	90	2,821
Wyoming-----	79	4	303
Puerto Rico-----	1,193	23	3,786
Virgin Islands-----	139	7	222
TOTAL-----	48,618	2,823	154,500

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 2016**

STATE OR TERRITORY	OUTLETS			TOTAL	OBLIGATIONS (000)
	SCHOOLS	NON-RESIDENTIAL CHILD CARE INSTITUTIONS	SUMMER CAMPS		
Alabama-----	1	0	1	2	\$24
Alaska-----	1	0	0	1	2
Arizona-----	29	0	0	29	46
Arkansas-----	0	0	0	0	0
California-----	103	2	18	123	322
Colorado-----	57	0	4	61	152
Connecticut-----	61	0	5	66	123
Delaware-----	5	0	0	5	25
District of Columbia-----	4	0	0	4	7
Florida-----	5	0	2	7	17
Georgia-----	1	0	0	1	12
Hawaii-----	0	0	0	0	0
Idaho-----	64	0	9	73	113
Illinois-----	487	0	10	497	1,972
Indiana-----	37	0	12	49	147
Iowa-----	39	0	9	48	65
Kansas-----	88	0	3	91	62
Kentucky-----	2	0	0	2	24
Louisiana-----	6	0	0	6	17
Maine-----	3	0	5	8	16
Maryland-----	71	35	3	109	283
Massachusetts-----	83	35	29	147	267
Michigan-----	61	0	30	91	249
Minnesota-----	239	94	55	388	713
Mississippi-----	1	0	0	1	3
Missouri-----	149	0	4	153	426
Montana-----	15	0	5	20	14
Nebraska-----	50	0	3	53	69
Nevada-----	2	10	0	12	151
New Hampshire-----	26	15	25	66	153
New Jersey-----	80	0	8	88	351
New Mexico-----	0	0	0	0	0
New York-----	152	22	45	219	646
North Carolina-----	21	0	12	33	127
North Dakota-----	15	0	11	26	22
Ohio-----	98	0	10	108	341
Oklahoma-----	5	0	1	6	21
Oregon-----	32	0	10	42	95
Pennsylvania-----	70	15	21	106	296
Rhode Island-----	14	7	6	27	51
South Carolina-----	2	0	0	2	7
South Dakota-----	27	0	0	27	25
Tennessee-----	2	0	3	5	21
Texas-----	5	1	0	6	18
Utah-----	36	0	16	52	50
Vermont-----	6	3	2	11	36
Virginia-----	29	0	0	29	120
Washington-----	45	6	10	61	221
West Virginia-----	5	0	0	5	18
Wisconsin-----	502	186	23	711	1,061
Wyoming-----	6	7	2	15	30
Virgin Islands-----	0	0	0	0	2
Anticipated Adjustment-----					154
TOTAL-----	2,842	438	412	3,692	\$9,187

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 2016**

STATE OR TERRITORY	AVERAGE SERVED DAILY			TOTAL SERVED		
	FREE (000)	PAID (000)	TOTAL (000)	FREE (000)	PAID (000)	TOTAL (000)
Alabama-----	0	1	1	4	118	122
Alaska-----	0	0	0	0	8	8
Arizona-----	0	1	1	16	215	231
Arkansas-----	0	0	0	0	0	0
California-----	0	6	6	99	1,542	1,641
Colorado-----	0	4	4	70	691	761
Connecticut-----	0	2	3	39	579	618
Delaware-----	0	1	1	0	125	125
District of Columbia-----	0	0	0	10	22	32
Florida-----	0	0	0	9	68	77
Georgia-----	0	0	0	5	57	62
Hawaii-----	0	0	0	0	0	0
Idaho-----	0	2	2	30	571	601
Illinois-----	10	46	56	1,707	8,119	9,826
Indiana-----	0	3	3	45	725	770
Iowa-----	0	1	1	10	318	328
Kansas-----	0	1	2	41	270	311
Kentucky-----	0	1	1	10	112	122
Louisiana-----	0	1	1	0	92	92
Maine-----	0	0	0	11	68	79
Maryland-----	0	8	8	6	1,416	1,422
Massachusetts-----	0	3	3	25	1,184	1,208
Michigan-----	0	5	5	44	1,152	1,196
Minnesota-----	0	11	12	14	3,532	3,546
Mississippi-----	0	0	0	0	15	15
Missouri-----	1	12	13	99	2,050	2,150
Montana-----	0	0	0	11	57	68
Nebraska-----	0	1	1	12	314	326
Nevada-----	0	2	2	3	735	738
New Hampshire-----	0	2	2	45	743	788
New Jersey-----	1	10	11	195	1,569	1,764
New Mexico-----	0	0	0	0	0	0
New York-----	1	12	13	1,176	2,062	3,238
North Carolina-----	0	2	2	0	644	644
North Dakota-----	0	0	0	2	112	114
Ohio-----	0	8	9	68	1,662	1,730
Oklahoma-----	0	0	0	0	96	96
Oregon-----	0	2	2	20	452	472
Pennsylvania-----	1	3	4	144	1,396	1,540
Rhode Island-----	0	0	0	14	239	254
South Carolina-----	0	0	0	0	30	30
South Dakota-----	0	0	0	73	46	119
Tennessee-----	0	0	0	0	94	94
Texas-----	0	0	0	0	90	90
Utah-----	0	1	1	4	273	277
Vermont-----	0	0	0	10	161	171
Virginia-----	0	4	4	0	636	636
Washington-----	0	4	4	7	1,112	1,119
West Virginia-----	0	1	1	13	73	87
Wisconsin-----	1	23	24	192	5,117	5,309
Wyoming-----	0	0	0	0	149	149
Virgin Islands-----	0	0	0	0	0	0
TOTAL-----	19	188	207	4,283	40,911	45,194

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~~] \$6,150,000,000, to remain available through September 30, [2017] 2019: *Provided*, That notwithstanding section 17(h)(10) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(10)), not less than \$60,000,000 shall be used for breastfeeding peer counselors and other related activities, and \$13,600,000 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)

Budget Estimate, 2018.....	\$6,150,000,000
2017 Annualized Continuing Resolution.....	<u>6,337,935,000</u>
Change in Appropriation.....	-187,935,000

Summary of Increases and Decreases
(Dollars in thousands)

Item of Change	2015 Actual	2016 Change	2017 Change	2018 Change	2018 President's Budget
Discretionary Appropriations:					
Grants to States (Suppl. Food and NSA costs)	\$6,468,000	-\$208,000	-\$12,065	-\$187,935	\$6,060,000
Federal Admin. Oversight & Infrastructure	11,000	0	0	0	11,000
WIC Contingency Funds	0	0	0	0	0
All Other Discretionary Appropriations	144,000	155,000	-220,000	0	79,000
Subtotal, Discretionary	6,623,000	-53,000	-232,065	-187,935	6,150,000
Mandatory Appropriations:					
UPC Database (Direct Appropriation)	1,000	0	0	0	1,000
Appropriations or Change	6,624,000	-53,000	-232,065	-187,935	6,151,000
Rescissions	0	-220,000	220,000	-1,000,000	-1,000,000
Sequester	-73	5	-1	69	0
Less Direct Appropriation	-927	-5	1	-69	-1,000
Total Appropriation or Change	6,623,000	-273,000	-12,065	-187,935	6,150,000

FOOD AND NUTRITION SERVICE

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

Project	2015		2016		2017		Increase or Decrease		2018 President's Budget	
	Actual	SY	Actual	SY	Estimate	SY				SY
Grants to States (Food & NSA)	\$6,468,000		\$6,260,000		\$6,247,935		-\$187,935	(1)	\$6,060,000	
Infrastructure Grants	13,600		13,600		13,600		0	(2)	13,600	
Technical Assistance	400		400		400		0	(3)	400	
Breastfeeding Peer Counselors	60,000		60,000		60,000		0	(4)	60,000	
Management Information Systems	55,000		220,000		0		0		0	
Program Evaluation & Monitoring	15,000		5,000		5,000		0	(5)	5,000	
Federal Admin. Oversight	11,000		11,000		11,000		0	(6)	11,000	
WIC Contingency Funds	0		0		0		0		0	
UPC Database (Direct Approp.)	1,000		1,000		1,000		0		1,000	
Total Adjusted Appropriation	6,624,000	37	6,571,000	46	6,338,935	44	-187,935		6,151,000	44
Rescission of balances			-220,000				-1,000,000	(7)	-1,000,000	
Sequester	-73		-68		-69		69		0	
UPC Database (Direct Approp.)	-927		-932		-931		-69		-1,000	
Total Appropriation	6,623,000	37	6,350,000	46	6,337,935	44	-187,935		6,150,000	44

FY 2017 doesn't include \$220M MIS as in the President's Budget. The \$220M assumes a full year CR budget. The 2017 discretionary ATB was calculated on the entire account and the total ATB cut was just applied to benefits.

FOOD AND NUTRITION SERVICE

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

Project	2015		2016		2017		2018 President's Budget	
	Actual	SY	Actual	SY	Estimate	SY	Budget	SY
Grants to States:								
Supplemental Food	\$4,680,403		\$4,711,000		\$4,811,686		\$4,875,861	
Nutrition Services and Admin. Costs	1,989,974		2,019,000		1,904,462		1,925,035	
Subtotal, Grants to States	6,670,377		6,730,000		6,716,148		6,800,896	
Infrastructure Grants	10,139		9,852		13,600		13,600	
Technical Assistance	381		5,594		400		400	
Breastfeeding Peer Counselors	59,707		60,292		60,000		60,000	
Management Information Systems	9,961		62,051		200,000		20,000	
Program Evaluation & Monitoring	13,461		3,272		5,000		5,000	
Federal Admin. Oversight	3,484		8,603		11,000		11,000	
WIC Contingency Funds			0		0		0	
UPC Database (Direct Appropriation)	422		234		931		1,000	
Total Obligations	6,767,932		6,879,898		7,007,079		6,911,896	
Recovery of Prior Year Obligations:								
WIC Program	-652,088		-349,766		-652,276		-326,712	
Unobligated Balances:								
Available Start of Year								
WIC Program	-156,844		-665,000		-705,868		-690,000	
WIC Contingency	-125,000		-125,000		-125,000		-125,000	
Available End of Year								
WIC Program	665,000		705,868		690,000		1,255,816	
WIC Contingency	125,000		125,000		125,000		125,000	
Rescission	0		-220,000		0		-1,000,000	
Total Adjusted Appropriation	6,624,000	37	6,351,000	46	6,338,935	44	6,151,000	44
Sequester	-73		-68		-69			
UPC Database (Direct Appropriation)	-927		-932		-931		-1,000	
Total Appropriation	6,623,000	37	6,350,000	46	6,337,935	44	6,150,000	44

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 \$187,935,000 for WIC Grants to States for supplemental food, nutrition services and administrative costs (\$6,247,935 estimated in FY 2017).

The funding requested will support benefits for all eligible women, infants, and children, who seek WIC benefits – currently estimated to be about 7.2 million individuals in FY 2018. The average monthly food cost per person is estimated to increase from \$42.82 in FY 2017 to \$44.17 in FY 2018. The increase in the food 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).

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The average nutrition services and administrative (NSA) cost per person is estimated to increase from \$23.19 in FY 2017 to \$23.83 in FY 2018. 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	2015 Actual	2016 Actual	2017 Estimate	Increase or Decrease	2018 President's Budget
Average Participation Per Month (in millions)	8.024	7.690	7.328	-0.13	7.200
Average Food Cost Per Person Per Month	\$43.37	\$42.77	\$42.82	1.35	\$44.17
Average Admin. Cost Per Person Per Month	19.96	21.08	23.19	0.64	23.83
Total Benefit Costs	\$63.33	\$63.85	\$66.01	\$1.99	\$68.00

- (2) No change for Infrastructure Grants (\$13,600,000 estimated in FY 2017).
These funds are used for infrastructure for the program, for special projects to promote breastfeeding, including projects to assess the effectiveness of particular breastfeeding promotion strategies; and for special State projects of regional or national significance to improve the services of the program.
- (3) No change for Technical Assistance (\$400,000 estimated in FY 2017).
These funds are used to provide technical assistance to State agencies which allows the on-site sharing of best practices in program integrity, technology and caseload/food funds management. In addition, these funds support the development and printing of all nutrition-related training and technical assistance materials for State and local agencies.
- (4) No change for Breastfeeding Peer Counselors (\$60,000,000 estimated in FY 2017).
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.
- (5) No change for Program Evaluation and Monitoring (\$5,000,000 estimated in FY 2017).
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. Examples of recent WIC studies can be found here: <http://www.fns.usda.gov/ops/wic-studies>.
- (6) No change for Federal Administrative Oversight (\$11,000,000 estimated in FY 2017).
Funding in this line item is used to improve Federal oversight of the EBT implementation process and to provide other technical assistance or oversight at the State level. Section 352(d) of the Healthy, Hunger-Free Kids Act of 2010 imposed a requirement that all WIC State agencies must implement EBT systems throughout the State by October 1, 2020. This is an aggressive implementation schedule and requires dedicated resources to ensure that FNS is able to provide the technical support required to assist States in meeting this Congressionally-mandated deadline. FNS is working with individual State agencies on initiatives to plan, develop and implement WIC EBT systems.

In addition, these funds pay for FNS staff to provide oversight and technical assistance to States in order to improve program integrity – specifically with regard to vendor management and improper payments. A periodic study of payment error and program violations shows that, in FY 2011, improper vendor payments

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

(7) No change for Management Information Systems (\$0 estimated in FY 2017).

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 October 2016, twenty-two WIC State agencies have successfully implemented EBT projects Statewide. Twenty-seven WIC State agencies are currently in the planning phase for EBT. Thirty-nine WIC State agencies are currently in the implementing phase for EBT. The 2016 Appropriations Act, PL 114-113, appropriated \$220 million to forward fund WIC MIS/EBT program line for FYs 2016 through 2019. Consequently, no additional funding for FY 2017 is requested.

(8) A cancellation of \$1,000,000,000 in balances from carryover and recoveries not needed to support participation in FY 2018.

The WIC program has been experiencing lower-than-expected participation rates in FYs 2016 and 2017 due to continued flat or declining birth rates – particularly among mothers under the age of 30. In fact, the Centers for Disease Control and Prevention recently released final birth data for 2015 that shows the general fertility rate for all women's age 15-44 declined by 1 percent in 2015. However, the report also shows that birth rates declined more sharply for women in their 20's – typically the largest share of adult WIC participants. As a result of unexpected declining participation, coupled with low food inflation rates, WIC has experienced a buildup of unobligated balances in the program. A cancellation of these funds would still allow the program to continue to serve all eligible women, infants and children.

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Geographic Breakdown of Obligations and Staff Years (SY)

(Dollars in thousands)

Special Supplemental Nutrition Program for Women, Infants and Children (WIC) - Federal Salaries, Benefits & All Other Expenses								
	<u>2015 Actual</u>		<u>2016 Actual</u>		<u>2017 Estimate</u>		<u>2018 President's Budget</u>	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
California	\$181	1	\$343	3	\$337	2	\$345	2
Colorado	335	2	353	3	347	2	355	2
Florida	5	0	0	0	0	0	0	0
Georgia	412	3	500	4	492	3	503	3
Illinois	319	2	373	3	367	3	375	3
Massachusetts	401	3	463	3	455	3	465	3
Michigan	66	0	71	1	70	0	72	0
New Jersey	275	2	347	3	341	2	349	2
Tennessee	44	0	57	0	56	0	57	0
Texas	176	1	350	3	344	2	352	2
Virginia	27,132	23	15,503	23	15,446	27	15,523	27
Undistributed	0	0	0	0	0	0	0	0
TOTAL	\$29,348	37	\$18,359	46	\$18,256	44	\$18,397	44

Note: Totals may not add due to rounding.

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

Classification by Objects

(Dollars in Thousands)

	2015 <u>Actual</u>	2016 <u>Actual</u>	2017 <u>Estimate</u>	2018 <u>President's Budget</u>
Personnel Compensation:				
Washington D.C.....	\$1,776	\$1,974	\$2,164	\$2,213
Field.....	2,085	2,317	2,540	2,598
11.0 Total personnel compensation.....	3,861	4,291	4,704	4,811
12.0 Personnel benefits.....	1,160	1,355	1,485	1,520
13.0 Benefits for former personnel	0	0	0	0
Total personnel comp. and benefits.....	5,021	5,646	6,189	6,331
Other Objects:				
21.0 Travel and transportation of persons.....	134	134	134	135
22.0 Transportation of things.....	2	2	2	2
25.2 Other services from non-Federal sources.....	19,461	11,000	13,574	13,574
26.0 Supplies and materials.....	604	604	605	605
31.0 Equipment.....	0	0		
41.0 Grants.....	6,742,710	6,862,512	6,986,575	6,891,249
Total, Other Objects.....	6,762,911	6,874,252	7,000,890	6,905,565
99.9 Total, new obligations.....	6,767,932	6,879,898	7,007,079	6,911,896
Position Data:				
Average Salary (dollars), GS Position.....	\$96,294	\$95,999	98,015	99,877
Average Grade, GS Position.....	12.5	12.5	12.5	12.5

FOOD AND NUTRITION SERVICE

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

Status of Programs

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, 2015, June 30, 2016, this represented \$44,863 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 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.

FOOD AND NUTRITION SERVICE

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	23.5	23.6	23.6
Under 18 Years Old	8.0	6.8	6.3	6.2	6.1	5.2	4.4	3.4
Breastfeeding	5.3	5.7	6.0	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	41.5	41.6
Non-Hispanic	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	55.9	57.1	57	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
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>

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Program Participation and Costs

Average Monthly Participation (In Thousands)	2008	2009	2010	2011	2012	2013	2014	2015	2016
Women	2,153.20	2,182.40	2,137.90	2,096.90	2,093.70	2,046.70	1,972.83	1,922.25	1,837.41
Infants	2,222.50	2,224.20	2,173.10	2,102.80	2,067.80	2,035.50	1,964.39	1,940.00	1,874.02
Children <5	4,328.80	4,715.10	4,864.00	4,760.90	4,746.30	4,580.60	4,321.25	4,159.07	3,979.29
Total	8,704.50	9,121.70	9,175.00	8,960.60	8,907.80	8,662.80	8,258.48	8,021.32	7,690.72
Change from Prior Year	5.10%	4.80%	0.60%	-2.30%	-0.60%	-2.80%	-4.67%	-2.87%	-4.12%
Food Cost Total (Million \$)	\$4,534	\$4,641	\$4,563	\$5,018	\$4,808	\$4,497	\$4,324	\$4,176	\$3,934
Avg./Person/Month	\$43.41	\$42.40	\$41.44	\$46.67	\$44.98	\$43.26	\$43.64	\$43.37	\$42.62
Change in Per Person Food Cost	11.20%	-2.30%	-2.30%	12.60%	-3.60%	-3.80%	0.87%	-0.61%	-1.73%
Per Person Month Total (Food/Admin.) Cost	\$58.81	\$58.73	\$58.77	\$64.91	\$62.55	\$61.36	\$62.85	\$63.33	\$63.78

Source: Program Information Report, September 30, 2016, National Data Bank, KD21. Updates may be received in future reporting periods.

WIC Food Package

In late FY 2014, FNS awarded a contract to the Institute of Medicine (IOM), now known as the Health and Medicine Division (HMD) of the National Academies to review the WIC-eligible population and provide scientifically-based recommendations for the WIC food packages. During FY 2016, the HMD conducted activities related to Phase II of this review, including holding two public meetings and issuing an interim report, "Review of WIC Food Packages: Proposed Framework for Revisions: Interim Report." The report lists priority nutrients and food groups that the Committee will consider in making its recommendations regarding specific foods. The report also presents the evidence, analyses, and framework that will be applied to develop the final report (Phase II), which will include recommendations.

The HMD's recommendations for changes to the WIC food packages will build on the revisions suggested in their 2006 report, *WIC Food Packages: Time for a Change*, and the subsequent regulatory changes made to the WIC food packages in 2009 through an interim rule and in 2014 through a final rule. Recommended revisions to WIC food packages were 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 HMD'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 2016, FNS revised the following participant nutrition education publications, *Tips for Breastfeeding Women*, *Tips for Pregnant Women*, and *Healthy Eating for Preschoolers*, for consistency with the *2015 Dietary Guidelines for Americans*. Two WIC publications were translated into Spanish in 2016-*Next Steps to Health for You and Your Family* and *Give Your Baby a Healthy Start*.

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In March 2016, a one-year contract was awarded to update *Infant Nutrition and Feeding: A Guide for Use in the Special Supplemental Nutrition Program for Women, Infants, and Children*. The Guide is a resource to help WIC local agency staff promote good practices in the area of infant feeding, plan education classes and referral programs, and select and/or develop educational materials. In FY 2016, FNS continued to expand the number of nutrition services tools available to WIC State and local agency staff through the online WIC Works Resource System, <https://wicworks.fns.usda.gov/>. 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 that the WIC Works Resource System offers. Highlights for FY 2016, include:

- Revising five WLOL courses (WIC 101, Infant Feeding, Breastfeeding Basics, Communicating with Participants, and Value Enhanced Nutrition Assessment I) to reflect the WIC final food package rule, published in FY 2014, and current information related to nutrition and infant feeding;
- Launching a new WLOL course (a part II of an existing course) and additional materials that focus on participant-centered services from assessment to intervention;
- Highlighting WIC's breastfeeding efforts
- Posting Zika virus resources and updating as new and updated information and resources are released.

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 are eligible to receive WIC for a longer period of time than non-breastfeeding postpartum women.

WIC State agencies continue to implement plans that institutionalize breastfeeding peer counseling as a core service in WIC. In FY 2016, FNS awarded nearly \$60 million in grants for breastfeeding peer counseling. The 2015 WIC Breastfeeding Policy Inventory reported that 93 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 provided direct-services. In 2016, FNS completed breastfeeding peer counselor management training in all seven USDA FNS regions. Up to 75 State and local WIC Directors, breastfeeding coordinators and others involved in implementing managing, or providing oversight to WIC peer counseling programs were trained in each region.

Also in FY 2016, FNS awarded a three year cooperative agreement to Every Mother, Inc. to update, develop and implement breastfeeding training curricula for use in the WIC Program. The training will be designed to meet the needs of various WIC staff audiences, including peer counselors, to improve breastfeeding rates in the WIC Program and support the goals of the *Loving Support Makes Breastfeeding Work* Campaign.

In FY 2016, Hager Sharp continued the second phase of their formative research plan to inform the existing USDA breastfeeding promotion campaign, *Loving Support Makes Breastfeeding Work (Loving Support)*, with the completion of the mobile ethnography research with WIC mothers. Twenty WIC moms were interviewed extensively about their breastfeeding journey via a smartphone application at several key touchpoints from prenatal enrollment to the birth of their child and through six weeks postpartum. Also in FY 2016, Hager Sharp developed the first draft of the social marketing plan and initial campaign concepts for focus group testing.

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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). Preparation is underway to conduct 16 focus groups in English and Spanish with target audience populations (e.g., WIC moms, spouses/partners and grandmothers) to test the initial campaign concepts.

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 2016, awards were made to four large State agencies with greater than 1,000 infant participants (Puerto Rico, District of Columbia, Idaho, Wyoming) and four small State agencies with less than 1,000 infant participants (Pleasant Point Passamaquoddy, ME; ACL (Acoma, Canonicito, and Laguna), NM; Seneca Nation, NY; Ute Mountain Ute Tribe, CO). 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 encourage successful State agencies to continue their efforts and motivate other State agencies to strengthen their breastfeeding promotion and support services.

As part of 2016 World Breastfeeding Week celebrations, USDA issued a proclamation declaring August 1-7, 2016 "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 HHFKA 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 of ultimately increasing 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, 2016, WIC awarded the Loving Support Awards of Excellence to 83 WIC local agencies from all seven FNS regions. Seventy-five agencies were selected for a Gold award and eight agencies were selected for a Gold Premiere award.

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.

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. 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

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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 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 2016, FNS Regional staff completed MEs, across all functional areas with the WIC Program, with a recent focus of this work in the area of Certification, Eligibility and Coordination. In FY 2015 and 2016, FNS conducted Certification and Eligibility MEs in all 90 WIC State agencies, 44 of which were conducted in FY 2016. The goal of this targeted effort was to conduct a national in-depth review of Certification Eligibility policy, practices, and procedures. As a result, FNS will utilize the results of the reviews to determine where opportunities for targeted training and technical assistance to State agencies are needed. Additionally, FNS reviewed and analyzed the ME questions in the functional areas in preparation for a revision process.

In FY 2016, FNS formed a work group to revise the Funding and Participation ME functional area. FNS staff analyzed prior ME response rates, frequent findings, relevant regulations, and recommendations from a prior review of all ME questions in preparation for a focus on this area in FY 2017-2018. The FY 2016 review, revision and training process will serve as the template for future efforts to strengthen each functional area of the ME.

FNS also 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. Finally, FNS is currently finalizing 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.

Cost Containment and Vendor Management

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 foods. 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 41.9 percent from FY 1990 to FY 2016, while general food inflation, as measured by the Thrifty Food Plan (TFP), has increased by 90.7 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 2016, States reported an estimated rebate savings of \$1.72 billion. Approximately 92 percent (45) of the geographic State agencies (excluding Mississippi) received a 91 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, three received discounts ranging from 81 to 88 percent and Vermont has a rebate that yields a discount of 33 percent. Nine geographic State agencies implemented milk-based infant formula contracts for FY 2016 with discounts ranging from 98 to 99 percent, with a median discount of 98.22 percent. FNS continues to closely monitor infant formula rebates.

In addition, 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.

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- In FY 2016, FNS analyzed cost containment information from all WIC State agencies in order to target technical assistance and highlight best practices. FNS developed tools and instructions for WIC State agencies to use to assess their current competitive price selection criteria and maximum allowable reimbursement levels to improve the management of their vendor cost containment systems.
- FNS also developed the Vendor Management Handbook that consolidates related regulations, policy, and guidance. The Handbook will be released in FY 2017. The Handbook includes topical guidance designed to help State agencies effectively develop, assess, or implement key vendor management and cost containment system components.
- The Vendor Management MEs that were completed in FY 2013 and FY 2014 served as the basis for FNS to create 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, presented three new vendor tools at the National WIC Association's Technology and Program Integrity Conference, and began work on a comprehensive Vendor Management Handbook. Work on Vendor Management guidance and training materials continued through FY 2016.
- In FY 2016, FNS implemented the State Agency Targeted Assistance Review Tool, which provides a uniform, comprehensive and consistent method to identify State agencies with potential vendor integrity issues.
- In FY 2016, FNS also awarded a contract to conduct a technical assessment of The Integrity Profile system used by WIC State agencies to report annual vendor monitoring and compliance investigation activities. The assessment included a review of the current business requirements, development of new high level requirements for future business needs and an assessment of products, tools and applications suitable to support new requirements. As a result of the assessment, FNS plans to develop and implement system improvements.

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. Metrics gathered from the tool provide data that can be used to help inform the development of WIC initiatives such as the child retention efforts currently underway. Social media efforts are underway to increase awareness of the tool and to emphasize the importance of children participating in the program up to 5 years of age.

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 17 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, Indian Township Passamaquoddy Reservation, Maine, Minnesota, Mississippi, Mississippi Band of Choctaw Indians, Missouri, Montana, Muscogee Creek Nation, Osage

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Nation, Otoe-Missouria, Pleasant Point Passamaquoddy Reservation, Pueblo of San Felipe, Santo Domingo Tribe, Wichita Caddo Delaware (WCD) Enterprises, and Zuni Pueblo;

- The Mountain Plains State Consortium (MPSC), comprised of eight State agencies (Colorado, Iowa, Nebraska, Nevada (also hosting Inter Tribal Council of Nevada, (ITCN), North Dakota, Utah, Vermont, and Wyoming); and
- Crossroads, comprised of five State agencies (Virginia, West Virginia, North Carolina, Eastern Band of Cherokee Indians, NC, and Alabama).

Electronic Benefit Transfer (EBT)

FNS is encouraging EBT in State agencies that can support it, with the goal of nationwide EBT implementation by October 1, 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 2016, 88 WIC State agencies are involved in some phase of EBT -- planning, development, or implementation or they are already operational Statewide. In FY 2016, 14 EBT projects were funded.

As of October 2016, twenty-two WIC State agencies have successfully implemented EBT projects Statewide. Six State agencies (Cherokee, OK; Pueblo of Isleta, NM; New Mexico; Ohio, Texas and Wyoming) are using Smartcard technology and 16 (Chickasaw Nation, OK; Connecticut; Florida; Inter-Tribal Council of Nevada, NV; Indiana, Iowa, Kentucky, Massachusetts; Michigan, Nevada, Oklahoma, Oregon,; Virginia, West Virginia, Vermont and Wisconsin) have successfully implemented EBT using magnetic stripe cards, or online technology.

Twenty-seven WIC State agencies are currently in the planning phase for EBT. They include: ACL (Acoma, Canoncito, and Laguna of NM); Cheyenne River Sioux Tribe, SD; District of Columbia; Eastern Shoshone, WY; Eight Northern Indian Pueblos, Inc., NM; Five Sandoval Indian Pueblos, NM (Lead in NM ITO EBT Project); Georgia; Hawaii; Idaho; Indian Township Passamaquoddy Reservation, ME; Mississippi; Mississippi Band of Choctaw Indians; New Jersey; North Dakota; Northern Arapaho Nation, WY; Omaha Nation, NE; Pleasant Point Passamaquoddy Reservation, ME; Pueblo of Zuni, NM; Rhode Island; Rosebud Sioux Tribe, SD; Santee Sioux Tribe, NE; Seneca Nation, NY; Standing Rock Sioux, ND; Three Affiliated Tribes, ND; Utah, Ute Mountain Ute Tribe, CO; and Winnebago Tribe, NE.

