

2021 USDA EXPLANATORY NOTES-FOOD AND NUTRITION SERVICE

Agency-Wide.....	34-3
Purpose Statement.....	34-3
Available Funds and Staff Years.....	34-11
Permanent Positions by Grade and Staff Years.....	34-12
Motor Vehicle Fleet.....	34-13
Shared Funding Projects.....	34-15
Account 1: Child Nutrition.....	34-16
Lead-Off Tabular Statement.....	34-16
Appropriations Language.....	34-17
Project Statement.....	34-18
Current Law Proposal.....	34-28
Proposed Legislation.....	34-30
Geographic Breakdown of Obligations and Staff Years.....	34-34
Classification by Objects.....	34-35
Status of Programs.....	34-37
Account 2: Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).....	34-45
Lead-Off Tabular Statement.....	34-45
Appropriations Language.....	34-45
Project Statement.....	34-46
Geographic Breakdown of Obligations and Staff Years.....	34-49
Classification by Objects.....	34-50
Status of Programs.....	34-51
Account 3: Supplemental Nutrition Assistance Program (SNAP).....	34-59
Lead-Off Tabular Statement.....	34-59
Appropriations Language.....	34-59
Project Statement.....	34-60
Current Law Proposal.....	34-66
Proposed Legislation.....	34-72

Geographic Breakdown of Obligations and Staff Years.....	34-86
Classification by Objects.....	34-87
Status of Programs.....	34-88
Account 4: Commodity Assistance Program (CAP).....	34-96
Lead-Off Tabular Statement.....	34-96
Appropriations Language.....	34-96
Project Statement.....	34-97
CSFP Performance Data.....	34-99
Geographic Breakdown of Obligations and Staff Year.....	34-100
Classification by Objects.....	34-100
Status of Programs.....	34-101
Account 5: Nutrition Programs Administration (NPA).....	34-108
Lead-Off Tabular Statement.....	34-108
Appropriations Language.....	34-108
Project Statement.....	34-109
Geographic Breakdown of Obligations and Staff Years.....	34-112
Classification by Objects.....	34-113
Status of Programs.....	34-114
Agency-Wide Performance.....	34-122
Summary of Performance.....	34-122

PURPOSE STATEMENT

The Food and Nutrition Service (FNS) was established August 8, 1969, by Secretary's Memorandum No. 1659 and Supplement 1 pursuant to the authority contained in 5 U.S.C. 301 and the Reorganization Plan No. 2 of 1953. FNS is the Federal agency responsible for managing the 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 promote food security and healthy nutritious diets among low-income families and individuals as they seek self-sufficiency. Currently, the programs administered by FNS touch the lives of one in four Americans over the course of a year.

FNS remains focused on improving the health and well-being of all Americans by developing and promoting dietary guidance that links the latest body of scientific research to the nutrition needs of consumers. FNS leads food, nutrition, and economic analyses that inform Federal and State programs; translates science into actionable food and nutrition guidance for all Americans; and leads national communication initiatives that help advance consumers' dietary and economic knowledge and inform choices.

FOOD AND NUTRITION SERVICE

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 37 million Americans each month. 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-funded, 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 SNAP, because they do not have easy access to SNAP offices or authorized food stores. Dual participation in SNAP and FDPIR is not permitted. 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 to Tribal Organizations operating the program.

Child Nutrition Programs (CNP): The Child Nutrition Programs - National School Lunch Program (NSLP), School Breakfast Program (SBP), Special Milk Program (SMP), Child and Adult Care Food Program (CACFP), and Summer Food Service Program (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 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 participating students 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. 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.

Farmers' Market Nutrition Program (FMNP): FMNP provides WIC participants, including women, infants older than 4 months, and children up to the age of 5 with special coupons to purchase and consume fresh, locally grown fruits, vegetables, and herbs directly from farmers, farmers' markets and roadside stands.

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 Presidential Disaster Declaration.

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.

Center for Nutrition Policy and Promotion (CNPP): Through the work of CNPP, FNS serves as a Federal authority on evidence-based food, nutrition and economic analyses, guidance, and consumer nutrition education. It is non-regulatory, with several initiatives that serve as the foundation for many Federal departments' and agencies' policies and programs. CNPP's work includes:

- *Dietary Guidelines for Americans*, mandated under the 1990 National Nutrition Monitoring and Related Research Act to provide dietary guidance for people aged 2 years and older, expanded to include guidance for infants and toddlers from birth to 24 months, and for pregnant women, per the Agricultural Act of 2014 (Farm Bill), written for a professional audience, it forms the foundation for Federal nutrition policies and programs and is a central source that nutrition programs across the Federal Government can implement “with one voice” as they tailor it for their specific program audiences;
- Healthy Eating Index (HEI), an analytic tool used to assess how well diets align with the Dietary Guidelines, used widely by Academic institutions, organizations, and Federal agencies including many agencies within the USDA, such as FNS, the National Institute of Food and Agriculture, and the Economic Research Service;
- Nutrition Evidence Systematic Reviews (NESR), formerly known as the Nutrition Evidence Library (NEL), the only resource in the Federal Government that specializes in food- and nutrition-related systematic reviews that answer important public health questions by evaluating the scientific evidence on topics relevant to Federal policy and programs;
- USDA 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, and a reference source for other Federal needs such as setting the maximum allotment for SNAP, per Congressional mandate, being used in bankruptcy courts to ensure people are left with enough money to buy food, and serving as the source (Moderate Cost and Liberal Food Plans) for the Department of Defense 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; and
- MyPlate, which is the Federal nutrition symbol and serves as the foundation to Federal, state and local agencies' consumer nutrition education initiatives and is recognized by 6 in 10 Americans surveyed.

FNS Staff

FNS employees 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 program appropriations.

FNS staff is funded primarily out of the Nutrition Programs Administration account, which represents approximately two-tenths of one percent of the total FNS budget. The agency employment level represents less than two percent of the total employment within USDA and is similarly small in proportion to the total State-level staff needed to operate the programs. The agency employs people from a variety of disciplines, including policy and management analysts,

nutritionists, computer experts, communications professionals, 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 19 field Retail Management Centers. 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 approximately 247,636 stores and other outlets as of September 30, 2019, authorized to redeem SNAP benefits.

As of September 30, 2019, there were approximately 1,355 full-time permanent employees in the agency. There were 538 employees in the Washington headquarters office and 817 employees in the field. The chart below displays staff year utilization.

Staff Year Distribution

FNS Projects and CNPP	2018 Actual	2019 Actual	2020 Enacted	2021 Estimate	Change
Supplemental Nutrition Assistance Program	362	339	375	376	1
Child Nutrition Programs	276	260	293	293	0
Commodity Assistance Program	3	3	3	3	0
Special Supplemental Nutrition Program for Women, Infants and Children	40	38	44	44	0
Nutrition Programs Administration	789	733	816	815	-1
Center for Nutrition Policy and Promotion*	23	26	26	26	0
Total Available	1,493	1,399	1,557	1,557	0

* CNPP Staff Year Distribution includes four (4) staff years funded by the Child Nutrition Programs.

OIG and GAO Reports of National Significance

ID	Date	Title	Result
CN	11-2018	California’s Controls Over the Summer Food Service Program	Final action pending on open recommendations
Financial Management	11-2018	Food and Nutrition Service Financial Statements for Fiscal Years 2018 and 2017	Report contained an unmodified opinion with no recommendations.
CN	3-2019	Summer Food Service Program in Texas – Sponsor Costs	Final action pending on open recommendations
CN	3-2019	Texas’ Controls Over the Summer Food Service Program	Final action pending on open recommendations
CN	8-2019	Florida’s Controls Over the Summer Food Service Program	Final action pending on open recommendations
SNAP	10-2019	Review of FNS’ Nutrition Assistance Program (NAP) Funding to Puerto Rico as a Result of Hurricanes Irma and Maria	Management decision pending for recommendation 1. Final action pending on all other open recommendations.
Financial Management	11-2019	Food and Nutrition Service Financial Statements for Fiscal Years 2019 and 2018	Report contained an unmodified opinion with no recommendations.

Completed GAO Reports (continued)

ID	Date	Title	Result
SNAP	11-2018	SNAP: Disseminating Information on Successful Use of Data Analytics Could Help States Manage Fraud Risks	At a minimum, FNS will update GAO annually on our progress with the one recommendation.
SNAP	12-2018	SNAP: More Complete and Accurate Information Needed on Employment and Training Programs	At a minimum, FNS will update GAO annually on our progress with the four recommendations.
SNAP	1-2019	Food Insecurity: Better Information Could Help Eligible College Students Access Federal Food Assistance Benefits	At a minimum, FNS will update GAO annually on our progress with the two recommendations.
SNAP	1-2019	SNAP: Actions Needed to Better Measure and Address Retailer Trafficking	At a minimum, FNS will update GAO annually on our progress with the five recommendations.
CN	6-2019	School Meal Programs: USDA Has Reported Taking Some Steps to Reduce Improper Payments but Should Comprehensively Assess Fraud Risks	At a minimum, FNS will update GAO annually on our progress with the one recommendation.
All Programs	7-2019	Nutrition Education: USDA Actions Needed to Assess Effectiveness, Coordinate Programs, and Leverage Expertise	At a minimum, FNS will update GAO annually on our progress with the three recommendations.

In-Progress OIG Reports

ID	Date	Title	Result
WIC	4-2018	Assessment of WIC Program Integrity and Monitoring Branch	Agency closeout complete. Awaiting draft report from OIG.
FDD	5-2018	Food Distribution Program on Indian Reservations (FDPIR)	Draft report.
SNAP, Financial Management	7-2018	SNAP Employment and Training Pilot Projects	Draft report.
CN	7-2018	Consolidated Report of FNS and Selected Agencies' Controls Over the SFSP	Agency closeout complete. Awaiting draft report from OIG.

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

ID	Date	Title	Result
WIC	7-2018	Nationwide Implementation of WIC EBT	Draft report.
SNAP, CMD	12-2018	Inspection - Contract for SNAP EBT Services at Farmers' Markets and Direct Marketing Farmers	Agency closeout complete. Awaiting draft report from OIG.
SNAP, Financial Management	9-2019	Inspection - Timeliness of the Disbursement of the \$600 Million Disaster Nutrition Assistance Grant to Puerto Rico	Fieldwork complete. Awaiting draft report from OIG.
SNAP	10-2019	SNAP Waiver Process	Fieldwork ongoing.
All Programs, CNPP	7-2018	Nutrition Programs for Older Adults	Fieldwork complete. Awaiting final report from GAO.
All Programs, OPS	3-2019	Two Generation Poverty Reduction Efforts	Fieldwork ongoing.
SNAP	4-2019	Low-Wage Employers and Federal Social Safety Net Programs	Fieldwork ongoing.
CNPP	5-2019	Federal Programs to Reduce the Costs and Risks of Diet-related Chronic Disease	Fieldwork ongoing.
All Programs, OPS	9-2019	Migration to U.S. Areas Under the Compacts of Free Association	Fieldwork ongoing.
SNAP, WIC	11-2019	Low-Income Programs Income and Asset Eligibility Verification	Planning formal entrance.

*Includes only those audits where FNS is the lead agency

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

AVAILABLE FUNDS AND STAFF YEARS

Item	2018 Actual	SY	2019 Actual	SY	2020 Enacted	SY	2021 Budget	SY
Supplemental Nutrition Assistance Program	\$ 70,773,607	362	\$ 63,833,456	339	\$ 64,961,862	375	\$65,351,364	376
Child Nutrition Programs								
Appropriation	14,611,629	254	14,860,958	239	11,347,830	267	4,462,240	267
Permanent Appropriation ..	197,129	26	196,318	25	208,250	30	203,390	30
Transfer from Section 32	8,872,807	-	9,092,869	-	13,536,959	-	21,081,566	-
Total, Child Nutrition	23,681,565	280	24,150,145	264	25,093,039	297	25,747,196	297
Special Supplemental Nutrition Program for Women, Infants, and Children..	6,039,000	40	5,905,901	38	5,456,000	44	5,462,501	44
Commodity Assistance Program.....	362,167	3	481,104	3	371,764	3	105,300	3
Nutrition Programs Administration.....	148,048	808	148,471	755	153,891	838	155,251	837
Congressional Hunger Center...	2,000	-	2,000	-	2,000	-	-	-
Park Office Center Relocation ...	-	-	7,082	-	9,704	-	-	-
Dietary Guidelines for Americans	-	-	6,030	-	6,267	-	-	-
Total, Food and Nutrition Service Funds	101,006,386	1,493	94,534,189	1,399	96,054,527	1,557	96,821,612	1,557
Obligations under other USDA Appropriations:								
Foreign Agriculture Service..	100	-	-	-	-	-	-	-
Office of the Chief Information Officer	11	-	11	-	-	-	-	-
Office of the Secretary	-	-	43	-	-	-	-	-
Office of Communications....	26	-	-	-	-	-	-	-
Office of Congressional Relations.....	180	-	180	-	-	-	-	-
Office of Inspector General...	10	-	-	-	-	-	-	-
Food Safety and Inspection Service	10	-	10	-	-	-	-	-
Economic Research Service...	10	-	10	-	-	-	-	-
National Appeals Division ...	29	-	451	-	-	-	-	-
Farm Service Agency.....	10	-	10	-	-	-	-	-
Rural Development.....	11	-	11	-	-	-	-	-
Total, Agriculture Appropriations.....	397	-	726	-	-	-	-	-
Other Federal Funds:								
Health and Human Services.	177	-	-	-	-	-	-	-
Total, Other Federal Funds	574	-	726	-	-	-	-	-
Total, Food and Nutrition Service Funds	101,006,960	1,493	94,535,059	1,399	96,054,527	1,557	96,821,612	1,557

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

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

PERMANENT POSITIONS BY GRADE AND STAFF YEARS

Item	2018 Actual			2019 Actual			2020 Enacted			2021 Budget		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total
SES.....	9	8	17	9	8	17	9	8	17	9	8	17
SL.....	-	-	-	-	-	-	-	-	-	-	-	-
GS-15.....	44	31	75	44	31	75	44	31	75	44	31	75
GS-14.....	109	83	192	109	86	195	109	86	195	109	86	195
GS-13.....	295	230	525	298	229	527	295	232	527	295	232	527
GS-12.....	68	542	610	69	542	611	69	542	611	69	542	611
GS-11.....	29	37	66	29	37	66	29	37	66	29	37	66
GS-10.....	-	-	-	-	-	-	-	-	-	-	-	-
GS-9.....	16	8	24	18	11	29	18	11	29	18	11	29
GS-8.....	10	1	11	8	-	8	8	-	8	8	-	8
GS-7.....	5	20	25	3	17	20	3	17	20	3	17	20
GS-6.....	3	4	7	3	3	6	3	3	6	3	3	6
GS-5.....	1	2	3	-	2	2	-	2	2	-	2	2
GS-4.....	1	-	1	1	-	1	1	-	1	1	-	1
GS-3.....	-	1	1	-	-	-	-	-	-	-	-	-
GS-2.....	-	-	-	-	-	-	-	-	-	-	-	-
GS-1.....	-	-	-	-	-	-	-	-	-	-	-	-
Other Graded.....	-	-	-	-	-	-	-	-	-	-	-	-
Ungraded.....	-	-	-	-	-	-	-	-	-	-	-	-
Total Permanent.....	590	967	1,557	591	966	1,557	588	969	1,557	588	969	1,557
Unfilled, EOY.....	43	65	108	53	149	202	-	-	-	-	-	-
Total Perm. FT EOY.....	547	902	1,449	538	817	1,355	588	969	1,557	588	969	1,557
Staff Year Est.....	567	926	1,493	560	839	1,399	588	969	1,557	588	969	1,557

MOTOR VEHICLE FLEET

The FNCS fleet consists largely of sedans. Fleet assigned to Regional Offices and the Retailer Management Centers are used for travel within their area of responsibility. Retailer Investigations Branch employees currently use privately owned vehicles for field audits as part of the Supplemental Nutrition Assistance Program (SNAP). Lastly, FNS uses three 15-passenger vans and one 5-passenger ADA van at Headquarters in Alexandria, Virginia for all-day shuttle service. The fleet located at the National Office in Alexandria, Virginia, is used for shuttle service to transport employees to/from the Department and to transport the FNCS Deputy Under Secretary and FNCS Administrator.

Replacement Criteria

FNS retires or replaces vehicles based upon age, use, operating costs, and maintenance costs.

Changes to Motor Vehicle Fleet

In fiscal year 2019 overall fleet decreased by one vehicle to a count of 37 from 38. The Agency returned one vehicle that was underutilized based on USDA’s minimum yearly usage requirement of 7,500 miles. FNCS also replaced four SUVs with more cost-effective sedans. In FY 2020, FNCS will dispose of two vehicles and anticipates adding an additional 26 vehicles to accommodate FNCS Retailer Investigations Branch investigators currently using privately owned vehicles. FNCS’ goal is to move investigators into leased vehicles and anticipates future cost savings in travel due to a reduction in the number of local travel voucher payments from investigators.

Impediments to Managing the Motor Vehicle Fleet

One impediment to managing the motor vehicle fleet in the most cost-effective manner is the availability of FLEX fuel stations that are accessible in the National Capital Region and rural areas.

Size, Composition, and Annual Costs of Motor Vehicle Fleet^a

Fiscal Year	Sedans and Station Wagons	Lt. Trucks, SUVs, and Vans (4x2)	Lt. Trucks, SUVs, and Vans (4x4)	Medium Duty Vehicles	Heavy Duty Vehicles	Total Vehicles	Annual Operating Costs ^b
2018	19	12	4	3	-	38	133
Change	-	-2	-	1	-	-1	-
2019	19	10	4	4	-	37	105
Change	25	-	-	-1	-	24	-
2020	44	10	4	3	-	61	179
Change	-	-	-	-	-	-	-
2021	44	10	4	3	-	61	179

^a Vehicle count include those owned by agency and leased from commercial sources or GSA.

^b These numbers revise data in the FAST System.

**STATEMENT OF PROPOSED PURCHASE OF PASSENGER MOTOR VEHICLES
(SEDANS & STATION WAGONS)**

Propose Purchase of Passenger Vehicles

Fiscal Year	Net Active Fleet, SOY	Disposals	Acquisitions			Net Active Fleet, EOY
			Replacements	Additions to Fleet	Total	
FY 2018	19	-	-	-	-	19
FY 2019	19	-	-	-	-	19
FY 2020	19	-	-	25	-	44
FY 2021	44	-	-	-	-	44

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

SHARED FUNDING PROJECTS

Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Working Capital Fund:				
Administration:				
Material Management Service Center.....	87	62	80	79
Mail and Reproduction Services.....	39	48	82	75
Integrated Procurement Systems.....	277	280	281	281
Procurement Operations Division.....	17	10	26	30
HR Enterprise System Management.....	20	17	13	14
Subtotal.....	440	417	482	479
Communications:				
Creative Media and Broadcast Center.....	1,585	697	548	289
Finance and Management:				
National Finance Center.....	1,536	1,139	978	363
Internal Control Support Services.....	175	120	191	157
Financial Shared Services.....	914	988	980	1,069
Subtotal.....	2,625	2,247	2,149	1,589
Information Technology:				
Client Experience Center.....	896	1,319	1,500	1,516
Dept. Administration Information Technology Office.....	0	0	1,024	1,024
Digital Infrastructure Services Center.....	2,793	2,165	2,818	2,712
Enterprise Network Services.....	495	744	1,205	1,182
Subtotal.....	4,184	4,228	6,547	6,434
Office of the Executive Secretariat.....	139	182	184	197
Total, Working Capital Fund.....	8,973	7,771	9,910	8,988
Departmental Shared Cost Programs:				
Advisory Committee Liaison Services.....	3	3	4	4
Agency Partnership Outreach.....	116	116	121	121
Human Resources Self-Service Dashboard.....	9	9	9	0
Human Resources Transformation.....	14	0	0	0
Office of Customer Experience.....	30	39	46	46
People's Garden.....	8	0	0	0
Personnel and Document Security.....	46	42	44	44
Physical Security.....	0	0	91	66
Security Detail.....	69	65	71	71
Security Operations.....	162	158	90	98
TARGET Center.....	21	18	18	18
USDA Enterprise Data Analytics Services.....	0	0	84	84
Virtual University.....	16	0	0	0
Total, Departmental Shared Cost Programs	494	450	578	552
E-Gov:				
Budget Formulation and Execution LOB.....	17	17	17	9
Disaster Assistance Improvement Plan.....	37	37	37	37
Enterprise HR Integration.....	31	31	0	0
E-Rulemaking.....	236	196	148	148
Financial Management LOB.....	1	1	1	1
Geospatial LOB.....	13	12	12	12
GovBenefits.....	138	140	128	128
Grants.gov.....	25	24	29	29
HR Management LOB.....	5	5	5	5
Integrated Acquisition Environment.....	234	253	170	170
Total, E-Gov.....	737	716	547	539
Agency Total.....	10,204	8,937	11,035	10,079

LEAD-OFF TABULAR STATEMENT

Child Nutrition Programs (CNP)

2020 Enacted	\$23,615,098,000
Change in Appropriation.....	1,425,813,000
Budget Estimate, 2021	<u>25,040,911,000</u>
Budget Estimate, 2021	25,040,911,000
Change Due to Proposed Legislation.....	473,500,000
2021 Request, Including Proposed Legislation	<u><u>25,514,411,000</u></u>

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

- 1 For necessary expenses to carry out the Richard B. Russell National School
- 2 Lunch Act (42 U.S.C. 1751 et seq.), except section 21, and the Child Nutrition Act of 1966 (42
- 3 U.S.C. 1771 et seq.), except sections 17 and 21; [\$23,615,098,000] \$25,040,911,000 to remain
- 4 available through September 30, [2021] 2022, of which such sums as are made available
- 5 under section 14222(b)(1) of the Food, Conservation, and Energy Act of 2008 (Public Law
- 6 110-246), as amended by this Act, shall be merged with and available for the same time
- 7 period and purposes as provided herein: *Provided*, That of the total amount available,
- 8 [\$18,004,000] \$12,475,000 shall be available to carry out section 19 of the Child Nutrition Act
- 9 of 1966 (42 U.S.C. 1771 et seq.): *Provided further*, That of the total amount available,
- 10 [\$14,999,000] \$15,299,000 shall be available to carry out studies and evaluations and shall
- 11 remain available until expended: [*Provided further*, That of the total amount available,
- 12 \$30,000,000 shall be available to provide competitive grants to State agencies for subgrants
- 13 to local educational agencies and schools to purchase the equipment, with a value of
- 14 greater than \$1,000, needed to serve healthier meals, improve food safety, and to help
- 15 support the establishment, maintenance, or expansion of the school breakfast program:
- 16 *Provided further*, That of the total amount available, \$35,000,000 shall remain available until
- 17 expended to carry out section 749(g) of the Agriculture Appropriations Act of 2010 (Public
- 18 Law 111-80):] *Provided further*, That section 26(d) of the Richard B. Russell National School
- 19 Lunch Act (42 U.S.C. 1769g(d)) is amended in the first sentence by striking “2010 through
- 20 2021” and inserting “2010 through [2021] 2022”: *Provided further*, That section 9(h)(3) of the
- 21 Richard B. Russell National School Lunch Act (42 U.S.C. 1758(h)(3)) is amended in the first
- 22 sentence by striking “For fiscal year 2020” and inserting “For fiscal year [2020] 2021”:
- 23 *Provided further*, That section 9(h)(4) of the Richard B. Russell National School Lunch Act
- 24 (42 U.S.C. 1758(h)(4)) is amended in the first sentence by striking “For fiscal year 2020” and
- 25 inserting “For fiscal year [2020] 2021”.

The first change (lines 11-18) eliminates funding for School Equipment Grants and for Summer Demonstration Grants in FY 2021.

