

**FOOD AND NUTRITION SERVICE**

**2010 Explanatory Notes**

**Table of Contents**

	<b>PAGE</b>
<b>Purpose Statement</b> .....	<b>26-1</b>
<b>Statement of Available Funds and Staff Years</b> .....	<b>26-7</b>
<b>Permanent Positions by Grade and Staff Years</b> .....	<b>26-8</b>
<b>Passenger Motor Vehicle Data</b> .....	<b>27-9</b>
<b>Child Nutrition Programs:</b>	
<b>Appropriations Language</b> .....	<b>26-10</b>
<b>Lead-Off Tabular Statement</b> .....	<b>26-11</b>
<b>Project Statement</b> .....	<b>26-12</b>
<b>Justifications</b> .....	<b>26-16</b>
<b>Proposed Legislation</b> .....	<b>26-23</b>
<b>Geographic Breakdown of Obligations and Staff Years</b> .....	<b>26-24</b>
<b>Classification by Object</b> .....	<b>26-25</b>
<b>Recovery Act</b> .....	<b>26-27</b>
<b>Status of Program</b> .....	<b>26g-1</b>
<b>Special Supplemental Nutrition Program for Women, Infants and Children (WIC):</b>	
<b>Appropriations Language</b> .....	<b>26-28</b>
<b>Lead-Off Tabular Statement</b> .....	<b>26-29</b>
<b>Project Statement</b> .....	<b>26-30</b>
<b>Justifications</b> .....	<b>26-32</b>
<b>Classification by Object</b> .....	<b>26-34</b>
<b>Recovery Act</b> .....	<b>26-35</b>
<b>Status of Program</b> .....	<b>26g-27</b>
<b>Supplemental Nutrition Assistance Program:</b>	
<b>Appropriations Language</b> .....	<b>26-37</b>
<b>Lead-Off Tabular Statement</b> .....	<b>26-38</b>
<b>Project Statement</b> .....	<b>26-39</b>
<b>Justifications</b> .....	<b>26-41</b>
<b>Geographic Breakdown of Obligations and Staff Years</b> .....	<b>26-46</b>
<b>Classification by Object</b> .....	<b>26-47</b>
<b>Recovery Act</b> .....	<b>26-48</b>
<b>Status of Program</b> .....	<b>26g-34</b>
<b>Commodity Assistance Program:</b>	
<b>Appropriations Language</b> .....	<b>26-50</b>
<b>Lead-Off Tabular Statement</b> .....	<b>26-51</b>
<b>Project Statement</b> .....	<b>26-52</b>
<b>Justifications</b> .....	<b>26-54</b>
<b>Classification by Object</b> .....	<b>26-57</b>
<b>Recovery Act</b> .....	<b>26-58</b>
<b>Status of Program</b> .....	<b>26g-60</b>
<b>Nutrition Programs Administration:</b>	
<b>Appropriations Language</b> .....	<b>26-59</b>
<b>Lead-Off Tabular Statement</b> .....	<b>26-60</b>
<b>Project Statement</b> .....	<b>26-60</b>

<b>Justifications</b> .....	<b>26-61</b>
<b>Geographic Breakdown of Obligations and Staff Years</b> .....	<b>26-62</b>
<b>Classification by Object</b> .....	<b>26-63</b>
<b>Status of Program</b> .....	<b>26g-78</b>

**Summary of Budget and Performance:**

<b>Statement of Goals and Objectives</b> .....	<b>26-64</b>
<b>Key Performance Outcomes and Measures</b> .....	<b>26-66</b>
<b>Full Cost by Strategic Objective</b> .....	<b>27-69</b>

## FOOD AND NUTRITION SERVICE

### PURPOSE STATEMENT

The Food and Nutrition Service (FNS) was established August 8, 1969, by Secretary's Memorandum No. 1659 and Supplement 1 pursuant to the authority contained in 5 U.S.C. 301 and the Reorganization Plan No. 2 of 1953.

FNS is the Federal agency responsible for managing the domestic nutrition assistance programs. Its mission is to increase food security and reduce hunger in partnership with cooperating organizations by providing children and low-income people access to food, a healthful diet, and nutrition education in a manner that supports American agriculture and inspires public confidence.

Over the past half-century – beginning with the National School Lunch Program in 1946 – the Nation has gradually built an array of nutrition assistance programs designed to help the most vulnerable populations meet their food needs. Taken together, the current programs form a nationwide safety net supporting low-income families and individuals in their efforts to escape food insecurity and hunger and achieve healthy, nutritious diets. Currently, the programs administered by FNS touch the lives of one in five Americans over the course of a year.

#### **Descriptions of Programs:**

The nutrition assistance programs described below works both individually and in concert with one another to improve the Nation's nutrition and health by improving the diets of children and low-income households.

- *Supplemental Nutrition Assistance Program (SNAP):* Authorized by the Food and Nutrition Act of 2008, SNAP serves as the primary source of nutrition assistance for over 32 million low-income people. It enables participants, about 49 percent of whom are children, to improve their diets by increasing food purchasing power using benefits that are redeemed at authorized retail grocery stores across the country. State agencies are responsible for the administration of the program according to national eligibility and benefit standards set by Federal law and regulations. Benefits are 100 percent Federally-financed, while administrative costs are shared between the Federal and State Governments.

SNAP provides the basic nutrition assistance benefit for low-income people in the United States; other FNS programs supplement this program with benefits targeted to special populations, dietary needs and delivery settings. (Puerto Rico, the Commonwealth of the Northern Mariana Islands, and American Samoa receive grant funds with which to provide food and nutrition assistance in lieu of SNAP.)

- *Food Distribution Program on Indian Reservations (FDPIR):* FDPIR distributes USDA-purchased foods as an alternative to SNAP for Indian households on or near reservations. State agencies and Indian Tribal Organizations (ITOs) that operate the program are responsible for certifying recipient eligibility, nutrition education, local warehousing and transportation of food, distribution of food to recipient households, and program integrity. The Federal Government pays 100 percent of the cost of commodities distributed through the program, and cash payments for administrative expenses.
- *Child Nutrition Programs (CNP):* The Child Nutrition Programs - National School Lunch (NSLP), School Breakfast (SBP), Special Milk (SMP), Child and Adult Care Food (CACFP), and Summer Food Service (SFSP) - provide reimbursement to State and local governments for nutritious meals and snacks served to over 31 million children in schools, child care institutions, adult day care centers, and after school care programs. FNS provides cash and USDA purchased food on a per-meal basis to offset the cost of food service at the local level and a significant portion of State and local administrative expense, and provides training, technical assistance, and nutrition education. Payments are substantially higher for meals served free or at a reduced price to children from low-income families.

- *Special Supplemental Nutrition Program for Women, Infants and Children (WIC)*: WIC addresses the supplemental nutritional needs of at-risk, low-income pregnant, breastfeeding and postpartum women, infants and children up to five years of age. It provides participants monthly supplemental food packages targeted to their dietary needs, nutrition education, and referrals to a range of health and social services – benefits that promote a healthy pregnancy for mothers and a healthy start for their children. Appropriated funds are provided to States for food packages and nutrition services and administration for the program; States operate the program pursuant to plans approved by FNS. WIC is augmented in some localities by the Farmers' Market Nutrition Program, funded within the Commodity Assistance Program account, and authorized by the WIC Farmers' Market Nutrition Act of 1992, which provides fresh produce to WIC participants.
- *The Emergency Food Assistance Program (TEFAP)*: This program supports the emergency food organization network by distributing USDA-purchased food for use by emergency feeding organizations including soup kitchens, food recovery organizations, and food banks. TEFAP also provides administrative funds to defray costs associated with processing, repackaging, storage, and distribution of Federal and privately donated food. The allocation of both Federal food and administrative grants to States is based on a formula that considers the States' unemployment levels and the number of persons with income below the poverty level.
- *The Commodity Supplemental Food Program (CSFP)*: This program provides foods purchased by USDA to low-income infants and children up to age six, low-income pregnant and postpartum women, and to low-income senior citizens. In recent years, there has been a shift towards low-income elderly in this program; in FY 2008, elderly participation comprised approximately 93 percent of total participation. Foods are distributed through State agencies to supplement food acquired by recipients from other sources. The CSFP is operated as a Federal/State partnership under agreements between FNS and State health care, agricultural or education agencies. Currently, 32 States, the District of Columbia, and two Indian reservations operate CSFP.
- *Senior Farmers' Market Nutrition Program (SFMNP)*: This program provides coupons to low-income seniors that can be exchanged for fresh, nutritious, unprepared, locally grown fruits, vegetables and herbs at farmers' markets, roadside stands, and community-supported agriculture programs.
- *Pacific Island and Disaster Assistance*: Pacific Island Assistance includes assistance to the nuclear-affected zones of the Republic of the Marshall Islands in the form of USDA purchased food, or cash-in-lieu of food, and administrative funds and is authorized under the Compact of Free Association Amendments Act of 2003, (P.L. 108-188). Disaster relief funds are provided for use in non-Presidentially declared disasters.

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

Under these agreements, FNS is responsible for implementing statutory requirements that set national program standards for eligibility and benefits, providing Federal funding to State and local partners, and monitoring and evaluating to make sure that program structures and policies are properly implemented and effective in meeting program missions. State and local organizations are responsible for delivering benefits efficiently, effectively, and in a manner consistent with national requirements.

**FNS Staff:**

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

FNS staff is funded primarily out of the Nutrition Programs Administration account, which represents approximately one-third of one percent of the total FNS budget. The agency employment level represents less than two percent of the total employment within USDA and is similarly small in proportion to the total State-level staff needed to operate the programs. The agency employs people from a variety of disciplines, including policy and management analysts, nutritionists, computer and communication experts, accountants, investigators, and program evaluators. Because of the small size of the agency's staff relative to the resources it manages, FNS has created clear and specific performance measures and must focus its management efforts in a limited number of high-priority areas.

Program operations are managed through FNS' seven regional offices and 67 field offices/satellite locations. A regional administrator directs each regional office. These offices maintain direct contact with State agencies that administer the FNS programs. The agency's regional offices also conduct on-site management reviews of State operations and monitor the 177,052 stores authorized to redeem SNAP benefits.

As of September 30, 2008, there were 1,271 full-time permanent employees in the agency. There were 456 employees in the Washington headquarters office; and 815 in the field, which includes seven regional offices; 67 field offices; four SNAP compliance offices in Illinois, California, New Jersey, and Tennessee; and a computer support center in Minneapolis, Minnesota. The chart below displays staff year utilization.

STAFF YEAR DISTRIBUTION (From All Sources of Funds)				
Project	2008 Actual	2009 Estimated	Change	2010 Requested
Supplemental Nutrition Assistance Program	77	98	0	98
Child Nutrition Programs	154	170	0	170
Nutrition Programs Administration	1,016	1,008	20	1,028
Center for Nutrition Policy and Promotion	24	32	0	32
Total Available	1,271	1,308	20	1,328

**Audit Reports of National Significance Issued for Fiscal Year 2008**OIG Audits Issued

Agency-wide	27401-32-HY	12-07	Food and Nutrition Service Financial Statements for Fiscal Years 2007 and 2006
SNAP	27501-02-HY	4-08	Application Control Review of the Food and Nutrition Service's Store Tracking and Redemption System II

SNAP	27601-16-AT	4-08	SNAP Employment and Training Program
------	-------------	------	--------------------------------------

GAO Audits Issued

SNAP/WIC	GAO-08-645	6-08	Electronic Payments: Many Programs Electronically Disburse Federal Benefits, and More Outreach Could Increase Use
----------	------------	------	---

SNAP	GAO-08-415	7-08	SNAP: Options for Delivering Financial Incentives to Participants for Purchasing Targeted Foods
------	------------	------	---

### THE CENTER FOR NUTRITION POLICY AND PROMOTION

As the lead Federal Department in human nutrition, the USDA is charged with developing national nutrition policy and designing and disseminating science-based nutrition promotion programs for all Americans, and populations receiving nutrition assistance. The Center for Nutrition Policy and Promotion (CNPP) is USDA's focal point for improving the health of Americans by developing and promoting dietary guidance that links the best evidence-based scientific research to the nutrition needs of consumers.

#### **Overview of Program Development**

CNPP develops integrated nutrition research, education, and promotion programs and is a recognized authority for providing science-based dietary guidance for the American public (including consumers and professionals in health, education, industry, and the media). CNPP also helps devise better cost-effective strategies to target nutrition programs to different customers by analyzing consumer dietary needs, socio-economic characteristics, behaviors, and lifestyles. To meet its mission, CNPP performs the following functions:

#### **Advances and Promotes Food and Nutrition Guidance for All Americans**

CNPP oversees improvements in and revisions to Departmental nutrition guidance, while ensuring the consistency of all guidance with the *Dietary Guidelines for Americans*, the cornerstone of Federal nutrition policy. The MyPyramid Food Guidance System provides current Departmental nutrition guidance disseminated to nutrition educators, health professionals, and consumers in the form of millions of print documents; educator's toolkits; and via Web-based interactive and personalized tools at MyPyramid.gov. MyPyramid.gov has received more than 7 billion hits since its launch in April 2005 and has millions of registered users of the tools for dietary and physical activity assessment.

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

CNPP established and maintains USDA's Evidence Analysis Library (EAL), including the Nutrition Evidence Library to monitor, assess, gather, analyze, and consult on the scientific evidence in support of nutrition, food, dietary guidance, nutrition education and nutrition research policies and outreach programs. The EAL designs and leads a wide range of scientific review projects that inform and support nutrition policy and guidance, and serve as the basis for nutrition promotion and education activities. The Nutrition

Evidence Library, a major function of the EAL, supports the *Dietary Guidelines 2010* process. The EAL was formed to provide a broader-based evidence library to support Federal and external organizations as a repository of the most up-to-date credible literature available in the areas relative to the *Dietary Guidelines for Americans*; obesity, food groups, weight management, physical activity, food safety, methods of consumer nutrition education program development, risk analysis and nutrients, and social marketing. The EAL serves as the USDA model upon which USDA agencies approach science review to support the policies for which they have responsibility.

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

CNPP leads the USDA team for the joint USDA/Department of Health and Human Services (DHHS) development, review, and clearance of the *Dietary Guidelines* policy document and coordinates an interagency working group on developing a plan for the promotion and communication of the 2010 *Dietary Guidelines*. CNPP is the focal point for advancing and coordinating nutrition promotion and education policy within USDA. CNPP chairs the USDA Dietary Guidance Working Group. This working group reviews all of USDA's and DHHS' nutrition publications and materials to ensure consistency with the *Dietary Guidelines*. CNPP also represents USDA on the DHHS Healthy People 2010 initiative in the areas of food, nutrition, and obesity.

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

CNPP continues to develop and update science-based dietary guidance for healthy Americans two years of age and older. In addition, CNPP and the Department continue to work to promote good health through wise food choices and adequate physical activity to help prevent disease. CNPP uses the most recent food consumption survey data available to target its nutrition messages for the public. Translating nutrition guidance for consumers in a way that educates and motivates change in dietary behavior will ultimately lead to improved health status. In addition to its efforts to disseminate the print materials related to the *Dietary Guidelines for Americans*, CNPP is working diligently to reach a larger number of Americans with relevant and motivating nutrition promotion messages delivered through a wider array of communication channels.

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

CNPP will continue to lead USDA's efforts to communicate nutrition messages through a wide variety of mechanisms, including the MyPyramid Food Guidance System, nutrition assistance programs, commodity and agricultural groups, food industry, trade associations, and public health organizations and the media. CNPP will continue to collaborate with public, private, and nonprofit groups to expand access to USDA's nutrition assistance programs. Collaboration with the public and private sectors is used to encourage widespread participation in nutrition education efforts based on the *Dietary Guidelines for Americans*. CNPP has established over a hundred public-private partnerships to magnify the reach of MyPyramid tools and messages.

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

CNPP's science-based research supports national policy, Departmental policy, and the promotion of healthful eating in America. CNPP staff members conduct policy analyses of socio-economic, food behavior, and food disappearance data. Some large-scale analyses are performed cooperatively with other Federal agencies and outside experts. This work supports policymaking for domestic nutrition assistance, setting a national agenda for nutrition security, and representing domestic nutrition policy to the international community, and contributes to activities related to nutrition monitoring of foods and nutrients available for consumption. CNPP develops USDA's Food Plans including the Thrifty Food Plan, on which SNAP benefits are based. The Food Plans represent a market basket of nutritious foods that could be purchased at various lower income levels. CNPP also produces the Expenditures on Children by Families ("The Cost of Raising a Child") report, which became an interactive Web-based tool in 2009, which provides families with the costs of household expenditures, including food. Further, CNPP measures diet quality as a gauge of the nutritional well-being of our population, which is used in health and nutrition

policymaking. The Healthy Eating Index (HEI) is the measure of overall diet quality that the Department uses to determine the degree to which the population's eating habits are consistent with the *Dietary Guidelines for Americans*.

Eating patterns and their behavioral determinants are analyzed to gauge the effect of policy on consumers' food behavior and to help devise more efficient means of helping people improve their diet. Scientific research is made available to policymakers and published for the research community and the public. CNPP is reaching the public more effectively than ever before through a combination of print materials, news releases, interactive tools, its Website, and presentations at professional conferences.

## FOOD AND NUTRITION SERVICE

Available Funds and Staff Years  
2008 Actual and Estimated 2009 and 2010

Item	Actual		Estimated		Estimated	
	2008		2009		2010	
	Amount	SY	Amount	SY	Amount	SY
Supplemental Nutrition Assistance Program...	\$39,478,102,910	77	\$51,013,746,000	98	\$58,391,346,000	98
SNAP ARRA.....	0		5,194,657,000		5,925,223,000	
Child Nutrition Program:						
Appropriation.....	7,913,646,213	125	9,095,137,000	136	10,049,369,000	150
Permanent Appropriation.....	36,451,904	29	134,062,000	34	109,000,000	20
Transfer from Section 32.....	6,253,548,000		6,455,802,000		6,747,877,000	
CN ARRA.....	0		100,000,000		0	
Total - Child Nutrition Program.....	14,203,646,117	154	15,785,001,000	170	16,906,246,000	170
Special Supplemental Nutrition Program.....	6,399,934,582		6,960,566,000		7,701,234,000	
WIC ARRA.....	0		80,000,000		20,000,000	
Commodity Assistance Program.....	237,605,441		258,826,000		253,988,000	
TEFAP ARRA.....	0		125,000,000		25,000,000	
Nutrition Programs Administration.....	139,534,374	1,040	142,595,000	1,040	150,139,000	1,060
Congressional Hunger Center.....	2,457,675		2,347,000		0	
<b>Total, Food and Nutrition Service Funds.....</b>	<b>60,461,281,099</b>	<b>1,271</b>	<b>79,562,738,000</b>	<b>1,308</b>	<b>89,373,176,000</b>	<b>1,328</b>
<u>Obligations under other</u>						
<u>USDA Appropriations:</u>						
Office of Communications.....	26,957		0		0	
Office of Operations.....	47,220		0		0	
Foreign Agricultural Service.....	200,898		0		0	
Office of the Inspector General.....	15,867		0		0	
National Appeals Division.....	37,723		0		0	
Farm Service Agency.....	184,792		0		0	
Rural Development.....	27,570		0		0	
<b>Total, Agriculture Appropriations.....</b>	<b>541,027</b>		<b>0</b>		<b>0</b>	
<u>Other Federal Funds:</u>						
Army Audit.....	12,519		0		0	
<b>Total, Other Federal Funds.....</b>	<b>12,519</b>		<b>0</b>		<b>0</b>	
<b>Total, Food and Nutrition Service.....</b>	<b>60,461,834,645</b>	<b>1,271</b>	<b>79,562,738,000</b>	<b>1,308</b>	<b>89,373,176,000</b>	<b>1,328</b>

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

Note: Amounts for FY 2009 and FY 2010 include ARRA funds.

## FOOD AND NUTRITION SERVICE

Permanent Positions by Grade and Staff Year Summary  
2008 Actual and Estimated 2009 and 2010

Grade	2008			2009			2010		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
Senior Executive Service	8	7	15	8	7	15	8	7	15
GS-15.....	23	6	29	23	6	29	23	6	29
GS-14.....	63	40	103	63	40	103	63	40	103
GS-13.....	186	87	273	186	87	273	190	87	277
GS-12.....	100	241	341	100	241	341	104	245	349
GS-11.....	31	373	404	31	373	404	31	376	407
GS-9.....	16	36	52	16	36	52	16	40	56
GS-8.....	10	10	20	10	10	20	10	10	20
GS-7.....	19	24	43	19	24	43	19	25	44
GS-6.....	9	2	11	9	2	11	9	2	11
GS-5.....	2	9	11	2	9	11	2	9	11
GS-4.....	2	4	6	2	4	6	2	4	6
Total Permanent Positions.....	469	839	1,308	469	839	1,308	477	851	1,328
Unfilled Positions									
End-of Year.....	13	24	37						
Total, Permanent Full-Time Employment									
End-of Year.....	456	815	1,271	469	839	1,308	477	851	1,328
Staff Year Estimate	441	830	1,271	469	839	1,308	477	851	1,328

## FOOD AND NUTRITION SERVICE

## SIZE, COMPOSITION AND COST OF MOTOR VEHICLE FLEET

The FNS fleet consists largely of sedans. Retailer Investigations Branch officials employ the majority of these vehicles in field audits as part of the Supplemental Nutrition Assistance Program. Additionally, and to a much lesser extent, vehicles are assigned to FNS regional offices and used for business travel among their field offices and remote worksites. Lastly, FNS uses two 15-passenger vans at Headquarters in Alexandria, Virginia for all-day shuttle service to the USDA agencies in downtown Washington, D.C.

Size, composition and cost of agency motor vehicle fleet as of September 30, 2008 are as follows:

**Size, Composition, and Annual Cost  
(in thousands of dollars)**

Fiscal Year	Number of Vehicles by Type *						Total Number of Vehicles	Annual Operating Cost (\$ in thous)	
	Sedans and Station Wagons	Light Trucks, SUVs and Vans		Medium Duty Vehicles	Ambulances	Buses			Heavy Duty Vehicles
		4X2	4X4						
<b>FY 2007</b>	49	8	0	4	0	0	0	61	\$166
Change from 2007**	0	0	0	0	0	0	0	0	77
<b>FY 2008</b>	49	8	0	4	0	0	0	61	243
Change from 2008**	0	0	0	0	0	0	0	0	5
<b>FY 2009</b>	49	8	0	4	0	0	0	61	248
Change from 2009**	0	0	0	0	0	0	0	0	5
<b>FY 2010</b>	49	8	0	4	0	0	0	61	253

## NOTES:

\* These numbers include vehicles that are leased from GSA and one vehicle leased from a commercial source.

\*\* There are no significant changes. All significant year-to-year changes would be discussed in a narrative provided separately.

## FOOD AND NUTRITION SERVICE

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

Child Nutrition Programs (including transfers of funds):

In lieu of the amounts made available in section 14222(b) of the Food, Conservation, and Energy Act of 2008, for necessary expenses to carry out the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except sections 17 and 21; [~~\$14,951,911,000~~] \$16,797,246,000, to remain available through September 30, [2010] 2011, of which [~~\$8,496,109,000~~] \$10,049,369,000 is hereby appropriated and [~~\$6,455,802,000~~] \$6,747,877,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), ): Provided, That of the total amount available, \$5,000,000 shall be available to be awarded as competitive grants to implement section 4405 of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246).

This change provides FNS authority to award Hunger-Free Community competitive grants to implement Section 4405 of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill).

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

CHILD NUTRITION PROGRAMS – CURRENT LAW

Appropriations Act, 2009 a/.....	\$14,951,911,000
Budget Estimate, 2010.....	<u>16,797,246,000</u>
Increase in Appropriation.....	<u>+1,845,335,000</u>

a/ Excludes \$100,000,000 provided by the American Recovery and Reinvestment Act of 2009 (Recovery Act), P.L. 111-5.

CHILD NUTRITION PROGRAMS – PROPOSED LEGISLATION

Budget Estimate, Current Law, 2010.....	\$16,797,246,000
Change due to proposed legislation.....	<u>1,000,000,000</u>
Net Request, President's 2010 Budget Request.....	<u>17,797,246,000</u>

SUMMARY OF INCREASES AND DECREASES – CURRENT LAW  
(On basis of appropriation)

Item of Change	2009 Estimated	Pay Costs	Other Changes	2010 Estimated
1. Cash Payments to States				
Meal Reimbursements:				
(a) School Lunch	\$8,472,755,000	0	\$1,348,592,000	\$9,821,347,000
(b) School Breakfast	2,633,048,000	0	233,635,000	2,866,683,000
(c) CACFP	2,513,852,000	0	172,671,000	2,686,523,000
(d) Summer Food Service Program	357,984,000	0	19,768,000	377,752,000
(e) Special Milk	14,941,000	0	-1,351,000	13,590,000
Subtotal, Meal Reimbursements	13,992,580,000	0	1,773,315,000	15,765,895,000
2. State Administrative Expenses	178,994,000	0	14,274,000	193,268,000
3. Commodity Procurement	741,209,000	0	51,836,000	793,045,000
4. Discretionary Activities	39,128,000	\$211,000	5,699,000	45,038,000
5. ARRA, P.L. 111-5	100,000,000	0	-100,000,000	0
Adjusted Appropriation	15,051,911,000	211,000	1,745,124,000	16,797,246,000
ARRA Funds	-100,000,000	0	100,000,000	0
Total Appropriation	14,951,911,000	211,000	1,845,124,000	16,797,246,000

**PROJECT STATEMENT – CURRENT LAW**  
(On basis of appropriation)

Project	2008 Actual	SY	2009 Estimated	SY	Increase or Decrease		2010 Estimated	SY
1. Cash Payments to States								
Meal Reimbursements:								
(a) School Lunch	\$8,097,726,000		\$8,472,755,000		\$1,348,592,000		\$9,821,347,000	
(b) School Breakfast	2,393,028,000		2,633,048,000		233,635,000		2,866,683,000	
(c) CACFP	2,245,195,000		2,513,852,000		172,671,000		2,686,523,000	
(d) Summer Food Service Program	312,203,000		357,984,000		19,768,000		377,752,000	
(e) Special Milk Program	15,120,000		14,941,000		-1,351,000		13,590,000	
Subtotal, Meal Reimbursements	13,063,272,000		13,992,580,000		1,773,315,000	(1)	15,765,895,000	
2. State Administrative Expenses	174,134,000		178,994,000		14,274,000	(2)	193,268,000	
3. Commodity Procurement	631,849,000		741,209,000		51,836,000	(3)	793,045,000	
Subtotal, Mandatory	13,869,255,000		14,912,783,000		1,839,425,000		16,752,208,000	
4. Discretionary Activities:								
(a) Team Nutrition	13,268,682		15,000,000		16,000	(4)	15,016,000	
(b) Food Safety Education	1,991,453		2,500,000		10,000	(5)	2,510,000	
(c) Coordinated Review	5,486,121		5,636,000		115,000	(6)	5,751,000	
(d) Computer Support and Proc.	9,429,900		9,492,000		33,000	(7)	9,525,000	
(e) CACFP Training and Tech. Assist.	1,986,000		3,500,000		37,000	(8)	3,537,000	
(f) Studies and Other Discr. Activities	0		3,000,000		5,699,000	(9)	8,699,000	
Subtotal, Discretionary	32,162,156		39,128,000		5,910,000		45,038,000	
5. ARRA, P.L. 111-5								
NSLP Equipment Grants	0		100,000,000		-100,000,000		0	
Subtotal, ARRA	0		100,000,000		-100,000,000		0	
Adjusted Appropriation	13,901,417,156	125	15,051,911,000	136	1,745,335,000		16,797,246,000	150
Rescission 1/	95,844		0		0		0	
Adjusted Appropriation	13,901,513,000	125	15,051,911,000	136	1,745,335,000		16,797,246,000	150
ARRA Funds	0		-100,000,000		100,000,000		0	
Total Appropriation	13,901,513,000		14,951,911,000		1,845,335,000		16,797,246,000	

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

1/ Appropriated funds are adjusted to reflect a rescission of \$95,844 in FY 2008 pursuant to Division A, Title VII, Section 752 of P.L. 110-161.

**PROJECT STATEMENT – CURRENT LAW**  
(On basis of available funds)

Project	2008 Actual	SY	2009 Estimated	SY	Increase or Decrease	2010 Estimated	SY
<b>1. Cash Payments to States:</b>							
(a) School Lunch	\$8,365,115,414		\$9,071,783,000		\$749,564,000	\$9,821,347,000	
(b) School Breakfast	2,393,027,688		2,633,048,000		233,635,000	2,866,683,000	
(c) CACFP	2,245,194,783		2,513,852,000		172,671,000	2,686,523,000	
(d) Summer Food Service Program	312,202,875		357,984,000		19,768,000	377,752,000	
(e) Special Milk Program	15,119,825		14,941,000		-1,351,000	13,590,000	
<b>Subtotal, Meal Reimbursements</b>	<b>13,330,660,585</b>		<b>14,591,608,000</b>		<b>1,174,287,000</b>	<b>15,765,895,000</b>	
<b>2. State Administrative Expenses</b>	<b>174,133,982</b>		<b>178,994,000</b>		<b>14,274,000</b>	<b>193,268,000</b>	
<b>3. Commodity Procurement</b>	<b>631,849,197</b>		<b>741,209,000</b>		<b>51,836,000</b>	<b>793,045,000</b>	
<b>Subtotal, Mandatory</b>	<b>14,136,643,764</b>		<b>15,511,811,000</b>		<b>1,240,397,000</b>	<b>16,752,208,000</b>	
<b>4. Discretionary Activities:</b>							
(a) Team Nutrition	12,931,960		15,000,000		16,000	15,016,000	
(b) Food Safety Education	1,246,368		2,500,000		10,000	2,510,000	
(c) Coordinated Review	4,686,337		5,636,000		115,000	5,751,000	
(d) Computer Support and Proc.	9,699,784		9,492,000		33,000	9,525,000	
(e) CACFP Training and Tech. Assist.	1,986,000		3,500,000		37,000	3,537,000	
(f) Studies and Other Discr. Activities	0		3,000,000		5,699,000	8,699,000	
<b>Subtotal, Discretionary</b>	<b>30,550,449</b>		<b>39,128,000</b>		<b>5,910,000</b>	<b>45,038,000</b>	
<b>5. ARRA, P.L. 111-5</b>							
NSLP Equipment Grants	0		100,000,000		-100,000,000	0	
<b>Subtotal, ARRA</b>	<b>0</b>		<b>100,000,000</b>		<b>-100,000,000</b>	<b>0</b>	
<b>Total Obligations</b>	<b>14,167,194,213</b>	<b>125</b>	<b>15,650,939,000</b>	<b>136</b>	<b>1,146,307,000</b>	<b>16,797,246,000</b>	<b>150</b>
Prior Year Recoveries/Collections	-333,288,914		0		0	0	
Unobligated Balance Start-of-Year	-229,816,334		-254,909,000		254,909,000	0	
Transfer from 12-3505	0		-344,119,000		344,119,000	0	
Unobligated Balance End-of-Year	254,909,232		0		0	0	
Unobligated Balance Expiring	40,651,811		0		0	0	
Transfer to 12X3539 1/	1,767,148		0		0	0	
<b>Total Adjusted Appropriation</b>	<b>13,901,417,156</b>	<b>125</b>	<b>15,051,911,000</b>	<b>136</b>	<b>1,745,335,000</b>	<b>16,797,246,000</b>	<b>150</b>
Rescission	95,844		0		0	0	
ARRA Funds	0		-100,000,000		100,000,000	0	
<b>Total Appropriation</b>	<b>13,901,513,000</b>	<b>125</b>	<b>14,951,911,000</b>	<b>136</b>	<b>1,845,335,000</b>	<b>16,797,246,000</b>	<b>150</b>

1/ Transfer is made under the authority provided by P.L. 109-97, which permits CACFP audit funds that remain unused after the first year of availability to be recovered and reallocated. The reallocated funds are available until expended for the purpose of conducting CACFP institution audits.

**PROJECT STATEMENT**  
(On basis of appropriation)

Permanent Appropriation Activities:	2008 Actual	SY	2009 Estimated	SY	Increase or Decrease	2010 Estimated	SY
Information Clearinghouse <u>1/</u>	\$250,000		\$250,000		-\$250,000	0	
Food Service Management Institute	4,000,000		4,000,000		0	\$4,000,000	
SFSP Rural Transportation Grants	1,000,000		0		0	0	
Grants to States (Fresh Fruit and Veg. x-year funds) <u>2/</u>	9,000,000		108,000,000		-7,000,000	101,000,000	
Grants to States (Fresh Fruit and Veg. 2-year funds) <u>3/</u>	9,831,000		0		0	0	
Tech. Assistance Program Integrity <u>4/</u>	2,000,000		2,000,000		-2,000,000	0	
Grants to States (Administrative Review)	4,000,000		4,000,000		0	4,000,000	
School Food Purchase Survey	0		3,000,000		-3,000,000	0	
CACFP Audit Funds - X-Year <u>5/</u>	-3,500,000		0		0	0	
Adjusted Permanent Appropriation	26,581,000	29	121,250,000	34	-12,250,000	109,000,000	20
Rescission <u>6/</u>	3,569,000		0		0	0	
Total Permanent Appropriation	30,150,000	29	121,250,000	34	-12,250,000	109,000,000	20

1/ Authority terminates after FY 2009 per Sect. 26(d) of the Richard B. Russell National School Lunch Act.

2/ Authority for direct appropriation terminated per Sect. 4304 of P.L. 110-234; program funded by transfers in FY 2009 and later years.

3/ Funds are provided in Division A, Title VII, Section 739 of P.L. 110-161.

4/ Authority terminates after FY 2009 per Sect. 21(g)(1)(A) of the Richard B. Russell National School Lunch Act.

5/ Unobligated balance of \$3,500,000 rescinded in FY 2008 pursuant to Division A, Title VII, Section 750 of P.L. 110-161.

6/ Appropriated funds are adjusted to reflect a rescission of \$69,000 in FY 2008 pursuant to Division A, Title VII, Section 752 of P.L. 110-161; unobligated balance of \$3,500,000 rescinded in FY 2008 pursuant to Division A, Title VII, Section 750 of P.L. 110-161.

**PROJECT STATEMENT**  
(On basis of available funds)

Permanent Appropriation Activities:	2008		2009		Increase or	2010	
	Actual	SY	Estimated	SY	Decrease	Estimated	SY
Information Clearinghouse	\$250,000		\$250,000		-\$250,000	0	
Food Service Management Institute	4,000,000		4,000,000		0	\$4,000,000	
Direct Certification and Verification	994,213		2,513,000		-2,513,000	0	
Evaluation of Effectiveness (Direct Cert.)	0		516,000		-516,000	0	
SFSP Evaluation	0		20,000		-20,000	0	
SFSP Rural Transportation Grants	1,225,294		122,000		-122,000	0	
Evaluation CACFP	0		8,000		-8,000	0	
Grants to States (Fresh Fruit and Veg. x-year funds)	12,498,362		109,441,000		-8,441,000	101,000,000	
Grants to States (Fresh Fruit and Veg. 2-year funds)	9,830,700		0		0	0	
Tech. Assistance Program Integrity	1,987,264		2,425,000		-2,425,000	0	
CACFP Audit Funds - X year	709,701		1,464,000		-1,464,000	0	
Grants to States (Administrative Review)	3,448,011		10,303,000		-6,303,000	4,000,000	
School Food Purchase Survey	0		3,000,000		-3,000,000	0	
Best Practices (Tech. Assistance)	1,508,359		0		0	0	
<b>Total Obligation</b>	<b>36,451,904</b>	<b>29</b>	<b>134,062,000</b>	<b>34</b>	<b>-25,062,000</b>	<b>109,000,000</b>	<b>20</b>
Transfer from 127/83539	-1,767,148		0		0	0	
Unobligated Balance Start of Year	-22,418,363		-15,891,000		15,891,000	0	
Collections/Recoveries	-1,576,796		0		0	0	
Expiring Funds	0		3,079,000		-3,079,000	0	
Unobligated Balance End of Year	15,891,403		0		0	0	
<b>Adjusted Permanent Appropriation</b>	<b>26,581,000</b>	<b>29</b>	<b>121,250,000</b>	<b>34</b>	<b>-12,250,000</b>	<b>109,000,000</b>	<b>20</b>
Rescission <u>1/</u>	3,569,000		0		0	0	
<b>Total Permanent Appropriation</b>	<b>30,150,000</b>	<b>29</b>	<b>121,250,000</b>	<b>34</b>	<b>-12,250,000</b>	<b>109,000,000</b>	<b>20</b>

1/ Appropriated funds are adjusted to reflect a rescission of \$69,000 in FY 2008 pursuant to Division A, Title VII, Section 752 of P.L. 110-161; unobligated balance of \$3,500,000 rescinded in FY 2008 pursuant to Division A, Title VII, Section 750 of P.L. 110-161.

Justification of Increases and Decreases

The FY 2010 request for the Child Nutrition Programs reflects a net increase of \$1,845,335,000.

- (1) An increase of \$1,773,315,000 for meal reimbursements (\$13,992,580,000 estimated in FY 2009).

Explanation of Change.

School Lunch Program: This program will require a net increase of \$1,348,592,000 in budget authority for an appropriation level of \$9,821,347,000 in FY 2010 (\$8,472,755,000 is estimated for FY 2009). This level of funding is about a 15.9 percent increase over the FY 2009 funding level and will be required to provide reimbursement for meal service currently projected for FY 2010. Based on actual performance to date, the total number of school lunches and snacks in FY 2010 is projected to increase by about 85 million over the current estimate for FY 2009, an increase of 1.6 percent. Student participation in the NSLP is about 61.6 percent of enrollment in participating schools. The current estimate for free lunches in FY 2010 projects an increase of 3.2 percent above the level of free lunches estimated to be served in FY 2009. Free lunches are estimated at 52.8 percent of all lunches served in FY 2010. Changes in the reimbursement rates, reflecting increases in the Consumer Price Index (CPI) for Food Away from Home, also contributed to the need for increased funding. This request also reflects the cost of snacks served under the after school NSLP snack program created by P.L. 105-336.

Other information: Income Eligibility

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

	2007-2008	2008-2009	2009-2010
Poverty Level	School Year	School Year	School Year
100 Percent	\$20,650	\$21,200	\$22,050
130 Percent	26,845	27,560	28,665
185 Percent	38,203	39,220	40,793

PROGRAM INDICATORS				
SCHOOL LUNCH PROGRAM PROGRAM PERFORMANCE DATA	2008 ACTUAL	2009 ESTIMATE	2010 ESTIMATE	CHANGE
Lunches Served (millions):				
Above 185% of poverty	2,077.1	2,011.3	1,987.5	-23.8
130% - 185% of poverty	520.8	539.0	558.4	19.4
Below 130% of poverty	2,601.8	2,760.1	2,849.5	89.4
<b>TOTAL, Lunches</b>	<b>5,199.8</b>	<b>5,310.4</b>	<b>5,395.4</b>	<b>85.0</b>
Average Daily Participation (millions):	30.9	31.6	32.1	0.5
Lunch Rate per meal (blended) (cents):				
Above 185% of poverty	23.2	24.3	26.0	1.7
130% - 185% of poverty	185.4	194.7	205.7	11.0
Below 130% of poverty	225.6	235.0	245.8	10.8
Snacks Served (millions):				
Above 185% of poverty	10.4	11.3	12.0	0.7
130% - 185% of poverty	1.2	1.3	1.4	0.1
Below 130% of poverty	193.6	209.1	221.6	12.5
<b>TOTAL, Snacks</b>	<b>205.2</b>	<b>221.7</b>	<b>235.0</b>	<b>13.3</b>
Snack subsidy per meal (blended)(cents):				
Above 185% of poverty	6.0	6.0	6.0	0.0
130% - 185% of poverty	34.2	35.5	37.0	1.5
Below 130% of poverty	68.7	71.2	74.2	3.0
<b>TOTAL, Lunches and Snacks</b>	<b>5,405.0</b>	<b>5,532.1</b>	<b>5,630.4</b>	<b>98.3</b>
<b>TOTAL, Meal Reimbursement (millions)</b>	<b>\$8,365.1</b>	<b>\$9,071.8</b>	<b>\$9,821.3</b>	<b>\$749.5</b>

School Breakfast Program: This program will require an increase of \$233,635,000 (about 8.9 percent) for an appropriation of \$2,866,683,000 in FY 2010 (\$2,633,048,000 is estimated for FY 2009). The current estimate projects an increase of 71.5 million breakfasts in FY 2010 (about 3.8 percent) above the 1.91 billion in the current estimate for FY 2009. This includes a projected increase of about 63.3 million breakfasts in the free category. The estimate of the total meals projected for FY 2010 is 1.98 billion.

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

<b>PROGRAM INDICATORS</b>				
<b>SCHOOL BREAKFAST PROGRAM PROGRAM PERFORMANCE DATA</b>	<b>2008 ACTUAL</b>	<b>2009 ESTIMATE</b>	<b>2010 ESTIMATE</b>	<b>CHANGE</b>
<b>Meals Served (millions):</b>				
Above 185% of poverty	351.8	345.3	346.5	1.2
Reduce Price, Regular	26.0	27.1	28.0	0.9
Reduce Price, Severe Need	149.7	158.2	164.3	6.1
130%-185% of poverty, Total	175.7	185.3	192.3	7.0
Free, Regular	121.1	126.7	131.6	4.9
Free, Severe Need	1,160.0	1,248.8	1,307.2	58.4
Below 130% of poverty, Total	1,281.1	1,375.5	1,438.8	63.3
<b>TOTAL, Meals</b>	<b>1,808.5</b>	<b>1,906.1</b>	<b>1,977.6</b>	<b>71.5</b>
Average Daily participation (millions)	10.6	11.0	11.3	0.3
<b>Average Subsidy Per Meal (cents):</b>				
Paid	24.2	25.2	26.1	0.9
Reduced Price:				
Regular	105.9	111.2	117.5	6.3
Severe Need	132.1	139.2	146.5	7.3
Free:				
Regular	136.0	141.3	147.6	6.3
Severe Need	162.1	169.3	176.4	4.0
<b>PROGRAM TOTAL (millions)</b>	<b>\$2,393.0</b>	<b>\$2,633.0</b>	<b>\$2,866.7</b>	<b>\$233.7</b>

Child and Adult Care Food Program (CACFP): This program will require an increase of \$172,671,000 (about 6.9 percent) for an appropriation of \$2,686,523,000 in FY 2010 (\$2,513,852,000 is estimated for FY 2009). The current estimate projects an increase of 44.9 million meals above the FY 2009 estimate, an increase of about 2.3 percent in the number of meals served in childcare centers, family day care homes and adult care centers.

The need for additional funds is also due to the projected increase in the number of snacks served under the at-risk component of the program as well as the change in the CPI.

PROGRAM INDICATORS				
CHILD AND ADULT CARE FOOD PROGRAM PROGRAM PERFORMANCE DATA	2008 ACTUAL	2009 ESTIMATE	2010 ESTIMATE	CHANGE
<b>Meals Served (millions):</b>				
Centers:				
Above 185% of poverty	354.7	356.1	367.7	11.6
130% - 185% of poverty	89.5	87.2	90.1	2.9
Below 130% of poverty	824.9	869.2	897.4	28.2
<b>TOTAL, Centers</b>	<b>1,269.1</b>	<b>1,312.5</b>	<b>1,355.2</b>	<b>42.7</b>
Family Day Care Homes:				
Tier 1 (Low Income)	507.4	512.5	517.7	5.2
Tier 2 (Upper Income)	119.5	116.0	113.0	-3.0
<b>TOTAL, Family Day Care Homes:</b>	<b>626.9</b>	<b>628.5</b>	<b>630.7</b>	<b>2.2</b>
<b>Total Child Care Program Meals:</b>	<b>1,896.0</b>	<b>1,941.0</b>	<b>1,985.9</b>	<b>44.9</b>
<b>Average Subsidy per meal (cents): 1/</b>				
Centers:				
Above 185% of poverty	16.3	17.1	18.3	1.2
130% - 185% of poverty	114.3	119.8	129.9	10.1
Below 130% of poverty	153.2	160.1	172.4	12.3
Family Day Care Homes				
Tier 1 (Low Income)	131.6	140.0	148.8	8.8
Tier 2 (Upper Income)	61.9	65.8	67.9	2.1
<b>Funding:</b>				
Meal Reimbursement	\$2,090.0	\$2,355.1	\$2,523.0	\$167.9
Sponsor Admin	121.7	124.2	126.6	2.4
Audits	31.3	32.4	34.7	2.3
Training & Tech. Assistance	2.2	2.2	2.2	0.0
<b>TOTAL (millions)</b>	<b>\$2,245.2</b>	<b>\$2,513.9</b>	<b>\$2,686.5</b>	<b>\$172.6</b>
1/ Rates are a blend of all meals types.				

**Summer Food Service Program:** This program will require an increase of \$19,768,000 (about 5.5 percent) for an appropriation of \$377,752,000 in FY 2010 (\$357,984,000 is estimated for FY 2009). The current estimate projects an increase of approximately 4.0 million meals above the estimate for FY 2009, an increase of approximately 2.9 percent.

PROGRAM INDICATORS				
SUMMER FOOD SERVICE PROGRAM PROGRAM PERFORMANCE DATA	2008 ACTUAL	2009 ESTIMATE	2010 ESTIMATE	CHANGE
<b>Meals Served (millions):</b>				
Summer Food Program	131.1	136.0	140.0	4.0
<b>Average Subsidy Per Meal (cents):</b>				
Lunch	275.0	288.0	295.0	7.0
Breakfast	157.0	165.0	169.0	4.0
Supplements	64.0	67.0	69.0	2.0
<b>PROGRAM TOTAL (millions)</b>	<b>\$312.2</b>	<b>\$358.0</b>	<b>\$377.8</b>	<b>\$19.8</b>

**Special Milk Program:** This program will decrease by \$1,351,000 (approximately a 9.0 percent decrease) for an appropriation of \$13,590,000 in FY 2010 (\$14,941,000 is estimated for FY 2009). This decreased funding need is a result of a projected decrease in the number of half pints served from FY 2009 to FY 2010, and a decrease in the projected reimbursement rates due to a 10.3 percent decline in the Producer Price Index for fresh processed milk. The cash reimbursement rate for needy children is adjusted annually on July 1 to reflect changes in the Producer Price Index for fresh processed milk.

PROGRAM INDICATORS				
SPECIAL MILK PROGRAM PROGRAM PERFORMANCE DATA	2008 ACTUAL	2009 ESTIMATE	2010 ESTIMATE	CHANGE
Half Pints Served (millions):				
Paid (Above 130% of poverty)	79.3	75.9	73.2	-2.7
Free (130% of poverty or below)	6.7	7.5	7.9	0.4
<b>TOTAL, Half pints</b>	<b>86.0</b>	<b>83.4</b>	<b>81.1</b>	<b>-2.3</b>
Reimbursement Rates (cents):				
Paid	17.3	17.8	16.7	-1.1
Free	18.0	19.1	17.3	-1.8
<b>PROGRAM TOTAL (millions)</b>	<b>\$15.1</b>	<b>\$14.9</b>	<b>\$13.6</b>	<b>-\$1.3</b>

- (2) An increase of \$14,274,000 for State Administrative Expenses (\$178,994,000 estimated for FY 2009).

**Explanation of Change:** This increase results from a rise in the estimated program obligations for FY 2008, which is the base year for calculating the availability of funds for this program in FY 2010. An appropriation of \$193,268,000 will be needed in FY 2010 for State Administrative Expenses. Each State will receive a grant of at least 1.5 percent of the funds expended for school programs by the State during FY 2008 with a minimum grant of \$200,000 plus non-discretionary formula funding for CACFP, which is included in the CACFP line. Funds that are available above the basic grant will also be allocated to the States.

State Administrative Expense funds are used for State employee salaries, benefits, support services and office equipment. The base amount of State Administrative Expenses available for allocation to States is equal to 1.5 percent of Federal cash program payments for the National School Lunch (excluding snacks), School Breakfast, CACFP (including snacks) and Special Milk Programs in the second previous fiscal year (i.e., FY 2008 for FY 2010).

In FY 2009, approximately \$861,000 of the estimated \$178.9 million in State Administrative Expense funds will be applied to the FNS costs of directly operating Child Nutrition Programs in four States (the actual amount will be available in June). Currently, FNS directly administers the Special Milk, School Lunch and School Breakfast Programs in four States; the Child and Adult Care Program in one State; and the Summer Food Service Program in one State.

- (3) An increase of \$51,836,000 for Commodity Procurement (\$741,209,000 estimated for FY 2009).

**Explanation of Change:** An appropriation of \$793,045,000 will be needed to fund commodity procurement in FY 2010. This estimate is based on FNS receiving \$465 million in Section 32 support for entitlement commodities. The funding level for FY 2010 reflects changes in the projected commodity reimbursement rates based on the Producer Price Index for commodities, estimated at 2.1 percent for this period. The rate for SY 2008-09 is \$.2075, and the rate is projected to be \$.2125 for the SY 2009-10. This ensures that commodity support is adjusted for food cost inflation and maintains a stable base level of support for all meals. Funding is provided for commodity purchases used in the School Lunch Program, Child and Adult Care Food Program, and the Summer Food Service Program.