Thirty-nine WIC State agencies are currently in the implementing 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 (CNMI) (Arizona Lead); Delaware; Eastern Band of Cherokee Indians, NC; Guam (Arizona lead); Illinois; Inter Tribal Council, Inc. of Arizona, Inter Tribal Council Inc. of Oklahoma; Kansas; Louisiana; Maine; Maryland (with Virgin Islands); Minnesota; Missouri; Montana; Muscogee Creek Nation OK; Navajo Nation (Arizona lead); Nebraska; New Hampshire; New York; North Carolina; Osage Nation, OK; Otoe-Missouria Tribe, OK; Pennsylvania; Puerto Rico; South Carolina; South Dakota; Tennessee; 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 determination 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 2016, 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. In FY 2015, a new VENA online training module was developed that was launched in FY 2016 on the WIC Works Resource System. FNS, in collaboration with the Food and Nutrition Information Center at the National Agricultural Library, developed the new 1-hour online course for WIC staff titled, VENA: Connecting the Dots between Assessment and Intervention, available through WIC Learning Online.

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Revised WIC Nutrition Risk Criteria: In FY 2016, four WIC nutrition risk criteria were revised (to be implemented in FY 2018) as part of the on-going cyclical review of risk criteria. The following criteria were revised: (1) Slowed/Faltering Growth Pattern; (2) Infectious Diseases; (3) Recent Major Surgery, Trauma, Burns and (4) Inappropriate Nutrition Practices for Infants.

WIC Child Retention

In FY 2016, FNS participated in a variety of WIC child retention activities:

- FNS continued participating in collaboration efforts with the U.S. Department of Health and Human Services, 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. An updated Memorandum of Understanding between FNS and OHS is under development.
- FNS participated in the 2016 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 presented and exhibited at the annual meeting for the National Association of Family Child Care Providers.
- FNS awarded nearly \$2 million in 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. Two Mini grants were funded between \$400,000 - \$500,000 each for projects lasting up to three years.
- FNS sponsored a panel presentation titled “WIC Child Retention Strategies” at the 2016 National WIC Association Nutrition Education and Breastfeeding Promotion Conference. The session included presentations about the Colorado, Vermont and Delaware WIC Special Project Mini grants.
- In FY 2016, three WIC Special Project Mini grants focusing on WIC child retention were completed. Each grant was funded in FY 2015 at approximately \$75,000 for projects lasting 18 months. The final reports for these grants will be posted in early 2017. The WIC Special Project Full grants funded in FY 2015 at approximately \$400,000 each focusing on WIC child retention have progressed as planned and will be completed by FY 2018.
- Collaboration efforts with other programs that serve young children, e.g. child care facilities, Child and Adult Care Food Program, Head Start and Early Head Start and Share Our Strength will continue in FY 2017.
- USDA is also incorporating retention measures into several key studies to better understand why families leave WIC, when and why they return, and what current and former WIC families think could facilitate retention. The WIC Infant Toddler Feeding Practices Study is a longitudinal study, following a nationally-representative sample of infants born into WIC in fall 2013 through their fifth birthday. It will contact families several times each year, whether or not they remain in WIC. The surveys inquire about their WIC experience, including why they left WIC and whether they returned during the study. The National Survey of WIC Participants (NSWP) also examines retention in WIC, along with participants’ experiences at WIC clinics and in the retail environment. Findings from both studies will provide important information for better understanding the challenge and how to address it.

WIC Studies and Evaluations

FNS published six major reports related to WIC during FY 2016, which are available at <http://www.fns.usda.gov/ops/wic-studies>. These include:

- **WIC Eligibles and Coverage: National and State Estimates for 2013** which updates estimates on the number of people eligible for WIC benefits in 2013, including estimates by participant category (including children by single year of age) and coverage rates, and updated estimates in U.S. territories.

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- **WIC Participant and Program Characteristics 2014:** Summarizes the demographic characteristics of participants in WIC nationwide in April 2014. It includes information on participant income and nutrition risk characteristics, estimates breastfeeding initiation rates for WIC infants, and describes WIC members of migrant farm-worker families.
- **Food Package Report** is a supplement to the WIC Participant and Program Characteristics 2014 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 2014. 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 Peer Counseling Study Phase 2** which uses a census of WIC State Agencies to examine their policies regarding Peer Counseling programs. It updates a prior report and considers how the data has changed with increasing Peer Counseling funding.
- **WIC Food Packages Policy Options Study II** describes some of the choices WIC State agencies made as they exercised the WIC food package flexibility offered during the implementation of the Final Rule in 2014, describes the resulting food packages, and examines the main differences in the food packages between the Interim and Final rules.
- **WIC Nutrition Education Study - Phase I Report** provides a nationally representative description of WIC nutrition education. The descriptive findings will be used to inform and refine a pilot study on the impact of WIC nutrition education on behavioral and physical activity outcomes in six sites. This study uses multiple modes of data collection from State agencies, local agencies, nutrition educators, and WIC participants to fully capture WIC nutrition education dosage, duration, and frequency of use by geographic distribution and local agency characteristics.

FOOD AND NUTRITION SERVICE

**SPECIAL SUPPLEMENTAL NUTRITION PROGRAM (WIC)
PARTICIPATION AND PROGRAM FINANCING
FISCAL YEAR 2016**

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION				PROGRAM GRANT 2/ (000)
	WOMEN	INFANTS	CHILDREN	TOTAL	
Alabama-----	31,905	34,348	62,908	129,160	\$110,226
Alaska -----	4,545	4,393	10,181	19,119	24,371
Arizona 1/-----	38,040	41,864	84,091	163,995	142,497
Arkansas-----	21,017	23,195	36,343	80,555	69,128
California-----	265,387	243,490	666,337	1,175,214	1,119,693
Colorado 1/-----	21,804	21,124	44,072	86,999	74,921
Connecticut-----	10,822	12,722	25,611	49,155	46,179
Delaware-----	4,191	4,989	8,845	18,025	15,984
District of Columbia-----	3,806	4,192	6,318	14,316	14,815
Florida -----	117,465	118,834	243,699	479,998	366,304
Georgia-----	63,936	58,562	131,058	253,556	215,726
Hawaii-----	7,271	7,122	15,725	30,117	30,898
Idaho-----	9,331	9,156	20,523	39,010	29,965
Illinois-----	54,250	63,418	107,490	225,159	226,364
Indiana-----	34,432	37,844	75,329	147,605	110,451
Iowa-----	14,297	15,572	31,294	61,163	44,486
Kansas-----	13,605	14,894	30,456	58,955	45,629
Kentucky-----	26,119	29,449	56,357	111,926	97,448
Louisiana-----	32,833	37,352	57,203	127,387	121,507
Maine 1/-----	4,521	4,903	11,378	20,802	18,312
Maryland-----	33,193	33,483	72,900	139,576	115,192
Massachusetts-----	25,567	25,495	63,328	114,390	82,000
Michigan-----	51,385	58,432	124,730	234,546	192,490
Minnesota-----	26,561	26,093	63,331	115,986	98,675
Mississippi 1/-----	20,573	24,863	39,209	84,645	83,968
Missouri-----	32,003	34,887	60,661	127,551	90,443
Montana-----	4,304	4,594	9,397	18,295	15,230
Nebraska 1/-----	8,709	9,145	20,271	38,125	34,018
Nevada 1/-----	16,286	17,441	36,685	70,411	52,668
New Hampshire-----	3,086	3,354	7,681	14,121	10,517
New Jersey-----	35,906	35,540	83,833	155,279	148,850
New Mexico 1/-----	12,629	12,676	26,596	51,901	43,160
New York 1/-----	108,290	104,918	245,524	458,732	492,988
North Carolina 1/-----	58,613	59,951	122,723	241,287	197,413
North Dakota 1/-----	2,934	3,071	6,879	12,884	12,701
Ohio-----	55,306	73,934	105,480	234,719	158,433
Oklahoma 1/-----	26,808	27,967	55,919	110,694	93,739
Oregon-----	21,750	20,117	50,926	92,792	76,887
Pennsylvania-----	52,619	63,972	120,621	237,211	200,535
Rhode Island-----	4,428	5,074	10,862	20,363	18,125
South Carolina-----	27,756	30,561	48,939	107,257	93,337
South Dakota 1/-----	4,163	4,576	10,351	19,090	20,512
Tennessee-----	38,189	40,892	64,650	143,730	122,852
Texas-----	230,110	214,046	415,664	859,819	522,151
Utah-----	13,821	13,290	29,473	56,584	43,806
Vermont-----	2,721	2,476	7,558	12,756	13,463
Virginia-----	32,968	35,446	63,990	132,404	95,867
Washington-----	38,611	31,974	95,125	165,711	145,294
West Virginia-----	9,624	10,540	20,227	40,391	34,558
Wisconsin-----	22,085	24,253	53,761	100,099	87,840
Wyoming 1/-----	2,672	2,666	5,445	10,783	9,379
American Samoa-----	1,110	991	3,892	5,993	7,452
Guam-----	1,588	1,793	3,838	7,218	10,762
North Mariana Island-----	639	564	2,030	3,234	4,816
Puerto Rico-----	29,819	26,554	99,373	155,746	227,050
Virgin Islands-----	1,008	969	2,199	4,176	6,867
Anticipated adjustment ---					141,058
TOTAL -----	1,837,409	1,874,019	3,979,287	7,690,715	\$6,730,000

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~~] \$73,612,500,000, of which \$3,000,000,000, to remain available through December 31, [2017] 2019, shall be placed in reserve for use only in such amounts and at such times as may become
- 1 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~~] \$996,000 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 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] 2019: *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] 2019: *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.

The change deletes language extending the period of availability of prior year contingency funds which expired on December 31, 2016.

FOOD AND NUTRITION SERVICE

Lead-Off Tabular Statement

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) – Current Law

Budget Estimate, 2018.....	\$73,612,500,000
2017 Annualized Continuing Resolution.....	78,487,907,000
Change in Appropriation	<u>-4,875,407,000</u>

Proposed Legislation

Budget Estimate, Current Law 2018.....	\$73,612,500,000
Change Due to Proposed Legislation.....	68,717,500,000
Net 2018 Request.....	<u>-4,895,000,000</u>

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

Program	2015 Actual	2016 Change	2017 Change	2018 Change	2018 President's Budget
Benefit Costs	\$71,035,786	-\$911,467	-\$2,369,004	-\$5,116,000	\$62,639,315
Contingency Reserve	3,000,000	0	0	0	3,000,000
Administrative Costs:					
State Administrative Costs	4,122,994	98,952	8,530	252,935	4,483,411
Nutrition Ed. & Obesity Prevention Program	407,000	1,000	3,000	10,000	421,000
Employment and Training	447,227	8,093	698	20,688	476,706
Mandatory Other Program Costs	174,992	7,465	0	3,975	186,432
Discretionary Other Program Costs	998	0	-2	0	996
Total Administrative Costs	5,153,211	115,510	12,226	287,598	5,568,545
Nutrition Assistance for Puerto Rico	1,951,397	7,739	-10,465	-19,676	1,928,995
American Samoa	7,837	31	-42	-79	7,747
FDPIR	145,191	0	5,809	2,000	153,000
TEFAP Commodities	327,000	-9,000	0	-29,250	288,750
Commonwealth of the Northern Mariana Islands	12,148	0	0	0	12,148
Community Food Project	9,000	0	0	0	9,000
E&T Work Pilots	190,000	-190,000	0	0	0
Other Pilots and Demonstration Projects	1,000	-1,000	0	0	0
Program Access	5,000	0	0	0	5,000
Total Adjusted Appropriation	81,837,570	-988,187	-2,361,476	-4,875,407	73,612,500
Sequestration	-8,387	-1,334	-66	9,787	0
Total Appropriation or Change	81,829,183	-989,521	-2,361,542	-4,865,620	73,612,500

FOOD AND NUTRITION SERVICE

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

Project	2015 Actual	SY	2016 Actual	SY	2017 Estimate	SY	Inc. or Dec.	2018 President's Budget		SY
Participant Benefits:										
SNAP Benefits	\$71,035,786		\$70,124,319		\$67,755,315		-\$5,116,000	\$62,639,315	(1)	
Subtotal, Participant Benefits	71,035,786		70,124,319		67,755,315		-5,116,000	62,639,315		
Contingency Reserve	3,000,000		3,000,000		3,000,000		0	3,000,000	(2)	
State Administrative Costs	4,122,994		4,221,946		4,230,476		252,935	4,483,411	(3)	
Nutrition Ed. & Obesity Prevention Grant Prog.	407,000		408,000		411,000		10,000	421,000	(4)	
Employment and Training:										
Federal Funds 100%	110,000		110,000		110,000		0	110,000		
Federal Funds and Participant Costs 50%	337,227		345,320		346,018		20,688	366,706		
Subtotal, Employment and Training	447,227		455,320		456,018		20,688	476,706	(5)	
Subtotal, State Administrative Funding	4,977,221		5,085,266		5,097,494		283,623	5,381,117		
Mandatory Other Program Costs:										
Benefit & Retailer Redemption and Monitoring	48,539		49,809		49,809		1,340	51,149	(6a)	
Certification of SSI Recipients for SNAP	19,042		19,347		19,347		271	19,618	(6b)	
Payment Accuracy and Cooperative Services	20,562		25,144		25,144		676	25,820	(6c)	
Web-Based Automation of Systems	7,500		7,503		7,503		0	7,503	(6d)	
Retailer Integrity and Trafficking	16,823		17,288		17,288		465	17,753	(6e)	
Computer Support	9,908		10,067		10,067		141	10,208	(6f)	
Electronic Benefit Transfer Systems	15,364		15,672		15,672		219	15,891	(6g)	
Nutrition Education and Program Information	17,580		17,605		17,605		473	18,078	(6h)	
Program Evaluation and Modernization	14,174		14,522		14,522		390	14,912	(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	174,992		182,457		182,457		3,975	186,432	(6)	
Discretionary Other Program Costs:										
FDPIR Nutrition Education	998		998		996		0	996	(14)	
Subtotal, Discretionary Other Program Costs	998		998		996		0	996		
Subtotal, Other Program Costs	175,990	285	183,455	316	183,453	372	3,975	187,428		372
Subtotal, Supplemental Nutrition Assistance Program	79,188,997	285	78,393,040	316	76,036,262	372	-4,828,402	71,207,860		372
Nutrition Assistance for Puerto Rico	1,951,397		1,959,136		1,948,671		-19,676	1,928,995	(7)	
American Samoa	7,837		7,868		7,826		-79	7,747	(8)	
FDPIR:										
USDA Foods in lieu of SNAP	104,399		103,664		103,310		1,666	104,976	(9)	
Distributing Agencies Expenses and Nut. Ed.	40,792		41,527		47,690		334	48,024	(9)	
Subtotal, FDPIR	145,191		145,191		151,000		2,000	153,000		
TEFAP Commodities 1/	327,000		318,000		318,000		-29,250	288,750	(10)	
Commonwealth of the Northern Mariana Islands	12,148		12,148		12,148		0	12,148	(11)	
Community Food Project	9,000		9,000		9,000		0	9,000	(12)	
E&T Work Pilots	190,000		0		0		0	0		
Other Pilots and Demonstration Projects	1,000		0		0		0	0		
Program Access	5,000		5,000		5,000		0	5,000	(13)	
Total Appropriation	81,837,570	285	80,849,383	316	78,487,907	372	-4,875,407	73,612,500		372
Sequestration	-8,387		-9,721		-9,787		9,787	0		
Total Adjusted Appropriation (after sequester)	81,829,183	285	80,839,662	316	78,478,120	372	-4,865,620	73,612,500		372
Proposed Legislation								-4,895,000		

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

FOOD AND NUTRITION SERVICE

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

Program	2015 Actual	SY	2016 Actual	SY	2017 Estimate	SY	Inc. or Dec.	2018 President's Budget	SY
Participant Benefits:									
SNAP Benefits	\$69,531,867		\$66,490,323		\$67,756,602		-\$5,125,787	\$62,630,815	
State Options Reimbursable	73,026		75,000		80,000		5,000	85,000	
Subtotal, Participant Benefits	69,604,893		66,565,323		67,836,602		-5,120,787	62,715,815	
Contingency Reserve	0		0		0		0	0	
State Administrative Costs	3,929,104		3,771,417		4,230,476		252,935	4,483,411	
Nutrition Ed. & Obesity Prevention Grant Prog.	393,574		419,867		411,000		10,000	421,000	
Employment and Training:									
Federal Funds 100%	110,000		116,368		110,000		0	110,000	
Federal Funds and Participant Costs 50%	297,263		310,020		346,018		20,688	366,706	
Subtotal, Employment and Training	407,263		426,388		456,018		20,688	476,706	
Subtotal, State Administrative Funding	4,729,941		4,617,672		5,097,494		283,623	5,381,117	
Mandatory Other Program Costs:									
Benefit & Retailer Redemption and Monitoring	46,233		41,245		47,275		3,874	51,149	
Certification of SSI Recipients for SNAP	17,423		18,377		18,363		1,255	19,618	
Payment Accuracy and Cooperative Services	19,623		19,185		23,665		2,155	25,820	
Web-Based Automation of Systems	7,102		6,810		7,121		382	7,503	
Retailer Integrity and Trafficking	12,186		16,333		16,336		1,417	17,753	
Computer Support	9,496		9,513		9,555		653	10,208	
Electronic Benefit Transfer Systems	14,651		14,490		14,774		1,117	15,891	
Nutrition Education and Program Information	16,902		16,282		16,677		1,401	18,078	
Program Evaluation and Modernization	13,540		10,841		13,783		1,129	14,912	
FMMI	3,248		3,263		3,259		241	3,500	
IT Modernization and Support	1,856		1,864		1,862		138	2,000	
Subtotal, Mandatory Other Program Costs	162,260		158,203		172,670		13,762	186,432	
Discretionary Other Program Costs:									
FDPIR Nutrition Education	984		986		996		0	996	
Subtotal, Discretionary Other Program Costs	984		986		996		0	996	
Subtotal, Other Program Costs	163,244	285	159,189	316	173,666	372	13,762	187,428	372
Subtotal, Supplemental Nutrition Assistance Program	74,498,078	285	71,342,184	316	73,107,762	372	-4,823,402	68,284,360	372
Nutrition Assistance for Puerto Rico	1,951,397		1,959,136		1,948,671		-19,676	1,928,995	
American Samoa	7,802		7,802		7,826		-79	7,747	
FDPIR:									
USDA Foods in lieu of SNAP	102,203		97,555		103,310		1,666	104,976	
Distributing Agencies Expenses and Nut. Ed.	40,718		46,625		47,690		334	48,024	
Subtotal, FDPIR	142,921		144,180		151,000		2,000	153,000	
TEFAP Commodities	320,946		320,000		318,000		-29,250	288,750	
Commonwealth of the Northern Mariana Islands 1/	12,648		25,648		20,648		0	20,648	
Community Food Project	9,000		9,000		9,000		0	9,000	
E&T Work Pilots	200,000		0		0		0	0	
Other Pilots and Demonstration Projects	1,000		0		0		0	0	
Program Access	5,000		5,000		5,000		0	5,000	
Total Obligations	77,148,792		73,812,950		75,567,907		-4,870,407	70,697,500	
Recoveries	18,000		37,000		0		0	0	
Unobligated Balance Start of Year	-3,060,172		-3,059,000		-3,009,789		4,791	-3,004,998	
Unobligated Balance End of Year	3,053,589		6,028,000		3,000,002		-4	2,999,998	
Balance Lapsing	4,742,000		4,095,712		3,000,000		0	3,000,000	
Collections from Reimbursable Obligations	-73,026		-75,000		-80,000		0	-80,000	
SubTotal	81,829,183	285	80,839,662	316	78,478,120	372	-4,865,620	73,612,500	372
Sequestration	8,387		9,721		9,787		-9,787	0	
Total Appropriation	81,837,570	285	80,849,383	316	78,487,907	372	-4,875,407	73,612,500	372
Proposed Legislation								-4,895,000	

FOOD AND NUTRITION SERVICE

Justification of Increases and Decreases

- 1) A decrease of \$5,116,000,000 for Benefit Costs (\$67,755,315,000 estimated in FY 2017).

This decrease reflects the net effect of estimated changes in participation and food costs. SNAP participation is expected to decrease by 1.5 percent to 42.16 million participants while average food costs per person/per month are expected to decrease by about 3.0 percent to \$123.78.

FNS expects program benefit costs to decline in FY 2018. 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. A comparison of key program performance and cost indicators for FYs 2015 through 2018 is presented below:

Program Performance Cost Indicators

	2015 Actual	2016 Actual	2017 Estimate	2018 President's Budget
Average participation per month (000)	45,922	44,219	42,815	42,164
Average unemployment rate (percent)	5.4	4.9	4.7	4.4
Thrifty Food Plan (TFP)	\$649.50	\$647.60	\$640.20	\$643.90
Maximum Allotment (4 person hh) based on the TFP	\$649.00	\$649.00	\$649.00	\$643.00
Overall average benefit per person per month	\$128.17	\$125.50	\$127.58	\$123.78

- 2) No change for Contingency Reserve (\$3,000,000,000 estimated in FY 2017).

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.

- 3) An increase of \$252,935,000 for State Administrative Expenses (SAE) (\$4,230,476,000 estimated in FY 2017).

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 \$10,000,000 for Nutrition Education Grant Program (\$411,000,000 estimated in FY 2017).

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 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 \$20,688,000 for Employment and Training (\$456,018,000 estimated in FY 2017).

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 lower-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. 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 programs.

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- 6) An increase of \$3,975,000 for mandatory other program costs (\$182,457,000 estimated in FY 2017).

Other Program Costs (\$000)	2017 Estimate	Non-Pay Cost Change	Pay Cost Change	2018 President's Budget
Mandatory				
Benefit & Retailer Redemption and Monitoring	\$ 49,809	\$ 318	\$ 1,022	\$ 51,149
Certification of SSI Recipients for SNAP	19,347	271	-	19,618
Payment Accuracy and Cooperative Services	25,144	160	516	25,820
Web-Based Automation of Systems	7,503	-	-	7,503
Retailer Integrity and Trafficking	17,288	110	355	17,753
Computer Support	10,067	141	-	10,208
Electronic Benefit Transfer Systems	15,672	219	-	15,891
Nutrition Education and Program Information	17,605	112	361	18,078
Program Evaluation and Modernization	14,522	92	298	14,912
FMMI	3,500	-	-	3,500
IT Modernization and Support	2,000	-	-	2,000
Subtotal, Mandatory Other Program Costs	182,457	1,423	2,552	186,432
Discretionary				
FDPIR Nutrition Education	996	-	-	996
Subtotal, Discretionary Other Program Costs	996	-	-	996
Total	183,453	1,423	2,552	187,428

The overall change consists of the following:

Mandatory:

- a. An increase of \$1,340,000 for Benefit & Retailer Redemption and Monitoring (\$49,809,000 estimated in FY 2017).

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 \$1,022,000 and \$318,000 for estimated inflation (Federal costs).

- b. An increase of \$271,000 for Certification of Supplemental Security Income (SSI) Recipients for SNAP (\$19,347,000 estimated in FY 2017).

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 and technical assistance for State Agency SSA activities provided for SNAP certification and data analysis efforts. The increase is due to estimated inflation (Federal costs).

- c. An increase of \$676,000 for Payment Accuracy and Cooperative Services (\$25,144,000 estimated in FY 2017).

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 (QC) system, and computer systems designed to provide states with greater access to SNAP integrity tools. These

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activities are a core part of USDA's program integrity investments. The requested increase includes a pay cost increase of \$516,000 and \$160,000 for estimated inflation (Federal costs).

- d. No change for Web-Based Automation of Systems (\$7,503,000 estimated in FY 2017).

This line provides funding for IT, automation, and technology based process improvement resources to improve SNAP recipient program integrity.

- e. An increase of \$465,000 for Retailer Integrity and Trafficking (\$17,288,000 estimated in FY 2017).

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 \$355,000 and \$110,000 for estimated inflation (Federal costs).

- f. An increase of \$141,000 for Computer Support (\$10,067,000 estimated in FY 2017).

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

- g. An increase of \$219,000 for Electronic Benefit Transfer Systems (\$15,672,000 estimated in FY 2017).

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 \$473,000 for Nutrition Education and Program Information (\$17,605,000 estimated in FY 2017).

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. The requested increase includes a pay cost increase of \$361,000 and \$112,000 for estimated inflation (Federal costs).

- i. An increase of \$390,000 for Program Evaluation and Modernization (\$14,522,000 estimated in FY 2017).

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 programs achieve their goals. This line supports efforts for SNAP, including the Federal staff needed to oversee this vital work. The requested increase includes a pay cost increase of \$298,000 and \$92,000 for estimated inflation (Federal costs).

- j. No change for the Financial Management Modernization Initiative (FMMI) (\$3,500,000 estimated in FY 2017).

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.

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- k. No change for IT Modernization and Support (\$2,000,000 estimated in FY 2017).
This line provides for the operations, maintenance, and enhancement costs associated with Federal systems and equipment.

- 7) A decrease of \$19,676,000 for Nutrition Assistance Program for Puerto Rico (\$1,948,671,000 estimated in FY 2017).

Section 19(b) of the Food and Nutrition Act of 2008 (as amended by P.L. 110-246), provides a block grant to Puerto Rico to administer SNAP benefits. The decrease is due to a reduction in the Thrifty Food Plan (TFP).

- 8) A decrease of \$79,000 for American Samoa (\$7,826,000 estimated in FY 2017).

Section 19(c) of the Food and Nutrition Act of 2008 (as amended by P.L. 110-246), provides a block grant to American Samoa to administer SNAP benefits. The decrease is due to a reduction in the TFP.

- 9) An increase of \$2,000,000 for the Food Distribution Program on Indian Reservations (FDPIR) (\$151,000,000 estimated FY 2017).

The Food and Nutrition Act of 2014 provides for an alternative program to SNAP for low-income individuals living on or near qualifying Indian reservations or service areas in Oklahoma. This line provides for the food costs and administration of this program. The program provides monthly food packages to improve nutrition as well as nutrition education. The requested level will support projected participation of about 104,000 individuals 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. The increase is due to increased participation and estimated inflation (Federal costs).

FDPIR Performance Table

Program Performance Data	2015 Actual	2016 Actual	2017 Estimate	Inc. or Dec.	2018 President's Budget
Resources: (\$000)					
Appropriation	\$145,191	\$145,191	\$151,000	\$2,000	\$153,000
Beginning Inventory (Federal and Local)	27,391	22,400	41,258	11,097	52,355
Total Resources	172,582	167,591	192,258	13,097	205,355
Program Demand:					
Average Monthly Participation	88,615	92,585	100,000	4,000	104,000
Average Monthly Food Packages:					
FNS Purchased	\$77.28	\$62.02	\$78.65	\$1.63	\$80.28
Total Monthly Food Package	77.28	62.02	78.65	1.63	80.28
Demand: (\$000)					
FDPIR USDA Food Costs	89,033	77,424	91,313	2,589	93,902
USDA Foods Purchases Admin.	802	988	900	17	917
Demand, USDA Foods	89,835	78,412	92,213	2,606	94,819
State Administration	40,367	46,094	47,245	331	47,576
Total Demand	130,202	124,506	139,458	2,937	142,395
Use of Resources:					
Program Demand	130,202	124,506	139,458	2,937	142,395
Inventory Change	-4,991	18,858	11,097	-940	10,157
Remaining Available for Upward Adjustments	425	1,827	445	3	448
Total Funds Available	125,636	145,191	151,000	2,000	153,000
Balance End of Year:					
Ending Inventory	22,400	41,258	52,355	13,157	65,512
Commodity Obligations	104,399	97,270	103,310	1,666	104,976

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- 10) A decrease of \$29,250,000 for The Emergency Food Assistance Program (TEFAP) (\$318,000,000 estimated in FY 2017).

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 balance of the decrease is due to a reduction in the TFP.

- 11) No change for the Commonwealth of the Northern Marianas Islands (CNMI) (\$12,148,000 estimated in FY 2017).

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 estimated in FY 2017).

Section 26 of the Food and Nutrition Act of 2008 (as amended) provides \$9 million per year in grants 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 estimated in FY 2017).

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

Discretionary:

- 14) No change for FDPIR Nutrition Education (\$996,000 estimated in FY 2017).