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

PROJECT STATEMENT

	2018		2019		2020		2021		Change from	
	Actual	SY	Actual	SY	Enacted		Budget Request		2020 Enacted	
Discretionary Appropriations:										
Team Nutrition/HUSSC.....	\$17,004	28	\$17,004	27	\$18,004	27	\$12,475	27	-\$5,529	0
Summer Demo	28,000		28,000		35,000		0		-35,000	-
School Meal Equipment Grants..	30,000		30,000		30,000		0		-30,000	-
SBP Expan. Grants(GP non-add) ..	0		0		(9,000)		0		(-9,000)	-
Subtotal	75,004	28	75,004	27	83,004	27	12,475	27	-70,529	0
Mandatory Appropriations:										
National School Lunch Program	13,133,155		12,091,834		12,507,478		13,539,797		1,032,319	
School Breakfast Program	4,807,380		4,816,238		4,831,384		5,039,086		207,702	
Child Adult Care Food Program	3,832,748		3,815,328		3,835,706		4,015,116		179,410	
Summer Food Service Program..	563,817	15	519,456	13	526,385	16	551,944	16	25,559	0
Special Milk Program.....	8,767		8,065		7,064		7,309		245	
State Administrative Expenses ..	297,278		302,571		314,922		317,044		2,122	
Commodity Procurement.....	1,461,755	11	1,436,458	11	1,419,968	14	1,460,769	14	40,801	0
Food Safety Education	2,880	6	2,929	5	2,929	6	2,988	6	59	0
Coordinated Review	10,000	68	10,000	56	10,000	71	10,000	71	0	0
Computer Support	11,921	16	12,124	15	12,124	17	19,366	17	7,242	0
Training Tech. Assistance.....	13,702	42	13,935	40	33,935	45	34,214	45	279	0
CN Studies.....	21,277	9	21,639	8	14,999	10	15,299	10	300	0
CN Payment Accuracy.....	11,016	48	11,203	54	11,203	49	11,427	49	224	0
Farm to School Team.....	3,439	11	3,997	10	3,997	13	4,077	12	80	0
Subtotal	24,179,135	226	23,065,777	212	23,532,094	240	25,028,436	240	1,496,342	0
Total Adjusted Appropriation ...	24,254,139	254	23,140,781	239	23,615,098	267	25,040,911	267	1,425,813	0
General Provision – Breakfast Exp.	0		0		5,000		0		-5,000	
Sequestration.....	-3,989		-3,754		-3,226		0		3,226	
Total Appropriation	24,250,150	254	23,137,027	239	23,616,872	267	25,040,911	267	1,424,039	0
Sequestration.....	3,989		3,754		3,226				-3,226	
Recoveries, Other (Net).....	433,358		831,003							
Bal. Available, SOY.....	1,077,062		2,162,957		2,081,960		817,269		-1,264,691	
Total Available.....	25,764,559	254	26,134,741	239	25,702,058	267	25,858,180	267	156,122	0
Lapsing Balances	-117,166		-98,954							
Bal. Available, EOY	-2,162,957		-2,081,960		-817,269		-314,374		502,895	
Obligations	23,484,436	254	23,953,827	239	24,884,789	267	25,543,806	267	659,017	0

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

PROJECT STATEMENT

	2018		2019		2020		2021		Change from	
	Actual		Actual		Enacted		Budget Request		2020 Enacted	
Mandatory Appropriations ^a										
Information Clearinghouse.....	\$250		\$250		\$250		\$250		0	-
Institute of Child Nutrition.....	5,000		5,000		5,000		5,000		0	-
Fresh Fruit and Vegetable Program	297,000	2	176,000	2	180,000	5	184,140	5	4,140	0
Technical Assistance Program	4,000	20	4,000	20	4,000	21	4,000	21	0	0
Integrity										
Administrative Review	4,000	3	4,000	3	4,000	3	4,000	3	0	0
Professional Standards – Foodservice	1,000	1	1,000		1,000	1	1,000	1	0	0
.....										
Farm to School Grants.....	5,000		5,000		14,000		5,000		-9,000	
Subtotal	316,250	26	200,250	25	208,250	30	203,390	30	-4,860	0
Total Adjusted Approps.	316,250	26	200,250	25	208,250	30	203,390	30	-4,860	0
Resc, Trans, Other (Net).....	-297,000	-2	-176,000	-2	-180,000	-5	-184,140	-5	-4,140	0
Total Appropriation.....	19,250	24	24,250	23	28,250	25	19,250	25	-9,000	0
Transfers In:										
Fresh Fruit and Vegetable Program	297,000	2	176,000	2	180,000	5	184,140	5	4,140	0
Recoveries, Other (Net).....	22,312		19,201	-	-	-	-	-	-	-
Bal. Available, SOY.....	92,827		234,260		257,393		257,393		0	-
Total Available	431,389	26	453,711	25	465,643	30	460,783	30	-4,860	0
Bal. Available, EOY.....	-234,260	-	-257,393	-	-257,393	-	-257,393	-	0	-
Total Obligations.....	197,129	26	196,318	25	208,250	30	203,390	30	-4,860	0

^a The program lines in table FNS-3 are not subject to appropriation.

Direct Appropriation and Transfer Activities

Direct Appropriation and Transfer Activities	Authorization
Information Clearinghouse	National School Lunch Act (NSLA) Sect. 26(d)
Institute of Child Nutrition	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)	Child Nutrition Act (CNA) Sect. 7(h)(1)
Professional Standards – Foodservice	CNA Sect. 7(g)(3)(A)
Farm to School Grants	NSLA Sect. 18(g)(8)(A)

Child Nutrition

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

The FY 2021 request for the Child Nutrition Programs reflects a net increase of \$1,425,813,000 (\$23,615,098,000) available in FY 2020).

- (1) An increase of \$1,032,319,000 for National School Lunch Program (\$12,507,478,000 enacted for FY 2020)

This increase in requested funding for FY 2021 reflects a reduction in the amount of carryover estimated to be available from FY 2020 into FY 2021 coupled with increases in meal service and reimbursement rates. The total number of school lunches and snacks in FY 2021 is projected to be 5.25 billion, an increase of 124 million (or approximately 2.4 percent) over the current estimate for FY 2020 of 5.12 billion. Student participation in the NSLP is expected to continue at almost 60 percent of enrollment in participating schools. Free lunches are estimated at 70.4 percent of all lunches served in FY 2021, which is slightly higher than the proportion of lunches estimated to be served free in FY 2020 (69.8 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).

National School Lunch Program Performance Measure

NSLP Performance Measure	2018 Actual	2019 Actual	2020 Enacted	2021 Estimate
Lunches Served (millions):				
Above 185% of poverty	1,248	1,252	1,223	1,229
130% - 185% of poverty	287	279	263	264
Below 130% of poverty	3,331	3,307	3,435	3,552
Total Lunches.....	4,866	4,838	4,921	5,045

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

NSLP Performance Measure	2018 Actual	2019 Actual	2020 Enacted	2021 Estimate
Average Daily Participation (millions).	30	29	30	30
Lunch Rate per meal (blended, cents):				
Above 185% of poverty	37	37	39	40
130% - 185% of poverty	291	298	308	308
Below 130% of poverty	331	331	341	341
Snacks Served (millions):				
Above 185% of poverty	7	7	7	7
130% - 185% of poverty	1	1	1	1
Below 130% of poverty	191	191	192	192
Total Snacks	199	194	200	200
Snack subsidy per meal (blended)(cents):				
Above 185% of poverty	8	8	8	9
130% - 185% of poverty	45	47	48	49
Below 130% of poverty	91	94	96	98
TOTAL, Lunches and Snacks.....	5,049	5,096	5,121	5,245
Total Meal Reimbursement (millions) ..	\$12,761	\$13,468	\$13,514	\$13,846

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):

Income Eligibility for a Family of Four

Poverty Level (Family of 4)	2018-2019 School Year	2019-2020 School Year
100 Percent.....	\$25,100	\$25,750
130 Percent.....	32,630	33,475
185 Percent.....	46,435	47,638

(2) An increase of \$207,702,000 for the School Breakfast Program (\$4,831,384,000 enacted for FY 2020).

The current estimate projects an increase of 43 million breakfasts in FY 2021. Changes in the reimbursement rates, reflecting increases in the CPI for Food Away from Home, contributed to the need for increased funding as well as increased participation rates.

School Breakfast Performance Measure

SBP Performance Measure	2018 Actual	2019 Actual	2020 Enacted	2021 Estimate
Meals Served (millions):				
Above 185% of poverty	354	364	312	317
Reduce Price, Regular.....	9	9	8	8
Reduce Price, Severe Need.....	116	113	118	120
130%-185% of poverty, Total	125	122	126	128
Free, Regular	60	62	62	64
Free, Severe Need.....	1,884	1,887	1,977	2,012
Below 130% of poverty, Total	1,944	1,949	2,039	2,075
TOTAL, Meals.....	2,422	2,434	2,478	2,521
Average Daily participation (millions)..	15	15	15	15
Average Subsidy Per Meal (cents):				
Paid.....	30	31	31	32
Reduced Price:				
Regular.....	146	148	154	159
Severe Need	179	184	189	193
Free:.....				
Regular.....	176	184	190	196
Severe Need	210	214	220	226
Program Total (millions).....	\$4,645	\$4,785	\$4,831	\$5,029

(3) An increase of \$179,410,000 for the Child and Adult Care Food Program (\$3,835,706,000 enacted for FY 2020).

Year to year funding fluctuations are affected by increased participation and changes in the CPI for Food Away from Home (for centers) and for Food at Home (for homes). The current estimate projects 2.11 billion meals served in childcare centers, family day care homes and adult care centers in FY 2021. This represents an increase of almost 12 million meals (or 0.6 percent) above the FY 2020 estimate of 2.1 billion meals.

The change is the net result of an anticipated .4 percent increase in meals provided in centers (an increase of almost 6 million meals) and a 1.2 percent increase in meals provided in family day care homes (increase of nearly 6 million meals). A slight increase in meals of 7 million meals is forecast for Tier 1 (low-income) family day care homes, while meals reimbursed at Tier 2 (upper income) homes are projected to be flat, over time Tier 2 is continuing a downward trend.

Child and Adult Care Program Performance Measure

CACFP Performance Measure	2018 Actual	2019 Actual	2020 Enacted	2021 Estimate
Meals Served Centers (millions):				
Above 185% of poverty	382	372	378	384
130% - 185% of poverty	82	84	86	86
Below 130% of poverty	1,112	1,147	1,168	1,168
TOTAL, Centers.....	1,584	1,610	1,632	1,638
Tier 1 Homes (Low Income)	408	419	425	432
Tier 2 Homes (Upper Income).....	51	45	44	44
TOTAL, Family Day Care Homes.....	458	435	470	476
Total Child & Adult Care Program Meals	2,036	2,066	2,101	2,113
Average Center Subsidy per meal (cents):				
Above 185% of poverty	22	22	22	23
130% - 185% of poverty	155	162	168	173
Below 130% of poverty	217	223	230	236
Average Home Subsidy per meal (cents):				
Tier 1 (Low Income).....	158	159	160	162
Tier 2 (Upper Income).....	72	73	74	74
Meal Reimbursement.....	\$3,322	\$3,423	\$3,651	\$3,771
Sponsor Admin.....	100	93	112	116
Audits	44	36	69	72
Training & Tech. Assistance	3	3	3	3
Program Total (millions)	3,753	3,791	3,835	3,962

(4) An increase of \$25,559,000 for the Summer Food Service Program (\$526,385,000 enacted for FY 2020).

Changes in the reimbursement rates, reflecting increases in the CPI for Food Away from Home, contribute to the need for increased funding as well as increased participation rates. The current estimate projects 155 million meals, which is an increase of approximately 3 million meals (or 2.0 percent) above the estimate for FY 2020.

Summer Food Service Program Performance Measure

SFSP Performance Measure	2018 Actual	2019 Actual	2020 Enacted	2021 Estimate
Meals Served (millions):				
Summer Food Program.....	146	142	152	155
Average Subsidy Per Meal (cents):				
Lunch	355	363	379	385
Breakfast	204	208	215	220
Supplements.....	83	84	87	89
Program Total (millions)	\$512	\$498	\$526	\$548

- (5) An increase of \$245,000 for the Special Milk Program (\$7,064,000 enacted for FY 2020).

The cash reimbursement rate for milk served is adjusted annually on July 1 to reflect changes in the Producer Price Index for fresh processed milk.

Special Milk Program Performance Measure

SMP Performance Measure	2018 Actual	2019 Actual	2020 Enacted	2021 Estimate
Half Pints Served (millions):				
Paid (Above 130% of poverty).....	34	31	29	29
Free (130% of poverty or below)	4	5	4	3
Total, half pints.....	38	36	33	32
Reimbursement Rates (cents):				
Paid.....	21	21	22	23
Free.....	21	21	23	23
Program Total (millions)	\$8	\$7	\$7	\$7

- (6) An increase of \$2,122,000 for State Administrative Expenses (\$314,922,000 enacted in FY 2020).

An appropriation of \$317,044,000 is needed in FY 2021 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 2018 for FY 2020). The request for funding increases is due to a rise in the expected program obligations for FY 2018, which is the base year for calculating the availability of funds for this program in FY 2021. State Administrative Expense funds are used to support State employee salaries, benefits, and other allowable administrative expenses necessary to implement and oversee program operations.

- (7) An increase of \$40,801,000 for Commodity Procurement Expenses (\$1,419,968 enacted in FY 2020).

An appropriation of \$1,460,769,000 is needed to fund commodity reimbursement and procurement costs in FY 2021. The increase in funding 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 \$485 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 2021 request includes funds to cover the 12 percent requirement and procurement costs.

Commodity Performance Measure

Commodity Performance Measure	2018 Actual	2019 Actual	2020 Enacted	2021 Estimate
CN Appropriation:				
AMS/CCC Commodities	\$465	\$485	\$485	\$485
Section 6 Commodities/Cash/Procurement	876	883	902	898
Costs				
12% Commodity Floor Requirement.....	466	519	515	521
School Lunch Total.....	1,807	1,867	1,882	1,885
Child & Adult Care Food Program:				
Commodities/Cash.....	150	179	186	193
Summer Food Service Program:				
Commodities.....	1	1	2	2
Program Total (millions)	1,959	2,048	2,070	2,079
Appropriation (millions).....	1,344	1,404	1,419	1,421

(8) An increase of \$59,000 for Food Safety Education (\$2,929,000 enacted in FY 2020).

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 consists of \$59,000 and is due to state-local index trends and a pay cost increase.

(9) An increase of \$7,242,000 for Computer Support (\$12,124,000 enacted in FY 2020).

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. Because FNS programs are heavily dependent on information technology (IT) for program delivery, FNS maintains a robust IT infrastructure which includes base costs for IT and telecommunications as well as mixed-use applications and software. FNS is requesting an additional \$7 million to help support the Child Nutrition contribution to IT infrastructure (see Current Law proposal).

- (10) An increase of \$279,000 for Training and Technical Assistance (\$33,935,000 enacted in FY 2020).

Effective and continual training and technical assistance are necessary to help States properly administer the Child Nutrition Programs and to ensure States are equipped to identify and prevent fraud and abuse. This change reflects \$279,000 and is due state/local index trends, and a pay cost increase.

- (11) An increase of \$300,000 for CN Studies (\$14,999,000 enacted in FY 2020).

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. This change reflects \$300,000 and is due state/local index trends, and a pay cost increase.

- (12) An increase of \$224,000 for CN Payment Accuracy (\$11,203,000 enacted in FY 2020).

This funding supports FNS' robust Federal oversight, monitoring and technical assistance, which are essential to the identification, prevention and resolution of erroneous payments. The change consists of \$224,000 is a result of state-local index trends and a pay cost increase.

- (13) An increase of \$80,000 for the Farm to School Team (\$3,997,000 enacted in FY 2020).

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 is due to a state-local index trends and a pay cost increase.

- (14) A decrease of \$5,529,000 for Team Nutrition (\$18,004,000 enacted in FY 2020).

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. Reduced funds are being requested due to the sunset of the Healthier U.S. School Challenge (HUSSC) program. In addition, FNS is exploring a streamlined approach to Team Nutrition grants awards to States.

(15) A decrease of \$35,000,000 for Summer EBT Demonstration (\$35,000,000 enacted in FY 2020).

General Provision 749 of the Agriculture Appropriations Act, 2010 (P.L. 111-80) 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 part of those original demonstrations, FNS implemented the Summer Electronic Benefits Transfer for Children (Summer EBT) pilots in eight States and two Indian Tribal Nations providing low-income families with children more resources to use at retail food stores on EBT cards similar to those used in SNAP and WIC. The impact evaluation of Summer EBT proved it to be a successful model in reducing very low food insecurity among children and improving children's diets. In FY 2019, FNS changed the evaluation slightly to study the impact of providing longer-term funding to two Indian Tribal Organizations and two State agencies.

(16) A decrease of \$30,000,000 for School Meal Equipment Grants (\$30,000,000 enacted in FY 2020).

Between FY 2009 and FY 2019, FNS distributed approximately \$300 million in grants to help schools purchase the equipment needed to serve healthier meals, improve food safety, expand access and/or improve energy efficiency. The grants were targeted to schools, particularly in low-income areas, that needed additional assistance to meet updated meal standards. As the updated meal standards have been in effect for several years, the need for this assistance has diminished.

CURRENT LAW PROPOSAL**Improve Program Integrity and Operations through additional funding for IT Infrastructure.**

Note: This proposal is to be taken in conjunction with the SNAP proposal of the same name.

FNS programs are heavily dependent on information technology (IT) for program delivery – including data analysis and program integrity, financial management of over \$100 billion in program dollars, communication with and customer service for our State partners, technical assistance for program operators, etc. There are only approximately 1,400 FNS employees across the country to manage 15 nutrition assistance programs serving 1 in 5 Americans every day. This would not be possible without robust IT systems as well as the IT infrastructure underpinning those systems.

At FNS, IT infrastructure includes all of the base costs for IT and telecommunications as well as the mixed-use applications such as Microsoft applications and licenses, etc. From FY 2014 to FY 2019, FNS' IT Infrastructure costs have increased by over \$11 million or 38 percent – from \$29.3 million to almost \$40.5 million.

FNS has been able to reduce IT infrastructure costs in some areas, including in applications, software licenses and telecommunications. However, those reductions have resulted in relatively modest savings (i.e., about \$300,000), which have been far outpaced by increases in other areas.

The largest increases have been in external hosting costs (+ \$4.4 million), support for financial systems, including the Food Program Reporting System, the National Data Bank and FMMI (+ \$2 million), IT Security upgrades (+ \$1.8 million) and contractor support (+ \$1 million).

Because the base IT infrastructure activities support all the programs FNS administers, the costs are allocated among all FNS accounts. As a result, SNAP currently pays about 72 percent and CN currently pays almost 20 percent of IT infrastructure costs from within their Other Mandatory Program Costs lines of funding. In FY 2019, this means that SNAP funded about \$29 million and CN funded about \$9 million in IT infrastructure costs out of the Mandatory Other Program Cost budget lines. Over time, this has begun to erode the programs' ability to do some of their work or has forced them to delay planned work in order to ensure that funding has been available for IT infrastructure needs.

FNS is continually seeking process improvements that focus on program integrity, efficiency and transparency. Two current FNS IT infrastructure projects in development include continued development of MEMS NextGen and the implementation of Salesforce. The Management Evaluation System (MEMS NextGen) is a system used in conjunction with State-level management evaluations. MEMS is a custom application designed to improve oversight by identifying problematic trends in the program administration, enabling FNS to target limited resources to correcting chronic deficiencies. MEMS enables a granular approach to trends analysis with the ability to roll-up data to higher tiers. In addition, it allows for more accurate tracking of findings and the status of corrective action activities.

In addition to MEMS, FNS is working toward implementation of Salesforce technology to streamline business processes and the centralization of information sharing and storage. FNS is in need of an application development platform to replace the current and outdated, SharePoint platform now in use for application development. Several FNS programs have identified the need for an effective project/process management application for their various projects/processes. Currently FNS has disjointed systems impacting effective communication across the multi-functional areas within the Agency as well as limited ability to provide accurate, consistent data analytics and data calls reporting in real-time. Additionally, there are more than a dozen applications on an unsupported platform (SharePoint 2007) unable to make the transition to SharePoint 2016. The Salesforce platform will provide the solution to address these problems in a coordinated way.

If IT infrastructure-related costs continue to increase without additional available funding, resources will be diverted from key staffing positions within the CN programs and oversight- and integrity-focused initiatives. Examples include:

Inability to advance new efforts to redesign the Management Evaluation (ME) process in order to more efficiently align resources and staffing;

Reduced funding for grants to States to invest in innovative technology solutions that improve program accountability and efficiencies at both the state and local levels;

Inability to provide focused technical assistance and oversight to States and local operators on procurement, Buy American, and other key operational areas; and

Reduction in staffing of integrity-focused initiatives as recommended by OIG and GAO, including undertaking a more systematic approach to fraud risk assessment and working with State agencies to improve administrative and site review procedures and monitoring of local operators.

Improve Program Integrity and Operations through additional funding for IT Infrastructure (millions of dollars)

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority	\$7	\$7	\$7	\$7	\$7	\$74

PROPOSED LEGISLATION

Raise the Farm to School grant limit

This proposal would permanently change the maximum amount a Farm to School grant recipient may receive, as specified in Section 18(g)(3)(C) of the Richard B. Russell National School Lunch Act, from \$100,000 to \$500,000.

The Farm to School Grant Program serves a wide variety of stakeholders, including nonprofit organizations, tribes, schools, producers, and local and State agencies. USDA has received feedback from States and other stakeholders that \$100,000 is often not adequate to launch or expand Farm to School programming, hire and retain staff to oversee and sustain the work, or to cover administrative expenses plus programmatic expenses for a statewide program. State agencies continue to be high-priority partners and grantees, as USDA would like States to institutionalize Farm to School efforts into their routine operations, budgets, programs, and staffing. Raising the grant cap would allow States to integrate Farm to School into their structures as well as increase their reach, scope, and impact, and other stakeholders would be allowed to collaborate across multiple partners, districts, or other States. A larger award amount would also enable grantees to conduct higher impact work that is more likely to last beyond the end of the grant term. Raising the cap amount to \$500,000 would be consistent with other Child Nutrition grant programs. Finally, raising the cap would also allow USDA to streamline grants programming and provide better customer service to each grantee.

While the FY 2020 Explanatory Statement accompanying the Agriculture Appropriations Act (P.L. 116-94) included language permitting FNS to provide grants.

This proposal would have no impact on costs to the Federal government.

PROPOSED LEGISLATION

Strengthen School Meal Verification Process

This proposal would amend section 9(b)(3) of the Richard B. Russell National School Lunch Act to increase the number of approved school meal applications selected for verification, and better focus the verification process on applications at risk for error. The proposal would increase the base verification sample size from 3 percent to 8 percent while offering lower rates to LEAs that satisfy one or more transparent performance-based thresholds. These thresholds are rationally tied to certification accuracy and verification outcomes and are designed to strengthen confidence in the process and reduce improper payments, while minimizing the loss of benefits by eligible children.

The proposal would allow LEAs or their State agencies, at their discretion, to select applications at a rate above the minimum sample size. This is designed to benefit LEAs with few approved applications that prefer to verify all applications to avoid singling out individual applicants for review, as well as LEAs that prefer to avoid the burden of selecting a valid sample. This also provides State agencies with an optional tool to reduce certification error where appropriate.

The proposal would improve the targeting of applications at high risk for error or intentional misreporting. The proposal uses objective, mandatory criteria to select these applications in an effort to assist LEAs that hesitate to use their discretion to select the same applications for cause. The proposal places additional emphasis on applications that provide assistance program case numbers in response to a recommendation from GAO. At the same time, it requires LEAs to adopt direct verification (using processes already in place for direct certification) to reduce the risk that eligible case number applicants lose their benefits.

The proposal would move the verification sample selection date to October 15 to broaden the verification base while limiting the sample rate. This will improve the equity of a verification process that increasingly places a disproportionate burden on households that complete applications early in the school year. Finally, the proposal would extend verification deadlines one month to relieve pressure on LEAs as they adjust to a larger verification sample size.

Change in Funding Due to School Meal Verification (millions of dollars)

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority	0	0	-\$27	-\$57	-\$59	-\$464

PROPOSED LEGISLATION

Child Nutrition Programs

Each school must meet or exceed the identified student threshold to participate in Community Eligibility (CEP).

CEP allows high-poverty schools to serve school meals at no cost to all children without collecting household applications. Reimbursement to schools is based on the percentage of students directly certified for free school meals based on their participation in other means-tested assistance programs, such as the Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, or the Food Distribution Program on Indian Reservations. This “identified student percentage” (ISP) determines eligibility to elect CEP and the Federal reimbursements for breakfast and lunch. The current threshold to elect CEP is 40 percent.