The Healthy Meals for Healthy Americans Act (P.L. 103-448) amended the Richard B. Russell National School Lunch Act by adding Section 6(e)(1), which requires that not less than 12 percent of the total assistance provided under Section 4, Section 6, and Section 11 be provided in commodities. The difference between the amount provided as entitlement commodities and the amount required under Section 6(e)(1) is displayed on the table below as the “12% Commodity Floor Requirement”. Bonus USDA foods, which become available to schools as a result of USDA market support activities, and purchases of fruits, vegetables and nuts required under Section 4404 of the Food, Conservation, and Energy Act of 2008 (P.L. 110-234) will ensure that FNS will meet the 12 percent requirement.

<b>COMMODITY COST DATA</b>				
<b>(\$ MILLIONS)</b>				
<b>COMMODITY PURCHASES:</b>	<b>2008 ACTUAL</b>	<b>2009 ESTIMATE</b>	<b>2010 ESTIMATE</b>	<b>CHANGE</b>
<b>CN Appropriation:</b>				
AMS/CCC Commodities	\$465.0	\$465.0	\$465.0	0.0
Section 6 Commodities/Cash	535.2	641.0	686.9	\$45.9
12% Commodity Floor Requirement	45.9	137.5	184.2	46.7
<b>SCHOOL LUNCH TOTAL</b>	<b>1,046.1</b>	<b>1,243.5</b>	<b>1,336.1</b>	<b>92.6</b>
<b>Child &amp; Adult Care Food Program:</b>				
Commodities/Cash	95.4	98.9	104.8	5.9
<b>Summer Food Service Program:</b>				
Commodities	1.2	1.3	1.3	0.0
<b>TOTAL COMMODITY COSTS</b>	<b>1,142.7</b>	<b>1,343.7</b>	<b>1,442.2</b>	<b>98.5</b>
<b>APPROPRIATION (SEC. 6 + CACFP + SFSP)</b>	<b>631.8</b>	<b>741.2</b>	<b>793.0</b>	<b>51.8</b>

- (4) An increase of \$16,000 for Team Nutrition (\$15,000,000 estimated in FY 2009).

Explanation of Change. This increase provides an increase for pay costs of \$16,000.

- (5) An increase of \$10,000 for Food Safety Education (\$2,500,000 estimated in FY 2009).

Explanation of Change. This increase provides an increase for pay costs of \$10,000.

- (6) An increase of \$115,000 for the Coordinated Review Program (\$5,636,000 estimated in FY 2009).

Explanation of Change. This increase provides an increase for pay costs of \$115,000.

- (7) An increase of \$33,000 for Computer Support and Processing (\$9,492,000 estimated in FY 2009).

Explanation of Change. This increase provides an increase for pay costs of \$33,000.

- (8) An increase of \$37,000 for Child and Adult Care Food Program Training and Technical Assistance (\$3,500,000 estimated in FY 2009).

Explanation of Change. This increase provides an increase for pay costs of \$37,000.

- (9) An increase of \$5,699,000 for studies and other discretionary activities (\$3,000,000 estimated in FY 2009).

Explanation of Change. Funding will be used for a two-pronged approach to improving the quality of school meals. The first approach will be to support and expand the HealthierUS School Challenge initiative that encourages elementary schools to take a leadership role in helping students learn, at an early age, to make healthier eating and lifestyle choices. The second approach will increase efforts to ensure the on-going integrity of meals served through the school meal programs. To ensure the on-going integrity of meals serviced, USDA

will provide increased training and technical assistance materials to the school food service community and increased Federal oversight of meals served.

In addition, \$5,000,000 will be used to implement Hunger-Free Community grants as authorized in Section 4405 of the Food, Conservation and Energy Act of 2008 (P.L. 110-246). FNS proposes to fund competitive grants that would focus on promotion, outreach, demonstration projects and technical assistance related to several areas of specific interest among the range of strategies authorized under Sec. 4405, including school and community gardens, community-supported agriculture programs, and linkages between farmers and local markets.

SUMMARY OF INCREASES AND DECREASES – PROPOSED LEGISLATION  
(On basis of appropriation)

Item of Change	2010		
	Current Law	Program Changes	President's Request
Child Nutrition Programs	\$16,797,246,000	\$1,000,000,000	\$17,797,246,000
Total Available	16,797,246,000	1,000,000,000	17,797,246,000

Explanation of Proposed Legislation:

Child Nutrition Programs Reauthorization:

USDA's nutrition assistance programs, which serve one in five Americans, are the focus of the Federal effort to fight hunger and improve nutrition in the United States. These programs, which include the Child Nutrition Programs, are core components of the nutrition safety net for America's children.

Authorization for the Summer Food Service Program (SFSP) and for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is scheduled to expire in September. Reauthorization is an opportunity to consider improvements to all of the Child Nutrition Programs, including the National School Lunch, School Breakfast, Child and Adult Care Food, and the Fresh Fruit and Vegetable Programs.

The President's Budget request includes \$10 billion over 10 years, which includes \$1 billion in FY 2010, for a strong Child Nutrition reauthorization package that aims to: 1) end childhood hunger; 2) reduce childhood obesity and improve the diets of children; and 3) raise program performance to better serve our children.

- **Ending childhood hunger** – Over 6 million families in the U.S. were food insecure in 2007, meaning that they did not have the resources to obtain enough nutritious food for an active and healthy life. In over 300,000 families, children were unable to get enough to eat. Reauthorization seeks to meet the President's pledge of ending childhood hunger by 2015 by increasing access of children to the Federal nutrition programs, testing strategies to better reach hungry children, and improving our understanding of the causes and consequences of childhood hunger.
- **Reducing childhood obesity and improving the diets of children** – The growing prevalence of childhood overweight and obesity is a looming public health crisis for the Nation. About 17 percent of school age children are obese, a four-fold increase since the early 1970s. The President's reauthorization package supports improvements in the nutrition quality of foods and beverages served in school, strategies to encourage children's consumption of fruits, vegetables, whole grains, and low-fat dairy products, and strong wellness and physical activity policies.
- **Raising program performance to better serve our children** – All government programs rely on public confidence in their efficiency and integrity. The Budget request expands technology and improves business processes to promote program integrity and reduce errors, and strengthens enforcement tools to resolve management problems.

**Food and Nutrition Service**  
**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS**  
**2008 and Estimated 2009 and 2010**

Child Nutrition						
	FY 2008 Amount	Staff Years	FY 2009 Amount	Staff Years	FY 2010 Amount	Staff Years
Alabama	0	0	0	0	0	0
Alaska	0	0	0	0	0	0
Arizona	0	0	0	0	0	0
Arkansas	0	0	0	0	0	0
California	\$1,412,000	12	\$1,622,027	14	\$1,637,098	14
Colorado	1,418,823	13	1,478,848	13	1,493,919	13
Connecticut	0	0	0	0	0	0
Delaware	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	0
Florida	0	0	0	0	0	0
Georgia	1,549,059	13	1,629,084	14	1,644,155	14
Hawaii	0	0	0	0	0	0
Idaho	0	0	0	0	0	0
Illinois	1,598,976	10	1,698,996	12	1,714,067	12
Indiana	0	0	0	0	0	0
Iowa	0	0	0	0	0	0
Kansas	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0
Maine	0	0	0	0	0	0
Maryland	193,057	2	223,309	2	238,380	2
Massachusetts	1,507,307	13	1,584,085	15	1,599,156	15
Michigan	0	0	0	0	0	0
Minnesota	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0
Missouri	135,930	1	140,855	1	155,926	1
Montana	0	0	0	0	0	0
Nebraska	0	0	0	0	0	0
Nevada	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0
New Jersey	3,483,785	21	3,654,235	23	3,669,306	23
New Mexico	0	0	0	0	0	0
New York	0	0	0	0	0	0
North Carolina	0	0	0	0	0	0
North Dakota	0	0	0	0	0	0
Ohio	0	0	0	0	0	0
Oklahoma	0	0	0	0	0	0
Oregon	0	0	0	0	0	0
Pennsylvania	99,373	1	102,651	1	117,722	1
Rhode Island	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0
Texas	1,620,499	13	1,700,526	15	1,715,597	15
Utah	97,681	1	97,681	1	112,752	1
Vermont	0	0	0	0	0	0
Virginia	17,222,401	51	18,555,533	56	18,570,610	56
Washington	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0
West Virginia	179,441	2	179,445	2	194,516	2
American Samoa	0	0	0	0	0	0
Freely Associated States	0	0	0	0	0	0
Guam	0	0	0	0	0	0
N. Mariana Islands	0	0	0	0	0	0
Puerto Rico	92,209	1	92,211	1	107,282	1
Virgin Islands	0	0	0	0	0	0
Indian Tribes	0	0	0	0	0	0
DOD Army/AF	0	0	0	0	0	0
Undistributed	404,945	0	0	0	0	0
<b>Total</b>	<b>\$31,015,486</b>	<b>154</b>	<b>\$32,759,486</b>	<b>170</b>	<b>\$32,970,486</b>	<b>170</b>

FOOD AND NUTRITION SERVICE

Child Nutrition Programs - Appropriation

Classification by Objects2008 Actual and Estimated 2009 and 2010

(in thousands of dollars)

	<b>Personnel Compensation:</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
	Washington D.C.	\$3,650	\$3,792	\$3,895
	Field	4,285	4,452	4,572
11	Total personnel compensation	7,935	8,244	8,467
12	Personnel benefits	1,736	1,804	1,852
13	Benefits for former personnel	0	0	0
	Total personnel compensation and benefits	9,671	10,048	10,319
	<b>Other Objects:</b>			
21	Travel and transportation of persons	883	1,313	1,339
22	Transportation of things	15	15	16
23.1	Rental payments to GSA			
23.2	Rental payments to others	158	161	164
23.3	Communications, utilities, and misc. charges			
24	Printing and reproduction	1,685	7,346	7,346
25	Other Services	11,392	11,620	11,852
25.1	Contractual Services Performed by Other Federal Agencies			
25.2	Related Expenditures			
25.3	Repair, Alteration or Maintenance of Equipment, Furniture or Structures			
25.4	Contractual Services - Other			
25.5	Agreements			
25.6	ADP Services and Supplies	135	138	141
25.7	Miscellaneous Services			
25.8	Fees			
26	Supplies and materials	631,849	741,209	793,045
31	Equipment	202	290	290
32	Land and structures	85	87	89
41	Grants, subsidies and contributions	13,511,119	14,878,712	15,972,645
42	Insurance claims and indemnities			
43	Interest and dividends			
45	Special Payments			
92	Undistributed			
	Total other objects	14,157,523	15,640,891	16,786,927
	Total direct obligations	14,167,194	15,650,939	16,797,246

Totals may not add due to rounding.

Totals for FY 2009 and 2010 include ARRA Funds.

**FOOD AND NUTRITION SERVICE**  
Child Nutrition Programs - Permanent Appropriation

Classification by Objects  
2008 Actual and Estimated 2009 and 2010  
(in thousands of dollars)

	<b>Personnel Compensation:</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
	Washington D.C.	\$1,068	\$1,110	\$1,139
	Field	1,253	1,302	1,338
11	Total personnel compensation	2,321	2,412	2,477
12	Personnel benefits	568	590	606
13	Benefits for former personnel	0	0	0
	Total personnel compensation and benefits	2,889	3,002	3,083
	<b>Other Objects:</b>			
21	Travel and transportation of persons	227	232	236
22	Transportation of things	1	1	1
23.1	Rental payments to GSA			
23.2	Rental payments to others	2	2	2
23.3	Communications, utilities, and misc. charges			
24	Printing and reproduction	5	7	9
25	Other Services	227	232	236
25.1	Contractual Services Performed by Other Federal Agencies			
25.2	Related Expenditures			
25.3	Repair, Alteration or Maintenance of Equipment, Furniture or Structures			
25.4	Contractual Services - Other			
25.5	Agreements			
25.6	ADP Services and Supplies			
25.7	Miscellaneous Services			
25.8	Fees			
26	Supplies and materials	7	7	7
31	Equipment	12	12	13
32	Land and structures			
41	Grants, subsidies and contributions	33,082	130,567	105,413
42	Insurance claims and indemnities			
43	Interest and dividends			
45	Special Payments			
92	Undistributed			
	Total other objects	33,563	131,060	105,917
	Total direct obligations	36,452	134,062	109,000

Totals may not add due to rounding.

## FOOD AND NUTRITION SERVICE

## Child Nutrition Programs

SUMMARY OF RECOVERY ACT FUNDING

Item of Change	2009	2010	2011
NSLP Equipment Grants	\$100,000,000	0	0
Total Appropriation	100,000,000	0	0

Program Implementation Activities:

## Goals and Coordination Efforts:

The goals of the National School Lunch Program (NSLP) Equipment Grants are to improve program infrastructure and stimulate activity within the American economy through the purchase of school food service equipment.

## Objectives:

- State agencies award grants that best represent the needs in their State, typically reflecting four focus areas:
  - Equipment that lends itself to improving the quality of school foodservice meals that meet the *Dietary Guidelines*. (e.g., purchasing an equipment alternative to a deep fryer);
  - Equipment that improves the safety of food served in the school meal programs. (e.g., cold/hot holding equipment, dish washing equipment, refrigeration, milk coolers, freezers, blast chillers, etc.);
  - Equipment that improves the overall energy efficiency of the school foodservice operations (e.g. purchase of an energy-efficient walk in freezer replacing an outdated, energy-demanding freezer); and
  - Equipment that allows school food authorities to support expanded participation in a school meal program. (e.g., equipment for serving meals in a non-traditional setting or to better utilize cafeteria space).
- State agencies must comply with the statutory requirement that grants are to be based on the need for equipment assistance in participating schools with priority (or more weight) given to schools in which not less than 50 percent of the students are eligible for free or reduced price meals.

## Delivery Schedule:

The ARRA NSLP equipment grant funds were released to the regional offices on March 18, 2009, and State agencies received the funds within a day or two afterwards. Funding to State agencies was based on a State's total school meals administrative expense allocation for FY 2009. To provide timely impact on the economy, State agencies were strongly encouraged to make NSLP equipment assistance grants (through a competitive grant process) to qualifying school food authorities not later than June 8, 2009. It was also recommend that State agencies encourage grant recipients (i.e., school food authorities), through whatever means available, to fully expend their NSLP equipment assistance grants within three (3) months of the award. Any funds not obligated by the State agency at the end of FY 2009 will be recovered and reallocated by FNS. All funds must be obligated by the end of FY 2010.

Performance Measures:

	Target		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Students benefiting from improved meals and more efficient operations	31.6 million	32.1 million	32.5 million

## CHILD NUTRITION PROGRAMS

### STATUS OF PROGRAM

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

#### Program Mission

The Child Nutrition Programs improve the diets of children in large part by providing them with access to nutritious meals and snacks based on the *Dietary Guidelines for Americans* when they are away from home. The National School Lunch and School Breakfast Programs provide such benefits in public and private elementary, middle and secondary schools, and in residential child care institutions. The Special Milk Program provides fluid milk to any participating public or non-profit private school or child care institution that does not participate in other Federally subsidized meal programs. The Child and Adult Care Food Program provides food for the nutritional well-being of young children and adults in day care homes and non-residential centers, and for teenagers in after-school programs in low-income areas. 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 schools, the Fresh Fruit and Vegetable Program provides free fresh fruits and vegetables outside of the regular meal service to all students. These programs are administered in most States by the State education agency. Where State laws prohibit the State from disbursing funds to private schools and institutions, or in certain instances where such agencies are unwilling to operate a program, FNS administers the program directly through its Regional Offices.

### REAUTHORIZATION

The Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265, the “CN Reauthorization Act”), which amended the Richard B. Russell National School Lunch Act (NSLA) and the Child Nutrition Act of 1966 (CNA), changed the Child Nutrition Programs in the areas of program access, healthy school nutrition environments, and integrity. The agency has issued new regulations and is in the process of promulgating additional regulations to implement these provisions, which support an increased emphasis on food safety, increased efficiency and accuracy for eligibility determinations, and a reduction in administrative burden. See <http://www.fns.usda.gov/cnd/lunch/>, under “Reauthorization 2004,” for more information.

The Act required USDA to increase the emphasis that meal providers place on increasing the consumption of foods and food ingredients that are recommended for increased consumption in the most recent *Dietary Guidelines for Americans*, and to keep meal requirements updated to the current nutrition science as reflected in the most current *Dietary Guidelines for Americans*, including food and physical activity recommendations. This underlines the importance of the *Dietary Guidelines for Americans* for shaping program benefits as well as nutrition education. The statute also mandated direct certification of children already certified in SNAP households, and provided for a variety of verification strategies to help ensure free and reduced price meals reach those for whom they are intended.

In FY 2008, USDA began preparations for the next reauthorization of the Child Nutrition Programs, which is expected to occur in 2009. Listening sessions were held in each of the seven regions to allow Child Nutrition Program stakeholders to share their priorities for reauthorization. The listening sessions provided over 320 people the opportunity to meet face-to-face with senior USDA officials and provide their input on these programs. A notice also was posted in the Federal Register encouraging the public to submit written comments regarding priorities for strengthening child nutrition access, integrity, quality, and technology through reauthorization. Over 13,000 comments were received by mail, fax, e-mail, and through <http://www.regulations.gov> and are being analyzed in preparation for the reauthorization process.

## NATIONAL SCHOOL LUNCH PROGRAM

### Program Mission

The National School Lunch Program (NSLP) provides funds to States for lunches served to students during lunch periods at school and for snacks served to children participating in after school care programs. The lunches must be consistent with the statutory and regulatory nutrition standards, which are based on the principles of the *Dietary Guidelines for Americans*. States are generally reimbursed on the basis of the number of lunches and snacks served to children in participating schools at reimbursement rates that vary according to family need. Reimbursement for snacks served by schools in needy areas is paid at the free meal rate.

The Federal Government pays a base rate for all meals served, including lunches to children whose family income is above 185 percent of the Federal poverty guidelines. A base value for commodities is also provided for all lunches. Children from families with incomes at or below 130 percent of the Federal poverty level qualify for free meals, while those from families with incomes between 130 and 185 percent qualify for reduced price meals. For the period from July 1, 2008, to June 30, 2009, a child from a family of four with an annual income of \$27,560 or less will be eligible for free meals, and a child from a family of four with a family income of no more than \$39,220 will be eligible for reduced price meals. The per meal reimbursement rates for meals served are revised on July 1 of each year. The cash reimbursement for a free or reduced price lunch is the sum of Section 4 (base) and Section 11 (supplemental) reimbursement rates. School food authorities (SFAs) that served 60 percent or more free and reduced price lunches during the second preceding school year receive increased assistance at the rate of \$0.02 per meal served.

### Facts in Brief

- On an average school day in FY 2008, more than half of all school children in America were provided an NSLP lunch. At participating schools and residential child care institutions (RCCIs), approximately 61.6 percent of the enrolled students participated in the NSLP on a daily basis, up from 61.1 percent in FY 2007.
- In FY 2008, a total of 5.20 billion lunches were served in the NSLP, a 2.5 percent increase from the 5.07 billion served in FY 2007. On average, approximately 28.7 million lunches were served daily, a 1.4 percent increase from the FY 2007 daily average of 28.3 million lunches.
- In FY 2008, approximately 60.1 percent of total meals served were provided free or at a reduced price, up from 59.3 percent in FY 2007.
- The number of schools participating in the NSLP increased by 485 from FY 2007 to FY 2008, and a total of 101,650 schools and RCCIs participated in the NSLP.

### Coordinated Review Effort

FNS and State agencies conduct NSLP reviews to assess school management of the NSLP, evaluate the accuracy of local meal service data, and provide training and technical support to schools to help ensure local program accountability. Data for school year (SY) 2006-2007 indicate that administrative reviews were conducted at 3,470 SFAs and 5,306 schools.

Funds allocated for these reviews support the identification of errors that result in improper claims, and support the development of corrective action plans, which assist SFAs in identifying needed improvements to their certification and verification systems. Ultimately, the corrective action plans will result in more efficient distribution of program benefits to eligible children.

### School Meals Initiative

The School Meals Initiative for Healthy Children (SMI), introduced in the mid-1990s, is a comprehensive effort by FNS and State agencies to assure that school children have access to and are encouraged to consume healthful, nutritious meals that taste good and are consistent with the most recent *Dietary*

*Guidelines for Americans*. FNS studies indicate schools have made progress towards meeting the SMI nutrition goals, but more needs to be done to accomplish these goals.

To build upon the implementation of SMI, FNS continues to revise and update training and guidance materials for State agencies and school districts. These materials are posted on the Team Nutrition Web site and the Partner Web site and include:

- *The Road to SMI Success - A Guide for School Foodservice Directors*;
- *Nutritional Analysis Protocols - How to Analyze Menus for USDA's School Meals Programs*;
- *State Agency SMI Reviewers' Monitoring Guide*; and
- SMI Review Forms.

FNS completed two years of field training (i.e., accompanying State agencies and FNS regional staff on SMI reviews) to complement classroom training.

### **Team Nutrition**

Team Nutrition's goal is to improve children's lifelong eating and physical activity habits by using the principles of the *Dietary Guidelines for Americans* and MyPyramid. Team Nutrition activities strive to instill healthy behaviors in children to prevent nutrition-related health problems, including obesity, diabetes, and other nutrition related illnesses. Team Nutrition complements the President's HealthierUS Initiative, which promotes four keys for a healthier America: be physically active each day, eat a nutritious diet, get preventive screenings, and make healthy choices.

FNS, in cooperation with the National Food Service Management Institute (NFSMI), provides training on the use of Team Nutrition materials to local program operators at State agency and Child Nutrition Programs association meetings. In addition, training is provided through food procurement, financial management, leadership, and culinary skills workshops, and through hands-on technical assistance to schools and State agency personnel. A healthy meals hotline provides technical assistance to school food service personnel with questions about menu planning, nutrient requirements, food purchasing, and nutrient analysis. The USDA Recipes for Schools and USDA Recipes for Child Care are available on the NFSMI Web site at <http://www.nfsmi.org/Information/resourceguide.htm#RECIPES-INDEX> and have been revised through the NFSMI cooperative agreement. The USDA Recipes for Schools have also been distributed to schools on CD-ROM with printed supplemental information. NFSMI also hosts the Child Nutrition Archives, which contain collections of archived materials and oral histories.

**Grants:** Team Nutrition has provided more than \$55 million in training grants to State agencies over a period of 14 years. These grants are intended to establish and enhance Statewide sustainable infrastructure and training systems to assist local agencies in implementation of USDA's nutrition requirements, the *Dietary Guidelines for Americans*, MyPyramid, and other nutrition-related goals.

**Materials:** Team Nutrition has developed more than 100 different materials of various types, providing nutrition education for children and their families, providing technical assistance for foodservice professionals, and encouraging community support for healthy children. All of the materials are available on the Team Nutrition Web site to download and order.

Following the release of the new MyPyramid food guidance system, FNS launched MyPyramid for Kids and most recently MyPyramid for Preschoolers, child-friendly versions of MyPyramid targeted to school children and preschoolers that focus on making smart food choices every day. Team Nutrition developed and distributed more than 100,000 MyPyramid for Kids classroom kits. These educational materials for elementary school age children include a child-friendly graphic and slogan, a two-sided classroom poster, classroom lesson plans for grades 1-6, the *Tips for Families* mini poster, and Blast Off, an interactive learning computer game. In 2008, Team Nutrition distributed more than 233,000 copies of *Team Up At Home* to elementary school children through Team Nutrition Schools. *Team Up At Home* is a collection of hands-on MyPyramid nutrition education activities for parents to use with their elementary school-age children. Also distributed to elementary school children is Team Nutrition's new activity pyramid that

expands on the physical activity messages of the *Dietary Guidelines for Americans*. Middle and high schools and afterschool programs also received new Team Nutrition materials addressing the principles of the *Dietary Guidelines for Americans* and MyPyramid. *Nutrition Essentials* includes five new posters and lesson plans to be used in a classroom setting. Developed for afterschool programs, *Empowering Youth with Nutrition and Physical Activity* provides innovative activities and games designed to teach youth how to make smart eating and physical activity choices.

To assist schools in implementing the major recommendations of the *Dietary Guidelines for Americans* and MyPyramid, Team Nutrition developed a series of ten Fact Sheets to provide practical tips to update menus and recipes and other suggestions for making gradual changes to help students develop a taste for new menu items such as whole grain foods. The Fact Sheets are available for download at the Team Nutrition Web site: <http://www.teamnutrition.usda.gov>.

The HealthierUS School Challenge recognizes elementary schools that demonstrate a commitment to the health and well being of their students, and supports the President's HealthierUS Initiative to improve the health and well being of all Americans. Team Nutrition schools that have taken a leadership role in improving the nutritional quality of school meals, by providing students with nutritious food and beverage choices outside of the school meals programs, and by providing nutrition education and physical activity opportunities for their students, are recognized as a Gold, Silver or Bronze HealthierUS School. More than 500 schools have been recognized to date.

In addition, FNS provides support to school and childcare foodservice staff through the Web-based Healthy Meals Resource System, which provides access to print and electronic training materials and the Education and Training Materials Database – a database of common foods, USDA commodities, and new recipes.

### **Program Assessment Rating Tool**

OMB completed a PART review of the NSLP in 2003 and a re-assessment in 2006. OMB rated the program as moderately effective. The reviews showed that the NSLP is generally well designed and has a clear purpose, but noted that additional information is needed on program performance, including the quality of school meals and the level of erroneous program payments. FNS addressed the findings of the original assessment by developing new measures to better monitor program performance and by implementing new legislative provisions to improve the certification process for school meals. It is continuing to address findings from both reviews by:

- Recognizing schools for improvements in the school environment, including better school meals and changes in foods served outside of these programs, through the HealthierUS School Challenge;
- Conducting studies to assess the nutrient content of school meals, and to determine the level of erroneous payments in the school meals programs. New studies on both subjects were released in November 2007 (see Child Nutrition Programs Studies and Evaluations, below); and
- Continuing to implement improvements to the certification process for school meals, including mandatory direct certification requirements, and focused verification and verification follow-up.

## **SCHOOL BREAKFAST PROGRAM**

### **Program Mission**

The School Breakfast Program (SBP) provides funds to States for breakfasts served to students at or close to the beginning of their day at school. The SBP is available to the same schools and institutions that are eligible to participate in the NSLP. For each breakfast served, schools are reimbursed at established rates for free, reduced price, and paid meals. Schools in which 40 percent of lunches served to students during the second preceding school year were served free or at a reduced price receive higher "severe need" reimbursements for breakfasts served free or at a reduced price.

Children from families that meet the income eligibility guidelines can qualify for free or reduced price breakfasts. The income eligibility guidelines for the SBP are the same as those for the NSLP. Per meal reimbursement rates for meals served are revised on July 1 of each year.

### **Facts in Brief**

- In FY 2008, program availability rose to 87,078 institutions (an increase of 1.6 percent from FY 2007) with an enrollment of 43.7 million students (an increase of 1.6 percent from FY 2007). This is more than double the FY 1990 levels of 42,766 institutions with an enrollment of 20.7 million.
- The program was available to 87.1 percent of the students enrolled in schools participating in the lunch program in FY 2008, as compared to 50 percent in FY 1990. Average daily participation in FY 2008 was 10.6 million, an increase of approximately 3.2 percent from the prior year.
- The portion of total meals served free or at a reduced price was about 80.6 percent during FY 2008, the same as for FY 2007.
- Approximately 1.81 billion breakfasts were served in FY 2008, an increase of 5.5 percent over FY 2007. On average, 9.8 million breakfasts were served daily, compared to 9.5 million in FY 2007, or a 3.2 percent increase.

FNS continues to work with State agencies to improve participation by supporting creative approaches to breakfast service, such as classroom service of meals, kiosks, and increased use of alternative techniques to meal counting and claiming.

### **Program Assessment Rating Tool**

OMB completed a PART review of the SBP in 2004 and rated the program as moderately effective. The review showed that the SBP is generally well designed and has a clear purpose, but also noted that inaccuracy in the certification of participants remains an important problem. USDA recently completed a study that estimates the level of erroneous payments in the school meals programs and the sources of these errors (see Child Nutrition Programs Studies and Evaluations, below). FNS is addressing the findings of the review by:

- Focusing on improving the nutritional content of meals;
- Encouraging participation of high poverty schools through new program regulations; and
- Implementing new provisions to improve the certification process for determining eligibility for free and reduced price meals.

## **SPECIAL MILK PROGRAM**

### **Program Mission**

The Special Milk Program (SMP) has encouraged consumption of fluid milk since 1955. Any public or non-profit private school or child care institution that does not participate in other Federal meal programs, such as NSLP, SBP or CACFP, may participate in the SMP. However, schools in the NSLP or SBP may also participate in the SMP to provide milk to children in half-day pre-kindergarten and kindergarten programs where these children do not have access to the school meal programs. Participating schools and child care institutions are reimbursed for part of the cost of milk served to children.

### **Facts in Brief**

- The number of half pints served as part of the SMP decreased from 90.3 million in FY 2007 to 86.0 million in FY 2008, a 4.7 percent decrease. Overall, the number of half pints served has decreased from 181.3 million in FY 1990, a 52.6 percent decrease.
- A total of 5,951 schools, non-residential child care institutions and summer camps participated in the SMP in FY 2008, a 5.5 percent decrease from the FY 2007 level of 6,300. The number of participating schools and summer camps decreased by 249 and 118, respectively. Non-residential child care institutions increased by 18.

- The portion of half pints served free during FY 2008 was about 7.8 percent, as compared to 7.3 percent in FY 2007.

## **CHILD AND ADULT CARE FOOD PROGRAM**

### **Program Mission**

The Child and Adult Care Food Program (CACFP) provides cash and commodities, or cash in lieu of commodities, for food service to: children in non-residential child care centers and family or group day care homes; children and teenagers in afterschool programs in low-income areas; children, through age 18, who reside in homeless shelters; and chronically impaired adults and persons 60 years of age or older who are enrolled in adult day care centers. In order to participate, child care centers must be either public or private non-profit or for-profit centers in which at least 25 percent of their enrollment or licensed capacity receive Title XX funds or are eligible for free or reduced price school meals. Adult day care centers must provide nonresidential adult day care, be either public or private non-profit, or for-profit centers receiving Title XIX or Title XX funds, for at least 25 percent of their licensed capacity. All participating providers must be licensed or approved according to Federal, State or local standards. Outside-school-hours care programs and at-risk afterschool centers in areas where Federal, State or local licensing or approval is not required may participate in CACFP by meeting State or local health and safety standards. Funds are made available to the States for audit expenses associated with the administration of the CACFP. FNS directly administers the CACFP in the Commonwealth of Virginia.

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

### **Facts in Brief**

- In FY 2008, the combined average daily attendance in CACFP was approximately 3.2 million children and adults, virtually unchanged from FY 2007.
- Of 3.1 million children in average daily attendance in FY 2008, approximately 2.2 million were in child care centers and approximately 850,000 were in family day care homes.
- On average, in FY 2008 a CACFP child care center had about 46 children in attendance on an average day, and received slightly more than \$27,000 a year in meal reimbursement.
- By comparison, on average a family day care home cared for and fed six children on an average day, and received slightly more than \$5,200 a year in meal reimbursement.
- Total meal service increased from 1.85 billion in FY 2007 to 1.90 billion in FY 2008, a 2.6 percent increase.
- In FY 2008, approximately 81.2 percent of total meals served were provided free or at a reduced price, about the same as in FY 2007.

### **Agency Expands Program Integrity Efforts**

FNS continues to address management weaknesses identified by Federal and State reviews and Office of Inspector General (OIG) audits. Regulations finalizing two interim rules implementing the provisions of the Agricultural Risk Protection Act of 2000 and recommendations found in OIG audits are under development. In an effort to measure the effectiveness of the CACFP management improvement regulations and guidance,

FNS conducted 60 Child Care Assessment Projects between FY 2004 and FY 2007. The results of these evaluations are being analyzed. OIG has initiated a follow-up audit to further evaluate the effectiveness of the implemented management improvement regulations and guidance. The audit is expected to cover fiscal years 2007 through 2009 and will evaluate a sample of local, State, and Federal program administration.

### **Program Assessment Rating Tool**

OMB completed a PART review of the CACFP in 2005 and an abbreviated re-assessment in 2006 and rated the program as adequate. The reviews showed that the program is well targeted to low-income children and most participating centers and homes provide well-balanced meals and snacks, but that additional performance information is needed to fully assess and monitor the program's performance. FNS is addressing the findings of the review by:

- Undertaking a management improvement initiative to address identified weaknesses in program management; and
- Collecting annual data on the accuracy of reimbursement rate determinations in family day care homes to determine the program's efficiency in ensuring payments are made properly.

## **SUMMER FOOD SERVICE PROGRAM**

### **Program Mission**

The Summer Food Service Program (SFSP) provides funds for food service to needy children during their summer break from school or during lengthy breaks for children in year-round schools. Participating institutions must serve children in areas where poor economic conditions exist. Institutions must be public or private non-profit schools, government agencies, private non-profit organizations that meet certain criteria, residential camps, or National Youth Sports Programs. Meals are served free to all participants through age 18 and are limited to two meals (but not lunch and supper) or one meal and one snack. Summer camps or migrant programs may be reimbursed for up to three meals or two meals and one snack served to each eligible participant daily.

In addition to cash support, commodities are distributed to program sponsors that are schools, that prepare their own meals, or that obtain their meals from schools. Funds also are made available to conduct health inspections and to defray State and local administrative costs.

### **Facts in Brief**

- During July 2008, the peak month of program operations, over 2.1 million children participated in the program on an average day, an increase of 7.7 percent over the slightly less than 2.0 million children that participated in FY 2007.
- During FY 2008, 32,703 feeding sites provided 131.1 million meals to needy children through the SFSP. This is an 8.5 percent increase from the 120.8 million meals provided in FY 2007, and a 4.9 percent increase in the number of feeding sites (up from 31,164 in FY 2007).
- In FY 2008, approximately 59.8 percent of the meals served were lunches (compared to 59.5 percent in FY 2007), 25.7 percent were breakfasts (24.9 percent in FY 2007), and the remaining 14.5 percent were suppers and supplements (15.6 percent in FY 2007).

### **Program Assessment Rating Tool**

OMB completed a PART review of the SFSP in 2006 and rated the program as moderately effective. The review found the program is effectively providing nutritious meals to low-income children and the number of children served during the summer has kept pace with overall increases in lunch participation during the school year. After a substantial drop between 2001 and 2002, there was a modest increase in the number of SFSP sites and sponsors through FY 2007, and more dramatic increases in FY 2008 (192 more sponsors and 1,539 more sites than in FY 2007). FNS is addressing the findings of the review by supporting greater use of optional alternative operating procedures designed to encourage summer meal service by schools.

## **Promotion of SFSP**

FNS continues to promote low-income children's access to nutritious meals and snacks when school is not in session. The agency seeks to enhance the quality of program services provided, recruit organizations to sponsor the program, simplify reporting requirements, and increase access.

Simplified cost accounting procedures in the SFSP were extended to all sponsors nationwide effective January 1, 2008, by the Consolidated Appropriations Act, 2008 (P.L. 110-161). The simplified procedures were originally authorized as a pilot in 2001 in 14 States and eventually grew to 26 States and one territory by 2005. The simplified requirements encourage organizations to provide meals to low-income children by reducing paperwork and other administrative burdens.

## **FRESH FRUIT AND VEGETABLE PROGRAM**

### **Program Mission**

The Farm Security and Rural Investment Act of 2002 (P.L. 107-171, the "2002 Farm Bill") authorized \$6 million for a Fresh Fruit and Vegetable Pilot Program (FFVP) in 25 schools in four States and in schools on one Indian reservation. The CN Reauthorization Act authorized \$9 million for the program, made the FFVP a permanent program in the four pilot States and one ITO, and extended the program to four new States and two ITOs. In total, eight States and three ITOs participated in the FFVP starting in FY 2005.

In 2005, Public Law 109-97 provided one-time funding to expand the FFVP to six additional States. These six States were authorized to operate the FFVP through June 30, 2008. The Consolidated Appropriations Act, 2008 (P.L. 110-161) provided funding to expand the FFVP nationwide to include the States currently not participating.

The Food Conservation and Energy Act of 2008 (P.L. 101-246, the "2008 Farm Bill") permanently authorized the FFVP nationwide and provided a substantial increase in funding. The 2008 Farm Bill amended the NSLA by adding Section 19, which authorizes the new Fresh Fruit and Vegetable Program, and by deleting Section 18(g), which provided prior program authority. FNS has taken the following steps to implement the new FFVP nationwide:

- Issued implementation, guidance and technical assistance materials;
- Held two rounds of conference calls, one in February 2008, the other in mid-summer 2008, with each of our Regional Offices and their State agencies to provide guidance on the implementation process, program operations and strategies for success;
- Conducted two workshops in mid-July at the School Nutrition Association (SNA) Annual National Conference with representatives from our seven Regional Offices and virtually every State agency;
- Updated the FFVP Guidance Manual to reflect new statutory authority; and
- Continued to work with our Regional Offices and State agencies to provide guidance and technical assistance.

## **FOOD SAFETY**

Food safety education funds are used to reinforce and expand FNS' efforts to provide Child Nutrition Program operators with continuous, effective training and technical assistance in food safety and food defense. FNS develops materials, ensures their delivery at all appropriate levels, makes training available at all possible levels, and facilitates the implementation of food safety requirements into the operators' food service operations.

***Food defense activities*** - In the area of food defense, FNS worked closely with a number of agencies to assure continued awareness of the need for vigilance in protecting the food supply. Highlights of these efforts include:

- FNS developed a contract for three tabletop exercises (TTX), the first of which will be initiated in the first quarter of FY 2009. These TTXs will provide the basis for the development of pre-packaged exercises that can be used by schools and school districts, or State agencies, to conduct exercises in communication and cooperation if an intentional attack on the food supply were to occur.
- FNS continued providing food defense training at Regional Office and State program cooperator meetings throughout the year. FNS participated in a pilot training for States on “Critical Infrastructure Protection for Food and Agriculture”, a program developed by USDA’s Office of Homeland Security.
- FNS was invited to provide an article on food defense for the Gardian, an electronic newsletter for members of InfraGard, a Federal Bureau of Investigation program. InfraGard is an association of businesses, academic institutions, State and local law enforcement agencies, and other participants dedicated to sharing information and intelligence to prevent hostile acts against the United States.

***Food safety issues –***

***Food Allergies*** - FNS developed a partnership with the Food and Drug Administration (FDA), the Centers for Disease Control and Prevention (CDC), and the SNA to create resources such as pamphlets, webinars, podcasts, and presentations at annual meetings on the handling of food allergies in schools. An expert panel will be convened early in 2009 to provide input and technical assistance for these resources.

***Cooling Study*** - FNS is collaborating with FDA and the National Center for Food Safety and Technology, a research consortium located at the Illinois Institute of Technology, on research on the effectiveness of current cooling practices in school food service, with attention paid to improving practices that may possibly compromise the safety of the foods.

***Norovirus Outbreak Prevention*** - FNS initiated a project on the prevention of norovirus outbreaks in schools through proper cleaning and sanitation. Norovirus is the leading cause of food-borne outbreaks in schools. This resource will be developed and disseminated in FY 2009.

***Commodity food safety complaints*** – The Electronic Commodity Ordering System (ECOS) is a Web-based system that allows States to submit food quality or food safety complaints in the following categories: 1) quality issues, such as: Quality of Product, Foreign Material, Poor Packaging and Cooking/Preparation; and 2) food safety issues, such as: Foreign Object, Allergic Reaction, Illness, Injury or other potential food safety issues. In FY 2008, FNS continued to monitor and investigate food safety complaints such as problems with salsa and spaghetti sauce.

***Rapid Alert System (RAS)*** - During FY 2006, FNS tested and implemented an electronic tracking and communication tool to support food safety activities in the NSLP and other commodity distribution programs. The RAS, an integral part of ECOS, allows FNS to send emergency food safety information, such as hold and recall announcements about USDA-purchased commodities, to recipient States, and eventually to schools, and receive confirmations from them that potentially hazardous food was sequestered and removed from inventory. The RAS also provides a response form for States to submit detailed information on product disposition. In FY 2008, the RAS was used to place 6,500 cases of potato rounds on hold and conduct recalls on approximately 14,000 cases of canned beans. The RAS was also used to facilitate the recall of over 50 million pounds of beef as a part of the Hallmark/Westland recall. This recall was the largest meat recall in the history of the United States. The RAS dramatically reduced the time required to notify program operators about the hold and recalls and obtain information on the disposition of the products from them.

***Subscription Food Safety Alerts*** - As an outcome of the Hallmark/Westland beef recall, FNS added a feature whereby anyone can sign-up to receive notices of food safety events for commodity foods that rise to the level of potentially significant public health concerns.

Food safety research, training, and other resources were developed by NFSMI using funds provided under food safety cooperative agreements with FNS. NFSMI will continue to conduct research, develop training resources, and conduct evaluations in the area of food safety. In 2008, NFSMI released a comprehensive

resource for Emergency Management Planning and conducted several pilot training sessions including a train-the-trainer component.

### **Food Safety Inspection Compliance**

The CN Reauthorization Act increased the required number of annual school food safety inspections from one to two. Reports submitted by the State agencies for SY 2006-2007 indicate that:

- 67,647 (67 percent) schools met or exceeded the requirement;
- 22,642 (22 percent) reported one inspection;
- 9,721 (10 percent) reported zero inspections; and
- 1,060 (1 percent) did not report any inspection data to their State agency

The vast majority of required information has been reported to FNS by State agencies. FNS is working with some State agencies to get complete data. Reporting delays are generally due to communication problems between a State agency and the SFAs related to problems in new computer programming.

Some of the reasons cited by State agencies for schools not meeting the inspection requirement are:

- Lack of local public health inspectors in small towns and rural settings;
- Insufficient staff/funds at State and local public health agencies to handle increased inspection load; and
- Public health agencies prioritize inspections according to risk, and schools are a low priority.

FNS will continue to communicate with State agencies, inspectors, and other stakeholders to ensure that schools make progress in meeting the inspection requirement. At the same time, State agencies will continue to assist their SFAs through technical assistance, administrative reviews, and other means. During administrative reviews, SFAs will be asked about the schedule of food safety inspections. Written guidance used by State agencies for administrative reviews has been recently updated to include the food safety inspection and reporting requirement.

### **ACQUISITION AND DISTRIBUTION OF COMMODITIES**

Eight domestic feeding programs incorporate commodities as part of the overall assistance provided to recipient agencies. FSA, AMS and FNS work together to provide commodities to these programs in the types, forms and quantities needed to meet planned levels of assistance. Commodity purchases support domestic agricultural markets in addition to providing food to Child Nutrition Programs and other nutrition assistance programs.

The commodity subsidy for the NSLP and CACFP is authorized by Section 6(c) of the NSLA and is based on a "rate per meal" concept which is adjusted each July 1 to reflect changes in the Producer Price Index for food used in schools and institutions. Similarly, Section 13(h) of the NSLA authorizes commodity assistance 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 commodities. When available, USDA also provides bonus commodities acquired through the price support and surplus removal programs. The value of the bonus commodities is provided as an addition to the rate of per meal assistance.

The 2008 Farm Bill increased funding for the purchase of fruits, vegetables, and nuts for USDA's domestic nutrition assistance programs from \$200,000,000 in FY 2007 to \$390,000,000 in FY 2008, and provides for graduated annual increases in this funding in FY 2009 through FY 2012. At least \$50,000,000 of these funds, annually, must be used to purchase fresh fruits and vegetables for distribution to schools and service institutions.

### **FY 2008 Commodity Assistance**

For SY 2007-2008, from July 1, 2007, through June 30, 2008, schools, daycare centers and residential institutions were authorized to receive an average of 18.75 cents worth of commodities per lunch/supper served. The commodity rate increased to 20.75 cents on July 1, 2008, for SY 2008-2009. Commodity assistance to Child Nutrition Programs (excluding bonus and cash in lieu of entitlement commodities) totaled \$1,032.1 million for FY 2008.

### **Cash in Lieu of Commodities**

Section 6(c) of the NSLA authorizes funds to be used to provide cash in lieu of commodities. The entities currently receiving cash in lieu of commodities are the State of Kansas, the sites that participated in alternatives to commodity donation and which received commodity assistance in the form of cash in lieu of Commodity Letters of Credit, and nonresidential child care institutions electing to receive their commodity entitlements in cash.

### **Electronic Commodity Ordering System**

ECOS allows State agencies to submit commodity orders directly into a centralized, Web-based computer interface that provides greater access, input, and transparency to the food distribution process. Several State agencies have rolled out ECOS to the school district level. FNS expects more States to accomplish this roll-out prior to USDA's introduction of the new Web-Based Supply Chain Management System (WBSCM) that will replace the current outdated mainframe system used within USDA for commodity purchasing, tracking, shipping, and payments. Receiver organizations, such as warehouses and processors, continue to register in ECOS to monitor and acknowledge receipt of commodity orders. The improvements in electronic communication enhance the timely flow of commodities throughout the program supply chain.

ECOS continues to be the system in which State agencies submit commodity requests to the USDA and ITOs submit requests to their assigned Multi-Food National Warehouse. There are currently more than 7,500 users of ECOS. This user base includes users at USDA, State agencies, local school districts, and area food banks. Virginia, Connecticut, Georgia, Florida, Maryland, Utah, Kentucky, Nebraska, and North Carolina currently use ECOS down to the recipient-agency level. California, Michigan, New York, and Pennsylvania use ECOS for their larger school districts and co-ops. Colorado and South Dakota are assessing their ability to roll out ECOS to their recipient agencies for use in SY 2009-2010.

ECOS has improved the process of ordering and tracking commodities for USDA's program partners and customers. In FY 2008, FNS enhanced ECOS with the following features:

- Ability to notify an audience outside of ECOS by allowing a third-party application to gather email addresses of individuals who want to receive notices, generate a notification within ECOS and designate the message to go to the self-registered audience;
- Reporting was refined to address concerns and requests that were made to the ECOS Helpdesk staff;
- Modifications were made to the receipt tracking component which refined the ability for State agencies to correctly monitor and report on commodity deliveries; and
- System features involving complaints, email notifications, and order management were improved.

**COMMODITY ASSISTANCE PROVIDED TO CHILD NUTRITION PROGRAMS  
VALUE OF COMMODITIES AND CASH IN LIEU OF COMMODITIES  
FISCAL YEAR 2008**

Entitlement Commodities	Value (In \$ Millions)
Commodities Financed with Funds Appropriated to FNS (Section 6(e)):	
Meats, Poultry, Fruit, and Vegetables	\$185.0
Grains, Oils, Peanut Products, Cheese, Flour, and Dairy	326.5
Subtotal:	511.5
Financed with Funds Appropriated to CCC (Section 416) or AMS and "donated" to FNS (includes Farm Bill funds):	
Meat, Poultry, Fish, Fruits and Vegetables (AMS)	510.9
Subtotal: Entitlement Commodities	1,022.4
Cash in Lieu of Entitlement Commodities:	
Kansas	10.6
Child and Adult Care Food Program	95.4
Cash CLOC	14.3
Subtotal: Cash in Lieu of Entitlement Commodities	120.3
Total: Entitlement Commodities and Cash in Lieu of Commodities	1,142.7
Bonus Commodities (includes Farm Bill funds):	
Fruits and Vegetables (AMS)	65.1
Subtotal: Bonus Commodities	65.1
Administrative Expenses:	
AMS & FSA Reimbursement	2.3
Processed Commodity Inventory Management System	5.7
Update Commodity System Computer Software	1.7
Subtotal: Administrative Expenses	9.7
GRAND TOTAL	1,217.5
MEMO: Total FNS funds for commodities and admin expenses	641.5

Totals may not add due to rounding.

### **Bonus Commodity Donations**

USDA supports domestic production agriculture through the Surplus Removal Program administered by AMS and the Price Support Program of FSA. Commodities acquired through these programs are donated to FNS for distribution to nutrition assistance programs as "bonus" commodities. Distributions are limited to the types and quantities of product FNS determines can be used without waste, based on market needs, and the needs of FNS outlets and programs.

- **Surplus Removal Program:** In FY 2008, over \$6.5 million of perishable and semi-perishable bonus commodities were delivered to schools and other eligible child nutrition outlets under the Section 32 Surplus Removal Program authority. In addition, over \$58.6 million of fruit and vegetable products were delivered to schools under the 2008 Farm Bill.
- **Price Support Program:** Changes in farm legislation and farm economic conditions have reduced the need for purchases under price support programs. Accordingly, there were no FSA purchased bonus commodities distributed through Child Nutrition Programs during FY 2008.

### **Commodity Administrative Expenses**

USDA also funds some of the operational costs of the Processed Commodity Inventory Management System (PCIMS), which integrates the commodity purchasing, tracking, shipping and payment for the commodity activities of FNS, AMS and FSA. The three agencies are working on WBSCM to replace PCIMS and its satellite systems. ECOS continues to be updated and enhanced to support the commodity

program requirements pending deployment of the new system (see Acquisition and Distribution of Commodities for additional information).

### **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 commodity entitlement to order fresh produce through DoD's contracting and distribution network. This project has grown steadily since its beginning in SY 1994-1995, and 47 States, Puerto Rico, the District of Columbia, Guam and the Virgin Islands spent a combined total of \$50 million in entitlement funds on produce through this program in SY 2007-2008. In addition to these Federal purchases, 31 States, Puerto Rico, the District of Columbia and the Virgin Islands used Section 4 and 11 funds to purchase over \$17 million in fresh produce directly from DoD.