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

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FY 2018 PRESIDENT’S BUDGET PROPOSED LEGISLATION

(Dollars in millions)

Project	President's Request
SNAP Benefits:	
Eliminate the LIHEAP HCSUA Link	-\$647
Standardize State HCSUA Levels	-507
Restrict Categorical Eligibility to Households Receiving TANF	-1,514
Limit ABAWD Waivers to Counties with 10% Unemployment	-1,806
Cap Benefits at the Six Person Maximum Allotment	-163
Eliminate the Minimum SNAP Benefit	-255
Require a 25% State Benefit Match	0
Reductions in Savings due to Interactive Impacts of Proposals	255
Impact of Proposals from HHS and State Department	-6
Total, Benefits	-4,643
User Fees:	
Implementation of Authorization Fees for SNAP Retailers	-252
Total, Supplemental Nutrition Assistance Program	-4,895

PROPOSED LEGISLATION – Eliminate the LIHEAP HCSUA Link

Program: SNAP Benefits

Rationale: When a State calculates a household’s eligibility and benefits for SNAP, out-of-pocket heating and cooling costs are taken into consideration. Most States simplify the eligibility determination process by opting to use a Heating and Cooling Standard Utility Allowance (HCSUA) in lieu of actual household utility expenses. Households with out-of-pocket heating or cooling costs qualify for the heating or cooling SUA, which can affect a household’s eligibility and benefit amount. Since 1985, Federal law has required States to recognize a SNAP household’s receipt of a Low-Income Home Energy Assistance Program (LIHEAP) payment as proxy for out-of-pocket heating or cooling costs.

Consistent with the Budget’s proposal to eliminate LIHEAP, FNS proposes to eliminate the automatic receipt of the HCSUA when a household receives LIHEAP benefits. This would target the use of the HCSUA for those with actual heating and/or cooling expenses and would create a single, consistent policy nationwide.

This proposal would save \$13,293,000,000 over the ten year period between FY2018-FY2027.

Budget Impact:
(\$ in millions)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
Budget Authority	-\$647	-\$1,307	-\$1,336	-\$1,359	-\$1,385	-\$6,034

PROPOSED LEGISLATION – Standardize State HCSUA Levels Based on the 80th Percentile of Low-Income Households’ Utility Costs in the State

Program: SNAP Benefits

Rationale: FNS is proposing standardizing State HCSUA levels based on the 80th percentile of low income

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household’s utility costs in the State. This would provide for a consistent approach nationally for determining HCSUA levels by eliminating the variation in HCSUA methodologies that currently exists from State to State. Furthermore, it would allow for closer alignment with actual out of pocket utility expenses for low income households.

This proposal would save \$10,426,000,000 over the ten year period between FY2018-FY2027.

Budget Impact: (\$ in millions)		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
	Budget Authority	-\$507	-\$1,025	-\$1,048	-1,066	-\$1,087	-\$4,733

PROPOSED LEGISLATION – Restrict Categorical Eligibility to Households Receiving TANF Assistance

Program: SNAP Benefits

Rationale: SNAP eligibility is based on financial and non-financial requirements, including national income and asset thresholds. Some low income households are automatically or “categorically” eligible for SNAP because they receive or are authorized to receive benefits from other specified low income assistance programs, such as Temporary Assistance for Needy Families (TANF).

States have the option of adopting a policy called Broad Based Categorical Eligibility (BBCE), in which households may become categorically eligible for SNAP because they receive a non-cash benefit or service funded by TANF.

This proposal would restrict categorical eligibility to households who receive TANF “assistance” as defined by the Department of Health and Human Services and eliminate its use for certain TANF-funded, non-cash services (i.e., BBCE). This would restore confidence that the pool of categorically eligible participants would generally meet the SNAP eligibility limits of 130 percent gross income, 100 percent net income, and asset limits of \$2,250 for most households and \$3,250 for elderly and disabled households.

Furthermore, it would provide for a consistent nationwide policy. Over 40 States use BBCE to align income and/or asset limits to TANF requirements, but these policies vary State to State as does the proportion of the caseload to which they apply. Limiting categorical eligibility to the TANF program definition of “assistance” creates a more consistent and less expansive alignment of SNAP and TANF policy nationwide.

This proposal would save \$31,123,000,000 over the ten year period between FY2018-FY2027.

Budget Impact: (\$ in millions)		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
	Budget Authority	-\$1,514	-\$3,060	-\$3,128	-\$3,182	-\$3,243	-\$14,127

PROPOSED LEGISLATION – Limit ABAWD Waivers to Counties with an Unemployment Rate Greater than 10 Percent Averaged over 12 Months

Program: SNAP Benefits

Rationale: Able-Bodied Adults Without Dependents (ABAWDs) are individuals from age 18 through 49 who are required to work or participate in a work program at least 80 hours a month, or participate in workfare, in order to receive SNAP for more than 3 months in a 36-month period. The 3-month ABAWD time limit does not apply to people who are already exempt from the general SNAP work requirements or who meet certain other exemption criteria, such as being pregnant or having a child in the household.

Under current law, States can qualify for time limit waivers in all or part of the State based upon: recent unemployment rates of over 10 percent, as demonstrated by Bureau of Labor Statistics

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(BLS) data; recent 24-month average unemployment rates reaching 20 percent above the national unemployment rate for that same 24-month period, as demonstrated by BLS data; or designation as a Labor Surplus Area by the Department of Labor.

States can request waivers from the ABAWD time limit that cover the entire State, or only parts of the State where unemployment is particularly high. States decide whether or not to request a time limit waiver, and generally make this assessment annually.

This proposal limits ABAWD waivers to counties with an unemployment rate greater than 10 percent averaged over 12 months. It will reduce SNAP benefit costs because fewer areas would qualify for time limit waivers and many ABAWDs residing in those areas would be required to work or participate in a work program, or lose SNAP eligibility after 3 months. Furthermore, it would simplify the data requirements and administration of the waivers of the time limit for State agencies and FNS.

This proposal would save \$20,661,000,000 over the ten year period between FY2018-FY2027.

Budget Impact:
(\$ in millions)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
Budget Authority	-\$1,806	-\$2,327	-\$2,184	-\$1,669	-\$2,265	-\$10,251

PROPOSED LEGISLATION – Cap Benefits at the Six Person Maximum Allotment

Program: SNAP Benefits

Rationale: This proposal would create an overall limit on the monthly SNAP allotment per household; capped at the six person maximum allotment, reducing benefits and Federal costs for large households.

The proposal would save \$1,755,000,000 over the ten year period between FY2018-FY2027.

Budget Impact:
(\$ in millions)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
Budget Authority	-\$163	-\$164	-\$168	-\$171	-\$174	-\$840

PROPOSED LEGISLATION – Eliminate the Minimum SNAP Benefit

Program: SNAP Benefits

Rationale: When households of 1 or 2 persons qualify for a benefit below the minimum SNAP benefit (\$16 per month in the continental US, for example), the household’s benefit is rounded up to the minimum benefit.

This proposal would eliminate rounding up to the minimum SNAP benefit level and would set benefit levels in accordance with household circumstances, consistent with how benefits are allotted for the majority of SNAP participants.

The proposal would save \$2,747,000,000 over the ten year period between FY2018-FY2027.

Budget Impact:
(\$ in millions)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
Budget Authority	-\$255	-\$258	-\$263	-\$268	-\$273	-\$1,317

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PROPOSED LEGISLATION –Twenty-five Percent State Match

Program: SNAP Benefits

Rationale: This proposal would re-balance the Federal/State partnership in SNAP benefits to low-income households by gradually establishing a State match for benefit costs, phasing in from a national average of 10 percent in 2020 to 25 percent, on average by FY 2023.

Under this proposal, States would cover a portion of the cost of benefits issued to participants. A State's share of the cost would be based on a formula that incorporates the economic indicators that drive SNAP participation along with State resources. The budget phases in the match gradually, beginning with a national average of 10 percent in 2020 and increasing to an average rate of 25 percent by FY 2023. To help States manage their costs, new flexibility regarding benefit levels would be provided. This proposal also assumes that, in cases of natural disaster, D-SNAP benefits would continue to be 100 percent Federally funded.

The proposal would save \$116,161,000,000 billion in savings over the ten year period between FY2018-FY2027.

Budget Impact:
(\$ in millions)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
Budget Authority	0	0	-\$6,388	-\$9,748	-\$13,248	-\$29,384

PROPOSED LEGISLATION – Implementation of authorization/reauthorization of fees on SNAP Retailers

Program: SNAP

Rationale: The 2018 Budget proposes the establishment of an application fee for retailers seeking authorization to accept and redeem the electronic benefits provided by the SNAP. Currently, retailers do not pay a fee to become authorized, which fails to recognize the federal costs of application processing and oversight of retailers, and the significant portion of a retailer's revenue that SNAP can represent. Revenue from the application fee would be used to offset SNAP expenses.

USDA authorizes and oversees participation by retail food outlets participating in the SNAP. Interested retailers must meet eligibility criteria, apply and be authorized before accepting SNAP benefits, and must periodically reauthorize in order to continue participation. In 2016, over \$66 billion in SNAP benefits were redeemed by about 260,000 authorized retailers in the US.

Under this proposal, an authorization/reauthorization fee would be scaled upon existing retailer size and category definitions, ranging from \$250 for the smallest firms, such as corner markets, to as much as \$20,000 for the largest retailers, such as super-centers and large supermarket chains. Retailers would pay the fee each time they are authorized or reauthorized. USDA does not expect that this change will affect access to authorized stores.

This proposal is estimated to generate approximately \$2,357,000,000 in revenue over the ten year period between FY2018-FY2027.

Budget Impact:
(\$ in millions)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
Budget Authority	-\$252	-\$246	-\$241	-\$236	-\$230	-\$1,205

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

Supplemental Nutrition Assistance Program--Federal Salaries, Benefits & All Other Expenses								
	<u>2015 Actual</u>		<u>2016 Actual</u>		<u>2017 Estimate</u>		<u>2018 President's Budget</u>	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Alabama	\$351	3	\$446	3	\$472	4	\$486	4
Arizona	273	2	296	2	313	2	322	2
Arkansas	156	1	230	2	243	2	251	2
California	3,666	27	4,086	28	4,324	32	4,453	32
Colorado	1,482	11	1,900	13	2,011	15	2,071	15
Connecticut	273	2	0	0	0	0	0	0
Delaware	0	0	145	1	154	1	158	1
Florida	1,287	9	1,356	9	1,435	11	1,478	11
Georgia	1,833	13	2,392	16	2,532	19	2,608	19
Hawaii	273	2	150	1	159	1	164	1
Illinois	3,159	23	3,030	20	3,207	24	3,303	24
Indiana	156	1	150	1	159	1	164	1
Kentucky	273	2	296	2	313	2	322	2
Louisiana	156	1	220	1	233	2	240	2
Maryland	195	1	296	2	313	2	322	2
Massachusetts	2,106	15	2,561	17	2,711	20	2,792	20
Michigan	195	1	300	2	318	2	327	2
Minnesota	468	3	591	4	626	5	644	5
Missouri	429	3	450	3	477	4	491	4
Montana	156	1	56	0	60	0	61	0
Nebraska	78	1	0	0	0	0	0	0
New Hampshire	156	1	150	1	159	1	164	1
New Jersey	2,613	19	2,528	17	2,676	20	2,756	20
New York	2,301	17	2,284	15	2,418	18	2,490	18
North Carolina	429	3	844	6	894	7	920	7
Ohio	585	4	516	3	546	4	562	4
Oklahoma	0	0	150	1	159	1	164	1
Oregon	351	3	586	4	621	5	639	5
Pennsylvania	585	4	549	4	581	4	598	4
South Carolina	156	1	150	1	159	1	164	1
South Dakota	78	1	0	0	0	0	0	0
Tennessee	468	3	474	3	501	4	516	4
Texas	2,301	17	2,547	17	2,696	20	2,776	20
Utah	351	3	446	3	472	4	486	4
Virginia	204,637	83	181,668	110	182,611	130	183,120	130
Washington	273	2	296	2	313	2	322	2
Wisconsin	273	2	296	2	313	2	322	2
Undistributed	0	0	0	0	0	0	0	0
TOTAL	\$232,522	285	\$212,436	316	\$215,176	372	\$216,655	372

Note: Staff Years increase related to SNAP integrity efforts and to provide additional Technical Assistance to States. Totals may not sum due to rounding.

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(Classification by Object)
(Dollars in thousands)

	2015	2016	2017	2018
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>President's Budget</u>
Personnel Compensation:				
Washington D.C.....	\$13,960	\$15,113	\$17,357	\$17,874
Field.....	16,387	17,043	20,376	20,983
11.0 Total personnel compensation.....	30,347	32,156	37,733	38,857
12.0 Personnel benefits.....	9,583	10,155	11,916	12,271
Total personnel comp. and benefits.....	39,930	42,311	49,649	51,128
Other Objects:				
21.0 Travel and transportation of persons.....	1,545	1,545	1,545	1,545
22.0 Transportation of things.....	165	165	165	165
23.3 Communications, utilities, and misc. charges.....	234	234	234	234
24.0 Printing and reproduction.....	678	678	678	678
25.3 Other purchases of goods and services from Federal sources....	81,990	81,990	81,990	81,990
26.0 Supplies and materials.....	423,149	421,664	399,810	402,917
31.0 Equipment.....	907	907	907	907
41.0 Grants.....	76,673,194	73,343,456	75,112,929	70,237,936
Total, Other Objects.....	77,181,862	73,850,639	75,598,258	70,726,372
Subtotal, Direct Obligations.....	77,221,792	73,892,950	75,647,907	70,777,500
Reimbursable Obligations.....	73,000	80,000	80,000	80,000
99.9 Total, new obligations.....	77,148,792	73,812,950	75,567,907	70,697,500
Position Data:				
Average Salary (dollars), GS Position.....	\$89,307	\$91,693	\$93,618	\$95,397
Average Grade, GS Position.....	12.2	12.3	12.3	12.3

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SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

Status of Programs

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) 2016 averaged 44.22 million persons per month, representing a 3.7 percent decrease from the average monthly participation in FY 2015.

The following table displays data on benefit costs and participation for FYs 2011 through 2016:

SNAP	2011	2012	2013	2014	2015	2016
Avg. Participation (Millions)	44.72	46.61	47.66	46.54	45.92	44.22
Benefit Costs (Billions)	\$71.8	\$74.6	\$76.1	\$70.0	\$69.6	\$66.6
Average/Person/Month	\$133.70	\$133.47	\$134.50	\$126.95	\$128.17	\$125.50
% Of Population Participating	14.4	14.9	15.1	14.9	14.4	13.7
Persons Unemployed (Millions)	13.7	12.5	11.5	9.7	8.5	7.8

Note:

FY 2011- FY 2014 includes 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 2014* shows that in 2014, 83 percent of all those who were eligible for SNAP participated in the program. This indicates that the program is effectively serving those most in need of nutrition assistance.

Characteristics of SNAP Households – The most recent analysis of household characteristics data, examining 2015 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 82 percent of households was below the Federal poverty level;

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- 42 percent of households had income at or below 50 percent of poverty;
- 22 percent of SNAP households had no income; and
- 44 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 2016, FNS again 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:

- Continued training compliance staff;
- Continued SNAP Retailer Integrity Pilots to test for cost effective methods of data analytics that identify retailer owners who are permanently disqualified from SNAP, or have a history of problems that show a lack of business integrity;
- Studied thousands of authorized stores and data and determined that over 8,000 stores warranted further investigation;
- Implemented 2,619 sanctions against retailers determined to have committed violations against SNAP;
- Disqualified permanently 1,845 retailers from SNAP due to trafficking or falsifying an application; and
- Overall, traditional investigative and analytic investigation outcomes remained consistent with FY 2015.

By law, SNAP State agencies are responsible for identifying and holding accountable recipients who break the rules. FNS continued to support recipient integrity through:

- Continued implementation of 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. Preliminary results have demonstrated success. In South Carolina, the first State to adopt the new model, the State disqualified 185 recipients for trafficking over a period of 9 months, compared to the prior year when no recipients were disqualified. The State has experienced a cost avoidance of just under \$1 million. In 2016, SNAP awarded additional funding to provide short-term predictive analytics services for three additional State agencies (Washington, Arizona, and Utah).
- Released of a client integrity guide to States to support effective communication about fraud.
- Engagement of States in a dialogue about client integrity through various forums;
- Conduct of management evaluations (ME) to assess State efforts related to client integrity using the ME tool developed in FY 2013;
- Delivery of the final report of the National Accuracy Clearinghouse (NAC) to Congress on May 10, 2016. The five consortium States have continued operation of the NAC after the close of the project period and evaluation. FNS is working with the lead State, Mississippi, to explore options for expansion of the NAC to interested States;
- Evaluation of States' current use of social media in their detection of SNAP trafficking and developed a proof of concept for the use of market-leading tools to assist States in more efficient monitoring;
- Continuing to work with States to implement notice requirements for excessive card replacement requests. Sent letters to seven targeted States (CA, CO, DC, MD, NJ, NY, TN) with high numbers of excessive replacement cards encouraging them to use available tools to further help with card replacements and improve integrity;
- Improvement of the type of data received from States as well as the quality, consistency, and frequency of State data reporting. Received OMB approval for the revised form FNS-366B; and
- Requirements for States to submit a report verifying that they did not issue benefits to individuals who are deceased or permanently disqualified from SNAP.

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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	2008	2009	2010	2011	2012	2013	2014	2015
Individuals:								
Average Number (in Millions)	28.4	33.7	40.3	44.7	46.6	47.6	46.5	45.9
% Children	48.6	47.5	46.6	45.1	44.5	44.4	44.2	44.0
% Elderly	9.1	8.3	7.9	8.5	9.0	9.3	10.1	10.6
% Disabled Nonelderly Adults	--	--	--	--	9.5	9.6	9.7	9.5
% Female	58.5	57.3	56.4	56.5	56.4	56.2	56.2	56.7
% Nonelderly Adults Registered for Work	25.3	28.2	29.6	31.3	31.6	32.9	33.2	32.2
Average Household Size	2.2	2.2	2.2	2.1	2.1	2.1	2.0	2.0
Households:								
Average Number (in Millions)	12.5	15.0	18.4	20.8	22.0	23.1	22.3	22.3
% Receiving Maximum Benefit	33	37	40	41	40	41	42	41
% Certified 12 Months or More	58	57	59	62	66	68	69	69
% With Earned Income	29	29	30	31	31	31	31	32
% With AFDC/TANF Income	11	10	8	8	7	7	6	6
Income:								
Average Gross Monthly Income	\$701	\$711	\$731	\$744	\$755	\$758	\$759	\$786
Average Net Monthly Income	\$335	\$329	\$336	\$338	\$343	\$344	\$335	\$354
% With Zero Gross Income	16	18	20	20	20	22	22	22
% With Zero Net Income	33	36	38	39	38	39	41	40
% With Gross Monthly Incomes Less than \$400	29	31	32	32	31	32	32	32
Income Relative to Poverty Guidelines:								
% Gross Income Below Poverty Guidelines	87	86	85	83	82	83	84	82
% Gross Income Below 50% of Poverty Guideline	41	42	43	43	42	43	43	42
Shelter:								
Average Shelter Deduction	\$319	\$343	\$364	\$376	\$374	\$376	\$393	\$394
Average Shelter Expense	\$507	\$544	\$583	\$600	\$591	\$598	\$610	\$591
% at Shelter Cap (Maximum shelter deduction)	16	18	20	21	20	20	20	16

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

General Activities

Regulations Issued in FY 2016

During FY 2016, eight SNAP rulemaking actions were published in the *Federal Register*:

- On January 6, 2016, FNS published a proposed rule on SNAP photo EBT card implementation requirements. This rule will amend SNAP issuance regulations to codify and expand guidance that was issued December 2014, requiring State agencies that intend to implement the photo EBT card option to submit a comprehensive Implementation Plan that addresses certain operational issues to ensure State implementation is consistent with all Federal requirements and that program access is protected for

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participating households. The comment period ended March 7, 2016 and a final rule was published on December 13, 2016.

- On January 19, 2016, FNS published its final rule entitled Supplemental Nutrition Assistance Program, SNAP: Review of Major Changes in Program Design and Management Evaluation Systems. This final rule amends SNAP regulations to implement section 4116 of the Food, Conservation and Energy Act of 2008 to identify standards for major changes in operations of State agencies' administration of SNAP. This rule also amends Management Evaluation (ME) Review regulations at 7 CFR 275.3 through 275.7 by modifying the requirements for State reviews. The rule revises the definitions of large, medium and small project areas. Finally, it removes sections of the regulations pertaining to coupons and coupon storage since they are obsolete.
- In February 16, 2016, FNS published a proposed rule to enhance the criteria for the eligibility of certain SNAP retail food stores utilizing existing authority in the Food and Nutrition Act of 2008 (the Act) and to codify statutory provisions in the 2014 Farm Bill. The 2014 Farm Bill amended the Act to ensure that retailers that accept SNAP offer a variety of products to support healthy choices for recipients. FNS extended the comment period to May 18, 2016 and published a final rule on December 8, 2016.
- On December 20, 2016, FNS published a final rule, Supplemental Nutrition Assistance Program Promotion, implementing Section 4018 of the Agricultural Act of 2014 (Farm Bill). Section 4018 created new limitations on the use of Federal funds authorized in the Food and Nutrition Act of 2008 for SNAP promotion and outreach activities. This rule prohibits the use of Federal funds appropriated in the Food and Nutrition Act of 2008, as amended, from being used for: recruitment activities designed to persuade an individual to apply for SNAP benefits; television, radio, or billboard advertisements that are designed to promote SNAP benefits and enrollment (excluding Disaster SNAP); or any agreements with foreign governments designed to promote SNAP benefits and enrollment. The rule also impacts the Food Distribution Program on Indian Reservations (FDPIR) and The Emergency Food Assistance Program (TEFAP), both of which receive funding and/or foods authorized under the FNA.
- On March 24, 2016, FNS published an interim rule implementing Section 4022 of the Agricultural Act of 2014, which established new reporting requirements for the SNAP Employment and Training (E&T) program. The interim rule establishes five separate reporting measures and requires State agencies to report annual outcome data to monitor the effectiveness of their SNAP E&T programs. State agencies are also required to identify appropriate reporting measures for each proposed component that will serve a threshold number of 100 participants per year. The rule also outlines additional reporting requirements for States that have committed to offering all at-risk ABAWDs a spot in a qualifying activity. Finally, the rule gives FNS the authority to require a State to make modification to its E&T program if the reported outcomes are inadequate.
- On April 20, 2016, FNS published a proposed rule to revise Supplemental Nutrition Assistance Program (SNAP) regulations in accordance with amendments made to the Food and Nutrition Act of 2008 by Section 4006 of the Agricultural Act of 2014 which requires States that elect to use a heating or cooling standard utility allowance (HCSUA) in SNAP eligibility determinations to make the HCSUA available to households that have received a payment under the Low-Income Home Energy Assistance Program (LIHEAP), or other similar energy assistance program payment, greater than \$20 annually in the current month or in the immediately preceding 12 months.
- On May 10, 2016, FNS published a proposed rule SNAP: Disaster Supplemental Nutrition Assistance Program (D-SNAP) in the Federal Register. The goal of this proposed rule is to improve clarity for States in their planning for and requests to implement a D-SNAP when a disaster occurs. Most of the provisions are not new and would codify the current policies described in FNS' existing D-SNAP Guidance. Additional procedures included in the proposed rule address increased specificity on the D-SNAP post-disaster review requirements, clarification of SNAP benefit replacement policy, and minor additions to the D-SNAP plan and request lists.

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- On September 29, 2016, FNS published a proposed rule to implement several issuance provisions of the 2008 Farm Bill on clarification of split issuance, accrual of SNAP benefits, and definition changes to reflect the program's name change to SNAP and the issuance of benefits through EBT systems. This proposed rule will help safeguard SNAP integrity by ensuring that benefits are being used properly by those in need, and helps ensure that taxpayer dollars are spent as intended. The comment period ended November 28, 2016.

Online Purchasing Pilot

The 2014 Farm Bill mandated a pilot be conducted to test the feasibility and implications of allowing retail food stores to accept SNAP benefits through online transactions. For households to make online purchases, the Online Purchasing Pilot is required to be secure, private, easy to use, and provide similar support to that found for SNAP transactions in a retail store. Benefits cannot be used to pay for fees of any type, such as delivery, service, or convenience fees. The pilot will involve up to five online retailers in three States. The goal is to ensure that the foundational infrastructure necessary for running SNAP transactions online operates in a safe and secure manner.

FNS began the process of identifying potential retailer volunteers to participate in the Online Purchasing Pilot in September 2016 by publishing a request for volunteers (RFV) pilot application packet. The deadline for completing the pilot participant application was November 7, 2016, and FNS announced its selections on January 5, 2017. Seven retailers were originally selected and FNS has offered participation in phase one of the pilot to three additional retailers. The selected retailers include Amazon, Dash's Market, FreshDirect, Hart's Local Grocers, Hy-Vee, Inc., Safeway, ShopRite, Thrive market, Wal-Mart Stores, Inc., and Wright's Markets. The selected retailers are working on system enhancements to enable SNAP online transactions. FNS anticipates the Pilot to launch in early 2018, after all system enhancements are complete.

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 2016 awarded projects focus on workflow analysis and process management; technology improvements; and process and communications improvements to decrease churning. For FY 2016, FNS awarded seven grants:

Delaware Department of Health and Social Services (DE) – \$667,618

The Delaware Department of Health and Social Services will design, develop, and implement a triage solution in each of its 18 local SNAP offices. A Triage Specialist will be stationed in the lobby area of each location to welcome clients as they enter and perform "triage" on the purpose for their visit. Triage Specialists will be equipped with a tablet that has a camera and wireless access which will enable them to connect to DE Worker Web application and view case status information. The Triage Specialist will be able to take photos of the client's supporting documentation and email the photos to the Document Imaging System (DIS) Inbox, renewals Inbox, or other designated email inboxes. One of the applications available on the tablet will be a cloud-hosted rules-based expert system that will contain rules and decision logic to assist the Triage Specialist in addressing clients' needs. The application will prescreen for potential eligibility but will not determine benefit amounts. This will help Triage Specialists accurately address a wide variety of client questions.

Florida Department of Children and Families (FL) – \$447,282

The Florida Department of Children and Families will use grant funds to improve the EBT card replacement and address change reporting process for SNAP recipients. System programmers will make changes to existing software to allow clients to report if their EBT card was Lost, Stolen, or Damaged and submit a request for a replacement EBT card in the web-based self-service portal. The EBT vendor will make changes to existing software to interface with the State's eligibility system to allow the EBT system to accept the transmission of a replacement card request, change the status accordingly, and also create the necessary logs for tracking and reporting purposes. This will streamline the replacement EBT card process and improve the accuracy of the mailing addresses on file for clients. In turn, this will reduce the amount of returned mail and provide replacement cards to customers in a timely manner.

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Maryland Department of Human Resources (MD) – \$723,065

The Maryland Department of Human Resources (DHR) will use grant funds to better coordinate case management service across American Job Centers, community-based SNAP E&T providers, and local Departments of Social Services. DHR will pilot the implementation of ICF Incorporated's proprietary tool, wQ®, in Baltimore City and the eight Maryland counties that have implemented FNS Able-bodied Adults Without Dependents (ABAWD) time-limit waivers. DHR will integrate wQ® with the existing Maryland Workforce Exchange (MWE) and a suite of SNAP E&T tools. By sharing key client information collected in wQ® with the MWE system, DHR hopes to increase the rate of referral to MWE by SNAP caseworkers and partners, simplify the registration of clients into MWE, improve the usage of MWE by SNAP clients, and ultimately help SNAP clients meet their work requirements on their pathways to self-sufficiency.

Missouri Department of Social Services (MO) – \$955,035

The Missouri Department of Social Services will use grant funds to rewrite the MO Benefit Center platform using Microsoft .NET to enable mobile capability. The project will also expand the customer portal to offer self-service functionality which will include the ability to submit a SNAP application, report changes in household circumstances, and provide the option to receive automated reminder calls or text messages. New geographic information will also be available on the MO Benefit Center website to help clients locate the nearest food bank, resource centers, Veteran's Affairs facilities and Workforce Development Job Centers.

Nebraska Department of Health and Human Services (NE) – \$607,000

The Nebraska Department of Health and Human Services' project consists of three initiatives to achieve customer service outcomes to improve access to SNAP benefits by eligible applicants. 1) Workforce optimization software will be purchased to provide information to managers and supervisors needed for scheduling or forecast staffing. 2) Communication boards will be purchased and a network will be developed to connect the dashboard programming to the operating systems (phone, document management, and eligibility). Changes to the N-FOCUS eligibility system will be made to create automated lists of clients who consent to receive text message alerts along with their phone number and a daily file of text messages to be sent. Text reminders will be sent to clients to alert them if verification is needed, if recertification is due, changes in case status, and other changes affecting eligibility. This will serve as a complement to mailed or emailed notices for those who have opted to receive electronic notices through Nebraska's FNS approved Electronic Notice waiver.

Info Line of San Diego 2-1-1 (CA) – \$100,000

Info Line of San Diego 2-1-1 (CA) will use funding to connect three systems as part of the region-wide data exchange. Through this project, the telephone system (inContact), the appointment setting system (TimeTrade), and a new text messaging system will auto-populate information into 2-1-1's Client Management System (Salesforce). This information will interface and ultimately 2-1-1's client records will be accessible to the County of San Diego as part of a community-wide initiative to streamline client access to services and to share client data across stakeholders. The County will be able to see relevant pieces of work completed prior to an application being submitted by 2-1-1 along with relevant data that the client shared.

Washington Department of Social and Health Services (WA) – \$1,500,000

The Washington Department of Social and Health Services (DSHS) will use grant funds to develop a mobile app that will provide SNAP clients and applicants with the ability to upload documents, review, and update their case information using an app designed for smartphones and tablets. This project will also enable DSHS to use web platforms to send text message alerts and reminders to clients informing them of upcoming appointments or needed documentation.