Currently, local educational agencies (LEAs) may participate in CEP district wide or may choose individual schools or groups of schools to participate. When an LEA elects CEP districtwide or for a group of schools, meals are reimbursed based on the number of identified students at all schools in the district or group. Schools with fewer low-income students can be grouped with schools serving higher percentages of low-income students, as long as the group meets the overall 40 percent eligibility threshold.

This proposal would better target free meals to children in need of assistance by allowing only schools that are individually eligible to participate in CEP. That is, if an individual school’s ISP is lower than 40 percent, it may not participate in CEP as part of a group or as part of a districtwide election.

Change in Funding Due to CEP proposal (millions of dollars)

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority	-\$20	-\$125	-\$127	-\$130	\$133	-\$1,248

PROPOSED LEGISLATION

Child Nutrition Programs

Reform Section 32 Funding

USDA proposes to de-link the Section 32 program funding from customs receipts, and route customs receipts directly to the Treasury to increase transparency. See Agricultural Marketing Service Proposed Legislation Page 21-27.

Under this proposal, a portion of annual funding for Child Nutrition Programs would instead be funded directly from the Treasury, without further appropriation, for the same inflation adjusted levels and for the same purposes as previous receipt-funded activities. In addition to the usual mandatory funding previously provided from receipts, FNS would receive \$485,000,000 for CN commodity purchases, \$5,000,000 for disaster relief and \$2,500,000 for defective commodity removal.

This funding mechanism is more predictable, efficient, and transparent than the current structure.

Change in Funding Due to Section 32 proposal (millions of dollars)

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority	\$493	\$493	\$493	\$493	\$493	\$4,930

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS

(thousands of dollars; staff year (SY))

State/Territory/Country	2018 Actual	SY	2019 Actual	SY	2020 Enacted	SY	2021 Budget	SY
Arizona.....	\$146	1	\$152	1	\$173	1	\$174	1
California	3,002	21	2,376	16	2,699	18	2,719	18
Colorado.....	3,307	23	3,276	22	3,721	24	3,749	24
District of Columbia	0	0	4	0	5	0	5	-
Florida	288	2	300	2	341	2	343	2
Georgia.....	2,795	19	2,936	19	3,335	22	3,360	22
Illinois.....	2,605	18	2,612	17	2,967	19	2,989	19
Indiana	146	1	152	1	173	1	174	1
Massachusetts.....	3,063	21	2,760	18	3,135	20	3,158	20
New Jersey	2,386	16	2,260	15	2,567	17	2,586	17
Texas.....	2,171	15	2,256	15	2,562	17	2,582	17
Virginia.....	73,495	143	90,615	138	93,453	156	93,633	156
Obligations ^a	93,404	280	109,699	264	115,131	297	115,472	297
Total, Available	93,404	280	109,699	264	115,131	297	115,472	297

^a The geographic breakdown data reports only federal administrative costs. Non-administrative costs such as grants to states and benefits are excluded.

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

CLASSIFICATION BY OBJECTS

Item No.	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
	Personnel Compensation:				
	Washington D.C.	\$11,882	\$11,704	\$12,476	\$12,569
	Personnel Compensation, Field.....	13,948	13,740	18,713	18,854
11	Total personnel compensation.....	25,830	25,444	31,189	31,423
12	Personal benefits.....	8,310	8,216	9,849	9,923
	Total, personnel comp. and benefits.....	34,140	33,660	41,038	41,346
	Other Objects:				
21.0	Travel and transportation of persons	2,048	2,945	3,004	3,064
22.0	Transportation of things.....	1	1	1	1
23.2	Rental payments to others.....	527	1,028	1,049	1,070
24.0	Printing and reproduction	830	3,810	3,886	3,964
25.2	Other services from non-Federal sources....	38,333	43,387	44,255	45,140
26.0	Supplies and materials.....	1,376,047	1,344,502	1,436,458	1,472,629
31.0	Equipment	247	874	891	909
41.0	Grants, subsidies, and contributions	22,032,263	22,523,620	23,354,207	23,975,683
	Total, Other Objects	23,450,296	23,920,167	24,843,751	25,502,460
99.9	Total, new obligations.....	23,484,436	23,953,827	24,884,789	25,543,806
	Position Data:				
	Average Salary (dollars), GS Position	\$97,918	\$103,246	\$104,795	\$106,367
	Average Grade, GS Position	12.5	12.5	12.5	12.5

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

CLASSIFICATION BY OBJECTS

Item					
No.	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
	Personnel Compensation:				
	Washington D.C.	\$1,206	\$1,338	\$1,336	\$1,346
	Personnel Compensation, Field	1,417	1,570	2,005	2,020
11	Total personnel compensation	2,623	2,908	3,341	3,366
12	Personal benefits	800	899	1,055	1,063
13.0	Benefits for former personnel.....	16	0	0	0
	Total, personnel comp. and benefits	3,439	3,807	4,396	4,429
	Other Objects:				
21.0	Travel and transportation of persons.....	78	79	81	82
23.2	Rental payments to others	4	-	-	-
24.0	Printing and reproduction	1	-	-	-
25.2	Other services from non-Federal sources	2,972	2,941	3,000	3,060
26.0	Supplies and materials	10	-	-	-
31.0	Equipment	12	1	1	1
41.0	Grants, subsidies, and contributions.....	190,613	189,490	200,772	195,818
	Total, Other Objects.....	193,690	192,511	203,854	198,961
99.9	Total, new obligations	197,129	196,318	208,250	203,390
	Position Data:				
	Average Salary (dollars), GS Position	\$102,825	\$106,720	\$106,720	\$106,720
	Average Grade, GS Position	12.5	12.7	12.7	12.7

STATUS OF PROGRAMS

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

Program Mission

The Child Nutrition Programs improve the diets of children when they are away from home through nutritious meals and snacks based on *the Dietary Guidelines for Americans*. The National School Lunch and School Breakfast Programs provide benefits in public and private elementary, middle and secondary schools, and in residential childcare institutions. The Special Milk Program provides fluid milk to any participating public or non-profit private school or childcare 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, and in some States, by the State agriculture or health agencies

NATIONAL SCHOOL LUNCH PROGRAM

Facts in Brief

On an average school day in FY 2019, more than half of all schoolchildren in America were provided an NSLP lunch. At participating schools and Residential Child Care Institutions (RCCIs), approximately 56.3 percent of the enrolled students participated in the NSLP on a daily basis in FY 2019; this is a slight decrease from 57.4 percent in FY 2018.

- In FY 2019, more than 4.84 billion lunches were served in the NSLP, a decrease of 28 million from FY 2018. Average daily participation in 2019 was 29.4 million, a slight decrease from 29.6 million in FY 2018.
- In FY 2019, approximately 74.1 percent of total lunches served were provided free or at a reduced price, down from 74.3 percent in FY 2018.
- A total of 96,938 schools and RCCIs participated in the NSLP in FY 2019, compared to 97,878 in FY 2018 (707 fewer schools and 233 fewer RCCIs).

SCHOOL BREAKFAST PROGRAM

Facts in Brief

- In FY 2019, the School Breakfast Program was available at 90,649 schools and institutions (a decrease of 0.49 percent from FY 2018) with an enrollment of 49.7 million students (an increase of 900,360 from FY 2018).

- Average daily participation in FY 2019 was 14.7 million students, about the same as the prior year. The program was available to 93.5 percent of the students enrolled in schools participating in the lunch program in FY 2018
- The proportion of total meals served free or at a reduced price was about 84.8 percent during FY 2019, a decrease of .7 percent from FY 2018. Approximately 2.4 billion school breakfasts were served in FY 2019, about the same as FY 2018.

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 include research, process improvements, and monitoring/compliance. For example:

Initial findings from the *Access, Participation, Eligibility, and Certification Study III (APEC-III)* were disseminated in late FY 2019 with complete draft results are expected in FY 2020. APEC-III will provide updated, nationally-representative estimates of program errors and improper payments in the school meal programs.

In partnership with GSA's 18F group, FNS executed a new process to improve the quality of data collected on the FNS-742, the Verification Collection Report, which produces SFA-level records that are indispensable to many internal and external analysis projects, including those aimed at identifying program integrity risks. A new cloud-based 'Data Validation Service' introduces a series of edit checks into the FNS-742 data entry process at an early stage, enhancing customer service to States and SFAs by helping to streamline the data collection process and reducing burden associated with correcting errors, and improving the quality of a dataset. Two State agencies will use the new service in school year 2019-2020, with additional States pursuing or exploring adoption for the following school year.

FNS is pursuing a number of other integrity efforts in connection with the School Meal Programs. In 2019, FNS initiated a fraud risk assessment of the NSLP to identify risk areas for willful violation of program rules that result in improper payments and also examined integrity risks in the SBP, particularly in relation to alternative service models such as breakfast in the classroom and "grab & go".

Direct Certification

Direct certification is the process of matching data from other means-tested programs to automatically certify students for school meal benefits, without need for families to submit applications. For SY 2018-2019, 40 of the 52 State agencies achieved direct certification rates at or above the 95-percent performance target, a noteworthy increase of 12 States meeting the benchmark compared to SY 2015-2016. The National SNAP-DC rate increased to 98 percent, from 92 percent reported in SY 2015-2016.

Technology Grants

In FY 2019, FNS provided \$13 million in CN Technology Innovation Grants (TIG) to 13 State agencies administering Child Nutrition Programs to provide innovative technology solutions that improve program accountability and efficiencies at both the State and local levels. In addition, FNS awarded \$7.7 million in Administrative Review and Training Grants (ART) to seven State agencies administering NSLP and SBP to fund projects that will improve NSLP program integrity by reducing errors in program operations at the State and Local Educational Agency level. The ART grants support web-based applications, technology improvements, system modification, automation, training, and other program oversight improvements.

Farm to School Grants

The Farm to School Grant Program funds school districts, state and local agencies, tribal communities, agricultural producers, and non-profit organizations to support efforts that increase local foods served through the 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 programs. In July 2019, FNS awarded more than \$9.4 million in grants to 126 grantees. FNS also established a three-year, \$1.8 million cooperative agreement with the National Center for Appropriate Technology (NCAT) in FY 2019 to develop training to help agricultural producers build their capacity to launch or expand efforts to market to schools, increasing farm to school activity in schools.

Team Nutrition Grants

In FY 2019, one State agency received a four-year 2019 Team Nutrition E-STAR Training Grant of approximately \$2.5 million, which supports implementation and evaluation of an enhanced training program that provides extensive professional development training focused on school meal quality for school nutrition managers and frontline staff. Four State agencies received three-year 2019 Team Nutrition Training Grants for Innovative State Training Programs of up to \$700,000 for a total of \$2.8 million; these grants support the expansion and evaluation of existing State-developed training programs that are designed to improve school nutrition professionals' knowledge, skills, and self-efficacy related to school meal quality.

SPECIAL MILK PROGRAM***Facts in Brief***

- The number of half pints served as part of the SMP decreased from 37.9 million in FY 2018 to 35.6 million in FY 2019, a 6.2 percent decrease. Overall, the number of half pints served has decreased from 181.3 million in FY 1990, down 80 percent.
- A total of 2,287 schools, residential childcare institutions, non-residential childcare institutions, and summer camps participated in the SMP in FY 2019, an 8.8 percent decrease from the FY 2018 level of 2,847.
- The portion of half pints served free during FY 2019 was about 13.9 percent, as compared to 10.5 percent in FY 2018.

CHILD AND ADULT CARE FOOD PROGRAM

Facts in Brief

- In FY 2019, the peak participation attendance in CACFP was approximately 5.3 million children and adults, a slight increase from the peak participation of 5.1 million in FY 2018.
- Of 4.46 million children in average daily attendance in FY 2019, approximately 3.8 million were in child care centers and approximately 0.67 million were in family day care homes, a slight decrease from 4.49 million children in average daily attendance, of which 3.77 million were in centers and 0.72 million were in family day care homes in FY 2018.
- On average, in FY 2019, CACFP childcare centers had 59 children in attendance each day and received about \$40,668 a year in meal reimbursement (compared to an average of 57 children and \$37,460 in FY 2018).
- On average, a family day care home cared for and fed approximately 7.42 children daily in FY 2019 and received slightly more than \$7,279 a year in meal reimbursement (compared to approximately 7.45 children and slightly more than \$7,049 in FY 2018).
- Total meal service decreased .1 percent from FY 2018 to FY 2019, for approximately 1.96 billion meals served in FY 2019.
- In FY 2019, approximately 80.4 percent of total meals served in CACFP were provided free or at a reduced price, a little less than the 80.6 percent in FY 2018.
- In FY 2019, 26,293 At-Risk Child Care Center outlets provided a total of 260.6 million meals and snacks to children (compared to the 24,996 At-Risk Child Care Centers operating in FY 2018 that served a total of 257.7 million meals and snacks). This is a 5.2 percent increase in the number of operating At-Risk sites and a 1.2 percent increase in the number of meals and snacks served to children.
- In FY 2019, CACFP At-Risk Child Care Centers had an average of 82 children daily, an increase from approximately 78 children in attendance daily during FY 2018.

Nutritious Meals

FNS published a final rule, *Delayed Implementation of Grains Ounce Equivalents in the Child and Adult Care Food Program*, in September 2019. This rule postponed the use of ounce equivalents until October 1, 2021, to allow more time for FNS to develop additional technical assistance materials and for State agencies and sponsoring organizations to provide training and support to make compliance easier for meal planners.

CACFP Program Integrity

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. For example, in FY 2019 FNS issued a Request for Proposal on the serious deficiency process in the Federal Register. FNS is analyzing information submitted in order to improve any resources or consider any future rulemaking that may be needed to incorporate stakeholder feedback on the process. In late FY 2019, FNS received early draft

findings from the Erroneous Payments in Child Care Centers (EPICCS) study. This is the first FNS-funded research study commissioned to estimate nationally representative rates of program error and improper payments in CACFP childcare centers. EPICCS will serve as a basis for future integrity initiatives in the CACFP throughout the coming years.

SUMMER FOOD SERVICE PROGRAM

Facts in Brief

- During 2019, 142.3 million meals were served, a 2.5 percent decrease from FY 2018 at 146 million meals.
- During FY 2019, 46,586 feeding sites provided 142.3 million meals to needy children through the SFSP. Compared to FY 1990, meals have increased 56 percent from 91.2 million.
- In FY 2019, approximately 57.5 percent of the meals served were lunches (57.3 percent in FY 2018), 29.6 percent were breakfasts (29 percent FY 2019), and the remaining 12.8 percent were suppers and supplements (13.7 percent in FY 2018).

SFSP Integrity and Program Simplification

In FY 2019, FNS continued to provide support to States to operate the SFSP with integrity and simplify program requirements and guidance. FNS conducted analysis of State oversight reports to identify common issues for action, and visited 92 summer meal sites in seven states, providing a valuable opportunity to observe SFSP operations at the site level and help identify areas where additional guidance or technical assistance is needed. Additionally, FNS devoted significant resources this year to working with the Office of Inspector General on a three-phase audit of the SFSP.

FNS is developing a new integrity research study to investigate and estimate program errors and improper payments in the SFSP. The study will generate the agency's first formal estimates of program error in satisfaction of the requirements of the Improper Payments Elimination and Recovery Act of 2010 (IPERA).

Summer Demonstrations

In the 2010 Agriculture Appropriations Act (P.L. 111-80), Congress authorized demonstration projects to develop and test alternative methods of providing access to food for children in low-income households during the summer months when schools are not in regular session, as well as rigorous independent evaluations of each project's effectiveness. Current demonstrations include the Summer Electronic Benefit Transfer for Children (Summer EBT) demonstrations, the Summer Meals-to-You project, and the demonstration projects for non-congregate feeding for outdoor summer meal sites experiencing excessive heat (SFSP heat demonstrations).

In FY 2019, FNS awarded \$31 million in multi-year grants to four grantees to implement Summer EBT projects for three consecutive summers. Two experienced grantees, Chickasaw Nation and Michigan, were awarded funds to serve children in summers 2019-2021. Two new grantees, Inter Tribal Council of Arizona and Wisconsin were awarded funds to serve children in summers 2020-2022.

Although the SFSP and Summer EBT are proven effective in a variety of settings, USDA has heard from stakeholders that these models are not well suited for communities that lack access to SFSP sites and retailers where EBT benefits can be redeemed. In response, USDA and Baylor University's Texas Hunger Initiative (THI) launched a new demonstration in summer 2019, the Summer Meals-to-You project. THI received a 2019 award to operate Summer Meals-to-You in summers 2019-2021. Through this project, approximately 4,300 children in five counties in rural Texas received weekly food boxes delivered directly to their homes in summer 2019. The Urban Institute is conducting a study looking at the impact on children's nutrition, and how the project operates best. USDA intends to report the conclusions of this study to Congress so that they have information to make decisions about the future of Federal summer meal programs.

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 to 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.

In partnership with AMS, OFS offers *Produce Safety University* (PSU), a week-long train the trainer course, which immerses child nutrition professionals in the produce industry and highlights food safety concerns across the supply chain from farm to fork. In FY 2019, 176 child nutrition professionals attended PSU from 45 States, Guam and Puerto Rico.

OFS supports the Center for Food Safety in Child Nutrition Programs at Kansas State University, the only entity that focuses on science-based food safety research in schools, childcare, and other Child Nutrition Programs. In FY 2019, the Center delivered the *Serving up Science: The Path to Safe Food in Schools* course and published the results of studies on cooling and employee food safety behavior.

OFS closely monitored food recalls affecting FNS nutrition assistance programs and communicated with food safety regulatory agencies (USDA Food Safety and Inspection Service (FSIS) and Food and Drug Administration) to determine the impact of food recalls on USDA Foods. In FY 2018, OFS responded to 202 USDA Foods complaints with identified food safety concerns. OFS coordinated with FSIS and the Agricultural Marketing Service (AMS) on nine potential recalls with possible USDA Foods involvement and one market withdrawal involving USDA Foods.

USDA FOODS

Acquisition and Distribution of USDA Foods

Eight nutrition assistance programs incorporate USDA Foods as part of the overall assistance provided to recipient agencies. AMS and FNS work together to provide USDA Foods to these programs in the types, forms, and quantities needed to meet planned levels of assistance. USDA strengthens the nation's nutrition safety net and supports American agriculture by distributing

high quality, 100 percent American-grown USDA Foods. USDA offers over 200 different products to schools. These foods are low in added sugar, sodium and fat and support the meal pattern requirements for the National School Lunch and Breakfast Programs.

USDA Foods entitlement 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. For SY 2018-2019, schools, daycare centers and residential institutions were authorized to receive an average of 23.50 cents worth of USDA Foods per lunch/supper served. The rate for USDA Foods increased to 23.75 cents on July 1, 2019, for SY 2019-2020. USDA Foods provided to Child Nutrition Programs (excluding bonus and cash in lieu of entitlement USDA Foods) totaled \$1.6 billion for FY 2019.

In FY 2019, FNS worked to improve transparency for offshore deliveries, particularly to Puerto Rico and the Virgin Islands, providing better arrival estimates for shipments. In addition, USDA facilitated a pilot for Puerto Rico to split shipments with Florida, which enabled Puerto Rico to take advantage of products that are normally unavailable to them.

During FY 2019, FNS worked with AMS to implement a plan to execute the first year of USDA's Trade Mitigation Food Purchase and Distribution Program. Seven products were offered to schools and \$27 million was ordered.

In school year 2018-2019, recipient agencies and state distributing agencies diverted over 700 million pounds of USDA Foods to processors. Eighty-one processors received over 80 different USDA Foods to process into end products. Following publication of the updated processing rule in May 2018, FNS updated several program related policies and procedures.

USDA Department of Defense Fresh Produce Project

FNS and the Department of Defense (DoD) work together to enable school districts to obtain fresh produce. Under this joint venture, schools can use their USDA Foods entitlement to order fresh produce through DoD's contracting and distribution network. This project has grown steadily since its beginning in SY 1994-1995. States and territories spent a combined total of over \$305 million in entitlement funds on produce through this program in SY 2018-2019. Currently, 20 States have used USDA DoD Fresh as a means of maximizing the small USDA Foods entitlement received for SFSP.

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 childcare institutions participating in CACFP have also elected to receive their USDA Foods entitlements in cash.

CHILD NUTRITION PROGRAMS STUDIES AND EVALUATIONS

FNS published eight reports related to the Child Nutrition Programs during FY 2019, which are available at <https://www.fns.usda.gov/research-analysis>. These reports include:

- Study of Food Safety Needs of Adult Day Care Centers in the CACFP (9/24/2019)
- Evaluation of the Direct Certification with Medicaid for Free and Reduced-Price Meals Demonstration – Year 1 (8/30/2019)
- Evaluation of School Meal Data Collection Process (8/7/2019)
- Child Nutrition Reporting Burden Analysis Study (7/2/2019)
- Successful Approaches to Reduce Sodium in School Meals Study (6/27/2019)
- School Nutrition and Meal Cost Study Volumes 1–4 (4/23/2019)
- Child and Adult Care Food Program (CACFP) Sponsor Tiering Determination Aging Study, 2015-2020 (2/26/2019)
- Direct Certification in National School Lunch Program Report to Congress: State Implementation Program, SY 2015-2016 and 2016-2017 (11/7/2018).

LEAD-OFF TABULAR STATEMENT

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

2020 Enacted	\$6,000,000,000
Change in Appropriation.....	<u>-548,499,000</u>
2021 Request.....	<u>5,451,501,000</u>

APPROPRIATIONS LANGUAGE

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

- 1 For necessary expenses to carry out the special supplemental nutrition program as
- 2 authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786),
- 3 ~~[\$6,000,000,000]~~ \$5,451,501,000, to remain available through September 30, ~~[2021]~~ 2022:
- 4 *Provided*, That notwithstanding section 17(h)(10) of the Child Nutrition Act of 1966 (42
- 5 U.S.C. 1786(h)(10)), not less than ~~[\$90,000,000]~~ \$60,000,000 shall be used for breastfeeding
- 6 peer counselors and other related activities, and \$14,000,000 shall be used for
- 7 infrastructure: *Provided further*, That none of the funds provided in this account shall be
- 8 available for the purchase of infant formula except in accordance with the cost
- 9 containment and competitive bidding requirements specified in section 17 of such Act:
- 10 *Provided further*, That none of the funds provided shall be available for activities that are
- 11 not fully reimbursed by other Federal Government departments or agencies unless
- 12 authorized by section 17 of such Act: *Provided further*, That upon termination of a
- 13 federally mandated vendor moratorium and subject to terms and conditions established
- 14 by the Secretary, the Secretary may waive the requirement at 7 CFR 246.12(g) (6) at the
- 15 request of a State agency.

PROJECT STATEMENT

	2018	2019	2020	2021	Change from 2020
	Actual	Actual	Enacted	Budget	SY Enacted
Direct Appropriations:					
WIC.....	\$6,175,000	\$6,056,000	\$5,986,000	\$5,437,501	-548,499
Infrastructure Grants	14,000	14,000	14,000	14,000	0
Telehealth Grants.....	0	5,000	0	0	0
Breastfeeding Peer Counselors (non-add).....	(60,000)	(60,000)	(90,000)	(60,000)	(-30,000)
Subtotal Direct Appropriations.....	6,189,000 40	6,075,000 38	6,000,000 44	5,451,501 44	-548,499 0
Mandatory Funding					
UPC Database (Direct Appropriations).....	1,000	1,000	1,000	1,000	0
Carryover.....	896,558	1,202,140	1,181,098	1,264,999	83,901
Rescission.....	-800,000	-500,000	-1,000,000	-1,200,000	-200,000
Sequestration.....	-66	-62	-59	0	-59
Recoveries, Other (Net).....	489,520	648,000	635,000	635,000	-
Total Available.....	6,776,012 40	7,426,078 38	6,817,039 44	6,152,500 44	-694,657 0
Obligations.....	6,039,000 40	5,905,905 38	5,456,000 44	5,462,501 44	6,501 0

Special Supplemental Nutrition Program for Women Infants, and Children

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.

A net total decrease of \$548,499, which includes the following:

- (1) A decrease of -\$518,499 for WIC Grants to States for supplemental food, nutrition service and administration costs (\$5,880,000 available in FY 2020).