### **STATE ADMINISTRATIVE EXPENSE FUNDS**

Section 7 of the CNA authorizes funds to the States for program administration and for supervision and technical assistance in local school districts and child care institutions. In FY 2008, an initial amount of \$171.2 million was allocated for State Administrative Expenses (SAE), including \$97.9 million for administration of the school food programs, \$59.0 million for the administration of the CACFP, and \$14.3 million for the administration of the Food Distribution Program. In addition, \$2.9 million in SAE funds were reallocated to State agencies for approved projects.

Funds appropriated for SAE are available to States for obligation over a two-year period. The State agency may carry over up to 20 percent of the initial allocation. Each fiscal year, carryover exceeding the 20 percent limit is recovered by FNS.

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

The following studies and reports were released by FNS in FY 2008 and are available on the FNS Web site at <http://www.fns.usda.gov/oane>.

**NSLP/SBP Access, Participation, Eligibility, and Certification Study – Erroneous Payments in the NSLP and SBP – November 2007:** This study provides the first reliable national estimates of erroneous payments made to school districts for the NSLP and SBP. It explores and measures two types of erroneous payments: 1) *certification errors* – mistakes made in the determination of a student's free, reduced price, or paid meal status; and 2) *non-certification errors* – operational mistakes in determining whether a meal meets the requirements for reimbursement or mistakes in reporting the number of reimbursable meals. The study estimates the gross cost of school meals erroneous payments due to certification error at about \$935 million while other operational errors represent about \$860 million. Most of the payment errors resulted from 1) household misreporting of income, 2) administrative errors by school districts in processing applications, and 3) errors by cashiers in counting reimbursable meals.

**School Nutrition Dietary Assessment Study (SNDA) III – November 2007:** SNDA-III provides detailed information on the operations of school meal programs, the school environment that affects those programs, the nutrient content of school meals, and the contribution of school meals to students' diets. The data were collected in SY 2004-05. It repeats a study last conducted in SY 1998-99, but also includes elements not studied since SY 1991-92. The study finds limited improvements in the quality of school meals during the last decade. Significantly, most (9 in 10) schools offer the opportunity to select balanced meals, but few students make the healthful choice; the *average* lunches actually taken by students were low in fat at only 2 in 10 schools.

**The Pennsylvania SFSP Rural Area Eligibility Pilot Evaluation - February 2008:** This report evaluates the impact of lowering the SFSP site eligibility threshold from 50 percent to 40 percent on the number of sponsors and sites that offer meals under the SFSP, the locations of and services provided at the sites, and other factors.

**Child and Adult Care Food Program (CACFP): Assessment of Sponsor Tiering Determinations 2006 - March 2008:** This assessment provides a national estimate of the share of CACFP participating family day care homes (FDCH) that are approved for an incorrect level of per meal reimbursement, or reimbursement "tier," for their circumstances. The study also estimates the dollar amount of improper payments attributable to these FDCH tiering errors.

**School Lunch and Breakfast Cost Study - II - April 2008:** This study examines the cost of producing NSLP and SBP meals during SY 2005 - 06. It measures both reported costs - costs charged directly to school food service accounts - and unreported costs - those costs paid by school districts in support of SFA operations - to estimate the full cost of meal production.

**Report to Congress: The Nebraska Rural Area Eligibility Determination Pilot for the CACFP - July 2008:** This report presents the findings of an evaluation of the Nebraska Rural Area Eligibility Determination for Day Care Homes Pilot. The pilot made it easier for family day care home providers in rural Nebraska to qualify for higher rates of reimbursements for meals and snacks provided under the program.

**Diet Quality of American School-Age Children by School Lunch Participation Status: Data from the National Health and Nutrition Examination Survey, 1999-2004 - July 2008:** This report uses data from the National Health and Nutrition Examination Survey (NHANES 1999–2004) to provide a comprehensive picture of the diets of American school-age children (ages 5 to 18). It compares the nutrient intakes, food choices, and diet quality of children who participated in the NSLP with results for children who did not.

## SPECIAL MILK AND CHILD NUTRITION PROGRAMS

## FINANCING FOR FISCAL YEAR 2008

STATE OR TERRITORY	Special Milk Program	School Lunch	School Breakfast	State Administrative Expenses	Commodities and Cash In-Lieu of Commodities	Child And Adult Care	Summer Food Service	Total Program Contribution
Alabama-----	\$47,454	\$157,397,429	\$47,136,105	\$2,310,855	\$25,967,841	\$36,305,655	\$3,560,623	\$272,725,963
Alaska-----	8,615	24,249,160	5,361,055	562,840	1,835,055	7,516,560	655,204	40,188,489
Arizona-----	62,059	188,330,811	49,385,636	3,261,285	24,867,149	44,751,687	2,785,706	313,444,333
Arkansas-----	14,934	100,499,452	34,165,136	2,038,864	12,694,070	32,855,822	3,543,924	185,812,201
California-----	596,719	1,110,175,727	290,357,592	17,344,985	130,294,522	258,057,612	21,911,778	1,828,738,934
Colorado-----	166,429	88,360,206	20,507,255	1,136,723	13,205,597	20,336,185	1,623,302	145,335,697
Connecticut-----	370,783	65,897,917	14,871,449	1,072,716	11,209,496	12,205,159	1,504,676	107,132,198
Delaware-----	44,600	19,460,041	5,992,167	934,521	3,470,161	11,180,918	1,918,588	43,000,996
District of Columbia-----	11,406	15,045,340	4,452,971	435,323	1,218,283	3,717,657	3,449,714	28,330,693
Florida-----	61,230	465,735,124	131,483,714	8,621,905	53,674,228	130,452,766	21,140,845	811,169,813
Georgia-----	35,907	351,313,478	121,569,037	5,736,766	45,610,800	91,238,241	9,461,586	624,965,816
Hawaii-----	7,914	29,415,255	8,006,453	717,746	4,136,828	5,354,085	595,158	48,233,440
Idaho-----	231,418	37,679,762	13,003,995	643,117	5,042,107	6,103,441	3,746,349	66,450,189
Illinois-----	3,383,700	311,769,019	65,941,927	5,177,635	47,765,809	106,203,030	9,068,712	549,309,831
Indiana-----	330,693	168,597,883	43,811,885	2,286,777	29,469,200	37,801,674	5,723,178	288,021,290
Iowa-----	80,987	69,837,089	15,076,364	1,300,118	15,781,820	23,779,311	1,508,347	127,364,035
Kansas-----	113,824	71,162,104	18,470,861	1,377,327	12,151,803	31,447,069	2,101,054	136,824,042
Kentucky-----	87,363	137,593,887	48,580,126	2,264,354	21,995,599	27,561,440	8,425,095	246,507,864
Louisiana-----	31,698	154,480,314	50,607,946	3,628,734	21,513,096	60,362,244	8,239,304	298,863,335
Maine-----	37,082	25,087,886	7,015,195	624,343	4,744,858	9,710,140	924,847	48,144,351
Maryland-----	442,719	101,421,388	27,966,274	2,033,772	16,000,999	35,253,159	5,731,704	188,850,014
Massachusetts-----	458,859	116,329,154	31,209,540	2,298,477	21,537,011	48,187,786	6,822,638	226,843,465
Michigan-----	695,815	210,896,660	54,325,781	3,700,999	27,598,620	56,897,037	6,072,129	360,187,041
Minnesota-----	864,228	107,414,151	25,851,620	2,441,189	24,472,985	57,913,007	3,412,370	222,369,550
Mississippi-----	3,593	130,221,765	46,604,516	2,495,254	15,783,950	30,373,307	3,961,612	229,443,996
Missouri-----	544,030	145,513,491	46,315,331	2,459,739	33,417,960	42,489,334	9,699,324	280,439,209
Montana-----	23,803	19,289,522	5,135,396	668,337	3,687,744	9,303,557	853,583	38,961,943
Nebraska-----	49,759	46,122,448	10,215,499	994,039	10,380,517	25,740,707	1,564,570	95,067,538
Nevada-----	98,888	57,533,611	13,897,011	920,531	8,756,505	3,896,439	1,423,098	86,526,083
New Hampshire-----	236,423	17,098,605	3,455,262	521,439	4,373,836	3,425,386	758,331	29,869,283
New Jersey-----	844,587	161,703,320	38,050,903	2,995,738	26,932,821	57,686,691	7,128,030	295,342,089
New Mexico-----	6,675	69,789,201	27,180,007	2,007,371	9,298,336	33,900,574	6,077,653	148,259,817
New York-----	997,532	509,873,098	130,241,165	9,485,740	74,467,433	167,943,467	41,180,727	934,189,161
North Carolina-----	205,147	264,467,213	82,065,652	4,920,212	38,955,388	76,051,702	5,853,787	472,519,101
North Dakota-----	56,470	13,361,249	3,306,557	479,023	3,394,704	9,872,922	496,795	30,967,720
Ohio-----	612,757	244,627,777	68,747,833	4,634,279	42,904,601	74,097,794	8,671,101	444,296,142
Oklahoma-----	45,108	117,027,824	41,903,676	2,739,631	19,964,536	52,119,452	2,986,320	236,786,547
Oregon-----	149,276	79,124,741	27,115,411	1,855,668	10,126,340	25,470,093	4,136,897	147,978,426
Pennsylvania-----	652,596	247,912,142	58,823,911	3,739,077	47,714,249	70,501,876	12,848,334	442,192,185
Rhode Island-----	93,727	23,175,379	5,917,327	804,484	2,836,430	6,842,298	773,339	40,442,984
South Carolina-----	16,841	143,837,826	54,019,823	2,414,917	20,302,551	24,282,365	7,632,929	252,507,252
South Dakota-----	38,261	20,837,326	5,418,557	612,664	4,833,682	7,513,689	839,033	40,093,212
Tennessee-----	25,618	182,110,031	58,604,606	3,110,360	25,434,367	43,795,632	6,418,275	319,498,890
Texas-----	59,046	943,656,365	320,010,376	14,376,590	112,253,348	216,610,539	31,245,852	1,638,212,116
Utah-----	71,049	64,062,197	12,747,267	1,179,282	10,280,666	18,826,590	2,186,278	109,353,329
Vermont-----	112,871	10,518,210	3,498,221	464,752	2,246,986	4,087,677	348,420	21,277,137
Virginia-----	308,305	153,523,998	44,399,584	1,853,092	28,916,620	31,483,558	7,556,105	268,041,262
Washington-----	250,900	131,501,103	35,638,763	2,582,497	22,552,039	40,853,327	3,911,232	237,289,861
West Virginia-----	37,707	49,755,416	18,053,696	1,029,743	8,021,170	14,006,352	1,808,041	92,712,125
Wisconsin-----	1,153,853	112,151,995	25,094,782	2,093,396	22,174,346	38,371,698	4,429,370	205,469,440
Wyoming-----	15,692	10,293,125	2,531,365	426,989	2,199,970	4,706,386	410,563	20,584,090
American Samoa-----	0	0	0	0	0	0	0	0
Guam-----	--	5,502,213	1,780,480	248,714	171,803	289,542	0	7,992,752
North Mariana Islands-----	0	0	0	0	0	0	0	0
Puerto Rico-----	--	124,359,741	31,325,152	1,845,889	13,762,670	24,431,101	12,615,800	208,340,354
Trust Territory (excluding CNMI)-----	0	0	0	0	0	0	0	0
Virgin Islands-----	2,334	4,687,933	974,850	306,282	889,269	691,707	697,298	8,249,673
Indian Tribe Set Asi-----	0	0	0	0	0	0	0	0
Indian Tribes-----	0	0	0	0	0	0	0	0
Freely Associated Sts-----	0	0	0	0	0	0	0	0
DOD/AF/USMC/Navy-----	0	8,285,405	16,405	0	0	0	0	8,301,809
AMS/FSA/PCIMS-----	0	0	0	0	9,699,784	0	0	9,699,784
Board of Jewish ED-----	0	0	0	0	1,666,337	0	0	1,666,337
AAFES-----	0	0	0	0	938,585	0	0	938,585
Undistributed-----	220,540	125,041,908	34,788,219	27,916,882	1,948,784	(69,662,663)	(10,236,652)	110,017,018
<b>TOTAL-----</b>	<b>\$15,119,825</b>	<b>\$8,365,115,414</b>	<b>\$2,393,027,688</b>	<b>\$174,133,982</b>	<b>\$1,217,546,264</b>	<b>\$2,245,194,783</b>	<b>\$312,202,875</b>	<b>\$14,722,340,830</b>

NOTE: Data is based on obligations as reported September 30, 2008. Commodities are based on food orders for fiscal year 2008. Totals may not add due to rounding.

**FOOD AND NUTRITION SERVICE  
CHILD NUTRITION PROGRAM  
Quantity and Value of Commodities**

**Fiscal Year 2008**

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 6/32 TYPE**:		
APPLE SLICES	7,962,396	\$4,523,975
APPLES	2,241,181	1,038,544
APPLESAUCE 10	27,740,628	11,277,592
APRICOTS	3,406,211	2,321,023
BEANS, B LIMA CND	209,955	88,189
BEANS, BLK TUTL 10	104,976	33,869
BEANS, BLKEYE CND	454,898	135,667
BEANS, GBZO CND	489,888	174,107
BEANS, GREEN 10	23,496,768	9,082,882
BEANS, GREEN FROZEN	3,265,800	1,807,963
BEANS, KIDNEY CND	1,014,772	357,884
BEANS, PINK CND	1,224,720	350,784
BEANS, PINTO	5,315,612	1,617,145
BEANS, REFRIED	3,746,736	1,531,238
BEANS, S RED CND	1,679,620	563,678
BEANS, VEG 10	5,114,920	1,562,094
BEEF PATTIES, ALL 40	2,660,000	4,824,683
BEEF PATTIES, LEAN 40	1,558,000	3,195,999
BEEF PATTIES, SPP 40	2,850,000	4,259,292
BEEF, 40	28,378,200	46,051,611
BEEF, BULK COARSE	58,170,000	90,949,478
BEEF, CND 24 OZ	612,000	1,554,148
BEEF, CRUMB	2,440,000	4,227,350
BEEF, SPECIAL TRIM FRZ	168,000	423,192
BF BNLS FRSH COMBO	3,880,000	6,680,814
BF PTY LFT	76,000	174,390
BF PTY SPP CKDHSY 40	2,584,000	4,662,512
BLUEBERRIES	633,600	1,081,125
BONELESS PICNIC 60LB	10,765,380	12,340,173
CARROTS 30	2,565,000	1,080,094
CARROTS, 10	3,448,754	1,343,465
CATFISH STRIPS	756,840	2,817,143
CHERRIES DRIED	29,568	117,311
CHERRIES FRZ	460,800	361,705
CHERRIES IQF	115,200	98,583
CHICKEN BURGERS FRZ	975,000	2,133,494
CHICKEN CND	487,503	1,022,067
CHICKEN LEGS CHILL	3,420,000	2,531,340
CHICKEN NUGGETS SOC	106,800	94,233
CHICKEN PATTIES SOC	117,000	99,368
CHICKEN, BREADED	11,700,000	19,243,582
CHICKEN, CHILLED BULK	139,824,000	94,555,361
CHICKEN, CUT-UP FROZEN	7,920,000	5,835,221
CHICKEN, DICED FROZEN	5,720,000	13,412,999
CHICKEN, FAJITA MEAT FROZEN	10,179,000	22,185,865
CHICKEN, THIGHS CHILLED	432,000	222,480
CORN COB	4,870,800	2,765,078
CORN LQD 10	19,177,335	7,522,092
CORN, FROZEN	10,216,800	6,362,090
CRANBERRY SAUCE	331,776	174,173
DPSC-FRESH PRODUCE*		52,103,940
EGGS, WHOLE FROZEN	3,281,220	3,235,197
EGGS, WHOLE LIQUID	6,384,000	6,134,574
FRUIT MIX 10	21,424,965	12,244,177
HAM COOKED FRZ CUBE	1,800,000	3,590,961
HAM COOKED FRZ SLICED	4,280,000	8,302,914
HAM, FRZ WATERADD 40	5,440,000	7,870,288
ORANGE JUICE	5,295,360	3,702,865
PEACHES, CLING	38,880,325	22,017,278
PEACHES, CUP 4.4	9,328,758	8,755,651
PEACHES, FROZEN	608,000	455,048
PEARS	30,053,018	16,292,488
PEAS, CANNED	4,106,744	1,857,088
PEAS, FROZEN	3,871,800	2,663,856
PORK C SLOPPY JOE	840,000	1,028,561
PORK CRUMB W/ SPP	120,000	167,160
PORK PTY CKD	120,000	211,440
PORK SND PTY CKD	190,000	272,460
PORK, CANNED 24 OZ	648,000	1,295,518
PORK, ROAST FROZEN	4,440,000	6,153,836
POTATO ROUNDS, FROZEN	20,354,400	9,200,312
POTATO WEDGES, FROZEN	14,533,200	7,625,461
POTATOES, BULK, PROC	56,214,670	4,404,421
POTATOES, OVEN	14,097,600	6,975,269
RAISINS	2,001,745	2,477,595
SALSA, CANNED	9,316,784	3,612,386
SPAGHETTI SAUCE, CANNED	12,033,798	3,420,623
STRAWBERRIES	13,142,421	13,776,031
SWEET POTATOES	3,644,303	1,367,670
TOMATO PASTE, BULK	2,702,700	1,326,742
TOMATO PASTE, CANNED	2,315,694	1,209,001
TOMATO PASTE, DRUM	1,117,080	643,542
TOMATO SAUCE, CANNED	3,226,437	936,961
TOMATOES, DICED CANNED	4,604,696	1,740,302
TUNA 66.5	2,765,082	6,853,035
TUNA, POUCH	794,643	2,527,150
TURKEY, BREAST DELI FROZEN	10,838,920	22,067,721
TURKEY, CHILLED BULK	16,236,000	14,714,970
TURKEY, GROUND	40,000	35,680
TURKEY, HAM FROZEN	6,360,000	9,213,141
TURKEY, ROASTS FROZEN	10,324,000	17,583,954
TURKEY, TACO	1,443,000	1,898,887
TURKEY, WHOLE FROZEN	1,026,000	1,126,946
<b>Total Section 6/32 Type</b>	<b>775,343,800</b>	<b>\$693,962,245</b>

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

**Quantity and Value of Commodities  
Fiscal Year 2008**

ENTITLEMENT COMMODITIES	Pounds	Dollars
<b>SECTION 416 TYPE:</b>		
BHW & BSW	19,989,300	\$6,649,841
CHEESE BARREL 500	18,160,000	37,568,525
CHEESE LOAVES	3,405,600	7,046,308
CHEESE MOZZARELLA	71,285,760	148,807,987
CHEESE, BLEND SLICED	8,276,400	16,315,566
CHEESE, CHEDDAR	2,277,156	5,058,365
CHEESE, CHEDDAR, RED. FAT SHRED	4,608,000	10,331,072
CHEESE, CHEDDAR, REDUCED FAT	239,701	560,205
CHEESE, CHEDDAR, SHREDDED	4,953,600	11,032,176
CHEESE, PASTUR BULK	39,600	82,724
CHEESE, SLICED	19,087,200	39,204,596
CORN, YELLOW	688,500	97,198
CORNMEAL	428,400	102,649
FLOUR	23,706,360	7,490,246
FLOUR MIX	42,000	30,358
FLOUR MIX, LOWFAT	714,000	597,964
GRITS	128,520	40,279
MACARONI	2,018,000	1,222,568
MASA 50 YELLOW	172,800	48,082
MILK, UHT FLUID 2%	38,143	24,637
OATS, ROLLED	522,384	250,940
OIL, SOYBEAN LSF	1,552,320	1,462,185
OIL, VEGETABLE	15,273,743	10,835,970
PEANUT BUTTER	12,644,800	11,687,939
RICE, BROWN	1,260,000	665,654
RICE, L & M	7,182,000	3,365,957
RICE, PARBOILED	1,302,000	672,554
ROTINI	3,248,000	2,067,311
SHORTENING	37,440	39,466
SHORTENING LIQ	406,560	259,396
SPAGHETTI	3,742,000	2,146,741
SUNFLOWER BUTTER	443,520	736,945
<b>Total Section 416 Type</b>	<b>227,873,807</b>	<b>\$326,502,404</b>
Anticipated Adjustment		1,948,784
AMS / FSA / PCIMS Admin. Expenses		\$9,699,784
<b>TOTAL COMMODITY ENTITLEMENT</b>	<b>1,003,217,607</b>	<b>\$1,032,113,217</b>

BONUS COMMODITIES	Pounds	Dollars
<b>SECTION 32 TYPE**:</b>		
APPLE SLICES	6,689,748	\$4,591,990
APPLESAUCE	12,371,912	6,328,430
APRICOTS, CANNED	443,232	249,135
BEANS	11,021,093	5,362,524
BLACKBERRY MARION PUREE	194,235	192,940
CARROTS	4,692,689	2,406,086
CHERRIES	3,463,938	3,466,062
CRANBERRY PRODUCTS	346,500	1,021,704
FRUIT-NUT MIX	1,614,704	4,014,065
PEACH PRODUCTS	19,218,196	19,430,012
PEAR PRODUCTS	6,232,172	3,807,512
PEAS	3,854,578	2,070,105
POTATO PRODUCTS	59,345,330	4,661,118
RAISINS	391,248	520,097
SALSA	1,631,345	754,840
SPAGHETTI SAUCE	3,632,843	1,110,175
STRAWBERRIES	1,821,600	1,926,217
SWEET POTATO PRODUCTS	3,926,624	1,961,709
TOMATO SAUCE	906,300	302,066
TOMATOES, DICED	1,848,855	920,496
<b>Total Section 32 Type</b>	<b>143,647,142</b>	<b>\$65,097,283</b>

BONUS COMMODITIES	Pounds	Dollars
<b>SECTION 416 TYPE:</b>		
NONE		
<b>Total Section 416 Type</b>	<b>0</b>	<b>\$0</b>
Anticipated Adjustment		
<b>TOTAL BONUS COMMODITIES</b>	<b>143,647,142</b>	<b>\$65,097,283</b>
<b>TOTAL -- ALL COMMODITIES</b>	<b>1,146,864,749</b>	<b>\$1,097,210,500</b>
Cash In-Lieu of Commodities		120,335,764.0
<b>GRAND TOTAL</b>	<b>1,146,864,749</b>	<b>\$1,217,546,264</b>

Source: PCIMS -- Delivery order and contract information.

\* DPSC-FRESH PRODUCE figure is from ECOS PY2008 Entitlement Report.

\*\* Figures include Farm Bill Procurements.

## FOOD AND NUTRITION SERVICE

### CHILD NUTRITION PROGRAM Value of Commodities to States Entitlement and Bonus

Fiscal Year 2008

STATE OR TERRITORY	Entitlement	Bonus	Total
Alabama.....	\$22,428,776	\$1,971,004	\$24,399,780
Alaska.....	1,407,771	172,851	1,580,622
Arizona.....	21,274,722	1,296,846	22,571,568
Arkansas.....	10,483,963	765,908	11,249,871
California.....	110,548,754	7,455,023	118,003,777
Colorado.....	11,631,611	617,013	12,248,624
Connecticut.....	10,339,529	297,769	10,637,298
Delaware.....	2,905,235	68,481	2,973,716
District of Columbia.....	1,035,077	12,628	1,047,705
Florida.....	44,815,070	3,045,949	47,861,019
Georgia.....	39,782,544	1,423,372	41,205,916
Hawaii.....	3,487,252	311,248	3,798,500
Idaho.....	4,366,971	354,432	4,721,403
Illinois.....	39,988,232	2,591,320	42,579,552
Indiana.....	26,607,459	965,565	27,573,024
Iowa.....	13,564,140	936,499	14,500,639
Kansas.....			0
Kentucky.....	19,038,173	1,569,760	20,607,933
Louisiana.....	18,066,377	919,274	18,985,651
Maine.....	3,986,986	338,360	4,325,346
Maryland.....	13,232,103	1,068,520	14,300,623
Massachusetts.....	18,655,679	926,975	19,582,654
Michigan.....	22,643,446	2,210,773	24,854,219
Minnesota.....	20,637,840	875,514	21,513,354
Mississippi.....	13,512,582	1,060,038	14,572,620
Missouri.....	29,513,536	1,913,295	31,426,831
Montana.....	3,074,322	183,308	3,257,630
Nebraska.....	8,627,767	502,079	9,129,846
Nevada.....	8,352,265	258,561	8,610,826
New Hampshire.....	4,073,724	201,861	4,275,585
New Jersey.....	23,169,166	1,269,399	24,438,565
New Mexico.....	7,558,805	182,090	7,740,895
New York.....	64,256,586	2,618,579	66,875,165
North Carolina.....	32,267,827	2,917,801	35,185,628
North Dakota.....	2,671,077	205,531	2,876,608
Ohio.....	34,651,597	4,475,629	39,127,226
Oklahoma.....	17,070,747	754,599	17,825,346
Oregon.....	8,369,866	500,508	8,870,374
Pennsylvania.....	42,066,796	2,144,628	44,211,424
Rhode Island.....	2,357,663	166,378	2,524,041
South Carolina.....	18,498,265	717,886	19,216,151
South Dakota.....	4,176,342	237,496	4,413,838
Tennessee.....	22,699,978	855,302	23,555,280
Texas.....	94,386,736	7,276,945	101,663,681
Utah.....	8,343,971	948,498	9,292,469
Vermont.....	1,890,029	201,063	2,091,092
Virginia.....	25,581,603	1,374,025	26,955,628
Washington.....	19,062,849	1,423,180	20,486,029
West Virginia.....	6,861,972	440,139	7,302,111
Wisconsin.....	19,192,491	831,879	20,024,370
Wyoming.....	1,932,563	21,686	1,954,249
American Samoa.....			0
Guam.....	122,675	28,932	151,607
Northern Mariana Islands.....			0
Puerto Rico.....	11,834,987	1,081,318	12,916,305
Trust Territory.....			0
Virgin Islands.....	796,600	66,196	862,796
Indian Tribes Set Aside.....			0
Indian Tribes.....			0
Freely Associated States.....			0
Board of Jewish Education.....	1,666,337		1,666,337
DOD Army / AF.....			0
AAFES.....	895,215	43,370	938,585
AMS / FSA / PCIMS.....	9,699,784		9,699,784
*Undistributed.....	1,948,784		1,948,784
<b>TOTAL.....</b>	<b>\$1,032,113,217</b>	<b>\$65,097,283</b>	<b>\$1,097,210,500</b>

Source: PCIMS -- Delivery order and contract information.

Note: Figures include Farm Bill Procurements.

**SCHOOL LUNCH PROGRAM  
SCHOOLS, ENROLLMENT AND PARTICIPATION**

FISCAL YEAR 2008

STATE OR TERRITORY	NUMBER OF SCHOOLS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,529	765	597
Alaska-----	435	117	53
Arizona-----	1,687	1,044	658
Arkansas-----	1,221	484	359
California-----	10,893	6,189	3,233
Colorado-----	1,718	760	382
Connecticut-----	1,169	542	326
Delaware-----	235	132	89
District of Columbia-----	221	70	44
Florida-----	3,660	2,726	1,587
Georgia-----	2,324	1,662	1,306
Hawaii-----	306	180	115
Idaho-----	703	253	168
Illinois-----	4,315	1,900	1,139
Indiana-----	2,265	1,173	771
Iowa-----	1,516	523	400
Kansas-----	1,610	513	358
Kentucky-----	1,503	715	561
Louisiana-----	1,588	712	602
Maine-----	710	196	112
Maryland-----	1,572	862	449
Massachusetts-----	2,276	978	564
Michigan-----	3,609	1,628	913
Minnesota-----	2,124	887	618
Mississippi-----	952	513	418
Missouri-----	2,516	908	649
Montana-----	808	148	88
Nebraska-----	992	300	244
Nevada-----	560	427	197
New Hampshire-----	499	201	114
New Jersey-----	2,680	1,284	643
New Mexico-----	805	321	221
New York-----	5,897	3,014	1,838
North Carolina-----	2,473	1,464	984
North Dakota-----	417	101	81
Ohio-----	4,091	1,903	1,125
Oklahoma-----	1,896	651	431
Oregon-----	1,330	623	314
Pennsylvania-----	3,838	1,853	1,151
Rhode Island-----	432	159	86
South Carolina-----	1,150	729	510
South Dakota-----	683	137	109
Tennessee-----	1,771	933	717
Texas-----	7,654	4,648	3,212
Utah-----	858	527	330
Vermont-----	344	95	56
Virginia-----	2,023	1,205	763
Washington-----	2,113	1,030	525
West Virginia-----	745	296	224
Wisconsin-----	2,511	921	597
Wyoming-----	365	85	55
American Samoa-----	0	0	0
Guam-----	42	33	18
North Mariana Islands-----	0	0	0
Puerto Rico-----	1,848	604	390
Trust Territory (excluding NMI)-----	0	0	0
Virgin Islands-----	67	21	14
Indian Tribe Set Asi-----	0	0	0
Indian Tribes-----	0	0	0
Freely Associated States-----	0	0	0
DOD/ Army/AF/USMC/Navy-----	101	52	25
Anticipated Adjustment-----	0	0	0
<b>TOTAL-----</b>	<b>101,650</b>	<b>50,199</b>	<b>31,530</b>

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

**SCHOOL LUNCH PROGRAM  
THOUSANDS OF LUNCHES SERVED**

FISCAL YEAR 2008

STATE OR TERRITORY	TOTAL LUNCHES SERVED			
	PAID	REDUCED PRICE	FREE	TOTAL
Alabama-----	38,197	8,881	51,335	98,413
Alaska-----	2,936	1,021	4,670	8,626
Arizona-----	36,948	11,388	60,919	109,255
Arkansas-----	19,604	6,059	32,862	58,524
California-----	143,595	73,353	352,529	569,477
Colorado-----	29,310	5,901	27,387	62,598
Connecticut-----	28,238	4,233	19,867	52,338
Delaware-----	7,248	1,002	6,275	14,525
District of Columbia-----	1,834	561	4,811	7,206
Florida-----	86,359	31,914	147,170	265,442
Georgia-----	84,442	20,874	112,966	218,281
Hawaii-----	10,295	2,486	6,788	19,570
Idaho-----	12,746	3,664	10,687	27,096
Illinois-----	68,742	15,807	104,041	188,590
Indiana-----	67,431	12,294	50,369	130,095
Iowa-----	40,560	5,581	19,259	65,400
Kansas-----	29,258	6,319	20,077	55,654
Kentucky-----	37,860	8,272	43,935	90,067
Louisiana-----	30,870	7,116	52,070	90,055
Maine-----	9,242	1,732	7,683	18,657
Maryland-----	35,130	7,957	30,386	73,472
Massachusetts-----	51,446	6,452	35,397	93,295
Michigan-----	60,931	12,695	67,629	141,256
Minnesota-----	61,825	8,957	29,493	100,274
Mississippi-----	17,264	6,407	44,390	68,061
Missouri-----	50,662	9,920	44,407	104,989
Montana-----	7,447	1,623	5,591	14,662
Nebraska-----	22,303	4,155	12,692	39,150
Nevada-----	12,184	4,319	17,932	34,435
New Hampshire-----	13,181	1,429	4,376	18,985
New Jersey-----	56,134	10,740	48,707	115,581
New Mexico-----	9,607	3,923	22,955	36,484
New York-----	112,300	29,835	163,082	305,216
North Carolina-----	63,828	16,874	84,497	165,199
North Dakota-----	8,707	1,126	3,545	13,378
Ohio-----	85,300	14,904	76,761	176,966
Oklahoma-----	24,662	7,379	37,439	69,480
Oregon-----	18,111	5,306	25,061	48,477
Pennsylvania-----	102,573	16,635	74,620	193,828
Rhode Island-----	5,412	1,134	7,702	14,248
South Carolina-----	29,384	7,155	47,794	84,333
South Dakota-----	9,839	1,627	5,995	17,461
Tennessee-----	43,835	10,071	59,729	113,636
Texas-----	155,278	51,697	313,803	520,778
Utah-----	31,805	6,420	17,165	55,391
Vermont-----	5,048	875	2,951	8,874
Virginia-----	68,063	11,497	45,235	124,796
Washington-----	37,529	11,031	39,452	88,012
West Virginia-----	14,797	3,358	15,480	33,635
Wisconsin-----	57,429	8,624	31,901	97,955
Wyoming-----	5,358	1,118	2,669	9,145
American Samoa-----	0	0	0	0
Guam-----	905	171	1,926	3,002
North Mariana Islands-----	0	0	0	0
Puerto Rico-----	9,991	5,847	42,767	58,605
Trust Territory (excluding NMI)-----	0	0	0	0
Virgin Islands-----	528	179	1,640	2,347
Indian Tribe Set Asi-----	0	0	0	0
Indian Tribes-----	0	0	0	0
Freely Associated States-----	0	0	0	0
DOD Army/AF/USMC/Navy-----	2,597	940	940	4,477
Anticipated Adjustment-----	0	0	0	0
<b>TOTAL-----</b>	<b>2,077,104</b>	<b>520,835</b>	<b>2,601,833</b>	<b>5,199,772</b>

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

**SCHOOL BREAKFAST PROGRAM  
SCHOOLS, ENROLLMENT, AND PARTICIPATION**

FISCAL YEAR 2008

STATE OR TERRITORY	NUMBER OF SCHOOLS AND INSTITUTIONS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,405	701	214
Alaska-----	300	85	17
Arizona-----	1,545	982	232
Arkansas-----	1,148	477	157
California-----	8,922	5,247	1,175
Colorado-----	1,404	639	102
Connecticut-----	608	286	64
Delaware-----	230	131	32
District of Columbia-----	209	68	22
Florida-----	3,630	2,597	586
Georgia-----	2,243	1,490	569
Hawaii-----	291	178	41
Idaho-----	657	250	72
Illinois-----	3,022	1,378	283
Indiana-----	1,952	1,042	200
Iowa-----	1,382	500	88
Kansas-----	1,393	430	94
Kentucky-----	1,396	677	249
Louisiana-----	1,492	671	240
Maine-----	621	174	36
Maryland-----	1,475	811	149
Massachusetts-----	1,604	654	138
Michigan-----	2,932	1,352	265
Minnesota-----	1,597	706	147
Mississippi-----	874	456	195
Missouri-----	2,247	880	242
Montana-----	690	130	26
Nebraska-----	684	230	57
Nevada-----	510	398	64
New Hampshire-----	407	167	23
New Jersey-----	1,744	791	170
New Mexico-----	778	318	125
New York-----	5,188	2,654	571
North Carolina-----	2,454	1,437	363
North Dakota-----	339	88	21
Ohio-----	2,925	1,301	357
Oklahoma-----	1,801	641	203
Oregon-----	1,251	597	144
Pennsylvania-----	3,097	1,517	309
Rhode Island-----	417	154	26
South Carolina-----	1,141	726	247
South Dakota-----	541	106	26
Tennessee-----	1,647	871	289
Texas-----	7,616	4,621	1,491
Utah-----	698	271	65
Vermont-----	314	90	21
Virginia-----	1,869	1,104	233
Washington-----	1,921	990	175
West Virginia-----	736	294	103
Wisconsin-----	1,512	629	131
Wyoming-----	294	73	15
American Samoa-----	0	0	0
Guam-----	38	31	7
North Mariana Islands-----	0	0	0
Puerto Rico-----	1,841	604	148
Trust Territory (excluding NMI)-----	0	0	0
Virgin Islands-----	45	17	4
Indian Tribe Set Asi-----	0	0	0
Indian Tribes-----	0	0	0
Freely Associated States-----	0	0	0
DOD Army/AF/USMC/Navy-----	0	0	0
Anticipated Adjustment-----	0	0	0
<b>TOTAL-----</b>	<b>87,078</b>	<b>43,716</b>	<b>11,020</b>

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

**SCHOOL BREAKFAST PROGRAM  
THOUSANDS OF BREAKFASTS SERVED**

FISCAL YEAR 2008

STATE OR TERRITORY	TOTAL BREAKFASTS SERVED					
	PAID	REDUCED PRICE		FREE		TOTAL
		REGULAR	SEVERE NEED	REGULAR	SEVERE NEED	
Alabama-----	5,884	341	2,547	1,695	24,420	34,886
Alaska-----	526	19	261	65	1,698	2,569
Arizona-----	7,123	391	3,301	1,875	24,823	37,513
Arkansas-----	4,340	181	2,211	1,198	17,496	25,426
California-----	26,560	1,936	22,790	9,768	147,124	208,179
Colorado-----	3,559	323	1,547	882	9,910	16,221
Connecticut-----	1,992	141	733	700	7,600	11,165
Delaware-----	1,530	84	293	590	2,681	5,178
District of Columbia-----	857	30	242	99	2,322	3,550
Florida-----	21,871	1,182	9,591	5,323	64,781	102,748
Georgia-----	19,146	1,319	7,507	6,076	59,915	93,962
Hawaii-----	2,566	236	622	553	2,719	6,696
Idaho-----	2,972	152	1,238	572	5,995	10,930
Illinois-----	6,146	498	2,523	2,787	35,068	47,022
Indiana-----	6,906	895	2,412	4,170	19,903	34,287
Iowa-----	4,436	664	691	2,665	5,410	13,866
Kansas-----	3,290	481	1,476	1,471	8,139	14,858
Kentucky-----	8,373	421	3,044	2,080	24,153	38,071
Louisiana-----	5,863	134	2,476	729	27,653	36,854
Maine-----	1,731	109	451	555	3,173	6,018
Maryland-----	7,019	439	2,396	1,829	12,446	24,130
Massachusetts-----	4,167	296	1,427	1,899	15,719	23,507
Michigan-----	7,213	516	2,617	3,362	27,207	40,915
Minnesota-----	6,780	1,189	1,765	3,778	9,584	23,096
Mississippi-----	3,746	37	2,452	202	25,935	32,372
Missouri-----	9,307	636	3,149	3,050	21,632	37,774
Montana-----	1,112	116	375	396	2,292	4,290
Nebraska-----	2,741	370	614	1,335	4,025	9,086
Nevada-----	2,265	159	1,060	807	6,595	10,886
New Hampshire-----	1,557	214	100	921	909	3,701
New Jersey-----	5,584	327	2,442	1,441	19,271	29,065
New Mexico-----	3,948	90	1,967	431	14,137	20,573
New York-----	19,003	1,568	7,967	6,240	64,877	99,654
North Carolina-----	12,092	617	5,452	3,448	41,112	62,722
North Dakota-----	1,335	186	135	642	1,072	3,369
Ohio-----	12,565	755	3,424	4,867	33,191	54,803
Oklahoma-----	6,700	373	2,909	1,684	20,786	32,452
Oregon-----	5,645	147	2,213	785	13,364	22,154
Pennsylvania-----	11,211	1,272	2,855	5,866	26,565	47,768
Rhode Island-----	800	47	266	353	2,993	4,458
South Carolina-----	8,311	303	3,035	1,740	27,948	41,338
South Dakota-----	1,015	200	216	614	2,365	4,411
Tennessee-----	8,172	551	3,466	3,281	28,925	44,394
Texas-----	40,794	2,865	18,502	15,396	161,736	239,292
Utah-----	2,597	385	1,040	1,259	5,322	10,603
Vermont-----	1,082	105	247	392	1,400	3,226
Virginia-----	10,519	956	2,932	5,162	18,511	38,080
Washington-----	4,931	553	3,709	0	16,675	25,867
West Virginia-----	4,551	161	1,391	624	8,698	15,427
Wisconsin-----	5,572	909	1,327	3,490	10,086	21,383
Wyoming-----	783	95	225	257	984	2,345
American Samoa-----	0	0	0	0	0	0
Guam-----	152	2	46	68	978	1,246
North Mariana Islands-----	0	0	0	0	0	0
Puerto Rico-----	2,641	18	1,931	109	17,184	21,884
Trust Territory (excluding NMI)-----	0	0	0	0	0	0
Virgin Islands-----	166	0	56	0	531	754
Indian Tribe Set Asi-----	0	0	0	0	0	0
Indian Tribes-----	0	0	0	0	0	0
Freely Associated States-----	0	0	0	0	0	0
DOD Army/AF/USMC/Navy-----	1	4	0	4	0	9
Anticipated Adjustment-----	0	0	0	0	0	0
<b>TOTAL-----</b>	<b>351,752</b>	<b>25,996</b>	<b>149,665</b>	<b>121,054</b>	<b>1,160,040</b>	<b>1,808,505</b>

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

**CHILD AND ADULT CARE FOOD PROGRAM  
PARTICIPATION AND MEALS SERVED**

FISCAL YEAR 2008

STATE OR TERRITORY	NUMBER OF CENTERS/HOMES	PARTICIPATION PEAK MONTH (000)	TOTAL MEALS SERVED					
			CHILD CARE AND ADULT CENTERS				DAY CARE HOMES (000)	TOTAL (000)
			PAID (000)	REDUCED PRICE (000)	FREE (000)	TOTAL (000)		
Alabama	2,048	51	5,643	1,199	17,165	24,007	5,509	29,516
Alaska	656	10	1,703	291	1,292	3,287	1,389	4,675
Arizona	4,182	48	0	0	0	0	0	0
Arkansas	1,832	44	6,412	1,806	12,911	21,129	13,664	34,794
California	23,750	345	5,480	1,606	15,250	22,337	5,282	27,619
Colorado	2,557	37	21,081	10,788	73,279	105,149	88,782	193,931
Connecticut	1,262	19	5,217	876	7,179	13,273	6,060	19,332
Delaware	1,049	16	1,795	859	4,301	6,956	3,104	10,059
District of Columbia	244	6	1,260	313	3,733	5,307	3,331	8,638
Florida	5,497	192	755	193	2,048	2,996	193	3,189
Georgia	5,756	161	19,941	8,489	69,244	97,673	9,856	107,529
Utah	529	10	21,848	5,238	39,193	66,279	15,128	81,406
Idaho	608	11	175	4	130	308	18	327
Illinois	9,876	132	2,975	388	1,521	4,883	743	5,626
Indiana	2,892	67	1,666	278	1,996	3,940	1,804	5,744
Iowa	3,047	39	13,327	3,652	31,177	48,157	37,506	85,663
Kansas	4,602	48	6,927	870	11,023	18,819	15,287	34,106
Kentucky	1,620	50	7,459	653	5,046	13,158	10,503	23,661
Louisiana	6,879	62	5,299	858	4,900	11,057	16,992	28,049
Maine	1,409	13	7,485	1,609	13,482	22,576	2,641	25,217
Maryland	4,108	47	4,299	1,337	16,273	21,910	18,863	40,773
Massachusetts	5,978	61	979	218	1,422	2,619	5,761	8,380
Michigan	7,670	87	4,682	599	9,289	14,571	14,450	29,021
Minnesota	10,132	98	4,705	1,673	14,727	21,105	18,092	39,197
Mississippi	1,202	43	4,861	525	11,263	16,649	29,175	45,823
Missouri	2,816	66	5,218	736	5,804	11,758	42,736	54,495
Montana	1,000	14	2,592	1,083	17,688	21,363	1,487	22,849
Nebraska	3,360	42	9,621	1,166	16,642	27,429	10,163	37,592
Nevada	458	12	1,166	196	1,737	3,099	4,404	7,503
New Hampshire	324	8	4,604	446	5,255	10,305	13,232	23,537
New Jersey	2,151	78	1,188	231	1,706	3,125	665	3,790
New Mexico	5,282	47	1,314	246	1,313	2,873	851	3,724
New York	13,308	287	7,320	3,440	30,271	41,031	2,229	43,260
North Carolina	5,469	130	3,195	938	7,786	11,919	11,913	23,833
North Dakota	1,541	18	14,496	4,290	61,015	79,801	37,344	117,145
Ohio	5,963	127	21,041	5,304	32,070	58,415	13,309	71,724
Oklahoma	3,490	60	2,096	163	1,312	3,570	6,118	9,688
Oregon	3,057	40	15,160	2,527	28,872	46,558	15,946	62,504
Pennsylvania	4,773	128	7,656	1,694	19,536	28,886	13,463	42,348
Rhode Island	603	11	1,675	198	5,069	6,943	10,468	17,411
South Carolina	1,399	38	13,897	3,253	30,985	48,135	10,322	58,457
South Dakota	934	14	517	429	14,976	15,923	338	16,261
Tennessee	2,903	65	1,069	338	2,517	3,924	1,650	5,574
Texas	11,087	282	3,508	699	11,351	15,559	4,397	19,955
Utah	1,889	27	2,056	194	1,576	3,827	3,720	7,547
Vermont	696	7	6,744	1,286	19,034	27,064	9,279	36,344
Virginia	3,731	59	35,448	10,568	97,856	143,872	33,569	177,441
Washington	4,373	80	3,029	432	3,214	6,675	8,664	15,339
West Virginia	2,011	24	509	106	735	1,350	2,146	3,496
Wisconsin	4,323	67	9,304	1,226	9,898	20,428	11,019	31,446
Wyoming	567	10	27	17	439	482	0	482
American Samoa	0	0	9,629	1,924	12,513	24,065	13,712	37,777
Guam	34	1	3,018	410	3,881	7,309	4,403	11,712
North Mariana Island	0	0	10,450	1,365	11,000	22,815	13,083	35,898
Puerto Rico	1,517	32	1,165	270	1,044	2,480	2,130	4,609
Trust Territory (excluding NMI)	0	0	0	0	0	0	0	0
Virgin Islands	33	1	0	0	0	0	0	0
Indian Tribe Set Asi	0	0	0	0	0	0	0	0
Indian Tribes	0	0	0	0	0	0	0	0
Freely Associated States	0	0	0	0	0	0	0	0
DOD Army/AF/USMC/Navy	0	0	0	0	0	0	0	0
Anticipated Adjustment	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>198,477</b>	<b>3,473</b>	<b>354,689</b>	<b>89,499</b>	<b>824,939</b>	<b>1,269,127</b>	<b>626,892</b>	<b>1,896,019</b>

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

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

FISCAL YEAR 2008

STATE OR TERRITORY	NUMBER OF SITES	PARTICIPATION (JULY) (000)	TOTAL MEALS SERVED (000)
Alabama-----	482	26	1,206
Alaska-----	57	2	161
Arizona-----	161	10	1,076
Arkansas-----	238	16	1,153
California-----	1,416	106	10,485
Colorado-----	198	2	607
Connecticut-----	225	13	578
Delaware-----	310	10	829
District of Columbia-----	329	44	1,483
Florida-----	2,552	120	9,460
Georgia-----	1,441	112	3,657
Hawaii-----	88	5	197
Idaho-----	228	20	1,303
Illinois-----	1,196	53	3,986
Indiana-----	954	48	2,263
Iowa-----	187	9	547
Kansas-----	210	17	789
Kentucky-----	1,200	36	3,251
Louisiana-----	451	30	3,149
Maine-----	128	6	342
Maryland-----	877	59	2,265
Massachusetts-----	847	51	2,784
Michigan-----	869	50	2,345
Minnesota-----	339	30	1,388
Mississippi-----	209	20	1,467
Missouri-----	504	32	3,770
Montana-----	139	9	304
Nebraska-----	144	8	586
Nevada-----	87	5	528
New Hampshire-----	93	5	293
New Jersey-----	1,026	44	2,836
New Mexico-----	665	47	2,155
New York-----	2,386	440	17,330
North Carolina-----	777	49	2,320
North Dakota-----	34	2	198
Ohio-----	1,404	62	3,305
Oklahoma-----	223	12	1,146
Oregon-----	545	36	1,500
Pennsylvania-----	1,948	77	5,510
Rhode Island-----	145	7	294
South Carolina-----	1,021	58	2,842
South Dakota-----	50	4	308
Tennessee-----	968	32	2,755
Texas-----	1,899	105	12,869
Utah-----	86	18	732
Vermont-----	74	3	132
Virginia-----	1,385	49	3,180
Washington-----	562	38	1,501
West Virginia-----	364	14	693
Wisconsin-----	453	36	1,705
Wyoming-----	40	3	165
American Samoa-----	0	0	0
Guam-----	0	0	0
North Mariana Islands-----	0	0	0
Puerto Rico-----	346	29	5,031
Trust Territory (excluding NMI)-----	0	0	0
Virgin Islands-----	143	13	330
Indian Tribe Set Aside-----	0	0	0
Indian Tribes-----	0	0	0
Freely Associated States-----	0	0	0
DOD Army/AF/USMC/Navy-----	0	0	0
Anticipated adjustment-----	0	0	0
<b>TOTAL-----</b>	<b>32,703</b>	<b>2,129</b>	<b>131,091</b>

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

**SPECIAL MILK PROGRAM  
HALF-PINTS OF MILK SERVED**

FISCAL YEAR 2008

STATE OR TERRITORY	AVERAGE SERVED DAILY			TOTAL SERVED FY 2008		
	FREE (000)	PAID (000)	TOTAL (000)	FREE (000)	PAID (000)	TOTAL (000)
Alabama-----	0	1	1	2	272	275
Alaska-----	0	0	0	21	28	49
Arizona-----	0	1	2	63	295	358
Arkansas-----	0	0	0	3	83	86
California-----	1	13	13	104	3,331	3,435
Colorado-----	0	5	5	35	927	962
Connecticut-----	1	11	11	146	1,998	2,144
Delaware-----	1	1	2	84	174	258
District of Columbia-----	0	0	0	1	66	67
Florida-----	0	2	2	2	354	356
Georgia-----	0	1	1	0	207	207
Hawaii-----	0	0	0	0	46	46
Idaho-----	0	5	5	15	1,318	1,333
Illinois-----	12	96	108	2,176	17,441	19,617
Indiana-----	0	6	7	234	1,660	1,894
Iowa-----	0	1	1	13	452	465
Kansas-----	0	3	4	76	582	658
Kentucky-----	0	2	2	7	497	504
Louisiana-----	0	1	1	0	183	183
Maine-----	0	0	1	14	194	209
Maryland-----	0	14	14	6	2,570	2,576
Massachusetts-----	1	10	10	145	2,492	2,637
Michigan-----	2	18	20	268	3,744	4,012
Minnesota-----	0	19	19	2	4,991	4,993
Mississippi-----	0	0	0	0	21	21
Missouri-----	0	17	17	61	3,092	3,153
Montana-----	0	1	1	19	119	137
Nebraska-----	0	1	1	8	279	287
Nevada-----	0	3	3	6	573	578
New Hampshire-----	0	3	3	41	1,297	1,338
New Jersey-----	1	27	28	226	4,704	4,930
New Mexico-----	0	0	0	33	5	37
New York-----	1	23	24	1,707	3,976	5,683
North Carolina-----	0	5	5	45	1,132	1,177
North Dakota-----	0	1	1	3	319	322
Ohio-----	1	18	19	110	3,440	3,549
Oklahoma-----	0	1	1	18	244	262
Oregon-----	0	4	4	41	816	857
Pennsylvania-----	1	14	15	209	3,537	3,746
Rhode Island-----	0	1	2	43	490	533
South Carolina-----	1	0	1	95	0	95
South Dakota-----	0	1	1	7	213	220
Tennessee-----	0	0	0	142	0	142
Texas-----	1	0	1	263	70	333
Utah-----	0	1	2	3	404	408
Vermont-----	0	1	1	16	617	633
Virginia-----	0	11	11	0	1,793	1,793
Washington-----	0	6	6	12	1,434	1,446
West Virginia-----	0	1	1	24	193	218
Wisconsin-----	1	25	26	118	6,552	6,670
Wyoming-----	0	0	0	0	89	89
American Samoa-----	0	0	0	0	0	0
Guam-----	0	0	0	0	0	0
North Mariana Islands-----	0	0	0	0	0	0
Puerto Rico-----	0	0	0	0	0	0
Trust Territory (excluding NMI)-----	0	0	0	0	0	0
Virgin Islands-----	0	0	0	13	0	13
Indian Tribe Set Asi-----	0	0	0	0	0	0
Indian Tribes-----	0	0	0	0	0	0
Freely Associated States-----	0	0	0	0	0	0
DOD Army/AF/USMC/Navy-----	0	0	0	0	0	0
Anticipated Adjustment-----	0	0	0	0	0	0
<b>TOTAL-----</b>	<b>26</b>	<b>377</b>	<b>402</b>	<b>6,683</b>	<b>79,312</b>	<b>85,995</b>

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

**SPECIAL MILK PROGRAM  
NUMBER OF PARTICIPATING OUTLETS AND OBLIGATIONS BY STATE**

FISCAL YEAR 2008

STATE OR TERRITORY	O U T L E T S				OBLIGATIONS <sup>1/</sup>
	SCHOOLS	NON-RESIDENTIAL CHILD CARE INSTITUTIONS	SUMMER CAMPS	TOTAL	
Alabama-----	6	0	5	11	\$47,454
Alaska-----	3	0	0	3	8,615
Arizona-----	26	0	1	27	62,059
Arkansas-----	8	0	2	10	14,934
California-----	144	7	70	221	596,719
Colorado-----	60	0	16	76	166,429
Connecticut-----	205	0	13	218	370,783
Delaware-----	10	0	0	10	44,600
District of Columbia-----	3	0	0	3	11,406
Florida-----	3	0	2	5	61,230
Georgia-----	5	0	6	11	35,907
Hawaii-----	2	0	0	2	7,914
Idaho-----	157	46	21	224	231,418
Illinois-----	784	1	20	805	3,383,700
Indiana-----	91	0	20	111	330,693
Iowa-----	63	0	24	87	80,987
Kansas-----	107	0	4	111	113,824
Kentucky-----	9	1	14	24	87,363
Louisiana-----	6	0	0	6	31,698
Maine-----	124	0	12	136	37,082
Maryland-----	7	0	5	12	442,719
Massachusetts-----	133	43	46	222	458,859
Michigan-----	220	0	1	221	695,815
Minnesota-----	442	57	17	516	864,228
Mississippi-----	1	0	0	1	3,593
Missouri-----	141	0	13	154	544,030
Montana-----	41	0	3	44	23,803
Nebraska-----	38	0	7	45	49,759
Nevada-----	81	10	0	91	98,888
New Hampshire-----	50	9	26	85	236,423
New Jersey-----	184	0	9	193	844,587
New Mexico-----	2	0	0	2	6,675
New York-----	252	51	121	424	997,532
North Carolina-----	2	0	12	14	205,147
North Dakota-----	16	0	12	28	56,470
Ohio-----	166	0	35	201	612,757
Oklahoma-----	22	0	0	22	45,108
Oregon-----	50	0	26	76	149,276
Pennsylvania-----	199	45	36	280	652,596
Rhode Island-----	79	7	7	93	93,727
South Carolina-----	6	0	0	6	16,841
South Dakota-----	28	4	3	35	38,261
Tennessee-----	0	2	2	4	25,618
Texas-----	9	2	8	19	59,046
Utah-----	82	0	6	88	71,049
Vermont-----	25	4	9	38	112,871
Virginia-----	85	1	11	97	308,305
Washington-----	47	6	15	68	250,900
West Virginia-----	8	0	8	16	37,707
Wisconsin-----	431	254	62	747	1,153,853
Wyoming-----	1	1	5	7	15,692
American Samoa-----	0	0	0	0	0
Guam-----	0	0	0	0	0
North Mariana Islands-----	0	0	0	0	0
Puerto Rico-----	0	0	0	0	0
Trust Territory (excluding NMI)-----	0	0	0	0	0
Virgin Islands-----	1	0	0	1	2,334
Indian Tribe Set Asi-----	0	0	0	0	0
Indian Tribes-----	0	0	0	0	0
Freely Associated States-----	0	0	0	0	0
DOD Army/AF/USMC/Navy-----	0	0	0	0	0
Anticipated Adjustment-----	0	0	0	0	220,540
<b>TOTAL-----</b>	<b>4,665</b>	<b>551</b>	<b>735</b>	<b>5,951</b>	<b>\$15,119,825</b>

<sup>1/</sup> Obligations as reported September 30, 2008.