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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. Bonuses for Case and Procedural Error Rate, Program Access Index and Timeliness performance in 2015 were awarded in September 2016. Payment Accuracy bonuses for 2015 performance were awarded in November 2016. The following States received awards:

FY 2015 SNAP HIGH PERFORMANCE BONUSES 1/		
BEST PAYMENT ACCURACY 2/		
State	Payment Error Rate (PER)	Bonus Amount
South Dakota	0.75	\$410,982
Kansas	1.04	\$978,659
Virgin Islands	2.36	\$190,825
North Dakota	2.73	\$278,417
New York	3.33	\$12,097,336
Arizona	4.70	\$3,264,641
Wyoming	4.94	\$199,886
Massachusetts	5.25	\$3,337,362
West Virginia	5.41	\$1,410,602
MOST IMPROVED PAYMENT ACCURACY 2/		
State	Change from FY 2014 to FY 2015	Bonus Amount
<i>New York</i>	<i>-1.90</i>	<i>Received Bonus for Best</i>
<i>Virgin Island</i>	<i>-0.82</i>	<i>Received Bonus for Best</i>
Minnesota	-0.89	1,831,590
Total		\$24,000,000
BEST CASE AND PROCEDURAL ERROR RATE		
State	Rate	Bonus Amount
South Dakota	1.91	\$180,655
Mississippi	6.60	\$653,117
Florida	7.18	\$3,854,010
Idaho	7.58	\$256,671

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MOST IMPROVED CASE AND PROCEDURAL ERROR RATE		
State	Change from FY 2014 to FY 2015	Bonus Amount
<i>New Jersey</i>	<i>New Jersey would have qualified but exceeded US average by 50 percent</i>	--
<i>Guam</i>	<i>Guam would have qualified but exceeded US average by 50 percent</i>	--
Connecticut	-27.31	\$563,656
Nevada	-22.81	\$491,891
Total		\$6,000,000

BEST PROGRAM ACCESS INDEX		
State	Rate	Bonus Amount
Maryland	104.11	\$2,711,880
District of Columbia	103.12	\$616,344
Delaware	101.54	\$563,514.
Hawaii	100.32	\$716,622
Oregon	97.97	\$2,953,134

MOST IMPROVED PROGRAM ACCESS INDEX		
State	Change from FY 2014 to FY 2015	Bonus Amount
<i>Hawaii</i>	<i>7.42</i>	<i>Received Bonus for Best</i>
<i>New Mexico</i>	<i>Disqualified for Pending cases</i>	--
Nevada	8.28	\$1,453,911
South Carolina	6.49	\$2,552,369
New Hampshire	5.63	\$432,226
Total		\$12,000,000

BEST APPLICATION PROCESSING TIMELINESS RATE		
State	Rate	Bonus Amount
<i>New Mexico</i>	<i>Disqualified for Pending cases</i>	--
Idaho	99.13	\$765,931
New Hampshire	96.94	\$508,742
North Dakota	96.38	\$296,685
Wyoming	96.32	\$210,114
Utah	95.71	\$800,003
Alabama	95.60	\$3,418,525
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.

2/ Only States that FNS determined to have introduced no bias into the QC system were eligible for a bonus.

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 \$163 million in delinquent debt was collected through TOP in calendar year 2016. More than \$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.

Application Processing Timeliness

Processing applications in a timely manner remains a priority to ensure families can put food on the table as quickly as possible, thus reducing food insecurity. States are required to process all regular SNAP applications within 30 days from the date of application or within seven days for households with emergency food needs. In FY 2016, FNS updated their protocol to hold States accountable to application timeliness standards. This policy includes the steps FNS may take to identify 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. In FY 2016, four States received advanced warning letters because of poor application processing timeliness. FNS is currently working closely with these States as they implement corrective actions. In addition, FNS was able to release three other States from their warning letters due to their success in meeting milestones. FNS continues to monitor these States to ensure lasting improvements.

State Policy Options Report

The 12th Edition of the SNAP State Options Report was issued in April 2016. SNAP's statute, regulations, and waivers provide State agencies with numerous policy options that enable State agencies to adapt their programs to meet the unique needs of their State. 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. The State Options Report provides FNS, researchers, States, and other agencies with information about options being implemented in each of the 53 State agencies that administer SNAP. The 12th edition reflects options in effect as of October 1, 2015, and covers a range of areas including reporting, simplified methods, and modernization initiatives.

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 2016, FNS distributed 2,871 packets of information in English and Spanish to toll-free number callers and answered approximately 54,365 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>. During FY 2016, 1.01 million SNAP informational materials were distributed.

National Anti-Hunger and Opportunity Corps: USDA is in its seventh year of partnership with the Corporation for National and Community Service, with an expected 55 VISTA members serving at various non-profit organizations across the country, to improve capacity building systems and promote awareness of and access to SNAP, SNAP Employment and Training, and SNAP at farmers markets 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. During FY 2016, 44 States had approved outreach plans and an additional State performed outreach activities.

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SNAP Administration Performance Improvement Initiatives

Process Improvement Support for State Agencies: FNS continues to provide contract support in process improvement to low performing States on critical SNAP performance measures (application processing timeliness, payment accuracy and case and procedural errors). A new contract was awarded in FY 2016 for five years. The contract allows FNS to facilitate collaborative model projects with State agencies and provide direct technical assistance to State agencies to improve SNAP certification documents. In addition, the contract provides training to FNS in industry standard process improvement methodology that will help FNS assist State agencies in their own process improvement projects. In FY 2016, through the contract, FNS began working with three State agencies on a collaborative model project.

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. FNS hired a contractor to begin designing the user interface and building SWIM.

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 through nutrition education and physical activity. The HHFKA also changed the funding structure of SNAP-Ed, to a capped formula grant whereby USDA provides 100 percent Federal funds to States to provide SNAP-Ed activities. States receive funding under the statutory formula which determined allocations based on their baseline share of total SNAP-Ed expenditures, while also incorporating each State's relative share of SNAP participation in the previous 12-month period ending the preceding January 31. This allocation started with a 90/10 weighting of expenditures to participation in FY 2014, building to a 50/50 weighting of expenditures to participation in FY 2018 and beyond. For FY 2017, funding was set at \$414 million, and State allocations are determined with 60 percent based on the State's percentage of national SNAP-Ed expenditures for FY 2013, as reported in February 2014, plus 40 percent based on the State's percentage of national SNAP participation for the 12-month period February 1, 2015 to January 31, 2016.

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 2017 SNAP-Ed Guidance, released in March 2016, provided instructions to State agencies on implementing policy, systems, and environmental interventions defined for SNAP-Ed. The Agency published the SNAP-Ed final rule March 31, 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 approved by OMB on September 13, 2016. The new form will enable States and implementing agencies to report FY 2017 data on obesity prevention activities that use public health strategies, to include policy, systems, and environmental change interventions for SNAP-Ed.

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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 and teacher and student focus groups have also been completed. The Curriculum Toolkit was pilot tested in three schools and is now undergoing final review and revisions.

SNAP-Ed Connection: This dynamic online resource center empowers SNAP-Ed providers to excel in program delivery. It strengthens the SNAP-Ed program by providing nutrition education and obesity prevention resources and enhancing collaboration to reduce duplication of efforts. Providers use the SNAP-Ed Library on the website to showcase and share materials. Educators receive continuing education credits from SNAP-Ed Connection webinars. Directors use the SNAP-Evaluation framework and find evaluation tools so they can measure the impact of their work. Educators and the Public use the Seasonal Produce Guide to learn about local and seasonal foods to make food dollars stretch further. This project also communicates important SNAP-Ed news to SNAP-Ed personnel and the public.

Incentive Programs to Increase Healthy Food Purchases in SNAP

Assisting SNAP households to make more healthful food purchases remains an important priority for FNS. In FY 2016, FNS continued to work with program partners to provide flexibilities to help improve access to healthy foods for SNAP families through incentive programs.

The Food Insecurity and Nutrition Incentive (FINI) grant program was established by the 2014 Farm Bill to incentivize the purchase of fruits and vegetables by SNAP clients. The FINI grant program is collaboratively administered by the FNS and the National Institute of Food and Agriculture (NIFA). Since 2015, NIFA's FINI program has awarded \$48.3 million to 59 organizations in 33 States and the District of Columbia.

The FY 2017 FINI Request for Applications (RFA) was published on October 20, 2016. The deadline for applications was December 12, 2016. NIFA will be announcing FY 2017 FINI awardees in May 2017. During FY 2016, FNS helped develop the FY 2017 RFA and provided policy guidance to applicants and grantees that the SNAP equal treatment provisions does not apply to FINI grantees for the purposes of providing incentives. In addition, in August 2016, FNS posted to the FNS website a series of clarifying policy questions and answers. FNS also developed a FINI webpage including a map of participating farmers markets and retail food stores participating in FINI grant projects.

The Farm Bill also required an independent evaluation of the FINI Grant Program. FNS awarded the contract for the evaluation in May 2015. In FY 2016, the contractor provided technical assistance to grantees and developed the Information Collection Request for obtaining OMB approval for the data collection. In early FY 2017, FNS received OMB approval for the data collection, and the contractor has begun data collection activities. In FY 2017, the contractor will conduct a pre-incentive and post-incentive survey of a sample of SNAP participants to measure the effect of the incentive on purchase and consumption of fruits and vegetables. In FY 2017, the contractor will also hold focus groups with retailers that offer incentives. A preliminary report on early process (implementation) evaluation findings is expected in FY 2017.

In May 2016, FNS renewed the Massachusetts Department of Transitional Assistance (DTA) waiver to continue and expand its Community Supported Agriculture (CSA) pilot project that began in 2014. DTA's pilot project allows SNAP EBT to be accepted in advance of food delivery by agricultural producers who market directly to consumers. DTA collaborates with selected SNAP authorized retailers, including non-profits and direct marketing farmers, to provide low-income SNAP clients access to fresh, local, affordable produce through the purchase of shares in a CSA, while helping to reduce client stigma by eliminating the need for SNAP households to use their EBT card on site. Through this pilot, DTA has served over 150 SNAP households during the 2016 growing season.

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In May 2016, FNS approved a waiver for H-E-B Supermarkets in San Antonio, Texas, that allows H-E-B Supermarkets to give some SNAP clients coupons as an incentive to purchase healthier foods.

In February 2016, FNS approved an extension of the Kent County, Michigan waiver to allow electronic receipts so that SNAP clients have better access to healthy foods. The Michigan SNAP and WIC Bridge Card, WIC Project FRESH, Summer Electronic Benefits Transfer (EBT) for Children, and Fair Food Network's Double Up Food Bucks currently participate in this waiver, which allows participants enrolled in these supplemental food programs the ability to redeem their benefits at participating farmers markets using one device to process multiple types of transactions. SNAP customers are provided an electronic receipt as proof of their transaction and account balance, rather than a printed receipt. The waiver allows for a maximization of resources and results in a more enhanced and efficient farmers' market experience for SNAP and Women, Infants, and Children (WIC) customers.

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 2016, 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 or standardized shelter deductions, 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 2016, 17 States operated CAP demonstration projects: Arizona, Florida, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, New Jersey, 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, waiving the recertification interview, allowing longer certification periods, and minimizing the need to provide verification. In FY 2016, two new States were approved to implement ESAPs – Maryland and Pennsylvania. In addition, six other 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 2016, 18 States operated Standard Medical Deduction projects (Alabama, Arkansas, Georgia, Iowa, Idaho, Illinois, Kansas, Massachusetts, Missouri, North Dakota, New Hampshire, Rhode Island, South Carolina, South Dakota, Texas, Virginia, Vermont, and Wyoming). Colorado requested and received FNS approval to operate the demo in FY 2016, but implemented the program in FY 2017.

SNAP Purchasing and Delivery Trial Period allows a limited number of non-profit and governmental food purchasing and delivery services serving elderly and disabled SNAP recipients who are otherwise unable to shop for food to become SNAP authorized retailers for a one-year trial period in advance of publication of a final rule establishing eligibility and participation requirements for such services. FNS published a Request for Volunteers (RFV) soliciting eligible organizations to submit applications to participate in the trial period on February 1, 2016. Final selections were made on August 31, 2016. FNS selected, trained, and authorized five organizations to participate in the trial period, which will run for one year, until August 30, 2017.

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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. In FY 2016, FNS completed thorough reviews of quality control systems in all 53 State agencies in order to improve administration of SNAP. Most States have developed corrective actions to address deficiencies revealed in the findings from these reviews.

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' 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 2016:

State	Disaster	Total Households (New cases and ongoing HHs)	Total Issuance
New York	Hurricane Sandy (Toney-Dick Settlement)	18	\$4,525
South Carolina*	Flooding	304,182	\$97,224,123
Louisiana	Flooding	137,507	\$34,851,554
Texas	Flooding	300	\$119,921
West Virginia	Flooding	23,361	\$4,661,482
Louisiana*	Flooding	196,091	\$113,246,054
TOTAL		661,459	250,107,659

**Provisional figures not yet certified by submission of the FNS 292-B form*

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.

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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 2015, States reported that approximately 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 lower-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 2016, States served an estimated 1 million participants through their E&T programs. In FY 2016, FNS published new outcome reporting criteria established by Section 4022 of the Agricultural Act of 2014. The new outcome reporting requirements will help States, the Federal government, and the public understand the effectiveness of SNAP E&T programs. The national reporting measures reflect job entry, retention, earnings and educational gains and will be broken down by key characteristics that are unique to the SNAP population. States are also required to establish reporting measures for each E&T activity designed to serve more than 100 participants. States will submit their first annual reports on FY 2017 outcomes on January 1, 2018.

Funding

SNAP E&T is funded under four funding streams:

Budget Item	Description	2016 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.	\$96,367
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.	\$239,073
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.	\$70,945
	TOTAL	\$426,385

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 were 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 pilot projects were awarded on March 20, 2015 for innovative approaches to provide work eligible SNAP

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recipients with skills needed to attain meaningful work that leads to self-sufficiency and all projects were operational as of April 2016. 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.

The Agricultural Act of 2014 also provided funding for a rigorous, longitudinal evaluation of the ten pilots. FNS awarded the evaluation contract in December 2014. The contractor received OMB approval for data collection in January 2016. This initiated the recruitment and enrollment of pilot participants and evaluation data-collection activities in all ten pilot projects. In FY 2016, FNS submitted the first annual report to Congress describing the status of the ten pilots including accomplishments and challenges during FY 2015. The second annual report to Congress on FY 2016 accomplishments and challenges will be submitted in FY 2017. Administration of the 12-month follow-up survey of a random sample of participants will begin in January 2017. FNS anticipates the availability of the interim evaluation report in 2019 and the final evaluation report in 2021.

The pilot projects and award amounts are as follows:

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*

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*

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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*

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

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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 are dedicated solely to SNAP E&T. Those regional staff work "on the ground" with State agencies, their partners, and other stakeholders. This integrates and aligns SNAP E&T with other job-training programs, leverage resources, and implement outcome measures.

Technical Assistance

In FY 2015, FNS awarded a contract to the Seattle Jobs Initiative (SJI) to operate a two-year *SNAP to Skills Project* (S2S) which builds on the Administration's commitment to job-driven training. The technical assistance (TA) provides States the tools and resources they need to develop job-driven SNAP E&T Programs. In addition, ten States (Arkansas, Arizona, California, Massachusetts, Maryland, Michigan, Minnesota, Missouri, North Carolina, and Tennessee) receive direct TA from SJI. 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. A digital platform was developed to support the widespread dissemination of S2S materials and resources. The website will host all of the S2S products, including policy briefs, a comprehensive SNAP E&T workbook for States, success stories, and State progress updates and successes. It is designed to be a "one-stop shop" for States interested in building job-driven programs and expanding their 50/50 program.

In FY 2016, FNS announced an addition to the S2S Project, the *SNAP E&T Learning Academy* ("Academy"), which is a first-ever competitive opportunity for a select number of individuals to gain the specific technical expertise on SNAP E&T that prepares them to work within their State or across multiple States to build high-quality SNAP E&T programs. The Academy is designed to prepare a network of individuals from organizations providing technical assistance to States who can work with States to develop SNAP E&T programs, using a "train the trainer" approach. States and counties may also find this content useful as they work to develop and expand their SNAP E&T programs. Participants selected for the Academy will participate in two convening and monthly virtual sessions in FY 2017.

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.

EBT System Conversions: FNS worked with the States to prepare for numerous States' conversions to a new EBT Processor. This involves weekly meetings, reviewing and providing feedback on documentation and attending the user acceptance tests to ensure the State is prepared to successfully convert to their new vendor. This work was undertaken in support of the following States in FY 2016: Puerto Rico, Nevada, Texas, Kentucky, Washington, Montana, Utah, Wyoming, Virgin Islands, Alabama, Arizona, and Nebraska. Some States completed their conversions in FY 2016 and others will continue into FY 2017 with additional States to begin their conversion activities during the coming year.

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 in FY 2015 and FNS has since completed a staggered roll out for application, reauthorization and case documents to the remaining Work Centers and Branches in FY 2016.

ALERT: FNS released several updates to FNS' system for fighting SNAP retailer fraud known as ALERT to ensure continued system operations as well as enhancements using the best-suited prevalent architectures and technologies available in the IT industry. FNS also executed a new task order on the ALERT contract which allows for continued data mining support services.

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STARS: Quarterly releases of the Store Tracking and Redemption System (STARS) were completed in FY 2016. STARS is the system used by FNS to manage retailer participation in SNAP. These releases included enhancements for all Retailer Operations Division branches improving performance reporting, streamlining transfer of work between branches and automating case assignment to improve the efficiency and effectiveness of the organization.

Investigator Mobile App: A mobile app was developed for FNS's undercover investigators. This app will be deployed to each investigator's tablet and allow them to enter investigative details from the field immediately after leaving the store increasing the accuracy of investigative reports and reducing the time currently spent on documenting investigative notes in paper and later transcribing them into systems. This is the first mobile app to be developed by the Agency and required close coordination with USDA for integration with a mobile eAuthentication solution.

Studies and Evaluations

FNS published three major reports related to SNAP during FY 2016, including two studies mandated by the Agricultural Act of 2014. The reports are available at <http://www.fns.usda.gov/ops/supplemental-nutrition-assistance-program-snap-research>. These include:

- **Enhancing Completion Rates for Supplemental Nutrition Assistance Program Quality Control (QC) Reviews**, which identified the factors that consistently led to incomplete cases among active cases sampled for review, and recommended ways to enhance the completion rates. The objectives of this study included: 1) gaining an understanding of the QC review process, specifically the process that leads to designating a case review as incomplete; 2) examining the characteristics of the incomplete cases as compared to complete cases; 3) identifying the problems that the QC reviewers face when attempting to complete cases; and 4) recommending ways to enhance the completion rates for SNAP QC reviews. This study examined the QC process in each State, including the District of Columbia, Guam and the Virgin Islands and Federal Regional offices.
- **Assessment of Tribal Administration of Federal Nutrition Assistance Programs** examined 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 describes 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.
- **Assessment of Nutrition Assistance Program Administration in the Commonwealth of Northern Mariana Islands (CNMI)** assessed the capabilities of the CNMI to operate the Supplemental Nutrition Assistance Program (SNAP) in a similar manner to State agencies and also assessed alternative models of SNAP operation and benefit delivery that best met the nutrition assistance needs of the CNMI. The study included assessments of the CNMI's ability to fulfill the responsibilities of a State agency as defined in the Food and Nutrition Act of 2008 in regards to certifying eligible households, issuing benefits through electronic benefit transfer, maintaining program integrity including operation of a quality control system, implementing work requirements including operation of an employment and training program, and paying a share of administrative costs with non-Federal funds (Section 4031 of the Act).

Community Food Projects

The Community Food Projects program is authorized under Section 25 of the Food and Nutrition Act of 2008. The Community Food Projects Competitive Grants Program supports the development of Community Food Projects with a one-time infusion of Federal dollars to make such projects self-sustaining. While funding was set at \$5 million per year in the 2008 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).

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Farmers' Markets and Direct-Marketing Farmers

FNS spent \$4 million in FY 2016 to provide wireless SNAP EBT equipment to newly authorized farmers' markets and direct marketing farmers and those needing replacement equipment. These funds were also used to award Farmers Market SNAP Support Grants (FMSSG). 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.
- Monitor the progress and reporting of the FMSSG from FY 2015.

In FY 2016, approximately 740 farmers markets and direct marketing farmers received wireless SNAP EBT equipment through this contract.

As of September 30, 2016, the number of SNAP-authorized farmers markets and direct marketing farmers increased from 6,483 in FY 2015 to approximately 6,997 with redemptions slightly over \$20 million in FY 2016. FNS expects to continue activities that promote SNAP operations at farmers markets, and support the goals and mission of SNAP.

In FY 2016, FNS awarded \$532,014 in support grants to expand SNAP EBT services at farmers markets. Awards were made to the following projects:

1. **University of Oklahoma Health Sciences Center** (Oklahoma City, Oklahoma) -- \$248,443
The University of Oklahoma Health Sciences Center will work with five farmers markets in the Oklahoma City area on a social media and mass transit campaign directed towards current SNAP participants in order to increase SNAP redemptions at farmers markets.
2. **Upper Ocmulgee River RC&D Council, Inc.** (Lawrenceville, Georgia) -- \$241,571
The Upper Ocmulgee River RC&D Council will train up to 40 farmers markets staffs throughout Georgia on how to best operate the SNAP program and provide solutions to common barriers of SNAP at farmers markets, such as transportation and price.
3. **Veterans Employment Base Camp and Organic Garden** (New Bern, North Carolina) -- \$42,000
This grant will provide educational training in SNAP policies and procedures which aims to assist about 50 veteran farmers and to increase the effectiveness of veteran farmers' participation in SNAP.

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.

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Beginning in 2001, NAP program rules provided that 75 percent of NAP benefits were redeemable for eligible food items at certified NAP retailers through EBT; the remaining 25 percent of benefits were available as cash and intended food purchases. 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, 1.29 million people were served monthly during FY 2016.
- In FY 2016, total benefit costs were \$1.9 billion, or about \$124 per person per month, for nutrition assistance program recipients.
- Puerto Rico spent an estimated \$38 million of Federal funds on administrative activities in FY 2016, which are matched by an equivalent amount of State funds.

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 2013 through 2016 actuals is as follows:

NUTRITION ASSISTANCE FOR PUERTO RICO

Summary of Funding
(Dollars in thousands)

	2013 Actual	2014 Actual	2015 Actual	2016 Actual
Benefit Costs	\$1,954,380	\$1,859,566	\$1,908,535	\$1,919,423
Administrative Costs	46,071	42,851	42,346	37,947
Nutrition Education Program	115	353	516	104
Total Federal Funds	2,000,568	1,902,770	1,951,397	1,957,475
State Administrative Costs	43,633	40,256	42,862	37,947
Total Program Costs	2,044,201	1,943,027	1,994,259	1,995,422

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 1.29 million persons were served monthly or about 35.3 percent of Puerto Rico's total estimated population of 3.7 million participated in the program in FY 2016. Monthly participation for FYs 2013 through 2016 actual is as follows:

FOOD AND NUTRITION SERVICE

NUTRITION ASSISTANCE FOR PUERTO RICO

Summary of Participation

	2013 Actual	2014 Actual	2015 Actual	2016 Estimates
Average Number of Persons (million)	1.36	1.35	1.32	1.29
Average Number of Households	666,624	673,160	671,682	673,460
Average Household Size (persons)	2.04	2.01	1.97	1.93
Average Benefit Per Household	\$240	\$232	\$238	\$239

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 2016, about \$8 million was authorized to be expended under American Samoa's block grant.

Facts in Brief

- A monthly average of 3,905 persons, or about 7.98 percent of American Samoa's total estimated population of 48,927 was served during FY 2016.
- In FY 2016, average monthly benefit costs were \$461,709, or \$118.23 per person.
- American Samoa spent \$2.38 million for administrative activities for FY 2016. Block grant funding provides 100 percent of administrative and benefits costs.
- The program serves the low-income elderly, blind, and disabled population.
- American Samoa prints its own food coupons.

Federal Responsibilities of the Block Grant

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

NUTRITION ASSISTANCE FOR THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Program Mission

The Commonwealth of the Northern Mariana Islands' (CNMI) nutrition assistance program began on July 2, 1982. The program was authorized by Public Law 96-597 (December 24, 1980), which allowed USDA to extend programs administered by the Department to CNMI and other territories. In FY 2016, \$12,148,000 in grant funds were provided to CNMI.

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 7,329 people or 14.2 percent of CNMI's total estimated population of 51,483 were served during FY 2016.
- In FY 2016, average benefit costs were \$295 per household per month.
- CNMI NAP has elected to increase the Saipan allotment by 16 percent starting in January 2015.

FOOD AND NUTRITION SERVICE

- The CNMI spent an estimated \$1.32 million on administrative activities for FY 2016. 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.

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 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 a wide selection of fresh produce as well as offerings of traditional foods. The variety of foods available in the FDPIR food package includes:

- Frozen ground beef, beef roast, chicken, and ground bison.
- 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, bakery mix, yellow cornmeal, and blue cornmeal
- 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 2016, three States and 102 ITOs administered programs on 276 Indian reservations, pueblos, rancherias, and Alaska Native Villages. Nutrition assistance was provided to an average of 93,000 persons per month at a cost to FNS of \$62.02 per food package in FY 2016, with an average monthly per person administrative cost of \$36.62.

FOOD AND NUTRITION SERVICE

FDPIR PARTICIPATION AND COST

	2009	2010	2011	2012	2013	2014	2015	2016
Average Participation (in Thousands)	95.4	84.6	77.8	76.5	75.6	85.4	88.6	93.0
Per Person Per Month Food Cost (Entitlement)	\$54.65	\$47.45	\$50.71	\$57.04	\$59.31	\$60.92	\$65.22	\$62.02
Total FNS Food Cost (\$ in Millions)	\$55.02	\$48.17	\$47.37	\$52.38	\$53.94	\$62.51	\$69.35	\$69.25

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

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 nationwide. The work group 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 2016 as a result of the work group, the following changes were made to the food package: 1) whole grain tortillas were added; 2) whole grain shredded wheat cereal replaced corn/rice biscuits cereal; 3) cherry apple juice replaced grapefruit juice; and, canned tuna replaced canned salmon. The addition of pork chops to the FDPIR food package in FY 2015 continued in FY 2016 as a regular food item under the meat category, as did the additional fresh produce items including lemons, cranberries, and clementines offered through FNS' partnership with the Department of Defense (DoD) Fresh Fruit and Vegetable Program. Currently, over forty fresh produce items are now offered in the food package with some items available seasonally. During FY 2016, FNS continued to pilot the distribution of fresh shell eggs and expanded delivery to three additional FDPIR programs. The work group is also focused on selecting traditional foods for inclusion in the FDPIR food package.

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 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. The Consolidated Appropriations Act of 2016 continued to support the fund for the second year and maintained funding at \$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. Since 2015, FNS and its procurement partner, the Agricultural Marketing Service (AMS), awarded contracts to deliver blue cornmeal and bison meat to FDPIR, including purchases of bison from two Native American-owned small businesses. During FY 2016, additional contracts were awarded for frozen wild salmon and traditionally-harvested wild rice. The procurement of traditionally-harvested wild rice was awarded to two Indian Tribal Organizations who recently became approved USDA vendors. Deliveries for wild salmon and traditionally-harvested wild rice to local FDPIR programs began in the fall of 2016.

Healthy Eating Index (HEI): The HEI is a tool designed to assess diet quality in terms of how well diets comply with the *Dietary Guidelines for Americans*. In FY 2016, FNS conducted an updated analysis of the FDPIR food package using scoring methodology used under HEI-2005 as well as the most recent HEI scoring methodology, HEI-2010, which reflects the 2010 Dietary Guidelines for Americans. Under the HEI-2005, the FDPIR food package received a score of 86.5 out of 100, as delivered in 2014. Under the HEI-2010, FDPIR food packages achieved a score of 73 out of 100, as delivered in 2014. This compares to an HEI-2010 score of 59.0 for the average American diet for the years 2011-2012. The change in score is primarily due to changes in methodology used in the HEI tool. In response, however, FNS and the FDPIR Food Package Review Work Group have prioritized adding more whole grains to the package in an effort to improve the score.

FDPIR Infrastructure Grants: In FY 2016, FNS received Congressional approval to repurpose \$5 million originally appropriated for FDPIR food to cover immediate equipment needs and capital investments for the program. Of the \$5 million, approximately \$4.4 million was awarded to eight ITOs as infrastructure grants under

FOOD AND NUTRITION SERVICE

two-year cooperative agreements. The grants primarily targeted large renovation projects of FDPIR facilities. The remaining funds were allocated across FDPIR programs to cover equipment needs.

Studies and Evaluations: In FY 2016, FNS published a national study of FDPIR and its participants. The study's objectives included: 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.

Nutrition Education Activities: In FY 2016, FNS awarded nearly \$1 million in FDPIR Nutrition Education Grants to 14 grantees benefiting FDPIR participants across seventeen States. The grants promote the healthy foods offered in FDPIR and align with the goals of the 2015 *Dietary Guidelines for Americans*. During the fiscal year, FNS continued with the assessment project to determine the nutrition education paraprofessional training needs of FDPIR local agency staff, per a contract awarded in FY 2015. The paraprofessional assessment is scheduled to be completed in FY 2017. FNS also awarded a contract to a small design firm to deliver program specific materials for FDPIR, with a focus on nutrition education. Materials, such as a nutrition education program brochure, infographics, lesson plan templates, and posters are scheduled to be completed and shared with FDPIR programs in FY 2017.