The funding requested will support benefits for all eligible women, infants, and children, who seek WIC benefits – currently estimated to be about 6.2 million individuals in FY 2021. The average monthly food cost per person is estimated to increase from \$41.14 in FY 2020 to \$41.91 in FY 2021. 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).

The average nutrition services and administrative (NSA) cost per person is estimated to decrease from \$25.66 in FY 2020 to \$22.44 in FY 2021. 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.

Program Performance Data thousands of dollars, staff years (SY)

Program Performance Data	2018 Actual	2019 Actual	2020 Enacted	Increase or Decrease	2021 Budget Request
Average Participation Per Month (in thousands)	6,870	6,522	6,400	-200	6,200
Average Food Cost Per Person Per Month	\$40.96	\$40.83	\$41.14	\$0.77	\$41.91
Average Admin. Cost Per Person Per Month	23.98	26.82	25.66	-.22	22.44
Total Benefit Costs	\$64.94	\$67.65	\$66.80	-\$2.45	\$64.35

(2) A decrease of -\$30,000,000 for Breastfeeding Peer Counselor (\$90,000,000 available in FY 2020).

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. State agencies are now implementing plans that institutionalize peer counseling as a core service in WIC and improper payments. 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. The line includes a pay cost increase that has been absorbed by program efficiencies.

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

	2018 Actual	2019 Enacted	2020 Enacted	2021 Budget Request	Change from 2020 Enacted
Funding Detail					
WIC:					
Grants to States and All Other.....	\$6,173,000	\$6,059,000	\$5,984,000	\$5,435,501	-\$548,499
Program Evaluation & Monitoring.....	5,000	5,000	5,000	5,000	0
Federal Administration and Oversight.....	11,000	11,000	11,000	11,000	0
Total Appropriated.....	6,189,000	6,075,000	6,000,000	5,451,501,901	-\$548,499

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS (SY)

State/Territory/Country	2018		2019		2020		2021	
	Actual	SY	Actual	SY	Enacted	SY	Budget	SY
California	\$262	2	\$314	2	\$344	2	\$347	2
Colorado.....	355	3	377	2	414	3	417	3
Georgia	289	2	321	2	353	2	356	2
Illinois.....	284	2	321	2	353	2	356	2
Massachusetts.....	288	2	321	2	353	2	356	2
Michigan	3	0	0	0	0	0	0	0
New Jersey.....	284	2	320	2	351	2	354	2
Tennessee.....	92	1	97	1	106	1	107	1
Texas.....	417	3	482	3	530	4	534	4
Virginia.....	20,349	24	13,794	22	14,135	26	14,163	26
Obligations.....	22,263	40	16,347	38	16,939	44	16,990	44
Total, Available	22,263	40	16,347	38	16,939	44	16,990	44

Note: The obligations provided in this table represents Federal-FNS staff costs per state. The totals are a subset of overall WIC obligations. The geographic breakdown data reports only federal administrative costs. Non-administrative costs such as grants to states and benefits are excluded.

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

CLASSIFICATION BY OBJECTS

(thousands of dollars)

Item No.	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget Request
	Personnel Compensation:				
	Washington D.C.	\$1,862	\$1,807	\$2,174	\$2,174
	Personnel Compensation, Field	2,187	2,121	3,015	3,037
11	Total personnel compensation	4,049	4,049	5,025	5,062
12	Personal benefits	1,359	1,395	1,587	1,599
	Total, personnel comp. and benefits.....	5,408	5,323	6,612	6,661
	Other Objects:				
21.0	Travel and transportation of persons	135	135	135	135
22.0	Transportation of things.....	2	2	2	2
25.2	Other services from non-Federal sources	13,574	13,574	13,574	13,574
26.0	Supplies and materials	605	605	605	605
41.0	Grants, subsidies, and contributions	5,537,664	5,884,973	5,435,465	5,441,573
	Total, Other Objects	5,551,980	5,899,289	5,449,781	5,455,889
99.9	Total, new obligations	5,557,388	5,905,901	5,465,000	5,462,501
	Position Data:				
	Average Salary (dollars), GS Position	\$102,424	\$106,736	\$106,736	\$106,736
	Average Grade, GS Position	12.5	12.7	12.7	12.7

STATUS OF PROGRAMS

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

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 the U.S. Poverty Income Guidelines. For the period of July 1, 2018 to June 30, 2019, this represented \$47,638 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.

Program Participation and Costs (thousands of dollars)

Average Monthly Participation (In Thousands)	2011	2012	2013	2014	2015	2016	2017	2018	2019
Women	2,096.90	2,093.70	2,046.70	1,972.80	1,922.25	1,837.41	1,737.50	1,633.00	1,514.80
Infants	2,102.80	2,067.80	2,035.50	1,964.39	1,940.00	1,874.02	1,787.60	1,712.00	1,609.70
Children <5	4,760.90	4,746.30	4,580.60	4,321.25	4,159.07	3,979.29	3,758.40	3,522.80	3,272.90
Total	8,960.60	8,907.80	8,662.80	8,258.48	8,021.32	7,690.72	7,283.50	6,867.80	6,397.40
Change from Prior Year	-2.30%	-0.60%	-2.80%	-4.67%	-2.87%	-4.12%	-5.30%	-5.70%	-6.80%
Food Cost Total (Million \$)	\$5,018	\$4,808	\$4,497	\$4,324	\$4,176	\$3,934	\$3,610	\$3,365	\$3,136
Avg./Person/Month	\$46.67	\$44.98	\$43.26	\$43.64	\$43.37	\$42.62	\$41.30	\$40.83	\$40.85
Change in Per Person Food Cost	12.60%	-3.60%	-3.80%	0.87%	-0.61%	-1.73%	-3.10%	-1.20%	0.10%
Per Person Per Month Total (Food/Admin.) Cost	\$64.91	\$62.55	\$61.36	\$62.85	\$63.33	\$63.78	\$63.84	\$64.23	\$66.41

Source: Program Information Reports, December 2019, National Data Bank, KD21 US FY 2019.

WIC food package

In FY 2019, FNS developed a web-based technical assistance tool to assist WIC staff with tailoring infant formula provided within the food package for partially breastfed infants.

Nutrition Education

Nutrition education, including breastfeeding promotion and support, is integral to the success of the WIC Program and is an important part of the WIC benefit package. Statute requires that one-sixth of the amounts States spend for NSA 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 help participants 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, and provide information on drug and other harmful substance abuse to all pregnant, postpartum, and breastfeeding women, and to parents or caregivers of infants and children.

In FY 2019, FNS hosted four technical assistance webinars for State and local agency WIC staff on the topics of oral health, infant feeding resources on the WIC Works Resource System and WIC Breastfeeding Support websites, complementary feeding, and food package tailoring. The webinars were well attended and increased page views for the online resources highlighted.

Breastfeeding Promotion Efforts

Breastfeeding promotion and support is a key component of the WIC Program, and WIC supports breastfeeding by providing comprehensive, up-to-date and culturally appropriate breastfeeding information and counseling.

WIC program staff offer support, anticipatory guidance and encouragement to new mothers and the benefits of breastfeeding are explained to participants in the nutrition education information provided during pregnancy. Due to increased nutritional needs of breastfeeding women, WIC mothers who decide to breastfeed are eligible to receive WIC for a longer period of time and receive a larger food package than non-breastfeeding postpartum women.

WIC Breastfeeding Support. Learn Together. Grow Together is the Program's national breastfeeding campaign. The goal of the campaign is to equip WIC moms with the information, resources and support they need to successfully breastfeed. In FY 2019, new features were added to the campaign website, including Spanish translation of all campaign posters and three tip sheets, a new "About the campaign" webpage, and a devoted page for "Social Media" within the Staff area of the website. FNS also awarded a \$5 million cooperative agreement to the University of Nevada, Reno, to support the implementation and evaluation of the national Breastfeeding Promotion Campaign in up to eight WIC State agencies.

The WIC Peer Counseling Program provides mother-to-mother support and addresses the barriers to breastfeeding that WIC mothers face. WIC State agencies continue to implement plans that institutionalize breastfeeding peer counseling as a core service in WIC. In FY 2019, FNS awarded nearly \$60 million in grants for breastfeeding peer counseling. As a requirement of receiving WIC peer counseling funds, WIC State and local agencies must adhere to the peer counseling model and training protocols provided by WIC. A Secretary Proclamation declaring National WIC Breastfeeding Week August 1-7, 2019, highlighted the important role that peer counselors play in WIC breastfeeding promotion and support. A panel presentation at the USAID workshop, *Building Healthy Communities at Home and Abroad, Catalyzing the Impact of the U.S. Government's Efforts to Support Breastfeeding Families*, focused on how WIC peer counselors address barriers to breastfeeding by offering breastfeeding education, support, and role modeling in a culturally appropriate manner.

In FY 2019, WIC Breastfeeding Bonus Awards were made to five large State agencies with greater than 1,000 infant participants (Idaho, Vermont, Oregon, Alaska and Wyoming) and five small State agencies with less than 1,000 infant participants (Pueblo of Zuni; Acoma, Canonicito, and Laguna; Pleasant Point; Indian Township; and Pueblo of San Felipe). The performance bonuses, totaling \$100,000, build upon WIC's longstanding efforts to promote and support breastfeeding, and are intended to recognize and award State agencies demonstrating successful breastfeeding promotion and support efforts. The statute requires USDA to provide WIC breastfeeding performance bonuses.

All WIC local agencies are required to implement policies and procedures to provide breastfeeding support and assistance throughout the prenatal and postpartum period. The Loving Support Award of Excellence recognizes local agencies that provide exemplary breastfeeding programs and support services. The award is given at three levels of performance: Gold, Premiere, and Elite. As part of the celebration for National WIC Breastfeeding Week, August 1-7, 2019, WIC awarded the Loving Support Awards of Excellence to 101 WIC local agencies from all seven FNS regions.

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 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.

The functional areas that are reviewed during WIC MEs include: 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.

Each year, FNS issues a WIC ME Target Area Memorandum, which instructs FNS Regional Offices on what to evaluate via MEs the following FY. Usually, the Target Area is comprised of one functional area and follows a risk-based ME approach. The FY 2019 Target Area was ME Closure. The ME Closure Target Area focused on strengthening integrity and providing technical assistance to WIC State agencies as they worked to bring their WIC programs into compliance with requirements cited via difficult-to-close findings. FNS planned for the target area by providing ME Closure Plan templates, recommendations, assistance with data, and by coordinating cross-Regional collaboration. FNS held bi-monthly meetings with the Regional Office workgroup. During FY 2019, FNS Regional Offices closed approximately 450 outstanding findings and observations from previously conducted WIC MEs.

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 29 years.

The most successful strategy has been competitively bid infant formula rebate contracts between State agencies and infant formula manufacturers. In addition, three State agencies have rebate contracts for infant foods (cereal, vegetable, fruit, or meat). In FY 2019, States reported an estimated annual rebate savings of \$1.7 billion. In FY 2019, FNS reviewed WIC rebate bid solicitations for compliance with Federal requirements and provided technical assistance to ensure competitiveness of the following State agencies' infant formula rebate contracts: Tennessee; Indiana; Rosebud Sioux Tribe; Mississippi; Colorado; Florida; the Oklahoma State Alliance which consists of Oklahoma, Chickasaw Nation, Muscogee (Creek) Nation, Otoe-Missouria Tribe, Citizen Potawatomi Nation, WCD Enterprises, Inc. (Wichita, Caddo, and Delaware); and Mississippi Band of Choctaw Indians.

In addition, in FY 2019, FNS provided targeted technical assistance to seven WIC State agencies (New York, Illinois, Louisiana, Puerto Rico, Georgia, Michigan, and Texas) related to WIC vendor management and cost containment. FNS also developed a tool for all WIC State agencies to assess and report on vendor cost neutrality.

WIC Prescreening Tool

Recently modernized, the WIC Prescreening Tool is a web-based/mobile device-capable 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 “WIC Prescreening Tool” link on the WIC Eligibility Requirements page. 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 and collaboration with similar programs.

State Agency Model (SAM) Project

The SAM Project is an initiative to develop model WIC management information systems (MIS) through multiple State agency consortia. The SAM project 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.

Electronic Benefit Transfer (EBT)

FNS is supporting State agencies to enable them to implement EBT statewide by October 1, 2020, as required by law.

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 2019, 89 WIC State agencies are involved in some phase of EBT -- planning, development, or implementation or they are already operational Statewide. In FY 2019, 15 EBT projects were funded.

As of October 2019, 53 WIC State agencies, delivering benefits to almost 62 percent of participants, have successfully implemented EBT projects statewide. Seven State agencies (Arkansas, Cherokee Nation of Oklahoma, Pueblo of Isleta’ New Mexico, Ohio, Texas and Wyoming) are using smart card or chip technology and 46 State agencies (Alabama, Alaska, American Samoa, Arizona, Chickasaw Nation, Choctaw Nation of Oklahoma, Citizen Potawatomi Nation , Colorado, Commonwealth of the Northern Mariana Islands, Connecticut, Delaware, Eastern Band of Cherokee Indians, Florida, Guam, Idaho, Inter-Tribal Council of Arizona, Inter-Tribal Council of Nevada, Inter-Tribal Council of Oklahoma, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Montana, Muscogee (Creek) Nation, Navajo Nation, Nebraska, Nevada, New Hampshire, New York, North Carolina, Oklahoma, Oregon, Osage Nation, Otoe-Missouria Tribe, South Dakota, Tennessee, Virgin Islands, Virginia, West Virginia, Wichita Caddo Delaware (WCD), Vermont, and Wisconsin) have successfully implemented EBT using magnetic stripe cards, or online technology.

Nineteen WIC State agencies are currently in the planning phase for EBT. They include: Acoma Canoncito & Laguna (ACL); Cheyenne River Sioux Tribe; District of Columbia; Eastern Shoshone; Eight Northern Indian Pueblos, Inc.; Five Sandoval Indian Pueblos; Indian Township Passamaquoddy Reservation; Northern Arapaho Nation; Omaha Nation; Pleasant Point Passamaquoddy Reservation; Pueblo of San Felipe, Pueblo of Zuni; Rosebud Sioux Tribe; Santee Sioux Tribe; Santo Domingo; Standing Rock Sioux; Three Affiliated Tribes; Ute Mountain Ute Tribe; and Winnebago Tribe.

Seventeen WIC State agencies are currently in the implementing phase for EBT: California, Georgia, Hawaii, Illinois, Louisiana, Maine, Mississippi, Mississippi Band of Choctaw Indians, Missouri, New Jersey, North Dakota, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Utah, and Washington.

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 criteria and to more closely align nutrition risk determination with WIC nutrition interventions. The VENA Guidance was updated in FY 2019 to reflect current program policy, references and resources and will be issued in FY 2020.

WIC Nutrition Risk Criteria: In FY 2019, five WIC nutrition risk criteria were revised as part of the on-going cyclical review of risk criteria. The following criteria were revised: Hypertension and Prehypertension, History of Preeclampsia, Pregnant Woman Currently Breastfeeding, Drug and Nutrient Interactions, and Fetal Alcohol Spectrum Disorders.

Optimizing WIC Service Delivery

In FY 2019, FNS participated in a variety of activities to optimize WIC services:

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 improve program coordination and service delivery to families with young children with the goal of increasing WIC participation among children one through four years of age. A Memorandum of Understanding between FNS' WIC and Child and Adult Care Food Program (CACFP) and the Administration of Children and Families' Head Start and Child Care Development Fund Programs hosts quarterly webinars highlighting Regional- and State-level program coordination efforts. Additional partnerships with other programs that serve young children, e.g., child care facilities, CACFP, Head Start and Early Head Start, Substance Abuse and Mental Health Services Administration and the Centers for Disease Control and Prevention will continue in FY 2020.

FNS also awarded WIC Special Project grants in FYs 2015, 2016 and 2017 with the goal of testing innovative ideas to improve WIC services. The FY 2015 grant (Georgia) was completed in FY 2019 and the final report will be available as early as June 2020. The FY 2016 grants (Georgia, Mississippi, Pennsylvania, Puerto Rico, South Carolina, and Virginia) and FY 2017-18 grants (Arizona, Arkansas, South Dakota, and Texas) are underway. The 2016 grants will be completed

by 2020, and the 2017-18 projects will be completed in phases starting in 2020 and ending in FY 2022.

The Johns Hopkins University (JHU), through a cooperative agreement with FNS, established the *Participant Research Innovation Laboratory for Enhancing WIC Services*. In FY 2019, JHU competitively awarded five WIC local agencies sub-grants to develop and implement interactive tools, technical resources, and innovative solutions that improve customer service in WIC clinics and ultimately encourage and improve retention of eligible children in WIC. JHU will support and evaluate these 18-month WIC local agency projects.

In FY 2019, FNS awarded a \$2-million cooperative agreement to the Council of State Governments (CSG) to establish the *WIC Innovation Grant*. The cooperative agreement establishes CSG as the lead organization to manage the sub-grant award process to fund certification enhancement projects in WIC State agencies. CSG will support and evaluate State and local efforts to streamline and improve the customer service experience in WIC. Sub-grants will be awarded no later than March 2021.

Also in FY 2019, FNS awarded an \$8.5-million cooperative agreement to Tufts University for the *USDA WIC Telehealth Innovations Project*. Through this cooperative agreement, Tufts will test and evaluate the use of telehealth innovations in delivery of nutrition education, including breastfeeding support, to pregnant women and caregivers of young children participating in the WIC Program. Tufts will select up to eight WIC State agencies as sub-grantees for this research through a national competition.

WIC STUDIES AND EVALUATIONS

FNS published four reports related to WIC during FY 2019, which are available online at <https://www.fns.usda.gov/research-analysis>. These include:

WIC Infant Toddler Feeding Practices Study 2: Third Year Report: The WIC Infant and Toddler Feeding Practices Study-2 (WIC ITFPS-2), also known as the “Feeding My Baby” Study, captures data on caregivers and their children over the first 6 years of the child’s life after WIC enrollment to address a series of research questions regarding feeding practices, associations between WIC services and those practices, and the health and nutrition outcomes of children receiving WIC. The current report focuses on caregivers’ employment, school, and child care circumstances, as well as the feeding beliefs and practices, dietary intake, and weight status of children from birth through approximately 36 months of age.

National and State-Level Estimates of Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Eligibility and Program Reach in 2016: This report updates national estimates of the number of women, infants, and children eligible for WIC benefits in 2016 and the percent of the eligible population covered by the Program, including estimates by participant category. The report also provides estimates by region, State, U.S. territory, and race and ethnicity.

WIC Participant and Program Characteristics 2016 Food Package Report: The biennial WIC Participant and Program Characteristics Report describes a census of all participants in WIC. The most recent report (PC 2016) reflects State management information systems data from April 2016, and this Food Package Report is a supplemental analysis of that data. While PC 2016 summarizes participant characteristics, this report summarizes the food packages, or prescriptions, that State agencies (SAs) issued to these participants.

WIC Food Package Cost Report, Fiscal Year 2014: This report supplements FNS administrative data on food package costs by estimating the average monthly food costs for each WIC participant category and food package type. It also estimates total pre- and post-rebate dollars spent on 17 major categories of WIC-eligible foods in FY 2014. This report is an update to the previous WIC Food Package Cost Report for FY 2010.

LEAD-OFF TABULAR STATEMENT

Supplemental Nutrition Assistance Program (SNAP)

2020 Enacted	\$67,886,285,000
Change in Appropriation.....	395,079,000
Budget Estimate, 2021	<u>68,281,364,000</u>
Budget Estimate, 2021	68,281,364,000
Change Due to Proposed Legislation.....	<u>-15,347,500,000</u>
2021 Request, Including Proposed Legislation	<u>\$52,933,864,000</u>

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

1 For necessary expenses to carry out the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et
 2 seq.), [~~\$67,886,285,000~~]\$68,281,364,000, of which \$3,000,000,000, to remain available
 3 through September 30, [~~2022~~]2023, shall be placed in reserve for use only in such
 4 amounts and at such times as may become necessary to carry out program operations:
 5 Provided, That funds provided herein shall be expended in accordance with section 16
 6 of the Food and Nutrition Act of 2008: [~~Provided further, That of the funds made~~
 7 available under this heading, \$998,000 may be used to provide nutrition education
 8 services to State agencies and Federally Recognized Tribes participating in the Food
 9 Distribution Program on Indian Reservations:] Provided further, That this appropriation
 10 shall be subject to any work registration or workfare requirements as may be required
 11 by law: Provided further, That funds made available for Employment and Training
 12 under this heading shall remain available through September 30, [~~2021~~]2022: Provided
 13 further, That funds made available under this heading for section 28(d)(1), section 4(b),
 14 and section 27(a) of the Food and Nutrition Act of 2008 shall remain available through
 15 September 30, [~~2021~~]2022: Provided further, That none of the funds made available
 16 under this heading may be obligated or expended in contravention of section 213A of
 17 the Immigration and Nationality Act (8 U.S.C. 1183A): Provided further, That funds
 18 made available under this heading may be used to enter into contracts and employ staff
 19 to conduct studies, evaluations, or to conduct activities related to program integrity
 20 provided that such activities are authorized by the Food and Nutrition Act of 2008.

The first change (lines 6-9) eliminates discretionary funding for FDPIR Nutrition Education.

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

PROJECT STATEMENT

Project Statement (thousands of dollars, staff years (SY))

	2018		2019		2020		2021		Change	
	Actual	SY	Actual	SY	Enacted	SY	Budget Request	SY	Budget	SY
Discretionary Funds:										
FDPIR Nutrition Education.....	998	-	998	-	998	-	0	-	-998	-
General Provisions										
<i>Demo Projects Tribal Orgs (GP non-add).....</i>	0	-	0	-	(3,000)	-	0	-	(-3,000)	-
<i>Healthy Milk Incentives (GP non-add).....</i>	0	-	0	-	(1,000)	-	0	-	(-1,000)	-
<i>Puerto Rico NAP Study (GP non-add).....</i>	0	-	0	-	(6,000)	-	0	-	(-6,000)	-
Total Discretionary Funding.....	998	-	998	-	998	-	0	-	-998	-
Mandatory Funds:										
Benefits	63,050,952	-	62,320,406	-	56,201,345	-	56,152,245	-	-49,100	-
Contingency Fund.....	3,000,000	-	3,000,000	-	3,000,000	-	3,000,000	-	0	-
State Administrative Costs.....	4,483,411	-	4,617,913	-	4,965,651	-	5,313,427	-	347,776	-
Employment and Training (100% and 50/50)	476,706	-	501,607	-	613,694	-	625,778	-	12,084	-
Nut Ed & Obesity Prevention Grant	421,000	-	433,000	-	441,000	-	448,000	-	7,000	-
Nutrition Assistance for Puerto Rico	1,919,646	-	1,923,537	-	1,937,647	-	1,971,415	-	33,768	-
American Samoa.....	7,709	-	7,725	-	7,782	-	7,917	-	135	-
FDPIR USDA Foods in lieu of SNAP	104,976	1	103,238	1	104,976	1	76,826	1	-28,150	-
FDPIR Agencies Expenses and Nut Ed.....	48,024	-	49,762	-	55,255	-	57,174	-	1,919	-
TEFAP Commodities	287,500	2	306,083	2	317,500	2	322,500	2	5,000	-
Commonwealth of the North Mariana Islands	12,148	-	12,148	-	12,148	-	12,148	-	0	-
Community Food Project	9,000	-	5,000	-	5,000	-	5,000	-	0	-
Program Access	5,000	-	5,000	-	5,000	-	5,000	-	0	-
Mandatory Other Program Costs (see detail)	186,429	359	190,504	336	218,289	372	283,934	373	65,645	1
Total Mandatory.....	74,012,501	-	73,475,923	-	67,885,287	-	68,281,364	-	396,077	-
Total Appropriation.....	74,013,499	-	73,476,921	-	67,886,285	-	68,281,364	-	395,079	-
Carryover.....	3,072,000	-	3,193,432	-	3,000,000	-	3,000,000	-	0	-
Sequestration.....	-9,563	-	-9,179	-	-9,423	-	0	-	9,423	-
Recoveries, Other (Net)	21,000	-	81,726	-	0	-	0	-	0	-
Collections from Reimbursable(net)	59,000	-	46,801	-	85,000	-	85,000	-	0	-
Total Available.....	77,155,936	362	76,789,701	339	70,961,862	375	71,366,364	376	404,502	1

Mandatory:

- 1) An increase of \$7,000,000 for Nutrition Education Grant Program (\$441,000,000 available in FY 2020).