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

## FOOD AND NUTRITION SERVICE

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

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

- For necessary expenses to carry out the [special supplemental nutrition] WIC [program] Program as
- 1 authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), [~~\$6,860,000,000~~]
- 2 \$7,777,000,000, to remain available through September 30, [2010] 2011, of which [such sums as are
- necessary to restore the contingency reserve to \$125,000,000] \$225,000,000 shall be placed in reserve, to
- remain available until expended, to be allocated as the Secretary deems necessary, notwithstanding section
- 17(i) of such Act, to support participation should cost or participation exceed budget estimates: *Provided*,
- That of the total amount available, the Secretary shall obligate not less than \$14,850,000 for a breastfeeding
- support initiative in addition to the activities specified in section 17(h)(3)(A): *Provided further*, That,
- notwithstanding section 17(h)(10)(A) of such Act, only the provisions of section 17(h)(10)(B)(i) and section
- 3 17(h)(10)(B)(ii) shall be effective in [2009;including \$14,000,000 for the purposes specified in section
- 17(h)(10)(B)(i): *Provided further*, That funds made available for the purposes specified in section
- 17(h)(10)(B)(ii) shall only be made available upon determination by the Secretary that funds are available
- to meet caseload requirements without the use of the contingency reserve funds after the date of enactment
- of this Act: *Provided further*, That hereafter none of the funds in this Act shall be available to pay
- administrative expenses of WIC clinics except those that have an announced policy of prohibiting smoking
- within the space used to carry out the program] 2010: *Provided further*, That none of the funds provided in
- this account shall be available for the purchase of infant formula except in accordance with the cost
- containment and competitive bidding requirements specified in section 17 of such Act: *Provided further*,
- That none of the funds provided shall be available for activities that are not fully reimbursed by other
- Federal Government departments or agencies unless authorized by section 17 of such Act.

The First Change deletes unnecessary language.

The Second Change deletes language to restore the contingency reserve.

The Third Change eliminates redundant language.

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

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

Appropriations Act, 2009 a/ .....\$6,860,000,000  
Budget Estimate, 2010.....7,777,000,000  
Increase in Appropriation ..... +917,000,000

a/ Excludes \$500,000,000 provided by the American Recovery and Reinvestment Act of 2009 (Recovery Act), P.L. 111-5.

Summary of Increases and Decreases  
(On basis of appropriation)

Item of Change	2009 Estimated	Pay Costs	Other Changes	2010 Estimated
Grants to States for Supplemental Food and Nutrition Services and Admin. Costs	\$6,706,150,000	0	\$625,000,000	\$7,331,150,000
WIC Reauthorization Initiatives and Program Improvements	0	0	162,000,000	162,000,000
Infrastructure	13,600,000	0	0	13,600,000
Technical Assistance	400,000	0	0	400,000
Breastfeeding Peer Counselors	14,850,000	0	0	14,850,000
WIC Contingency	125,000,000	0	100,000,000	225,000,000
Management Information Systems	0	0	30,000,000	30,000,000
ARRA, P.L. 111-5	500,000,000	0	-500,000,000	0
Adjusted Appropriation	7,360,000,000	0	417,000,000	7,777,000,000
ARRA Funds	-500,000,000	0	500,000,000	0
Total Appropriation	6,860,000,000	0	917,000,000	7,777,000,000

PROJECT STATEMENT  
(On basis of appropriation)

Project	2008 Actual	2009 Estimated	Increase or Decrease		2010 Estimated
Grants to States for Supplemental Food and Nutrition Services and Admin. Costs	\$5,841,000,000	\$6,706,150,000	\$625,000,000	(1)	\$7,331,150,000
WIC Reauthorization Initiatives and Program Improvements	0	0	162,000,000	(2)	162,000,000
Infrastructure Grants	13,600,000	13,600,000	0		13,600,000
Technical Assistance	400,000	400,000	0		400,000
Breastfeeding Peer Counselors	15,000,000	14,850,000	0		14,850,000
Management Information Systems	0	0	30,000,000	(3)	30,000,000
WIC Contingency	150,000,000	125,000,000	100,000,000	(4)	225,000,000
ARRA, P.L. 111-5					
WIC Contingency	0	400,000,000	-400,000,000		0
WIC MIS	0	100,000,000	-100,000,000		0
Subtotal, ARRA	0	500,000,000	-500,000,000		0
<b>Total Adjusted Appropriation</b>	<b>6,020,000,000</b>	<b>7,360,000,000</b>	<b>417,000,000</b>		<b>7,777,000,000</b>
Transfer from SNAP	150,000,000	0	0		0
<b>Adjusted Appropriation</b>	<b>6,170,000,000</b>	<b>7,360,000,000</b>	<b>417,000,000</b>		<b>7,777,000,000</b>
ARRA Funds	0	-500,000,000	500,000,000		0
<b>Total Appropriation</b>	<b>6,170,000,000</b>	<b>6,860,000,000</b>	<b>917,000,000</b>		<b>7,777,000,000</b>

**PROJECT STATEMENT**  
(On basis of available funds)

Project	2008 Actual	2009 Estimated	Increase or Decrease	2010 Estimated
Grants to States for Supplemental Food Nutrition Services and Admin. Costs	\$4,534,608,600 1,631,665,200	\$4,932,714,000 1,849,768,000	\$361,395,000 193,304,000	\$5,294,109,000 2,043,072,000
WIC Reauthorization Initiatives and Program Improvements	0	0	162,000,000	162,000,000
Infrastructure Grants	13,671,679	13,600,000	0	13,600,000
Technical Assistance	397,562	400,000	0	400,000
Breastfeeding Peer Counselors	15,075,558	14,850,000	0	14,850,000
Management Information Systems	0	0	30,000,000	30,000,000
ARRA Contingency	0	0	0	0
ARRA WIC MIS	0	80,000,000	-60,000,000	20,000,000
Total Program Expense	6,195,418,599	6,891,332,000	686,699,000	7,578,031,000
Projected Carryout	204,515,983	149,234,000	-6,031,000	143,203,000
Total Obligations	6,399,934,582	7,040,566,000	680,668,000	7,721,234,000
Recovery of Prior Year Obligations:				
WIC Program	-142,916,680	-204,516,000	55,282,000	-149,234,000
WIC Contingency	0	0	0	0
WIC ARRA Contingency				
Unobligated Balances:				
Available Start of Year				
WIC Program	-151,423	-21,050,000	21,050,000	0
WIC Contingency	-107,960,359	0	-125,000,000	-125,000,000
WIC ARRA MIS	0	0	-20,000,000	-20,000,000
WIC ARRA Contingency	0	0	-400,000,000	-400,000,000
Available End of Year				
WIC Program	0	0	0	0
WIC Contingency	21,050,173	125,000,000	225,000,000	350,000,000
WIC ARRA MIS	0	20,000,000	-20,000,000	0
WIC ARRA Contingency	0	400,000,000	-400,000,000	0
Transfer from SNAP	-150,000,000	0	0	0
Lapse	43,707	0	0	0
ARRA WIC Contingency Lapse	0	0	400,000,000	400,000,000
Total Adjusted Appropriation	6,020,000,000	7,360,000,000	417,000,000	7,777,000,000
Supplemental Nutrition Assistance Prog.	150,000,000	0	0	0
ARRA WIC Funds		-500,000,000	500,000,000	0
Total Appropriation	6,170,000,000	6,860,000,000	917,000,000	7,777,000,000

Justification of Increases and Decreases

The FY 2010 request for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) reflects an increase of \$917,000,000.

- (1) An increase of \$625,000,000 for WIC Grants to States (\$6,706,150,000 available in FY 2009).

Explanation of Change: The average monthly food cost per person is estimated to increase from \$44.24 in FY2009 to \$45.01 in FY 2010. The average administrative cost per person is estimated to increase from \$16.59 in FY 2009 to \$17.37 in FY 2010. The FY 2010 request would support an average monthly participation of approximately 9.8 million women, infants and children, an increase of approximately 510,000 people over the projected participation for FY 2009. The WIC participation estimates for this budget are based on historical participation patterns and then adjusted upward to account for the current economic condition. Because national indicators suggest that economic difficulties will continue through FY2010, participation estimates for both FY 2009 and FY 2010 were increased by 2 percent above the projected levels.

- (2) An increase of \$162,000,000 for WIC Reauthorization and Program Improvements.

Explanation of Change: The Administration will use these funds to implement program improvements which could include: expanding types of education and counseling services; developing additional State infrastructure; and enhancing program efficiency. Funds which could be made available to the Nutrition Program Administration account for a competitive fellowship grant are also included.

- (3) An increase of \$30,000,000 in Management Information Systems.

Explanation of Change: This increase restores funding to the authorized level and is necessary to replace extremely old, complex and paper-intensive WIC systems. These aging systems affect program efficiency, the quality of client services and performance outcomes.

- (4) An increase of \$100,000,000 in the Contingency Fund (\$125,000,000 available in FY2009).

Explanation of Change: The additional request in the contingency fund is essential to ensure a stable level of program service during highly uncertain times should participation or food costs exceed current estimates. The total amount of contingency funding available in FY 2010, not including ARRA contingency funding, is \$350,000,000. The Budget assumes that these funds are not needed to meet the projected level of program participation in FY 2010.

## Program Cost and Performance Summary

Program Performance Data	2008 Actual	2009 Estimated	Change	2010 Estimated
Program Level (\$ in millions)				
Grants to States for Supplemental Food	\$4,534.6	\$4,932.7	\$361.4	\$5,294.1
ARRA Contingency Food	0.0	0.0	0.0	0.0
Nutrition Services and Administrative Costs	1,631.7	1,849.8	193.3	2,043.1
ARRA Contingency Admin	0.0	0.0	0.0	0.0
WIC Reauthorization Initiatives	0.0	0.0	162.0	162.0
Infrastructure Grants	13.7	13.6	0.0	13.6
Technical Assistance	0.4	0.4	0.0	0.4
Breastfeeding Peer Counselors	15.1	14.8	0.0	14.8
Management Information Systems	0.0	0.0	30.0	30.0
ARRA WIC MIS	0.0	80.0	-60.0	20.0
Total Program Expense <u>a/</u>	6,195.5	6,891.3	686.7	7,578.0
Average Participation Per Month (in millions)	8.705	9.292	0.51	9.802
Average Food Cost Per Person Per Month	\$43.41	\$44.24	\$0.77	\$45.01
Average Admin. Cost Per Person Per Month	15.62	16.59	0.78	17.37
Total Benefit Costs	59.03	60.83	1.55	62.38

a/ Based on projected program level. Excludes projected recoveries in the subsequent fiscal year.

Classification by Objects  
2008 Actual and Estimated 2009 and 2010  
(in thousands of dollars)

	<b>Personnel Compensation:</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
	Washington D.C.	0	0	0
	Field	0	0	0
11	Total personnel compensation	0	0	0
12	Personnel benefits	0	0	0
13	Benefits for former personnel	0	0	0
	Total personnel compensation and benefits	0	0	0
	<b>Other Objects:</b>			
21	Travel and transportation of persons			
22	Transportation of things			
23.1	Rental payments to GSA			
23.2	Rental payments to others			
23.3	Communications, utilities, and misc. charges			
24	Printing and reproduction			
25	Other Services			
25.1	Contractual Services Performed by Other Federal Agencies			
25.2	Related Expenditures			
25.3	Repair, Alteration or Maintenance of Equipment, Furniture or Structures			
25.4	Contractual Services - Other			
25.5	Agreements			
25.6	ADP Services and Supplies			
25.7	Miscellaneous Services			
25.8	Fees			
26	Supplies and materials			
31	Equipment			
32	Land and structures			
41	Grants, subsidies and contributions	\$6,399,935	\$7,040,566	\$7,721,234
42	Insurance claims and indemnities			
43	Interest and dividends			
45	Special Payments			
92	Undistributed			
	Total other objects	6,399,935	7,040,566	7,721,234
	Total direct obligations	6,399,935	7,040,566	7,721,234

Totals in FY 2009 and FY 2010 include ARRA Funds.

## FOOD AND NUTRITION SERVICE

## Special Supplemental Nutrition Program for Women, Infants, and Children

SUMMARY OF RECOVERY ACT FUNDING

Item of Change	2009	2010	2011
WIC Management Information Systems <u>1/</u>	\$100,000,000	0	0
WIC Contingency Funds	400,000,000	0	0
Total Appropriation	500,000,000	0	0

1/ FNS expects to award about \$20 million in MIS grants in 2010.

WIC Management Information Systems - Program Implementation Activities:

## Major Goals and Coordination Efforts:

- Upgrade WIC systems through the transfer of State Agency Model (SAM) systems.
- Advance the use of WIC electronic benefits transfer (EBT) systems in the program.
- Modernize WIC systems through technology enhancements.
- Provide technical assistance to State agencies as needed.
- Conduct annual users group meetings for SAM and EBT to identify and resolve implementation issues.
- Provide networking opportunities through Federal/State/local technology conferences.

## Objectives:

- Support current EBT projects through Statewide implementation and involve additional State agencies in EBT planning activities.
- Require new MIS to support functionality needed to implement EBT.
- Promote and fund, to the extent possible, SAM and SAM transfers.
- Replace aging systems using the WIC Functional Requirements Document as a guide for system design and development.
- Promote the use of technical standards and common business practices.

## Delivery Schedule:

- Each project will have a timeline for completion. The performance period will vary depending on type of project funded. On April 24, 2009, FNS released four Requests for Applications (RFAs) to State agencies responsible for the WIC program for grant requests for technology initiatives. The RFAs are to fund information system enhancements, new system planning and transfers, and electronic benefit transfer system planning and implementation.

WIC Contingency Funds - Program Implementation Activities:

Goals and Coordination Efforts:

- To support participation should costs or participation exceed budget estimates.

Objectives:

- To serve all eligible persons seeking WIC services.

Delivery Schedule:

- Quarterly allocations, as needed.

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

### STATUS OF PROGRAM

#### Program Mission

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) provides nutritious supplemental foods, nutrition education, and health care referrals at no cost to low-income pregnant, postpartum, and breast-feeding women, to infants, and to children up to their fifth birthday, who are determined by health professionals to be at nutritional risk. "Low-income" is defined as at or below 185 percent of poverty; for the period of July 1, 2008, to June 30, 2009, this represents \$39,220 for a family of four. WIC also promotes breastfeeding as the feeding method of choice for infants, provides drug abuse education, and promotes immunization.

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 specified nutrition services and administration (NSA) costs, including the cost of nutrition assessments, blood tests for anemia, nutrition education, breastfeeding promotion, and health care referrals.

#### Facts in Brief

#### Selected Characteristics of WIC Participants

WIC Participants	April 1998	April 2000	April 2002	April 2004	April 2006
Infants	25.5%	26.3%	25.7%	25.7%	25.9%
Children	51.2%	49.6%	50.1%	49.8%	48.9%
Women	23.3%	24.1%	24.1%	24.5%	25.1%
Under 18 Years Old	9.1%	8.0%	6.8%	6.3%	6.2%
Breastfeeding	4.8%	5.3%	5.7%	6.0%	6.7%
Black	22.9%	21.9%	20.2%	20.0%	19.6%
Hispanic	32.3%	35.3%	38.1%	39.2%	41.2%
White	39.2%	37.4%	35.9%	34.8%	55.3%
On SNAP (Food Stamps)	26.6%	19.6%	17.5%	19.8%	21.8%
On Medicaid	48.3%	49.5%	54.3%	61.1%	63.2%
On TANF	17.0%	12.1%	9.6%	9.4%	9.3%
Poverty Status:					
0-50%	28.1%	26.5%	26.5%	28.6%	29.3%
51-100%	28.7%	29.1%	27.4%	28.6%	30.5%
101-130%	12.5%	13.7%	13.4%	13.1%	13.4%
131-150%	6.1%	7.1%	6.7%	6.2%	6.4%
151-185%	6.6%	8.4%	8.2%	7.7%	7.6%
Mean Income (whole \$)	\$12,479	\$13,819	\$14,550	\$14,758	\$15,577
Mean Household Size (persons)	3.9	4.0	4.0	4.0	4.0
One Person Households	2.1%	1.8%	1.5%	1.3%	1.3%
Enrollment in 1 <sup>st</sup> Trimester	46.6%	47.7%	48.4%	50.7%	51.2%
Enrollment in 2 <sup>nd</sup> Trimester	37.8%	39.0%	39.8%	38.4%	37.9%

Source: WIC Participant and Program Characteristics reports 1998-2006

Note: The 2006 WIC Participant and Program Characteristics Report is the first to contain data on race and ethnicity applying the new data collection procedures required by the Office of Management and Budget (OMB). Because the 2006 race/ethnicity categories differ significantly from previous reports, explicit comparison across years is not possible.

### Program Participation and Costs

Average Monthly Participation (In Thousands)	2003	2004	2005	2006	2007	2008
Women	1,856.9	1,931.7	1,966.2	2,023.3	2,093.3	2,153.6
Infants	1,947.8	2,015.2	2,047.1	2,076.2	2,165.6	2,223.2
Children <5	3,825.1	3,957.5	4,009.2	3,988.5	4,026.4	4,327.8
<b>Total</b>	7,629.8	7,904.4	8,022.6	8,088.0	8,285.2	8,704.5
Change from Prior Year	1.9%	3.6%	1.5%	0.8%	2.4%	5.0%
Food Cost Total (Million \$)	\$3,225	\$3,562	\$3,603	\$3,598	\$3,880	\$4,548
Avg./Person/Month	\$35.22	\$37.54	\$37.42	\$37.08	\$39.03	\$43.55
Change in Per Person Food Cost	1.1%	6.6%	-0.3%	-0.9%	5.3%	11.6%
Per Person Per Month Total (Food/Admin.) Cost	\$49.30	\$50.99	\$51.30	\$51.52	\$53.91	\$59.43

Source: Program Information Report, September 2008. Actual totals may be received in future reporting periods.

### Program Assessment Rating Tool

OMB completed a PART review of WIC in 2006 and rated the program as effective. The review found that WIC has a positive impact on key health outcomes. Evaluations provide suggestive evidence that WIC has a positive impact on: (1) the incidence of low birthweight and other key birth outcomes, and that these positive effects lead to savings in Medicaid costs; and (2) children's intake of key nutrients and immunization rates. Further, program funds are utilized efficiently to maximize service to the eligible population. While WIC is largely meeting its long-term performance goals, remaining challenges include childhood obesity, which has grown in both the WIC and non-WIC populations.

These findings reinforce the importance of FNS efforts to change the food package to reflect current nutritional guidelines, promote breastfeeding, and better address the health risks facing the WIC population, including childhood obesity. The interim final rule was published December 6, 2007. FNS will also support special State projects which will build on previously developed WIC-specific obesity prevention interventions and continue to promote cost efficiencies.

### Reauthorization of the WIC Program

In anticipation of the reauthorization of the WIC Program in 2009, FNS held a series of listening sessions around the country to help clarify the needs and concerns of program cooperators, participants, and partners at the State and local levels. FNS also published a Federal Register notice to solicit comments from individuals who were not able to attend the listening session.

### Nutrition Education: An Important Benefit

Nutrition education is integral to the success of the WIC Program and is an important part of the WIC benefit package. In fact, the statute requires that 1/6<sup>th</sup> of the amounts States spend for nutrition service and education must go for nutrition education and breastfeeding promotion. Nutrition education is conducted through individual or group sessions and through the provision of materials designed to achieve a positive change in dietary and physical activity habits and improve health status. Participants are also counseled on the importance of WIC foods in preventing and overcoming specific risk conditions identified during certification activities. Special emphasis is given to appropriate infant feeding and to breastfeeding support and promotion. Program regulations require States to offer at least two nutrition education contacts for each participant during each certification period, and to promote breastfeeding to all pregnant women unless contraindicated.

FNS is working in cooperation with the Food and Nutrition Information Center, which is located at USDA's National Agricultural Library, to expand availability of nutrition services tools for WIC State and local agency staff through the WIC Works Resource System, located on the USDA Web site at

<http://www.nal.usda.gov/wicworks>. Features of the WIC Works Resource System include: (1) WIC-Talk, an online discussion forum; (2) WIC Sharing Center, where State-developed materials can be downloaded; (3) WIC Learning Center, where WIC staff can improve their nutrition services skills; (4) WIC databases for educational materials and information about WIC formulas; and (5) WIC Learning Online, a Web-based course for staff development and continuing education. The WIC Works Resource System receives over 355,000 hits per month.

### **Breastfeeding Promotion Efforts**

The WIC Program promotes breastfeeding as the best form of nutrition for infants through the provision of support and encouragement to new mothers and through nutrition education during pregnancy. In addition, to encourage breastfeeding, WIC mothers who decide to breastfeed receive a larger food package and are able to stay on WIC for a longer period of time than non-breastfeeding postpartum women. States are required to spend a minimum amount of WIC NSA funding, based on the number of participating postpartum women, for breastfeeding promotion and support. In FY 2007, State agencies spent \$98.7 million for breastfeeding promotion and support. In FY 2003, FNS began the development of “Using *Loving Support* to Implement Best Practices in Peer Counseling,” a project designed to prepare staff within the WIC Program to implement and expand breastfeeding peer counseling programs. The goal of the project is to equip WIC Programs throughout the country with a research-based implementation and management model that is effective and feasible and to serve as a guide in designing, building and sustaining peer counseling programs. During FY 2008, \$15 million was allocated among all WIC State agencies to continue States’ implementation of an effective and comprehensive peer counseling program and/or to expand an existing program. State agencies are now implementing plans that institutionalize peer counseling as a core service in WIC.

FNS continues to partner with other member organizations to sponsor the bi-annual meetings of the Breastfeeding Promotion Consortium (BPC). The mission of the BPC is to be a forum for the Federal Government and breastfeeding advocacy groups to promote, protect and support breastfeeding. The BPC comprises over 30 organizations, including professional and public health associations, government agencies and breastfeeding advocacy groups. Meetings are held in conjunction with the meetings of the United States Breastfeeding Committee, which FNS attends as the government liaison.

### **WIC Food Package Review**

On December 6, 2007, the Department published an interim final rule revising the WIC food packages. The revisions align the WIC food packages with the 2005 *Dietary Guidelines for Americans* and infant feeding practice guidelines of the American Academy of Pediatrics. The interim final rule comment period ends on February 1, 2010.

### **Cost Containment Initiatives**

In an effort to use food grants more efficiently, all geographic WIC State agencies and most ITOs have implemented cost containment strategies, including competitive bidding, rebates, least cost brands and use of economically-priced package sizes. Savings generated by such actions are used by State agencies and ITOs to provide benefits to more participants within the same total budget. Due to the success of cost saving measures, average per person WIC food costs have grown much more slowly than general food inflation over the last 18 years. The average monthly food cost has increased by approximately 44 percent since FY 1990, while general food inflation, as measured by the TFP, has increased by 71 percent.

The most successful strategy has been competitively bid infant formula rebate contracts between State agencies and infant formula manufacturers. In addition, 13 State agencies, including State agencies that are parties in three multi-State contracts, have rebate contracts for infant juice and cereal. In FY 2008, the estimated rebate savings was \$2.13 billion. Approximately one-half (22) of the geographic State agencies (excluding Mississippi and Vermont) received a 90 to 95 percent discount on the wholesale cost of infant formula. Most of the remaining geographic State agencies (22) received discounts ranging from 82 to 89

percent and four received discounts ranging from 70 to 79 percent. Twenty-two geographic State agencies implemented contracts for FY 2008 with discounts ranging from 70 to 95 percent, with a median discount of 92 percent. To date, two geographic State agencies awarded contracts in FY 2009 with discounts ranging from 86 to 91 percent with a median discount of 88.5 percent. FNS continues to closely monitor infant formula rebates.

The Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265) required State agencies to establish cost containment systems to ensure that the WIC Program pays competitive prices for WIC foods. The law also contains new provisions regarding vendors that derive more than 50 percent of their annual food sales from WIC redemptions, and further requires that State agencies ensure that use of such vendors does not result in higher food costs than if participants used regular vendors (average payments to above-50-percent vendors cannot be higher than average payments to regular vendors). FNS published an interim final rule on November 29, 2005, that implements these provisions of the law. By law, State agencies were required to implement the rule provisions by December 30, 2005. During FY 2006, FNS worked with State agencies to certify their vendor cost containment systems and to implement the regulatory provisions. FNS continued to provide training and technical assistance to assist States in implementing their vendor cost containment systems throughout FY 2008.

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

FNS is working to advance EBT systems, which hold the potential to enhance benefit delivery and improve accountability of food benefits and vendor payment systems. FNS is working with, and providing funds to, individual State agencies on initiatives to research, plan, develop and implement WIC EBT systems. Since FY 1995, FNS has provided approximately \$44 million in EBT grant funds for EBT project development. To date, four WIC State agencies (Wyoming, Nevada, Texas and New Mexico) have successfully implemented EBT projects using smartcard technology. The Wyoming and New Mexico State agencies have expanded this effort Statewide, and Texas has been approved for Statewide expansion.

In addition to the smartcard pilot projects, FNS continues to explore other technologies, including online technologies that may enhance the WIC Program. The Michigan WIC Program has successfully implemented EBT using magnetic stripe cards with existing retailer equipment in an online real time capacity and will expand their project Statewide in March 2009. Two other State WIC Programs (Kentucky and Chickasaw Nation) plan to conduct an on-line EBT pilot project as well. Data collected from these projects will be evaluated to help determine the future of WIC EBT technologies.

In FY 2008, FNS announced the availability of grant funds for EBT planning activities. As a result of this announcement, Florida, Wisconsin, and Arkansas received funds to conduct an EBT cost benefit analysis and feasibility study. Virginia completed a feasibility study as a result of having received grant funds in FY 2007.

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

The SAM Project is an initiative to develop model WIC information systems (IS) through multiple State agency consortia. It also includes the transfer of these models to other WIC State agencies in order to eliminate systems development duplication and streamline the IS procurement process. The SAM Project is consistent with FNS' 5-year technology plan to improve WIC system functionality through the replacement of automated legacy systems.

FY 2008 was the fifth year in which FNS awarded grant funds to the three consortia. The consortia are: Successful Partners in Reaching Innovative Technology (SPIRIT), comprised of 13 ITOs in New Mexico and Oklahoma; the Mountain Plains State Consortia, comprised of three State agencies (Colorado, Wyoming and Utah); and Crossroads, comprised of four State agencies in the Mid-Atlantic and Southeast regions (Virginia, West Virginia, North Carolina and Alabama). Development of the first model system, SPIRIT, was completed in FY 2007 and enhanced in FY 2008. With the completion of the SPIRIT model,

FNS provided funding to the first transfer State agencies in FY 2007 (Arkansas, Missouri and Montana) and one additional State agency (Maine) in FY 2008.

### **Value Enhanced Nutrition Assessment (VENA)**

In 1999, FNS contracted with the IOM Food and Nutrition Board to review the assessment of dietary risk. The VENA initiative is a response to the resulting IOM Report, *Dietary Risk Assessment in the WIC Program*, published in 2002, which determined that traditional dietary assessment protocols do not identify nutritional inadequacies for individuals with sufficient precision to target enhanced services. VENA Policy and Guidance (developed with the assistance of a joint workgroup of FNS and National WIC Association representatives) was sent to all WIC State agencies in February 2006. In addition, FNS awarded a competitive grant to the Rochester Institute of Technology (RIT) to develop competency training to enhance the nutrition assessment skills of WIC staff. The training focused on three skills/competencies determined to be essential to the successful and effective implementation of VENA: critical thinking, rapport building, and health outcome-based WIC nutrition assessment. VENA competency training was conducted in all seven FNS regions in the last quarter of FY 2006. State agency staff continues to train their own local agency staffs as needed in these competencies, in order to be able to implement VENA by the target date of FY 2010. To assist State agencies in this process, in FY 2008 FNS developed online training modules, available through the WIC Learning Online System, based on the key competencies that were addressed in the FY 2006 training. An additional online training module was developed and tested by RIT during FY 2008 and will be posted on the WIC Works Resource System in the first quarter of FY 2009.

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

In FY 2008, FNS awarded a full grant to the State agency of Maine, and concept paper development grants to the State agencies of Vermont, Oregon and Washington. The \$440,000 grant awarded to Maine focuses on developing, implementing, and evaluating innovative strategies to strengthen nutrition assessment skills as part of WIC's VENA. Vermont, Oregon and Washington were each awarded a grant of \$20,000 for one year to develop concept papers on revitalizing quality nutrition services in WIC. The grant and concept papers focus on strengthening WIC clinicians' nutrition assessment skills and the impact of upcoming changes in WIC food packages to promote quality nutrition services in WIC. The grant awards to States are part of FNS' Revitalizing Quality Nutrition Services in WIC (RQNS) initiative. The goal of RQNS is to improve and strengthen the effectiveness of WIC nutrition services.

<b>State</b>	<b>Award</b>
<b><i>Full Grants</i></b>	
Maine	\$440,000
<b><i>Concept Paper</i></b>	
Vermont	20,000
Oregon	20,000
Washington	20,000

### **WIC Studies and Evaluations**

The following study reports were released by FNS in FY 2008 and may be found on the FNS Web site at <http://www.fns.usda.gov/oane>.

**Diet Quality of American Young Children by WIC Participation Status: Data from the National Health and Nutrition Examination Survey, 1999-2004 - July 2008:** This study uses the most recent data from the National Health and Nutrition Examination Survey to examine the diets of children who received WIC benefits.

**WIC Participant and Program Characteristics 2006 - December 2007:** The WIC Participant and Program Characteristics (PC2006) report summarizes demographic characteristics of WIC participants nationwide in April 2006, along with information on participant income and nutrition risk characteristics. This report is the most recent in a series of reports that have been generated from WIC State management information systems biennially since 1992.

## SPECIAL SUPPLEMENTAL NUTRITION PROGRAM (WIC)

## PARTICIPATION AND PROGRAM FINANCING

FISCAL YEAR 2008

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION				PROGRAM GRANT 2/ (\$000)
	WOMEN	INFANTS	CHILDREN	TOTAL	
Alabama-----	32,699	37,851	64,293	134,843	\$112,737
Alaska-----	6,198	6,084	12,968	25,250	24,133
Arizona 1/-----	49,486	53,485	94,539	197,510	141,732
Arkansas-----	24,447	25,677	39,595	89,719	69,895
California-----	348,768	323,673	741,433	1,413,874	1,040,884
Colorado 1/-----	24,366	26,041	48,395	98,802	67,544
Connecticut-----	12,637	15,411	28,210	56,258	45,327
Delaware-----	4,853	6,070	11,273	22,196	15,586
District of Columbia-----	4,626	5,055	6,732	16,413	13,374
Florida-----	121,395	122,924	219,982	464,301	348,243
Georgia-----	77,855	80,649	146,862	305,366	230,255
Hawaii-----	8,394	8,413	17,243	34,050	34,547
Idaho-----	9,949	10,150	21,682	41,781	27,821
Illinois-----	73,655	85,934	135,096	294,685	214,219
Indiana-----	39,963	43,309	72,488	155,760	105,726
Iowa-----	17,404	17,220	37,931	72,555	51,499
Kansas-----	17,747	18,863	36,629	73,239	47,054
Kentucky-----	31,241	34,263	70,703	136,207	103,388
Louisiana-----	37,446	42,139	62,119	141,704	112,414
Maine 1/-----	5,882	5,860	14,037	25,779	18,792
Maryland-----	35,590	35,967	64,053	135,610	92,218
Massachusetts-----	30,984	29,639	63,176	123,799	88,203
Michigan-----	54,466	55,378	128,026	237,870	175,690
Minnesota-----	33,710	32,814	74,906	141,430	99,245
Mississippi 1/-----	25,164	34,428	49,423	109,015	87,683
Missouri-----	37,712	39,923	65,372	143,007	95,227
Montana-----	4,611	4,898	10,405	19,914	15,261
Nebraska 1/-----	10,644	11,072	22,791	44,507	30,808
Nevada 1/-----	16,195	16,497	28,281	60,973	39,374
New Hampshire-----	4,316	4,606	8,983	17,905	13,621
New Jersey-----	38,927	41,713	78,289	158,929	117,868
New Mexico 1/-----	15,702	16,739	35,459	67,900	48,153
New York 1/-----	128,299	126,919	241,823	497,041	401,331
North Carolina 1/-----	64,053	68,075	128,252	260,380	183,791
North Dakota 1/-----	3,464	3,636	7,825	14,925	12,632
Ohio-----	69,248	89,582	134,049	292,879	198,101
Oklahoma 1/-----	29,952	32,017	60,901	122,870	94,215
Oregon-----	27,072	24,645	56,283	108,000	71,959
Pennsylvania-----	58,010	63,010	130,146	251,166	171,411
Rhode Island-----	5,893	6,190	13,734	25,817	19,621
South Carolina-----	35,380	37,233	54,343	126,956	91,885
South Dakota 1/-----	5,113	5,952	11,553	22,618	16,560
Tennessee-----	44,756	47,996	76,680	169,432	127,945
Texas-----	230,720	235,211	468,665	934,596	588,662
Utah-----	17,831	14,542	33,716	66,089	41,290
Vermont-----	3,516	3,285	9,901	16,702	13,646
Virginia-----	41,401	40,175	69,244	150,820	100,291
Washington-----	42,869	40,576	92,579	176,024	132,670
West Virginia-----	12,432	12,542	26,796	51,770	37,428
Wisconsin-----	29,225	30,001	62,520	121,746	80,598
Wyoming 1/-----	3,343	3,297	5,993	12,633	9,286
American Samoa-----	1,223	1,138	4,443	6,804	7,245
Guam-----	1,497	1,864	3,636	6,997	8,281
North Mariana Island-----	599	619	1,381	2,599	4,304
Puerto Rico-----	39,256	40,689	119,132	199,077	221,061
Trust Territory (excluding NMI)-----					
Virgin Islands-----	1,373	1,245	2,800	5,418	6,940
Indian Tribe Set Asi-----					
Indian Tribes-----					
Freely Associated States-----					
DOD Army/AF/USMC/Navy-----	--	--	--	--	--
Undistributed-----					1,118
TOTAL-----	2,153,557	2,223,184	4,327,769	8,704,510	\$6,370,790

1/ Includes Indian Agencies.

2/ Excludes \$397,562 for WIC technical assistance and WIC advisory council, \$13,671,679 for WIC infrastructure, special projects and breastfeeding promotion and \$15,075,558 for Breastfeeding Peer Counselors.

Totals may not add due to rounding.

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

## FOOD AND NUTRITION SERVICE

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

Supplemental Nutrition Assistance Program:

For necessary expenses to carry out the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), [~~\$53,969,246,000~~]\$61,351,846,000, of which \$3,000,000,000, to remain available through September 30, [~~2010~~]2011, shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided*, That funds provided herein shall be expended in accordance with section 16 of the Food and Nutrition Act of 2008: *Provided further*, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: [*Provided further*, That funds made available for Employment and Training under this heading shall remain available until expended, as authorized by section 16(h)(1) of the Food and Nutrition Act of 2008:] *Provided further*, That funds made available under this heading may be used to enter into contracts and employ staff to conduct studies, evaluations, or to conduct activities related to program integrity provided that such activities are authorized by the Food and Nutrition Act of 2008.

This Change deletes language related to the availability of funds to conform to the authorizing language found in section 16(h)(1) of the Food and Nutrition Act of 2008.

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

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)

Appropriation Act, 2009 a/ .....	\$53,969,246,000
Budget Estimate, 2010 a/ .....	<u>61,351,846,000</u>
Increase in Appropriation.....	<u>+7,382,600,000</u>

a/ Excludes \$5,194,657,000 in FY 2009 and \$5,925,223,000 in FY 2010 provided by the American Recovery and Reinvestment Act of 2009 (Recovery Act), P.L. 111-5.

Summary of Increases and Decreases  
(On basis of appropriation)

Item of Change	2009 Estimated	Pay Costs	Other Changes	2010 Estimated
Benefit Costs	\$45,599,291,000	0	\$7,179,606,000	\$52,778,897,000
ARRA -- Benefits	4,803,560,000	0	843,687,000	5,647,247,000
Contingency Reserve	3,000,000,000	0	0	3,000,000,000
Administrative Costs:				
State Administrative Costs	2,750,000,000	0	90,000,000	2,840,000,000
ARRA -- Administrative Costs	145,000,000	0	5,000,000	150,000,000
Employment and Training	362,272,000	0	7,821,000	370,093,000
Other Program Costs	83,116,000	\$260,000	10,800,000	94,176,000
Total Administrative Costs	3,340,388,000	260,000	113,621,000	3,454,269,000
Nutrition Assistance for Puerto Rico	1,760,435,000	0	112,668,000	1,873,103,000
ARRA -- NAP	240,133,000	0	-112,668,000	127,465,000
Food Distribution Program on Indian Reservations	114,914,000	0	-2,258,000	112,656,000
ARRA -- FDPIR Equipment	5,000,000	0	-5,000,000	0
TEFAP Commodities	250,000,000	0	3,250,000	253,250,000
American Samoa	7,070,000	0	453,000	7,523,000
ARRA -- American Samoa Benefits	964,000	0	-453,000	511,000
Commonwealth of the Northern Mariana Islands	12,148,000	0	0	12,148,000
Community Food Project	5,000,000	0	0	5,000,000
Health and Nutrition Pilot Projects	20,000,000	0	-20,000,000	0
Program Access	5,000,000	0	0	5,000,000
Total Adjusted Appropriation	59,163,903,000	260,000	8,112,906,000	67,277,069,000
ARRA Funding	-5,194,657,000	0	-730,566,000	-5,925,223,000
Total Appropriation	53,969,246,000	260,000	7,382,340,000	61,351,846,000

**PROJECT STATEMENT**  
(On basis of appropriation)

Project	2008	SY	2009	SY	Increase or Decrease		2010	SY
	Actual		Estimated				Estimated	
Benefits:	\$31,819,570,000		\$45,599,291,000		\$7,179,606,000	(1)	\$52,778,897,000	
ARRA -- Benefits	0		4,803,560,000		843,687,000		5,647,247,000	
Administrative Costs	2,620,000,000		2,750,000,000		90,000,000	(2)	2,840,000,000	
ARRA -- Administrative Costs	0		145,000,000		5,000,000		150,000,000	
Employment and Training:								
Federal Funds 100% <u>1/</u>	99,500,000		110,000,000		0		110,000,000	
Federal Funds 50%	188,528,000		195,037,000		6,046,000		201,083,000	
Participant Costs 50%	55,066,000		57,235,000		1,775,000		59,010,000	
<b>Subtotal, Employment and Training</b>	<b>343,094,000</b>		<b>362,272,000</b>		<b>7,821,000</b>	<b>(3)</b>	<b>370,093,000</b>	
Other Program Costs:								
Mandatory:								
Benefit & Retailer Redemption and Monitoring	16,954,000		17,344,000		2,139,000	(4a)	19,483,000	
Certification of SSI Recipients for SNAP	10,414,000		10,654,000		85,000	(4b)	10,739,000	
<b>Subtotal, Mandatory</b>	<b>27,368,000</b>		<b>27,998,000</b>		<b>2,224,000</b>		<b>30,222,000</b>	
Discretionary: <u>2/</u>								
Payment Accuracy and Cooperative Services	6,655,000		8,056,000		107,000		8,163,000	
Retailer Integrity and Trafficking	6,744,000		8,084,000		44,000		8,128,000	
Computer Support	6,944,000		7,474,000		0		7,474,000	
Electronic Benefit Transfer Systems	5,381,000		5,498,000		89,000		5,587,000	
Nutrition Education and Program Information	11,932,041		14,506,000		-1,980,000		12,526,000	
Program Evaluation and Modernization	2,000,000		11,500,000		0		11,500,000	
Increase Seniors Participation	0		0		10,576,000		10,576,000	
<b>Subtotal, Discretionary</b>	<b>39,656,041</b>		<b>55,118,000</b>		<b>8,836,000</b>	<b>(4c)</b>	<b>63,954,000</b>	
<b>Total, Other Program Costs</b>	<b>67,024,041</b>	<b>77</b>	<b>83,116,000</b>	<b>98</b>	<b>11,060,000</b>	<b>(4)</b>	<b>94,176,000</b>	<b>98</b>
<b>Total, Administrative Costs</b>	<b>3,030,118,041</b>	<b>77</b>	<b>3,340,388,000</b>	<b>98</b>	<b>113,881,000</b>		<b>3,454,269,000</b>	<b>98</b>
Contingency Reserve	2,850,000,000		3,000,000,000		0		3,000,000,000	
<b>Subtotal, Supplemental Nutrition Assistance Program</b>	<b>37,699,688,041</b>	<b>77</b>	<b>56,743,239,000</b>	<b>98</b>	<b>8,137,174,000</b>		<b>64,880,413,000</b>	<b>98</b>
Nutrition Assistance for Puerto Rico	1,622,521,000		1,760,435,000		112,668,000	(5)	1,873,103,000	
ARRA -- Benefits NAP	0		240,133,000		-112,668,000		127,465,000	
Food Distribution Program on Indian Reservations:								
Commodities in lieu of SNAP	53,771,000		78,896,000		-4,239,000		74,657,000	
Distributing Agencies Expenses and Nut. Ed.	34,706,000		36,018,000		1,981,000		37,999,000	
ARRA -- Equipment	0		5,000,000		-5,000,000		0	
<b>Subtotal, FDPIR</b>	<b>88,477,000</b>		<b>119,914,000</b>		<b>-7,258,000</b>	<b>(6)</b>	<b>112,656,000</b>	
TEFAP Commodities	190,000,000		250,000,000		3,250,000	(7)	253,250,000	
American Samoa	6,516,000		7,070,000		453,000	(8)	7,523,000	
ARRA -- American Samoa Benefits	0		964,000		-453,000		511,000	
Commonwealth of the Northern Mariana Islands	9,852,000		12,148,000		0		12,148,000	
Community Food Project	0		5,000,000		0		5,000,000	
Health and Nutrition Pilot Projects	0		20,000,000		-20,000,000	(9)	0	
Program Access	5,000,000		5,000,000		0		5,000,000	
<b>Total Adjusted Appropriation</b>	<b>39,622,054,041</b>	<b>77</b>	<b>59,163,903,000</b>	<b>98</b>	<b>8,113,166,000</b>		<b>67,277,069,000</b>	<b>98</b>
Rescission <u>3/</u>	168,959		0		0		0	
Rescission <u>1/</u>	10,500,000		0		0		0	
Transfer to WIC	150,000,000		0		0		0	
ARRA Funding	0		-5,194,657,000		-730,566,000		-5,925,223,000	
<b>Total Appropriation</b>	<b>39,782,723,000</b>	<b>77</b>	<b>53,969,246,000</b>	<b>98</b>	<b>7,382,600,000</b>		<b>61,351,846,000</b>	<b>98</b>

Note: Excludes \$1,000,000 in permanent appropriated no year funds for FY 2009 for a study on comparable access to supplemental nutrition assistance benefits in Puerto Rico.