FOOD AND NUTRITION SERVICE

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM SUMMARY OF BENEFIT COSTS, PARTICIPATION AND STATE ADMINISTRATIVE FUNDING					
FISCAL YEAR 2016					
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-----	851	400	\$1,254,835	\$122.91	\$53,352
Alaska-----	82	35	175,483	177.63	10,706
Arizona-----	960	427	1,402,230	121.71	70,198
Arkansas-----	426	192	577,175	112.89	32,569
California-----	4,340	2,094	7,237,139	138.96	936,695
Colorado-----	476	225	728,042	127.54	50,700
Connecticut-----	432	245	685,510	132.36	57,643
Delaware-----	148	71	220,683	124.63	14,897
District of Columbia-----	135	76	210,436	130.26	20,461
Florida-----	3,455	1,871	5,220,519	125.93	90,674
Georgia-----	1,733	801	2,663,018	128.02	88,046
Hawaii-----	177	89	484,225	228.33	19,115
Idaho-----	185	80	255,424	114.87	9,233
Illinois-----	1,914	996	3,042,934	132.46	109,468
Indiana-----	742	329	1,068,459	120.06	59,536
Iowa-----	381	179	507,597	111.11	20,978
Kansas-----	254	114	342,325	112.39	22,534
Kentucky-----	666	313	980,977	122.70	62,535
Louisiana-----	927	422	1,547,434	139.08	72,248
Maine-----	189	99	254,899	112.24	16,783
Maryland-----	744	389	1,079,152	120.82	67,724
Massachusetts-----	779	450	1,189,716	127.24	56,751
Michigan-----	1,474	778	2,167,711	122.58	147,359
Minnesota-----	479	231	602,528	104.85	69,293
Mississippi-----	583	269	814,843	116.54	30,855
Missouri-----	811	378	1,182,958	121.60	47,618
Montana-----	117	55	166,365	118.87	11,150
Nebraska-----	176	78	240,677	114.05	16,583
Nevada-----	440	222	629,520	119.29	26,004
New Hampshire-----	98	48	120,552	102.03	9,747
New Jersey-----	880	440	1,223,052	115.82	143,816
New Mexico-----	471	217	693,427	122.62	34,745
New York-----	2,968	1,636	4,922,406	138.20	334,992
North Carolina-----	1,568	762	2,248,947	119.49	110,188
North Dakota-----	54	25	78,701	120.89	10,317
Ohio-----	1,609	794	2,396,033	124.12	105,015
Oklahoma-----	613	276	885,643	120.42	44,314
Oregon-----	735	420	1,073,119	121.69	85,358
Pennsylvania-----	1,864	951	2,729,025	122.02	175,999
Rhode Island-----	171	100	272,776	132.89	9,258
South Carolina-----	805	378	1,222,104	126.51	32,559
South Dakota-----	96	42	144,590	125.53	9,466
Tennessee-----	1,113	548	1,672,282	125.18	67,762
Texas-----	3,768	1,588	5,308,545	117.39	209,801
Utah-----	220	86	301,870	114.44	16,124
Vermont-----	80	43	116,470	121.76	9,803
Virginia-----	826	388	1,169,413	117.93	113,028
Washington-----	1,011	547	1,452,894	119.71	105,422
West Virginia-----	357	178	499,059	116.43	20,849
Wisconsin-----	728	360	922,827	105.62	60,449
Wyoming-----	34	14	48,510	119.41	6,031
American Samoa 1/-----	0	0	0	0.00	0
CNMI 1/-----	0	0	0	0.00	0
Guam-----	47	16	106,334	189.70	1,848
Virgin Islands-----	28	13	56,767	170.41	5,255
Anticipated Adjustment-----	0	0	-163,563	0.00	599,821
TOTAL-----	44,219	21,778	\$66,434,601	\$125.51	\$4,613,673

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

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

FOOD AND NUTRITION SERVICE

**SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
FIRMS AUTHORIZED TO RECEIVE AND REDEEM SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS
FISCAL YEAR 2016**

State	Retailers	Whole-salers	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	5,456		21	1	1	22	1	1			5,503
Alaska	540		9	1							550
Arizona	3,959		8	2	1		3	2	203		4,178
Arkansas	2,813		18				2				2,833
California	25,022		193	4	5		26	8	1,623		26,881
Colorado	2,790		9		2		4	7			2,812
Connecticut	2,605		14	1	2		2	1			2,625
Delaware	814		2				4				820
District of Columbia	486				1		1				488
Florida	16,072		65		1	28	6	4	3		16,179
Georgia	10,204		4		5	2	3			1	10,219
Guam	259										259
Hawaii	1,023		9	2	1	2		1			1,038
Idaho	1,075							1			1,076
Illinois	9,221		11		25	13	6	16	2	132	9,426
Indiana	5,232		6	1	1		4	11		1	5,256
Iowa	2,806		13		5		1	6			2,831
Kansas	2,005		11		11	6	1	8			2,042
Kentucky	4,680		35		3						4,718
Louisiana	4,844		8		1	1	9				4,863
Maine	1,545		13		10	1	1	1		2	1,573
Maryland	4,013		15	2	6	25	8	2		1	4,072
Massachusetts	5,147		83	5	4	107	8	2	1	4	5,361
Michigan	9,856		22		31	36	8	18			9,971
Minnesota	3,412		3		5		2	13		1	3,436
Mississippi	3,599		3								3,602
Missouri	4,938		11	1	1		7	2			4,960
Montana	747		2		16	10	2			4	781
Nebraska	1,238		11				2				1,251
Nevada	1,816		5	1			6	1			1,829
New Hampshire	1,046		3			2	2	1		1	1,055
New Jersey	6,110		24			4	3			1	6,142
New Mexico	1,555		2					1			1,558
New York	18,211		114		23	207	10	33		5	18,603
North Carolina	9,621	1	4		2		1	3			9,632
North Dakota	475		4		20	3	1	6		1	510
Ohio	9,570		29		3	1	2	7			9,612
Oklahoma	3,525		14		1		1	1			3,542
Oregon	3,443		29	1	5	30	9	2		1	3,520
Pennsylvania	10,297	1	13		5	17	25	12	7	1	10,378
Rhode Island	963		6	2	7	5	2		9		994
South Carolina	5,381		3				1				5,385
South Dakota	720		3		11	17		4			755
Tennessee	6,949		18	1		23	1	2		2	6,996
Texas	19,486		22			2	3		6		19,519
Utah	1,447		5		1	2					1,455
Vermont	731				1						732
Virgin Islands	91		1								92
Virginia	6,465		12		1	3		2			6,483
Washington	4,984		23		6	5	2	5			5,025
West Virginia	2,174		2		2		1	1			2,180
Wisconsin	4,115		6	1	18	2	2	10			4,154
Wyoming	353		4		1	1	1				360
Total	255,929	2	945	26	245	577	184	195	1,854	158	260,115

FOOD AND NUTRITION SERVICE

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS
PARTICIPATION AND FUNDING
FISCAL YEAR 2016

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION	FOOD COSTS ^{1/}	ADMINISTRATIVE FUNDING ^{2/}	TOTAL FOOD AND ADMIN.
Alaska-----	650	\$423,022	\$677,046	\$1,100,068
Arizona-----	11,887	9,294,035	4,555,860	13,849,895
California-----	4,795	3,222,620	2,713,230	5,935,850
Colorado-----	442	316,693	262,981	579,674
Idaho-----	1,706	1,160,798	781,681	1,942,479
Kansas-----	592	409,795	279,675	689,470
Michigan-----	2,061	1,624,036	1,362,976	2,987,012
Minnesota-----	2,600	1,893,392	1,701,399	3,594,791
Mississippi-----	1,056	664,693	297,093	961,786
Montana-----	3,313	2,473,159	2,555,776	5,028,935
Nebraska-----	1,396	917,467	476,929	1,394,396
Nevada-----	1,468	924,724	722,640	1,647,364
New Mexico-----	2,890	2,003,502	1,656,649	3,660,151
New York-----	452	419,515	420,629	840,144
North Carolina-----	700	506,563	97,500	604,063
North Dakota-----	5,661	4,180,345	2,173,383	6,353,728
Oklahoma-----	33,588	25,836,213	10,726,368	36,562,581
Oregon-----	785	588,869	714,152	1,303,021
South Dakota-----	8,505	6,358,024	3,669,953	10,027,977
Texas-----	124	75,166	143,768	218,934
Utah-----	421	290,469	136,306	426,775
Washington-----	3,410	2,379,832	2,448,500	4,828,332
Wisconsin-----	3,442	2,473,913	2,048,754	4,522,667
Wyoming-----	1,096	813,317	261,652	1,074,969
AMS / WBSCM / Computer Support-----	0	0	0	987,199
Undistributed-----	0	28,304,953	5,740,048	33,057,802
TOTAL-----	93,038	\$97,555,114	\$46,624,948	\$144,180,062

SOURCE: FPRS FNS-152 data - Food distributed to participants in fiscal year 2016.

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 AND NUTRITION SERVICE
FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS
 Quantity and Value of Commodities
 Fiscal Year 2016

ENTITLEMENT COMMODITIES	POUNDS	VALUE
APPLESAUCE, CANNED, UNSWEETENED	708,300	\$400,890
APRICOTS, CANNED, EXTRA LIGHT SYRUP	373,500	436,507
BEANS, CANNED, BLACK, LOW-SODIUM	142,290	58,630
BEANS, CANNED, GREEN, LOW-SODIUM	1,039,433	451,267
BEANS, CANNED, LIGHT RED KIDNEY, LOW-SODIUM	569,160	229,316
BEANS, CANNED, PINTO, LOW-SODIUM	426,870	175,063
BEANS, CANNED, REFRIED, LOW-SODIUM	550,800	243,041
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	183,600	73,562
BEANS, DRY, GREAT NORTHERN, NO SALT ADDED	443,520	211,176
BEANS, DRY, PINTO, NO SALT ADDED	1,407,360	622,716
BEEF, CANNED	432,000	1,168,967
BEEF, FINE GROUND, FROZEN	3,461,600	8,696,414
BEEF, ROUNDS ROAST, FROZEN	1,320,000	4,781,672
BEEF, STEW, CANNED	2,664,000	2,190,600
BISON, GROUND, FROZEN.	1,039,956	9,844,360
BUTTER, SALTED	246,528	721,711
BUTTERY SPREAD, LIGHT, ZERO GRAMS TRANS FAT	413,910	439,943
CARROTS, CANNED, LOW-SODIUM	307,350	135,349
CEREAL, CORN AND RICE, READY-TO-EAT	45,360	67,391
CEREAL, CORN FLAKES, READY-TO-EAT	260,010	205,494
CEREAL, CORN SQUARES, READY-TO-EAT	72,912	133,939
CEREAL, OAT CIRCLES, READY-TO-EAT	145,194	145,849
CEREAL, RICE CRISPS, READY-TO-EAT	215,424	246,708
CEREAL, WHEAT BRAN FLAKES, READY-TO-EAT	147,616	118,430
CEREAL, WHEAT SHREDDED, READY-TO-EAT	199,260	176,354
CHEESE, AMERICAN, LOAVES	2,376,000	4,255,665
CHEESE, BLENDED AMERICAN, SKIM, SLICED	792,000	1,227,469
CHICKEN, CANNED	288,000	431,854
CHICKEN, CONSUMER SPLIT BREAST, FROZEN	1,014,000	1,854,622
CHICKEN, WHOLE, BAGGED, FROZEN	1,160,400	1,039,206
CORN, CANNED, CREAM STYLE, LOW-SODIUM	364,500	177,730
CORN, CANNED, NO SALT ADDED	1,320,414	514,212
CORNMEAL, BLUE	646,272	319,524
CORNMEAL, YELLOW	1,199,520	251,946
CRACKERS, UNSALTED	975,840	1,117,406
CRANBERRY SAUCE, CANNED	220,320	121,008
DoD FRESH PRODUCE		8,913,401
EGG NOODLES	762,480	498,315
EGG MIX, DRIED	756,000	4,731,682
FARINA	232,848	147,695
FLOUR, ALL PURPOSE, ENRICHED	6,332,160	1,310,360
FLOUR, WHOLE WHEAT	299,880	62,615
FLOUR MIX, BAKERY, LOW-FAT	1,321,920	1,165,809
FRUIT/NUT MIX, DRY	174,720	507,168
HAM, FROZEN	792,000	1,179,360
HOMINY, CANNED	359,550	178,520

FOOD AND NUTRITION SERVICE

JUICE, BOTTLED, APPLE, UNSWEETENED	3,148,530	1,144,353
JUICE, BOTTLED, CHERRY APPLE, UNSWEETENED	642,060	249,372
JUICE, BOTTLED, CRANBERRY APPLE, UNSWEETENED	1,385,910	578,761
JUICE, BOTTLED, GRAPE CONCORD, UNSWEETENED	1,183,200	478,690
JUICE, BOTTLED, GRAPEFRUIT, UNSWEETENED	142,680	55,401
JUICE, BOTTLED, ORANGE, UNSWEETENED	2,897,100	1,442,764
JUICE, BOTTLED, TOMATO, UNSWEETENED	676,860	195,238
MACARONI AND CHEESE MIX, DRY	763,425	529,341
MACARONI	1,168,160	465,733
MILK, EVAPORATED, CANNED, SKIM	2,937,141	1,633,444
MILK, INSTANT, NONFAT DRY	230,400	369,301
MILK, UHT, 1%	6,488,700	1,894,845
MIXED FRUIT, CANNED, EXTRA LIGHT SYRUP	1,166,400	1,012,703
MIXED VEGETABLES, CANNED, LOW-SODIUM	546,750	306,504
OATS	1,375,920	616,402
OIL, VEGETABLE	1,122,660	576,871
PEACHES, CANNED, EXTRA LIGHT SYRUP	1,603,800	1,441,897
PEANUT BUTTER	733,320	754,798
PEANUTS, ROASTED	181,440	296,442
PEARS, CANNED, EXTRA LIGHT SYRUP	1,202,850	1,040,380
PEAS, CANNED, LOW-SODIUM	546,750	289,713
PLUMS, DRIED	108,000	226,590
PORK CHOPS, FROZEN	1,064,000	3,126,640
POTATOES, DEHYDRATED	330,000	306,825
POTATOES, CANNED, LOW-SODIUM	293,760	117,167
PUMPKIN, CANNED, LOW-SODIUM	182,250	154,694
RAISINS	272,160	328,234
RICE, WHITE	1,242,000	414,165
RICE, WILD	55,000	522,500
ROTINI, WHOLE GRAIN	102,000	43,996
SALMON, CANNED	67,260	95,554
SALMON, FILLETS, WILD, FROZEN	216,000	1,542,960
SOUP, CANNED, TOMATO, LOW-SODIUM	238,800	182,908
SOUP, CANNED, VEGETABLE, LOW-SODIUM	248,325	196,196
SOUP, CREAM OF CHICKEN, REDUCED SODIUM	554,400	559,797
SOUP, CREAM OF MUSHROOM, REDUCED SODIUM	346,500	335,706
SPAGHETTI	1,240,000	428,233
SPAGHETTI SAUCE, CANNED, LOW-SODIUM	920,250	343,642
SPINACH, CANNED, LOW-SODIUM	169,575	117,717
TOMATO SAUCE, CANNED, LOW-SODIUM	1,050,750	401,378
TOMATOES, CANNED, NO SALT ADDED	705,265	295,675
TORTILLA, WHOLE GRAIN-RICH	576,000	308,304
TUNA, CANNED, CHUNK LIGHT	550,800	1,014,282
SUBTOTAL COMMODITY ENTITLEMENT	78,881,928	\$88,417,032
AMS/WBSCM Admin Expenses	-	987,199
Anticipated Adjustment	-	8,150,883
TOTAL COMMODITY ENTITLEMENT	78,881,928	\$97,555,114
BONUS COMMODITIES		
None	-	\$0
TOTAL BONUS COMMODITIES	-	\$0
TOTAL- ALL COMMODITIES	78,881,928	\$97,555,114
GRAND TOTAL FDP	78,881,928	\$97,555,114

Source: WBSCM -- Sales Order and contract information.

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; and 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] \$293,591,000 to remain available through September 30, [2017] 2019: 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] 2018 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] 2019: Provided further, That of the funds made available under section 27(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)), the Secretary may use up to 10 percent for costs associated with the distribution of commodities.

The first change eliminates funding for the Farmer’s Market Nutrition Program.

Lead-Off Tabular Statement

COMMODITY ASSISTANCE PROGRAM (CAP)

Budget Estimate, 2018.....	\$293,591,000
2017 Annualized Continuing Resolution.....	<u>310,139,000</u>
Change in Appropriation	<u>-16,548,000</u>

Item of Change	2015 Actual	2016 Change	2017 Change	2018 Change	2018 President's Budget
Discretionary Appropriations:					
Commodity Supplemental Food Program	\$211,482	\$10,716	\$13,922	\$2,000	\$238,120
All Other Discretionary Activities	67,019	7,000	0	-18,548	55,471
Total Appropriation or Change	278,501	17,716	13,922	-16,548	293,591

FOOD AND NUTRITION SERVICE

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

Project	2015 Actual	SY	2016 Actual	SY	2017 Estimate	SY	Inc. Dec.	2018 President's Budget	SY	
Commodity Supplemental Food Program	\$211,482		\$222,198		\$236,120		\$2,000	(1)	\$238,120	
Farmers' Market Programs										
Farmers' Market Nutrition Program	16,548		18,548		18,548		-18,548	(2)	0	
Senior Farmers' Market Nutrition Program (transfer) ^{1/}	20,600		20,600		20,600		0		20,600	
Total Adjusted FMP	37,148		39,148		39,148		-18,548		20,600	
The Emergency Food Assistance Program										
Administrative Costs	49,401		54,401		54,401		0	(3)	54,401	
Other Programs										
Nutrition Services Incentive Program ^{2/}	2,549		2,214		2,554		-2,554		0	
Nuclear Affected Islands	574		574		574		0	(4)	574	
Disaster Assistance	496		496		496		0	(5)	496	
Total Adjusted Appropriation	301,650	2	319,031	2	333,293	2	-19,102		314,191	2
SFMNP Sequester	-1,504		-1,401		-1,421		1,421		0	
Transfers (SFMNP and NSIP)	-23,149		-22,814		-23,154		2,554		-20,600	
Total Appropriation	278,501	2	296,217	2	310,139	2	-16,548		293,591	2

^{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 2018 will be determined at a later date.

FOOD AND NUTRITION SERVICE

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

Project	2015 Actual	SY	2016 Actual	SY	2017 Estimate	SY	Inc./Dec.	2018 President's Budget	SY
Commodity Supplemental Food Program									
USDA Food Purchases	\$150,893		\$173,152		\$233,114		-\$47,571	\$185,543	
Administrative Costs	44,268		45,854		50,739		1,838	52,577	
Subtotal, CSFP Obligations	195,161		219,006		283,853		-45,733	238,120	
Recoveries & Collections of Prior Yr Obligations	-154		-2,218		0		0	0	
Unobligated Balances:									
Available Start of Year	-24,344		-42,323		-47,733		5,336	0	
Available End of Year	42,323		47,733		0		0	0	
Balance Lapsing	0		0		0		0	0	
Subtotal, CSFP Appropriation	212,986		222,198		236,120		2,000	238,120	
Farmers' Market Programs									
Seniors Farmers' Market Nutrition Program	20,593		20,273		20,734		-134	20,600	
Farmers' Market Nutrition Program	19,667		21,043		18,548		-18,548		
Subtotal, FMP Obligations	40,260		41,316		39,282		-18,682	20,600	
Transfer from CCC	-20,600		-20,600		-20,600		0	-20,600	
Recoveries & Collections of Prior Yr Obligations	-4,595		-2,359		0		0	0	
Unobligated Balances:									
Available Start of Year	-86		-65		-134		134	0	
Available End of Year	65		134		0		0	0	
Balance Lapsing	0		122		0		0	0	
Subtotal, FMP Appropriation	15,044		18,548		18,548		-18,548	0	
The Emergency Food Assistance Program <u>1/</u>									
Administrative Costs	49,618		54,900		54,408		-7	54,401	
SNAP/TEFAP Admin. (non add)	(24,350)		(23,374)		0		0	0	
SNAP/TEFAP USDA Foods (non add)	(296,596)		(296,394)		(329,000)		(-31,250)	(297,750)	
Subtotal, TEFAP Obligations	49,618		54,900		54,408		-7	54,401	
Recoveries & Collections of Prior Yr Obligations	-217		-529		0		0	0	
Unobligated Balances:									
Available Start of Year	0		0		-7		7	0	
Available End of Year	0		7		0		0	0	
Balance Lapsing	0		23		0		0	0	
Subtotal, TEFAP Appropriation	49,401		54,401		54,401		0	54,401	
Other Programs:									
Nutrition Services Incentive Program <u>2/</u>	2,511		2,802		2,554		-2,554	0	
Nuclear Affected Islands	574		574		574		0	574	
Disaster Assistance	537		545		787		-291	496	
Subtotal, Other Program Obligations	3,622		3,921		3,915		-2,845	1,070	
Transfer from DHHS	-2,549		-2,214		-2,554		2,554	0	
Recoveries & Collections of Prior Yr Obligations	-200		-3		0		0	0	
Unobligated Balances:									
Available Start of Year	-743		-925		-291		291	0	
Available End of Year	487		291		0		0	0	
Balance Lapsing	453		0		0		0	0	
Subtotal, Other Program Appropriation	1,070		1,070		1,070		0	1,070	
Total, CAP Obligations	288,661	2	319,143	2	381,458	2	-67,267	314,191	2
SFMNP Sequester	1,504		1,401		1,421		-1,421	0	
Total Appropriation	278,501	2	296,217	2	310,139	2	-16,548	293,591	2

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 the elderly. The NSIP amount for FY 2018 will be determined at a later date.

FOOD AND NUTRITION SERVICE

Justification of Increases and Decreases

The FY 2018 request for the Commodity Assistance Program (CAP) reflects a decrease of \$16,548,000 (\$310,139,000 and 2 staff years available in FY 2017). 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, and the Senior Farmers' Market Nutrition Program.

- (1) An increase of \$2,000,000 for the Commodity Supplemental Food Program (\$236,120,000 available in FY 2017).

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 48 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 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. 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 2018 assumes that only 240 participants are non-elderly.

The increase in funding is requested to account for food inflation and other enhancements to the CSFP food package while maintaining participation. In 2017, a work group of FNS staff and CSFP program operators are conducting an assessment of nutritional and operational factors regarding the CSFP food package, considering the most recent recommendations of the Dietary Guidelines for Americans and the preferences and nutritional needs of CSFP's elderly participants. Additional funding is needed to begin to implement the work group's recommendations without negatively impacting the number of individuals who will be served.

- (2) A decrease of \$18,548,000 in the Farmer's Market Nutrition Program (\$18,548,000 available in FY 2017).

This decrease would eliminate the WIC Farmers' Market Nutrition Program (FMNP) which duplicates cash value voucher benefits being received in WIC. Elimination of the program would save an estimated \$19 million per year, the current authorization for the program. All women and children in WIC now receive a monthly cash-value voucher (\$11 for women and \$8 for children) for the purchase of fruits and vegetables which can be used in grocery stores or farmers' markets. The FMNP is available only in limited locations in 48 State agencies (including 6 Indian Tribal Organizations) while cash value vouchers are accepted at all WIC participating vendors.

- (3) No change in The Emergency Food Assistance Program (\$54,401,000 available in FY 2017).

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.

- (4) No change in Nuclear Affected Islands program (\$574,000 available in FY 2017).

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.

FOOD AND NUTRITION SERVICE

(5) No change in Disaster Assistance program (\$496,000 available in FY 2017).

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

	2015 Actual	2016 Actual	2017 Estimate	Difference	2018 President's Budget
RESOURCES--START OF YEAR : (Dollars in thousands)					
Appropriation (Includes Rescission)	\$211,482	\$222,198	\$236,120	\$2,000	\$238,120
Cash Carry-In/Recoveries	24,344	42,323	47,733	-47,733	0
Beginning Inventory (Federal-State-Local)	49,000	41,600	56,718	61,103	117,821
TOTAL RESOURCES	284,826	306,121	340,571	15,370	355,941
DEMAND:					
1. Program Performance Data:					
Caseload (Calendar Year)	604.000	619.000	697.865	0.000	697.865
Participation (Fiscal Year)	572.040	585.294	697.865	0.000	697.865
Participation					
<i>Women-Infants-Children</i>	<i>1.630</i>	<i>0.365</i>	<i>0.320</i>	<i>-0.080</i>	<i>0.240</i>
<i>Elderly</i>	<i>570.410</i>	<i>584.929</i>	<i>697.550</i>	<i>0.080</i>	<i>697.630</i>
Avg. Food Cost Person/Month (whole \$):					
Women-Infants-Children	25.45	21.09	21.53	0.51	22.04
FNS Funded <u>1/</u>	25.04	21.09	21.53	0.51	22.04
<i>Free (donated)</i>	<i>0.41</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Elderly	21.62	18.28	19.38	0.46	19.84
FNS Funded <u>1/</u>	21.27	18.28	19.38	0.46	19.84
<i>Free (donated)</i>	<i>0.35</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
2. Food Costs: (Dollars in thousands)					
Food Distribution Costs	\$161,943	\$158,891	\$162,304	\$3,812	\$166,116
<i>Women-Infants-Children</i>	<i>1,559</i>	<i>94</i>	<i>83</i>	<i>-20</i>	<i>63</i>
<i>Elderly</i>	<i>160,384</i>	<i>158,797</i>	<i>162,221</i>	<i>3,832</i>	<i>166,053</i>
Commodity Administrative Costs	1,616	1,581	1,974	37	2,011
<i>AMS/ FSA Charges</i>	<i>335</i>	<i>332</i>	<i>258</i>	<i>-258</i>	<i>0</i>
<i>WBSCM</i>	<i>1,188</i>	<i>1,100</i>	<i>1,148</i>	<i>-1,148</i>	<i>0</i>
<i>Computer Support/Internet</i>	<i>162</i>	<i>150</i>	<i>156</i>	<i>-156</i>	<i>0</i>
Total Food Costs	163,559	160,472	164,278	3,849	168,127
3. State Administrative Expenses (Dollars in thousands)					
	44,268	45,854	50,739	1,838	52,577
TOTAL DEMAND	207,826	206,326	215,017	5,687	220,704
BALANCES-- YEAR-END: (Dollars in thousands)					
Funds (Carry-out)	42,323	47,733	0	0	0
Ending Inventory	41,600	56,718	117,821	17,296	135,117
COMMODITY ACTIVITY:					
Purchases	156,159	175,590	225,381	-39,958	185,423
Inventory Change	-7,400	15,118	61,103	-43,807	17,296

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.	2016	2017 b/
Alaska	1,893	2,793
Arizona	12,912	13,375
Arkansas	3,281	5,281
California	82,333	97,070
Colorado	15,941	15,941
Connecticut	2,400	2,831
Delaware	2,442	2,264
District of Columbia	5,264	5,264
Florida	2,580	9,822
Georgia	3,277	4,777
Hawaii	2,400	4,500
Idaho	2,000	2,200
Illinois	17,365	18,192
Indiana	3,672	4,132
Iowa	3,095	3,179
Kansas	5,110	5,611
Kentucky	25,614	28,314
Louisiana	60,172	63,755
Maine	3,229	9,229
Maryland	2,400	2,400
Massachusetts	2,400	2,450
Michigan	74,834	72,751
Minnesota	16,200	15,370
Mississippi	10,503	12,503
Missouri	17,162	24,814
Montana	8,502	8,300
Nebraska	9,307	9,607
Nevada	7,830	7,349
New Hampshire	4,604	4,348
New Jersey	3,200	4,500
New Mexico	16,364	16,705
New York	34,754	32,945
North Carolina	1,237	5,807
North Dakota	1,799	1,975
Ogala Sioux, SD	506	467
Ohio	22,331	24,427
Oklahoma	3,222	3,472
Oregon	1,776	2,776
Pennsylvania	34,619	36,200
Red Lake, MN	84	84
Rhode Island	2,000	1,542
South Carolina	5,751	6,751
South Dakota	4,376	4,037
Tennessee	13,507	13,295
Texas	37,229	49,952
Utah	2,649	3,099
Vermont	2,896	3,073
Virginia	5,000	5,000
Washington	5,581	5,939
Wisconsin	11,397	12,397
SUBTOTAL	619,000	692,865
NEW STATES		
West Virginia		5,000
SUBTOTAL		5,000
TOTAL CASELOAD	619,000	697,865

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).

b/ Caseload is tentative pending full FY17 funding.