These funds support the Nutrition Education and Obesity Prevention Grant Program, established by Section 241 of the Healthy, Hunger-Free Kids Act of 2010 (P.L.111-296). The funding is allocated to 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.

- 2) An increase of \$12,084,000 for Employment and Training (\$613,694,000 available in FY 2020).

E&T 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. In addition to matching funds, this line continues to provide \$123,900,000 (same as FY2020) in 100 percent E&T grant funding to States.

- 3) An increase of \$65,645,000 for mandatory other program costs (\$218,289,000 available in FY 2020)

The overall change consists of the following:

- a) An increase of \$1,597,000 for Benefit & Retailer Redemption and Monitoring (\$53,780,000 available in FY 2020). 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. The increase is due to estimated inflation (Federal costs) and a one percent pay increase.
- b) An increase of \$282,000 for Certification of Supplemental Security Income (SSI) Recipients for SNAP (\$20,172,000 available in FY 2020). 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 related to SNAP certification and data analysis efforts. This increase is due to estimated inflation (Federal costs).

- c) An increase of \$38,806,000 for Payment Accuracy and Cooperative Services (\$34,148,000 available in FY 2020).

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 activities are a core part of USDA's program integrity investments. The requested increase includes \$806,000 due to estimated inflation (Federal costs) and a one percent pay increase. Additional resources of \$38,000,000 are requested under this line to decrease improper payments. (See Current Law Proposal: Improvements to SNAP income verification process.)

- d) An increase of \$554,000 for Retailer Integrity and Trafficking (\$21,667,000 available in FY 2020).

This line provides funding for a "strike force" of retailer investigators, for oversight of the more than 250,000 retailers authorized to redeem SNAP benefits, and for other activities that promote retailer integrity efforts. The requested increase is due to estimated inflation (Federal costs) and a one percent pay increase.

- e) An increase of \$147,000 for Computer Support (\$10,496,000 available in FY 2020).

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).

- f) An increase of \$229,000 for Electronic Benefit Transfer Systems (\$17,339,000 available in FY 2020).

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. This increase is due to estimated inflation (Federal costs) and a one percent pay increase.

- g) An increase of \$5,564,000 for Nutrition Education and Program Information (\$29,008,000 available in FY 2020).

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 estimated inflation (Federal costs) and a one percent pay increase. Additional resources of \$5,000,000 to support the nationwide expansion of the National Accuracy Clearinghouse are requested. Refer to Current Law Proposal: Implementation of a Nationwide Expansion of the National Accuracy Clearinghouse (NAC).

h) An increase of \$466,000 for Program Evaluation and Modernization (\$18,679,000 available in FY 2020).

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. This increase is due to estimated inflation (Federal costs) and a one percent pay increase.

i) An increase of \$18,000,000 in IT Modernization and Support (\$2,000,000 available in FY 2020).

This line provides for the operations, maintenance, and enhancement costs associated with Federal systems and equipment. (Refer to Current Law Proposal: Improvements to IT Infrastructure.)

7) An increase of \$33,768,000 for Nutrition Assistance Program for Puerto Rico (\$1,937,647,000 available in FY 2020).

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 NAP benefits. The increase is due to the estimated increase in the Thrifty Food Plan (TFP).

8) An increase of \$135,000 for American Samoa (\$7,782,000 available in FY 2020).

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 increase is due to the estimated increase in the TFP.

9) An increase of \$5,000,000 for The Emergency Food Assistance Program (TEFAP) (\$317,500,000 available in FY 2020).

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 increase is due to an increase in the TFP and a change in the formula provided by The Agricultural Improvement Act of 2018.

10) An increase of \$347,776,000 for State Administrative Expenses (SAE) (\$4,965,651,000 available in FY 2020).

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 and the expiration of the A-87 cost allocation waiver provided to agencies by OMB in association with the Affordable Care Act. FNS will be required to carry a larger portion of all state-level systems costs in the SNAP SAE account.

11) A decrease of \$ \$49,100,000 for Benefit Costs (\$56,201,345,000 available in FY 2020).

This decrease reflects the net effect of estimated changes in participation. SNAP participation is expected to decrease by 2.8 percent to about 37.2 million participants. These decreases also reflect changes in participation associated with the implementation of the Able-Bodied

Adults without Dependents Final Rule. Average food cost per person/per month is expected to increase by about 2 percent to \$125.84.

	2018 Actual	2019 Actual	2020 Enacted	2021 Budget Request
Average Participation per month (000)	39,810	37,612	38,119	37,240
Average Unemployment rate (percent)	3.9	3.7	3.5	3.7
Thrifty Food Plan (TFP)	\$640.80	\$642.10	\$646.80	\$658.10
Maximum Allotment (4 person hh) based on TFP	\$640.80	\$642.10	\$646.80	\$658.10
Overall average benefit per person per month	\$126.45	\$121.94	\$123.20	\$125.84

12) A decrease of \$26,231,000 for Food Distribution Program on Indian Reservations (FDPIR) (\$160,231,000 available in FY 2020).

The Food and Nutrition Act of 2008, as amended, 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 for 90,000 participants. The decrease is due to the availability of carryover resources for food purchases.

13) A decrease of \$998,000 for FDPIR Nutrition Education (\$998,000 available in FY 2020).

This discretionary funding was supplemental to regular FDPIR administrative funding and provided small grants to tribal organizations to conduct nutrition education activities. However, the activities funded through these small grants may be funded, as appropriate, through regular FDPIR administrative funding.

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

	2018		2019		2020		2021		Change	
	Actual	SY	Actual	SY	Enacted	SY	Budget Request	SY	from 2020	SY
	Enacted	SY	Enacted	SY	Enacted	SY	Request	SY	Enacted	SY
Funding Detail										
Employment and Training:										
E&T Federal Fund 100%	\$110,000	-	\$123,900	-	\$123,900	-	\$123,900	-	0	-
E&T Fed Funds and Participation 50%.....	366,706	-	377,707	-	489,794	-	501,878	-	12,084	-
Total E&T.....	476,706		501,607		613,694		625,778		12,084	
Mandatory Other Program Costs:										
Benefit & Retailer Redemption/Monitoring	51,149	119	52,525	114	53,780	119	55,377	120	1,597	1
SSI Recipients for SNAP	19,618	-	19,893	-	20,172	-	20,454	-	282	-
Payment Accuracy and Co-op Services	25,820	89	26,514	85	34,148	97	72,954	97	38,806	0
Web-Based Automation Systems	7,500	3	7,500	2	7,500	3	7,500	3	0	0
Retailer Integrity and Trafficking	17,753	55	18,231	52	21,667	56	22,221	57	554	1
Computer Support	10,208	-	10,351	-	10,496	-	10,643	-	147	-
Electronic Benefit Transfer (EBT) Systems ..	15,891	37	16,113	35	17,339	39	17,568	39	229	0
Nutrition Education and Program Information	18,078	48	18,564	42	29,008	50	34,572	49	5,564	-1
.....										
Program Evaluation and Modernization.....	14,912	8	15,313	6	18,679	8	19,145	8	466	0
FMMI	3,500	-	3,500	-	3,500	-	3,500	-	0	-
IT Modernization and Support.....	2,000	-	2,000	-	2,000	-	20,000	-	18,000	-
Total Mandatory Other Program Costs.....	186,429	359	190,504	336	218,289	372	283,934	373	65,645	1
CNMI Disaster Assistance.....	0	-	25,200	-	0	-	0	-	0	-
Nutrition Assistance for PR DA.....	0	-	600,000	-	0	-	0	-	0	-
Impact Study on Additional PR Benefits.....	0	-	5,000	-	0	-	0	-	0	-
American Samoa Disaster Assistance	0	-	18,000	-	0	-	0	-	0	-
Longitudinal Research Data Analysis.....	0	-	20,000	-	0	-	0	-	0	-
Total Appropriated	663,135	359	1,360,311	336	831,983	372	909,712	373	77,729	1

CURRENT LAW PROPOSAL

SNAP

Improvements to SNAP income verification processes

The Food and Nutrition Act requires that SNAP State agencies verify the income of applicants at initial certification and recertification. To better facilitate this process in recent years, most States have entered into contracts for data matching services, which provide electronic verification of earned income, improving the timeliness and accuracy of income verification. The cost of these contracts varies widely and providing a national level contract, with a single negotiated price would facilitate greater efficiency and streamlined service delivery at the State level.

These funds would allow FNS to standardize pricing across the country as States join the national contract. This would ultimately increase efficiency and reduce costs nationwide, given the widely divergent pricing in current State contracts. The exact model would be based on the results of the assessments for which \$2 million was provided in FY 2020.

Ensuring consistent and reasonable pricing would encourage States to continue utilization of electronic earned income verification, which improves accuracy of eligibility determinations, program integrity, and customer service. This proposal is based on all States matching at certification, recertification, and periodic report. It assumes pricing and match rate consistent with the current Center for Medicaid and Medicare Services (CMS) contract for earned income verification.

If this proposal is not approved, States will continue to negotiate and fund contracts on their own, as they are able. Some States have indicated that rapidly increasing costs may make them unable to continue, which would threaten customer service and integrity.

Improvements to SNAP income verification processes (millions of dollars)

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority:						
Mandatory Other Program Costs, (Federal administrative funds)	\$38	\$38	\$38	\$38	\$38	\$380
Benefit Savings	-	-\$87	-\$87	-\$87	-\$87	-\$783

CURRENT LAW PROPOSAL**SNAP*****Implementation of a Nationwide Expansion of the National Accuracy Clearinghouse (NAC)***

The Food and Nutrition Act of 2008, as amended by the Agriculture Improvement Act of 2018, requires USDA to establish an interstate data system to be known as the National Accuracy Clearinghouse (NAC). The law requires that the initial match and corresponding actions shall occur within 3 years after the date of enactment, December 20, 2018.

NAC is currently a pilot operating in five States and its original development was funded through a grant provided by the Office of Management and Budget Partnership Fund for Program Integrity. FNS is exploring potential solutions for expanding the NAC pilot into a nationwide system as required by law. Fiscal Year 2020 appropriations provided \$5 million in funding to cover development of the NAC database. FNS anticipates that development will span 2020 and 2021 and requests an additional \$5 million in 2021 to cover these costs. The funding request is based on requirements gathering and development processes estimated as necessary to establish a nationwide data-matching program. FNS assumes that additional funding is necessary to expand the NAC database as the existing pilot may not be entirely transferrable, depending on the solution implemented, since it is operated currently by a vendor using a proprietary data matching process.

Once the system has been developed, FNS expects likely solutions to require additional annual funding, which was not provided through the Agriculture Improvement Act of 2018, to cover operations and maintenance activities. In particular, annual funding will help support the stringent privacy and security requirements required by law for the NAC database. This proposal, therefore, requests \$2 million in annual funding beginning in 2022 to support ongoing operations of the NAC.

FNS expects the cost of data matching to be paid for using SNAP's normal administrative funding structure where the States and the Federal government share in the administrative expenses at a ratio of 50 percent each. However, FNS also expects annual operating costs for a national contract to cover the cost of personnel operating the data matching system. Those costs are reflected in the out-year estimates, at roughly half of the initial start-up costs.

If additional funding is not provided, FNS will need to identify funds required through existing program administrative accounts. Other activities will need to be cut or curtailed in order to offset sufficient funds to cover the expected cost of implementing NAC nationwide.

Implementation of a Nationwide Expansion of the National Accuracy Clearinghouse (millions of dollars)

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority:						
Mandatory Other Program Costs, (Federal administrative costs)	\$5	\$2	\$2	\$2	\$2	\$23
Benefit Savings.....	-\$4	-\$22	-\$36	-\$55	-\$70	-\$681

CURRENT LAW PROPOSAL**SNAP*****Improve Program Integrity and Operations through additional funding for IT Infrastructure.***

Note: This proposal is to be taken in conjunction with the CN proposal of the same name.

FNS programs are heavily dependent on information technology (IT) for program delivery – including data analysis and program integrity, financial management of over \$100 billion in program dollars, communication with and customer service for our State partners, technical assistance for program operators, etc. There are only approximately 1,400 FNS employees across the country to manage 15 nutrition assistance programs serving 1 in 5 Americans every day. This would not be possible without robust IT systems as well as the IT infrastructure underpinning those systems.

At FNS, IT infrastructure includes all of the base costs for IT and telecommunications as well as the mixed-use applications such as Microsoft applications and licenses, etc. From FY 2014 to FY 2019, FNS' IT Infrastructure costs have increased by over \$11 million or 38 percent – from \$29.3 million to almost \$40.5 million.

FNS has been able to reduce IT infrastructure costs in some areas, including in applications, software licenses and telecommunications. However, those reductions have resulted in relatively modest savings (i.e., about \$300,000), which have been far outpaced by increases in other areas.

The largest increases have been in external hosting costs (+ \$4.4 million), support for financial systems, including the Food Program Reporting System, the National Data Bank and FMMI (+ \$2 million), IT Security upgrades (+ \$1.8 million) and contractor support (+ \$1 million).

Because the base IT infrastructure activities support all the programs FNS administers, the costs are allocated among all FNS accounts. As a result, SNAP currently pays about 72 percent and CN currently pays almost 20 percent of IT infrastructure costs from within their Other Mandatory Program Costs lines of funding. In FY 2019, this means that SNAP is funding about \$29 million and CN is funding about \$9 million in IT infrastructure costs. Over time, this has begun to erode the programs' ability to do some of their work or has forced them to delay planned work in order to ensure that funding has been available for IT infrastructure needs. The addition of these dedicated IT funds would enable the programs to support critical technology needs, while using the program funding that has been redirected in recent years for other critical administrative initiatives that have been delayed.

FNS is continually seeking process improvements that focus on program integrity, efficiency and transparency. Two current FNS IT infrastructure projects in development include continued development of MEMS NextGen and the implementation of Salesforce. The Management Evaluation System (MEMS NextGen) is a system used in conjunction with State-level management evaluations. MEMS is a custom application designed to improve oversight by identifying problematic trends in the program administration, enabling FNS to target limited resources to correcting chronic deficiencies. MEMS enables a granular approach to trends

analysis with the ability to roll-up data to higher tiers. In addition, it allows for more accurate tracking of findings and the status of corrective action activities. For example, in FY 2021, additional funds will enable SNAP to develop oversight reports in MEMS to evaluate each State SNAP agency's compliance with statutory and regulatory requirements for program administration. These oversight reports would capture detailed information on policy compliance deficiencies identified through Management Evaluation reviews and track the resolution of those deficiencies. These oversight reports would also give SNAP the capacity to understand the scope and geographic extent of deficiencies across the nation, as well as to conduct trend analysis and track deficiencies over time.

In addition to MEMS, FNS is working toward implementation of Salesforce technology to streamline business processes and the centralization of information sharing and storage. FNS is in need of an application development platform to replace the current and outdated, SharePoint platform now in use for application development. Several FNS programs have identified the need for an effective project/process management application for their various projects/processes. Currently FNS has disjointed systems impacting effective communication across the multi-functional areas within the Agency as well as limited ability to provide accurate, consistent data analytics and data calls reporting in real-time. Additionally, there are more than a dozen applications on an unsupported platform (SharePoint 2007) unable to make the transition to SharePoint 2016. The Salesforce platform will provide the solution to address these problems in a coordinated way.

Additionally, the Salesforce platform would address the following gaps programs are currently experiencing within their respective areas:

1. Resource availability as well as workload management forecasting for a number of projects/activities.
2. Gathering of information/data for process reporting becomes multi-person, multi-step collation process, which increases man-hours. Routinely rekeying existing data also contributes to an increase in man-hours.
3. Tracking of historical records to include changes, and data analytics including tracking of timeline of project lifecycle and duration of time within each stage of the lifecycle.
4. Reassignment of projects/assigned task and redundant data entry.
5. Packaging of all data relating to project/process in a centralized area for retrieval and data-integrity.

This year, in order to fund a portion of their IT infrastructure requirement, SNAP delayed additional investments in technical assistance for States implementing the SNAP Fraud Framework and in the Store Visit contract, which supplements FNS' ability to visit retail businesses that are applying or renewing their applications to accept SNAP benefits. Without additional IT resources, SNAP may be faced with continuing to find trade-offs between customer service/technical assistance/program integrity work and funding important IT infrastructure needs. For example, the program may be faced with delaying the launch of an updated SNAP Quality Control system or reducing the amount of State exchange funding provided to States to

support their error reduction efforts because these funds would need to be diverted to other IT infrastructure needs. Funds from this proposal will ensure these SNAP technical assistance and integrity efforts can be funded, along with the additional technology projects needed for program oversight as noted above.

*Improve Program Integrity and Operations through additional funding for IT Infrastructure
(millions of dollars)*

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority	\$18	\$18	\$19	\$19	\$19	\$191

FY 2021 MANDATORY LEGISLATIVE PROPOSALS FOR SNAP***Supplemental Nutrition Assistance Program Mandatory Legislative Proposals***

Proposal	Amount (millions)
Work Requirements for able-bodied adults ages 18 to 65 at 20 hours a week	-\$3,197
Establish America’s Harvest Box	-11,416
Eliminate the Low-Income Home Energy Assistance Program (LIHEAP) and Heating and Cooling Standard Utility Allowance (HCSUA) link	-403
Cap Federal State Administrative Expenses to States	0
Eliminate the minimum benefit	-263
Cap allotments at 6-person household maximum	-124
Modify age limit definitions for certain SNAP populations	0
Eliminate SNAP nutrition education	-448
Increase Claims Retention Rate to fund State integrity efforts	8
Conduct SNAP recipient and retailer-related matches using Social Security Numbers	-4
Create a single SNAP EBT Transaction Gateway	10
Eliminate Funding for Interoperability Grants	-0.5
Reduction in Savings from Interactions among proposals	490
Total	-15,438

PROPOSED LEGISLATION

Supplemental Nutrition Assistance Program***Work Requirements for able-bodied adults ages 18 to 65 at 20 hours per week***

Currently SNAP includes general work requirements for individuals age 16 through 59 and an additional and separate work requirement and time limit for Able-Bodied Adults without Dependents (ABAWDs) age 18 through 49. Those subject to the general work requirements are required to register for work, participate in SNAP Employment and Training if assigned, participate in workfare if assigned, accept suitable employment if offered, and not voluntarily quit a job of 30 or more hours a week or reduce work effort to less than 30 hours per week. Those subject to the general work requirements who do not comply, without good cause, are subject to specified disqualification periods. In addition to the general work requirements, ABAWDs are also required to work or participate in a work program at least 20 hours a week (averaged to 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.

The ABAWD Final Rule was published in 2020 and, as a result, the existing work requirements will apply to more SNAP participants in 2021 as States implement these changes and encourage SNAP participants to move toward self-sufficiency.

While the Final Rule made changes to strengthen the existing work requirements in accordance with current law, this legislative proposal would overhaul the SNAP work requirements to streamline and replace the general work requirements and ABAWD work requirement with a single work requirement. The proposed work requirement would apply to able-bodied adults age 18 to 65, unless these adults qualify for specific exemptions.

Under the proposal, those subject to the work requirement would be required to work or participate in specific work preparation activities at least 20 hours per week, averaged to 80 hours per month, in order to continue to receive SNAP benefits. Work would be defined as unsubsidized employment. Work preparation activities would include job search (limited to 30 days), participation in SNAP Employment and Training and other qualifying work programs, job readiness activities, work experience/community service/volunteering (limited to 90 days), subsidized employment, career and technical educational training, secondary and adult and secondary basic education, on-the-job-training, apprenticeships, and workfare. Individuals would be required to provide information concerning their employment status. States would be required to provide individuals with information about services available, such as American Job Centers.

Individuals subject to the new work requirement who fail to comply would be disqualified from SNAP for 12 months, or until the individual complies with the work requirement or becomes exempt, whichever is earliest. The disqualification would not apply to an individual during the first full month of SNAP participation in which the individual would have otherwise become

subject to the work requirement. This month would allow individuals time to enroll in a work program or other work preparation activities or find employment of at least 20 hours a week before the disqualification penalty would kick in.

Exemptions from the proposed work requirement include children under age 18, elderly age 65 and over, individuals with disabilities or health-related barriers to employment, individuals caring for an incapacitated family member, individuals caring for a child under the age of 6 (limited to one person exempted per SNAP household), and pregnant women.

Under this proposal, State agencies would determine whether an individual failing to meet the work requirement has good cause, based on individual hardship. When a State determines that an individual has good cause for not meeting the work requirement, the disqualification period would not be applied. Individual hardship constituting good cause would include demonstrated lack of childcare or transportation, a household emergency, illness or caring for a sick family or household member, regular participation in certain full-time residential substance abuse treatment programs where work outside the program would be impossible, or other conditions as determined by the caseworker.

This proposal also aligns with the proposal to modify the “elderly” age limit definition in SNAP. As that proposal changes the definition of “elderly” to individuals who are age 65 and over, the age limits in this proposal include non-elderly adults up to age 65. This definition is more consistent with the starting age of retirement in other means-tested government programs.

*Work Requirements for able-bodied adults ages 18 to 65 at 20 hours per week
(millions of dollars)*

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority	-\$3,197	-\$3,278	-\$3,601	-\$3,445	-\$3,541	-\$36,606

PROPOSED LEGISLATION

Supplemental Nutrition Assistance Program

Establish America’s Harvest Box

USDA currently purchases a wide variety of food for several nutrition assistance programs, including the National School Lunch Program, the Commodity Supplemental Food Program, The Emergency Food Assistance Program and the Food Distribution Program on Indian Reservations. USDA’s large volume purchasing typically results in USDA paying approximately half of the retail cost of the food it purchases. In contrast, Supplemental Nutrition Assistance Program (SNAP) benefits are redeemed for the retail value of the foods purchased.

With this proposal, SNAP participants would receive domestically sourced and produced food, known as USDA Foods, in lieu of a portion of their SNAP benefits. USDA would utilize a model similar to that currently used to distribute USDA Foods to other nutrition assistance programs to provide shelf-stable staple foods to SNAP households at approximately half the retail cost, resulting in significant savings to taxpayers with no loss in food for recipients. This model would also ensure that recipients receive this portion of their benefit as healthy, nutritious foods for home consumption. States would maintain the ability to provide choice to their recipients, including innovative approaches for the inclusion of fresh products.

This proposal would save \$121.4 billion over the 10-year period between FY 2021 and FY 2030. This represents net savings, including an increase of about \$2.5 billion in administrative costs to States to provide the increased number of food boxes.

Convert Partial SNAP Allotments to USDA Food Packages (America’s Harvest Box)

(millions of dollars)

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority	-\$11,416	-\$11,337	-\$11,372	-\$11,606	-\$11,866	-\$121,425

PROPOSED LEGISLATION

Supplemental Nutrition Assistance Program

Eliminate the Low-Income Home Energy Assistance Program (LIHEAP) and Heating and Cooling Standard Utility Allowance (HCSUA) link

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 opt to use a Standard Utility Allowance (SUA) in lieu of actual household utility expenses. Households with out-of-pocket heating or cooling costs qualify for the heating or cooling SUA (HCSUA).

Beginning in 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. The Agricultural Act of 2014 made changes to this policy in an effort by requiring that households must receiving greater than \$20 in LIHEAP assistance and actually be in receipt of the LIHEAP benefits in order to have the HCSUA applied to their case. Congress enacted these changes in an effort to eliminate the practice in many States of issuing nominal LIHEAP payments, sometimes as small as 10 cents, to all SNAP households, in order to qualify them for the HCSUA, regardless of whether or not the household had actual, out of pocket, heating or cooling expenses.