1/ Unobligated balance of \$10,500,000 in Employment and Training funding rescinded in FY 2008 pursuant to Division A, Title VII, Section 749 of P.L. 110-161.

2/ Total pay cost distribution among line items is \$136,000 in FY 2008, \$293,000 in FY 2009 and \$260,000 in FY 2010.

3/ Appropriated funds are adjusted to reflect a rescission of \$168,959 in FY 2008 pursuant to Division A, Title VII, Section 752 of P.L. 110-161.

**PROJECT STATEMENT**  
(On basis of available funds)

Project	2008 Actual	SY	2009 Estimated	SY	Increase or Decrease	2010 Estimated	SY
Benefits:	\$34,524,649,214		\$45,634,291,000		\$7,179,606,000	\$52,813,897,000	
ARRA -- Benefits	0		4,803,560,000		843,687,000	5,647,247,000	
Administrative Costs	2,619,700,922		2,750,000,000		90,000,000	2,840,000,000	
ARRA -- Administrative Costs	0		145,000,000		5,000,000	150,000,000	
Employment and Training:							
Federal Funds 100%	109,715,043		114,500,000		0	114,500,000	
Federal Funds 50%	186,281,989		195,037,000		6,046,000	201,083,000	
Participant Costs 50%	54,665,970		57,235,000		1,775,000	59,010,000	
Subtotal, Employment and Training	350,663,002		366,772,000		7,821,000	374,593,000	
Other Program Costs:							
Mandatory							
Benefit & Retailer Redemption and Monitoring	15,873,375		17,344,000		2,139,000	19,483,000	
Certification of SSI Recipients for SNAP	7,892,606		10,654,000		85,000	10,739,000	
Subtotal, Mandatory	23,765,981		27,998,000		2,224,000	30,222,000	
Discretionary: <u>1/</u>							
Error Reduction and Cooperative Services	6,566,693		8,056,000		107,000	8,163,000	
Retailer Integrity and Trafficking	6,697,854		8,084,000		44,000	8,128,000	
Computer Support	6,939,006		7,474,000		0	7,474,000	
Electronic Benefit Transfer Systems	5,355,251		5,498,000		89,000	5,587,000	
Nutrition Education and Program Information	11,824,100		14,506,000		-1,980,000	12,526,000	
Program Evaluation and Modernization	1,498,508		11,500,000		0	11,500,000	
Increase Senior Participation	0		0		10,576,000	10,576,000	
Subtotal, Discretionary	38,881,412		55,118,000		8,836,000	63,954,000	
Total, Other Program Costs	62,647,393	77	83,116,000	98	11,060,000	94,176,000	98
Total, Administrative Costs	3,033,011,317	77	3,344,888,000	98	113,881,000	3,458,769,000	98
Subtotal, Supplemental Nutrition Assistance Program	37,557,660,531	77	53,782,739,000	98	8,137,174,000	61,919,913,000	98
Nutrition Assistance for Puerto Rico	1,622,521,000		1,760,435,000		112,668,000	1,873,103,000	
ARRA -- Benefits NAP	0		240,133,000		-112,668,000	127,465,000	
Food Distribution Program on Indian Reservations:							
Commodities in Lieu of SNAP	54,253,712		78,896,000		-4,239,000	74,657,000	
Distributing Agencies Expenses and Nut. Ed.	34,085,212		36,018,000		1,981,000	37,999,000	
ARRA -- Equipment	0		5,000,000		-5,000,000	0	
Subtotal, FDPIR	88,338,924		119,914,000		-7,258,000	112,656,000	
TEFAP Commodities <u>2/</u>	189,935,658		250,000,000		3,250,000	253,250,000	
American Samoa	4,794,797		7,070,000		453,000	7,523,000	
ARRA -- American Samoa Benefits	0		964,000		-453,000	511,000	
Commonwealth of the Northern Mariana Islands	9,852,000		12,148,000		0	12,148,000	
Community Food Project	0		10,000,000		-5,000,000	5,000,000	
Health and Nutrition Pilot Projects	0		20,000,000		-20,000,000	0	
Program Access	5,000,000		5,000,000		0	5,000,000	
Total Obligations	39,478,102,910	77	56,208,403,000	98	8,108,166,000	64,316,569,000	98
Recoveries	-8,071,217		0		0	0	
Unobligated Balance Start of Year	-3,035,580,965		-2,788,931,940		-239,746,060	-3,028,678,000	
Unobligated Balance End of Year	2,788,931,940		3,028,678,000		-4,500,000	3,024,178,000	
Balance Lapsing	425,843,435		2,411,634,940		588,365,060	3,000,000,000	
Transfer to CNP	0		344,119,000		-344,119,000	0	
Collections from E&T 100% obligations	-528,485		0		0	0	
Collections from Reimbursable Obligations	-26,643,577		-35,000,000		0	-35,000,000	
Total Adjusted Appropriation	39,622,054,041	77	59,168,903,000	98	8,108,166,000	67,277,069,000	98
Rescission <u>3/</u>	168,959		0		0	0	
Rescission <u>4/</u>	10,500,000		0		0	0	
Transfer WIC	150,000,000		0		0	0	
Transfer Community Food Project	0		-5,000,000		5,000,000	0	
ARRA Funds	0		-5,194,657,000		-730,566,000	-5,925,223,000	
Total Appropriation	39,782,723,000	77	53,969,246,000	98	7,382,600,000	61,351,846,000	98

Note: Excludes \$1,000,000 in permanent appropriated no year funds for FY 2009 for a study on comparable access to supplemental nutrition assistance benefits in Puerto Rico.

- 1/ Total pay cost distribution among line items is \$136,000 in FY 2008 , \$293,000 in FY 2009 and \$260,000 in FY 2010.
- 2/ The appropriation request provides \$253,250,000 for The Emergency Food Assistance Program (TEFAP) for the procurement of commodities. Up to 10 percent of that amount is permitted to be used for TEFAP administrative costs.
- 3/ Appropriated funds are adjusted to reflect a rescission of \$168,959 in FY 2008 pursuant to Division A, Title VII, Section 752 of P.L. 110-161.
- 4/ Appropriated Employment & Training funds are adjusted in FY 2008 to reflect a rescission of \$10,500,000 in unobligated funding pursuant to Division A, Title VII, Section 749 of P.L. 110-161.

### Justification of Increases and Decreases

The FY 2010 request for the Supplemental Nutrition Assistance Program (SNAP) reflects an increase of \$7,382,600,000.

- (1) An increase of \$7,179,606,000 for Benefit Costs (\$45,599,291,000 available in FY 2009).

Explanation of Change. In FY 2010, participation overall is estimated to increase to an average level of 34.972 million participants per month due to changing economic conditions. The additional funding needed for benefits in the program is also driven by an increase in the maximum allotment and the average benefit per person per month, which are estimated to be \$625 for a family of four and \$125.85, respectively. In addition to the increase in appropriations above, additional funding is being provided beginning April 1, 2009 to maintain the maximum allotment at \$668 for a four-person household as provided for in the American Recovery and Reinvestment Act of 2009 (ARRA). With this additional funding, the average benefits per person per month are estimated to be at about \$139.30 in FY 2010.

A comparison of key program performance and cost indicators for FY 2008 through 2010 is presented below:

Program Performance Cost Indicators			
Program Performance Indicators	2008 Estimate	2009 Estimate	2010 Estimate
Average participation per month (000)	28,408	32,603	34,972
Average unemployment rate (percent)	5.8	8.1	7.9
Thrifty Food Plan (TFP)	\$542.10	\$588.30	\$625.70
Maximum Allotment (4 person hh)	\$542.00	\$588.00	\$625.00
Average benefit per person per month	\$101.53	\$116.70	\$125.85
Maximum Allotment (4 person hh) – beginning April 1, 2009		\$668.00	\$668.00
Overall average benefit per person per month including 13.6 percent increase (P.L. 111-5)		\$128.97	\$139.30

Because SNAP statute and regulations require complex individual and household calculations to determine eligibility and benefit levels, erroneous or false information can result in the overpayment or under payment of benefits. Some households may intentionally or inadvertently misreport their circumstances that affect eligibility and benefits (e.g., income, resources, household composition); other households may fail to report changes in their circumstances. Eligibility workers may fail to act promptly on reported changes, may fail to correctly apply Federal policies, and may make arithmetic errors. FNS works with States to keep all of these errors to a minimum. FNS activities include sponsoring National, regional, and State conferences; providing direct technical assistance to individual States; and facilitating the exchange of effective payment accuracy strategies among States.

The actual total baseline error rate for FY 2007 decreased to 5.64 from a level of 5.99 in FY 2006. Previous to FY 2006, the rate fell each year since FY 1998, when the rate was 10.69 percent. A comparison of reported overpayment/underpayment error rates for FY 2007 and estimated erroneous benefits for FY 2008 through FY 2010 follows:

	2007 Actual	2008 Target	2009 Target	2010 Target
Amount of Overpayments (\$ millions)	\$1,389	\$1,554	\$2,229	\$2,490
Overpayment Error Rate (percent)	4.58	4.50	4.42	4.26
Amount of Underpayments (\$ millions)	\$321	\$414	\$595	\$666
Underpayment Error Rate (percent)	1.06	1.20	1.18	1.14
Total Benefits Over/Under Issued in Error (\$ millions)	\$1,710	\$1,968	\$2,824	\$3,156
Total Error Rate (percent)	5.64	5.70	5.60	5.40
Amount of Combined Errors Offset (\$ millions)	\$1,068	\$1,140	\$1,634	\$1,824

- (2) An increase of \$90,000,000 for State Administrative Expenses (SAE) (\$2,750,000,000 available in FY 2009).

Explanation of Change. The FY 2010 estimate of \$2,840,000,000 for SAE is based on the State obligations of \$2.6 billion in FY 2008. The offset for SNAP obligations, which are funded from Temporary Assistance for Needy Families (TANF) and mandated in the Agriculture Research Act, is added and new performance bonus payments are deducted. The resulting base of \$2.769 billion is inflated by the State and local purchase deflator through FY 2010, the TANF offset is deducted and the estimated new performance bonus payments are added to estimate the SAE in FY 2010. In addition to the increase in the appropriation above, additional funding is being provided to support the increase in participation levels as provided for in the American Recovery and Reinvestment Act of 2009 (ARRA).

- (3) An increase of \$7,821,000 for Employment and Training (\$362,272,000 available in FY 2009).

Explanation of Change. The estimated increase is based on the following items: In FY 2010 the 50 percent State administrative costs increased to \$201,083,000, due to inflation (\$195,037,000 available in FY 2009). The 50 percent participants' dependent care and transportation costs increased to \$59,010,000 in FY 2010 due to inflation (\$57,235,000 available in FY 2009). The total estimated need for these two activities is \$260,093,000 (\$252,272,000 available in FY 2009).

- (4) An increase of \$11,060,000 for other program costs as shown below (\$83,116,000 available in FY 2009.)

Other Program Costs			
	Mandatory	Discretionary	Total Request
FY 2009 Estimate	\$27,998,000	\$55,118,000	\$83,116,000
Change	224,000	8,836,000	11,060,000
Total Request, FY 2010	30,222,000	63,954,000	94,176,000

The overall increase consists of the following:

**Mandatory:**

- (a) Benefit & Retailer Redemption and Monitoring:

Explanation of Change. An inflationary adjustment resulted in an increase of \$139,000 along with a \$2,000,000 increase to maintain benefit and retailer redemption and monitoring (\$17,344,000 available in FY 2009).

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

Explanation of Change. An increase of \$85,000 for inflation in certifying SSI recipients for supplemental nutrition assistance and the cost for utilizing Social Security Administration (SSA) data to ensure accurate SNAP benefit determination (\$10,654,000 available in FY 2009).

**Discretionary:**

(c) An increase of \$8,836,000 for Discretionary Other Program Costs (\$55,118,000 available in FY 2009).

Explanation of Change. The increase consists of the following:

- An increase of \$260,000 for salaries and benefit pay cost.
- A decrease of \$2,000,000 for former CSFP States to engage in outreach to encourage enrollment of former CSFP participants in SNAP; since CSFP is proposed to be funded in FY 2010 funds are not needed for this purpose.
- An increase of \$10,576,000 to increase elderly participation in the SNAP. For more information, please refer to the issue paper on page 26-18.

Discretionary -- Other Program Costs	Pay Costs	Other Changes	Total
Error Reduction and Cooperative Services	\$107,000	0	\$107,000
Retailer Integrity and Trafficking	44,000	0	44,000
Computer Support	0	0	0
Electronic Benefit Transfer Systems	89,000	0	89,000
Nutrition Education and Program Information	20,000	-\$2,000,000	-1,980,000
Program Evaluation and Modernization	0	0	0
Increase Seniors Participation	0	10,576,000	10,576,000
Total	260,000	8,576,000	8,836,000

(5) An increase of \$112,668,000 for Nutrition Assistance for Puerto Rico (\$1,760,435,000 available in FY 2009).

Explanation of Change. The Farm Security and Rural Investment Act of 2002 (P.L. 107-171), provides for an inflationary increase for Nutrition Assistance for Puerto Rico based on the percent change in the TFP. In addition to the increase in the appropriation above, additional funding is being provided to maintain a level of funding that is 13.6 percent above the TFP as provided for in the American Recovery and Reinvestment Act of 2009 (ARRA).

(6) A decrease of \$2,258,000 for Food Distribution Program for Indian Reservations (FDPIR) (\$114,914,000 available in FY 2009).

Explanation of Change. The decrease consists of the following:

- A decrease of \$4,239,000 in funding for commodity procurement resulting from additional free substitute commodities being made available in FY 2009. These additional commodities result in higher beginning commodity inventory levels in FY 2010 (\$78,896,000 available for commodity procurement in FY 2009); and
- An increase of \$1,981,000 for inflation (the FY 2009 base adjusted for inflation by the State and local purchase indicator) in administrative expenses for ITOs (\$36,018,000 available for distributing agency expenses in FY 2009).

## FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS

Program Performance Data	2008 Actual	2009 Estimate	Difference	2010 Estimate
<b>Resources (\$000):</b>				
Appropriation	\$88,477	\$114,914	-\$2,258	\$112,656
Beginning Inventory (Federal and Local)	18,500	13,619	12,355	25,974
<b>Total Resources</b>	<b>106,977</b>	<b>128,533</b>	<b>10,097</b>	<b>138,630</b>
<b>Program Demand:</b>				
Average Monthly Participation	90,116	95,703	2,871	98,574
<b>Average Monthly Food Packages:</b>				
FNS Purchased	\$54.52	\$57.52	\$4.02	\$61.54
Free Substitute	0.86	3.82	-2.53	1.29
<b>Total Monthly Food Package</b>	<b>55.38</b>	<b>61.34</b>	<b>1.49</b>	<b>62.83</b>
<b>Demand: (\$000)</b>				
FDPIR Food Costs <sup>1/</sup>	58,957	66,058	6,737	72,795
Commodity Purchases Admin.	411	483	4	487
Special Purchase of Bison	0	0	0	0
<b>Demand, Commodities</b>	<b>59,368</b>	<b>66,541</b>	<b>6,741</b>	<b>73,282</b>
State Administration	34,085	36,018	1,981	37,999
<b>Total Demand</b>	<b>93,453</b>	<b>102,559</b>	<b>8,722</b>	<b>111,281</b>
<b>Use of Resources:</b>				
Program Demand	93,453	102,559	8,722	111,281
Inventory Change	-5,114	12,355	-10,980	1,375
Lapsed Funds	138	0	0	0
<b>Total Funds Available</b>	<b>88,477</b>	<b>114,914</b>	<b>-2,258</b>	<b>112,656</b>
<b>Balance End of Year:</b>				
Ending Inventory	13,619	25,974	1,371	27,345
Purchases	54,392	78,896	-4,239	74,657

<sup>1/</sup> Inventory costs include additional storage and transportation costs for food moving from Federal inventories.

- (7) An increase of \$3,250,000 for The Emergency Food Assistance Program (TEFAP) (\$250,000,000 available in FY 2009).

Explanation of Change. The Food, Conservation, and Energy Act of 2008 (P.L. 110-246), provides for an inflationary increase to fund the procurement of TEFAP commodities based on the percent change in the TFP. Up to 10 percent of the total available is permitted to be used for TEFAP administrative costs.

- (8) An increase of \$453,000 for American Samoa (\$7,070,000 available in FY 2009).

Explanation of Change. The Food, Conservation, and Energy Act of 2008 (P.L. 110-246), provides for an inflationary increase to fund the supplemental nutrition assistance grant program in American Samoa based on the percent change in the TFP. In addition to the increase in the appropriation above, additional funding is being provided to maintain a level of funding that is 13.6 percent above the TFP as provided for in the American Recovery and Reinvestment Act of 2009 (ARRA).

- (9) A decrease of \$20,000,000 for Health and Nutrition Pilot Projects (\$20,000,000 available in FY 2009).

Explanation of Change. Funding was provided in FY 2009 to develop Health and Nutrition Pilot Projects provided in the Food, Conservation, and Energy Act of 2008, P.L. 110-246.

**FNCS PRESIDENT’S BUDGET FISCAL YEAR 2010  
CURRENT LAW**

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

**Proposal:** Use \$10.576 million to increase elderly participation in SNAP.

**Rationale:** The SNAP participation rate is lowest among seniors. Roughly 30 percent of all eligible non-SSI seniors participate in SNAP, compared to an overall program participation rate of about 65 percent. Research suggests that seniors tend not to participate in SNAP because of application burdens and perceived value of the benefit. However, recent studies have found that when the application burden is reduced even by a small amount a significant number of seniors enroll in SNAP.<sup>3</sup> This proposal tests innovative strategies to reduce participation barriers by leveraging a recent Congressional data sharing requirement between the Centers for Medicare and Medicaid Services (CMS) and the Social Security Administration (SSA).

The 110<sup>th</sup> Congress passed the Medicare Improvements for Patients and Providers Act of 2008 (P.L. 110-275), requiring SSA and CMS to coordinate data and outreach efforts for low-income seniors eligible for the Part D low-income subsidy. Specifically, beginning January 1, 2010, SSA will be required to transmit State application data (also known as “leads data”) to CMS to determine eligibility for Medicare Savings Program determination. It is likely that many of these applicants may also be eligible for SNAP.

This proposal provides funding to test the effectiveness of using “leads data” from the SSA to increase participation in SNAP among elderly Medicare Low-Income Subsidy beneficiaries (LIS; also called “Extra help”). “Leads data” includes some appropriate measures of beneficiary income and resource levels that could be used to target outreach to boost enrollment levels among the elderly. Projects funded with this increase will consist of targeted outreach, data matching/sharing and/or simplified application process. Since the eligibility standards for SNAP and LIS do not correspond directly, various approaches to improve participation will be explored. These may include targeted enrollment, and outreach program, streamlining of the SNAP application process, or exploring eligibility simplification. In addition, funds will also be used to assess SNAP participation outcomes, payment accuracy and cost-neutrality associated with these initiatives.

**Goal:** USDA Strategic Goal 5: Improve the Nation’s Nutrition and Health; Objective 5.1: Ensure Access to Nutritious Food.

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

	FY 2010
SNAP	\$10.576

---

<sup>3</sup> *Evaluation of the USDA Elderly Nutrition Demonstrations Volume I, Evaluation Findings.* Scott Cody and James Ohls, Mathematica Policy Research, Inc. July 2005.

**Food and Nutrition Service**  
**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS**  
**2008 and Estimated 2009 and 2010**

<b>Supplemental Nutrition Assistance Program</b>						
	FY 2008 Amount	Staff Years	FY 2009 Amount	Staff Years	FY 2010 Amount	Staff Years
Alabama	0	0	0	0	0	0
Alaska	0	0	0	0	0	0
Arizona	0	0	\$71,477	1	\$85,921	1
Arkansas	0	0	0	0	0	0
California	\$696,816	4	717,242	6	731,686	6
Colorado	583,190	4	603,615	5	618,059	5
Connecticut	0	0	0	0	0	0
Delaware	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	0
Florida	367,738	2	378,159	3	392,603	3
Georgia	519,565	2	520,226	3	534,670	3
Hawaii	0	0	0	0	0	0
Idaho	0	0	0	0	0	0
Illinois	328,096	2	328,513	2	342,957	2
Indiana	399,706	3	400,127	3	414,571	3
Iowa	0	0	0	0	0	0
Kansas	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0
Maine	112,087	2	114,505	2	128,949	2
Maryland	0	0	0	0	0	0
Massachusetts	523,830	3	524,255	4	538,699	4
Michigan	98,509	2	85,585	1	100,029	1
Minnesota	9,726,825	2	9,726,825	2	9,741,269	2
Mississippi	0	0	0	0	0	0
Missouri	0	0	0	0	0	0
Montana	106,051	2	92,469	1	106,913	1
Nebraska	0	0	0	0	0	0
Nevada	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0
New Jersey	466,196	3	476,621	4	491,065	4
New Mexico	0	0	0	0	0	0
New York	161,940	1	169,871	2	184,315	2
North Carolina	0	0	0	0	0	0
North Dakota	0	0	0	0	0	0
Ohio	0	0	0	0	0	0
Oklahoma	0	0	0	0	0	0
Oregon	0	0	35,763	1	50,207	1
Pennsylvania	158,770	2	160,682	2	175,126	2
Rhode Island	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0
Texas	583,708	4	606,518	6	620,962	6
Utah	0	0	0	0	0	0
Vermont	0	0	0	0	0	0
Virginia	36,693,592	39	39,483,500	50	39,497,952	50
Washington	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0
American Samoa	0	0	0	0	0	0
Freely Associated States	0	0	0	0	0	0
Guam	0	0	0	0	0	0
N. Mariana Islands	0	0	0	0	0	0
Puerto Rico	0	0	0	0	0	0
Virgin Islands	0	0	0	0	0	0
Indian Tribes	0	0	0	0	0	0
DOD Army/AF	0	0	0	0	0	0
Undistributed	680,334	0	0	0	0	0
<b>TOTAL</b>	<b>\$52,206,953</b>	<b>77</b>	<b>\$54,495,953</b>	<b>98</b>	<b>\$54,755,953</b>	<b>98</b>

**FOOD AND NUTRITION SERVICE**  
Supplemental Nutrition Assistance Program

Classification by Objects  
2008 Actual and Estimated 2009 and 2010  
(in thousands of dollars)

	<b>Personnel Compensation:</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
	Washington D.C.	\$3,251	\$3,378	\$3,469
	Field	3,816	3,965	4,072
11	Total personnel compensation	7,067	7,343	7,541
12	Personnel benefits	1,462	1,519	1,560
13	Benefits for former personnel	0	0	0
	Total personnel compensation and benefits	8,529	8,862	9,101
	<b>Other Objects:</b>			
21	Travel and transportation of persons	2,321	2,374	2,393
22	Transportation of things	181	185	186
23.1	Rental payments to GSA			
23.2	Rental payments to others			
23.3	Communications, utilities, and misc. charges	3,402	3,480	3,508
24	Printing and reproduction	784	802	808
25	Other Services	32,720	53,189	64,249
25.1	Contractual Services Performed by Other Federal Agencies			
25.2	Related Expenditures			
25.3	Repair, Alteration or Maintenance of Equipment, Furniture or Structures			
25.4	Contractual Services - Other			
25.5	Agreements			
25.6	ADP Services and Supplies			
25.7	Miscellaneous Services			
25.8	Fees			
26	Supplies and materials	244,037	329,168	328,181
31	Equipment	3,258	3,333	3,360
32	Land and structures	84	86	87
41	Grants, subsidies and contributions	39,182,785	55,806,922	63,904,694
42	Insurance claims and indemnities			
43	Interest and dividends	2	2	2
45	Special Payments			
92	Undistributed			
	Total other objects	39,469,574	56,199,541	64,307,468
	Total direct obligations	39,478,103	56,208,403	64,316,569

Totals may not add due to rounding.

Totals for FY 2009 and FY 2010 include ARRA Funds.

**FOOD AND NUTRITION SERVICE**

## Supplemental Nutrition Assistance Program

**SUMMARY OF RECOVERY ACT FUNDING**

Item of Change	2009	2010	2011
SNAP Benefits	\$4,803,560,000	\$5,647,247,000	\$4,641,836,000
SNAP Administrative Costs	145,000,000	150,000,000	0
Puerto Rico NAP	240,133,000	127,465,000	103,115,000
FDPIR Equipment Grants	5,000,000	0	0
American Samoa Benefits	964,000	511,000	414,000
<b>Total Appropriation</b>	<b>5,194,657,000</b>	<b>5,925,223,000</b>	<b>4,745,365,000</b>

**Program Implementation Activities:**

## Goals and Coordination Efforts:

- Supplemental Nutrition Assistance Program (SNAP):
  - Utilize the economic multiplier effects of SNAP to stimulate the economy. Every \$5 in new SNAP benefits generates a total of \$9.20 in total economic activity. SNAP recipients will likely spend the increased benefits quickly. Eighty percent of all benefits are redeemed within two weeks of receipt, and 97 percent are spent within a month.
  - FNS is working closely with State partners to implement the provisions of the Recovery Act in a timely manner. All States issued increased benefits to recipients for April. FNS issued six sets of questions and answers to assist States with implementation of the law.
  - FNS also participated in conference calls with States to brief them on the Recovery Act, share implementation information and answer questions. In addition, FNS sponsored a Webinar with over 200 participants ranging from States to national advocacy organizations to faith and neighborhood based organizations. The Webinar served to inform these groups about SNAP and the Recovery Act and encourage them to act as messengers with their own stakeholders.
  - FNS will monitor and oversee State partners as they begin to spend Recovery Act funds using an existing set of reporting and monitoring tools to oversee ongoing State agency program operations for SNAP. This includes regular financial and program activity level reporting, management evaluations, program access reviews, and payment accuracy (quality control) reviews.
  - States will report on how they are spending ARRA SNAP State Administrative Expense (SAE) dollars using a separate form that mirrors the current data requirements (collected via form SF 269) but allows for tracking of the recovery dollars specifically. Recovery Act funds make up approximately 5 percent of current State administrative expenses of the program.
- Food Distribution Program for Indian Reservations (FDPIR)
  - FDPIR has experienced increased participation over the last year, and these funds will reinvest in the facilities and equipment needed to operate FDPIR. In many cases, FDPIR caseloads have expanded due to recent economic conditions, and Indian Tribal Organizations (ITOs) and State Agencies (SAs) often lack funds to make expensive capital investments in the warehouses and food distribution equipment needed to serve FDPIR recipients.

## Objectives:

- SNAP:
  - Put Recovery Act benefit dollars into the wallets of needy people quickly and accurately.
  - Distribute SAE quickly to assist States to administer the program and deliver benefits to a growing number of low income people.
- FDPIR:
  - FDPIR funds will be allocated to ITOs and SAs that administer FDPIR to ensure that the highest-priority needs are met.

## Delivery Schedule:

- SNAP:
  - March 17, 2009 – Distributed FY 2009 SAE funding to States.
  - April 1, 2009 – SNAP recipients begin to receive increased benefits each month as a result of ARRA. For example, a household of four will receive an increase of \$80 per month. Time limits are lifted for able bodied adults without dependents, unless the State agency opts to offer a qualifying work opportunity.
  - March 2010 – Distribute FY 2010 SAE funding to States.
  - October 2010 – Time limits for able bodied adults without dependents are reinstated. The clock restarts for all affected households.
- FDPIR:
  - FDPIR funds should be allocated to ITOs and SAs by June 2009. FDPIR ITOs/SAs that purchase equipment are likely to obligate funds relatively quickly (mostly in FY 2009) but those making facility upgrades are likely to require a longer obligation timeframe (stretching into FY 2010).

## Performance Measures:

- SNAP:
  - Every \$5 in new SNAP benefits generates a total of \$9.20 in total economic activity. Using FNS estimates of new benefits issued, the total stimulative effect of new benefits is calculated.

	Target		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Increase in SNAP Benefits	\$4.8 billion	\$5.6 billion	\$4.6 billion
Total Stimulative Effect	\$8.8 billion	\$10.4 billion	\$8.5 billion

- FDPIR:
  - FDPIR programs that receive ARRA funds will be asked to report on their progress in completing equipment purchases or facility upgrades as a measure of ARRA achievement.

	Target		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Percent of FDPIR Funds Obligated	50%	50%	NA

## SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

### STATUS OF PROGRAM

#### Program Mission

The Supplemental Nutrition Assistance Program (SNAP) works to raise nutrition levels of low-income households by ensuring access to a nutritious, healthful diet for households through nutrition assistance and nutrition education. This access provides the opportunity for low-income recipients to consume a diet consistent with the *Dietary Guidelines for Americans*. It enables low-income households to obtain a more nutritious diet by issuing monthly allotments of benefits redeemable for food at retail stores.

Eligibility and allotment amounts are based on household size, income, and expenses; eligibility is also based on assets, citizenship or legal immigration status, work requirements, and other factors. Benefits are adjusted annually to reflect changes in the June cost of the Thrifty Food Plan (a market basket of foods that meet the recommendations of the *Dietary Guidelines for Americans* for a nutritious low-cost diet for a four-person reference family). The Federal Government pays the full cost of benefits and funds approximately half of the expenses incurred by the States to administer the program.

The SNAP account also includes Nutrition Assistance for Puerto Rico (NAP), American Samoa and the Commonwealth of the Northern Mariana Islands, the Food Distribution Program on Indian Reservations (FDPIR), and the commodity funding associated with The Emergency Food Assistance Program (TEFAP).

#### Program Name Change

Section 4101 of the Food Conservation and Energy Act of 2008 (P.L. 101-246, the "FCEA" or "2008 Farm Bill") changed the name of the Food Stamp Program to SNAP as of October 1, 2008. The new name reflects the changes made in the program to meet the needs of clients, including improved accessibility, a focus on nutrition and an increase in benefit amounts.

While SNAP is the Federal name for the program, States maintain the flexibility to name their own programs. FNS is strongly encouraging States to change their program names to SNAP or another name of their choice and not to maintain the Food Stamp Program name. FNS is tracking State name change decisions. As of November 2008:

States Changing/Planning to Change to SNAP	17
States Changing to Alternate Name	7
States Still Using FSP	6
States Keeping Current Alternate Name	9
Undecided States	14
Total *	53

\* Includes the 50 United States, District of Columbia, Guam and the U.S. Virgin Islands.

Immediately following enactment of the law, FNS began planning to implement the name change. Implementation activities included:

- Development of informational resources such as questions and answers, fact sheets (English and Spanish), a retailer notice, a press release, video sound bites, and op-ed;
- Development of tools for FNS staff, States, and other partners including key messages, talking points, a PowerPoint presentation, newsletter articles, and publication labels;
- Mailing to approximately 150 partners at the national level and hundreds more at the regional level;
- Recorded informational messages (English and Spanish) on client and retailer toll free numbers;
- Update of the public Web site; and
- Inclusion of an informational notice with all orders for outreach and nutrition education materials.

Name change implementation will continue into the future with updates to forms, regulations, and publications. New informational materials are developed as needs arise.

**Implementation of SNAP Provisions of FCEA**

On June 18, 2008, Congress enacted the FCEA, which amended and renamed the Food Stamp Act of 1977 as the Food and Nutrition Act of 2008 (FNA). In addition to the name change, the FCEA contains various provisions that affect program eligibility, benefit amounts, and program administration, including changes mandated by the law and those that provide greater flexibility for State agencies.

The following list summarizes the SNAP provisions of FCEA:

<b>MANDATORY PROVISIONS EFFECTIVE UPON ENACTMENT OF THE FCEA</b>	
<b>FCEA Section Number and Provision</b>	<b>Description</b>
4115(a). Issuance and Use of Program Benefits	Prohibits State agencies from issuing paper coupons as of June 18, 2008. Paper coupons are de-obligated as legal tender one year from enactment of the FCEA. States are required to use EBT cards as the sole method of benefit delivery as of June 18, 2009.
<b>MANDATORY PROVISIONS THAT STATES WERE REQUIRED TO IMPLEMENT ON OCTOBER 1, 2008</b>	
<b>FCEA Section Number and Provision</b>	<b>Description</b>
4001. Renaming the Food Stamp Act and Program	Renames the program as the Supplemental Nutrition Assistance Program (SNAP) and renames the Food Stamp Act of 1977 as the FNA. Although the Federal Government is required to use the new program name, State agencies may continue to use State-specific program names.
4101. Excluding Certain Military Combat Payments from Income	Codifies current policy of excluding combat-related military pay from income when determining SNAP eligibility and benefit levels.
4102. Raising the Standard Deduction	Raises the minimum standard deduction for small households (one to three members) from \$134 to \$144 for FY 2009 and indexes it to inflation starting in FY 2010.
4103. Eliminating the Dependent Care Deduction Cap	Eliminates the cap on the deduction for dependent care expenses (previously set at either \$175 or \$200 a month depending on the dependent's age).
4014(a). Indexing Asset Limit	Adjusts the current asset limits (\$2,000 for most households or \$3,000 for elderly or disabled households) and indexes the asset limits to inflation (rounded down to the nearest \$250) beginning October 1, 2008.
4104(b). Excluding Education and Retirement Accounts from Resources	Excludes all tax-qualified education accounts and retirement accounts from countable resources in determining SNAP eligibility.
4107. Increasing the Minimum Benefit	Increases the minimum benefit for small households (1 and 2 persons) from \$10 to 8 percent of the cost of the maximum SNAP allotment for a household containing one member.
4113. Clarification of Split Issuance	State agencies must issue monthly benefit allotments in one lump sum unless a benefit correction is needed.
4114. Accrual of Benefits	State agencies must establish a procedure to recover electronic benefits from a household's account due to inactivity. Benefits may be moved off-line after 6 months of inactivity and may be expunged after 12 months of inactivity.
4122. Funding of Employment and Training (E&T) Programs	Availability of E&T funding allocations to States are limited to 15 months rather than until expended.

<b>OPTIONAL PROVISIONS THAT STATES MAY IMPLEMENT STARTING OCTOBER 1, 2008</b>	
<b>FCEA Section Number and Provision</b>	<b>Description</b>
4105. State Option to Expand Simplified Reporting	Permits State agencies to place all households on simplified reporting by eliminating the prohibition on periodic reporting for elderly, disabled, homeless and migrant households.
4106. Transitional Benefits Option	Allows State agencies to provide transitional SNAP benefits to households with children that cease to receive cash assistance under a State-funded public assistance program.
4108. State Option for Employment, Training, and Job Retention	Permits the use of E&T funds for job retention services for up to 90 days after E&T participants are employed.
4119. State Option for Telephonic Signature	Allows States to establish a system by which an applicant may sign an application through a recorded verbal assent over the telephone.
<b>PROVISIONS THAT WILL BE IMPLEMENTED THROUGH FEDERAL RULEMAKING</b>	
<b>FCEA Section Number and Provision</b>	<b>Description</b>
4112. Technical Clarification Regarding Eligibility of “Fleeing Felons”	Requires the Secretary to define the term “fleeing” and “actively seeking” to ensure that State agencies use consistent procedures to disqualify individuals whom law enforcement authorities are actively seeking for the purposes of holding criminal proceedings against the individual.
4116. Review of Major Changes in Program Design	Requires USDA to develop standards for identifying major changes in the operations of State agencies and requires States to notify USDA upon implementing a major change in operations.
4121. Preservation of Access and Payment Accuracy	Adds plans for proper testing to the list of criteria that USDA must apply when determining approval of Federal funding for new State automated systems.
4131. Eligibility Disqualification	Permits the disqualification of a person who has been found by a court or administrative agency to have (1) intentionally bought products with SNAP benefits in order to collect the deposit on the product’s container, or (2) intentionally sold food purchased with SNAP benefits.
4132. Civil Penalties and Disqualification of Retailers and Wholesalers	Allows USDA to assess a civil penalty and to disqualify a retail or wholesale food store that is participating in SNAP.
4133. Major Systems Failures	Allows USDA to prohibit State agencies from collecting claims from a household and to assert a claim against a State in cases of major systemic error resulting in substantial overpayments.
4211. SNAP Ineligibility for FDPIR Disqualification	Disqualifies individuals from receiving SNAP benefits if they are disqualified from participation in the Food Distribution Program on Indian Reservations.
<b>PROVISIONS THAT REQUIRE FNS ACTION ONLY</b>	
<b>FCEA Section Number and Provision</b>	<b>Description</b>
4141. Pilot Projects to Evaluate Health and Nutrition Promotion in SNAP	Provides \$20 million to conduct and vigorously evaluate a pilot test of financial incentives at the point of sale to encourage SNAP households to purchase healthful foods. Authorizes USDA to carry out additional strategies of using the SNAP to improve the dietary and health status of eligible households and to reduce overweight and obesity.
4142. Study on Comparable Access to Supplemental Nutrition Assistance for Puerto Rico	Requires USDA to study the feasibility and effects of including Puerto Rico as a State for SNAP purposes in lieu of a block grant.

<b>PROVISIONS THAT REQUIRE NO NEW STATE ACTION; HOWEVER, FEDERAL RULEMAKING WILL OCCUR</b>	
<b>FCEA Section Number and Provision</b>	<b>Description</b>
4111. Nutrition Education	Clarifies the legal basis and requirements for nutrition education in SNAP. States may elect to provide nutrition education services to persons who are eligible for SNAP.
4117. Civil Rights Compliance	Clarifies the major civil rights laws that apply to all aspects of SNAP. This codifies current regulatory provisions.
4118. Codification of Access Rules	Requires States to comply with USDA rules requiring bilingual personnel and material in areas where a substantial number of low-income household members speak a language other than English.
4120. Privacy Protections	Requires State agencies to establish safeguards that would limit the disclosure of information obtained from households to persons directly connected with the administration or enforcement of the Act, regulations, Federal assistance programs, or Federally-assisted State programs.

A number of FCEA SNAP provisions were effective October 1, 2008, and State agencies were poised to implement these changes on that date. In order to assist States with successful implementation of FCEA provisions, FNS held a series of telephone conferences with its Regional Offices and State agencies in June 2008 to explain the new provisions and issued an implementation information memorandum on July 3, 2008 to State agencies on relevant SNAP provisions.

FNS has also issued additional information in a question and answer format on specific questions raised by State agencies and made all written information available on the agency's public Web site. During FY 2008, FNS began the process of developing proposed rulemakings to codify the FCEA provisions in program regulations. While some provisions can be fully or partially implemented prior to final regulations, other provisions require regulations before implementation can be enforced.

### **Facts in Brief**

#### **Program Participation**

SNAP participation for FY 2008 averaged 28.4 million, representing a 7.3 percent increase from FY 2007. The majority of the increase reflects the impact of changing economic conditions, and Federal and State efforts to improve program access through policy and practice.

The following table displays data on benefit costs and participation for FYs 2002 through 2008:

SNAP Program	2002	2003	2004	2005	2006	2007	2008
Avg. Participation (Million)	19.09	21.26	23.85	25.67	26.67	26.47	28.41
Benefit Costs (Billion)	\$18.26	\$21.41	\$24.63	\$28.57	\$30.19	\$30.37	\$34.52
Average/Person/Month	\$79.68	\$83.93	\$86.03	\$92.72	\$94.32	\$95.64	\$101.53
% Of Population Participating	6.7	7.3	8.1	8.7	8.9	8.8	9.4
Persons Unemployed (In Millions)	8.2	8.8	8.1	7.7	7.2	6.9	8.8

**Participation Rates among Eligible People** – The most recent figures on the rate of participation show that in 2006, 67 percent of all who were eligible for SNAP participated as compared with 54 percent in 2001. In that same year, participants received over 80 percent of all benefits that would be issued if every eligible person participated, indicating that the program is effectively targeted to those most in need.

**Characteristics of SNAP Recipients** – The most recent survey of household characteristics, conducted during 2007, indicates that:

- 57.8 percent of all participants were children (under 18 years of age) or elderly (age 60 or older);
- The gross income of 87 percent of households was below the Federal poverty level;
- 39 percent of households were at or below 50 percent of poverty;
- 14 percent of SNAP households had no income; and
- The proportion of households with earnings remained at an all-time high while the proportion of households with public assistance income reached an all-time low.

The following data describes SNAP recipients in terms of individuals and households:

<b>Characteristics of SNAP Recipients</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Recipients:</b>							
Average Number (in Millions)	17.3	19.0	20.9	23.5	24.9	25.6	25.9
% Children	53.6	51.0	50.8	50.2	50.0	49.2	49.1
% Elderly	9.6	8.9	8.5	8.2	8.2	8.7	8.7
% Registered for Work	8	9	9	9	9	10	11
Average Household Size	2.3	2.3	2.3	2.3	2.3	2.3	2.2
<b>Households:</b>							
Average Number (in Millions)	7.5	8.2	9.0	10.1	10.9	11.3	11.6
% Receiving Maximum Benefit	22	24	26	31	31	31	32
% Headed by Women	72	71	72	72	71	71	70
% Certified 12 Months or More	57	54	53	53	55	58	58
% With Earned Income	27	28	28	29	29	30	30
% With AFDC/TANF	23	21	17	16	15	13	12
Average Gross Monthly Income	\$624	\$633	\$640	\$643	\$648	\$673	\$691
Average Net Monthly Income	\$353	\$355	\$348	\$321	\$319	\$328	\$330
% With Zero Gross Income	9	11	12	13	14	14	14
% With Zero Net Income	22	24	26	29	30	31	31
% With Gross Monthly Incomes Less than \$400	27	28	29	30	30	29	28
% With No Countable Assets	68	69	70	69	70	70	70
% With Countable Assets of \$1 to \$500	21	22	21	22	22	21	21
Average Countable Assets	\$148	\$134	\$154	\$143	\$137	\$137	\$144
Average Countable Assets in Households with Elderly Members	\$273	\$264	\$347	\$293	\$279	\$258	\$302
% Below Poverty Level	89	88	88	88	89	87	87
% Below 50% Poverty Level	34	36	38	40	40	39	39
Average Shelter Deduction	\$123	\$131	\$146	\$178	\$186	\$203	\$303
Average Shelter Expense	\$366	\$339	\$366	\$405	\$416	\$458	\$490
% at Shelter Cap	10	9	10	13	14	15	16

Source: Food Stamp Quality Control Sample – Data may not match FY data from other sources.

## *General Activities*

### **Regulations Issued in Fiscal Year 2008**

During FY 2008 there were no published rules issued.

### **Program Assessment Rating Tool**

The Office of Management and Budget (OMB) completed a Program Assessment Rating Tool (PART) review of SNAP (then FSP) in 2003 and rated the program as moderately effective. The review showed that benefits are well targeted to intended beneficiaries, and are virtually always spent for their intended purpose. While the program achieves its annual performance goals to increase program participation and reduce payment error, it may not be optimally designed to achieve further incremental improvements in the dietary status of low-income participants. Based on the findings, USDA developed and is implementing a plan for the use of Federal and State program funds to improve nutrition among program participants and has developed a research agenda to assess program impacts on hunger and dietary status. This research plan is being pursued to the extent feasible with resources provided for studies and evaluations.

### **Grants to Improve Program Access and Eligibility Determination**

On September 17, 2008, FNS announced the awardees of the FY 2008 SNAP participation grants. These grants are targeted to State agencies, public health or educational entities, or private nonprofit entities. The latter includes: community or faith-based organizations, food banks, or other emergency feeding organizations. This year's grants focus on modernizing and streamlining the SNAP application process or eligibility system to improve overall customer service. More than half of the grants place emphasis on increased participation among Hispanics and the elderly. For FY 2008, FNS awarded eight grants.

- **El Paso County Department of Human Services** will upgrade technology used in administering the SNAP and develop new partnerships to improve access to food benefits among the elderly and Hispanic population.
- **United Way of Tucson and Southern Arizona**, in partnership with the Arizona Department of Economic Security, the Arizona Health Care Cost Containment System (Medicaid), the Arizona Department of Health Services Bureau of USDA Nutrition Programs, the Arizona Agencies on Aging and multiple faith-based and community partners, will implement a "Food for All" project to emphasize services to the elderly and outreach in geographic areas that contain large concentrations of Hispanics.
- **Denver Department of Human Services** plans to implement a SNAP Improvement Project that will improve SNAP program delivery through technology upgrades.
- **Florida Department of Children and Families**, in partnership with seven additional community-based organizations, will implement a comprehensive initiative designed to increase SNAP participation, especially among eligible elderly and Hispanic populations in a five-county circuit.
- **California Statewide Automated Welfare System Consortium IV**, in cooperation with three local community agencies, plans to enhance its C-IV Yourself Web-based application which allows customer to apply for SNAP benefits via the Internet.
- **Oregon Department of Human Services** will conduct a project in nine counties, involving thirteen offices, to simplify the recertification application process and improve access to benefits.
- **Alabama Department of Human Resources** plans to develop and implement a Statewide Web-based application program that would simplify the application process for eligible applicants and further increase access to SNAP.

- **City of New York Human Resources Administration** in partnership with the New York City Department for the Aging and Food Bank for New York City will implement the Nutritional Enhancement for Elder through Data Sharing Programs that will target senior citizens enrolled in the Senior Citizen Rent Increase Exemption Program.

### Program Access Review Guide

FNS revised the Program Access Review Guide to reflect increased guidance in planning and conducting the reviews and to clearly identify regulatory requirements associated with program access. The guide establishes uniform expectations for FNS Regional Offices and State agencies to monitor program access at local SNAP certification offices. Reviewers examine case files and interview SNAP staff, clients, and program advocates to determine whether local SNAP office is in compliance with program access requirements. It is expected that State agencies will adapt this guidance when monitoring the program access portion of the Management Evaluation (ME) reviews of their SNAP project areas.

### State Performance Bonuses

The Farm Security and Rural Investment Act of 2002 (P.L. 107-171, the “2002 Farm Bill”) established a performance system offering incentives for a broad array of achievements coupled with a reduced vulnerability to liabilities for excessive error rates. This performance system replaced the former Quality Control liabilities and enhanced funding system, which focused solely on error rates. This performance system awards \$48 million in bonuses each year to States with high or improved performance for actions taken to correct errors, reduce the rates of error, and improve eligibility determinations, or for other activities that demonstrate effective administration, as determined by FNS. Bonuses provided under this system link two of the program’s performance measures: increases in the program payment accuracy rate and increases in access and participation as measured by the Program Access Index. The first bonuses for performance in 2003 were awarded in June and September 2004. The bonuses for performance in 2007 were awarded in June and September 2008.

The following States received awards:

<b>BEST PAYMENT ACCURACY</b>				
State	Payment Error Rate			Bonus Amount
South Dakota	1.28			\$312,145
Nebraska	1.73			544,319
North Carolina	2.23			3,451,068
Missouri	2.31			2,682,498
Mississippi	2.66			1,632,119
Pennsylvania	2.71			4,644,234
Washington	2.93			2,436,247
National Average	5.64			
<b>MOST IMPROVED PAYMENT ACCURACY</b>				
State	FY 2006	FY 2007	Change	Bonus Amount
Florida	8.59	4.15	4.44	\$5,481,910
Arizona	8.26	4.87	3.39	2,005,164
Kansas	6.39	3.70	2.69	810,296
<b>Total</b>				<b>24,000,000</b>
<b>LOWEST NEGATIVE ERROR RATE</b>				
State	Rate			Bonus Amount
Nebraska	0.00			\$479,050
South Dakota	0.25			280,981
Alabama	0.51			1,715,161
Minnesota	0.99			1,063,350
National Average	10.94			

<b>MOST IMPROVED NEGATIVE ERROR RATE</b>				
State	FY 2006	FY 2007	Change	Bonus Amount
Oregon	9.31	5.26	4.05	\$1,755,504
Kansas	4.35	1.59	2.76	705,954
<b>Total</b>				<b>6,000,000</b>
<b>BEST PROGRAM ACCESS INDEX</b>				
State	Rate			Bonus Amount
Missouri	83.2			\$2,506,980
Tennessee	70.0			3,194,735
Oregon	68.7			1,908,681
Hawaii	68.4			462,480
West Virginia	67.8			1,059,591
Kentucky	67.0			2,230,082
<b>MOST IMPROVED PROGRAM ACCESS INDEX</b>				
State	FY 2006	FY 2007	Change	Bonus Amount
Hawaii	56.06	68.41	12.35	See best above
Missouri	70.98	83.15	12.17	See best above
Vermont	57.01	62.54	5.53	\$306,995
New Hampshire	42.46	47.85	5.39	330,456
<b>Total</b>				<b>12,000,000</b>

FNS continues its aggressive efforts to collect debts owed to SNAP, collecting delinquent recipient debts through the Treasury Offset Program (TOP). TOP is the collection mechanism by which Federal payments to individuals, such as tax refunds and Federal salary and benefit payments, are offset to pay outstanding debts. Over \$118 million in delinquent debt were collected through TOP in calendar year 2008.

Approximately \$1.1 billion has been collected through TOP (and its predecessor, the Federal Tax Refund Offset Program) since FNS began this effort as a pilot project in 1992. These claims may not have been collected without Federal collection programs being made available to the State agencies that manage these debts.