FOOD AND NUTRITION SERVICE

Geographic Breakdown of Obligations and Staff Years (SY)

(Dollars in thousands)

Commodity Assistance Program--Federal Salaries, Benefits & All Other Expenses								
	<u>2015 Actual</u>		<u>2016 Actual</u>		<u>2017 Estimate</u>		<u>2018 President's Budget</u>	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Virginia	\$2,100	2	\$1,953	2	\$1,906	2	\$1,912	2
Undistributed	0	0	0	0	0	0	0	0
TOTAL	\$2,100	2	\$1,953	2	\$1,906	2	\$1,912	2

Commodity Assistance Program

Classification by Objects

(Dollars in Thousands)

	<u>2015 Actual</u>	<u>2016 Actual</u>	<u>2017 Estimate</u>	<u>2018 President's Budget</u>
Personnel Compensation:				
Washington D.C.....	\$130	\$107	\$110	\$111
Field.....	150	121	123	126
11.0 Total personnel compensation.....	280	228	233	237
12.0 Personnel benefits.....	89	72	73	75
Total personnel comp. and benefits.....	369	300	306	312
Other Objects:				
21.0 Travel and transportation of persons.....	34	34	34	34
25.0 Other services from non-Federal sources.....	1,329	1,329	1,329	1,329
26.0 Supplies and materials.....	153,303	176,499	273,311	207,213
31.0 Equipment.....	0	0	0	0
41.0 Grants.....	133,626	140,981	106,478	105,303
Total, Other Objects.....	288,292	318,843	381,152	313,879
99.9 Total, new obligations.....	288,661	319,143	381,458	314,191

FOOD AND NUTRITION SERVICE

COMMODITY ASSISTANCE PROGRAM Status of Programs

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 2016, the program operated in parts of 48 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 nutritious foods such 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 2016, a total of 619,000 caseload slots were allocated to participating States and ITOs (CSFP caseload is assigned by calendar year).
- For FY 2016, total program participation averaged 585,293 monthly.
- Average monthly participation of women, infants, and children decreased from 1,627 in FY 2015 to 365 in FY 2016; average monthly elderly participation increased in the same period from 570,207 to 584,929.
- In FY 2016, Congress provided funding to permit Virginia, the only State with an approved State Plan but not yet operating CSFP, to begin program operations. As a result, Virginia began CSFP operations in 2016.

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 increases and FNS' determination of the number of slots that States can effectively use.

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CSFP Average Monthly Participation

Participation ^{1/}	2011	2012	2013	2014	2015	2016
Women	2,484	2,540	2,038	1,026	22	0
Infants	1,055	1,053	875	382	15	0
Children under 6	15,690	14,046	12,190	8,588	1,590	365
Total WIC Type	19,229	17,639	15,103	9,996	1,627	365
Elderly	568,847	576,556	564,656	563,707	570,207	584,929
Total, CSFP	588,076	594,195	579,759	573,703	571,834	585,293

^{1/} Based on National Databank version 8.2 data through September FY 2016. Due to rounding, the sum of the average participation by women, infants, children and elderly may not equal the total average participation.

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 2016, \$74.53 was the legislatively-mandated administrative grant per assigned caseload slot, up from \$73.78 in FY 2015. 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.

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.

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Entitlement Foods

A variety of healthful foods were purchased specifically for distribution in TEFAP in FY 2016, including several new products: low sodium kosher/halal tomato sauce, kosher peanut butter, whole wheat tortillas, canned tuna, and crackers. Other foods included were:

- fresh apples
- fresh pears
- fresh potatoes
- dehydrated potatoes
- dried plums
- frozen apple slices
- raisins
- frozen ground beef
- frozen whole chicken
- canned chicken
- frozen ham
- 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
- low-fat cheese
- 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
- 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 2016, 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 2016 for distribution through TEFAP outlets was \$305.5 million. Bonus USDA Foods included chicken, catfish, salmon, eggs, milk and cheese, pinto and great northern beans, peanuts, walnuts, dates, blueberries, cherries, cranberries, grapes, grapefruit, oranges, and potatoes.

Included in the bonus totals, TEFAP also received ultra-high temperature fluid one percent milk and peanut butter valued at \$3.8 million in FY 2016 through FSA's Commodity Credit Corporation (CCC) Stocks for Food Initiative. TEFAP also received USDA Foods valued at \$4.3 million in FY 2016 through FSA's CCC peanut exchange program where bulk peanuts were exchanged for peanut butter.

FY 2016 TEFAP Spending

In FY 2016, \$54.4 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 2016 appropriation for TEFAP entitlement food, provided in the SNAP account, was \$318 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 (Obligations)

(In millions)	2011	2012	2013	2014	2015	2016
State Administrative Expenses	\$70.3	\$65.8	\$64.3	\$69.1	\$74.0	\$77.9
Bonus Foods ^{1/}	\$235.3	\$304.2	\$228.5	\$298.8	\$302.9	\$305.5
Entitlement Foods ^{2/}	\$228.4	\$242.9	\$247.2	\$268.0	\$327.0	\$320.3
TOTAL	\$534.0	\$612.9	\$540.0	\$635.9	\$703.9	\$703.9
Supplemental Funding for Hurricane Sandy (Disaster Relief -- Food and Administrative Funds)	\$0.0	\$0.0	\$5.7	\$0.0	\$0.0	\$0.0
TOTAL – Including Hurricane Sandy	\$534.0	\$612.9	\$545.7	\$635.9	\$703.9	\$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, and administrative funds recovered from the previous year. In FY 2016, of the \$31.8 million eligible for conversion, States chose to convert \$23.3 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 2016, \$318 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 2016, \$165,000 of 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 2015, the last year for which data is available, the FMNP was operated by 48 State agencies and Indian Tribal Organizations (ITOs).

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In FY 2015, the FMNP provided coupons to 1,701,816 WIC participants. The participants redeemed their coupons at 6,284 authorized farmers' markets and roadside stands, providing revenue to 17,926 farmers.

WIC Farmers' Market Nutrition Program

	2011	2012	2013	2014	2015	2016
Funding (\$000)	\$23,283	\$20,517	\$18,723	\$19,633	\$19,667	\$21,043
WIC Recipients	1,919,477	1,717,668	1,559,312	1,635,261	1,701,816	1,646,589
Farmers' Markets*	4,079	6,361	6,080	6,441	6,284	6,895
Farmers	18,487	18,246	17,713	17,450	17,926	18,225

Note: Funding includes new authority and prior year resources.

* Farmers' Markets data includes roadside stands.

Senior Farmers' Market Nutrition Program

The Senior Farmers' Market Nutrition Program (SFMNP) awards grants to States, U.S. Territories, and federally recognized Indian Tribal Organizations (ITOs) to provide low income seniors with coupons that can be exchanged for eligible foods (fruits, vegetables, honey, and herbs) at farmers' markets, roadside stands, and community-supported agriculture programs (CSAs). The Food Conservation & Energy Act, 2008 allows the purchase of honey although it is not a fruit or vegetable.

Farmers' markets play a key role in developing local and regional food systems that support farmers and help grow rural economies. In FY 2015, the SFMNP provided coupons to 817,751 low-income older Americans. The participants redeemed their coupons at 7,157 authorized farmers markets, roadside stands and CSAs providing revenue to 20,329 farmers. 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, a rescission of \$1.4 million resulted in a total transfer of \$19.2 million to the Food and Nutrition Service (FNS) from the Commodity Credit Corporation (CCC) for FY 2016.

During FY 2016, the SFMNP operated in a total of 42 States, the District of Columbia, Puerto Rico, and eight Federally-recognized ITOs. 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

	2011	2012	2013	2014	2015	2016
Funding (\$000)	\$22,227	\$22,241	\$21,187	\$20,585	\$20,617	\$20,284
SFMNP Recipients	856,943	885,116	835,795	783,810	817,751	816,207
Farmers	19,069	19,892	20,617	20,248	20,329	20,098
Farmers' Markets	4,598	3,988	4,247	3,912	3,774	4,047
Roadside Stands	3,445	3,075	3,083	3,177	3,203	3,504
Community Supported Agriculture Programs	141	154	191	154	180	114

Note: Funding includes new authority and prior year resources.

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

FOOD AND NUTRITION SERVICE

memorandum of understanding between USDA and the Republic of the Marshall Islands, the assistance is currently provided as cash in-lieu of USDA Foods and administrative funds. USDA previously provided nutrition assistance under this account to the former Trust Territory of the Pacific Islands.

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 2016, FNS collaborated with the U.S. Agency for International Development to provide USDA Foods to the Republic of the Marshall Islands in response to a severe drought situation. FNS also provided foods high in iron, Vitamin C and calcium (vegetarian beans, ultra-high temperature milk, apple juice and shredded wheat cereal) to help residents of Flint, MI affected by lead contamination of the city's water supply.

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.

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COMMODITY SUPPLEMENTAL FOOD PROGRAM
PROJECTS, PARTICIPATION AND FOOD COST
FISCAL YEAR 2016

AVERAGE MONTHLY PARTICIPATION (FNS-153)								
STATE OR TERRITORY	PROJECTS	WOMEN	INFANTS	CHILDREN	ELDERLY	TOTAL	FOOD COSTS IN DOLLARS 1/	ADMINISTRATIVE COST IN DOLLARS 2/
Alaska-----	2	0	0	2	1,908	1,909	\$415,442	\$145,090
Arizona-----	10	0	0	0	12,528	12,528	2,752,208	956,476
Arkansas-----	3	0	0	0	3,205	3,205	736,068	240,265
California-----	6	0	0	23	78,624	78,647	16,870,805	6,041,388
Colorado-----	6	0	0	82	15,173	15,255	3,236,026	1,226,273
Connecticut-----	2	0	0	0	1,934	1,934	406,393	178,871
Delaware-----	1	0	0	0	2,264	2,264	500,369	182,001
District of Columbia-----	1	0	0	8	5,035	5,043	1,106,344	401,305
Florida-----	1	0	0	0	2,516	2,516	556,101	188,933
Georgia-----	2	0	0	0	3,277	3,277	706,494	217,885
Hawaii-----	1	0	0	0	2,094	2,094	466,371	178,871
Idaho-----	1	0	0	0	1,914	1,914	421,140	149,059
Illinois-----	3	0	0	0	16,020	16,020	3,551,471	1,196,503
Indiana-----	5	0	0	0	3,679	3,679	787,485	260,435
Iowa-----	1	0	0	1	2,919	2,920	621,163	228,415
Kansas-----	3	0	0	2	4,914	4,916	1,104,153	376,896
Kentucky-----	5	0	0	5	24,957	24,962	5,564,502	1,875,631
Louisiana-----	1	0	0	38	58,717	58,755	13,144,162	4,548,746
Maine-----	5	0	0	0	3,154	3,154	728,224	236,464
Maryland-----	1	0	0	0	1,761	1,761	363,737	178,871
Massachusetts-----	1	0	0	0	1,296	1,296	277,014	178,871
Michigan-----	19	0	0	143	72,608	72,751	15,907,668	5,586,776
Red Lake, Minnesota-----	1	0	0	0	84	84	18,158	6,260
Minnesota-----	5	0	0	0	15,370	15,370	3,337,472	1,202,740
Mississippi-----	1	0	0	0	10,197	10,197	2,272,245	769,089
Missouri-----	6	0	0	0	16,739	16,739	3,617,477	1,255,354
Montana-----	12	0	0	2	8,153	8,155	1,756,735	629,887
Nebraska-----	8	0	0	11	8,995	9,006	1,906,868	710,006
Nevada-----	3	0	0	6	7,308	7,314	1,607,159	573,375
New Hampshire-----	4	0	0	0	4,348	4,348	930,918	349,473
New Jersey-----	3	0	0	0	3,152	3,152	678,932	232,701
New Mexico-----	4	0	0	6	15,592	15,597	3,507,853	1,301,398
New York-----	3	0	0	0	29,496	29,496	6,555,425	2,590,201
North Carolina-----	1	0	0	0	1,149	1,149	251,478	90,777
North Dakota-----	6	0	0	0	1,756	1,756	385,057	136,352
Ohio-----	11	0	0	0	21,894	21,894	4,910,927	1,635,235
Oklahoma-----	2	0	0	0	3,057	3,057	659,944	228,026
Oregon-----	4	0	0	0	1,749	1,749	372,621	130,054
Pennsylvania-----	19	0	0	0	34,210	34,210	7,556,104	2,426,519
Rhode Island-----	1	0	0	0	992	992	204,810	149,059
South Carolina-----	3	0	0	0	5,592	5,592	1,182,791	335,545
South Dakota-----	2	0	0	0	4,003	4,003	912,017	321,794
Oglala Sioux, S.D.-----	1	0	0	33	434	467	96,240	39,091
Tennessee-----	4	0	0	0	13,062	13,062	2,988,203	925,102
Texas-----	6	0	0	3	35,403	35,406	7,635,888	2,726,181
Utah-----	1	0	0	0	2,558	2,558	569,326	192,788
Vermont-----	1	0	0	0	2,794	2,794	636,973	219,173
Virginia-----	2	0	0	0	246	246	55,348	279,486
Washington-----	10	0	0	0	5,316	5,316	1,135,251	409,987
Wisconsin-----	4	0	0	1	10,787	10,788	2,418,016	833,081
AMS/WBSCM Admin. Exp.-----	0	0	0	0	0	0	1,581,181	0
Anticipated Adjustment-----	0	0	0	0	0	0	43,187,675	381,576
3/ TOTAL-----	208	0	0	365	584,929	585,293	\$173,152,432	\$45,854,335

SOURCE: FPRS FNS-153 data - Food distributed to participants in fiscal year 2016.

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.

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COMMODITY SUPPLEMENTAL FOOD PROGRAM

Quantity and Value of Commodities

Fiscal Year 2016

ENTITLEMENT COMMODITIES	POUNDS	VALUE
APPLESAUCE, CANNED, UNSWEETENED	2,690,663	\$1,481,117
APRICOTS, CANNED	2,624,513	2,917,691
BEANS, CANNED, GREEN, LOW-SODIUM	6,042,803	2,616,786
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	1,836,000	732,190
BEANS, DRY, BABY LIMA, NO SALT ADDED	604,800	427,961
BEANS, DRY, GREAT NORTHERN, NO SALT ADDED	1,895,040	909,589
BEANS, DRY, LIGHT RED KIDNEY, NO SALT ADDED	1,330,560	661,399
BEANS, DRY, PINTO, NO SALT ADDED	1,765,920	815,838
BEEF, CANNED	2,268,000	6,168,932
BEEF, CANNED, CHILI	2,556,000	3,581,960
BEEF, CANNED, STEW	2,484,000	2,063,638
CARROTS, CANNED, LOW-SODIUM	4,139,550	1,857,818
CEREAL, CORN AND RICE, READY-TO-EAT	907,200	1,376,141
CEREAL, CORN FLAKES, READY-TO-EAT	2,277,396	1,810,677
CEREAL, CORN SQUARES, READY-TO-EAT	1,589,952	2,835,153
CEREAL, OAT CIRCLES, READY-TO-EAT	2,211,510	2,216,997
CEREAL, RICE CRISPS, READY-TO-EAT	1,837,872	2,099,370
CEREAL, WHEAT BRAN FLAKES, READY-TO-EAT	1,744,388	1,386,381
CEREAL, WHEAT SHREDDED, READY-TO-EAT	1,037,300	925,500
CHEESE BLEND, AMERICAN, SKIM, LOAVES	16,334,952	28,008,616
CHICKEN, CANNED	2,610,000	4,296,682
CORN, CANNED, NO SALT ADDED	5,479,856	2,226,214
FARINA	1,591,128	1,003,361
GRITS	985,320	260,253
JUICE, BOTTLED, APPLE, UNSWEETENED	17,397,355	6,109,637
JUICE, BOTTLED, CRANAPPLE, UNSWEETENED	14,593,798	5,881,372
JUICE, BOTTLED, GRAPE, UNSWEETENED	14,993,128	5,721,364
JUICE, BOTTLED, ORANGE, UNSWEETENED	14,777,820	7,133,074
JUICE, BOTTLED, TOMATO, UNSWEETENED	4,459,168	1,220,455
MACARONI	4,523,200	1,952,381
MILK, 1%, UHT	33,827,025	10,351,937
MILK, INSTANT, NONFAT DRY	6,435,840	10,156,496
MIXED FRUIT, CANNED, EXTRA LIGHT SYRUP	5,023,125	4,525,477
MIXED VEGETABLES, CANNED, LOW-SODIUM	2,223,450	1,219,396
OATS	2,742,192	1,126,198
PEACHES, CANNED, EXTRA LIGHT SYRUP	5,449,275	4,957,669
PEANUT BUTTER	5,831,460	6,031,355
PEARS, CANNED, EXTRA LIGHT SYRUP	5,421,938	4,955,469
PEAS, CANNED, LOW-SODIUM	3,827,250	2,028,912
PLUMS, CANNED, EXTRA LIGHT SYRUP	1,166,400	757,756
POTOATES, CANNED, LOW-SODIUM	3,304,800	1,361,868
RICE	5,459,400	1,861,719
ROTINI, WHOLE GRAIN	2,176,000	902,710
SALMON, CANNED	2,160,728	3,366,747
SPAGHETTI	4,804,400	1,765,172
SPAGHETTI SAUCE, CANNED, LOW-SODIUM	3,071,250	1,156,074
SPINACH, CANNED, LOW-SODIUM	1,034,397	695,120
TOMATOES, CANNED, NO SALT ADDED	3,101,115	1,314,038
TUNA, CHUNK LIGHT, CANNED	712,800	1,328,310
SUBTOTAL	237,362,037	\$160,560,970
Anticipated Adjustments	0	\$11,010,281
AMS/WBSCM Admin Expenses	0	1,581,181
TOTAL COMMODITY ENTITLEMENT	237,362,037	\$173,152,432

Source: WBSCM -- Sales Order and contract information.

FOOD AND NUTRITION SERVICE

THE EMERGENCY FOOD ASSISTANCE PROGRAM
Administrative Funds / Entitlement and Bonus Commodities
Fiscal Year 2016

State or Territory	TEFAP Administrative Funds	Entitlement Commodities	Bonus Commodities	Total Food	Total Administrative and Food
Alabama	\$1,017,743	\$5,096,186	\$5,380,277	\$10,476,463	\$11,494,206
Alaska	177,731	614,304	868,883	1,483,187	1,660,918
Arizona	2,020,967	6,449,124	7,711,638	14,160,762	16,181,729
Arkansas	543,257	3,078,970	3,341,067	6,420,037	6,963,294
California	11,460,005	37,041,136	35,628,147	72,669,283	84,129,288
Colorado	1,128,325	3,696,937	3,424,260	7,121,197	8,249,522
Connecticut	535,776	3,037,471	2,877,891	5,915,362	6,451,138
Delaware	129,824	762,589	1,374,528	2,137,117	2,266,941
District of Columbia	227,699	747,733	1,009,373	1,757,106	1,984,805
Florida	4,162,123	19,638,576	17,753,678	37,392,254	41,554,377
Georgia	1,929,389	11,027,475	10,198,458	21,225,933	23,155,322
Hawaii	170,318	886,087	970,390	1,856,477	2,026,795
Idaho	262,231	1,365,342	1,526,907	2,892,249	3,154,480
Illinois	2,536,508	11,500,574	11,623,855	23,124,429	25,660,937
Indiana	915,495	6,402,016	5,907,619	12,309,635	13,225,130
Iowa	496,129	2,193,921	2,332,631	4,526,552	5,022,681
Kansas	648,908	2,051,300	2,335,434	4,386,734	5,035,642
Kentucky	1,260,972	4,127,347	4,292,090	8,419,437	9,680,409
Louisiana	1,513,097	5,034,726	5,457,028	10,491,754	12,004,851
Maine	325,824	1,149,948	1,975,443	3,125,391	3,451,215
Maryland	1,271,923	4,106,282	1,880,621	5,986,903	7,258,826
Massachusetts	1,015,697	5,470,401	3,414,387	8,884,788	9,900,485
Michigan	2,612,538	8,802,571	10,049,756	18,852,327	21,464,865
Minnesota	1,077,676	3,484,528	3,825,535	7,310,063	8,387,739
Mississippi	885,247	3,281,841	3,374,869	6,656,710	7,541,957
Missouri	1,623,987	5,191,380	5,757,418	10,948,798	12,572,785
Montana	246,245	827,667	1,097,539	1,925,206	2,171,451
Nebraska	347,437	1,121,714	1,218,280	2,339,994	2,687,431
Nevada	526,083	2,914,607	2,820,931	5,735,538	6,261,621
New Hampshire	208,544	842,054	983,656	1,825,710	2,034,254
New Jersey	213,389	7,129,102	9,845,459	16,974,561	17,187,950
New Mexico	676,124	2,211,435	2,594,485	4,805,920	5,482,044
New York	5,182,113	17,764,362	18,934,380	36,698,742	41,880,855
North Carolina	2,041,233	9,484,842	9,163,516	18,648,358	20,689,591
North Dakota	133,839	447,788	665,938	1,113,726	1,247,565
Ohio	2,455,499	9,927,648	10,379,308	20,306,956	22,762,455
Oklahoma	595,007	3,426,448	3,554,072	6,980,520	7,575,527
Oregon	1,125,555	3,780,119	4,269,074	8,049,193	9,174,748
Pennsylvania	3,054,360	9,919,408	14,770,976	24,690,384	27,744,744
Rhode Island	182,626	1,083,876	444,633	1,528,509	1,711,135
South Carolina	1,455,937	4,933,711	5,172,598	10,106,309	11,562,246
South Dakota	183,814	620,964	408,162	1,029,126	1,212,940
Tennessee	1,953,647	6,424,525	6,901,139	13,325,664	15,279,311
Texas	6,879,176	22,810,110	23,480,151	46,290,261	53,169,437
Utah	552,379	1,778,809	1,908,766	3,687,575	4,239,954
Vermont	128,600	410,806	1,129,130	1,539,936	1,668,536
Virginia	1,787,979	5,845,552	5,305,062	11,150,614	12,938,593
Washington	1,763,895	5,979,232	7,414,873	13,394,105	15,158,000
West Virginia	540,529	1,746,983	2,563,182	4,310,165	4,850,694
Wisconsin	1,353,830	4,290,455	5,054,121	9,344,576	10,698,406
Wyoming	116,058	382,468	405,812	788,280	904,338
Northern Mariana Islands *	26,085	149,763	0	149,763	175,848
Guam	37,704	216,020	568,868	784,888	822,592
Puerto Rico	2,250,306	7,612,109	2,064,456	9,676,565	11,926,871
Virgin Islands	42,922	152,369	39,027	191,396	234,318
Commodity Barter/Exchange	0	0	8,067,965	8,067,965	8,067,965
AMS/WBSCM Admin Exp	0	3,807,244	0	0	0
Anticipated Adjustment	1,920,157	2,113,461	1	5,920,706	0
TOTAL	\$77,930,461	\$296,394,416	\$305,517,743	\$601,912,159	\$679,842,620

Source: WBSCM -- Sales Order and contract information.

* Cash in-Lieu of commodities are provided to the Northern Mariana Island.

FOOD AND NUTRITION SERVICE

THE EMERGENCY FOOD ASSISTANCE PROGRAM
Quantity and Value of Commodities
Fiscal Year 2016

<i>ENTITLEMENT COMMODITIES</i>	POUNDS	VALUE
APPLES, FRESH	3,358,950	\$1,778,489
APPLES, FROZEN, UNSWEETENED	633,600	407,843
APPLESAUCE, CANNED, UNSWEETENED	10,925,888	6,062,116
APPLESAUCE, CUPS, UNSWEETENED	2,446,200	1,401,837
APRICOTS, CANNED, EXTRA LIGHT SYRUP	1,157,288	1,273,599
BEANS, CANNED, BLACK-EYED PEA, LOW-SODIUM	5,051,295	2,226,227
BEANS, CANNED, GREEN, LOW-SODIUM	20,154,420	8,869,989
BEANS, CANNED, LIGHT RED KIDNEY, LOW-SODIUM	6,331,905	2,553,394
BEANS, CANNED, REFRIED, LOW-SODIUM	5,875,200	2,682,427
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	6,756,480	2,749,572
BEANS, DRY, BLACK-EYED PEA, NO SALT ADDED	685,440	462,226
BEANS, DRY, GREAT NORTHERN, NO SALT ADDED	4,112,640	1,994,249
BEANS, DRY, LIMA, NO SALT ADDED	483,840	325,516
BEANS, DRY, LIGHT RED KIDNEY, NO SALT ADDED	1,693,440	880,277
BEANS, DRY, PINTO, NO SALT ADDED	9,608,160	4,245,727
BEANS, DRY,GARBANZO, NO SALT ADDED	1,008,000	683,928
BEEF, CANNED, STEW	16,812,000	13,821,687
BEEF, CANNED	900,000	2,498,828
BEEF, FINE GROUND, FROZEN	3,258,400	8,244,634
BEEF, FINE GROUND, FROZEN, LFTB OPTIONAL	40,000	108,972
CARROTS, CANNED, LOW-SODIUM	8,055,450	3,668,344
CEREAL, CORN FLAKES	4,811,387	3,815,605
CEREAL, CORN RICE BISCUITS	192,780	295,651
CEREAL, CORN SQUARES	282,240	524,015
CEREAL, OAT CIRCLES	3,457,440	3,448,026
CEREAL, RICE CRISP	2,059,344	2,349,110
CEREAL, SHREDDED, WHEAT	1,885,180	1,675,941
CEREAL, WHEAT, BRAN FLAKES	773,077	615,272
CHEESE BLEND, AMERICAN, SKIM	1,960,248	3,512,283
CHICKEN, CANNED	5,382,000	8,158,831
CHICKEN, WHOLE BAGGED	13,689,600	12,133,699
CORN, CANNED, CREAM, LOW-SODIUM	2,624,400	1,257,159
CORN, CANNED, NO SALT ADDED	18,706,667	7,619,518
CRACKERS, UNSALTED	708,960	777,629
EGG MIX, DRY	396,000	2,669,828
EGG NOODLES	3,776,400	2,428,849
EGGS, FRESH	4,725,000	2,797,075
FLOUR MIX, BAKERY, LOW-FAT	1,477,440	1,316,838
GRITS	3,512,880	899,327
JUICE, BOTTLED, APPLE, UNSWEETENED	8,632,175	3,052,467
JUICE, BOTTLED, CHERRY APPLE, UNSWEETENED	2,568,240	1,024,047
JUICE, BOTTLED, CRANAPPLE, UNSWEETENED	2,211,992	915,929
JUICE, BOTTLED, GRAPE CONCORD, UNSWEETENED	3,870,212	1,467,073
JUICE, BOTTLED, GRAPEFRUIT, UNSWEETENED	356,700	138,836
JUICE, BOTTLED, ORANGE, UNSWEETENED	3,548,730	1,745,144
JUICE, BOTTLED, TOMATO, UNSWEETENED	2,176,322	583,652
LENTILS, DRY	3,024,000	1,899,953
MACARONI	9,095,520	4,011,587
MACARONI, WHOLE GRAIN	2,121,600	806,130
MILK, 1%, UHT	26,916,207	9,128,492
MIXED FRUIT, CANNED, EXTRA LIGHT SYRUP	9,338,175	8,540,774
MIXED VEGETABLES, CANNED, LOW-SODIUM	2,624,400	1,410,687
OATS	5,904,720	2,547,755
OIL, VEGETABLE	5,912,676	3,143,935
PEACHES, CANNED, EXTRA LIGHT SYRUP	9,896,175	9,641,517
PEANUT BUTIER	18,240,660	19,020,777
PEANUTS, ROASTED, NO SALT ADDED	129,600	248,490
PEARS, CANNED, EXTRA LIGHT SYRUP	8,429,063	8,193,210
PEARS, FRESH	1,694,700	1,251,512
PEAS, CANNED, LOW-SODIUM	9,258,300	4,950,388
PLUMS, DRIED, PITTED	36,000	80,940

FOOD AND NUTRITION SERVICE

THE EMERGENCY FOOD ASSISTANCE PROGRAM (Cont.)

Quantity and Value of Commodities

Fiscal Year 2016

<i>ENTITLEMENT COMMODITIES Cont.</i>	POUNDS	VALUE
PORK, CANNED	5,292,000	8,391,518
PORK, HAM, FROZEN	3,240,000	4,835,844
POTATOES, CANNED, LOW-SODIUM	7,711,200	3,209,917
POTATOES, FLAKES, DEHYDRATED	3,683,328	3,484,953
POTATOES, FRESH	6,920,000	1,730,100
PUMPKIN, CANNED, LOW-SODIUM	1,239,300	1,071,500
RAISINS	1,483,200	1,937,272
RICE, BROWN	1,974,000	1,276,658
RICE, WHITE	24,798,600	8,433,601
ROTINI, WHOLE GRAIN	2,958,000	1,228,515
SALMON, CANNED, PINK	3,489,113	5,469,829
SOUP, CANNED, VEGETABLE, LOW-SODIUM	4,966,500	3,965,995
SOUP, CREAM OF CHICKEN, REDUCED SODIUM	2,910,600	2,890,776
SOUP, CREAM OF MUSHROOM, REDUCED SODIUM	2,148,300	2,079,756
SOUP, TOMATO, CANNED, LOW-SODIUM	3,334,650	2,116,428
SPAGHETTI SAUCE, CANNED, LOW-SODIUM	19,956,150	7,661,032
SPAGHETTI	15,189,200	5,559,188
SPAGHETTI, WHOLE GRAIN	5,916,000	1,768,235
SPINACH, CANNED, LOW-SODIUM	4,425,918	3,001,041
TOMATO SAUCE, CANNED, LOW-SODIUM	9,999,675	4,148,979
TOMATOES, CANNED, LOW-SODIUM	9,971,505	4,183,910
TORTILLA, WHOLE GRAIN-RICH	216,000	122,731
TUNA, CHUNK LIGHT	2,494,800	4,718,340
SUBTOTAL	460,073,845	\$290,323,950
Anticipated Adjustment	-	
Cash-In-Lieu of Commodities - CNMI	-	149,763
AMS/WBSCM Admin Expenses	-	3,807,244
Anticipated Adjustment	-	2,113,459
TOTAL COMMODITY ENTITLEMENT	460,073,845	\$296,394,416

FOOD AND NUTRITION SERVICE

THE EMERGENCY FOOD ASSISTANCE PROGRAM (Cont.)