While the changes from the 2014 Farm Bill endeavored to ensure that only households with out of pocket utility expenses receive the HCSUA more than 10 States continue to issue small LIHEAP payments just about the \$20 threshold to households in order to trigger the HCSUA. FNS proposes to eliminate the automatic receipt of the HCSUA associated with the receipt of LIHEAP benefits above the threshold. This would target the receipt of the HCSUA to only those with actual heating and/or cooling expenses and would create a single, consistent policy nationwide. Eliminate the Low-Income Home Energy Assistance Program (LIHEAP) and Heating and Cooling Standard Utility Allowance (HCSUA) link creating a single consistent nationwide policy (millions of dollars)

LIHEAP and Heating and Cooling Standard Utility Allowance (millions of dollars)

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority	-\$403	-\$800	-\$802	-\$819	-\$837	-\$8,166

PROPOSED LEGISLATION

Supplemental Nutrition Assistance Program

Cap Federal/State Administrative Expenses to States

This proposal increases accountability in administrative costs for SNAP by capping the Federal match of State administrative costs at the 50th percentile of cost per case, encouraging States to serve SNAP participants in a more efficient manner. FNS reimburses States for 50 percent of their administrative costs with Federal funds. States vary significantly in their administrative cost per case, ranging from a high of \$33.01 to a low of \$3.58 cost per case per month (FY 2017 data). . This proposal would cap the Federal reimbursement of State administrative expenses at the level spent in the State with the median cost per case (\$14.78). This proposal would not cap administrative expenses related to Employment and Training, or other activities that help participants obtain and maintain employment.

This proposal is phased-in and would not go into effect until FY 2023, to provide States ample time to adjust administrative activities as necessary to implement other legislative proposals (i.e. the USDA Foods Proposal) as well as provide States above the median an opportunity to implement cost efficiencies. Additionally, the median would be adjusted in future years with inflation. Under this proposal, States would either need to lower their administrative costs or increase their share.

Cap Federal/State Administrative Expenses to States on the 50th percentile (millions of dollars)

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority	0	0	-\$997	-\$1,028	-\$1,060	-\$8,901

PROPOSED LEGISLATION

Supplemental Nutrition Assistance Program

Eliminate the minimum SNAP benefit

Section 8(a) of the Act requires that 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 the minimum SNAP benefit floor for 1 and 2-person households and would instead set benefit levels in accordance with household circumstances. This would mean that 1 and 2-person households that qualify for small benefits would receive the actual amount for which their household is eligible, as determined by the SNAP benefit calculations set in statute, as households of other sizes do.

Eliminate the minimum SNAP benefit (millions of dollars)

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority	-\$263	-\$261	-\$262	-\$268	-\$274	-\$2,799

PROPOSED LEGISLATION

Supplemental Nutrition Assistance Program

Cap benefits at the six-person maximum allotment

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.

Cap benefits at the six-person maximum allotment (millions of dollars)

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority	-\$124	-\$123	-\$123	-\$126	-\$129	-\$1,316

PROPOSED LEGISLATION

Supplemental Nutrition Assistance Program

Modify age limit definitions for Elderly

This proposal aligns the definition of elderly throughout SNAP and strengthens work requirements. Current general work requirements apply up to age 59, and the current definition of elderly for other provisions is 60 years old. Along with the proposal to overhaul and streamline SNAP work requirements, this proposal establishes a common definition for what constitutes elderly throughout SNAP and moves the age up to 65 for work requirements. This definition is more consistent with the starting age of retirement in other means-tested government programs. With these changes, individuals who are still work capable would be subject to work requirements, while seniors age 65 and over would continue to benefit from higher asset limits and other eligibility rules that take into consideration their circumstances.

This proposal is phased-in and would not go into effect until FY 2023.

Modify age limit definitions for Elderly (millions of dollars)

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority	0	0	-\$62	-\$63	-\$64	-\$534

PROPOSED LEGISLATION

Supplemental Nutrition Assistance Program

Eliminate SNAP nutrition education funding

This proposal terminates funding of the SNAP nutrition education grants, which are duplicative and ineffective. Nutrition education is widely accessible through many public, non-profit, and government programs including the Expanded Food and Nutrition Education Program (EFNEP). The new America’s Harvest Boxes will ensure a base of nutritious staple foods for SNAP households, which will directly encourage nutritious eating, without additional education on healthy diet choices.

Eliminate SNAP nutrition education funding (millions of dollars)

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority	-\$448	-\$451	-\$461	-\$472	-\$482	-\$4,895

PROPOSED LEGISLATION

Supplemental Nutrition Assistance Program

Increase Claims Retention Rate to Fund State Integrity Efforts

State agencies carry primary responsibility for investigating and disqualifying those participants found guilty of intentional program violations. State agencies currently retain 35 percent of collections from recipient disqualifications. FNS proposes to increase the retention rate for claims from recipient disqualifications to 50 percent.

States report to FNS that recipient investigations are challenging and labor intensive to pursue, due to resource limitations and higher evidentiary standards. Some States have indicated at recent meetings that additional funding would incentivize further work in this area. FNS estimates that the higher incentive may increase disqualifications of recipients by States up to 10 percent annually.

Furthermore, in an August 2014 audit (GAO 14-641), GAO issued a recommendation to FNS to explore ways that Federal financial incentives can better support cost effective State anti-fraud activities. FNS further proposes to restrict funds retained by States from claims collections to SNAP State anti-fraud prevention activities.

Increase Claims Retention Rate to Fund State Integrity Efforts (millions of dollars)

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority	\$8	\$8	\$8	\$8	\$8	\$81

PROPOSED LEGISLATION

Supplemental Nutrition Assistance Program

Conduct SNAP Data Matching between Recipients and Store Owners

FNS conducted a pilot data match to determine the frequency of instances in which the same individual receives SNAP benefits and owns a grocery store authorized to accept SNAP benefits at the same time. In one State, FNS found that just over 200 recipients were also active storeowners, of which, approximately 56 owned stores in other States.

While it is not against the law to be both a recipient and store owner, it may be a potential indicator of fraud. A recipient may have withheld income and assets from the ownership of their store in their initial SNAP application submitted to the State agency or a recipient may be acting as a front business owner in order to circumvent a previous store disqualification.

USDA’s Office of General Counsel has concluded that FNS currently lacks sufficient authority to conduct data matches between recipients and storeowners using a social security number. FNS is requesting authority to conduct social security number data matches between recipients and storeowners to screen for potential fraudulent schemes. This would most likely require changes to both the Food and Nutrition Act and the Social Security Act.

Expanding authority to use storeowner social security number for data matches would also allow FNS to review storeowner applicants and participants against the Social Security Death Match file, and to potentially perform criminal and/or non-criminal background checks.

Authority to Conduct SNAP Data Matching between Recipients and Store Owners

(millions of dollars)

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority	-\$4	-\$4	-\$4	-\$4	-\$4	-\$39

PROPOSED LEGISLATION

Supplemental Nutrition Assistance Program

Create a single SNAP EBT Transaction Gateway

A single USDA EBT transaction gateway to route 8 million daily SNAP EBT transactions would allow USDA to validate transactions in real time, improves USDA’s ability to detect and fight retailer and recipient fraud at the front-end using data analytics. A USDA gateway simplifies multiple specifications and other elements into a single standard. This will reduce costs in the transaction chain, which currently includes multiple players, multiple transaction routing gateways, processors, and others. Retailers, especially smaller retailers, would ultimately benefit from these lower transaction costs.

A gateway would also allow USDA to quickly bring technological enhancements, such as online purchasing, to the EBT system and to trace the flow of benefits, enhance monitoring of the store authorization process and benefit transaction process. With a gateway, FNS would be able to directly block the use of illegitimate EBT cards and better ensure that only SNAP authorized stores are able to conduct SNAP business.

A gateway will also provide substantial benefits during disasters. A real time view, as opposed to the current 2-day lag, would enable USDA to see more precisely which stores stopped transacting due to disaster and when they stopped, and when they restart, indicating resumption of normal channels of trade and community readiness for secondary response strategies like Disaster SNAP.

Create a single SNAP EBT Gateway (millions of dollars)

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority	\$10	\$10	\$10	\$10	\$10	\$100

PROPOSED LEGISLATION

Supplemental Nutrition Assistance Program

Eliminate Funding for Interoperability Grants

This legislation was enacted when there were no interoperability requirements in State Electronic Benefit Transfer (EBT) contracts. As more States converted to EBT, interoperability became desirable, but EBT contractors charged extra for the service. Legislation was passed to require the Federal government to pay 100 percent of interoperability.

Since then, a majority of State EBT contracts specify that interoperability is a part of core services covered by the monthly case fees, of which FNS pays 50 percent. Only a few States separately capture the amount that would be claimed from the available 100 percent funding. As a result, the \$500,000 is now being spread over just a few States. This number will continue to dwindle as EBT contracts are re-procured. The amount of funds distributed fell from \$258,412 in FY 2015 to approximately \$248,000 in FY 2019. There is no longer any reason to maintain the administratively burdensome process of providing the incentive of 100 percent funding.

Eliminate Funding for Interoperability Grants (millions of dollars)

Item	2021	2022	2023	2024	2025	10 Year Total
Budget Authority	-\$0.5	-\$0.5	-\$0.5	-\$0.5	-\$0.5	-\$5.0

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS

SNAP Geographic Breakdown of Obligations and Staff Years (thousands of dollars, staff years (SY))

State/Territory/Country	2018		2019		2020		2021	
	Actual	SY	Actual	SY	Estimate	SY	Budget	SY
Alabama.....	\$446	3	\$469	3	\$480	3	\$485	3
Arizona.....	242	2	155	1	158	1	160	1
Arkansas.....	303	2	315	2	322	2	325	2
California.....	4,665	31	4,543	29	4,648	32	4,696	32
Colorado.....	2,998	20	3,045	19	3,115	21	3,147	21
Delaware.....	149	1	155	1	158	1	160	1
Florida.....	1,507	10	1,232	8	1,260	9	1,273	9
Georgia.....	3,763	25	3,914	25	4,004	28	4,045	28
Hawaii.....	149	1	155	1	158	1	160	1
Illinois.....	3,697	24	3,839	24	3,928	27	3,968	27
Indiana.....	193	1	155	1	158	1	160	1
Kansas.....	127	1	53	0	55	0	55	0
Kentucky.....	303	2	315	2	322	2	325	2
Maryland.....	594	4	784	5	802	6	810	6
Massachusetts.....	3,405	22	3,316	21	3,393	23	3,428	23
Michigan.....	303	2	315	2	322	2	325	2
Minnesota.....	600	4	608	4	622	4	628	4
Missouri.....	605	4	629	4	644	4	650	4
New Hampshire.....	149	1	48	0	49	0	50	0
New Jersey.....	3,064	20	2,954	19	3,022	21	3,053	21
New York.....	1,871	12	2,186	14	2,237	15	2,260	15
North Carolina.....	600	4	555	4	567	4	573	4
Ohio.....	462	3	469	3	480	3	485	3
Oklahoma.....	149	1	155	1	158	1	160	1
Oregon.....	715	5	469	3	480	3	485	3
Pennsylvania.....	820	5	698	4	715	5	722	5
South Carolina.....	149	1	155	1	158	1	160	1
Tennessee.....	605	4	491	3	502	3	507	3
Texas.....	3,086	20	3,412	22	3,492	24	3,527	24
Utah.....	451	3	469	3	480	3	485	3
Virginia.....	173,341	119	119,833	107	120,221	121	120,395	122
Washington.....	336	2	155	1	158	1	160	1
Wisconsin.....	451	3	363	2	371	3	375	3
Obligations.....	210,298	362	156,409	339	157,639	375	158,195	376
Lapsing Balances.....	-	-	-	-	-	-	-	-
Bal. Available, EOY.....	-	-	-	-	-	-	-	-
Total, Available.....	210,298	362	156,409	339	157,639	375	157,197	376

*The geographic breakdown data reports only federal administrative costs. Non-administrative costs such as grants to states and benefits are excluded.

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

CLASSIFICATION BY OBJECTS

Classification by Objects (thousands of dollars)

Item No.	Item	2018 Actual	2019 Actual	2020 Estimate	2021 Budget
	Personnel Compensation:				
	Washington D.C.....	\$18,861	\$15,481	\$16,585	\$16,754
	Personnel Compensation, Field.....	21,239	23,221	24,878	25,131
11	Total personnel compensation.....				
12	Personal benefits.....	40,100	38,702	41,463	41,885
13.0	Benefits for former personnel.....	11,415	11,326	13,093	13,227
	Total, personnel comp. and benefits.....	51,515	50,028	54,556	55,112
	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 goods and services from Federal sources..	81,990	81,990	81,990	81,990
26.0	Supplies and materials.....	469,000	461,083	447,500	456,500
31.0	Equipment.....	907	907	952	952
41.0	Grants, subsidies, and contributions.....	70,225,573	63,283,597	64,459,242	64,839,188
	Total, Other Objects.....	70,831,607	63,880,257	64,992,306	65,381,252
	Reimbursable Obligations.....	58,000	46,801	85,000	85,000
99.9	Total, new obligations.....	70,773,607	63,833,456	64,961,862	65,351,364
	Position Data:				
	Average Salary (dollars), GS Position	\$98,363	\$102,753	\$102,753	\$102,753
	Average Grade, GS Position	12.5	12.5	12.5	12.5

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 participants 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, 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.

Facts in Brief

SNAP participation for Fiscal Year (FY) 2019 averaged 34.07 million persons per month, representing a 4.4 percent decrease from the average monthly participation in FY 2018. The most recent figures from 2017 indicate that 84 percent of all those eligible for SNAP participated in the program, indicating that the program is effectively serving those most in need. The most recent analysis of household characteristics data is available on the FNS website.

General Activities***Regulations Issued in FY 2019***

During FY 2019, five SNAP rulemaking actions were published in the *Federal Register*: February 1, 2019: Proposed rule to modify criteria for State time limit waivers; February 19, 2019: Proposed rule to ensure that retailers do not use the FOIA process to delay sanctions for SNAP violations; April 15, 2019: Final rule to implement four sections of the Agricultural Act of 2014 (2014 Farm Bill), affecting eligibility, benefits, and program administration requirements; April 5, 2019: Proposed rule to provide retailers with flexibility to meet enhanced stocking requirements and align SNAP regulations with the requirements in the Consolidated Appropriations Act of 2017; and July 24, 2019: Proposed rule to narrow the ways in which a household's receipt of Temporary Assistance for Needy Families (TANF) benefits confers categorical eligibility for SNAP.

Online Purchasing Pilot

SNAP successfully launched online purchasing in the pilot areas of New York with three retailer chains in April 2019. The pilot uses technology to improve customer service and food access so that SNAP participants can shop for food using the internet like all other consumers. Additional States will implement in FY 2020.

Grants to Improve Program Access and Eligibility Determination

A total of \$5 million in Process and Technology Improvement Grants is awarded annually to local and State SNAP agencies and community partners. The FY 2019 projects focused on efforts

to streamline program administration, improve customer service, and protect the program and American taxpayer dollars.

Treasury Offset Program (TOP)

Approximately \$209 million in delinquent debt was collected through TOP in FY 2019. More than \$2.7 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.

SNAP Outreach

As part of their program operations States have the option of providing outreach to assist potentially eligible households in making an informed decision about applying for benefits. , FNS reimburses up to 50 percent of the allowable administrative costs for these activities. During FY 2019, 47 States had approved outreach plans.

SNAP Administration Performance Improvement Initiatives

In FY 2019, USDA continued work on a 5-year contract on system technical assistance to strengthen FNS' capacity to ensure that State eligibility systems fully meet SNAP certification policy requirements. Direct technical assistance was provided to targeted States in various phases of an eligibility system upgrade, and associated trainings delivered to FNS staff.

FNS provides robust oversight and technical assistance to States that implement new eligibility systems, with a particular focus on those that but fail to meet requirements outlined in the Food and Nutrition Act, SNAP regulations, and SNAP policy guidance. In FY 2019, FNS issued warning letters to two States. FNS is working closely with these States and three other States that previously received warning letters as they implement corrective actions.

SNAP Nutrition Education and Obesity Prevention Grant Program (SNAP-Ed)

FY 2019 SNAP-Ed funding is approximately \$441 million. State allocations are determined with 50 percent based on the State's percentage of national baseline SNAP-Ed expenditures and 50 percent based on the State's percentage of national SNAP participation for the 12-month period February 1, 2018, to January 31, 2019.

The FY 2020 SNAP-Ed Guidance, released in April 2019, continued policies from the previous year and incorporated new information based on the Farm Bill. The SNAP-Ed Toolkit is an online, interactive version of the SNAP-ED Evaluation Framework and a database of nutrition and physical activity interventions, which State and implementing agencies may use to meet the needs of low-income individuals in their communities. In FY 2019, FNS instituted a peer-review process for interventions include, raising the total interventions in the kit to 136.

Farmers' Markets and Direct-Marketing Farmers

In FY 2019, FNS awarded a grant to a non-profit organization to increase the participation of farmers and markets in SNAP and improve access to fresh fruits and vegetables by SNAP recipients. A maximum of \$4 million will be provided to the grantee over 4 years. FNS's will gradually move farmers and markets from a subsidized equipment program to a cost-efficient

application-based solution that enables processing via smart devices owned by a farmer or market. In FY 2019, FNS also provided funds to 29 States that requested support to provide SNAP-authorized farmers and markets with SNAP-only equipment at no cost to the farmers and markets.

Incentive Programs to Increase Healthy Food Purchases in SNAP

In FY 2019, FNS continued to work with program partners to provide flexibilities to improve access to healthy foods for SNAP families through incentive programs. During FY 2019, FNS provided technical assistance to grantees of the Gus Schumacher Nutrition Incentive Program (GusNIP), formerly known as the Food Insecurity and Nutrition Incentive (FINI) grant program, and participating farmers' markets and retail food stores. *The Evaluation of Food Insecurity Nutrition Incentives* interim report on early evaluation findings was finalized in spring 2019.

Elderly Access

In FY 2019, FNS continued operation of three effective demonstrations to improve access for the elderly. Approved demonstration projects must maintain cost neutrality, an offset, and include a rigorous evaluation component.

Combined Application Projects (CAPs) streamline application procedures for individuals receiving SSI benefits and consist of standardized benefits or standardized shelter deductions, reduced recertification requirements and elimination of the need for SSI recipients to visit the local SNAP office. In FY 2019, 17 States operated CAP demonstration projects. Elderly Simplified Application Projects (ESAPs) utilize a shorter SNAP application, waive the recertification interview, allow for longer certification periods, and utilize data-matching for verification. In FY 2019, 11 States operated ESAPs. Standard Medical Deductions ease verification requirements for senior and disabled households with out-of-pocket medical expenses over \$35 per month. In FY 2019, 21 States operated Standard Medical Deduction projects.

Electronic Benefit Transfer Systems

Retailer File System (RFS): RFS is the system used to digitize, share, and manage electronic retailer records. In FY 2019, RFS deployed four system releases to improve functionality and usability.

ALERT: During FY 2019, FNS released several updates to ALERT, the system for fighting SNAP retailer fraud. These updates include enhancements to FNS's ability to identify fraudulent activity, a new Disaster Impact report to assist in store eligibility to accept benefits after disasters, the ability to accept transactions from internet retailers, and a report to display transaction information for internet retailers.

STARS: Major enhancements for STARS in FY 2019 included updating online retailer applications, enabling retailers to upload a more extensive set of documents during authorization via the public website thereby reducing the need to mail in hardcopies, and streamlining the capability to transfer information between branches.

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. In FY 2019, FNS again increased efforts to prevent and identify fraud and hold bad actors accountable for misuse of the program.

By law, SNAP State agencies are responsible for identifying and holding accountable recipients who break the rules. FNS awarded a contract to provide technical assistance to State agencies to improve prevention, detection, and investigation of fraud by SNAP recipients and awarded nine SNAP Fraud Framework Implementation Grants totaling more than \$4.6 million to State agencies.

Payment Accuracy

The FY 2018 national average certification payment error rate, announced in July 2019, was 6.80 percent. This rate reflects an updated review process, which USDA undertook after discovering discrepancies in States' reporting that raised concerns about the presence of statistical bias in the system across the country. USDA embarked on a process to review quality control systems in all 53 State agencies to improve the accuracy and integrity of the administration of SNAP by those agencies. With corrective action and additional monitoring implemented throughout the SNAP quality control system, FNS has calculated a national error rate for SNAP since FY 2017.

In FY19, FNS announced that additional States may join the National Accuracy Clearinghouse pilot while FNS works towards a nationwide NAC solution, as required by the 2018 Farm Bill. Mississippi Department of Human Services continues to lead the NAC pilot during the voluntary expansion.

Disaster Supplemental Nutrition Assistance Program (D-SNAP)

FNS approved seven D-SNAPs requested by States in FY2019 in response to fires, hurricanes, and floods, serving a total of 382,678 households (new and ongoing) with a total issuance of \$148,166,989 in benefits and supplements.

Employment and Training (E&T)

National Reporting Measures: States submitted their second annual reports on FY 2018 outcomes on January 1, 2019. The national reporting measures reflect job entry, retention, earnings, and educational gains by key characteristics 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. In FY 2018, States served an estimated 458,660 participants through their E&T programs.

Employment and Training (E&T) Pilot Grants: In FY 2019, all 10 States closed out their grants for 3-year pilots, awarded as a result of the 2014 Farm Bill and designed to increase the number of work registrants who obtain unsubsidized employment, increase their earned income, and reduce their reliance on public assistance. The 2014 Farm Bill also provided funding for a rigorous, longitudinal evaluation of the 10 pilots. The interim evaluation report will be available in FY 2020 and the final evaluation report in FY 2021.

Technical Assistance: In FY 2019, FNS continued to operate the *SNAP to Skills Project (S2S)*, a technical assistance effort that provides States tools and resources to develop employer-driven SNAP E&T Programs. Through S2S, FNS offers direct technical assistance to 10 States annually to help them design and build job-driven SNAP E&T programs. S2S created new tools and resources for all States to provide an operational roadmap to build high-quality programs and highlighted best practices for serving key SNAP target populations. In FY 2019, FNS operated two *SNAP E&T State Institutes* providing training and expertise to 17 States on how to scale their SNAP E&T program and incorporate work- and skills-based learning strategies for improved employment outcomes.

Studies and Evaluations

FNS published five major reports related to SNAP during FY 2019, including one study mandated by the 2014 Farm Bill. The reports are available on the FNS website.

NUTRITION ASSISTANCE PROGRAM FOR PUERTO RICO (NAP)

Program Mission

In FY 2018, Puerto Rico began a phase down of the cash portion of the benefits for participants. In FY 2019, cash was 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, an estimated 1.33 million people were served monthly during FY 2019. In FY 2019, total benefit costs for NAP recipients were \$1.89 billion for the Regular NAP and \$1.2 billion for the NAP Disaster Relief Grant. Puerto Rico spent an estimated \$29 million in Federal funds on administrative activities in FY 2019, which are matched by an equivalent amount of State funds.

Disaster Relief

Puerto Rico received the Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2017, which delivered an additional \$1.27 billion. These funds allowed Puerto Rico to expand assistance to additional households and increase the benefit amount for current and new participants on a temporary basis. Puerto Rico anticipates being able to serve households up to nearly 100 percent of poverty (net income limit) under the expanded eligibility criteria. An additional Supplemental Appropriations for Disaster Relief was granted an additional \$600 million to Puerto Rico for disaster nutrition assistance, available until September 30, 2020.

NUTRITION ASSISTANCE FOR AMERICAN SAMOA

Program Mission

In FY 2019, \$7.725 million was provided for American Samoa's block grant. Block grant funding

provides for 100 percent of administrative and benefits costs. The program serves the low-income elderly, blind, and disabled population. American Samoa utilizes food coupons.

Facts in Brief

A monthly average of 3,537 persons, or about 6.37 percent of American Samoa’s total estimated population of 55,519 was served during FY 2019. The average monthly benefit costs were \$450,888 or \$127.48 per person. American Samoa spent \$2.07 million for administrative activities for FY 2019.

Disaster Relief

On February 10, 2018, Cyclone Gita caused significant damage to subsistence farms and villages. FNS provided \$500,000 for nutrition assistance benefits to the disaster survivors. American Samoa expanded participation to the all islanders who met the income and eligibility criteria. In June 2019, an additional \$18 million in Supplemental Disaster Recovery Food Assistance funds was appropriated for disaster relief. Per the comprehensive plan submitted by American Samoa and approved by FNS, these funds will be used in FY 2020 to temporarily expand assistance to additional households and increase the benefit amount for current and new participants through September 30, 2020.