#### **FNS Monitoring Efforts Related to Indiana Eligibility Modernization Project**

During FY 2008, FNS closely monitored the Indiana Eligibility Modernization Project as the State agency pilot tested the new service delivery model and rolled it out to areas containing approximately 35 percent of the State's caseload. The new service delivery model allows SNAP applicants to apply for and manage benefits via a call center and online systems, in addition to the traditional local office setting. During the early implementation, the State agency experienced high call volumes, high call abandonment rates and long response times; however, the State took a number of actions to address these issues, and performance subsequently improved.

FNS has monitored the implementation and operation of the new system through its routine and ongoing reporting systems in addition to specialized reports developed specifically for this project. FNS staff have also conducted nearly 50 visits to Indiana local offices since the project began to observe local operations. Based on the data provided by the State, FNS identified concerns about application processing timeliness under the new model. FNS requested a corrective action plan from the State and is continuing to monitor this outcome closely. FNS continues to report quarterly to Congress on the agency's oversight of the Indiana Eligibility Project as required under the Consolidated Appropriations Act, 2008 (P.L. 110-161).

#### **State Options**

In 2008, FNS issued the 7<sup>th</sup> edition of the State options report – a survey of State choices in areas where States may make policy choices.

SNAP statutes, regulations, and waivers provide State agencies with numerous policy options. State agencies use this flexibility to improve how the program works in meeting the nutritional needs of low-

income people across the Nation. Choosing certain options can facilitate program design goals such as removing or reducing barriers to access and sustain participation for low-income families and individuals, providing better support for those working or looking for work, targeting benefits to those most in need, streamlining administration and field operations, and coordinating SNAP activities with those of other programs. With the passage of the 2002 Farm Bill, the array of State policy options was significantly expanded in several key areas:

<i>Option</i>	<i>Number of States</i>
Simplified (Reduced) Reporting – Expanded to Other Households	44
Transitional Benefits	18
Simplified Definition of Income	43
Simplified Definition of Resources	36
Vehicle Rules: Excludes All Vehicles	29
Vehicle Rules: Not All – But At Least One Vehicle Excluded	17
Simplified Homeless Housing Costs	27
Mandatory Standard Utility Allowance	40
Child Support Expense Income Exclusion	14
Electronic Application Filing	21
Waiver of Face-to-Face Interview	21
Call Centers	18
Document Imaging	17

In addition to the above listed options, the FCEA provides States with additional latitude. Under this new legislation, States may reduce paperwork burdens on households with seniors and people with disabilities by extending the “simplified reporting” option to them. States will also be allowed to extend transitional SNAP benefits to participants in State-only funded programs as well as Temporary Assistance for Needy Families (TANF). Benefits may be moved off-line after six months of inactivity and may be expunged after 12 months of inactivity. States will also have the option of allowing households to apply for SNAP benefits and establish a filing date over the telephone by way of the State establishing an electronic recorded voice signature.

### **SNAP Outreach**

Working to increase the participation of the SNAP eligible population is a key part of achieving program nutrition objectives. FNS implements outreach activities to educate potentially eligible low-income people about the nutrition benefits of participating in SNAP. In addition, FNS supports the outreach efforts of States and community organizations by providing tools and resources that can be used “off-the-shelf” or customized by the State or community. All of these educational activities seek to dispel myths and misperceptions about the program and share accurate information to help potentially eligible people make informed participation decisions. Outreach supports FNS’ goal of increasing participation among eligible households in and access to SNAP.

- National Media Campaign:* The goals of the national media campaign are to position SNAP as a nutrition assistance program, to help overcome stigma, teach potential applicants where and how to apply, and highlight FNS’ commitment to ensure that all eligible people receive benefits with dignity and respect. During FY 2008, English language radio advertisements targeting working poor and elderly aired during January, February, May and June in 34 media markets and on one State-wide radio network, reaching low-income audiences for all four months. Twelve of the locations also featured Spanish language advertisements during all four months. Bonus and donated time extended play longer than four months in some cases, and increased the value of the paid advertising campaign significantly overall. As a result of the advertising campaign, requests for packets of information to the national toll-free number, which was promoted in half of the markets, tripled over the same period in 2003, before advertising began. The remaining markets used State-specific toll-free numbers.
- Toolkits:* In FY 2008, two new chapters were added to the outreach toolkits. One chapter focuses on outreach during disasters and the other focuses on increasing the cultural competency skills of outreach providers. The toolkits help partners at the State and local level, including community and faith-based

organizations, implement outreach and media activities. The toolkits include “how to” information, “fill in” templates, and examples of outreach materials.

- *Toll Free Information Line:* FNS continued to provide a toll free information line in English and Spanish as a service for low-income people to find out more about SNAP and how to apply. Callers can listen to recorded information and be referred to their States for more direct help and information, and can request a packet of information by leaving a mailing address with an operator. During FY 2008, nearly 50,000 packets of information were distributed to toll-free number callers.
- *Outreach Grants:* In FY 2008, fourteen grants were awarded to community and faith-based organizations to implement and test innovative outreach strategies to educate and inform non-participating low-income people about the benefits of SNAP and how to apply. The maximum grant award was \$75,000. The following organizations received grants:
  - Archdiocese of Philadelphia (Philadelphia, PA)
  - Catholic Charities of the Diocese of Arlington, Inc (Alexandria, VA)
  - Catholic Charities of the Archdiocese of New Orleans (New Orleans, LA)
  - Catholic Charities of Portland, OR (Portland, OR)
  - Community Action Committee of Cape Cod and Islands, Inc. (Hyannis, MA)
  - Community Services and Employment Training (CSET), (Visalia, CA)
  - Desert Mission, Inc. (Phoenix, AZ)
  - Genesee County Community Action Resource Department (Flint, MI)
  - Highland County Community Action Organization, Inc. (Hillsboro, OH)
  - Hispanic Unity of Florida, Inc. (Hollywood, FL)
  - Lake County Board of County Commissioners (Tavares, FL)
  - Latin American Research and Service Agency (LARASA) (Denver, CO)
  - Laredo-Webb County Food Bank, Inc. (Laredo, TX)
  - New York City Department for the Aging (New York, NY)
- *“Business Case” Materials:* FNS updated and continued to promote materials that present a business case for increasing SNAP participation by explaining why participation in SNAP is good for communities from an economic development perspective and good for low-income people from a nutrition perspective.
- *Pre-screening Tool:* The English and Spanish versions of the online pre-screening tool were maintained in FY 2008. This easy-to-use tool tells users if they might be eligible for benefits and estimates the amount of benefits they might receive. Where available, the site links the user to a State’s pre-screening tool, which can incorporate State-specific policies. The FNS tool also links users to <http://www.GovBenefits.gov> to find out if they might be eligible for other benefit programs.
- *Educational Materials:* FNS continued to distribute English and Spanish educational materials, such as brochures, posters and flyers, at no cost to State and local agencies and other organizations. In FY 2008, more than 8 million pieces of educational material were distributed, double the volume of FY 2007. FNS streamlined the inventory, eliminating outdated materials and reducing costs relative to material storage.
- *Translated Materials:* FNS continued to make SNAP informational materials in 35 languages available through the Web site for easy downloading and duplication at the State and local level. The documents, which were focus-tested with native speakers to ensure cultural and linguistic appropriateness, are designed to provide basic information about the program and dispel “myths” and misunderstandings that may discourage eligible people from applying. An “I Speak” document is also available so that applicants can indicate their preferred language to the caseworker and accommodations can be made.
- *Outreach Coalition:* FNS continued to manage and support an Outreach Coalition comprised of organizations interested in partnering to strengthen outreach efforts including a distribution list of local

organizations and individuals interested in outreach. In January, the Coalition held a meeting which focused on outreach to Hispanic populations. This meeting was widely attended by State and local agencies and advocates. Under the aegis of the Coalition, the fourth annual Hunger Champions competition was held. This competition recognizes outstanding local offices for their efforts assisting eligible clients to access the SNAP.

- *State Outreach Plans:* States have the option of providing outreach as part of their program operations. USDA reimburses 50 percent of the allowable administrative costs for these activities. At the end of FY 2008, 27 States had approved outreach plans, and an additional 5 States also performed outreach activities.

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

The goal of SNAP-Ed is to improve the likelihood that persons eligible for SNAP will make healthy food choices within a limited budget and choose physically active lifestyles consistent with the current *Dietary Guidelines for Americans* and MyPyramid. Because the *Dietary Guidelines for Americans* and MyPyramid are the foundation of nutrition education for SNAP, it is essential that program materials use current science-based, behaviorally-focused messages that reflect the most current science on human nutrition. Effective SNAP-Ed supports the FNS goal of improving the eating behaviors of low-income Americans.

Under current regulations 7 CFR 272.2 (d), State SNAP agencies have the option to provide, as part of their administrative operations, nutrition education for persons eligible for SNAP. States seeking Federal funding for SNAP-Ed must submit a State SNAP-Ed plan to FNS for approval each year that outlines SNAP-Ed activities and a corresponding budget for that year. USDA reimburses 50 percent of the cost of approved activities.

With increasing concern about diet-related diseases, SNAP-Ed has grown dramatically over the past decade. In FY 1992, FNS approved only \$661,000 in Federal funds for SNAP-Ed efforts conducted by seven State agencies. By comparison, in FY 2008, approved Federal funds totaled over \$315 million with 52 State agencies providing SNAP-Ed. With this increased spending, SNAP-Ed requires more agency staffing and resources to ensure proper delivery to SNAP participants.

### **Program Assessment Rating Tool**

OMB completed a PART review of SNAP-Ed in 2007, rating this component of SNAP as “results not demonstrated”. OMB concluded that SNAP-Ed:

- Does not have standardized performance measures to gauge progress across States;
- Lacks a statutory or regulatory statement of mission and goals; and
- Cannot show that funds are spent effectively to increase participation and improve nutrition-related behaviors.

In response to these findings, USDA worked with Congress to clarify SNAP-Ed authority through the FCEA, including discretion for States to implement nutrition education programs directed at individuals who receive or are eligible for SNAP benefits. In addition, FNS developed three SNAP-Ed performance measures that were approved in FY 2008 by OMB.

Finally, FNS developed the Education and Administrative Reporting System (EARS), a plan to monitor the use of evidence-based food and nutrition education initiatives across States. EARS is a national reporting system for SNAP-Ed, developed in collaboration with key State, local, and academic partners over four years and approved by OMB in FY 2007. The new system will collect information about SNAP-Ed activities, including:

- Demographic characteristics of SNAP-Ed participants and their SNAP participation status;
- Methods used, locations of, and topics addressed by educational activities; and
- Cost of providing these services.

EARS will provide FNS and States with uniform data about nutrition education to inform management decisions, support policy initiatives, and provide documentation for legislative, budget and other requests that support planning within FNS. All States are implementing the EARS form over a three-year period with full implementation as of FY 2010. Financial reporting data is due for all State agencies in FY 2008.

Other specific SNAP-Ed activities in FY 2008 included:

- *SNAP-Ed State Plan Guidance:* In March 2008, FNS revised and issued updated policy guidance to help States develop FY 2009 SNAP-Ed plans. This guidance incorporates the SNAP-Ed Guiding Principles, a policy document that articulate FNS' vision for SNAP-Ed.
- *Pilot of Multi-Year SNAP-Ed Plans:* The pilot test that allows States to develop multi-year nutrition education plans is in its second of three years. The selected States have a high potential for successful implementation based on past performance. The following States were selected: Idaho, Wyoming, Louisiana, Ohio, Florida, Virginia, and Vermont. Analysis of State progress is expected to be completed within the next year.
- *SNAP-Ed Connection:* This Web site is a dynamic online resource center for State and local SNAP-Ed providers. It is the educational hub of all nutrition education resources. It facilitates access to education materials developed specifically for SNAP educators. Total Web hits for FY 2008 were estimated at over 4 million. This reflects a 156 percent increase over FY 2007.
  - The **Recipe Finder Database** is one of the most popular components on the SNAP-Ed Connection Web site. It is available in both English and Spanish (Buscador de Recetas). This database of over 400 recipes is primarily for nutrition educators working with the SNAP eligible population. Educators can search for relevant nutrition topics and specific recipes to help SNAP-Ed recipients make healthy, low-cost food choices. The Web site can be accessed at: <http://snap.nal.usda.gov>.
  - **Nutrition Through the Seasons:** This new product is a unique and dynamic new resource for SNAP-Ed professionals which highlights seasonal nutrition education materials. SNAP-Ed providers can use *Nutrition Through the Seasons* to find timely resources, tools and materials to help plan appropriate seasonal programming for participants.
  - **Eat Right When Money's Tight Resource Section:** With rising food costs, many families are finding themselves struggling to put food on the table. The Eat Right When Money's Tight section includes a tip sheet that provides information on how to shop for a nutritious diet while on a limited budget. Other resources available in the Eat Right When Money's Tight section include print-ready nutrition education materials focused on food budgeting, low cost recipes, and professional reports and statistics on food resource management.
- *Loving Your Family Feeding Their Future (LYF):* FNS developed and launched this comprehensive project with a series of LYF nutrition educational and promotional materials in June 2007. These nutrition education materials target English and Spanish speaking mothers with low-literacy skills who are participating in SNAP and provide resources for educators and mothers. The initiative also has an online learning module, *Explore Loving Your Family*; a Flash video, *Loving My Family in a Whole New Way* and Virtual Training Tip Sheets. Since the release of these materials in June 2007, more than 4.5 million individual pieces of LYF materials have been requested and distributed over 100,000 online Web site hits.

### **SNAP/Supplemental Security Income Combined Application Projects (CAP)**

The CAP demonstrations make it much easier for the elderly and disabled Supplemental Security Income recipients to receive SNAP benefits by reengineering the SNAP application process and eliminating the need for this population to visit the local SNAP office. The combination of standardized benefits, minimal need for independent verification, and normally no need to go to the local office has produced significant increases in participation within the target population.

- To date, 13 States are operating CAP demonstrations: Arizona, Florida, Kentucky, Louisiana, Massachusetts, Mississippi, New York, North Carolina, Pennsylvania, South Carolina, Texas, Virginia, and Washington.
- Three States are approved, but have not yet implemented: New Jersey, South Dakota and Wisconsin.
- Three States are pending approval: Michigan, New Mexico and West Virginia.
- Four States are planning to submit proposals as part of the CAP expansion: Idaho, Maryland, Rhode Island and Utah.

### **Program Coordination**

The Food and Nutrition Act of 2008 gives State agencies the option to operate a Simplified SNAP (SSNAP), which allows a State to determine SNAP benefits using its TANF rules, SNAP rules, or a combination of both. A “Mini” SSNAP is a subset of the broader SSNAP authority and allows a State agency to replace its TANF or SNAP work-related rules with the other program’s rules. These rule changes are limited to households receiving both TANF and SNAP benefits. In FY 2007, five State agencies notified FNS of their intention to operate a mini-SFSP. In FY 2008, another three State agencies were approved bringing the total of SSNAPs to 42.

### **FY 2007 Certification Payment Error Rates**

The FY 2007 national average certification payment error rate, announced in June 2008, was 5.64 percent; 25 States had an error rate below 6.00 percent.

Regulations require State agencies to analyze data and develop corrective action plans to reduce or eliminate program deficiencies when their combined payment error rate is above the 6.00 percent threshold or their negative error rate exceeds one percent. Corrective action is also required when underpayments result from State agency rules, practices, or procedures. Most States have developed corrective actions to address deficiencies revealed in their FY 2007 Quality Control data.

FNS Regional Offices work directly with States to assist them in developing effective corrective action strategies to reduce payment errors. Regional Offices provide technical assistance to States through data analysis, policy interpretation, training, development and monitoring of corrective action strategies, facilitating the information exchange with and among States through annual payment accuracy conferences, State exchange funding, and special error reduction funds.

FNS utilizes a tier system for identifying States requiring the most focused intervention, based on high error rates or a Regional Office assessment that the State receives special attention. This ensures that technical assistance is available to States that are in first-year liability status or at risk for future liability status.

### States Notified of Liability Status Under the Quality Control (QC) Provisions of the Farm Bill

On June 27, 2008, FNS notified three States that they have incurred a liability amount for continuing to have a poor QC error rate for the second consecutive year. Liability amounts were established against the following States:

State	Liability Amount
Maine	\$774,441
Dist. Of Columbia	243,245
Michigan	3,419,074

In addition, five States (Delaware, West Virginia, Georgia, Ohio and New Mexico) exceeded the FY 2007 threshold for the first year. Potential liabilities will be established if any of these eight States have a payment error rate in FY 2008 that has a 95 percent statistical probability that the State's payment error rate exceeds 105 percent of the national performance measure for payment error rates.

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

In FY 2007, FNS revised the Disaster Food Stamp Program Guidance, now known as the Disaster Supplemental Nutrition Assistance Program (D-SNAP) Guidance, to reflect policy and programmatic changes in the design, delivery, and assessment of the D-SNAP. The revised D-SNAP Guidance should improve the ability of State agencies to deliver D-SNAP responses that meet the unique needs of their communities, while adhering to policy requirements.

Previously entitled the Disaster Food Stamp Program Handbook 320 and originally issued in 1995, the D-SNAP Guidance incorporates policy decisions that have been issued by FNS since 1995, and provides numerous examples of successful State innovations. Moreover, FNS worked closely with Federal and State partners to incorporate many of the lessons learned from recent disaster operations in the Gulf Coast and Florida.

The revised Guidance addresses the use of newer technologies and electronic benefits. The Guidance contains editable templates, spreadsheets, and other electronic resources to facilitate rapid use by State agencies after a disaster has occurred.

FNS provided training on the revised Guidance to all FNS Regional Offices during the summer of 2007, and hosted training sessions for State agencies. In July 2007, a widely attended session was held in Atlanta for the most vulnerable east coast and Gulf Coast States.

In FY 2008, FNS continued to conduct intensive D-SNAP training for State agencies to support them in developing comprehensive D-SNAP Plans of Operation. FNS completed training of the States in the Midwest and Mid-Atlantic regions in FY 2008 and plans to complete training of Western region States in FY 2009.

FNS will begin drafting D-SNAP regulations in FY 2009 as a management action required to close out the Office of Inspector General's Audit 27099-49-Te of D-SNAP performance during Hurricanes Katrina and Rita. D-SNAP is currently operated using interim regulations at 7 CFR 280.1.

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

FNS responded to a relatively high number of disasters in FY 2008, analyzing and responding to State agency requests to operate D-SNAP, waiving applicable certification and issuance policy for ongoing households to ease program administration, providing on-site monitoring of State operations to ensure timely and accurate delivery of benefits, and providing operational guidance to States when issues arose. States experienced a number of atypical disaster scenarios, such as multiple disasters in certain geographic areas during the same benefit month, which required innovative policy responses to meet the unique needs during that situation. During FY 2009, FNS plans to systematically gather information from Regional

Offices and State agencies on lessons learned from this eventful year to improve policy guidance and responses going forward.

The following summarizes disaster assistance provided in FY 2008:

Month	State	Disaster Type	Households	Benefits
October	CA	Wildfires	8,842	\$3,880,713
December	WA	Floods	14,028	4,664,337
December	OR	Floods	1,212	428,734
January	IN	Floods	60	19,473
February	AR	Tornados	722	193,729
March	AR	Floods	2,295	784,410
May	AR	Tornados	3,077	800,801
May	OK	Tornados	51	18,314
May	CO	Tornados	95	35,531
June	IA	Severe storms	13,900	4,539,288
June	WI	Floods	10,016	2,138,167
June	IN	Floods	10,495	3,487,961
June	NE	Floods	21,871	8,753,971
June	IL	Floods	222	72,499
September	LA	Hurricane Gustav	730,436	226,198,797
September	LA	Hurricane Ike	5,304	1,865,900
September	TX	Hurricane Ike	116,219	25,432,461
<b>Total FY 2008</b>			<b>938,845</b>	<b>283,315,086</b>

Regarding benefit issuance and use, 25 waivers in ten States were granted in FY 2008 related to disaster situations. Most of the waivers were approved by FNS in response to the Midwest floods and Hurricanes Gustav and Ike. The timely reporting for individual replacement and hot foods waivers were the most frequently requested by States.

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

During FY 2008 there were no SNAP related court suits in which the Department was named as a defendant.

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

The Food Security Act of 1985 required States to establish an E&T Program to help work able SNAP recipients find work or gain the skills, training, and experience that lead to employment. The 2002 Farm Bill and the FCEA authorized \$90 million per year to operate the E&T Program, and an additional \$20 million per year for States that commit to serve all at-risk able-bodied adults without dependents (ABAWDs), i.e., those who are subject to the 3-month SNAP participation limit. States may receive 50 percent matching funds beyond these amounts to operate the program. About 15 percent of SNAP recipients were registered for work in FY 2008, and approximately two-thirds of work registrants are subject to the requirements of the E&T Program. States exempt the remainder from participation.

States reported 4.2 million new work registrants in FY 2008, a 10 percent increase from FY 2007. Since an additional 2.8 million work registrants were already receiving SNAP benefits at the beginning of the fiscal year, a total of 7 million SNAP recipients were subject to E&T participation in FY 2008. States reported that 13 percent—918,425—of these work registrants, including 365,964 ABAWDs, actually participated in E&T components. States reported that 91,599 qualifying education, training, and workfare slots were filled by at-risk ABAWDs each month nationwide. This means they were able to maintain their SNAP eligibility while they gained the skills, training and experience that will lead to employment and reduced dependence

on SNAP benefits. In addition, another 157,599 SNAP recipients participated in an E&T component each month.

In FY 2008, FNS allocated \$123.7 million in 100 percent Federal E&T grant funds—the \$90 million regular allocation; \$20 million for States committed to serving all their at-risk ABAWDs; and an additional \$13.7 million in 100 percent Federal E&T funds carried over from FY 2007 to supplement some State grants. Obligations resulting from Federal funds allocated to States totaled \$109.7 million, which is \$0.5 million less than in FY 2007. Additionally, the Federal Government matched \$156.2 million in State funds spent to administer the E&T Program in FY 2008. The Federal Government also matched \$46.9 million in State funds spent to reimburse E&T participants for dependent care, transportation, and other expenses incurred in complying with E&T Program requirements.

As noted above, the FCEA limited the availability of E&T funding allocations to States to 15 months rather than until expended. This was a mandatory provision effective on October 1, 2008.

### **Electronic Benefit Transfer Systems**

Electronic Benefit Transfer (EBT) systems, which replaced the coupon-based method for providing SNAP benefits, became effective nationwide in June 2004. Each recipient household is issued a plastic benefit card with a magnetic stripe to make food purchases. The cards are associated with benefit accounts, which are debited when food purchases are made. In about half the States, EBT cards are also used for TANF and other cash benefit programs.

In all States, the EBT systems are on-line systems with cards that have magnetic stripes. These systems are interoperable, which means that recipients may shop in FNS-authorized food retailers in any State.

- *Coupon Deobligation:* Paper coupons remain in circulation because recipients have not spent all of their coupons issued before EBT implementation. As of June 18, 2009, clients and authorized retailers will no longer be able to redeem any remaining paper coupons. To notify retailers of the deadline, FNS will direct stores to information on coupon redemption through a nationwide mailing, and will use our Web site, trade networks, and other avenues, as appropriate.
- *Integrity – STARS:* In the three years following a major upgrade to the Store Tracking and Redemption System (STARS), the system the agency uses to track the authorization of food stores and monitor SNAP redemption activity, numerous phased enhancements were released to end-users. Work to streamline retailer management business processes continues. Building on this, in FY 2008, FNS completed two phased enhancements that significantly improve integrity efforts. FNS integrated its investigation results database into the STARS Web based platform, with automation features to streamline work and enhance reporting capabilities to improve accountability. In addition, FNS streamlined the administrative disqualification process with a new tool that uses system calculated sanctions based on investigation results and generation of standardized letters; thus achieving national policy consistency and reducing the amount of time known violators remain in the program. These enhancements integrate compliance and authorization functions into a single, efficient STARS system.
- *Integrity – ALERT:* FNS has also improved its Anti-fraud Locator using EBT Redemption Transaction System (ALERT) which analyzes transactions for possible trafficking violations. In FY 2007, FNS added a data warehouse to ALERT, which uses sophisticated statistical software to enable FNS to load external data files to strengthen current analytic capabilities. In FY 2008, FNS used the data warehouse to evaluate the effectiveness of current fraud detection capabilities and initiated several integrity research projects, such as one project that led to the identification of a national refund scam. FNS also introduced two major ALERT enhancements in FY 2008 – national parameter criteria to identify potential trafficking violations that serve as a baseline by which to evaluate our effectiveness, and new analytical tools that allow front-line staff a more streamlined approach to reviewing suspicious transaction data and preparing administrative charge letters.

## Studies and Evaluations

FNS published several major reports related to SNAP during FY 2008, which are available at <http://www.fns.usda.gov/oane>. These include:

- **Characteristics of FSP Households 2007** describes the demographic and economic circumstances of SNAP households and participants.
- **Trends in Food Stamp Program Participation Rates: 2000-2006** estimates the percentage of eligible people who participate in the program, examining different sub-groups and comparing trends over time.
- **Reaching Those in Need: State Food Stamp Participation Rates in 2006** estimates the percentage of eligible people who participate in SNAP by State and provides estimates for all individuals and for those in households with earnings.
- **Diet Quality of Americans by Food Stamp Participation Status: Data from the National Health and Nutrition Examination Survey, 1999-2004** examines the nutrient intake, overweight status, diet quality, and food choices of SNAP participants, low-income non-participants, and higher income individuals.
- **Feasibility of Assessing Causes of State Variation in Food Stamp Program Administrative Costs** assesses the quality and consistency of State administrative expense data and recommends approaches for analyzing the causes of variation in the absence of experimental design.
- **Modernization of the Food Stamp Program in Florida** provides comprehensive case study of the efforts of Florida's Department of Children and Families to modernize the administration of SNAP and other programs.

## Community Food Projects

The Community Food Projects program is authorized under section 25 of the Food and Nutrition Act of 2008. The Community Food Projects Competitive Grants Program supports the development of Community Food Projects with a one-time infusion of Federal dollars to make such projects self-sustaining. Funds have been authorized for this program in the amount of \$5 million per year. While funded through the SNAP account, the National Institute for Food and Agriculture manages the program.

## NUTRITION ASSISTANCE FOR PUERTO RICO (NAP)

### Program Mission

The Omnibus Budget Reconciliation Act of 1981 added a new Section 19 to the Food Stamp Act of 1977, as amended, which replaced SNAP in Puerto Rico with a block grant, effective July 1, 1982. Section 19 of the Food and Nutrition Act of 2008, as amended, retains the authority for the Puerto Rico nutrition assistance block grant. The block grant requires that Puerto Rico submit and gain approval from the Secretary for a program plan each year. The plan must assess the food and nutrition needs of the island's most needy residents, describe the assistance needed, described how it would be provided to the most needy residents, describe the amount of administrative expense needed and meet such other requirements as the Secretary might by regulation prescribe. The Secretary is required to provide for the review of programs for assistance under Section 19 and allowed to provide appropriate technical assistance for such programs.

### Facts in Brief

- An average of 1.11 million people were served monthly during FY 2008.
- In FY 2008, total benefit costs were \$1.569 billion or about \$117.81 per person, per month for nutrition assistance program recipients.
- Puerto Rico spent an estimated \$52.8 million of Federal funds on administrative activities in FY 2008, which are matched by an equivalent amount of State funds.
- The Commonwealth completed phasing out its former Special Wage Incentive Program in July 2008. This program provided wage subsidies to employers hiring nutrition assistance program recipients.

- On September 1, 2001, Puerto Rico began targeting 75 percent of nutrition assistance benefits to the purchase of food while continuing to provide 25 percent of benefits in cash through the Commonwealth's EBT system.

### **Federal Responsibilities of the Block Grant**

Puerto Rico proposes its annual program plan in July for the fiscal year beginning on the following October 1 that identifies the costs of benefits, administration and other projects. FNS must review and approve the Commonwealth's annual plan and monitor program operations to ensure program integrity. These monitoring activities include reviewing financial reports of obligations and expenditures, and on-site management reviews of selected program operations. The cost of these components for FY 2006, FY 2007 and FY 2008 are as follows:

#### **NUTRITION ASSISTANCE FOR PUERTO RICO**

##### Summary of Funding

	2006 Actual (\$ 000)	2007 Actual (\$ 000)	2008 Estimated (\$ 000)
Benefit Costs	\$1,465,031	\$1,496,030	\$1,569,236
Administrative Costs	52,240	54,710	52,841
Nutrition Education Program	504	427	444
Total Federal Funds	1,517,775	1,551,167	1,622,521
State Administrative Costs	52,240	54,710	52,841
Total Program Costs	1,570,015	1,605,877	1,675,362

### **Participation**

From its inception, the SNAP in Puerto Rico served a much higher proportion of the total population than was true of the United States as a whole, due to the significantly lower living standards in Puerto Rico. This continues to be the case under the block grant program: 1.11 million persons, or 28.1 percent of Puerto Rico's total estimated population of 3.958 million people, participated in the program in FY 2008. Monthly participation for FYs 2006, 2007 and 2008 are as follows:

#### **NUTRITION ASSISTANCE FOR PUERTO RICO**

##### Summary of Participation

	2006 Actual	2007 Actual	2008 Estimated
Average Number of Persons (million)	1.06	1.07	1.11
Average Number of Households	482,880	492,884	515,001
Average Household Size (persons)	2.20	2.18	2.16
Average Benefit Per Household	\$244	\$247	\$248

## NUTRITION ASSISTANCE FOR AMERICAN SAMOA

### Program Mission

The American Samoa Nutrition Assistance Program began on July 1, 1994, and was authorized by Public Law 96-597 (December 24, 1980). The program is now authorized in Section 19 of the Food and Nutrition Act of 2008. In FY 2008, \$6.5 million in grant funds were authorized to be expended under American Samoa's block grant.

### Facts in Brief

- A monthly average of 3,078 persons or about 4.7 percent of American Samoa's total estimated population of 64,827 were served during FY 2008.
- In FY 2008, average monthly benefit costs were \$322,478, or \$104.76 per person.
- American Samoa spent \$811,175 for administrative activities for FY 2008. Block grant funding provides 100 percent of administrative and benefits costs.
- The program serves the low-income elderly, blind and disabled population.
- American Samoa prints its own food coupons.

### Federal Responsibilities of the Block Grant

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

## NUTRITION ASSISTANCE FOR THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

### Program Mission

The Commonwealth of the Northern Mariana Islands' (CNMI) nutrition assistance program began on July 2, 1982. The program was authorized by Public Law 96-597 (December 24, 1980), which allowed USDA to extend programs administered by the Department to the CNMI and other territories. In FY 2008, \$9.852 million in grant funds were provided to the CNMI.

### Facts in Brief

- A monthly average of 7,589 people or 8.76 percent of CNMI's total estimated population of 86,616 were served during FY 2008.
- In FY 2008, average benefit costs were \$81.17 per person per month.
- The CNMI spent \$1,379,642 on administrative activities for FY 2008. Block grant funding provides 100 percent of administrative and benefit costs.
- CNMI is allowed to set its own eligibility standards to stay within the capped block grant.
- Thirty percent of each allotment consists of coupons earmarked for the purchase of local commodities (food and nonfood items such as fishing equipment, garden supplies and livestock) to provide work incentives, develop self-sufficiency, and stimulate economic development and local food production.
- CNMI prints its own food coupons.

### Federal Responsibilities of the Block Grant

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

## FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (FDPIR)

### Program Mission

FDPIR is an alternative to the SNAP for low-income households on Indian reservations and low-income Indian households in designated service areas near reservations or in Oklahoma. FDPIR implements section 4(b) of the Food and Nutrition Act of 2008, as amended, to allow Indian Tribal Organizations (ITOs) to operate a food distribution program for households who prefer commodities to regular SNAP benefits. ITOs that are determined capable are permitted to administer FDPIR.

### Facts in Brief

- In FY 2008, five States and 99 ITOs administered 111 programs on 271 Indian reservations, pueblos, rancherias, and Alaska Native Villages.
- Nutrition assistance was provided to an average of 90,116 persons per month at a cost to FNS of \$54.52 per food package in FY 2008, with an average monthly per person administrative cost of \$31.43.
- In FY 2008, \$1 million was provided to the ITOs and State agencies for intensive integrated nutrition education interventions that would foster positive lifestyle changes and enhance the nutrition knowledge of FDPIR participants and eligible participants that are underserved by the SNAP Nutrition Education Program.

### FDPIR PARTICIPATION AND COST

	2002	2003	2004	2005	2006	2007	2008
Average Participation (in Thousands)	110.1	107.6	104.3	99.0	89.9	86.6	90.1
Per Person Per Month Food Cost (Entitlement)	\$33.81	\$36.07	\$39.14	\$40.69	\$38.93	\$44.40	\$54.52
Total FNS Food Cost (\$ in Millions)	\$44.67	\$46.57	\$48.99	\$48.35	\$41.32	\$46.94	\$55.32
Percent Change in unit Per Person Food Cost	-6.6%	6.7%	8.5%	4.0%	-4.3%	14.1%	22.8%

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

### Program Assessment Rating Tool

OMB completed a PART review of FDPIR in 2006 and rated the program as “Adequate.” The review showed that the program helps low-income Native Americans in areas with limited access to food stores meet their food needs. While the nutrient content of the FDPIR food package has improved over time, further improvements are possible. Further, the program’s effectiveness could be increased by improving the method for allocating administrative funds among grantees. Based on these findings, FNS is working to improve the nutritional quality of FDPIR benefits. In addition, a work group including FNS staff, ITOs, and State agencies developed recommendations for a revised funding methodology for the allocation of administrative funds. FNS implemented the new funding methodology in FY 2008.

### Food Package Improvements

FNS continuously reviews the FDPIR food package to improve its nutritional profile and acceptability as an important program responsibility. On a regular basis, a work group consisting of tribally appointed FDPIR directors, commodity procurement specialists from USDA’s Farm Service Agency (FSA) and the Agricultural Marketing Service (AMS), nutrition and health experts from the Indian Health Service and the Centers for Disease Control and Prevention (CDC), and FNS nutritionists and program staff considers changes to the food package and makes recommendations to FNS. The work group is continuing to focus on ways to reduce saturated fat, sugar, and sodium and is also exploring ways to improve the desirability and convenience of products in the package.

### **Improved Access to Fresh Fruits and Vegetables**

The Fresh Produce Program began as a pilot program in FY 1996 at two sites. This initiative, a joint venture with the Department of Defense, provides fresh fruits and vegetables, which program participants may select in lieu of canned goods. In FY 2008, about 91 percent of the FDPIR programs were enrolled in the Fresh Produce Program, allowing most FDPIR participants to receive a variety of fresh fruits and vegetables which would otherwise be very difficult for them to obtain.

### **FDPIR Studies and Evaluations**

The following study report was completed by FNS in early FY 2009 and may be found on the FNS Web site at <http://www.fns.usda.gov/oane>.

**FDPIR Food Package Nutritional Quality: Report to Congress - November 2008:** This report responds to the legislative requirement of the Food, Conservation, and Energy Act of 2008, P.L.110-246, to review the nutritional quality of the food package provided through the USDA Food Distribution Program on Indian Reservations. The analysis finds that the FDPIR food package provides a nutritious variety of foods; similar to American diets in general, however, there is room for improvement in the quantities of fruits, vegetables, low-fat dairy products and whole grains.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM  
SUMMARY OF BENEFIT COSTS, PARTICIPATION AND STATE ADMINISTRATIVE FUNDING  
FISCAL YEAR 2008

STATE OR TERRITORY	AVERAGE PARTICIPATION IN THOUSANDS		TOTAL VALUE OF BENEFITS ISSUED (\$000)	AVERAGE MONTHLY BENEFIT PER PERSON	STATE ADMINISTRATIVE FUNDING (\$000)
	PERSONS	HOUSEHOLDS			
Alabama-----	572	232	\$663,901	\$96.79	\$33,251
Alaska-----	57	22	94,262	137.87	10,715
Arizona-----	628	259	772,440	102.56	42,740
Arkansas-----	378	158	431,424	95.14	25,852
California-----	2,220	914	2,998,185	112.54	448,917
Colorado-----	253	109	325,145	107.13	34,108
Connecticut-----	225	121	284,829	105.31	27,227
Delaware-----	74	33	86,181	96.49	9,461
District of Columbia-----	89	48	112,325	104.65	14,401
Florida-----	1,455	746	1,778,642	101.87	83,684
Georgia-----	1,021	417	1,276,750	104.19	68,459
Hawaii-----	97	49	184,612	159.34	13,270
Idaho-----	100	41	116,568	96.95	10,918
Illinois-----	1,299	596	1,718,280	110.19	107,214
Indiana-----	623	268	772,884	103.31	39,528
Iowa-----	256	117	305,655	99.38	21,112
Kansas-----	188	86	211,265	93.86	16,989
Kentucky-----	633	284	742,038	97.66	37,837
Louisiana-----	791	325	1,025,182	108.04	66,561
Maine-----	173	86	196,265	94.52	11,541
Maryland-----	360	167	432,044	100.01	38,587
Massachusetts-----	506	266	586,587	96.65	44,864
Michigan-----	1,256	591	1,506,032	99.89	114,001
Minnesota-----	294	140	329,616	93.45	51,694
Mississippi-----	447	188	496,848	92.59	27,590
Missouri-----	889	314	810,472	76.01	45,705
Montana-----	80	35	94,225	97.65	8,098
Nebraska-----	121	52	140,753	97.09	13,663
Nevada-----	144	67	169,714	97.88	13,764
New Hampshire-----	64	31	71,404	93.58	6,384
New Jersey-----	438	211	532,945	101.43	92,424
New Mexico-----	240	96	269,189	93.48	26,436
New York-----	1,953	1,037	2,572,843	109.78	326,196
North Carolina-----	947	419	1,104,400	97.19	74,889
North Dakota-----	48	22	59,267	102.02	7,154
Ohio-----	1,151	527	1,494,661	108.22	113,491
Oklahoma-----	419	176	491,363	97.72	38,006
Oregon-----	469	243	542,197	96.27	48,698
Pennsylvania-----	1,188	559	1,386,964	97.30	147,521
Rhode Island-----	85	42	107,719	105.77	7,545
South Carolina-----	590	256	706,792	99.87	17,798
South Dakota-----	63	26	78,001	103.27	8,117
Tennessee-----	911	410	1,114,791	101.95	48,425
Texas-----	2,532	995	3,068,233	100.98	166,916
Utah-----	134	54	150,961	93.75	23,267
Vermont-----	56	28	62,169	92.77	8,431
Virginia-----	545	246	610,022	93.26	84,068
Washington-----	581	293	680,799	97.65	51,390
West Virginia-----	277	124	304,123	91.56	15,966
Wisconsin-----	423	181	430,125	84.78	37,965
Wyoming-----	23	10	26,390	97.27	4,216
American Samoa 1/-----	0	0	4,795	0.00	0
CNMI 1/-----	0	0	9,852	0.00	0
Guam-----	28	8	60,178	179.92	1,899
Virgin Islands-----	14	5	22,856	139.91	3,839
Anticipated Adjustment-----	0	0	-86,868	0.00	-223,088
<b>TOTAL-----</b>	<b>28,408</b>	<b>12,728</b>	<b>\$34,539,296</b>	<b>\$101.53</b>	<b>\$2,619,701</b>

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

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

**SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM  
FIRMS AUTHORIZED TO RECEIVE AND REDEEM FOOD STAMP BENEFITS  
Fiscal Year 2008**

State or Territory	Retailers	Wholesalers	Drug/Alcohol Treatment Centers	Shelter for Battered Women and Children	Communal Dining Facility	Group Living Arrangement	Homeless Meal Provider	Meal Delivery Service	Private Restaurant/Meal Delivery	Senior Citizens Center/Residential Building	Total
Alaska	452	0	9	2	0	0	1	0	0	0	464
Alabama	3,265	0	22	1	2	27	0	0	0	0	3,317
Arkansas	1,752	0	15	0	19	0	1	24	0	0	1,811
Arizona	2,918	0	8	2	1	1	2	2	0	0	2,934
California	18,158	2	303	2	13	1	21	5	470	0	18,975
Colorado	1,737	2	6	0	10	0	1	5	0	0	1,761
Connecticut	1,601	0	15	1	1	1	0	0	0	0	1,619
District of Columbia	373	0	1	0	0	0	0	0	0	0	374
Delaware	479	0	3	0	2	0	2	0	0	0	486
Florida	9,599	0	60	0	7	32	2	6	0	0	9,706
Georgia	5,821	1	4	0	3	2	3	0	0	0	5,834
Guam	223	0	0	0	0	0	0	0	0	0	223
Hawaii	848	0	7	3	2	1	0	2	0	0	863
Iowa	2,176	0	14	0	65	0	0	18	0	0	2,273
Idaho	656	0	0	0	1	0	0	0	0	0	657
Illinois	6,763	0	19	0	54	31	6	18	1	60	6,952
Indiana	3,290	0	2	1	8	0	6	12	0	0	3,319
Kansas	1,267	0	15	0	14	4	1	9	0	0	1,310
Kentucky	3,546	0	20	0	3	2	1	0	0	0	3,572
Louisiana	3,786	0	4	0	3	2	8	0	0	0	3,803
Massachusetts	3,064	0	66	10	7	123	3	1	0	5	3,279
Maryland	2,367	0	13	0	5	23	4	1	0	0	2,413
Maine	1,225	0	11	0	11	1	1	1	0	2	1,252
Michigan	6,936	1	25	0	32	37	4	19	4	0	7,058
Minnesota	2,188	0	6	0	10	0	1	12	0	2	2,219
Missouri	3,496	1	9	0	1	0	8	5	0	0	3,520
Mississippi	2,502	1	0	0	2	0	0	2	0	0	2,507
Montana	560	0	2	0	17	9	3	1	0	2	594
North Carolina	5,054	1	7	0	33	0	0	15	0	0	5,110
North Dakota	391	0	2	0	19	3	1	11	0	0	427
Nebraska	803	0	9	0	0	0	3	0	0	0	815
New Hampshire	570	0	5	0	2	2	1	1	0	0	581
New Jersey	4,179	1	26	0	1	1	5	0	0	0	4,213
New Mexico	1,117	1	2	0	0	0	0	0	0	0	1,120
Nevada	1,029	1	8	1	4	2	2	0	0	0	1,047
New York	14,259	0	99	0	32	47	12	28	0	0	14,477
Ohio	6,447	0	34	0	8	1	3	7	0	0	6,500
Oklahoma	2,498	0	15	0	20	0	0	18	0	0	2,551
Oregon	2,557	0	29	0	8	22	5	3	1	1	2,626
Pennsylvania	7,514	1	23	0	15	12	22	20	0	0	7,607
Rhode Island	748	0	10	2	2	4	2	1	0	0	769
South Carolina	2,900	0	3	0	0	0	2	0	0	0	2,905
South Dakota	535	0	2	0	10	18	0	5	0	0	570
Tennessee	4,278	0	16	0	8	34	1	4	0	0	4,341
Texas	12,734	1	31	0	0	2	2	1	1	0	12,772
Utah	901	0	9	0	1	3	0	1	0	0	915
Virginia	3,870	1	16	0	3	6	1	1	0	0	3,898
Virgin Islands	106	1	1	0	0	0	0	0	0	0	108
Vermont	435	0	1	0	0	0	0	0	0	0	436
Washington	3,696	0	30	0	10	6	4	5	0	0	3,751
Wisconsin	2,365	0	8	1	17	1	4	3	0	0	2,399
West Virginia	1,824	4	0	0	7	0	0	2	0	0	1,837
Wyoming	216	0	5	0	2	0	0	1	0	0	224
<b>Total</b>	<b>172,074</b>	<b>20</b>	<b>1,050</b>	<b>26</b>	<b>495</b>	<b>461</b>	<b>149</b>	<b>270</b>	<b>477</b>	<b>72</b>	<b>175,094</b>

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS  
PARTICIPATION AND FUNDING  
FISCAL YEAR 2008

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION	FOOD COSTS <u>1/</u>	ADMINISTRATIVE FUNDING <u>2/</u>	TOTAL FOOD AND ADMIN.
Alaska-----	65	\$46,810	\$275,880	\$322,690
Arizona-----	14,076	8,496,532	3,994,993	12,491,525
California-----	6,608	3,647,895	2,163,760	5,811,655
Colorado-----	506	269,190	230,643	499,833
Idaho-----	1,691	975,111	525,147	1,500,258
Kansas-----	340	191,335	214,975	406,310
Michigan-----	1,661	977,927	994,794	1,972,721
Minnesota-----	2,261	1,343,735	1,368,182	2,711,917
Mississippi-----	875	381,240	299,094	680,334
Montana-----	3,058	1,854,424	2,213,097	4,067,521
Nebraska-----	1,000	556,283	395,722	952,005
Nevada-----	1,451	806,970	559,220	1,366,190
New Mexico-----	3,184	1,815,852	1,480,452	3,296,304
New York-----	411	198,219	329,419	527,638
North Carolina-----	413	237,670	151,906	389,576
North Dakota-----	4,838	3,060,850	1,765,835	4,826,685
Oklahoma-----	27,712	16,318,495	7,969,364	24,287,859
Oregon-----	796	486,982	600,014	1,086,996
South Dakota-----	10,844	6,945,656	2,737,649	9,683,305
Utah-----	216	113,941	165,674	279,615
Washington-----	3,757	2,168,061	1,586,215	3,754,276
Wisconsin-----	3,710	2,052,779	1,732,262	3,785,041
Wyoming-----	644	381,233	275,131	656,364
AMS / FSA / PCIMS / Computer Support-----	0	397,704	0	397,704
Undistributed-----	0	528,818	2,055,784	2,584,602
TOTAL-----	90,116	\$54,253,712	\$34,085,212	\$88,338,924

SOURCE: FPRS FNS-152 data - Food distributed to participants in fiscal year 2008.

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

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

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

**FOOD AND NUTRITION SERVICE**  
**FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS**  
**Quantity and Value of Commodities**  
**Fiscal Year 2008**

ENTITLEMENT COMMODITIES	Indian Reservations	
	Pounds	Dollars
SECTION 6/32 TYPE:		
APPLE JUICE, CANNED	1,749,300	\$803,548
APPLESAUCE, CANNED	396,000	241,756
APRICOTS, CANNED	167,963	111,557
BEANS, GREAT NORTHERN	564,480	293,841
BEANS, GREEN CANNED	666,420	292,705
BEANS, KIDNEY LIGHT	640,314	268,284
BEANS, LIMA	241,920	112,976
BEANS, PINTO	1,206,720	518,959
BEANS, REFRIED	771,120	261,967
BEANS, VEG	1,164,720	439,514
BEEF, CANNED	360,000	817,145
BEEF, FROZEN GROUND	1,490,000	2,531,955
BEEF, ROUND ROAST	920,000	3,426,715
BEEF, STEW	253,044	195,929
CARROTS, CANNED	408,825	197,553
CHICKEN, CANNED	525,000	1,096,428
CHICKEN, CUT UP	1,536,000	1,363,313
CORN, CANNED CREAM	364,523	152,113
CORN, CANNED WHOLE KERNEL	767,309	308,502
DPSC-FRESH PRODUCE*		3,490,280
EGG MIX	612,000	2,663,391
FRUIT, MIXED	690,863	399,608
GRAPE JUICE	1,788,816	780,474
GRAPEFRUIT JUICE	774,928	258,535
LUNCHMEAT, CANNED	432,000	909,709
ORANGE JUICE, CANNED	2,320,500	1,004,351
PEACHES, CANNED	1,171,800	685,251
PEARS, CANNED	693,180	427,307
PEAS, CANNED	480,262	215,834
PINEAPPLE JUICE, CANNED	542,880	236,699
PLUMS, D 24	180,000	282,645
POTATOES CANNED	440,640	173,118
POTATOES, DEHYDRATED	390,000	449,412
PUMPKIN, CANNED	145,800	81,875
RAISINS 24	505,440	543,525
SPAGHETTI SAUCE	947,700	330,795
SPINACH, CANNED	169,575	80,971
SWEET POTATOES, CANNED	137,700	80,093
TOMATO JUICE, CANNED	1,077,188	309,282
TOMATO SAUCE, CANNED	688,500	232,093
TOMATO SOUP	567,600	303,801
TOMATOES, CANNED	810,405	286,057
TUNA, CANNED	356,400	711,561
TURKEY HAM	475,800	707,752
VEG MIX 300	458,663	230,337
VEG SOUP	567,600	370,697
Total Section 6/32 Type	31,619,898	\$29,680,213

## FOOD AND NUTRITION SERVICE

### FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (Cont.)

#### Quantity and Value of Commodities

Fiscal Year 2008

ENTITLEMENT COMMODITIES	Pounds	Dollars
<b>SECTION 416 TYPE:</b>		
CEREAL, CORN & RICE	91,560	\$140,123
CEREAL, DRY CORN	330,513	462,533
CEREAL, DRY OATS	113,535	228,023
CEREAL, DRY RICE	146,628	201,425
CEREAL, WB FLAKES	135,170	185,039
CHEESE 30 LVS	2,098,800	4,274,757
CHEESE BLEND SLC	435,600	850,671
CORNMEAL	1,199,520	246,981
CRACKERS	86,400	96,768
CRACKERS, UNSALTED	430,920	456,321
EGG NOODLES	875,520	890,996
FARINA	465,696	390,998
FLOUR MIX	546,000	392,461
FLOUR MIX, LOWFAT	408,000	343,608
FLOUR WW	385,560	123,092
FLOUR, ALL PURPOSE	5,697,720	1,818,877
INSTANT 2	26,880	59,732
MACARONI	1,206,000	924,671
MACARONI AND CHEESE	743,850	745,264
MILK, EVAPORATED	2,643,840	1,505,099
MILK, UHT FLUID 1%	2,128,500	817,214
OATS	851,760	457,199
OIL, VEGETABLE	1,128,204	861,145
PEANUT BUTTER	565,380	600,588
PEANUTS, ROASTED	247,968	404,036
RICE	840,000	349,290
SPAGHETTI	1,050,240	653,970
Total Section 416 Type	24,879,764	\$18,480,881
AMS / FSA / PCIMS / Computer Support		\$397,704
Anticipated Adjustment		5,694,914
<b>TOTAL COMMODITY ENTITLEMENT</b>	<b>56,499,662</b>	<b>\$54,253,712</b>

BONUS COMMODITIES	Indian Reservations	
	Pounds	Dollars
<b>SECTION 32 TYPE**:</b>		
APPLE JUICE	428,400	\$212,152
APPLESAUCE	109,350	76,262
APRICOTS, CANNED	328,050	238,427
BEANS, CANNED	284,850	156,218
BEANS, DRY	120,960	72,606
CARROTS, CANNED	109,350	61,360
CORN, CANNED	316,746	172,889
GRAPE JUICE	36,176	18,802
GRAPEFRUIT JUICE	70,448	24,948
HAM, WATERADDED	468,000	900,596
MIXED FRUIT, CANNED	347,625	252,935
ORANGE JUICE	714,000	293,277
PEACHES, CANNED	384,750	318,825
PEARS, CANNED	109,350	81,780
PEAS, CANNED	109,350	62,814
POTATOES, CANNED	36,720	17,886
RAISINS	77,760	87,022
SPAGHETTI SAUCE	109,350	43,017
SWEET POTATOES, CANNED	34,425	23,218
TOMATO SAUCE, CANNED	103,275	40,192
TOMATO SOUP	130,613	78,461
TOMATOES, CANNED	176,175	79,423
VEG MIX, CANNED	36,450	21,507
VEG SOUP	177,375	126,771
Total Section 32 Type	4,819,548	\$3,461,388

BONUS COMMODITIES	Pounds	Dollars
<b>SECTION 416 TYPE:</b>		
INSTANT 2	349,440	\$456,977
Total Section 416 Type	349,440	\$456,977
<b>TOTAL BONUS COMMODITIES</b>	<b>5,168,988</b>	<b>\$3,918,365</b>
<b>TOTAL -- ALL COMMODITIES</b>	<b>61,668,650</b>	<b>\$58,172,077</b>
Anticipated Adjustment	0	0
<b>GRAND TOTAL</b>	<b>61,668,650</b>	<b>\$58,172,077</b>

Source: PCIMS -- Delivery order and contract information.