Quantity and Value of Commodities

Fiscal Year 2016

BONUS COMMODITIES	POUNDS	VALUE
BEANS, DRY, GREAT NORTHERN, NO SALT ADDED	11,208,960	\$4,965,955
BEANS, DRY, PINTO, NO SALT ADDED	20,240,640	9,468,932
BLUEBERRIES, DRIED	1,271,424	6,123,477
BLUEBERRIES, Highbush, FROZEN	7,999,200	8,796,249
BLUEBERRIES, WILD, FROZEN	11,696,400	12,248,872
CATFISH, FILLETS, UNBREADED	4,066,000	19,933,280
CHEESE, CHEDDAR, SHREDDED	3,404,160	7,152,083
CHERRIES, DRIED	7,687,680	35,475,434
CHERRIES, TART, PITTED	5,834,448	6,079,542
CHICKEN, DRUMSTICKS, FROZEN	3,192,000	1,816,895
CHICKEN, LEG QUARTER, FROZEN	46,394,000	16,367,260
DATES, WHOLE	1,152,000	2,736,045
EGGS, FRESH	14,478,750	7,997,215
EGGS, FROZEN	4,968,660	3,164,621
JUICE, ORANGE, CUPS, FROZEN	8,667,264	5,427,161
JUICE, CANNED, CRANBERRY CONCENTRATE	37,336,320	25,206,756
JUICE, BOTTLED, GRAPE CONCORD, UNSWEETENED	59,105,190	21,023,936
JUICE, BOTTLED, GRAPEFRUIT, UNSWEETENED	19,654,170	6,986,421
JUICE, BOTTLED, ORANGE, UNSWEETENED	46,538,910	24,361,600
MILK, 1%, UHT	3,212,100	1,074,045
PEANUT BUTTER	6,735,960	6,993,920
POTATOES, FLAKES, DEHYDRATED	11,820,000	10,915,375
RAISINS	16,666,080	19,798,734
SALMON, CANNED, PINK	5,548,950	9,942,307
WALNUT, ENGLISH	15,142,176	31,461,628
TOTAL BONUS COMMODITIES	374,021,442	\$305,517,743
TOTAL -- ALL COMMODITIES		
Entitlement Commodities	460,073,845	\$296,394,416
Bonus Commodities	374,021,442	305,517,743
Anticipated Adjustments	-	-
GRAND TOTAL- TEFAP	834,095,287	\$601,912,159

Source: WBSCM -- Sales Order and contract information.

FOOD AND NUTRITION SERVICE

**WIC FARMERS MARKET NUTRITION PROGRAM
PARTICIPATION AND PROGRAM FINANCING
FISCAL YEAR 2015 and 2016**

STATE OR TERRITORY	Fiscal Year 2016 TOTAL PARTICIPATION				FY 2015 PROGRAM GRANT	FY 2016 PROGRAM GRANT
	WOMEN	INFANTS	CHILDREN	TOTAL		
Alabama-----	1,928	0	5,529	7,457	\$113,343	\$113,343
Alaska-----	2,685	1,766	5,461	9,912	185,379	185,379
Arizona-----	3,755	0	7,065	10,820	193,885	193,885
Arkansas-----	5,035	0	8,580	13,615	156,599	156,599
California-----	75,277	54,468	203,667	333,412	2,063,983	2,063,983
Connecticut-----	10,946	0	24,903	35,849	299,230	299,230
Delaware 1/-----	0	0	0	0	262,093	262,093
District of Columbia-----	4,424	0	7,369	11,793	283,121	283,121
Florida-----	10,388	0	19,707	30,095	256,718	285,964
Georgia-----	10,171	4,019	18,168	32,358	952,217	1,060,695
Guam-----	1,172	0	2,190	3,362	78,911	78,911
Illinois-----	7,920	0	14,531	22,451	363,653	363,653
Indiana-----	5,670	0	10,199	15,869	238,853	238,853
Iowa-----	4,762	0	18,788	23,550	468,191	468,191
Kentucky-----	2,757	373	7,215	10,345	185,361	185,361
Louisiana-----	187	69	315	571	9,202	10,250
Maine-----	1,668	0	5,829	7,497	75,000	75,000
Maryland-----	19,225	6,130	25,564	50,919	321,950	358,628
Massachusetts-----	6,734	2,923	18,778	28,435	406,092	452,355
Michigan-----	7,180	0	19,629	26,809	372,543	409,797
Minnesota-----	14,442	6,824	33,569	54,835	289,583	320,000
Mississippi 2/-----	2,380	97	5,054	7,531	114,136	116,357
Montana-----	570	0	1,600	2,170	59,782	59,782
Nebraska-----	1,346	0	2,796	4,142	75,000	75,000
Nevada-----	1,921	0	4,143	6,064	0	344,117
New Jersey-----	19,879	0	23,985	43,864	1,056,954	1,056,954
New Mexico 2/-----	2,106	908	4,870	7,884	266,130	266,130
New York-----	108,634	81,992	169,727	360,353	3,251,192	3,621,574
North Carolina-----	3,971	0	5,232	9,203	233,600	233,600
Ohio-----	6,504	2,149	16,170	24,823	447,916	447,916
Oklahoma Chickasaw-----	880	522	1,765	3,167	75,000	75,000
Oklahoma Osage Tribe-----	245	658	808	1,711	31,325	31,325
Oklahoma Choctaw Nation-----	516	307	1,229	2,052	75,000	75,000
Oregon-----	9,555	5,102	22,804	37,461	344,945	384,242
Pennsylvania-----	47,890	0	101,769	149,659	1,688,146	1,880,464
Puerto Rico-----	20,506	0	50,752	71,258	1,554,783	1,554,783
Rhode Island-----	3,349	0	9,443	12,792	125,787	125,787
South Carolina-----	5,143	0	10,185	15,328	126,899	126,899
Tennessee-----	3,225	0	5,990	9,215	79,575	88,641
Texas-----	8,129	0	20,196	28,325	1,054,646	1,054,646
Vermont-----	335	107	1,288	1,730	75,282	75,282
Virginia-----	1,141	1,092	2,355	4,588	63,766	63,766
Virgin Islands-----	628	0	1,213	1,841	77,791	77,791
Washington-----	9,534	0	22,717	32,251	554,832	618,040
West Virginia-----	880	783	2,250	3,913	74,965	74,965
Wisconsin-----	22,051	4,199	49,060	75,310	583,529	650,006
Anticipated Adjustment-----	0	0	0	0	0	0
TOTAL-----	477,644	174,488	994,457	1,646,589	19,666,888	21,043,358

1/ Did not operate the program in Fiscal Year 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 2016			
State or Territory	Entitlement	Bonus	Total
Pacific Islands	\$96,607	\$0	\$96,607
Michigan	456,493	0	456,493
Anticipated Transportation	226,626	0	226,626
Anticipated Adjustment	-234,927	0	-234,927
GRAND TOTAL	\$544,799	\$0	\$544,799

Source: WBSCM -- Sales Order and contract information.
 Includes Section 32 Funds

DISASTER FEEDING
Quantity and Value of Commodities
Fiscal Year 2016

<i>ENTITLEMENT COMMODITIES</i>	Indian Reservations		Disaster Feeding	
	Pounds	Value	Pounds	Value
MILK, 1%, UHT	0	\$0	580,500	\$156,387
BEANS, VEGETARIAN, CANNED	0	0	73,440	26,958
JUICE, APPLE	0	0	321,030	135,372
CEREAL, WHEAT, SHREDDED	0	0	154,980	137,777
OIL, VEGETABLE	0	0	37,422	21,192
RICE, MEDIUM GRAIN	0	0	168,000	75,415
SUBTOTAL			1,335,372	\$553,101
Anticipated Transportation, Storage, and Handling	-	\$0	-	\$209,851
Anticipated Adjustment	-	\$0	-	-\$218,153
TOTAL COMMODITY ENTITLEMENT	0	\$0	1,335,372	\$544,799
BONUS COMMODITIES				
NONE	-	\$0	-	\$0
SUBTOTAL BONUS COMMODITIES	-	\$0	-	\$0
GRAND TOTAL- ALL COMMODITIES	0	\$0	1,335,372	\$544,799

Source: WBSCM -- Sales Order and contract information.

FOOD AND NUTRITION SERVICE

NUTRITION SERVICES INCENTIVE PROGRAM

Entitlement and Bonus

Fiscal Year 2016

State or Territory	Entitlement	Bonus	TOTAL
Connecticut	\$12,032	\$0	\$12,032
Delaware	223,741	1,909	225,650
Kansas	235,227	43,309	278,536
Massachusetts	1,612,680	91,302	1,703,982
Montana	266,424	22,396	288,821
Nevada	86,320	6,818	93,139
Oklahoma	12,943	0	12,943
AMS/WBSCM Admin Exp	22,795	0	22,795
Anticipated Adjustment	164,091	0	164,091
TOTAL	\$2,636,254	\$165,735	\$2,801,989

Source: WBSCM -- Sales Order and contract information.

FOOD AND NUTRITION SERVICE

NUTRITION SERVICES INCENTIVE PROGRAM
Quantity and Value of Commodities
Fiscal Year 2016

ENTITLEMENT COMMODITIES	Pounds	Value
APPLES, CANNED, UNSWEETENED	71,136	\$59,608
APPLESAUCE, UNSWEETENED	112,250	65,549
BEANS, CANNED, BLACK-EYED PEA, LOW-SODIUM	405	152
BEANS, CANNED, GREAT NORTHERN, LOW-SODIUM	34,992	10,921
BEANS, CANNED, GREEN, LOW-SODIUM	34,656	13,607
BEANS, CANNED, PINTO, LOW-SODIUM	810	252
BEANS, CANNED, REFRIED, LOW-SODIUM	420	167
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	35,397	11,300
BEANS, GREEN, FROZEN, NO SALT ADDED	79,200	44,946
BEEF, GROUND, 85/15, FROZEN	314,000	714,410
BLUEBERRIES, HIGHBUSH, FROZEN, UNSWEETENED	150	146
CARROTS, FROZEN, NO SALT ADDED	79,200	40,300
CHERRIES, FROZEN	360	318
CHEESE, CHEDDAR, SHREDDED	20,400	38,107
CHEESE, BULK FOR PROCESSING	150	261
CHEESE, AMERICAN, LOAVES	300	492
CHICKEN, UNSEASONED STRIPS, COOKED, FROZEN	39,600	67,476
CHICKEN, CANNED, WHITE MEAT	375	870
CHICKEN, BULK FOR PROCESSING	412,000	423,660
CHICKEN, LEG, CHILLED	18,000	5,895
CHICKEN, SMALL, CHILLED	144,000	106,560
CORN, FROZEN, NO SALT ADDED	39,600	21,635
FLOUR, WHITEWHEAT WHEAT/ENRICHED BLEND	125	26
FRUIT MIX, CANNED, EXTRA LIGHT SYRUP	145,604	138,733
OIL, VEGETABLE	231	124
PANCAKES, WHOLE GRAIN-RICH	216	203
PEACHES, CANNED, EXTRA LIGHT SYRUP	73,299	74,307
PEANUT BUTTER	107,254	351
PEAS, CANNED, LOW-SODIUM	72,641	65,071
PEAS, FROZEN, NO SALT ADDED	39,600	26,136
POLLOCK, ALASKA, BULK FOR PROCESSING	79,200	103,388
PORK, BULK FOR PROCESSING	40,020	40,808
PORK, LEG ROAST, FROZEN	40,000	54,800
RICE, BROWN	42,000	9,975
SPAGHETTI SAUCE, CANNED/POUCH, LOW-SODIUM	37,842	14,813
STRAWBERRIES, CUPS, FROZEN	135	230
SWEET POTATOES, CANNED, LIGHT SYRUP	36,936	24,916
TOMATO PASTE, CANNED/POUCH, LOW-SODIUM	39,900	17,165
TOMATO SAUCE, CANNED/POUCH, LOW-SODIUM	74,412	28,996
TORTILLAS, WHOLE GRAIN-RICH	810	429
TURKEY, DELI BREAST, FROZEN	200	662
TURKEY, HAM, FROZEN	400	723
TURKEY, ROAST, FROZEN	85,080	219,683
TURKEY, TACO FILLING	750	1,198
SUBTOTAL ENTITLEMENT COMMODITIES	2,354,056	\$2,449,369
Anticipated Adjustment	-	\$164,090
AMS / WBSCM Admin Expenses	-	22,795
TOTAL ENTITLEMENT COMMODITIES	2,354,056	\$2,636,254
BONUS COMMODITIES		
BLUEBERRIES, HIGHBUSH, FROZEN	39,600	\$43,309
CHICKEN, LEG, FROZEN	4,000	1,544
EGGS, WHOLE, LIQUID, BULK	40,020	22,067
ORANGE JUICE, BOTTLE	81,780	48,453
RAISINS, BOX, INDIVIDUAL	36,768	50,362
TOTAL BONUS COMMODITIES	202,168	\$165,735
TOTAL-- ALL COMMODITIES	2,556,224	\$2,801,989
GRAND TOTAL NSIP	2,556,224	\$2,801,989

Source: WBSCM -- Sales Order and contract information.

FOOD AND NUTRITION SERVICE

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

Nutrition Programs Administration:

1 For necessary administrative expenses of the Food and Nutrition Service for carrying out any domestic nutrition assistance program, \$148,541,000[\$150,824,000: *Provided*, That of the funds provided herein, \$1,996,000 shall be used for the purposes of section 4404 of Public Law 107-171, as amended by section 4401 of Public Law 110-246].

The first change eliminates FNS funding for the Congressional Hunger Center.

NUTRITION PROGRAM ADMINISTRATION

Lead-Off Tabular Statement

Budget Estimate, 2018	\$148,541,000
2017 Annualized Continuing Resolution.....	<u>150,537,000</u>
Change in Appropriation	<u>-1,996,000</u>

Summary of Increases and Decreases
(Dollars in thousands)

Item of Change	2015 Actual	2016 Change	2017 Change	2018 Change	2018 President's Budget
Direct Program, FNS and CNPP <u>1/</u>	\$135,290	-667	-2,283	-1,825	\$130,515
Congressional Hunger Center	2,000	0	-4	-1,996	0
Decentralized GSA & Security Payments	13,534	667	2,000	1,825	18,026
Total Appropriation	150,824	0	-287	-1,996	148,541

1/ CNPP: FY15 \$4,538,200; FY16 \$4,960,000; FY17 \$4,950,571; FY18 \$4,950,571

Project Statement

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

Project	2015 Actual		2016 Actual		2017 Estimate		Inc. or Dec.		2018 President's Budget	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Food and Nutrition Service/CNPP	\$135,290	861	\$134,623	880	\$132,340	876	-\$1,825	-30	\$130,515	846
Congressional Hunger Center	2,000		2,000		1,996		-1,996		0	
Decentralized GSA & DHS Security Payments	13,534		14,201		16,201		1,825		18,026	
Total Adjusted Appropriation	150,824	861	150,824	880	150,537	876	-1,996	-30	148,541	846
Rescission	0		0		0		0		0	
Sequestration	0		0		0		0		0	
Total Appropriation	150,824	861	150,824	880	150,537	876	-1,996	-30	148,541	846

FOOD AND NUTRITION SERVICE

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

Project	2015 Actual		2016 Actual		2017 Estimate		Inc. or Dec.		2018 President's Budget	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Food and Nutrition Service/CNPP	\$133,452	861	\$133,965	880	\$132,340	876	-\$1,825	(1) -30	\$130,515	846
Congressional Hunger Center	2,000		2,000		1,996		-1,996	(2)	0	
Congressional Relations	212		212		0		0		0	
Miscellaneous Reimbursements	178		477		0		0		0	
Decentralized GSA & Security Payments	13,534		14,201		16,201		1,825	(3)	18,026	
Total Obligations	149,376	861	150,855	880	150,537	876	-1,996	-30	148,541	846
Congressional Relations	-212		-212		0		0		0	
Miscellaneous Reimbursements	-178		-477		0		0		0	
Direct Obligations	148,986	861	150,166	880	150,537	876	-1,996	-30	148,541	846
Balance Lapsing	1,838		658		0		0		0	
Rescission	0		0		0		0		0	
Sequestration	0		0		0		0		0	
Total Appropriation	150,824	861	150,824	880	150,537	876	-1,996	-30	148,541	846

FNS Program	FY 2018
Supplemental Nutrition Assistance Program	\$67,487
Child Nutrition Programs	38,769
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	21,539
Commodity Assistance Program	15,795
Subtotal	143,590
Congressional Hunger Center	0
Center for Nutrition Policy and Promotion	4,951
Total Request, Nutrition Programs Administration	148,541

FOOD AND NUTRITION SERVICE

Justification of Increases and Decreases

A decrease of \$1,996,000 for the Nutrition Assistance Programs (\$150,537,000 available in FY 2017) including:

- (1) A decrease of \$1,825,000 for personnel compensation and benefits. The decrease is a combination of a reduction of \$4,027,000 for 30 fewer staff years (achieved through attrition and unfilled vacancies) and an increase of \$2,202,000 to fund increased pay costs (\$584,000 for 2017 pay cost of 2.1 percent and \$1,618,000 for 2018 of 1.9 percent).
- (2) A decrease of \$1,996,000 for Congressional Hunger Center Fellows Program. FNS was provided \$2 million in FY 2017 to fund the Congressional Hunger Center Fellows Program; however, funding is not being requested in the President's Budget for FY 2018.
- (3) An increase of \$1,825,000 for Decentralized GSA Rent/DHS Security Payments. The increase is largely due to a lease extension for the headquarters office at Park Office Center. The Agency's 15-year lease expired in May 2017. The space no longer meets most of the requirements enforced by General Services Administration (GSA). Therefore, a short-term lease extension is necessary while FNCS and GSA work through options for renovations or relocation.

FOOD AND NUTRITION SERVICE

Food and Nutrition Service

Geographic Breakdown of Obligations and Staff Years (SY)

(Dollars in thousands)

Nutrition Programs Administration--Federal Salaries, Benefits & All Other Expenses								
	<u>2015 Actual</u>		<u>2016 Actual</u>		<u>2017 Estimate</u>		<u>2018 President's Budget</u>	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
	Alabama	\$107	1	\$0	0	\$0	0	\$0
Arkansas	107	1	122	1	124	1	122	1
California	8,449	68	9,154	72	9,306	72	9,156	70
Colorado	8,342	67	8,464	67	8,605	67	8,466	64
District of Columbia	321	3	245	2	249	2	245	2
Florida	428	3	334	3	339	3	334	3
Georgia	8,449	68	8,898	70	9,046	70	8,900	68
Illinois	6,631	53	7,196	57	7,316	57	7,198	55
Indiana	107	1	33	0	34	0	33	0
Iowa	214	2	122	1	124	1	122	1
Louisiana	214	2	278	2	283	2	278	2
Maine	107	1	122	1	124	1	122	1
Maryland	321	3	245	2	249	2	245	2
Massachusetts	6,310	51	6,729	53	6,841	53	6,731	51
Michigan	321	3	189	1	192	1	189	1
Minnesota	535	4	378	3	384	3	378	3
Mississippi	107	1	111	1	113	1	111	1
Missouri	321	3	367	3	373	3	367	3
Montana	0	0	11	0	11	0	11	0
Nebraska	107	1	122	1	124	1	122	1
New Jersey	7,700	62	8,765	69	8,910	69	8,766	67
New Mexico	214	2	245	2	249	2	245	2
New York	1,283	10	1,090	9	1,108	9	1,090	8
North Carolina	642	5	645	5	656	5	645	5
North Dakota	107	1	122	1	124	1	122	1
Ohio	107	1	133	1	136	1	133	1
Oklahoma	214	2	89	1	90	1	89	1
Oregon	428	3	133	1	136	1	133	1
Pennsylvania	535	4	678	5	690	5	679	5
South Dakota	107	1	0	0	0	0	0	0
Tennessee	214	2	245	2	249	2	245	2
Texas	8,235	66	8,698	69	8,842	69	8,700	66
Utah	107	1	189	1	192	1	189	1
Virginia	86,635	357	85,110	366	84,400	362	83,471	350
West Virginia	214	2	245	2	249	2	245	2
Wisconsin	107	1	200	2	204	2	200	2
Puerto Rico	642	5	456	4	464	4	456	3
Undistributed	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$148,986	861	\$150,166	880	\$150,537	876	\$148,541	846

Note: Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

Nutrition Programs Administration

Classification by Objects

(Dollars in Thousands)

	2015	2016	2017	2018
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>President's Budget</u>
Personnel Compensation:				
Washington D.C.....	\$37,280	\$39,730	\$39,500	\$38,893
Field.....	43,764	44,802	46,370	45,656
11.0 Total personnel compensation.....	81,044	84,532	85,870	84,549
12.0 Personnel benefits.....	25,904	26,648	27,187	26,683
13.0 Benefits for former personnel	0	46	17	17
Total personnel comp. and benefits.....	106,948	111,226	113,074	111,249
Other Objects:				
21.0 Travel and transportation of persons.....	1,959	1,623	1,504	1,504
22.0 Transportation of things.....	1	0	2	2
23.1 Rental payments to GSA.....	12,201	12,313	14,900	16,725
23.2 Rental payments to others.....	12	31	50	50
23.3 Communications, utilities, and misc. charges.....	552	633	622	622
24.0 Printing and reproduction.....	251	334	283	283
25.2 Other services from non-Federal sources.....	17,920	17,184	11,650	11,650
25.3 Other purchases of goods and services from Federal sources*.....	5,124	3,616	5,594	5,594
25.4 Operation and maintenance of facilities.....	16	17	26	26
25.5 Research and development contracts.....	0	0	0	0
25.6 Medical care.....	8	7	11	11
25.7 Operation and Maintenance of Equipment.....	50	2	72	72
25.8 Subsistence and support of persons.....	8	2	8	8
26.0 Supplies and materials.....	793	945	553	553
31.0 Equipment.....	1,085	128	191	191
41.0 Grants.....	2,000	2,000	1,996	0
42 Insurance claims and indemnities.....	58	105	1	1
Total, Other Objects.....	42,038	38,940	37,463	37,292
99.9 Total, new obligations.....	148,986	150,166	150,537	148,541
*DHS Security.....	\$1,279	\$1,301	\$1,301	\$1,301

Position Data:

Average Salary (dollars), ES Position.....	\$172,401	\$174,642	\$177,960	\$181,697
Average Salary (dollars), GS Position.....	\$95,136	\$96,373	\$98,204	\$100,266
Average Grade, GS Position.....	12.2	12.3	12.3	12.3

FOOD AND NUTRITION SERVICE

NUTRITION PROGRAMS ADMINISTRATION

Status of Programs

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

FNS Administrative Resources – A Critical Program Management and Oversight Tool

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

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

Meeting these responsibilities is central to accomplishing core program objectives, including ensuring access to benefits for eligible individuals, improving the nutrition of program recipients, and strengthening program integrity. Ongoing efforts to improve Supplemental Nutrition Assistance Program (SNAP) integrity, Child and Adult Care Food Program (CACFP) management, Special Supplemental Nutrition Assistance Program for Women, Infants, and Children (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 not increased significantly – particularly considering the growing fiduciary responsibilities of the agency and the increasing complexity of the programs it administers. Administrative funding for FNS accounts for about three-tenths 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 2016 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 about 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.

FOOD AND NUTRITION SERVICE

Highlights of FY 2016 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) provides FNS with an in depth look at high risk or critically important components of program administration.

In FY 2016, FNS continued to bolster the SNAP ME process to ensure compliance with program requirements, improve integrity, and protect access for eligible households. Enhancements to SNAP ME standard operating procedures and guidance were made 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 ME reviews and State corrective actions. Additional enhancements to that system are scheduled for implementation in FY 2017 that will provide expanded reporting functionality to allow FNS to identify chronic problems and assist in targeting actions to correct 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:* In FY 2015, FNS conducted reviews of 53 State agencies to ensure that payment errors are identified and reported in accordance with Federal guidance. FNS review and an Office of Inspector General audit found instances of States underreporting payment errors to FNS. In order to address these deficiencies and ensure consistent and accurate reporting going forward, in FY 2016, FNS revised its 310 Quality Control Handbook to strengthen and clarify requirements, developed a new formal quality control training curriculum for federal staff, implemented a new quality control management evaluation guide to help monitor State processes more effectively, and implemented a revised quality assurance process to strengthen oversight of the federal review process. These efforts are intended to strengthen the accuracy and consistency of payment error reporting in order to more effectively target and address the root causes of improper payments in SNAP.
- *Recipient Claims:* State agencies collected approximately \$350 million in recipient claims in FY 2016. 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 2016, FNS released several updates to the system for fighting SNAP retailer fraud known as ALERT. The updates ensure continuity of system operations as well as enhancements using the best-suited prevalent architectures and technologies available in the IT industry. FNS also executed a new task order on the ALERT contract which allows for continued data mining support services.
- *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 in FY 2015 and FNS has since completed a staggered roll out for application, reauthorization and case documents to the remaining Work Centers and Branches in FY 2016.

FOOD AND NUTRITION SERVICE

- *STARS*: Quarterly releases of the Store Tracking and Redemption System (STARS) were completed in FY 2016. STARS is the system used by FNS to manage retailer participation in SNAP. These releases included enhancements for all Retailer Operations Division branches improving performance reporting, streamlining transfer of work between branches and automating case assignment to improve the efficiency and effectiveness of the organization.
- *Investigator Mobile App*: A mobile app was developed for FNS' undercover investigators. This app will be deployed in FY 2017 to each investigator's tablet and allow them to enter investigative details from the field immediately after leaving the store increasing the accuracy of investigative reports and reducing the time currently spent on documenting investigative notes in paper and later transcribing them into systems. This is the first mobile app to be developed by the Agency and required close coordination with USDA for integration with a mobile eAuthentication solution.
- *System for Award Management (SAM)*: FNS successfully uploaded 1,336 excluded retailers to the SAM database. The file upload generally occurs during the 15th of every month. Currently, FNS responds, on average, to 35 SAM inquiries weekly.
- *Retailer Oversight and Integrity*: In FY 2016, FNS staff authorized or reauthorized 64,983 retailers to participate in SNAP. FNS utilized contractor store visits to verify the initial or continued eligibility of 40,520 stores participating in SNAP. In this same period, 22,403 firms were withdrawn from participation because of changes in ownership, business closings, or nonconformance with authorization criteria. In addition, 2,619 stores were fined or disqualified temporarily or permanently for noncompliance with law or SNAP regulations. At the end of FY 2016, a total of 260,115 stores were authorized to participate in SNAP, an increase of 1,483 stores from FY 2015 and an increase of 7,153 stores over the last three fiscal years.

During FY 2016, FNS conducted undercover investigations of 3,606 stores nationwide. Approximately 40 percent (1,455) of these investigations documented evidence of SNAP violations. Of the 1,455 investigations, FNS investigators uncovered trafficking in 288 stores.

Overall, FNS compliance analysts and investigators reviewed over 22,000 stores for compliance monitoring purposes. As a result, there were 2,619 sanctions, including 1,845 stores permanently disqualified from the program in FY 2016.

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 2016, FNS approved four RFPs, eight contracts, and reviewed and approved seven EBT contract amendments.

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (FDPIR)

The NPA appropriation funds Federal staff administrative expenses to administer 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. More information about FDPIR activities during FY 2016 is provided in the Supplemental Nutrition Assistance Program account section.

FOOD AND NUTRITION SERVICE

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 2016 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. Provisions have continued operating via the annual appropriations. Major provisions of the Act include: (1) allowing one-year certification option for children, ages 1-5; (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 on March 1, 2016, published a final rule implementing the EBT provisions.

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

- *Nutrition Education Materials* - In collaboration with the CNPP, in FY 2016, FNS reviewed and updated nutrition education resources for consistency with the 2015 Dietary Guidelines for Americans. The updated nutrition education resources include: 1) *Tips for Pregnant Moms*; 2) *Tips for Breastfeeding Moms*; 3) *Picky Eaters*; 4) *Healthy Eating for Preschoolers*; 5) *Infant Hunger and Satiety Cues*; and 6) *Guidelines for Feeding Healthy Infants*. These educational resources align with current health recommendations from the Centers for Disease Control and Prevention, the American Academy of Pediatrics, and other professional organizations.
- *WIC Works Resource System* - In FY 2016, FNS staff continued 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 37,000 active users in FY 2016. The WIC Works Resource System highlighted WIC's breastfeeding efforts and a proclamation from Secretary Vilsack for "National WIC Breastfeeding Week", Zika virus resources, a new immunization guide and Value Enhanced Nutrition Assessment (VENA) materials for WIC staff in FY 2016.
- 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 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 operations, 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

FOOD AND NUTRITION SERVICE

State developed training materials. In FY 2016, 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. In FY 2016, a new VENA online training module was developed and launched on the WIC Works Resource System.