NUTRITION ASSISTANCE PROGRAM

FOR THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Program Mission

In FY 2019, \$12,148,000 in grant funds was provided to CNMI through the regular Nutrition Assistance Program (NAP). Block grant funding provides 100 percent of administrative and benefits costs. CNMI NAP is allowed to set its eligibility standards within the capped block grant. CNMI NAP utilizes food coupons.

Facts in Brief

In FY 2019, CNMI NAP and E-NAP served an average of 9,022 people, or 16.7 percent of CNMI’s total estimated population of 53,890 each month. In FY 2019, average monthly benefits were \$1,752,718 in total, with an average of \$541 per household. In FY 2019, CNMI spent an estimated \$2.16 million on administrative activities.

Enhanced NAP (E-NAP)

CNMI used the additional funding appropriated under the Agricultural Act of 2014 to increase the income eligibility limits, increase the maximum allotments for each of the islands, implement a new eligibility system with EBT interface capabilities, and adjust staffing and administrative costs. Under the signed grant agreement, CNMI was approved to receive \$13.5 million in FY 2016 and \$8.5 million for each of FYs 2017 and 2018, for a total of \$30.5 million.

Disaster Relief

In September 2018, CNMI was hit by Typhoon Mangkhut and in October 2018 by Super Typhoon Yutu. CNMI utilized regular NAP and E-NAP funds to provide \$10,181,476 in nutrition assistance benefits to 36,197 participants, 81.6 percent of the CNMI population. In June 2019, Congress appropriated additional \$25.2 million in Supplemental Disaster Recovery Food Assistance funds. Via the approved comprehensive plan approved by FNS, CNMI will use these funds to provide nutrition assistance benefits to current and new participants through September 30, 2020. CNMI expects to provide nutrition assistance to approximate 3,624 households.

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (FDPIR)

Program Mission

FDPIR is an alternative nutrition assistance program to SNAP for income-eligible households residing on Indian reservations and income-eligible Indian tribal households in designated service areas near reservations or in Oklahoma. Participants may select from over 100 products including a wide selection of fresh produce as well as offerings of traditional foods and receive a monthly food package to help them maintain a nutritionally balanced diet. Federal administrative funding is provided to ITOs and State agencies to support the administrative cost of operating the program. Households may not participate in FDPIR and SNAP in the same month.

Facts in Brief

In FY 2019, 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 83,750 persons per month at a cost to FNS of \$81.92 per food package in FY 2019, with an average monthly per person administrative cost of \$49.37.

2018 Farm Bill

During FY 2019, FNS implemented the two-year availability of FDPIR funds at the local ITO/State agency level and published a final rule with request for comments to implement new and revised requirements pertaining to the administrative match in the program. FNS also began outreach and consultation efforts with the Tribal community regarding the demonstration project, which if funded, would allow FNS to enter into self-determination contracts with Tribes for them to purchase some of their own USDA Foods under FDPIR.

Food Package and Traditional Foods

FNS continued its commitment to improve the FDPIR food package through the FDPIR Food Package Review Work Group. In FY 2019, a number of changes were made to better meet the needs of participants. FNS also expanded the fruit and juice pilot to all programs, permitting recipients to replace some or all of their juice allocation with canned, dried, fresh, or frozen fruit options. During FY 2019, FNS continued to pilot the distribution of fresh shell eggs and

expanded shell egg delivery to additional FDPIR programs, bringing the total number of ITOs participating in the pilot to 60. During FY 2019, FNS continued to work with the FDPIR Food Package Review Work Group to prioritize traditional food items for purchase based on participant preferences. The Work Group also voted to add lamb as an additional traditional food item in FY 2020.

Nutrition Education Activities

In FY 2019, FNS awarded nearly \$1 million in FDPIR Nutrition Education Grants to 14 grantees across 10 States. During FY 2019, FNS awarded a 2-year cooperative agreement to the Oklahoma Tribal Engagement Partners to plan, create, and implement a culturally appropriate nutrition education paraprofessional training project for local agency FDPIR staff based on the results of the qualitative assessment conducted in FY 2018.

FDPIR Automated Inventory System

During FY 2019, FNS continued to work closely with the FDPIR Tribal community on requirements for a new Integrated Food Management System (IFMS), an updated food ordering and inventory system, which will provide enhanced security and improved business processes that support FDPIR operations.

LEAD-OFF TABULAR STATEMENT

Commodity Assistance Program (CAP)

2020 Enacted.....	\$344,248,000
Change in Appropriation.....	-263,548,000
2021 Request.....	<u>80,700,000</u>

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

- 1 For necessary expenses to carry out disaster assistance [and the Commodity
- 2 Supplemental Food Program as authorized by section 4(a) of the Agriculture and
- 3 Consumer Protection Act of 1973 (7 U.S.C. 612c note)]; the Emergency Food Assistance
- 4 Act of 1983; and special assistance for the nuclear affected islands, as authorized by
- 5 section 103(f)(2) of the Compact of Free Association Amendments Act of 2003 (Public
- 6 Law 108-188),[and the Farmers’ Market Nutrition Program, as authorized by section
- 7 17(m) of the Child Nutrition Act of 1966,] [~~\$344,248,000~~] \$80,700,000, to remain available
- 8 through September 30, [2021] 2022: Provided, That none of these funds shall be available
- 9 to reimburse the Commodity Credit Corporation for commodities donated to the
- 10 program: Provided further, That notwithstanding any other provision of law, effective
- 11 with funds made available in fiscal year [2020] 2021 to support the Seniors Farmers’
- 12 Market Nutrition Program, as authorized by section 4402 of the Farm Security and Rural
- 13 Investment Act of 2002, such funds shall remain available through September 30, [2021]
- 14 2022: Provided further, That of the funds made available under section 27(a) of the Food
- 15 and Nutrition Act of 2008 (7 U.S.C. 2036(a)), the Secretary may use up to 20 percent for
- 16 costs associated with the distribution of commodities.

The first change (lines 1-3) eliminates funding for the Commodity Supplemental Food Program.

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

PROJECT STATEMENT

Item	2018		2019		2020		2021		Change from 2020	
	Actual	SY Enacted	SY Enacted	SY Enacted	SY Budget	SY	Enacted	SY		
Direct Appropriations:										
Commodity Assistance Program.....	\$322,139	3	\$322,139	3	\$344,248	-	\$80,700	-	-\$263,548	-
Other Mandatory and Transfers In:										
Senior Farmer’s Market Nutrition Program.....	20,600	-	20,600	-	20,600	-	20,600	-	0	-
Nutrition Services Incentive Program.....	2,752	-	1,902	-	1,381	-	0	-	-1,381	-
TEFAP Farm Bill Projects.....	0	-	4,000	-	4,000	-	4,000	-	0	-
Total, Available	345,491	3	348,641	3	370,220	3	105,300	3	-264,929	0
Carryover.....	80,645	-	126,113	-	4,635	-	0	-	-4,635	-
Sequestration.....	-1,360	-	-1,525	-	-1,451	-	0	-	1,451	-
Recoveries and Collections.....	7,244	-	10,817	-	0	-	0	-	0	-
Total Available.....	432,020	3	484,046	3	373,413	3	105,300	-	-268,113	0
Obligations.....	362,167	3	481,104	3	371,764	3	105,300	3	-266,464	0

Funding Detail

	2018 Actual	2019 Actual	2020 Enacted	2021 Budget	Change from 2020 Enacted
Commodity Assistance Program					
Commodity Supplemental Food Program	\$238,120	\$222,891	\$245,000	0	-\$245,000
TEFAP Admin	64,401	79,630	79,630	\$79,630	0
Pacific Island Assistance	1,070	1,070	1,070	1,070	0
Farmer’s Market	18,548	18,548	18,548	0	-18,548
Total	322,139	322,139	344,248	80,700	-263,548

Commodity Assistance Program

The Commodity Assistance Program (CAP) account combines funding for The Emergency Food Assistance Program, and assistance to the six Nuclear Affected Islands of The Republic of the Marshall Islands and Disaster Relief.

The FY 2021 request for the Commodity Assistance Program (CAP) reflects a decrease of \$263,548,000.

- (1) A decrease of \$245,000,000 for the Commodity Supplemental Food Program (\$245,000,000 and 3 staff years available in FY 2020).

The Commodity Supplemental Food Program (CSFP) food benefits are duplicative of other nutrition assistance programs that currently exist. CSFP is a relatively small program, serving slightly over 700,000 participants in FY 2019 that is authorized to operate in parts of all 50 States, five Indian Tribal Organizations, Puerto Rico and the District of Columbia.

The priority of the Administration is to ensure the continued integrity of the national nutrition assistance safety net. Limited resources are better focused on nutrition programs that are universally available to serve low-income populations.

- (2) A decrease of \$18,548,000 in the Farmer’s Market Nutrition Program (\$18,548,000 available in FY 2020).

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 that can be used in grocery stores or farmers’ markets. The FMNP is available only in limited locations in 49 State agencies (including 6 Indian Tribal Organizations) while cash value vouchers are accepted at all WIC participating vendors.

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

CSFP PERFORMANCE DATA

	2018 Actual	2019 Actual	2020 Enacted	2021 Budget	Change from 2020 Enacted
RESOURCES – Start of Year (\$ in thousands)					
Appropriation.....	\$238,120	\$222,891	\$245,000	0	-\$245,000
Cash Carry In/Recoveries.....	78,300	45,265	111	0	-111
Beginning Inventory (Federal-State-Local).....	45,000	28,895	59,500	0	-59,500
Total Resources.....	361,420	297,051	304,611	0	-304,611
DEMAND					
Program Performance Data.....					
Caseload (Calendar Year).....	728,552	736,110	736,110	0	-736,110
Participation (Fiscal Year).....	672,796	699,305	736,110	0	-736,110
Participation.....					
Women-Infants-Children.....	0.080	0.020	0.000	0	0.000
Elderly.....	672,714	699,288	736,110	0	-736,110
Average Food Cost Per Month (Whole dollar)					
Women-Infants-Children.....	25.05	32.17	32.67	0	-32.67
FNS Funded ¹	25.05	32.17	32.67	0	-32.67
Free (donated).....	0.00	0.00	0.00	0	0.00
Elderly.....	21.47	23.33	23.70	0	-23.70
FNS Funded ¹	21.47	23.33	22.47	0	-22.47
Free (donated).....	0.00	0.00	1.23	0	-1.23
Food Costs (Dollars in thousands)					
Food Distribution Costs.....	\$173,343	\$195,780	\$198,469	0	-\$198,469
Women-Infants-Children.....	25	7	0	0	0
Elderly.....	173,318	195,773	198,469	0	-198,469
Commodity Administrative Costs.....	1,941	1,800	1,831	0	-1,831
AMS/FSA Charges.....	421	307	0	0	0
WBSCM.....	1,399	1,340	0	0	0
Computer Support/Internet.....	191	153	0	0	0
Total Food Costs.....	175,284	197,580	200,300	0	-200,300
State Administrative Expenses (\$ in thousands).....	54,873	57,783	59,735	0	-59,735
TOTAL DEMAND.....	230,157	255,363	260,035	0	-260,035
BALANCES (YEAR END) (\$ in thousands)					
Funds (Carry Out).....	\$ 75,265	0	111	0	-111
Ending Inventory.....	28,895	59,500	44,465	0	-44,465
COMMODITY ACTIVITY:					
Purchases.....	234,444	210,373	185,376	0	-185,376
Inventory Change.....	-16,105	12,793	-15,035	0	-15,035

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

Geographic Breakdown of Obligations and Staff Years

State/Territory/Country	2018		2019		2020		2021	
	Actual	SY	Actual	SY	Enacted	SY	Budget	SY*
Virginia.....	\$2,776	3	\$2,329	3	\$2,265	3	\$2,270	3
Total, Available	2,776	3	2,329	3	2,265	3	2,270	3

The geographic breakdown data reports only federal administrative costs. Non-administrative costs such as grants to states and benefits are excluded.

* SY data includes SY's funded by the CAP program and not NPA funding.

CLASSIFICATION BY OBJECTS

Object Class (thousands of dollars)

Item No.	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
	Personnel Compensation:				
	Washington D.C.	\$172	\$175	\$175	\$177
	Personnel Compensation, Field.....	203	205	205	207
11	Total personnel compensation	375	380	380	384
12	Personal benefits.....	125	120	120	121
	Total, personnel comp. and benefits.....	500	500	500	505
	Other Objects:				
21.0	Travel and transportation of persons	66	66	66	66
25.2	Other services from non-Federal sources	2,209	2,209	2,209	2,209
26.0	Supplies and materials	247,800	310,723	229,696	21,165
41.0	Grants, subsidies, and contributions	111,592	167,606	139,293	81,355
	Total, Other Objects	361,667	480,604	371,264	104,795
99.9	Total, new obligations	362,167	481,104	371,764	105,300

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. In FY 2019, the program was administered in parts of all 50 States, the District of Columbia, Puerto Rico and through five Indian Tribal Organizations (ITOs). The foods provided are purchased by USDA with funds appropriated for the program each year. CSFP participants receive monthly food packages that include foods such as canned fruits packed in extra light syrup, low-sodium or no salt added canned vegetables, dry beans, unsweetened juices, canned meats, poultry, and fish that are lower in sodium and fat, peanut butter, whole grain cereals and pasta, and reduced fat or nonfat dairy products. In FY 2019, CCSFO participants were also offered dried cranberries through the Trade Mitigation Food Purchase and Distribution Program. FNS also provides administrative grants to States from the appropriated funds.

Facts in Brief

In calendar year 2019, a total of 736,110 monthly caseload slots were allocated to participating States and ITOs (CSFP caseload is assigned by calendar year). For FY 2019, total program participation averaged 702,565 monthly.

Average monthly participation of women, infants, and children decreased from 72 in FY 2018 to 18 in FY 2019; average monthly elderly participation increased in the same period from 675,926 to 702,546.

In FY 2019, USDA had sufficient resources to provide CSFP caseload slots to Alabama, Spirit Lake Sioux Tribe in North Dakota, and the Shingle Springs Band of Miwok Indians in California. These were the only States and ITOs with approved State Plans that were not yet administering CSFP.

Program Participation and Caseload Utilization

Each year, to the extent that resources are available, FNS assigns a base caseload to all 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.

CSFP Average Monthly Participation

Participation ¹	2014	2015	2016	2017	2018	2019
Women	1,026	22	0	0	0	0
Infants	382	15	0	0	0	0
Children under 6	8,588	1,590	365	169	72	18
<i>Total WIC Type</i>	9,996	1,627	365	169	72	18
Elderly	563,707	570,207	584,929	629,545	675,926	702,546
<i>Total, CSFP</i>	573,703	571,834	584,929	629,714	675,998	702,565

¹ Based on National Databank version 8.2 data through September 2019. 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 2019, \$78.70 was the legislatively mandated administrative grant per assigned caseload slot, up from \$76.12 in FY 2018. Allowable administrative costs include nutrition education, warehousing, food delivery, participant certification, and other costs associated with State and local administration of the program.

2018 Farm Bill

The Agriculture Improvement Act of 2018 (P.L. 115-334, the 2018 Farm Bill) established was signed into law on December 18, 2018. The bill included new statutory requirements for CSFP. Section 4102 requires States and Indian Tribal Organizations (ITOs) to establish new certification periods between one and three years for program participants. FNS published an informational memorandum on March 8, 2019, directing CSFP State agencies to implement this provision.

Technical Assistance

FNS published a CSFP Sharing Gallery on the FNS website to provide a way for State and local partners to find nutrition education resources appropriate for seniors. Stakeholders may submit resources for inclusion on the Sharing Gallery. Additionally, in support of implementation of an enhanced CSFP Food Package in FY 2020, FNS published a resource toolkit, hosted webinars, and sent several special edition e-letters focused on the changes.

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 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. Appropriations legislation has also permitted each State to convert up to fifteen percent of TEFAP food funds to administrative funds. Additionally, unless expressly prohibited by appropriations legislation, States can convert any amount of their administrative funds to food funds to purchase additional USDA Foods. States can also use administrative funds to support food rescue activities such as gleaning and other food recovery efforts. In these ways, administrative funds are efficiently leveraged to increase the total flow of food, from all sources, through the TEFAP network.

Entitlement Foods

A variety of healthful foods were purchased specifically for distribution in TEFAP in FY 2019 including fresh and canned fruits, vegetables, various protein items, grains, dairy, oil and soups, fruit, green beans carrots, corn, peas, cheese, milk, cereal, grits, macaroni and cheese, chicken, beef, eggs, pork, salmon and both vegetable and tomato soups.

Bonus Food

In FY 2019, 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 2019 for distribution through TEFAP outlets was \$403 million. Bonus USDA Foods included: apricots, beans, cheese, cherries, chicken, eggs, fig pieces, milk, oranges, orange juice, peaches, pears, plums, pollock, pumpkin, raisins, salmon, strawberries, sweet potatoes, and walnuts.

2018 Farm Bill

The Agriculture Improvement Act of 2018 included TEFAP-specific provisions that require regulatory action. On October 4, 2019, FNS published the final rule titled, “The Emergency Food Assistance Program: Implementation of the Agriculture Improvement Act of 2018. The rule makes two key changes: 1) Establishes the parameters for States at their option, to launch Farm to Food Bank projects to harvest, process package, or transport donated commodities for use by TEFAP emergency feeding organizations and 2) Requires TEFAP State Plans to describe a plan that provides emergency feeding organizations or eligible recipient agencies within the State an opportunity to provide input on their commodity preference and needs.

Trade Mitigation

FNS worked with the Agriculture Marketing Service (AMS) to implement a plan to execute the first year of USDA’s Trade Mitigation Food Purchase and Distribution Program in FY 2019. By year end, over \$1.0 billion of food (over 28,000 trucks) had been purchased for distribution through TEFAP. The vast majority of purchases were delivered to TEFAP outlets, including some new products of great value to food banks such as fresh, fluid milk and fresh produce. Trade mitigation approximately tripled the amount of food distributed in FY 2019 compared to FY 2018. To support the distribution of these foods, FNS administered the provision of over \$50 million of Commodity Credit Corporation (CCC) funds to TEFAP State and local agencies for costs related to the Food Purchase and Distribution Program. Obtaining and disbursing these funds required novel processes and procedures. FNS also provided TEFAP State agencies with multiple opportunities to convert TEFAP food funds to TEFAP administrative funds to assist them with the cost of storing and distributing Trade Mitigation food. Significant technology changes were made quickly to FNS’ commodity procurement system, WBSCM, in support of Trade Mitigation.

FY 2019 TEFAP Spending

In FY 2019, \$79.63 million was appropriated for TEFAP administrative funds, and the Secretary was directed to transfer \$30 million in unobligated prior year CSFP balances to TEFAP administrative funds. In total, \$109.63 million was available for TEFAP administrative costs for FY 2019. The Secretary was authorized to make available up to fifteen percent of TEFAP food funds to support administrative costs. The FY 2019 appropriation for TEFAP entitlement food, provided in the SNAP account, was \$306.083 million, which included the funding authorized by Section 27(a)(2) of the Food and Nutrition Act of 2008 as amended by Section 4018 of the Agricultural Act of 2018 (the 2018 Farm Bill).

TEFAP Summary

(in millions)	2014	2015	2016	2017	2018	2019
State Administrative Expenses	\$69.1	\$74.0	\$77.9	\$83.3	\$90.7	\$148.6
Bonus Foods ¹	298.8	302.9	305.5	268.6	308.9	403.0
Entitlement Foods ²	268.0	320.9	320.0	297.0	287.5	254.9

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

(in millions)	2014	2015	2016	2017	2018	2019
Trade Mitigation	0.0	0.0	0.0	0.0	0.0	1,059.3
TOTAL	\$635.9	\$703.9	\$703.7	\$667.9	\$687.1	\$1,865.8
Supplemental Disaster Funding (Hurricane and Wildfire Relief)	0.0	0.0	0.0	0.0	\$24.0	0.0
<i>Total, Including Disaster Funding</i>	\$635.9	\$703.9	\$703.7	\$667.9	\$711.1	\$1,865.8

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 2019, of the \$45.9 million eligible for conversion, States chose to convert \$39.6 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. The entitlement foods line also includes administrative funds that States chose to use instead to increase their food entitlements. In FY 2019, \$634,216 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, infants older than 4 months, and children up to the age of 5 participating in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), coupons to purchase and consume fresh, nutritious, unprepared, locally grown 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 2018, the FMNP operated in 49 State agencies, U.S. Territories and federally recognized Indian Tribal Organizations (ITOs).

In FY 2018, the last year for which data is available, the FMNP provided coupons to 1,727,234 WIC participants. The participants redeemed their coupons at 5,762 authorized farmers' markets and roadside stands, providing revenue to 16,902 farmers.

WIC Farmer’s Market Nutrition Program

	2014	2015	2016	2017	2018	2019
Funding (\$ in thousands)	\$19,633	\$19,667	\$21,043	\$22,291	\$22,950	\$22,308
WIC Recipients	1,635,261	1,701,816	1,650,791	1,739,716	1,727,234	*
Farmers’ Markets**	6,415	6,284	5,669	5,679	5,762	*
Farmers	17,450	17,925	18,225	16,815	16,902	*

NOTE: Funding includes new authority and prior year resources.

*/ Data not yet available

**/ Farmers’ Markets data includes roadside stands.

Senior Farmers’ Market Nutrition Program

The Senior Farmers’ Market Nutrition Program (SFMNP) 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 fresh, nutritious, unprepared, locally grown fruits, vegetables, herbs, and honey directly from farmers, farmers’ markets, roadside stands, and community-supported agriculture programs (CSAs).

Farmers’ markets play a key role in developing local and regional food systems that support farmers and help grow rural economies. In FY 2018, the SFMNP provided coupons to 838,190 low-income older Americans. The participants redeemed their coupons at 6,564 authorized farmers markets, roadside stands and CSAs providing revenue to 19,284 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 2018 Farm Bill reauthorized the SFMNP through 2023 at a level of \$20.6 million per year.

During FY 2018, the SFMNP operated in a total of 53 State agencies, including the District of Columbia, Puerto Rico, and federally recognized Indian Tribal Organizations (ITOs). One State agency, Missouri, was added in FY 2019.

SFMNP Summary

	2014	2015	2016	2017	2018	2019
Funding (\$ in thousands)	\$20,585	\$20,617	\$20,284	\$20,419	\$20,912	\$20,991
SFMNP Recipients	787,139	817,751	816,207	811,809	838,190	*
Farmers	20,248	20,329	20,129	19,449	19,284	*
Farmers’ Markets	3,912	3,774	3,582	3,641	3,167	*
Roadside Stands	3,177	3,203	2,693	2,541	3,297	*
Community Supported Ag Programs	154	180	114	94	100	*

NOTE: Funding includes new authority and prior year resources.

*/ Data not yet available

Pacific Islands

Certain islands in nuclear-affected zones of the Republic of the Marshall Islands receive nutrition assistance as authorized by the Compact of Free Association Amendments Act of 2003 (P.L. 108-188). Under the terms of a memorandum of understanding between USDA and the Republic of the Marshall Islands, the assistance is currently provided as cash in-lieu of USDA Foods and administrative funds. USDA previously provided nutrition assistance 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. Tropical Storm Michael and Hurricane Dorian in FY 2019, caused extensive flooding and infrastructure damage in the Florida, Georgia, South and North Carolina. Hurricane Michael caused significant infrastructure damage in the Florida panhandle, Panama City, and Mexico Beach areas. In addition, during FY 2019, USDA Foods were used for congregate feeding for a severe winter storm and flooding in Nebraska and South Dakota. USDA Foods were shipped to the Federated States of Micronesia in response to damage caused by Typhoon Wutip, during FY 2018.

Nutrition Services Incentive Program (NSIP)

NSIP provides cash and USDA Foods to States and Indian Tribal Organizations 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.

LEAD-OFF TABULAR STATEMENT

Nutrition Program Administration

2020 Enacted	\$155,891,000
Change in Appropriation.....	<u>-640,000</u>
2021 Request.....	<u>155,251,000</u>

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

1 For necessary administrative expenses of the Food and Nutrition Service for carrying
2 out any domestic nutrition assistance program, [\$155,891,000: *Provided*, That of the funds
3 provided herein, \$2,000,000 shall be used for the purpose of section 4404 of Public Law 107-
4 171, as amended by section 4401 of Public Law 110-246] [~~\$155,891,000~~] \$155,251,000.