\*DPSC-FRESH PRODUCE includes Farm Bill funds (32A).

\*\* Figures include Farm Bill Procurements.

## FOOD AND NUTRITION SERVICE

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

Commodity Assistance Program:

For necessary expenses to carry out disaster assistance and the Commodity Supplemental Food Program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note); the Emergency Food Assistance Act of 1983; special assistance for the nuclear affected islands, as authorized by section 103(f)(2) of the Compact of Free Association Amendments Act of 2003 (Public Law 108-188); and the Farmers' Market Nutrition Program, as authorized by section 17(m) of the Child Nutrition Act of 1966, [~~\$230,800,000~~ \$233,388,000, to remain available through September 30, [2010]2011: *Provided*, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program: *Provided further*, That notwithstanding any other provision of law, effective with funds made available in fiscal year [2009]2010 to support the Seniors Farmers' Market Nutrition Program, as authorized by section 4402 of the Farm Security and Rural Investment Act of 2002, such funds shall remain available through September 30, [2010]2011: *Provided further*, That of the funds made available under section 27(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)), the Secretary may use up to 10 percent for costs associated with the distribution of commodities.

FOOD AND NUTRITION SERVICE  
 LEAD-OFF TABULAR STATEMENT  
 AND SUMMARY OF INCREASES AND DECREASES  
COMMODITY ASSISTANCE PROGRAM (CAP)

Appropriations Act, 2009 a/ .....\$230,800,000  
 Budget Estimate, 2010.....233,388,000  
 Increase in Appropriation .....+2,588,000

a/ Excludes \$150,000,000 provided by the American Recovery and Reinvestment Act of 2009 (Recovery Act), P.L. 111-5.

Summary of Increases and Decreases  
 (On basis of appropriation)

Item of Change	2009 Estimated	Pay Costs	Other Changes	2010 Estimated
Commodity Supplemental Food Program	\$160,430,000	0	\$2,388,000	\$162,818,000
Farmers' Market Nutrition Program	19,800,000	0	200,000	20,000,000
The Emergency Food Assistance Program <u>a/</u>	49,500,000	0	0	49,500,000
ARRA, P.L. 111-5	150,000,000	0	-150,000,000	0
Nuclear Affected Islands	575,000	0	0	575,000
Disaster Assistance	495,000	0	0	495,000
<b>Total Adjusted Appropriation</b>	<b>380,800,000</b>	<b>0</b>	<b>-147,412,000</b>	<b>233,388,000</b>
ARRA Funds	-150,000,000	0	0	0
<b>Total CAP Appropriation</b>	<b>230,800,000</b>	<b>0</b>	<b>2,588,000</b>	<b>233,388,000</b>

a/ The SNAP appropriation provides \$250,000,000 in FY 2009 and \$253,250,000 in FY 2010 to The Emergency Food Assistance Program (TEFAP) for the procurement of commodities. Up to 10 percent of this amount is permitted to be used for TEFAP administrative costs.

**PROJECT STATEMENT**  
(On basis of appropriation)

Project	2008 Actual	2009 Estimated	Increase or Decrease		2010 Estimated
1. Commodity Supplemental Food Program	\$139,715,100	\$160,430,000	\$2,388,000	(1)	\$162,818,000
2. Farmers' Market Programs					
Farmers' Market Nutrition Program	19,860,000	19,800,000	200,000		20,000,000
a/	20,600,000	20,600,000	0		20,600,000
Total Adjusted FMP	40,460,000	40,400,000	200,000	(2)	40,600,000
3. The Emergency Food Assistance Program					
Administrative Costs	49,650,000	49,500,000	0		49,500,000
4. ARRA, P.L. 111-5					
TEFAP Commodities	0	100,000,000	-100,000,000		0
TEFAP Administrative Costs	0	50,000,000	-50,000,000		0
5. Other Programs					
Nutrition Services Incentive Program (transfer) b/	2,659,000	2,681,000	-2,681,000		0
Nuclear Affected Islands	570,975	575,000	0		575,000
Disaster Assistance	491,535	495,000	0		495,000
Total Adjusted Appropriation	233,546,610	404,081,000	-150,093,000		253,988,000
Rescission	1,482,390	0	0		0
ARRA Funds	0	-150,000,000	150,000,000		0
Transfers (SFMNP and NSIP)	-23,259,000	-23,281,000	2,681,000		-20,600,000
Total Appropriation	211,770,000	230,800,000	2,588,000		233,388,000

a/ Section 4406(c)(1) of the Food, Conservation, and Energy Act of 2008 (P.L. 110-234) authorized the transfer of \$20,600,000 from the Commodity Credit Corporation (CCC) for the SFMNP.

b/ Administration of NSIP was transferred to DHHS in FY 2003, though FNS continues to be involved in the purchase of commodities. Obligations for commodity procurement for NSIP are funded under an agreement with DHHS. Public Law 110-19, effective April 23, 2007, authorizes the transfer of NSIP funds from DHHS for the purchase of commodities and related expenses. It is anticipated that a transfer of \$3,063,000 will occur in FY 2010.

**PROJECT STATEMENT**  
(On basis of available funds)

Project	2008 Actual	2009 Estimated	Increase or Decrease	2010 Estimated
1. Commodity Supplemental Food Program				
Commodity Purchases	\$110,944,048	\$133,159,000	-\$3,489,000	\$129,670,000
Administrative Costs	29,862,773	31,420,000	1,728,000	33,148,000
Total CSFP Obligations	140,806,821	164,579,000	-1,761,000	162,818,000
Recovery of Prior Year Obligations	-1,126,203	-4,000,000	4,000,000	0
Unobligated Balances:				
Available Start of Year	-115,011	-149,000	149,000	0
Available End of Year	149,493	0	0	0
Total Appropriation, CSFP	139,715,100	160,430,000	2,388,000	162,818,000
2. Farmers' Market Program's				
Seniors Farmers' Market Nutrition Program (transfer)	21,838,308	20,658,000	-58,000	20,600,000
Farmers' Market Nutrition Program	21,401,908	19,865,000	135,000	20,000,000
Total FMP Obligations	43,240,216	40,523,000	77,000	40,600,000
Transfer from CCC	-20,600,000	-20,600,000	0	-20,600,000
Recovery of Prior Year Obligations	-2,903,763	0	0	0
Unobligated Balances:				
Available Start of Year	0	-123,000	123,000	0
Available End of Year	123,547	0	0	0
Total Appropriation, FMP	19,860,000	19,800,000	200,000	20,000,000
3. The Emergency Food Assistance Program <u>a/</u>				
Administrative Costs	49,822,625	49,500,000	0	49,500,000
SNAP/TEFAP Admin. (non add)	(7,673,858)	(25,000,000)	-325,000	(25,325,000)
SNAP/TEFAP Commodities (non add)	(182,261,800)	(225,000,000)	-2,925,000	(227,925,000)
Total TEFAP Obligations	49,822,625	49,500,000	0	49,500,000
Recovery of Prior Year Obligations	-172,625	0	0	0
Unobligated Balances:				
Available Start of Year	0	0	0	0
Available End of Year	0	0	0	0
Total Appropriation, TEFAP	49,650,000	49,500,000	0	49,500,000
4. ARRA, P.L. 111-5				
TEFAP Commodities	0	100,000,000	0	0
TEFAP Administrative Costs	0	25,000,000	0	25,000,000
TOTAL ARRA Obligations	0	125,000,000	-100,000,000	25,000,000
Recovery of Prior Year Obligations	0	0	0	0
Unobligated Balances:				
Available Start of Year	0	0	0	-25,000,000
Available End of Year	0	25,000,000	0	0
Total Appropriation, AARA		150,000,000	-150,000,000	0
5. Other Programs:				
Nutrition Services Incentive Program (NSIP): <u>b/</u>	2,658,531	2,681,000	-2,681,000	0
Nuclear Affected Islands	570,975	575,000	0	575,000
Disaster Assistance	506,273	968,000	-473,000	495,000
Total Other Program Obligations	3,735,779	4,224,000	-3,154,000	1,070,000
Transfer from DHHS	-2,658,531	-2,681,000	2,681,000	0
Recovery of Prior Year Obligations	0	0	0	0
Unobligated Balances:				
Available Start of Year	-495,000	-473,000	473,000	0
Available End of Year	473,435	0	0	0
Lapse	6,827	0	0	0
Total Appropriation, Other Programs	1,062,510	1,070,000	0	1,070,000
Total CAP Obligations	237,605,441	383,826,000	-104,838,000	278,988,000
ARRA Funds	0	-150,000,000	150,000,000	0
Rescission	1,482,390	0	0	0
Total Appropriation	211,770,000	230,800,000	2,588,000	233,388,000

- a/ The SNAP appropriation provides \$190,000,000 for the Emergency Food Assistance Program for the procurement of commodities in FY 2008, \$250,000,000 in FY 2009, and \$253,250,000 in FY 2010. In FY 2008 up to \$10 million of that amount was permitted to be used for administrative costs. In FY 2009 and FY 2010, up to 10 percent of the funding is permitted to be used for TEFAP administrative costs.
- b/ NSIP transferred to DHHS in FY 2003, but FNS continues to be involved in the purchase of USDA foods. Obligations for commodity procurement for NSIP are funded under an agreement with DHHS. Public Law 110-19, effective April 23, 2007, authorizes the transfer of NSIP funds from DHHS for the purchase of commodities and related expenses. It is anticipated that a transfer of \$3,063,000 will occur in FY 2010.

#### Justification of Increases and Decreases

The FY 2010 request for the Commodity Assistance Program reflects an increase of \$2,588,000.

- (1) Explanation of Change: This change offsets expected cost increases due to inflation while supporting the current caseload and participation levels. The average monthly food cost per person will increase from an estimated \$27.67 for women, infants, and children in FY 2009 to \$29.04 in FY 2010, and from \$20.81 to \$21.78, respectively for the elderly.
- (2) Explanation of Change: The Farmers' Market Nutrition Program shows an increase of \$200,000, which restores funding to the authorized level of \$20 million.

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

<u>STATE / TRIBAL ORG.</u>	<u>2008</u>	<u>2009</u>
Alaska	2,109	2,109
Arizona	14,473	14,473
California	53,827	53,827
Colorado	17,211	17,277
District of Columbia	6,880	6,647
Illinois	13,676	13,676
Indiana	4,286	4,273
Iowa	3,337	3,255
Kansas	5,069	4,822
Kentucky	15,652	15,712
Louisiana	64,939	64,689
Michigan	77,290	77,586
Minnesota	14,071	14,071
Mississippi	6,986	7,014
Missouri	9,280	9,315
Montana	6,783	6,809
Nebraska	12,875	12,924
Nevada	5,909	5,909
New Hampshire	7,276	7,253
New Mexico	16,309	16,371
New York	31,068	31,068
North Carolina	1,182	1,160
North Dakota	2,799	2,799
Oglala Sioux, SD	617	608
Ohio	15,529	15,589
Oregon	1,318	1,314
Pennsylvania	14,541	14,583
Red Lake, MN	98	98
South Carolina	3,705	3,705
South Dakota	2,812	2,812
Tennessee	13,315	13,366
Texas	15,923	15,984
Vermont	3,625	3,639
Washington	3,652	3,666
<u>Wisconsin</u>	<u>5,051</u>	<u>5,070</u>
<b>TOTALS</b>	<b>473,473</b>	<b>473,473</b>

	2008 Actual	2009 Estimated	Difference	2010 Estimated
<b>RESOURCES--START OF YEAR:</b>				
Appropriation	\$140,700	\$160,430	\$2,388	\$162,818
Cash Carry-In/Recoveries	1,241	4,149	-4,149	0
Rescission	-985	0	0	0
Beginning Inventory (Federal-State-Local)	29,627	28,561	11,724	40,285
<b>TOTAL RESOURCES</b>	<b>170,583</b>	<b>193,140</b>	<b>9,963</b>	<b>203,103</b>
<b>DEMAND:</b>				
1. <u>Program Performance Data:</u>				
Caseload (Calendar Year)	473.473	473.473	0.000	473.473
Participation (Fiscal Year)	475.308	473.473	0.000	473.473
Participation				
<i>Women-Infants-Children</i>	30.927	27.834	-2.783	25.051
<i>Elderly</i>	444.381	445.639	2.783	448.422
<u>Avg. Food Cost Person/Month (whole \$):</u>				
Women-Infants-Children	28.72	30.58	0.67	31.25
<i>FNS Funded a/</i>	25.27	27.67	1.37	29.04
<i>Free (donated)</i>	3.45	2.91	-0.70	2.21
Elderly	22.39	23.87	0.54	24.41
<i>FNS Funded a/</i>	19.12	20.81	0.97	21.78
<i>Free (donated)</i>	3.26	3.04	-0.41	2.63
2. <u>Food Costs:</u>				
Food Distribution Costs	\$111,349	\$120,540	\$5,390	\$125,930
<i>Women-Infants-Children</i>	9,379	9,240	-510	8,730
<i>Elderly</i>	101,970	111,300	5,900	117,200
Commodity Administrative Costs	661	895	20	915
3. State Administrative Expenses	29,863	31,420	1,728	33,148
<b>TOTAL DEMAND</b>	<b>141,873</b>	<b>152,855</b>	<b>7,138</b>	<b>159,993</b>
<b>BALANCES--YEAR-END:</b>				
Funds (Carry-out)	149	0	0	0
Ending Inventory	28,561	40,285	2,825	43,110
Purchases	110,944	133,159	-3,489	129,670
Inventory Change	-1,066	11,724	-8,899	2,825

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

FOOD AND NUTRITION SERVICE

Commodity Assistance Program

Classification by Objects2008 Actual and Estimated 2009 and 2010

(in thousands of dollars)

	<b>Personnel Compensation:</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
	Washington D.C.	0	0	0
	Field	0	0	0
11	Total personnel compensation	0	0	0
12	Personnel benefits	0	0	0
13	Benefits for former personnel	0	0	0
	Total personnel compensation and benefits	0	0	0
	<b>Other Objects:</b>			
21	Travel and transportation of persons			
22	Transportation of things			
23.1	Rental payments to GSA			
23.2	Rental payments to others			
23.3	Communications, utilities, and misc. charges			
24	Printing and reproduction			
25	Other Services			
25.1	Contractual Services Performed by Other Federal Agencies			
25.2	Related Expenditures			
25.3	Repair, Alteration or Maintenance of Equipment, Furniture or Structures			
25.4	Contractual Services - Other			
25.5	Agreements			
25.6	ADP Services and Supplies			
25.7	Miscellaneous Services			
25.8	Fees			
26	Supplies and materials	\$112,021	\$234,702	\$130,740
31	Equipment			
32	Land and structures			
41	Grants, subsidies and contributions	125,584	149,124	148,248
42	Insurance claims and indemnities			
43	Interest and dividends			
45	Special Payments			
92	Undistributed			
	Total other objects	237,605	383,826	278,988
	Total direct obligations	237,605	383,826	278,988

Totals may not add due to rounding.

Totals for FY 2009 and 2010 include ARRA Funds.

## FOOD AND NUTRITION SERVICE

## Commodity Assistance Programs

SUMMARY OF RECOVERY ACT FUNDING

Item of Change	2009	2010	2011
TEFAP Commodities	\$100,000,000	0	0
TEFAP Administrative Funds	50,000,000	0	0
Total Appropriation	150,000,000	0	0

Program Implementation Activities:

## Goals and Coordination Efforts:

These funds will be used to help ensure that Americans affected by the economic crisis receive adequate food and nutrition services.

## Objectives:

These funds will be used to help food banks, soup kitchens and food pantries provide food assistance to the increased number of individuals seeking it due to recent economic conditions. TEFAP commodity funding will be used to purchase foods that States order on behalf of their emergency food assistance network. TEFAP administrative funding may be used to offset allowable State or local costs associated with the distribution of USDA or privately-donated food.

## Delivery Schedule:

States began placing orders for food in March 2009 with the first deliveries expected by May 31, 2009. Deliveries will continue until December 2009.

Performance Measures:

FNS will track the percentage of food assistance that each State orders and the amount of administrative funds obligated by each State as a measure of ARRA achievement. These funds are not expected to directly create any jobs.

	Target		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Value of Food Distributed to Food Banks, Soup Kitchens and Food Pantries	\$100 million	0	0
Percentage of Administrative Funds Obligated	50%	50%	NA

## COMMODITY ASSISTANCE PROGRAM

### STATUS OF PROGRAM

The Commodity Assistance Program (CAP) account combines funding for the Commodity Supplemental Food Program, administrative expenses for the Emergency Food Assistance Program, Assistance to the Nuclear Affected Islands, Disaster Relief, the Senior Farmers' Market Nutrition Program, and the WIC Farmers' Market Nutrition Program.

#### Commodity Supplemental Food Program

##### Program Mission

The Commodity Supplemental Food Program (CSFP) provides supplemental USDA foods to low-income pregnant, postpartum and breastfeeding women, infants, children up to age six and the elderly. The program operates in 32 States, the District of Columbia, and through two ITOs. The foods provided are purchased by USDA utilizing funds appropriated for the program each year as well as funds provided for the support of domestic agricultural markets through the removal of agricultural market surpluses and price support activities. CSFP participants receive monthly food packages containing USDA foods. Food packages are designed with the specific nutritional needs of women, infants, children, and the elderly in mind and include such nutritious foods as canned fruits and vegetables, juices, meats, fish, peanut butter, cheese, cereal and grain products, and dairy products. Infants receive formula and rice cereal. USDA also provides administrative funding to States.

##### Facts in Brief

- In 2008, 473,473 caseload slots were allocated to participating States and ITOs.
- For FY 2008, program participation averaged 475,308 monthly.
- From FY 2007 to 2008, monthly participation of women, infants, and children decreased from 33,270 to 30,927, while elderly participation increased from 432,804 to 444,381.

##### Program Participation and Caseload Utilization

Each year, to the extent that resources are available, FNS assigns a base caseload to all of the States and ITOs participating in the program. Base caseload equals the greatest of (1) monthly average participation for the previous fiscal year, (2) monthly average participation for the final quarter of the previous fiscal year, or, in certain limited circumstances, (3) participation during September of the previous fiscal year. Base caseload cannot exceed total caseload for the previous year. If resources are available, States may also be eligible to receive additional caseload in the following year, in response to their requests for such caseload and FNS' determination of the number of slots that States can effectively utilize.

#### CSFP Average Monthly Participation

<b>Participation <sup>1/</sup></b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Women	12,839	11,064	11,038	9,180	6,729	5,281	4,792
Infants	9,464	8,131	7,670	6,337	4,482	3,241	2,686
Children Less than 6	52,976	47,071	44,208	36,988	28,815	24,748	23,449
<b>Total WIC Type</b>	<b>75,279</b>	<b>66,266</b>	<b>62,916</b>	<b>52,505</b>	<b>40,026</b>	<b>33,270</b>	<b>30,927</b>
Elderly	352,165	389,392	458,798	459,929	422,323	432,804	444,381
<b>Total, CSFP</b>	<b>427,444</b>	<b>455,659</b>	<b>521,714</b>	<b>512,433</b>	<b>462,349</b>	<b>466,075</b>	<b>475,308</b>

<sup>1/</sup> Based on National Databank version 8.2 data through September FY 2008. Due to rounding, the sum of the average participation by women, infants, children and elderly may not equal the total average participation.

**Free Commodities:** Under market support authorities, FSA and AMS conduct price-support and surplus-removal commodity procurements to aid American agriculture. These agencies may donate these commodities to FNS, which decides how to allocate them among its programs. If commodities donated to FNS are among the foods used in the CSFP food package (e.g., canned green beans but not pudding), FNS may choose to provide them to CSFP. The availability of such foods depends entirely on market conditions that cannot be predicted or controlled. To the extent that free foods are used in CSFP, the average amount of CSFP appropriations needed to complete each food package is reduced. Thus, free foods enable FNS to provide more food packages than could be funded exclusively with CSFP appropriations. Though the volume of free foods available to CSFP may vary significantly from year to year, FNS uses historical data to project a certain value of free foods per food package that will be available.

**Bonus Commodities:** Bonus commodities are also purchased to support agricultural markets and donated to FNS. If these foods are compatible with the food package and FNS decides to provide them as a part of the food package, they are “free” commodities, as discussed above. If the donated foods do not meet food package requirements, FNS may decide to offer them to program participants in addition to the food package. Donated commodities offered in addition to the food package are called bonus commodities. The presence or absence of bonus commodities does not affect the number of food packages provided through the program.

### **Administrative Funding**

Section 4201 of the Farm Security and Rural Investment Act of 2002, (P.L. 107-171, the “2002 Farm Bill”), established the method of calculating administrative funds for State agencies in CSFP. State agencies are provided an administrative grant per assigned caseload slot, adjusted each year for inflation. For FY 2008, \$62.67 was the legislatively mandated administrative grant per assigned caseload slot. Allowable administrative costs include nutrition education, warehousing, food delivery, participant certification, and other costs associated with State and local administration of the program.

### **Program Assessment Rating Tool**

OMB completed a PART review of the CSFP in 2004 and rated the program as “Results not Demonstrated”. The review found that the program duplicated other nutrition programs which operate nationwide and serve all eligible people who apply, and that it lacked performance measures to demonstrate whether it is helping meet the nutritional needs of program participants.

### **The Emergency Food Assistance Program**

#### **Program Mission**

The Emergency Food Assistance Program (TEFAP) supplements the diet of needy Americans through donations of nutritious USDA commodity foods to States. States provide the food to local agencies for distribution to households for home consumption and to organizations that prepare meals for needy people. Recipients of food for home use must meet program eligibility criteria set by the States. USDA also provides TEFAP administrative funding to States to support the storage and distribution of USDA donated commodities and commodities from other sources, including private donations.

#### **Facts in Brief**

- TEFAP commodities and administrative funds are allocated to States based on a formula that considers the number of unemployed people in each State and the number of persons in each State with incomes below the poverty level.
- States may direct their “fair share” of TEFAP foods to: (1) distribution to needy households, (2) provision of meals to the needy at congregate feeding sites, or (3) a combination of the two.

- Each State is responsible for selecting organizations to participate in the program, allocating commodities 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 donated commodities provided by USDA or commodities secured from other sources such as the private sector. Unless expressly prohibited by appropriations legislation, a State can also choose to convert TEFAP administrative funds to commodity funds which are used by USDA to purchase additional commodities. States can also use administrative funds to support food rescue activities such as gleanings 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 Commodities**

Funds for TEFAP commodity purchases are provided under the SNAP account, which was formerly known as the Food Stamp Program account. A great variety of healthful foods were purchased specifically for distribution in the TEFAP in FY 2008. These types of foods purchased included: egg mix, blackeye beans, great northern beans, kidney beans, lima beans, pinto beans, bakery mix, lowfat bakery mix, egg noodles, white and yellow corn grits, macaroni, oats, peanut butter, rice, spaghetti, vegetable oil, rice cereal, corn flakes, corn squares, oat cereal, frozen ground beef, frozen chicken, frozen ham, and frozen turkey roast. The following canned items were also purchased: mixed vegetables, green beans, refried beans, vegetarian beans, carrots, cream corn, whole kernel corn, peas, pumpkin, spinach, sliced potatoes, spaghetti sauce, tomatoes, tomato sauce, low-salt tomato soup, low-salt vegetable soup, sweet potatoes, diced tomatoes, apple juice, cranapple juice, grape juice, orange juice, pineapple juice, tomato juice, mixed fruits, apricots, peaches, pineapples, applesauce, pears, plums, beef, beef stew, chicken, pork, tuna, and roasted peanuts.

### **Bonus Commodities**

In FY 2008, USDA purchased commodities under its market support authorities and donated them to TEFAP. An additional \$60.7 million in bonus fruit and vegetable products were delivered to TEFAP outlets under the Food, Conservation, and Energy Act of 2008 (P.L. 101-246, the "2008 Farm Bill") bringing the total amount of bonus products delivered to TEFAP outlets in FY 2008 to \$178.1 million. Bonus commodities included: apple products, apricots, beans, beef, carrots, cherries, dates, fruit-nut mix, juices, ham, lamb, peaches, pears, peas, plums, pork, potatoes, raisins, sweet potatoes, and tomato products.

### **Barter Commodities**

TEFAP also received commodities valued at \$72.2 million in FY 2008 through FSA's Commodity Credit Corporation (CCC) barter program. Commodities distributed included: canned meat and fish, frozen ham and poultry items, canned vegetables, and peanut butter.

### **FY 2008 TEFAP Spending**

In FY 2008, \$49,650,000 was appropriated for TEFAP administrative funds, and the Secretary was authorized to make available up to \$10 million of TEFAP food funds to support administrative costs. The FY 2008 appropriation for TEFAP food, which occurs in the SNAP account, was \$140 million, the level authorized by Section 4204 of the 2002 Farm Bill. However, with enactment of the 2008 Farm Bill on June 18, 2008, the amount available for FY 2008 TEFAP food purchases was increased by \$50 million, to \$190 million.

**TEFAP Summary**  
(In millions)

	2002	2003	2004	2005	2006	2007	2008
<b>State Administrative Expenses</b>	\$54.3	\$59.7	\$59.2	\$58.6	\$63.5	\$58.0	\$57.1
<b>Bonus Commodities</b> *includes 2008 Farm Bill increases	171.4	242.1	233.0	154.3	67.0	58.2	178.1*
<b>Entitlement Commodities</b>	134.8	130.3	128.5	130.5	136.1	130.6	182.3
<b>TOTAL</b>	361.4	433.1	421.1	344.4	267.6	246.8	417.5

The State Administrative Expenses shown in the table above include administrative funds, commodity funds converted to administrative funds, and administrative funds recovered from the previous year. In FYs 2004-2008, appropriation language permitted the use of up to \$10 million of the TEFAP commodities funding, appropriated under the SNAP account, to provide administrative funds to the States. In all five years, most States opted to convert most or all of their “fair share” of these commodity funds to administrative funds. In FY 2004, \$9.3 million was converted; in FY 2005, \$8.5 million was converted; in FY 2006, \$7.8 million was converted; in FY 2007, \$7.8 million was converted; and in FY 2008, \$7.7 million was converted. The balance of the funds were used to purchase commodities.

The 2002 Farm Bill increased the authorized level of TEFAP entitlement commodity funds to be provided under the SNAP account to \$140 million. The 2008 Farm Bill increased this amount further, to \$190 million in FY 2008. The amounts shown for Entitlement Commodities in the table above include administrative funds that States chose to use instead to increase their commodity entitlements: FY 2001, \$0.5 million; FY 2002, \$0.6 million; FY 2004, \$0.1 million; FY 2006, \$0.1 million; FY 2007, \$0.1 million; and FY 2008, \$0.4 million. In FY 2003, appropriations legislation prohibited use of administrative funds under the CAP account to increase States’ commodity allocations, and in FY 2005, no States elected to use administrative funds to increase their commodity entitlements.

The 2008 Farm Bill also increased the amount of Section 32 funds available for the purchase of fruits, vegetables and nuts for use in domestic nutrition assistance programs from \$200 million to \$390 million in FY 2008. A significant portion of these additional funds were allocated for TEFAP commodity purchases.

### **Program Assessment Rating Tool**

OMB completed a PART review of TEFAP in 2005 and rated the program as “Results Not Demonstrated”. The review showed that while TEFAP addresses an important need, in that many people in the United States need emergency food assistance, the program has no standardized means to demonstrate that it is effective. In addition, OMB concluded that USDA oversight activities do not provide sufficient knowledge of grantee activities, nor is a system in place to identify and correct management deficiencies. Based on the findings, USDA has worked to develop annual and long-term performance measures, and a plan for establishing baselines and targets, as well as a plan for more comprehensive and periodic review of program management.

### **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, and children special coupons to purchase and consume fresh local fruits, vegetables and herbs directly from farmers, farmers’ markets and roadside stands. As a result, the FMNP has enhanced local agricultural economies by promoting the development of farmers’ markets, which has increased the customer base for small local farmers and become a major income source. During FY 2008, the FMNP was operated by 45 State agencies and ITOs.

In FY 2007, the FMNP provided coupons to 2,347,866 WIC participants. The participants redeemed their coupons at 5,588 authorized Farmers' Markets and roadside stands, providing revenue to 15,062 small family farmers.

### **WIC Farmers' Market Nutrition Program**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Funding (\$000)	\$27,952	\$28,067	\$23,814	\$22,109	\$21,402
WIC Recipients	2,516,724	2,686,210	2,497,162	2,347,866	*
Farmers' Markets**	4,131	4,714	5,032	5,588	*
Farmers	14,050	14,323	14,259	15,062	*

\*Data not yet available

\*\*Farmers' Markets data includes roadside stands.

### **Senior Farmers' Market Nutrition Program**

#### **Program Mission**

The purposes of the Senior Farmers' Market Nutrition Program (SFMNP) are to: (1) provide resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, herbs and honey from farmers' markets, roadside stands and community supported agriculture programs to low-income seniors; (2) increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic farmers' markets, roadside stands, and community support agriculture programs; and (3) develop or aid in the development of new and additional farmers' markets, roadside stands and community supported agriculture programs.

After the first (pilot) year of the SFMNP, Congress provided \$10 million through the Agriculture Appropriations Act of 2002 to continue the program's operation. Section 4306 of the 2002 Farm Bill provided an additional \$5 million for the program for FY 2002 and further established the SFMNP as a permanent nutrition assistance program. This legislation authorized \$15 million to be provided by the CCC for the SFMNP each year from FY 2003 through FY 2007, and gave USDA the authority to develop regulations for the program. The final SFMNP regulations were published in the Federal Register on December 6, 2006.

Section 4231 of the 2008 Farm Bill provided \$20.6 million annually, from FY 2008 through FY 2012, to operate the SFMNP and adds the following new provisions: (1) honey as an eligible food; (2) prohibition of considering the value of SFMNP benefits as income when determining eligibility for other Federal, State or local programs; and (3) prohibition of the collection of State or local sales tax on any purchase of food with SFMNP benefits.

#### **FY 2008 Grantees**

During FY 2008, the SFMNP operated in 40 States, the District of Columbia, Puerto Rico, and seven Federally-recognized ITOs. The grant funds are used to provide low-income seniors with coupons that can be exchanged for eligible foods at farmers' markets, roadside stands and community supported agriculture programs. A State agency may spend up to 10 percent of its total SFMNP grant to cover costs associated with the operation and administration of the SFMNP.

### Senior Farmers' Market Nutrition Program

	2005	2006	2007	2008
Funding (\$000)	\$15,000	\$15,844	\$16,204	\$21,838
SFMNP Recipients	771,285	825,691	697,739	953,324
Farmers	14,668	14,575	14,128	16,603
Farmers' Markets	2,663	2,911	2,727	3,147
Roadside Stands	2,001	2,323	2,300	2,512
Community Supported Agriculture Programs	237	260	155	199

\*Data not yet available

#### Program Assessment Rating Tool

OMB completed a PART review of the SFMNP and FMNP in 2006 and rated the programs as "Results not Demonstrated". The review found that the programs have no standardized annual or long-term performance measures to demonstrate that they are effective. It also noted that the programs' design and scope – in particular, the low value of benefits – limits the ability of the programs to improve the diets of participants. The regulations published on December 12, 2006, established standard monitoring and reporting requirements for the Senior Farmers Market Nutrition Program.

#### Pacific Island and Disaster Assistance

##### Program Mission

Certain islands in nuclear-affected zones of the Republic of the Marshall Islands received cash-in-lieu of USDA commodities and administrative funds. This assistance is authorized by the Compact of Free Association Amendments Act of 2003, (P.L. 108-188). USDA previously provided nutrition assistance under this account to the former Trust Territory of the Pacific Islands; however, as the trust relationship ended for the Federated States of Micronesia, the Republic of Palau, and the Republic of the Marshall Islands, this assistance was phased out. Under its Compact of Free Association, Palau is not eligible to receive emergency assistance.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (P.L. 93-288) assigns certain responsibilities relating to disaster food assistance to the Secretary of Agriculture. Other duties have been assigned to the Secretary by Executive Order #12673. These include using, pursuant to the authority of the Act, funds appropriated under Section 32 to purchase food commodities for assistance in major disasters or emergencies when other food supplies are not readily available.

#### Nutrition Services Incentive Program (NSIP)

##### Program Mission

The NSIP provides cash and commodities to States for distribution to local organizations that prepare nutritionally sound meals served through meals-on-wheels programs or in senior citizen centers and similar settings where the elderly participate in social and rehabilitative activities. The program promotes good health through nutrition assistance and by reducing the isolation experienced by the elderly.

In 2003, Congress transferred NSIP funding and the allocation of resources in this program from USDA to DHHS. However, State Agencies on Aging could still choose to receive all or part of their NSIP allotments in the form of commodities. They were also permitted to receive bonus commodities, as available. In 2006, pursuant to P.L. 109-365, Congress rescinded States' option to receive commodities. However, in 2007, this option was reinstated through P.L. 110-19.

USDA's role is to purchase and deliver commodities to States that elect to receive them. DHHS provides funding to USDA for commodity purchases and related administrative expenses. FNS and DHHS' Administration on Aging enter into annual agreements to ensure the effective provision of commodities to State Agencies on Aging.

### **Surplus Commodity Donations to Charitable Institutions and Summer Camps**

#### **Program Mission**

Charitable institutions and summer camps are eligible to receive bonus commodities, as available. These are commodities provided through price-support and surplus removal authority to a wide variety of institutions serving needy persons. Charitable institutions and summer camps do not receive commodities through specific program appropriations.

#### **Facts in Brief**

- Under Section 416 price support and Section 32 surplus removal authorities, commodities are acquired by the CCC and AMS and are made available at no cost to a variety of institutional types, including nonprofit charitable institutions serving needy persons and summer camps for children, among many others.
- To be eligible, an institution must be nonprofit, tax-exempt under the Internal Revenue Code, and serve meals on a regular basis. Among the charitable institutions eligible to receive donated commodities are: homes for the elderly, hospitals that offer general and long term health care, soup kitchens, meals-on-wheels programs, and schools, service institutions, or nonresidential child care institutions that do not participate in any of the Child Nutrition Programs.
- Due to favorable market conditions, bonus commodities were not available to charitable institutions and summer camps in FY 2008.

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

**Fiscal Year 2008**

ENTITLEMENT COMMODITIES	Pounds	Dollars
<b>SECTION 6/32 TYPE:</b>		
APPLE JUICE, CANNED	12,997,655	\$5,894,546
APPLESAUCE, CANNED	667,801	382,665
APRICOTS, CANNED	927,226	615,682
BEANS, CANNED	1,048,906	418,072
BEANS, DRY	3,371,040	1,671,998
BEANS, GREEN CANNED	2,610,439	1,147,715
BEEF CHILI, NO BEAN, CANNED	1,347,840	1,674,255
BEEF STEW, CHUNKY	491,544	377,178
BEEF, CANNED	108,000	246,243
CARROTS, CANNED	1,738,013	792,951
CHICKEN, CANNED BONED	241,162	511,980
CORN, CANNED WHOLE KERNEL	2,829,646	1,133,380
FRUIT, MIXED CANNED	2,179,174	1,236,100
GRAPE J	8,808,856	3,811,329
ORANGE JUICE, CANNED	13,539,048	6,078,309
PEACHES, CANNED	1,995,909	1,210,361
PEARS, CANNED	1,589,224	964,428
PEAS, CANNED	2,225,253	952,590
PORK, CANNED	108,000	166,657
POTATOES, CANNED	991,440	393,435
SALMON, CANNED	684,769	1,024,320
SPINACH, CANNED	813,960	385,135
SWEET POTATOES, CANNED	1,032,752	597,869
TOMATO JUICE, CANNED	4,169,769	1,155,949
TOMATOES, CANNED	511,125	185,767
TUNA, CANNED	2,134,530	4,159,583
VEG MIX CANNED	2,536,419	1,284,640
<b>Total Section 6/32 Type</b>	<b>71,699,500</b>	<b>\$38,473,137</b>
ENTITLEMENT COMMODITIES	Pounds	Dollars
<b>SECTION 416 TYPE:</b>		
CEREAL, DRY CORN	1,727,443	\$2,354,111
CEREAL, DRY CORN & RICE	1,337,818	2,100,902
CEREAL, DRY OATS	1,065,928	2,140,384
CEREAL, DRY RICE	1,891,452	2,729,928
CEREAL, INFANT RICE	60,600	79,834
CEREAL, WB FLAKES	1,700,529	2,538,291
CHEESE, REDUCED FAT	12,117,600	25,310,423
FARINA	1,047,816	672,120
FORMULA, INFANT	164,525	1,851,772
GRITS, CORN	1,670,760	452,623
INSTANT 2	645,120	1,374,383
MACARONI	3,590,400	2,624,812
MILK, EVAPORATED	15,679,440	9,054,189
OATS, ROLLED	2,143,368	1,038,896
PEANUT BUTTER	1,635,660	1,847,357
RICE, MILLED	5,238,000	2,133,260
SPAGHETTI	4,196,160	2,501,787
<b>Total Section 416 Type</b>	<b>55,912,619</b>	<b>\$ 60,805,072</b>
Anticipated Adjustment		11,005,083
*Anticipated Transportation & Storage		
AMS / FSA / PCIMS Admin. Expenses		\$660,756
<b>TOTAL COMMODITY ENTITLEMENT</b>	<b>127,612,119</b>	<b>\$110,944,048</b>

## FOOD AND NUTRITION SERVICE

## COMMODITY SUPPLEMENTAL FOOD PROGRAM (Cont.)

## Quantity and Value of Commodities

Fiscal Year 2008

BONUS COMMODITIES	Pounds	Dollars
SECTION 32 TYPE:		
APPLE J	3,855,601	\$1,909,378
APPLESAUCE	455,626	317,758
APRICOTS, CANNED	473,850	347,370
BEANS	1,123,155	581,330
BEEF STEW CHUNKY	1,188,000	938,520
BEEF, CANNED	1,728,000	2,412,904
CARROTS, CANNED	510,300	214,732
CHICKEN, CANNED	487,500	1,077,375
CORN KERNEL	525,556	286,590
GRAPE J	3,509,072	1,814,013
MIXED FRUIT, CANNED	344,925	250,970
ORANGE JUICE	4,212,602	1,734,081
PEACHES, CANNED	344,250	285,263
PEARS, CANNED	437,400	327,118
PEAS, CANNED	692,550	340,599
PLUMS, CANNED	328,050	203,379
PORK, CANNED	108,000	175,536
POTATOES, CANNED	146,880	71,545
SPINACH, CANNED	474,810	230,016
SWEET POTATOES, CANNED	172,125	116,091
TOMATO JUICE	799,204	239,116
TOMATOES, CANNED	2,290,280	891,947
VEG MIX, CANNED	218,701	129,045
Total Section 32 Type	24,426,437	\$14,894,676

BONUS COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
INSTANT 2	3,118,080	\$1,594,285
NFD BULK 25 KG PEANUT BUTTER	1,010,880	1,065,370
Total Section 416 Type	4,128,960	\$2,659,655
Anticipated Adjustment		
TOTAL BONUS COMMODITIES	28,555,397	\$17,554,331
TOTAL -- ALL COMMODITIES	156,167,516	\$128,498,379
Adjustment	0	0
Cash In-Lieu of Commodities		
GRAND TOTAL	156,167,516	\$128,498,379

Source: PCIMS -- Delivery order and contract information.

Note: Figures include Farm Bill and SEAM Procurements.

COMMODITY SUPPLEMENTAL FOOD PROGRAM  
PROJECTS, PARTICIPATION AND FOOD COST

FISCAL YEAR 2008

STATE OR TERRITORY	PROJECTS	AVERAGE MONTHLY PARTICIPATION (FNS-153)					FOOD COSTS IN DOLLARS 1/	ADMINISTRATIVE COST IN DOLLARS 2/
		WOMEN	INFANTS	CHILDREN	ELDERLY	TOTAL		
Alaska-----	2	12	1	124	1,997	2,134	\$521,556	\$134,803
Arizona-----	11	522	0	1,356	12,851	14,729	3,401,556	937,262
California-----	6	519	427	3,161	50,340	54,447	12,378,332	3,373,339
Colorado-----	7	696	619	2,786	13,222	17,323	4,241,846	1,104,198
District of Columbia-----	1	13	13	262	6,347	6,635	1,552,716	434,945
Illinois-----	1	117	134	1,032	12,871	14,154	2,607,649	869,405
Indiana-----	2	0	0	0	4,270	4,270	981,356	269,732
Iowa-----	1	31	11	137	3,070	3,249	708,951	216,086
Kansas-----	3	18	5	135	4,664	4,822	1,051,285	328,548
Kentucky-----	6	27	18	135	15,492	15,672	3,568,032	980,911
Louisiana-----	1	215	188	598	63,442	64,443	13,055,844	4,089,578
Michigan-----	17	753	668	5,731	70,467	77,619	17,530,638	4,861,625
Red Lake, Minnesota-----	1	0	0	3	90	93	16,871	6,204
Minnesota-----	4	132	22	1,202	13,007	14,363	3,332,021	881,829
Mississippi-----	1	0	0	291	6,697	6,988	1,590,314	437,969
Missouri-----	6	19	2	37	9,280	9,338	2,100,109	574,717
Montana-----	12	0	0	103	6,656	6,759	1,426,675	425,091
Nebraska-----	8	210	19	706	11,972	12,907	2,617,648	806,203
Nevada-----	4	31	33	207	5,780	6,051	1,375,144	371,461
New Hampshire-----	7	804	0	889	5,461	7,154	1,434,512	388,995
New Mexico-----	4	109	71	899	15,342	16,421	3,921,693	1,032,128
New York-----	3	441	420	2,324	28,477	31,662	7,258,180	1,947,032
North Carolina-----	1	0	0	2	1,159	1,161	248,518	75,126
North Dakota-----	5	0	0	0	2,820	2,820	593,085	175,413
Ohio-----	6	0	0	31	15,550	15,581	3,571,421	978,889
Oregon-----	3	0	0	6	1,302	1,308	300,007	84,166
Pennsylvania-----	1	13	0	59	14,455	14,527	3,164,371	912,209
South Carolina-----	2	0	0	5	3,649	3,654	846,431	232,192
South Dakota-----	2	0	0	0	2,812	2,812	628,431	109,080
Ogala Sioux, S.D.-----	1	6	8	142	442	598	144,324	30,000
Tennessee-----	4	86	11	426	12,682	13,205	2,846,873	901,025
Texas-----	2	9	22	201	15,841	16,073	3,820,681	676,534
Vermont-----	1	7	2	62	3,571	3,642	827,614	233,132
Washington-----	4	7	0	280	3,390	3,677	828,181	228,871
Wisconsin-----	1	11	0	119	4,913	5,043	1,095,062	302,510
AMS/FSA/PCIMS Admin. Exp.--	0	0	0	0	0	0	660,756	0
Anticipated Adjustment-----	0	0	0	0	0	0	4,695,365	451,565
TOTAL-----	141	4,792	2,686	23,449	444,381	475,334	\$110,944,048	\$29,862,773

SOURCE: FPRS FNS-153 data - Food distributed to participants in fiscal year 2008.

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

2/ Total outlays and unliquidated obligations.

Totals may not add due to rounding.

NOTE: These data are based in part on preliminary reports submitted by State and local agencies and are subject to change as revisions are received.