- *Revised WIC Nutrition Risk Criteria* - In FY 2016, four WIC nutrition risk criteria were revised (to be implemented in FY 2018) as part of the on-going cyclical review of risk criteria. The following criteria were revised: Slowed/Faltering Growth Pattern, Infectious Diseases, Recent Major Surgery, Trauma, Burns and Inappropriate Nutrition Practices for Infants.

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. In FY 2015, WIC staff participated in the 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.

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 2016 is described under “Acquisition and Distribution of USDA Foods” in the Child Nutrition Programs section.

Special USDA Foods Initiatives: FNS continues to work closely with its partners and customers, such as schools and industry, and with its three sister agencies within USDA – Agricultural Marketing Service (AMS), the Farm Service Agency (FSA), and the Food Safety and Inspection Service (FSIS) – to improve service to its customers, streamline operations, and maintain support for American agriculture. Highlights of FNS’ most recent efforts in this area include:

- **Multi-Agency Task Force** - FNS is the lead for the multi-agency task that provides 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 quarterly and submitted its second report to Congress in July 2016 pursuant to 2014 Farm Bill requirements. The report summarized the task force’s activities to improve USDA Foods procurement programs.
- **USDA Foods Nutrition Initiative** - FNS continually reviews USDA Foods along with 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.

FOOD AND NUTRITION SERVICE

FINANCIAL MANAGEMENT INITIATIVES

Debt Collection Activity in FY 2016

For Federally-managed Federal debt, FNS continued its vigorous pursuit of debt owed the agency by billing \$227 million in new receivables during the fiscal year. Year-end outstanding debts for the fiscal year decreased from the previous year by \$8 million. The overall debt resolution rate achieved was about 77 percent.

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 2014 – FY 2016 (\$ Millions)**

Claims Activity ^{1/}	2014	2015	2016
Claims Established	421	592	553
Claims Collected	288	355	350
Ending Balance	1,762	1,919	1,990

^{1/} Figures 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 2016 Financial Statements, meaning that the agency met the highest auditing standards.

ADMINISTRATIVE MANAGEMENT INITIATIVES

Acquisition Strategies

The FNS FY 2016 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.

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The Agency has been USDA’s innovative forerunner by awarding 49 percent of the Agency’s FY 2016 portfolio through a number of GSA schedules and approximately 113 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 2016, this comprehensive effort positioned the Agency to: 1) exceed its and the Department’s established goals for Small Business (SB), Small Disadvantaged (SDB), 8(a), Woman-Owned (WOSB), Service Disabled Veteran Owned (SDVOSB) and Veteran Owned (VO) Small Businesses; and 2) generate efficiencies and savings without compromise to operations or compliance.

Small Business	Small Disadvantaged Business	8 (a)	Women-owned Small Business	Hub Zones	Service Disabled Veteran Owned Business	Veteran-owned Small Business
Goal 53 % Actual 63.91 %	Goal 5 % Actual 35.36 %	Goal 5 % Actual 7.16 %	Goal 5 % Actual 23.8 %	Goal 3 % Actual 1.88 %	Goal 3 % Actual 5.71 %	Goal 3 % Actual 6.63 %

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 \$13.9 million — a significant savings returned for Program use. This result exceeded the Department’s assignment of savings to FNS for \$9 million and FNS’ own stretch goal of \$11 million.

Improved Business Processes

Based on a need for an enterprise-wide system for asset and space management, FNS implemented the ARCHIBUS Asset Management module, which enables FNS 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. FNS also implemented the ARCHIBUS Hoteling module to support alternate workspace solutions, like hoteling, and promote an efficient utilization of space.

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. The Agency effected:

- Career Pathing is an initiative borne from recommendations from employee led teams using Employee Viewpoint Survey (EVS) assessment data. Results of this effort—Development of the CareerPathing Guide for 13 mission critical occupational series— serves as a resourceful career pathing tool that enables staff to assess current skills and assist them in identifying action steps for professional advancement within their professional series. The output supports position management and an agency-wide succession plan strategy that assures that all FNS employees can take advantage of meaningful opportunities and career development.
- FNS uses demographic information to improve workforce planning efforts and to meet various demographics benchmarks (e.g., general population, federal workforce, OPM and USDA targets). FNS’ Human Resources Division developed Workforce Demographic Dashboards using Tableau software to provide consistency in reporting and enable benchmarking of workforce diversity. FNS Workforce Demographics dashboards provide leadership with key data points on the agency’s workforce using source data from NFC after bi-weekly payroll runs. The current version of the dashboards provides information on the following topics: Diversity (Gender and Race/Ethnicity), Age and Length of Service, Persons with Disabilities, Veterans, Retirement Eligibility and Supervisory Ratios. The Tableau functionality also allows users to drill down into specific offices, divisions, and branches to see metrics for the various levels in the organization. The dashboards also enables benchmarking of FNS metrics against USDA targets, federal civilian agencies (using OPM data), and the general population (using BLS and Census data) and the information provided in the dashboards assists managers with Position Management and Workforce/Succession Planning.

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- Quarterly “Town Hall” mission area-wide listening sessions were conducted across FY 2016 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.

Performance Management

Throughout FY 2016 performance planning, FNS continued to link 2016 Agency priority related tasks into all individual employee performance work plans according to the prescribed policy. This objective provides transparency to FNS employees as it relates to their individual performance and how it connects and contributes to the Agency’s priorities and accomplishments of its’ mission. The Agency Priorities are embedded in all employees’ performance work plans. The tasks are written to align with the employee’s responsibilities. The Human Resources Division, Employee and Labor Relations Branch conducts a cursory review of employees’ performance work plans to ensure the agency priorities cascade at every level. The continuous efforts deployed to enhance performance management has improved FNS Performance Appraisal Assessment rating score to 85 percent, which demonstrates effective characteristics are present within FNS Performance Management Program.

Diversity and Inclusion

Our FY 2016 objective was to implement a plan to close gaps in under-represented demographic groups. All associated tasks have been accomplished to support this objective, including active recruitment efforts and strategies to increase the use of Schedule A and Peace Corps non-competitive appointments and providing training to hiring managers to expand the opportunities for non-competitive hiring authorities for all target groups. Recruitment efforts have also been used to focus on Hispanic Association of Colleges and Universities, Veteran organizations, and affiliates for the disabled. The Human Resources Division combined efforts with the agency Diversity and Inclusion office to cross-utilize efforts and resources to expand awareness of the importance of a diverse workforce. In FY 2016, 56 veterans were promoted, including 31 disabled veterans, representing a 124 percent increase over FY 2015 veteran promotions. FNS remained steady with its diversity hires with Hispanics and targeted disabilities; nonetheless, the agency continues to promote the use of non-competitive hiring authorities among hiring managers and supervisors in order to increase workforce diversity, particularly under-represented groups.

CENTER FOR NUTRITION POLICY AND PROMOTION

Program Mission

The U.S. Department of Agriculture’s Center for Nutrition Policy and Promotion (CNPP), within USDA’s Food, Nutrition and Consumer Services (FNCS) mission area, works to improve the health and well-being of Americans by developing and promoting dietary guidance that links the best evidence-based scientific research to the nutrition needs of consumers. CNPP carries out its mission to improve the health of Americans by:

- Serving as the Federal authority on evidence-based food, nutrition and economic analyses that inform policy and programs;
- Translating science into actionable food and nutrition guidance for all Americans; and
- Leading national communication initiatives that apply science-based messages to advance consumers’ dietary and economic knowledge and behaviors.

Major initiatives include the *Dietary Guidelines for Americans*, the Nutrition Evidence Library (NEL), MyPlate, SuperTracker, the Healthy Eating Index, USDA Food Plans, Food Pattern Modeling, Expenditures on Children, and calculating nutrient availability in the Food Supply. To ensure efficiency while maintaining integrity and quality across its initiatives, the agency is committed to continuous quality advancement by incorporating best practices into all initiatives.

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CNPP makes key contributions 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 initiatives to provide the public with information and ways to make healthy eating choices and be physically active. CNPP's mission, vision, goals, priorities, and values exemplify its commitment to performance that meet the needs of the American public - *driving greater integration and collaboration for greater impact*. CNPP's resources are widely used by consumers, health professionals, nutrition educators, Federal agencies, and other stakeholders serving the public.

Development and Promotion of the Dietary Guidelines for Americans

The *Dietary Guidelines for Americans* is the science-based foundation for nutrition standards used in all Federal nutrition education and promotion programs, including the major vehicle for implementing the *Dietary Guidelines* – MyPlate. The *Dietary Guidelines* also is widely adopted in the private sector, mainly by education and health professionals. Within USDA, the *Dietary Guidelines* is used by the National School Lunch and Breakfast Programs, the Supplemental Nutrition Assistance Program (SNAP), the Child Nutrition Program and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to guide nutrition standards and benefit levels for participants ages 2 years and older. During FY 2016, CNPP collaborated with the Department of Health and Human Services (HHS) on the following:

- Developed the *2015-2020 Dietary Guidelines for Americans* by utilizing the *2010 Dietary Guidelines for Americans*, the *Scientific Report of the 2015 Dietary Guidelines Advisory Committee (DGAC)*, and public and agency comments. Coordinated and managed a peer review, technical review, and Federal agency review of the draft policy guidance publication to ensure the clarity and technical accuracy of the translation of the evidence from the Advisory Report into the draft publication.
- Released the *2015-2020 Dietary Guidelines for Americans* as a web-based resource with interactive graphics (followed by the release of a print-designed pdf and hardcopy publication). A suite of health professional materials were released simultaneously with the launch of the *Dietary Guidelines* and included conversation starters, executive summary, patient handouts, suggested social media posts and downloadable graphic files.
- Promoted the *2015-2020 Dietary Guidelines for Americans* through journal articles, social media (Facebook and Twitter), and presentations at conferences and webinars.
- Streamlined the process for reviewing Federal consumer materials that were developed based on the *Dietary Guidelines for Americans*. Increasing efficiencies were needed in order to reduce response time to the author, reduce burden on staff involved in performing material reviews, and allowed for quicker turn-around of messaging needed in the changing world of communications. This modern approach to reviewing dietary guidance included providing Federal agencies the latitude to approve materials produced by their agencies' as consistent with the *Dietary Guidelines*, while ensuring compliance with the 1990 National Nutrition Monitoring and Related Research Act.
- Per Section 735 of the Consolidated Appropriations Act of 2016, USDA awarded a contract to the Health and Medicine Division of the National Academies of Sciences to conduct a comprehensive study of the entire process used to establish the Dietary Guidelines Advisory Committee (DGAC) and the subsequent development of the *Dietary Guidelines*. CNPP has prepared responses and briefing materials to support the work of the study committee.

Addressing Dietary Needs of Children from Birth to 24 Months of Age and Women Who are Pregnant

The Agricultural Act of 2014 states that beginning with the 2020-2025 edition, the *Dietary Guidelines for Americans* shall include recommendations for pregnant women as well as children from birth to age 24 months. CNPP has worked closely with HHS to develop a framework for meeting this charge, 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. This joint initiative will explore the needs for nutrition guidance for women who are pregnant and infants and toddlers from birth to 24 months of age, and begin to

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systematically review the science, using CNPP's NEL's rigorous and transparent process, with assistance from a broad range of experts. The Pregnancy and Birth to 24 Months (P/B-24) Project will result in preliminary work to better understand diet and how it relates to health for women who are pregnant and infants and toddlers.

In addition, CNPP has been engaged in a Federal interagency effort to submit two proposals to the Division of National Health and Nutrition Examination Survey (NHANES) to conduct special studies on women who are pregnant or lactating and children from birth to 24 months. If funded, the data would begin to be collected in the 2019-2020 cycle of NHANES. Specifically, CNPP, along with sixteen other Federal agencies across USDA, HHS, EPA, and DoD contributed input on data needs to:

- inform current and future Federal nutrition and related health programs, policies, and consumer information; and
- provide ongoing monitoring of the nutritional status and health of these populations.

This data is needed for the *Dietary Guidelines*, but also go beyond just the Guidelines to meet many critical needs for national estimates for other Federal policies and programs.

Contributions of CNPP's Nutrition Evidence Library

The Nutrition Evidence Library (NEL), housed within the Center for Nutrition Policy and Promotion, specializes in conducting systematic reviews (SRs) of scientific literature to inform Federal nutrition policy and programs. The NEL has dedicated staff that collaborates with leading scientists to objectively review, evaluate, and synthesize research using state-of-the-art methodology to answer important food-and nutrition-related public health questions. The NEL's rigorous, protocol-driven methodology is designed to minimize bias, maximize transparency, and ensure that relevant, timely, and high-quality systematic reviews are available to inform Federal nutrition-related policies, programs, and recommendations. The NEL has the ability to expand to conduct additional systematic reviews when needed by the Department and is also a key resource for identifying research limitations and gaps to inform food and nutrition research agendas. During FY 2016, CNPP's Nutrition Evidence Library:

- Continued to support the Pregnancy and Birth to 24 Months (P/B-24) Project. NEL staff provided guidance and technical assistance to a broadly representative Federal Expert Group, to aid prioritization and refinement of systematic review questions. The resulting systematic reviews, which are currently underway, will provide a preliminary evidence-base for use by the 2020 DGAC. Four Technical Expert Collaboratives (TECs), each composed of eight to nine leading scientists, were established and are supported by NEL staff to critically evaluate and synthesize literature related to human milk and formula feeding, feeding practices, acceptability, and intake, complementary feeding, diet during pregnancy and breastfeeding, and health outcomes.
- Furthered the Continuous Quality Advancement (CQA) initiative to ensure its process remains at the forefront of systematic review methodology as it supports the P/B-24 and the 2020 DGAC projects. For example, 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. In addition, technological advances have allowed the NEL to move from a process that entailed a high degree of manual work to one that incorporates electronic tools and automation, improving efficiency, consistency, and time and resource management. Together, the technological advancements and innovations in the systematic review field have contributed to the state-of-the-art methodology used by the NEL.

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Encouraging Healthy Eating and Physical Activity Behaviors with MyPlate, SuperTracker, Other Online Efforts, and Partnerships

Through a multi-pronged approach, CNPP has worked to raise the profile of MyPlate and to share advice and tools with consumers on how to build healthy eating solutions into their everyday life. Released five years ago, today one in two consumers surveyed recognize the MyPlate graphic and 77 percent of dietitians report using MyPlate to educate their clients about nutrition.

In January 2016, CNPP launched the *MyPlate, MyWins* campaign concurrently with the release of the *2015-2020 Dietary Guidelines for Americans*. The core messages integrated throughout the campaign are grounded in the latest edition of the *Dietary Guidelines* as well as the findings from FY 2015 consumer message testing research. *MyPlate, MyWins* messaging was incorporated into the Nutrition Communicators Network MyPlate messages and a recent survey among dietitians indicates that the following messages resonate with most consumers: 1) Make small changes (80 percent); 2) The overall eating pattern is more important than a single meal, food, or nutrient (71 percent); and 3) Make gradual shifts over time (60 percent).

CNPP also connects science to the nutrition needs of consumers across the lifespan with SuperTracker, other online efforts, and the Nutrition Communicators Network. 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 2016, CNPP accomplished the following:

- Updated SuperTracker for consistency with the *2015-2020 Dietary Guidelines for Americans*. From launch on December 22, 2011 to close of FY 2016, a total of 7.3 million users registered for SuperTracker accounts. This is an increase of 24 percent, or 1.4 million new registered users from FY 2015. In FY 2016, the total number of unique visitors was 5.5 million and the total number of page views was about 97 million.
- Enhanced SuperTracker with the development of a challenge platform. This cutting-edge addition allows groups of people to use SuperTracker together as a group for added motivation. Group leaders can launch a healthy eating or physical activity challenge to further encourage healthy behaviors, selecting a preset challenge or creating a custom challenge. Since the launch of this enhancement, 6,354 groups and 1,242 challenges have been created. SuperTracker also added the ability for users to link their Fitbit account with the Physical Activity Tracker, enabling them to track their steps directly in SuperTracker.
- CNPP led and expanded the development and operations of the What's Cooking? USDA Mixing Bowl application, a collaboration between CNPP and FNS program areas (Child Nutrition, SNAP, Food Distribution) to consolidate program recipes and create a user-friendly and visually appealing web-based recipe tool. The Working Group successfully met objectives including development of a site-wide shopping list. In addition, the Group made ongoing progress toward the release of a menu building tool, and integration of backend data to provide cost and nutrition information across recipes within the tool. The team completed several phases of development testing, and ongoing operations and maintenance of the project.
- Achieved a total of 43.5 million downloads on the ChooseMyPlate.gov Web site. ChooseMyPlate.gov had a total of 12.8 million visitors and 48.2 million page views. During this time, the 10 Tips Nutrition Education Series were downloaded 5.1 million times. CNPP also created a new section on the website focused on consumer-based food waste. To date, our "Let's Talk Trash" infographic has been downloaded more than 3 million times.
- Gained a total of 121,289 new subscribers and 1.06 million additional subscriptions using GovDelivery. The average number of subscriptions per subscriber has increased from 8.3 to 8.4. Twitter followers increased by 12 percent over the previous fiscal year, bringing the current total to 91,987. @MyPlate distributed more than a thousand tweets and participated in 12 Twitter chats, primarily with Federal agencies. The MyPlate Facebook account grew its fan base by 37 percent. The Nutrition Communicators Network updated the National Strategic Partnership agreement to comply with the *2015-2020 Dietary*

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Guidelines for Americans; renewing existing partners and adding 12 new and diverse National Strategic Partner organizations ranging from leading health professional and educational organizations to food associations, manufacturers and other companies. The MyPlate on Campus category saw an 8.4 percent increase in its membership. The National Strategic Partnership was responsible for 2.8 billion consumer impressions and consumer influencer impressions between January – June 2016.

- In accordance with the Executive Order – *Using Behavioral Science Insights to Better Serve the American People* – CNPP initiated behavior change modeling research to better segment the population based on how eating decisions are made. CNPP conducted online journaling, online groups, and in-person focus groups around the country to gain knowledge, attitudes, and behaviors related to eating decisions.

USDA Food Plans Inform SNAP and Serve the Military

The four USDA Food Plans (Thrifty, Low-Cost, Moderate-Cost, and Liberal) are national standards for nutritious diets at various cost levels. Each plan represents a set of market baskets containing a selection of foods in quantities that reflect dietary recommendations and are applicable to one of 15 age-gender groups. The Thrifty Food Plan (a minimal-cost nutritious diet) is used as the basis for SNAP allotments which serves 21.3 million households. The Moderate-Cost and Liberal Food Plans are used by the Department of Defense to determine the Basic Allowance for Subsistence rate (food allowance) for 1.4 million U.S. service members. During FY 2016, the monthly USDA Food Plans were updated to reflect the latest prices of food.

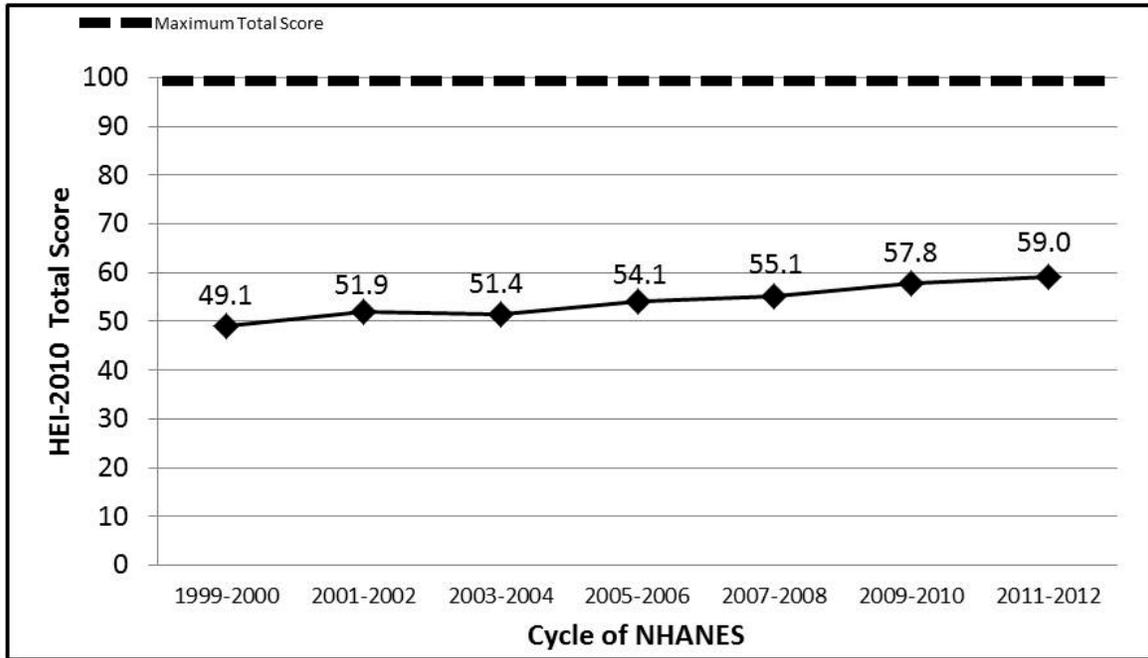
Healthy Eating Index Tracks the Quality of the U.S. Diet

The Healthy Eating Index (HEI) is designed to assess diet quality in terms of how well diets align with the *Dietary Guidelines for Americans*. CNPP uses the HEI to monitor the diet quality of the American population and subpopulations of particular interest. During FY 2016, CNPP accomplished the following:

- Continued work to update the HEI, in collaboration with staff at the National Cancer Institute, to reflect the 2015 *Dietary Guidelines for Americans*. These efforts included consideration of key components, component scoring, and validation. An updated Healthy Eating Index 2015 is anticipated in FY 2017.
- Updated the diet quality scores for all Americans (ages 2 and older) as well as scores specific to children (ages 2-17 yr.) and older adults (ages 65 and older) using NHANES 2011-2012 data. Total HEI scores for all age groups are suboptimal; however, older adults continue to have better diet quality than other age groups.
- Provided age group specific scores for the *America's Children in Brief: Key National Indicators of Well-Being, 2016* report and the *Older Americans 2016: Key Indicators of Well-Being* report.

Adherence to the 2010 *Dietary Guidelines for Americans* Measured by Average Total Healthy Eating Index-2010 Scores of Population Ages 2 and Older

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Data Source: Analyses of What We Eat in America, National Health and Nutrition Examination Survey (NHANES) data from 1999-2000 through 2011-12.

Expenditures on Children by Families Report Helps Inform 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 some States to inform child support guidelines and foster care payments. During FY 2016, the updated *Expenditures on Children Report* was drafted. The analysis included data from 2011-2015. This report implements a process improvement plan to estimate child-rearing expenses calculated using the most recently available Consumer Expenditure Survey data updated with the Consumer Price Index.

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Shared Funding Projects

(Dollars in thousands)

	FY 2015	FY 2016	FY 2017	FY 2018
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>President's Budget</u>
Working Capital Fund:				
Administration:				
HR Enterprise System Management.....	0	\$14	\$14	\$19
Integrated Procurement System.....	223	275	274	252
Mail and Reproduction Management.....	18	47	28	38
Material Management Service Center.....	71	93	95	86
Procurement Operations Division.....	9	19	17	17
Subtotal.....	321	448	428	412
Communications:				
Creative Media & Broadcast Center.....	1,001	489	489	1,518
Correspondence Management:				
Correspondence Management.....	149	138	154	139
Finance and Management:				
Financial Management Services.....	6,783	2,264	867	829
Internal Control Support Services.....	159	147	145	174
NFC/USDA.....	3,689	1,868	1,039	974
Subtotal.....	10,631	4,279	2,051	1,977
Information Technology:				
Client Technology Services.....	210	219	1,002	932
NITC/USDA.....	3,060	3,705	2,957	2,794
Enterprise Network Services (Telecom).....	222	278	432	445
Subtotal.....	3,492	4,202	4,391	4,171
Total, Working Capital Fund.....	15,594	9,556	7,513	8,217
Departmental Shared Cost Programs:				
1890's USDA Initiatives.....	40	50	62	56
Advisory Committee Liaison Services.....	3	4	4	3
Classified National Security Information.....	15	10	10	9
Continuity of Operations Planning.....	31	32	35	31
Emergency Operations Center.....	33	37	39	35
Facility and Infrastructure Review and Assessment.....	7	7	7	7
Faith-Based Initiatives and Neighborhood Partnerships.....	6	6	7	6
Hispanic-Serving Institutions National Program.....	26	28	33	30
Honor Awards.....	1	1	1	1

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Shared Funding Projects
(Dollars in thousands)

	FY 2015	FY 2016	FY 2017	FY 2018
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	President's <u>Budget</u>
Human Resources Transformation (inc. Diversity Council)	25	24	29	26
Identity & Access Management (HSPD-12).....	98	108	111	100
Medical Services.....	45	0	0	0
People's Garden.....	10	10	11	10
Personnel Security Branch (was PDSD).....	15	19	29	26
Pre-authorizing Funding.....	55	59	61	55
Retirement Processor/Web Application.....	9	9	10	9
TARGET Center.....	20	23	24	22
USDA 1994 Program.....	10	11	13	12
Virtual University.....	29	32	33	30
Total, Departmental Shared Cost Programs.....	478	470	519	468
E-Gov:				
Budget Formulation and Execution Line of Business.....	1	17	17	17
Enterprise Human Resources Integration.....	31	31	32	32
Financial Management Line of Business.....	2	2	1	1
Human Resources Line of Business.....	4	4	4	5
Integrated Acquisition Environment.....	10	96	229	234
Integrated Acquisition Environment - Loans and Grants....	27	0	0	0
Disaster Assistance Improvement Plan.....	5	21	37	37
E-Rulemaking.....	12	87	191	236
Geospatial Line of Business.....	0	8	13	13
GovBenefits.gov.....	19	75	134	138
Grants.gov.....	8	18	27	25
E-Training.....	40	41	0	0
Total, E-Gov.....	159	400	685	738
Agency Total.....	16,231	10,426	8,717	9,423

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Summary of Budget and Performance

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 Department will be revising the USDA Strategic Plan later in the spring and expects to release it with the FY 2019 President's Budget. The key outcomes, measures and targets presented below may be revised in the upcoming plan.

Key Outcome: Improve access to nutrition assistance programs

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 Indicators	Fiscal Year				
	2014 Actual	2015 Actual	2016 Actual	2017 Target	2018 Target
Prevalence of food insecurity in households with children	19.4%	16.6%	18.8%*	18.5%	18.5%
Annual percentage of eligible people participating in SNAP	83%	85%*	85%*	85%	85%
Annual percentage of eligible people participating in NSLP	54.8%	55.4%	55.5%	58.3%	58.3%
Annual percentage of children participating in the free/reduced price school lunch program that participate in summer feeding programs	17.5%	17.1%	17.4%	17.4%	17.4%

*Figure is a target, since actual data not available.

Selected Past Accomplishments toward Achievement of the Key Outcome:

- The prevalence of food insecurity in households with children was 16.6 percent in 2015.
- The percentage of eligible individuals participating in SNAP was 83 percent in 2014.

Selected Accomplishments Expected at the FY 2018 Proposed Resource Level:

- The prevalence of food insecurity in households with children will decline to 18.5 percent.
- 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 stay level at 17.4 percent in 2018.

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Key Outcome: Preserve Public Trust in Our Programs

Key Performance Measure: Increase the SNAP payment accuracy rate.

Key Performance Targets:

Annual Performance Goals and Indicators	Fiscal Year				
	2014 Actual	2015 Actual**	2016 Actual***	2017 Target	2018 Target
SNAP payment accuracy rate.	96.34%	N/A	96.34%	96.34%	96.34%

* Section 4019 of the Agricultural Act of 2014 changed the error tolerance threshold for small QC errors from \$50 to \$37 adjusted percentage change in the Thrifty Food Plan (TFP) on an annual basis. FY 2015 is the first year the tolerance level is adjusted based on the TFP adjustment. As a result, the FY 2015 error tolerance level is \$38.

** In FY 2015, FNS released State error rates for 11 States whose quality control data could be validated.

*** FY 2016 figures are targets since actual data not yet available.

Selected Past Accomplishments toward Achievement of the Key Outcome:

- The FY 2014 SNAP payment accuracy rate was 96.34 percent – the latest year for which national data are available. This combined rate reflects 2.96 percent in overpayments and 0.70 percent in underpayments for a total of 3.66 percent in erroneous payments.
- Forty-five States had a payment accuracy rate greater than 94 percent, including 24 States with rates greater than 96 percent.
- In FY 2016, FNS validated FY 2015 payment accuracy rates in 11 states.

Selected Accomplishments Expected at the FY 2018 Proposed Resource Level:

- The SNAP payment accuracy rate will remain steady at 96.34.

Key Outcome: Help Americans Eat Smart

Key Performance Measures:

- Maintain or increase the volume of SNAP redemptions made through direct marketing farmers and farmers’ markets.

Key Performance Targets:

Annual Performance Goals and Indicators	Fiscal Year				
	2014 Actual	2015 Actual	2016 Actual	2017 Target	2018 Target
SNAP redemptions in farmers’ markets and by direct marketing farmers.	\$18.8 million	\$19.4 million	\$20.2 million	\$20.0 million	\$20.0 million

Selected Past Accomplishments toward Achievement of the Key Outcome:

- SNAP authorized direct marketing farmers and farmers’ markets redeemed over \$20.2 million in benefits in FY 2016.

Selected Accomplishments Expected at the FY 2018 Proposed Resource Level:

- Participating direct marketing farmers and farmers’ markets will be redeem at least \$20 million in benefits.