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

PROJECT STATEMENT

Project Statement (thousands of dollars, staff years (SY))

	2018		2019		2020		2021		Change	
	Actual	SY	Actual	SY	Enacted	SY	Budget Request	SY	From 2020 Enacted	SY
Direct Appropriations:										
Nutrition Programs										
Administration.....	\$151,841	808	\$150,391	755	\$153,891	838	\$155,25	837	\$1,360	-1
Cong. Hunger Center.....	2,000	-	2,000	-	2,000	-	1	-	-2,000	-
Dietary Guidelines for Americans.....	0	-	12,297	-	0	-	0	-	0	-
Direct Appropriation.....	153,841	808	164,688	755	155,891	838	155,251	837	-640	-1
Transfers In:										
Cong. Relations.....	180	-	180	-	0	-	0	-	0	-
Reimbursements.....	394	-	691	-	0	-	0	-	0	-
Subtotal, Transfers In.....	574	-	871	-	0	-	0	-	0	-
Total, Disc.Funding.....	154,415	808	165,559	755	155,891	838	155,251	837	-640	-1
Carryover.....	17,700	-	16,786	-	15,971	-	0	-	-15,971	-
Transfers Out: Working Capital...	-1,212	-	-200	-	0	-	0	-	0	-
Total Available.....	170,903	808	182,145	755	171,862	838	155,251	837	-16,611	-1
Obligations.....	150,048	808	163,583	755	171,862	838	155,251	837	-16,611	-1

FY 2021 NPA Cost Allocation to FNS Programs:

- Supplemental Nutrition Assistance Program \$77,625,000
- Child Nutrition Programs \$40,365,000
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) \$20,183,000
- Commodity Assistance Program \$17,078,000

The Nutrition Programs Administration (NPA) funds operating expenses for administering the nutrition assistance programs of the Food and Nutrition Service (FNS). In addition, funds support the Agency's rent, working capital fund charges, shared cost charges, audit, human resources systems, and more than half of the Agency's staff. It also includes the work of the Center for Nutrition Policy and Promotion (CNPP). CNPP is an organization within USDA's FNS mission area.

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

A net decrease of \$640,000 for Nutrition Programs Administration (\$155,891,000 available in FY 2020) consisting of:

A funding change is requested for the following items:

- 1) An increase of \$1,221,000 for pay costs (\$559,000 for annualization of the 2020 pay increase and \$662,000 for the 2021 pay increase).

This increase will allow FNS to continue to meet its objective to administer nutrition assistance programs. This critical increase is needed to support and maintain current staffing levels to meet the demands and statutory requirements imposed on FNS. Not adjusting for the costs of the 2020 and 2021 pay increases would require FNS to eliminate approximately 9 staff and/or would require FNS to significantly cut critical operating expenses. Approximately 77 percent of our budget supports personnel compensation and benefits. We would have to accomplish this reduction in staff through attrition. The reduction would prevent us from fully performing our program monitoring and oversight in addition to technical assistance and evaluation of our programs.

- 2) An increase of \$883,000 for performance awards.

This increase will support a 1 percentage point increase in awards spending, consistent with objectives outlined in the President's Management Agenda, to enhance workforce development. Without this additional funding, the Agency will be unable to absorb these costs in FY 2021, resulting in reductions to planned hiring levels, eroding USDA's ability to meet key Administration priorities contained in this Budget.

- 3) An increase of \$1,106,000 for the Department's increased contribution to the Federal Employees Retirement System (FERS).
This increase will cover the expenses for the mandated increase of USDA's contribution to FERS. These increases were effective January 1, 2020, and impact approximately 1,495 employees' retirement packages.
- 4) An increase of \$2,338,000 due to cover rising costs from Non-Federal Contracts. The Agency expects increases for commercial services and employee support contracts.
- 5) A decrease of \$2,000,000 for the Congressional Hunger Center (\$2,000,000 available in FY 2020). The Congressional Hunger Center (CHC) was established in 1993 with the purpose of combating hunger and poverty at the community, national, and international levels. CHC is a 501(c)(3) foundation that receives donations from a variety of individuals and corporate sponsors.
- 6) A decrease of \$688,000 for Decentralized GSA and Security Payments (\$17,914,000 available in FY 2020). FNS will have rent savings due to the relocation of the Headquarters office which are expected to materialize mid-year of FY 2020.
- 7) A decrease of \$3,500,000 for risk reduction and information technology modernization (\$3,500,000 available in FY 2020). The decrease reflects moving agency systems to the cloud environment done in FY 2020.

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS

State/Territory/Country	2018		2019		2020		2021	
	Actual	SY	Actual	SY	Enacted	SY	Budget	SY
Arizona	\$138	1	\$33	0	\$35	0	\$36	0
California	9,395	66	8,912	61	9,371	67	9,628	67
Colorado	9,900	70	9,178	63	9,651	69	9,915	69
District of Columbia	276	2	255	2	268	2	275	2
Florida	276	2	454	3	478	3	491	3
Georgia.....	9,533	67	8,890	61	9,347	67	9,604	67
Illinois.....	8,660	61	8,125	55	8,543	61	8,778	61
Indiana	46	0	0	0	0	0	0	0
Iowa.....	138	1	144	1	152	1	156	1
Louisiana	138	1	144	1	152	1	156	1
Maine.....	138	1	144	1	152	1	156	1
Maryland	149	1	144	1	152	1	156	1
Massachusetts	7,477	53	6,473	44	6,807	49	6,994	49
Michigan	149	1	144	1	152	1	156	1
Minnesota	138	1	166	1	175	1	180	1
Mississippi.....	138	1	144	1	152	1	156	1
Missouri	276	2	144	1	152	1	156	1
Nebraska.....	0	0	144	1	152	1	156	1
New Hampshire	0	0	22	0	23	0	24	0
New Jersey.....	9,269	65	9,255	63	9,732	70	9,999	70
New Mexico	126	1	0	0	0	0	0	0
New York.....	1,413	10	1,530	10	1,608	12	1,653	12
North Carolina.....	574	4	610	4	641	5	659	5
North Dakota	138	1	144	1	152	1	156	1
Oregon	184	1	144	1	152	1	156	1
Pennsylvania	930	7	876	6	921	7	946	7
Puerto Rico	425	3	432	3	455	3	467	3
Tennessee.....	184	1	222	2	233	2	237	2
Texas.....	7,948	56	7,715	53	8,112	58	8,335	58
Utah.....	425	3	432	3	455	3	467	3
Virginia	80,846	321	98,262	307	102,857	345	84,356	344
Washington	138	1	144	1	152	1	156	1
West Virginia	207	1	144	1	152	1	156	1
Wisconsin	276	2	310	2	326	2	335	2
Obligations	150,048	808	163,880	755	171,862	838	155,251	837
Lapsing Balances	3,495	0	1,720	0	0	0	0	0
Bal. Available, EOY	16,786	0	15,971	0	0	0	0	0
Total, Available.....	170,329	808	181,571	755	171,862	838	155,251	837

EXPLANATORY NOTES – FOOD AND NUTRITION SERVICE

CLASSIFICATION BY OBJECTS

NPA Classification by Objects (thousands of dollars)

Item No.	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
	Personnel Compensation:				
	Washington D.C.	\$38,640	\$32,700	\$35,424	\$36,405
	Personnel Compensation, Field	45,361	49,051	53,136	54,617
11	Total personnel compensation	84,001	81,751	88,560	91,022
12	Personal benefits	28,487	27,492	27,966	28,714
13.0	Benefits for former personnel	26	26	26	26
	Total, personnel comp. and benefits	112,514	109,269	116,552	119,762
	Other Objects:				
21.0	Travel and transportation of persons	1,791	1,230	1,791	1,791
22.0	Transportation of things	19	1	19	19
23.1	Rental payments to GSA	13,139	14,170	13,958	13,270
23.2	Rental payments to others	6	1	1	1
23.3	Communications, utilities, and misc. charges	223	170	223	223
24.0	Printing and reproduction	260	307	260	260
25	Other contractual services	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	15,089	21,753	19,550	12,121
25.3	Other goods and services from Federal sources	3,145	2,777	7,053	7,053
25.4	Operation and maintenance of facilities	1	32	1	1
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	6	-	6	6
25.7	Operation and maintenance of equipment	18	4	18	18
25.8	Subsistence and support of persons	1	-	1	1
26.0	Supplies and materials	573	483	573	573
31.0	Equipment	152	5,165	152	152
32.0	Land and structures	914	7,082	9,704	-
33.0	Investments and loans	-	-	-	-
41.0	Grants, subsidies, and contributions	2,000	2,000	2,000	0
42.0	Insurance claims and indemnities	197	10	0	0
	Total, Other Objects	37,534	55,185	55,310	35,489
99.9	Total, new obligations	150,048	164,454	171,862	155,251
	DHS Building Security Payments (included in 25.3)	\$1,402	\$1,405	\$1,617	\$1,617
	Position Data:				
	Average Salary (dollars), ES Position	\$184,944	\$184,989	\$184,989	\$186,839
	Average Salary (dollars), GS Position	\$104,748	\$108,201	\$108,201	\$109,283
	Average Grade, GS Position	12.6	12.6	12.6	12.6

STATUS OF PROGRAMS

The Nutrition Programs Administration (NPA) appropriation funds operating expenses for administering the nutrition assistance programs of FNS.

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; accounting for Federal funds; 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. For example, ongoing efforts to improve Supplemental Nutrition Assistance Program (SNAP) integrity, and Special Supplemental Nutrition Assistance Program for Women, Infants, and Children (WIC) vendor cost containment are critical to the Agency's mission and require intensive staff focus and travel funding.

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 two-tenths of one percent of the total investment in nutrition assistance.

NPA funds staff working on the majority of FNS programs and operational support areas:

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 247,636 retail and wholesale firms that are approved to accept SNAP benefits and maintains fiscal accountability for SNAP benefits.

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (FDPIR)

The NPA appropriation funds Federal staff administrative expenses to administer FDPIR. Through 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 tribal 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.

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.

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 makes administrative resources available 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 and situations of distress.

FINANCIAL MANAGEMENT INITIATIVES

Debt Collection Activity in FY 2019

For Federally managed Federal debt, FNS continued its vigorous pursuit of debt owed to the Agency by billing \$266 million in new receivables during the fiscal year. Year-end outstanding debts for the fiscal year decreased from the previous year by \$10 million. The overall debt resolution rate achieved was about 91 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 2017 – FY 2019 (millions of dollars; preliminary results)

Claims Activity	2017	2018	2019
Claims Established.....	\$456	\$376	\$259
Claims Collected.....	346	447	245
Ending Balance	2,050	2,087	1,179

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. FNS has implemented a risk assessment process that assists FNS in selecting for review those State agencies and ITOs who pose the greatest financial management risk.

Financial Statements Audit

FNS received an unmodified (“clean”) opinion on the FY 2019 Financial Statements, meaning that the agency met the highest auditing standards.

ADMINISTRATIVE MANAGEMENT INITIATIVES

Acquisition Strategies

The FNS FY 2019 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 also signaled the Agency’s support in driving the U.S. economy forward by helping small businesses to create jobs.

The Agency has continued to conduct quarterly sessions of the innovative Small Business Outreach Roundtable Program. FNS exceeded its established goals in all categories outlined below.

Acquisition Tracking

Table 61. Business Categories

Category	Goal	Actual
Small Business.....	57%	58.21%
Small Disadvantaged Business.....	5%	39.74%
8 (a).....	5%	10.32%
Women-Owned Small Business	5%	27.02%
Hub Zones	3%	4.70%
Service Disabled Veteran-Owned Business..	3%	4.08%
Veteran-Owned Small Business	3%	4.40%

Employee Engagement

In FY 2019, FNS continued fostering a more open and transparent work environment using communications themes that reinforced our mission to help drive performance and connect employees. The redesigned front-page communicates and engages employees with useful and dynamic content. In addition, internal communications reinstated an all-employee weekly newsletter that now serves as a central communication hub that focuses on empowerment and employee recognition.

Human Capital

HRD developed its first Workforce Planning Guide, including workforce data and workforce assessment strategies, for agency leaders to use in developing a strategic approach to building a comprehensive agency human capital plan.

In FY 2019, HRD provided a new, centralized service to answer HR-questions and provides timely and personalized responses. By dialing a toll-free number callers were connected with a skilled Call Center Representative who was ready to assist them with solutions on HR topics such as benefits, compensation, performance management, and more.

Diversity and Inclusion (D&I)

In FY 2019, 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.

Alternative Dispute Resolution (ADR) Assessment

The Conflict Prevention & Resolution (CPR) program completed its third year in FY 2019 and an *FNS ADR Policy* was drafted to outline the ADR Program and corresponding protocol.

All requests for CPR services were responded to within a *24 hour time period* as laid out in the *Customer Service Agreement*. Twenty six new CPR cases were completed in FY 2019. Of the 26 mediations, for the first time 100 percent resulted in the CPR specialist serving as the neutral party and did not require an external neutral party. Thirteen virtual CPR training sessions were conducted for FNS employees, of which twenty percent of participants were supervisors. In-

person CPR training was provided to the Mountain Plains Regional office to 50 employees and to the Southeast Regional Office to 65 employees.

National Office Move

The FNS headquarters office has secured a lease to move within the city of Alexandria from the Park Office Center location (occupied since 1985) to Braddock Metro Center II in Old Town Alexandria during 2019. Renovation of the site began in April 2019 and was completed in December 2019. This relocation reduces the footprint of the Agency by more than 20 percent.

CENTER FOR NUTRITION POLICY AND PROMOTION

Now merged into USDA's Food and Nutrition Service (FNS), the Center for Nutrition Policy and Promotion (CNPP) works to improve the health and well-being of Americans by developing and promoting dietary guidance that links scientific research to the nutrition needs of consumers. It serves as the Federal authority on evidence-based food, nutrition and economic analyses that inform policy and programs; translates science into actionable food and nutrition guidance for all Americans through national communication initiatives.

Major initiatives include the *Dietary Guidelines for Americans*, the Nutrition Evidence Systematic Review (NESR), MyPlate, the Healthy Eating Index, and USDA Food Plans. These resources are used widely by consumers, health professionals, nutrition educators, Federal agencies, and other stakeholders serving the public. To ensure efficiency while maintaining integrity and quality across its initiatives, FNS is committed to continuous quality advancement by incorporating best practices into all initiatives.

Development and Promotion of the Dietary Guidelines for Americans

The National Nutrition Monitoring and Related Research Act of 1990 requires the Secretaries of USDA and HHS to jointly publish the *Dietary Guidelines for Americans (Dietary Guidelines)* at least every five years. The *Dietary Guidelines* provides a science-based foundation to help inform Federal nutrition education and promotion programs, including the major consumer vehicle for implementing the *Dietary Guidelines – MyPlate*. The *Dietary Guidelines* is also 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 2019, CNPP collaborated with the Department of Health and Human Services (HHS) and conducted activities to promote the current, *2015-2020 Dietary Guidelines* and support resources through communications activities and outreach at conferences, as well as to continue driving the process to develop the 2020-2025 edition with the following:

- Filed the Charter for the 2020 Dietary Guidelines Advisory Committee with Congress on October 5, 2018.

Announced the 20-member Committee, selected from public nominations, on February 21, 2019.

Opened a continuous period for public comments to the 2020 Committee on March 12, 2019 to continue throughout the Committee's work into 2020. More than 16,000 written public comments had been submitted at Regulations.gov by the end of the fiscal year.

Held two meetings of the Committee on March 28-29, 2019 and July 10-11, 2019 that the public was able to attend in-person or by webinar. The July public meeting also included an opportunity for oral comments to the Committee; 75 members of the public provided oral comments.

Expanded DietaryGuidelines.gov, launched in FY 2018, to provide the public with accessibility and transparency to the process.

Drove regular communication to a broad swath of stakeholders, including updates with links to new information for public comment, Advisory Committee meeting registration, and more to a distribution of nearly 225,000 who have signed up to be on a list serv.

Additionally, as requested in Section 766 of the Consolidated Appropriations Act, 2019 (Public Law 116-6), USDA submitted a report to Congress on August 15, 2019 with an explanation with respect to the decision to incorporate or exclude each recommendation from NASEM.

Examining Preliminary Diet and Health Topics for Women

The Agricultural Act of 2014 states that beginning with the 2020-2025 edition, the *Dietary Guidelines* shall include recommendations for pregnant women and children from birth to age 24 months. USDA worked closely with HHS for several years to develop a framework for meeting this charge, collaborated with programmatic and scientific experts, and completed a small number of systematic reviews on diet and health for infants, toddlers, and women who are pregnant. In FY 2019, CNPP's Nutrition Evidence Systematic Review (NESR) team, formerly called the Nutrition Evidence Library (NEL) published the systematic reviews from this project in a peer-reviewed supplement to *the American Journal of Clinical Nutrition*.

Nutrition Evidence Systematic Review (NESR)

The NESR is a team of CNPP staff who are experts in systematic review methodology, and who specialize in conducting food-and nutrition-related systematic reviews. NESR systematic reviews answer important public health questions by evaluating scientific evidence on topics relevant to Federal policy and programs. In FY 2019, the NESR team relaunched its website, nesr.usda.gov, to ensure that its work is transparent and accessible to the public. The website relaunch coincided with a renaming. NESR was formerly known as the Nutrition Evidence Library, or NEL, which was renamed to communicate that NESR is a team of professionals who specialize in conducting systematic reviews on food- and nutrition-related topics. The team began its support of the 2020 Dietary Guidelines Advisory Committee’s work to review scientific evidence to help inform USDA and HHS’s development of the 2020-2025 Dietary Guidelines.

The NESR team also continued work on a continuous quality advancement initiative to ensure its process remains state-of-the-art. This includes enhancing staff knowledge and skills through: ongoing training and professional development, leveraging the expertise of and collaborating with methodologists from other leading systematic review organizations, and expanding technological infrastructure. By aligning with current best practices, NESR’s continuous quality advancement promotes efficiency and resource management, and ensures the ongoing high quality and credibility of its work. In addition, the work takes into consideration feedback received from the National Academies of Sciences report (as part of the “Review of the Process to Update the Dietary Guidelines for Americans”).

Encouraging Healthy Eating and Physical Activity Behaviors with MyPlate, Digital 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 in 2011, today six in 10 consumers surveyed recognize the MyPlate graphic and 79 percent of dietitians report using MyPlate to educate their clients about nutrition. ChooseMyPlate.gov had a total of 13 million visitors and 78 million page views. This website also underwent a redesign and programming update to Drupal 8 per department requirements. The *What’s Cooking? USDA Mixing Bowl* website underwent a redesign and programming update to Drupal 8 per department requirements. The updated site was renamed to MyPlate Kitchen and merged under the ChooseMyPlate website. CNPP continues to lead the overall project in collaboration with the Supplemental Nutrition Assistance Program (SNAP) team.

The Nutrition Communicators Network’s National Strategic Partnership, comprised of organizations with national reach, welcomed four new partners in FY 2019 for a total membership of 114 partner organizations ranging from leading health professional and educational organizations to food associations, manufacturers and other companies. CNPP launched the *Start Simple with MyPlate* campaign in March 2019. The campaign provides resources, tips and ideas from the five MyPlate food groups. Along with the new campaign, CNPP led the development of the *Start Simple with MyPlate* app for mobile phones and smartwatches. The app is designed to help consumers incorporate MyPlate into their daily lives

by setting food group-related goals. For each goal, users can view progress, receive notifications, and earn badges. Within the app, users have access to simple tips as well as a link to “MyPlate 101” for detailed information on each food group.

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, serving 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 2019, the USDA Food Plans were updated monthly 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*. FNS uses the HEI to monitor the diet quality of the American population and subpopulations of particular interest. During FY 2019, FNS continued to promote the availability of HEI-2015, which was updated to reflect the 2015 *Dietary Guidelines*.

SUMMARY OF 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 work of FNS supports the following components of USDA's Strategic Plan for 2018-2022:

Strategic Goal 7: Provide all Americans access to a safe, nutritious, and secure food supply

- Objective 7.2: Provide access to safe and nutritious food for low-income people while supporting a pathway to self-sufficiency
- Objective 7.3: Support and encourage healthy dietary choices through data driven, flexible, and customer-focused approaches

In addition, through reforms to our organization, workforce, and business processes, we will contribute to USDA's Strategic Goal 1: Ensure USDA programs are Delivered Efficiently, Effectively, and with Integrity.

Key Performance Measures:

- Percentage of American households with consistent, dependable access to food
- Percentage of SNAP Employment and Training (E&T) participants engaged in education and skills-based training
- Annual percentage of eligible children participating in the National School Lunch Program (NSLP)
- Annual percentage of eligible children participating in the School Breakfast Program (SBP)

Key Performance Targets:

Annual Performance Indicators	Fiscal Year				
	2017 Actual	2018 Actual	2019 Actual	2020 Target	2021 Target
Percentage of American households with consistent, dependable access to food	88.2%	88.9%	87.9%*	89%	89.2%
Percentage of SNAP Education & Training participants engaged in education and skills-based training ¹	Not Available	25.5%	27.5%*	29.5%	31.5%
Annual percentage of eligible children participating in the National School Lunch Program (NSLP)	54.5%	57.8%	56.5%	59%	59%
Annual percentage of eligible children participating in the School Breakfast Program (SBP)	30.1%	30.1%	29.6%	31%	31%

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

Selected Past Accomplishments toward Achievement of the Key Outcomes:

- In 2018, 88.9 percent of American households had consistent, dependable access to food
- In 2019, 57 percent of eligible children participated in the National School Lunch Program (NSLP) and about 30 percent of eligible children participated in the School Breakfast Program (SBP).
- FNS supports helping SNAP recipients become self-sufficient through SNAP E&T programs. FNS increased its capacity at the national and regional levels to work directly with all states to improve E&T, and through its SNAP to Skills (S2S) Project provided more targeted technical assistance to 15 States. Through S2S, FNS also created tools and resources that are available to all states and other stakeholders. FNS has disseminated policy briefs on best practices and hosted two State Institutes to provide training and expertise on how to grow and build an effective SNAP E&T program.

¹ States have flexibility to provide a wide range of E&T services but the most common are typically job search and workfare. This indicator measures an increase in the portion of all E&T participants engaged in more intensive skill-based training, such as vocational and occupational training or on-the-job training

Selected Accomplishments Expected at the FY 2021 Proposed Resource Level:

In 2021, as the economy continues to improve:

- Over 89 percent of American households will have consistent, dependable access to food.

Although the prevalence of food secure households continued to increase in 2018 and reached pre-recession levels of 2007 (88.9 percent), 56 percent of households that participated in SNAP, WIC or the National School Lunch Program reported being food insecure in the month prior to the survey. This is an improvement from 2017, when 58 percent of participating households reported being food insecure. However, the need for developing and implementing evidence-based strategies that can further increase the percentage of low-income households with consistent and dependable access to food continues. An evaluation of ten 2014 Farm Bill E&T pilot projects is examining the impact of pilot participation on food security, as well as on employment and earnings. Interim findings from the evaluation are expected sometime in FY 2020.

- The NSLP participation rate will reach 59 percent.

During the school day, over 52 million children attend schools operating the National School Lunch Program with about 30 million children participating each day. Of the 30 million children participating, about 22 million are receiving free or reduced-price lunches each day. In recent years, program provisions designed to improve access, streamline administrative requirements for local school officials, and eliminate barriers to participating in the school meal programs have helped USDA reach more of the nation's children. In fact, NSLP participation among children eligible for free meals has increased by over 34 percent in the last decade. USDA continues to work to connect our nation's most vulnerable children with the wholesome foods they need to stay healthy and focused during the school day.

- 31.5 percent of SNAP Employment and Training participants will be engaged in education and skills-based training.

In FY 2021, FNS will continue to provide technical assistance and oversight to ensure States address deficiencies in collecting and reporting data on the FNS 583 reports in order to improve the reliability and quality of the data, including the number of SNAP participants enrolled in education and skills-based training.

The Agriculture Improvement Act of 2018 made many changes to the SNAP E&T program. In FY 2020, States will be required to implement many of these changes. FNS will continue to provide technical assistance to States to ensure the quality and reliability of the data.

FNS will also provide technical assistance to states to continue to expand the range of offerings within their E&T programs by expanding the number of providers and available opportunities for program participants.