**FOOD AND NUTRITION SERVICE**  
**THE EMERGENCY FOOD ASSISTANCE PROGRAM**  
**Quantity and Value of Commodities**  
**Fiscal Year 2008**

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 6/32 TYPE:</i>		
APPLE JUICE, CANNED	6,066,162	\$2,844,530
APPLESAUCE, CANNED	9,701,821	6,243,080
APRICOTS HALVES, CANNED	1,224,688	815,822
BEANS REFRIED, CANNED	1,836,000	655,314
BEANS VEGETARIAN, CANNED	2,851,440	1,248,980
BEANS, B LIMA 2	80,640	45,190
BEANS, BLKEYE	3,296,508	1,616,728
BEANS, GREEN CANNED	11,345,713	5,614,225
BEANS, GRT NORTH 2	2,016,000	1,179,310
BEANS, KIDNEY	1,814,223	625,003
BEANS, PINTO	10,461,600	5,243,437
BEEF STEW, CANNED	11,965,680	9,651,435
BEEF, CANNED	1,134,000	2,944,812
BEEF, GROUND	4,430,000	8,272,294
CARROTS, CANNED	4,978,704	2,500,318
CHERRY APPLE JUICE	2,177,708	1,220,606
CHICKEN, CANNED	900,003	1,939,347
CHICKEN, CUT UP	505,600	428,843
CHICKEN, FROZEN WHOLE	12,434,400	9,259,330
CORN, CANNED CREAM	1,676,683	823,421
CORN, CANNED KERNEL	14,358,344	6,618,184
EGGS 15 DOZ	67,500	59,625
GRAPE J	2,043,944	960,432
GRAPEFRUIT JUICE	493,136	167,004
HAM, WATERADD	720,000	1,030,122
MIXED FRUIT, CANNED	5,659,295	4,046,961
ORANGE JUICE, CANNED	5,346,280	2,232,786
PEACHES, CANNED	6,764,846	4,949,481
PEARS, CANNED	4,825,380	3,422,543
PEAS, CANNED	6,364,819	3,134,913
PINEAPPLE JUICE, CANNED	1,447,680	657,088
PLUMS, CANNED	510,300	237,376
PORK, CANNED	1,944,000	3,669,514
POTATOES, DEHY 12	990,000	1,162,511
POTATOES, SLICED	7,601,040	3,258,669
PUMPKIN, CANNED	838,359	608,657
SALMON, CANNED	94,032	128,699
SPAGHETTI SAUCE, CANNED	11,882,740	4,329,658
SPINACH, CANNED	1,899,240	1,134,223
SWEET POTATOES, CANNED	3,098,270	1,937,926
TOMATO JUICE, CANNED	3,370,560	956,557
TOMATO SAUCE, CANNED	3,752,341	1,327,564
TOMATO SOUP	1,855,990	1,038,123
TOMATOES, CANNED	3,822,788	1,439,223
TUNA, CANNED	3,452,940	7,215,089
TURKEY HAM, FRZ	604,200	898,747
TURKEY ROASTS	400,000	661,783
VEGETABLE MIX	4,688,210	2,563,415
VEGETABLE SOUP	4,079,641	2,756,143
<i>Total Section 6/32 Type</i>	193,873,448	\$125,775,041
ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 416 TYPE:*</i>		
CEREAL, CORN	3,358,259	\$4,667,923
CEREAL, CORN & RICE	666,263	1,127,299
CEREAL, OATS	388,699	774,806
CEREAL, RICE	2,588,652	4,009,010
CEREAL, WB FLAKES	558,121	873,479
EGG NOODLES	2,787,840	2,729,419
FLOUR MIX	756,000	541,170
FLOUR MIX, LOW FAT	2,364,000	2,178,676
GRITS	3,470,040	1,004,813
MACARONI	5,628,000	4,027,634
MILK, UHT FLUID 1%	1,393,200	554,792
OATS	3,661,272	1,778,665
PEANUT BUTTER	6,454,100	7,069,290
PEANUTS, ROASTED	129,600	221,962
RICE	22,954,272	11,100,584
ROTINI, WHOLE GRAIN	612,000	444,094
SPAGHETTI	13,909,200	8,495,551
VEGETABLE OIL	2,805,263	2,147,027
<i>Total Section 416 Type</i>	74,484,781	\$53,746,194
Anticipated Transportation/misc		460,000
Cash In-Lieu of Commodities - CNMI		40,618
AMS/FSA/PCIMS/Computer Support		\$993,629
Anticipated Adjustment		1,246,318
<b>TOTAL COMMODITY ENTITLEMENT</b>	<b>268,358,229</b>	<b>\$182,261,800</b>

## FOOD AND NUTRITION SERVICE

### THE EMERGENCY FOOD ASSISTANCE PROGRAM (Cont.)

Quantity and Value of Commodities

Fiscal Year 2008

BONUS COMMODITIES	Pounds	Dollars
<i>SECTION 32C TYPE:</i>		
APPLE JUICE	3,284,407	\$1,614,105
APPLE SLICES	106,704	73,598
APPLESAUCE	4,156,771	2,935,869
APRICOTS, CANNED	7,618,082	5,661,616
BEANS	32,412,924	14,894,209
BEEF STEW	1,944,000	1,623,705
BEEF, CANNED	2,844,000	5,852,801
CARROTS	10,424,741	3,760,799
CHERRIES DRIED	2,365,440	9,139,429
CHERRY APPLE JUICE	1,856,401	978,209
CHICKEN CANNED	2,812,509	6,721,680
CHICKEN, WHOLE	3,880,800	3,133,944
DATES	684,000	1,855,217
FRUIT-NUT MIX	1,747,200	4,366,943
GRAPE J	3,392,704	1,736,006
GRAPEFRUIT J	56,428,848	18,395,801
HAM, WATERADDED	10,188,000	12,468,183
LAMB LEG ROAST	36,000	119,880
LAMB SHOULDER CHOPS	108,000	508,440
ORANGE JUICE	3,105,906	1,288,875
PEACH PRODUCTS	7,092,864	6,469,447
PEAR PRODUCTS	2,911,524	1,434,374
PEAS, CANNED	11,736,961	4,134,689
PLUMS, CANNED	182,251	117,240
PORK, CANNED	2,700,000	5,063,107
PORK, PATTY FC	3,941,800	8,471,483
POTATO PRODUCTS	767,520	488,510
RAISINS	35,568	47,457
SALMON, CANNED	5,522,406	9,404,272
SPAGHETTI SAUCE	2,660,860	1,035,812
SPINACH	1,470,231	711,483
SWEET POTATOES	6,127,676	4,020,440
TOMATO JUICE	1,494,165	454,083
TOMATO SAUCE	3,442,517	1,349,910
TOMATOES	3,640,000	2,507,924
TOMATOES, CANNED	17,950,790	5,559,412
TUNA	2,624,400	6,088,014
TURKEY HAM	3,360,000	6,267,200
<i>Total Section 32C Type</i>	227,058,970	\$160,754,166
<b>BONUS COMMODITIES</b>		
	Pounds	Dollars
<i>SECTION 416 TYPE:</i>		
PB SMTH	16,624,044	\$17,319,514
<i>Total Section 416 Type</i>	16,624,044	\$17,319,514
Anticipated Adjustment	0	0
<b>TOTAL BONUS COMMODITIES</b>	243,683,014	\$178,073,680
<b>TOTAL -- ALL COMMODITIES</b>	512,041,243	\$360,335,480
Anticipated Adjustment	0	0
<b>GRAND TOTAL</b>	512,041,243	\$360,335,480

Source: PCIMS -- Delivery order and contract information.

Note: Figures include Farm Bill Procurements in the amount of \$60.7 million.

Bonus Figures include Barter and Seam Procurements.

Commodity Enrollment funds include \$371,000 made available from TEFAP Administrative funds in the CAP account.

**FOOD AND NUTRITION SERVICE**  
**THE EMERGENCY FOOD ASSISTANCE PROGRAM**  
**Administrative Funds / Entitlement and Bonus Commodities**  
**Fiscal Year 2008**

State or Territory	Total Admin. Funds <u>1/</u>	Entitlement Commodities <u>2/</u>	Bonus Commodities*	Total Food	Total Admin. and Food
Alabama.....	\$766,370	\$2,852,515	\$3,068,503	\$5,921,018	\$6,687,388
Alaska.....	125,126	425,650	721,776	1,147,426	1,272,552
Arizona.....	1,158,785	3,467,209	3,305,287	6,772,496	7,931,281
Arkansas.....	658,252	1,979,908	2,189,716	4,169,624	4,827,876
California.....	7,199,433	21,302,809	20,893,172	42,195,981	49,395,414
Colorado.....	838,291	2,435,262	2,897,156	5,332,418	6,170,709
Connecticut.....	454,198	1,596,633	1,364,650	2,961,283	3,415,481
Delaware.....	110,557	408,941	323,628	732,569	843,126
District of Columbia.....	158,846	466,943	450,236	917,179	1,076,025
Florida.....	2,769,933	9,204,386	9,363,777	18,568,163	21,338,096
Georgia.....	1,685,417	5,914,135	5,692,472	11,606,607	13,292,024
Hawaii.....	87,964	550,057	776,920	1,326,977	1,414,941
Idaho.....	231,948	720,127	735,547	1,455,672	1,687,622
Illinois.....	2,402,283	6,909,885	5,797,028	12,706,913	15,109,196
Indiana.....	1,213,077	3,553,911	3,264,132	6,818,043	8,031,120
Iowa.....	476,585	1,396,842	1,643,006	3,039,848	3,516,433
Kansas.....	427,484	1,626,200	1,671,722	3,297,922	3,725,406
Kentucky.....	999,597	2,942,884	2,734,015	5,676,899	6,676,496
Louisiana.....	982,934	2,932,669	3,075,953	6,008,622	6,991,556
Maine.....	256,250	765,956	658,009	1,423,965	1,680,215
Maryland.....	703,921	2,306,488	2,820,430	5,126,918	5,830,839
Massachusetts.....	1,130,619	3,366,982	2,611,081	5,978,063	7,108,682
Michigan.....	2,245,077	7,345,447	6,974,448	14,319,895	16,564,972
Minnesota.....	775,568	2,715,475	2,911,754	5,627,229	6,402,797
Mississippi.....	796,903	2,432,563	2,335,590	4,768,153	5,565,056
Missouri.....	1,178,183	3,506,464	3,848,260	7,354,724	8,532,907
Montana.....	154,257	470,771	700,657	1,171,428	1,325,685
Nebraska.....	227,077	846,283	901,864	1,748,147	1,975,224
Nevada.....	374,174	1,347,139	1,076,790	2,423,929	2,798,103
New Hampshire.....	173,495	556,373	413,252	969,625	1,143,120
New Jersey.....	1,319,050	3,913,052	3,634,767	7,547,819	8,866,869
New Mexico.....	430,442	1,206,856	1,504,545	2,711,401	3,141,843
New York.....	3,749,901	11,082,360	9,958,711	21,041,071	24,790,972
North Carolina.....	1,539,258	5,983,549	6,439,018	12,422,567	13,961,825
North Dakota.....	101,098	299,901	163,380	463,281	564,379
Ohio.....	2,028,322	7,654,128	7,533,704	15,187,832	17,216,154
Oklahoma.....	639,604	2,438,228	2,432,179	4,870,407	5,510,011
Oregon.....	768,212	2,247,225	2,081,632	4,328,857	5,097,069
Pennsylvania.....	1,876,992	7,251,058	7,263,466	14,514,524	16,391,516
Rhode Island.....	194,236	588,350	568,041	1,156,391	1,350,627
South Carolina.....	1,024,403	3,009,732	3,323,625	6,333,357	7,357,760
South Dakota.....	137,723	415,820	226,904	642,724	780,447
Tennessee.....	1,322,692	3,722,315	3,730,538	7,452,853	8,775,545
Texas.....	5,164,555	15,304,762	15,183,653	30,488,415	35,652,970
Utah.....	349,527	1,032,323	1,336,467	2,368,790	2,718,317
Vermont.....	85,172	336,260	366,265	702,525	787,697
Virginia.....	1,034,729	3,066,192	3,605,306	6,671,498	7,706,227
Washington.....	999,773	3,741,065	3,754,139	7,495,204	8,494,977
West Virginia.....	398,231	1,197,572	1,341,194	2,538,766	2,936,997
Wisconsin.....	1,035,707	3,082,164	3,653,956	6,736,120	7,771,827
Wyoming.....	71,276	162,725	226,756	389,481	460,757
American Samoa.....	0	0	0	0	0
Guam.....	16,545	81,108	84,719	165,827	182,372
Northern Mariana Island.....	8,362	31,576	0	31,576	39,938
Puerto Rico.....	2,048,845	5,662,631	4,345,220	10,007,851	12,056,696
Trust Territory.....	0	0	0	0	0
Virgin Islands.....	18,224	65,952	94,667	160,619	178,843
Indian Tribes Set Asi.....	0	0	0	0	0
Freely Associated States.....	0	0	0	0	0
AMS/FSA/PCIMS/CompSup.....	0	993,629	0	993,629	993,629
Estimated transportation/misc.....	0	460,000	0	460,000	460,000
Undistributed.....	0	884,360	0	884,360	884,360
<b>TOTAL.....</b>	<b>\$57,125,483</b>	<b>\$182,261,800</b>	<b>\$178,073,680</b>	<b>\$360,335,480</b>	<b>\$417,460,963</b>

Source: PCIMS -- Delivery order and contract information.

\* Figures include Farm Bill and SEAM Procurements.

1/ TEFAP SNAP commodity funds made available as administrative funds is \$7,673,858.

2/ TEFAP CAP administrative funds made available as commodity funds is \$371,000.

WIC FARMERS MARKET NUTRITION PROGRAM  
PARTICIPATION AND PROGRAM FINANCING

FISCAL YEAR 2007 and 2008

STATE OR TERRITORY	Fiscal Year 2007 TOTAL PARTICIPATION <sup>1/</sup>				Fiscal Year 07 PROGRAM GRANT	Fiscal Year 08 PROGRAM GRANT
	WOMEN	INFANTS	CHILDREN	TOTAL		
Alabama-----	9,096	0	23,060	32,156	\$393,238	\$380,323
Alaska-----	33,320	0	61,880	95,200	225,100	217,707
Arizona-----	4,951	0	8,066	13,017	235,426	227,694
Arkansas-----	8,792	0	12,395	21,187	190,151	183,906
California-----	143,446	67,780	182,869	394,095	2,404,358	2,325,395
Connecticut-----	8,472	0	35,625	44,097	318,120	307,672
District of Columbia-----	6,122	0	7,932	14,054	302,128	292,205
Florida-----	13,026	292	21,762	35,080	284,486	275,143
Georgia-----	12,547	3,957	19,916	36,420	1,016,142	982,769
Illinois-----	13,248	0	24,527	37,775	388,066	375,321
Indiana-----	10,339	3,865	17,263	31,467	254,888	246,517
Iowa-----	3,337	0	33,567	36,904	497,748	481,400
Kentucky-----	6,189	1,109	12,512	19,810	225,077	217,685
Louisiana-----	280	0	160	440	6,667	6,667
Maine-----	2,212	0	6,904	9,116	75,000	75,000
Maryland-----	28,335	0	25,125	53,460	342,273	331,032
Massachusetts-----	34,842	6	62,089	96,937	471,289	455,810
Michigan-----	8,732	236	20,532	29,500	400,088	386,948
Minnesota-----	16,113	5,294	33,210	54,617	307,865	297,754
Mississippi <sup>2/</sup> -----	2,292	73	4,550	6,915	89,500	89,500
Missouri-----	4,659	1,278	4,963	10,900	235,713	227,972
Montana-----	1,841	0	3,513	5,354	57,353	57,353
New Hampshire-----	5,039	1,324	9,016	15,379	107,918	104,373
New Jersey-----	23,468	0	26,398	49,866	1,231,261	1,190,823
New Mexico <sup>2/</sup> -----	6,875	431	12,391	19,697	319,937	309,922
New York-----	116,026	94,890	161,232	372,148	3,455,625	3,342,131
North Carolina-----	13,854	0	9,058	22,912	283,652	274,336
Ohio-----	9,610	0	22,716	32,326	521,783	504,646
Oklahoma Chickasaw-----	801	283	1,922	3,006	75,000	75,000
Oklahoma Osage Tribe-----	313	344	940	1,597	31,325	31,325
Oregon-----	6,708	3,307	16,428	26,443	366,722	354,678
Pennsylvania-----	45,569	0	96,833	142,402	1,794,715	1,735,773
Puerto Rico-----	18,376	9,057	49,706	77,139	1,811,188	1,751,703
Rhode Island-----	4,841	0	11,204	16,045	152,739	147,723
South Carolina-----	6,131	0	9,663	15,794	129,021	124,784
Tennessee-----	3,189	0	4,832	8,021	75,000	75,000
Texas-----	78,185	0	152,988	231,173	1,280,615	1,238,556
Vermont-----	685	165	1,900	2,750	75,000	75,000
Virginia-----	10,352	0	21,080	31,432	301,101	291,212
Washington-----	33,320	0	61,880	95,200	589,859	570,486
West Virginia-----	7,754	0	1,368	9,122	70,000	70,000
Wisconsin-----	32,003	0	61,021	93,024	620,368	599,993
Guam-----	1,273	0	2,616	3,889	95,818	92,671
Undistributed-----	0	0	0	0	0	0
<b>TOTAL-----</b>	<b>796,563</b>	<b>193,691</b>	<b>1,357,612</b>	<b>2,347,866</b>	<b>\$22,109,323</b>	<b>\$21,401,908</b>

<sup>1/</sup> Participation data reflects Fiscal Year 2007. Participation data for Fiscal Year 2008 is not due until February 2009.

<sup>2/</sup> Includes Indian Tribal Organizations.

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

**FOOD AND NUTRITION SERVICE**  
**Disaster Assistance and Disaster Feeding**  
**Quantity and Value of Commodities**  
**Fiscal Year 2008**

ENTITLEMENT COMMODITIES	Disaster Feeding	
	Pounds	Dollars
SECTION 6/32 TYPE:		
APPLES	8,350	\$2,503
APPLESAUCE	9,968	5,397
APRICOTS, CANNED	14,085	8,991
BEANS	24,060	7,226
BEEF, 40	800	1,600
BEEF, CHILI, NO BEANS	74,880	66,737
BEEF CRUMBLES	6,214	10,570
BEEF, GROUND	16,740	28,334
BEEF STEW CHUNKY	113,538	84,637
CARROTS	25,439	10,398
CHERRIES	3,930	3,217
CHICKEN, BREADED	2,000	2,446
CHICKEN BURGERS	3,000	6,656
CHICKEN, CANNED	55,440	99,943
CHICKEN, CUTUP	2,015	1,982
CHICKEN, DICED	3,420	9,543
CHICKEN, FAJITAS	9,399	19,523
CORN	81,068	40,218
EGGS	30	29
FRUIT, MIXED	4,963	2,795
HAM, BONELESS #10	600	1,228
HAM, FROZEN WATERADD	3,200	4,396
ORANGE J	3,150	1,268
PEACHES	28,264	16,259
PEARS	6,575	3,780
PEAS	10,200	4,674
PORK HAM	2,150	3,748
POTATOES	8,350	3,882
SPAGHETTI SAUCE	6,928	2,084
STRAWBERRIES	4,644	4,276
TOMATO SAUCE	2,008	501
TUNA	34,230	63,675
TURKEY, DELI, BREASTS	6,300	12,974
TURKEY, HAM	5,680	8,446
TURKEY ROASTS	17,454	19,246
Total Section 6/32 Type	599,072	\$563,182

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
CHEESE, BLEND SLICED	8,120	\$14,372
CHEESE, MOZZ	2,238	4,342
CHEESE, SHREDDED	8,620	15,849
CHEESE SLICED	660	1,323
PEANUT BUTTER	56,250	54,263
RICE	2,425	921
SPAGHETTI	3,525	2,138
Total Section 416 Type	81,838	\$93,208
Anticipated Transp. & Storage		
DOD Regional Pilot		
AMS /FSA /PCIMS /Comp. Supp		
Anticipated Adjustment		
TOTAL COMMODITY ENTITLEMENT	680,910	\$656,390

BONUS COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
NONE		
Total Section 416 Type	0	\$0
Anticipated Adjustment		0
TOTAL BONUS COMMODITIES	0	\$0
TOTAL -- ALL COMMODITIES	680,910	\$656,390
Anticipated Adjustment		
GRAND TOTAL	680,910	\$656,390

Source: PCIMS -- Delivery order and contract information.

**FOOD AND NUTRITION SERVICE**  
**DISASTER ASSISTANCE & DISASTER FEEDING**  
**Value of Commodities to States**  
**Entitlement and Bonus**  
**Fiscal Year 2008**

State or Territory	Entitlement	Bonus	Total
Alabama.....	\$3,391		\$3,391
Alaska.....			
Arizona.....	978		978
Arkansas.....			
California.....			
Colorado.....			
Connecticut.....			
Delaware.....			
District of Columbia.....			
Florida.....			
Georgia.....			
Hawaii.....			
Idaho.....			
Illinois.....			
Indiana.....	951		951
Iowa.....			
Kansas.....	919		919
Kentucky.....			
Louisiana.....	153,462		153,462
Maine.....			
Maryland.....			
Massachusetts.....			
Michigan.....			
Minnesota.....			
Mississippi.....			
Missouri.....			
Montana.....			
Nebraska.....			
Nevada.....			
New Hampshire.....			
New Jersey.....			
New Mexico.....			
New York.....			
North Carolina.....			
North Dakota.....			
Ohio.....			
Oklahoma.....			
Oregon.....			
Pennsylvania.....			
Rhode Island.....			
South Carolina.....			
South Dakota.....			
Tennessee.....	4,198		4,198
Texas.....	492,491		492,491
Utah.....			
Vermont.....			
Virginia.....			
Washington.....			
West Virginia.....			
Wisconsin.....			
Wyoming.....			
American Samoa.....			
Fed Micronesia (chuuk)			
Guam.....			
Northern Mariana Island.....			
Puerto Rico.....			
Trust Territory.....			
Virgin Islands.....			
Indian Tribes Set Asi.....			
Indian Tribes.....			
Freely Associated States.....			
DOD Army / AF.....			
AMS / FSA / PCIMS.....			
Undistributed.....			
<b>TOTAL.....</b>	<b>\$656,390</b>	<b>\$0</b>	<b>\$656,390</b>

Source: PCIMS -- Delivery order and contract information.

## FOOD AND NUTRITION SERVICE

### NUTRITION SERVICES INCENTIVE PROGRAM

Quantity and Value of Commodities

Fiscal Year 2008

ENTITLEMENT COMMODITIES	Pounds	Dollars
<b>SECTION 6/32 TYPE**:</b>		
BEANS GREEN	95,256	\$52,035
BEEF BONELESS FR COMBO	160,000	271,684
BEEF, 40	301,800	445,254
BEEF, COARSE BULK	42,000	59,001
BONELESS PICNIC 60LB	40,020	31,721
CARROTS 30	48,600	22,631
CATFISH STRIPS	3,160	11,258
CHICKEN, BRD 7 PC	39,000	63,144
CHICKEN, CHILLED BULK	468,000	324,196
CHICKEN, CUT-UP FROZEN	120,000	88,170
CHICKEN, FAJITA	77,571	169,826
CORN, LIQUID	36,252	17,603
FRUIT MIX	108,756	76,768
PEACHES, CLING CANNED	145,008	98,868
PEARS, CANNED	144,096	95,054
PEAS, FROZEN	88,200	61,244
PORK ROAST	120,000	146,838
TOMATOES, DICED CANNED	34,884	14,879
TURKEY BREAST DELI	1,080	1,931
TURKEY HAMS	40,000	53,792
TURKEY, ROASTS FROZEN	128,000	192,638
<b>Total Section 6/32 Type</b>	<b>2,241,683</b>	<b>\$2,298,535</b>

ENTITLEMENT COMMODITIES	Pounds	Dollars
<b>SECTION 416 TYPE:</b>		
NONE		
<b>Total Section 416 Type</b>	<b>0</b>	<b>\$0</b>
Anticipated Adjustment AMS / FSA / PCIMS Admin. Expenses		\$75,394
<b>TOTAL COMMODITY ENTITLEMENT</b>	<b>2,241,683</b>	<b>\$2,373,929</b>

BONUS COMMODITIES	Pounds	Dollars
<b>SECTION 32 TYPE:</b>		
CHERRIES FRZ	38,400	\$29,971
CHERRIES IQF	38,400	34,005
PEARS, CANNED	36,024	22,263
<b>Total Section 32 Type</b>	<b>112,824</b>	<b>\$86,239</b>

BONUS COMMODITIES	Pounds	Dollars
<b>SECTION 416 TYPE:</b>		
NONE		
<b>Total Section 416 Type</b>	<b>0</b>	<b>\$0</b>
Anticipated Adjustment		198,363
<b>TOTAL BONUS COMMODITIES</b>	<b>112,824</b>	<b>\$86,239</b>
<b>TOTAL -- ALL COMMODITIES</b>	<b>2,354,507</b>	<b>\$2,658,531</b>
Cash In-Lieu of Commodities		
<b>GRAND TOTAL</b>	<b>2,354,507</b>	<b>\$2,658,531</b>

Source: PCIMS -- Delivery order and contract information.

**FOOD AND NUTRITION SERVICE**  
**NUTRITION SERVICES INCENTIVE PROGRAM**  
**Value of Commodities to States**  
**Entitlement and Bonus**  
**Fiscal Year 2008**

State or Territory	Entitlement	Bonus	Total
Alabama.....	-	-	-
Alaska.....	-	-	-
Arizona.....	-	-	-
Arkansas.....	-	-	-
California.....	-	-	-
Colorado.....	-	-	-
Connecticut.....	\$1,931	-	\$1,931
Delaware.....	95,344	-	95,344
District of Columbia.....	-	-	-
Florida.....	-	-	-
Georgia.....	-	-	-
Hawaii.....	-	-	-
Idaho.....	30,910	-	30,910
Illinois.....	-	-	-
Indiana.....	-	-	-
Iowa.....	-	-	-
Kansas.....	306,002	\$86,239	392,241
Kentucky.....	-	-	-
Louisiana.....	-	-	-
Maine.....	-	-	-
Maryland.....	-	-	-
Massachusetts.....	1,603,370	-	1,603,370
Michigan.....	-	-	-
Minnesota.....	-	-	-
Mississippi.....	-	-	-
Missouri.....	-	-	-
Montana.....	186,576	-	186,576
Nebraska.....	-	-	-
Nevada.....	63,144	-	63,144
New Hampshire.....	-	-	-
New Jersey.....	-	-	-
New Mexico.....	-	-	-
New York.....	-	-	-
North Carolina.....	-	-	-
North Dakota.....	-	-	-
Ohio.....	-	-	-
Oklahoma.....	11,258	-	11,258
Oregon.....	-	-	-
Pennsylvania.....	-	-	-
Rhode Island.....	-	-	-
South Carolina.....	-	-	-
South Dakota.....	-	-	-
Tennessee.....	-	-	-
Texas.....	-	-	-
Utah.....	-	-	-
Vermont.....	-	-	-
Virginia.....	-	-	-
Washington.....	-	-	-
West Virginia.....	-	-	-
Wisconsin.....	-	-	-
Wyoming.....	-	-	-
American Samoa.....	-	-	-
Guam.....	-	-	-
Northern Mariana Island.....	-	-	-
Puerto Rico.....	-	-	-
Trust Territory.....	-	-	-
Virgin Islands.....	-	-	-
Indian Tribes Set Asi.....	-	-	-
Indian Tribes.....	-	-	-
Freely Associated States.....	-	-	-
DOD Army / AF.....	-	-	-
AMS/FSA /PCIMS/COM.....	75,394	-	75,394
Undistributed.....	-	-	198,363
<b>TOTAL.....</b>	<b>\$2,373,929</b>	<b>\$86,239</b>	<b>\$2,658,531</b>

Source: PCIMS -- Delivery order and contract information.

Note: Figures include Farm Bill Procurements.

FOOD AND NUTRITION SERVICE

The estimate includes appropriation language for this item as follows (new language underscored):

Nutrition Programs Administration:

For necessary administrative expenses of the Food and Nutrition Service for carrying out any domestic nutrition assistance program, [\$142,595,000] \$150,139,000.

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

NUTRITION PROGRAMS ADMINISTRATION

Appropriations Act, 2009 .....\$142,595,000  
Budget Estimate, 2010..... 150,139,000  
Increase in Appropriation .....+7,544,000

Adjustments in 2009:

Appropriations Act, 2009.....\$142,595,000  
Congressional Hunger Center.....2,347,000

Adjusted base for 2009.....\$144,942,000  
Budget Estimate, Current Law 2010.....150,139,000  
Increase over adjusted 2009.....+5,197,000

SUMMARY OF INCREASES AND DECREASES

(On basis of adjusted appropriation)

Item of Change	2009 Estimated	Pay Costs	Program Changes	2010 Estimated
Direct Program, FNS and CNPP a/	\$142,595,000	\$2,866,000	0	\$145,461,000
Congressional Hunger Center	2,347,000	0	-\$2,347,000	0
Technology to Improve Benefit Delivery	0	0	2,340,000	2,340,000
Improve Payment Accuracy	0	0	2,338,000	2,338,000
Total Available	144,942,000	2,866,000	2,331,000	150,139,000

a/ The FY 2009 estimate for the salaries and expenses of the Center for Nutrition Policy and Promotion is \$3,835,900; the FY 2010 request is \$3,912,700.

PROJECT STATEMENT

(On basis of adjusted appropriation)

Project	2008 Actual		2009 Estimated		Increase or Decrease	2010 Estimated	
	Amount	SY	Amount	SY		Amount	SY
Food and Nutrition Service/CNPP	\$138,749,976	1,040	\$142,595,000	1,040	\$7,544,000	\$150,139,000	1,060
Congressional Hunger Center	2,457,675		2,347,000		-2,347,000	0	
Congressional Relations	264,138		0		0	0	
Miscellaneous Reimbursements	541,027		0		0	0	
Balance lapsing	520,260		0		0	0	
Total Available or Estimate	142,533,076	1,040	144,942,000	1,040	5,197,000	150,139,000	1,060
Transfer from Congressional Relations	-264,138		0				
Transfer from Miscellaneous Reimbursements	-541,027		0				
Rescission 1/	999,089		0				
Total Appropriation	142,727,000	1,040	144,942,000	1,040			

1/ Appropriated funds are adjusted to reflect a rescission of \$999,089 in FY 2008 pursuant to Division A, Title VII, Section 752 of P.L. 110-161.

### Administrative Expenses Breakout by FNS Programs

(This is an informational display linking administrative funding and program activities.)

FNS Program	FY 2010
Supplemental Nutrition Assistance Program	\$77,167,000
Child Nutrition Programs	32,377,000
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	30,763,000
Commodity Assistance Program	5,919,000
Subtotal	146,226,000
Center for Nutrition Policy and Promotion	3,913,000
Total Request, Nutrition Programs Administration	150,139,000

#### Justification of Increases and Decreases

A net increase of \$5,197,000 for the Food and Nutrition Service in support of Nutrition Assistance Programs (\$144,942,000 available in FY 2009) consisting of:

- (1) An increase of \$2,866,000 to fund increased pay costs.

Explanation of Change. The requested increase for pay costs will fund personnel costs generated by pay raises approved by the President.

- (2) An increase of \$2,340,000 to improve benefit delivery to program participants.

Explanation of Change. Funding will support an initiative to advance the utilization of technology tools to improve benefit delivery to program participants, to streamline program administration for our State and local partners, to improve nutrition education and to enhance program integrity and our stewardship of Federal resources.

- (3) An increase of \$2,338,000 and 20 staff years to improve payment accuracy.

Explanation of Change. Funding will enable the agency to increase efforts to work directly with State and local administrators and provide technical assistance to promote early detection of erroneous payment problems and to develop appropriate improvement strategies. Funding will support increased technical assistance to States in areas such as data analysis, policy interpretation and training development.

- (4) A decrease of \$2,347,000 for the Congressional Hunger Center.

Explanation of Change. Funds were appropriated to FNS to be provided to the Congressional Hunger Center. The Congressional Hunger Center is a Congressional entity which was established in 1993 with the purpose of combating hunger and poverty at the community, national, and international levels. The Administration has traditionally not requested funding for the Congressional Hunger Center.

**Food and Nutrition Service**  
**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS**  
**2008 and Estimated 2009 and 2010**

<b>Nutrition Programs Administration</b>						
	FY 2008 Amount	Staff Years	FY 2009 Amount	Staff Years	FY 2010 Amount	Staff Years
Alabama	\$272,002	3	\$270,383	3	\$293,798	3
Alaska	0	0	0	0	0	0
Arizona	249,738	2	260,252	2	269,751	2
Arkansas	22,835	3	22,699	3	24,665	3
California	8,260,109	74	8,426,346	74	9,036,410	76
Colorado	6,936,545	72	6,995,261	72	7,492,399	70
Connecticut	174,087	2	173,051	2	188,037	2
Delaware	0	0	0	0	0	0
District of Columbia	2,555,772	1	2,610,075	1	105,958	1
Florida	299,686	4	297,902	4	323,701	4
Georgia	4,153,514	74	4,160,914	74	4,486,352	73
Hawaii	286,696	3	288,780	3	309,670	3
Idaho	0	0	0	0	0	0
Illinois	6,231,580	62	6,331,280	62	6,787,112	62
Indiana	702,705	8	703,800	8	759,016	8
Iowa	389,677	4	391,272	4	420,903	4
Kansas	214,290	2	220,358	2	231,462	2
Kentucky	187,843	2	188,790	2	202,896	2
Louisiana	306,835	4	315,009	4	331,423	4
Maine	0	0	0	0	0	0
Maryland	392,390	4	400,055	4	423,834	4
Massachusetts	6,740,286	59	6,869,271	59	7,333,766	60
Michigan	569,770	7	586,637	7	615,428	7
Minnesota	1,103,345	12	1,104,778	12	1,191,761	11
Mississippi	264,891	4	263,314	4	286,118	3
Missouri	202,413	2	201,208	2	218,633	2
Montana	316,884	3	314,998	3	342,277	2
Nebraska	212,678	2	211,412	2	229,721	2
Nevada	0	0	0	0	0	0
New Hampshire	186,843	2	185,731	2	201,816	2
New Jersey	7,497,348	67	7,608,938	67	8,202,203	70
New Mexico	0	0	0	0	0	0
New York	1,567,548	18	1,612,545	18	1,752,194	18
North Carolina	352,507	4	355,409	4	380,755	4
North Dakota	106,228	1	105,596	1	114,740	1
Ohio	655,374	8	661,473	8	707,892	8
Oklahoma	193,817	2	196,663	2	209,348	1
Oregon	574,283	7	572,875	7	620,303	6
Pennsylvania	588,587	7	587,084	7	635,753	6
Rhode Island	0	0	0	0	0	0
South Carolina	367,559	4	370,982	4	397,013	4
South Dakota	113,662	1	115,802	1	122,770	1
Tennessee	340,466	4	358,448	4	367,749	4
Texas	8,216,320	76	8,365,419	76	8,664,627	76
Utah	218,222	1	220,756	1	235,709	1
Vermont	0	0	0	0	0	0
Virginia	78,641,384	411	80,655,346	411	84,167,071	434
Washington	107,364	1	109,725	1	115,968	1
Wisconsin	253,973	3	262,461	3	274,325	3
Wyoming	101,881	1	101,275	1	110,045	1
West Virginia	294,293	3	297,541	3	317,876	3
American Samoa	0	0	0	0	0	0
Freely Associated States	0	0	0	0	0	0
Guam	0	0	0	0	0	0
N. Mariana Islands	0	0	0	0	0	0
Puerto Rico	588,586	6	590,086	6	635,752	6
Virgin Islands	0	0	0	0	0	0
Indian Tribes	0	0	0	0	0	0
DOD Army/AF	0	0	0	0	0	0
Undistributed	520,260	0	0	0	0	0
<b>TOTAL</b>	<b>\$142,533,076</b>	<b>1,040</b>	<b>\$144,942,000</b>	<b>1,040</b>	<b>\$150,139,000</b>	<b>1,060</b>

FOOD AND NUTRITION SERVICE

Nutrition Programs Administration

Classification by Objects2008 Actual and Estimated 2009 and 2010

(in thousands of dollars)

	<b>Personnel Compensation:</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
	Washington D.C.	\$40,803	\$43,240	\$45,080
	Field	47,900	50,760	52,920
11	Total personnel compensation	88,703	94,000	98,000
12	Personnel benefits	21,206	22,000	23,000
13	Benefits for former personnel	24	24	24
	Total personnel compensation and benefits	109,933	116,024	121,024
	<b>Other Objects:</b>			
21	Travel and transportation of persons	2,586	2,586	2,586
22	Transportation of things	6	6	6
23.1	Rental payments to GSA	20	20	20
23.2	Rental payments to others	417	417	417
23.3	Communications, utilities, and misc. charges	766	766	766
24	Printing and reproduction	234	234	234
25	Other Services	3,964	3,964	3,964
25.1	Contractual Services Performed by Other Federal Agencies	4,159	4,159	4,159
25.2	Related Expenditures	55	55	55
25.3	Repair, Alteration or Maintenance of Equipment, Furniture or Structures	429	429	429
25.4	Contractual Services - Other	13,079	11,079	13,079
25.5	Agreements	659	659	659
25.6	ADP Services and Supplies	0	0	0
25.7	Miscellaneous Services	129	129	129
25.8	Fees	17	17	17
26	Supplies and materials	660	660	660
31	Equipment	2,271	699	1,246
32	Land and structures	84	84	84
41	Grants, subsidies and contributions	2,457	2,347	0
42	Insurance claims and indemnities	83	83	83
43	Interest and dividends	2	2	2
45	Special Payments	3	3	0
92	Undistributed	520	520	520
	Total other objects	32,600	28,918	29,115
	Total direct obligations	142,533	144,942	150,139

Totals may not add due to rounding.

## NUTRITION PROGRAMS ADMINISTRATION

### STATUS OF PROGRAM

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

#### **FNS Administrative Resources – A Critical Program Management and Oversight Tool**

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

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

Meeting these responsibilities is central to accomplishing core program objectives, including ensuring access to benefits for eligible individuals, improving the nutrition of program recipients, and strengthening program integrity. The Child Nutrition and WIC Reauthorization Act of 2004 resulted in new management and oversight responsibilities in several areas including program expansion activities (e.g., the SFSP and CACFP eligibility pilots); the expansion of the “Simplified Summer Program” and the FFVP; activities related to healthier eating (e.g., school wellness); and improvements in program integrity in the Child Nutrition Programs. Ongoing efforts to improve SNAP payment accuracy, CACFP management, WIC vendor cost containment, and school meals certification accuracy are critical to the agency’s mission and require intensive staff focus and travel funding.

While substantial funding is also provided to States to operate these programs, State agencies have fundamentally different financial incentives than the Federal Government. In many areas, the cost of program problems or inefficiencies affects Federal expenditures, while the cost to resolve them has an impact on the States. Therefore, strong Federal policy and oversight are fundamental to ensuring effective levels of program accountability.

Although information technology improvements have resulted in large productivity gains in the past decade, many of FNS’ functions are labor-intensive and require ongoing attention. Since the NPA appropriation funds most of the salaries and administrative expenses of FNS, it is integral to ensuring and leveraging the effective use of other program appropriations. Over the last two decades, FNS staff levels have decreased by about fifty percent, a particularly significant reduction considering the growing fiduciary responsibilities of the agency and the increasing complexity of the programs it administers. The reduction in staff has occurred while FNS Federal nutrition assistance programs have increased in size, number, and complexity and new legislation has increased workload. Administrative funding for FNS accounts for about ¼ of 1 percent of the total investment in nutrition assistance. Especially in the context of limited resources, increasing this investment in proper fiscal and program management for an agency managing over \$60 billion in program funds must be a top priority.

The most significant accomplishments under this NPA appropriation during FY 2008 are cited below by program and activity.

## SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

In the Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, NPA funding is used for a range of critically important functions. FNS develops policies and procedures for the administration of the program, provides State agency oversight to ensure compliance with program rules, and provides technical assistance to States. The agency also reviews State quality control activities, determines the effectiveness and efficiency of State administration, and reviews and approves planning documents for computer system acquisitions and electronic benefit transfer issuance systems. FNS authorizes and monitors over 175,094 retail and wholesale firms that are approved to accept SNAP benefits, and maintains fiscal accountability for SNAP benefits. It also allocates employment and training funds to the States.

Highlights of FY 2008 accomplishments supported by the NPA appropriation and related to SNAP include:

**Implementation of Farm Bill Changes:** The Food, Energy and Conservation Act of 2008 (the Farm Bill) included multiple provisions that reinforce long-term agency priorities. These include: strengthening integrity; simplifying administration; maintaining State flexibility; improving health through nutrition education; and improving access. FNS has been responsible for ensuring the effective and efficient implementation of these changes.

**State Oversight:** FNS, through its seven Regional Offices, conducts various on-site reviews of State and local SNAP offices each year. During FY 2008, FNS Regional Offices conducted 349 separate reviews of the SNAP in the 53 State agencies in which the program is administered 50 geographical States, the District of Columbia, Guam, and the Virgin Islands). FNS continued to perform Management Evaluation System Reviews (MEs) which are designed to cover national program priorities and known vulnerable areas. Program Access Reviews, a major component of MEs, were conducted at the State level in 31 States, and also at the local agency level in 33 offices in 25 States.

FNS encourages States to consider ways to increase efficiencies in and the effectiveness of their program administration and operations. FNS continues to share promising practices and provide State exchange funds to facilitate State and local agency travel to observe innovative practices which may be transferable. FNS also works with an increasing number of State agencies that are contemplating large-scale changes to their business models for delivering social services.

FNS provides technical assistance and performs strong oversight of States to ensure that their modernization projects and other innovations are implemented in a successful manner to deliver program benefits more effectively and efficiently, using fewer resources without sacrificing customer service, program access or program integrity.

**Improving Benefit Delivery:** FNS made important advances in promoting the nutrition benefits of SNAP to eligible people through nutrition education efforts and a national outreach effort. Furthermore, in response to changes in the Farm Bill, the agency worked hard to ensure that new SNAP provisions are well-understood and correctly implemented.

**Improving Program Integrity:** FNS made important advances in its efforts to improve payment accuracy and retailer integrity.

- *Payment Accuracy:* The program payment error rate for FY 2007 was 5.64 percent, representing the fourth consecutive year that the payment error rate is under 6 percent. The rate reflects an over-issuance rate of 4.58 percent and an under-issuance rate of 1.06 percent. To maintain this trend in FY 2008, FNS continued an aggressive payment accuracy improvement program that balanced the need to maintain program access.
- *Recipient Claims:* State agencies collected about \$212.5 million in recipient claims in FY 2007, the most recent year for which final figures are available. FNS continued to monitor corrective actions

performed by States to address previously identified deficiencies in recipient claims systems. Forty-seven States had claims systems without significant problems as of April 2008.

- *Store Tracking and Redemption System (STARS)*: FNS re-engineered retailer compliance to ensure effective use of staff and financial resources through use of automation. This initiative included re-design of investigations workflow and implementation of an integrated Store Investigation Forms System to achieve more effective management of investigative caseload through real-time access to data.
- *Anti-fraud Locator using EBT Retailer Transactions (ALERT)*: FNS implemented enhancements to ALERT including those that provide greater recipient privacy; improve national consistency; comply with USDA eAuthentication mandates; and improve tracking and analytical capabilities.
- *Retailer Oversight and Integrity*: In FY 2008, FNS staff authorized or reauthorized 48,935 firms to participate in SNAP. FNS utilized contractor store visits to verify the initial or continued eligibility of 35,625 stores participating in SNAP. In this same period, 14,291 firms were withdrawn from participation because of changes in ownership, business closings, or nonconformance with authorization criteria. In addition, 1,394 stores were fined or disqualified temporarily or permanently for noncompliance with law or SNAP regulations. At the end of FY 2008, 175,094 stores were authorized to participate in SNAP, an increase of 9,573 stores from FY 2007 and of 14,806 stores over the last three fiscal years.

During FY 2008, there were investigations of 4,028 stores nationwide. Approximately 36 percent (1,445) of these investigations documented evidence of SNAP violations. Of the 1,445 positive investigations, FNS investigators uncovered trafficking in 173 stores.

**Electronic Benefit Transfer (EBT) Systems:** FNS continues oversight of States as their EBT contracts end and they procure subsequent EBT systems through the Request for Proposal (RFP) process. This process includes RFP approvals, contract approvals, as well as oversight of State conversions from one EBT vendor's system to a new vendor's system.

### **FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (FDPIR)**

Through the FDPIR, FNS acquires and distributes agricultural commodities to participating ITOs and State agencies for distribution to low-income persons and families. Cash assistance also is provided to the ITOs/State agencies to help finance the administrative cost of operating the program. FNS sets standards for participant and provider eligibility and provides training and other assistance to program partners as needed.

Highlights of FY 2008 accomplishments supported by the NPA appropriation and related to the FDPIR include:

**New Funding Methodology:** In FY 2008, FNS implemented a new methodology for the allocation of FDPIR administrative funds for use by ITO and State agencies in the administration of FDPIR. The new methodology was a modification of one of three recommendations developed by a Tribal/State/Federal work group, which was convened in 2005 to address long-standing concerns about funding inequities among the regions. The new funding methodology was designed to support fixed and operational costs common to all programs regardless of size, and to recognize that programs with larger participation will have additional costs.

**Food Package Review:** FNS continued its commitment to improve the food package offered under FDPIR by partnering with the National Association of Food Distribution Programs on Indian Reservations. A work group, representing program directors, Federal partners, nutritionists, and commodity procurement specialists, is focusing on ways to better meet the nutritional needs and food preferences of program participants. In the current review cycle, the panel seeks to reduce saturated fat, sugar, and sodium in the

food package and explore “healthier” alternatives to some current products. The work group continues to explore ways to increase the convenience and acceptability of products offered; and adjust pack sizes/guide rates to better meet the needs of one-person households.

**Improved Customer Service:** FNS is implementing a comprehensive plan to significantly improve customer service and program efficiency, including:

- Expanded use of long-term, indefinite delivery/indefinite quantity contracting, which will ensure constant availability of desired commodities and reduce costs;
- Experimentation with best-value contracting, which should improve customer service; and
- Implementing a new ordering system that accepts multi-food orders directly from ITOs/State agencies through a Web-based system, stores commodities purchased by USDA, and ships the orders to ITOs/State agencies.

### **CHILD NUTRITION PROGRAMS**

In the Child Nutrition Programs, the NPA appropriation funds the staff expenses for developing policies, procedures and standards used to administer the programs and determine eligibility, and providing Federal oversight to ensure that the programs are operating effectively and in compliance with law. FNS is improving access and accuracy in the school meals programs by mandated direct certification of children in SNAP households and by enhancing the verification process for those who must continue to complete paper applications to participate. In addition, provisions to simplify the application process for families will allow more eligible children to benefit from nutritious school meals. In areas where the State agencies cannot or do not assume operational responsibility, FNS directly administers the Child Nutrition Programs.

Highlights of FY 2008 accomplishments supported by the NPA appropriation related to the Child Nutrition Programs include:

**Child Nutrition Reauthorization:** In FY 2008, FNS continued implementation of the Child Nutrition and WIC Reauthorization Act of 2004 including the publication of rules to codify the provisions of the new law and providing guidance materials for States to support prompt and complete implementation.

Accomplishments include:

- *Regulations* - Publication of Regulations in the Federal Register in FY 2008, including:
  - Applying for Free and Reduced Price Meals in the National School Lunch Program and School Breakfast Program and for benefits in the Special Milk Program;
  - Procurement Requirements for the National School Lunch, School Breakfast and Special Milk Programs;
  - Fluid Milk Substitutions in the School Nutrition Programs;
  - School Food Safety Program based on Hazard Analysis and Critical Control Point Principles; and
  - CACFP: At-Risk Afterschool Meals.

Other rules are in clearance, including Verification of Free and Reduced Price Eligibility in the National School Lunch and School Breakfast Programs, Direct Certification of Children and Certification of Homeless, Migrant and Runaway Children for Free Meals and Free Milk in the National School Lunch and School Breakfast Program, and Special Milk Program in Schools.

**Nutrition Awareness:** Team Nutrition’s goal is to improve children’s lifelong eating and physical activity habits by using the principles of the *Dietary Guidelines for Americans* and MyPyramid. It strives to instill healthy behaviors in children to prevent nutrition-related health problems, including obesity, diabetes, and other nutrition related illnesses. It complements the goals of the President’s HealthierUS Initiative and the Surgeon General’s *Call to Action to Prevent and Decrease Overweight and Obesity*.

- *MyPyramid for Kids and MyPyramid for Preschoolers*: During FY 2008, Team Nutrition continued to distribute MyPyramid for Kids materials to educate elementary school age children on the new MyPyramid food guidance system. Working with CNPP, Team Nutrition has developed *MyPyramid for Preschoolers* to reflect age-appropriate foods and physical activities for young children.
- *HealthierUS School Challenge*: To recognize elementary schools that demonstrate a commitment to the health and well being of their students as well as support the President's HealthierUS Initiative to improve the health and well being of all Americans, Team Nutrition launched the HealthierUS School Challenge in 2004 for elementary schools. Team Nutrition schools that have taken a leadership role in 1) improving the nutritional quality of school meals, 2) providing students with more nutritious food and beverage choices outside of the school meals programs, and 3) providing nutrition education and physical activity opportunities for their students, are recognized as Gold, Silver or Bronze HealthierUS Schools. Through 2008, more than 500 schools have been recognized as a HealthierUS School.

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

NPA funds the Federal administration of the WIC Program. FNS uses these funds to manage the allocation of grant resources to State Departments of Health and others to support program operations. NPA also supports the development of policies, procedures, and standards used in administering the program, and monitoring of State agency operations to ensure program effectiveness and compliance with law and regulation.

Highlights of FY 2008 accomplishments supported by the NPA appropriation and related to the WIC Program include:

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

- *WIC Special Project Grants* - FNS awarded Special Project Grants to four WIC State agencies in FY 2008 to pursue innovative projects that revitalize quality nutrition services. The grants will focus on improving service delivery and strengthening nutrition assessment skills as part of WIC's VENA initiative.
- *Breastfeeding Promotion and Support Activities* - Building on the *Loving Support Through Peer Counseling* training received during FY 2004 and FY 2005, State agencies are now implementing plans that institute breastfeeding peer counseling as a core service in WIC.
- *WIC Works Resource System* - FNS, in partnership with the National Agricultural Library, continues to expand the WIC Works Resource System, which provides electronic nutrition information and resources to State and local WIC staff and provides opportunities for WIC staff to share State-developed materials and earn continuing education credits through online education.

**National Maternal Nutrition Intensive Course:** Improving staff development, competencies, and retention are a priority of the WIC Program. Since FY 2000, WIC has provided funding for the University of Minnesota to conduct the annual National Maternal Nutrition Intensive Course. The course offers in-service training for WIC State and local agency staff to increase knowledge and improve skills needed to deliver quality nutrition services to pregnant and postpartum women. In recent years, WIC has provided funding to add an enhanced distance learning component to the course, enabling greater numbers of WIC staff from around the country to participate. This course provides one of the few opportunities for WIC staff to receive science-based training to increase their technical skills.

**Focusing Nutrition Assessment and Education:** FNS continued work with the National WIC Association on the joint VENA workgroup. During FY 2006, all State agencies received training on three skills/competencies that are essential to the successful and effective implementation of VENA: critical

thinking, rapport building, and health outcome-based WIC nutrition assessment. State agency staff is responsible for training their own local agency staffs as needed in these competencies, in order to be able to implement VENA by the target date of FY 2010. To assist State agencies in this process, in FY 2008, FNS added three VENA training modules to the WIC Works Resource System based on the key competencies that were addressed in the FY 2006 training.

**Supporting WIC EBT:** In FY 2008, FNS granted about \$3.8 million to six WIC State agencies to develop and implement EBT systems and to learn more regarding the feasibility and affordability of EBT for WIC.

**Enhancing Program Management and Oversight:** In an effort to improve the management evaluation process, FNS completed revision of the State Technical Assistance Review guidance.

**Expanding Services to the Military:** FNS continued to provide assistance to the Department of Defense in administering its WIC-like Overseas Program.

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

### COMMODITY ASSISTANCE PROGRAM

The NPA appropriation funds the staff administrative expenses of the Commodity Assistance Program (CAP). In addition to providing commodity support 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). In addition, FNS provides administrative resources to States to support the distribution of these commodities. The agency also provides commodity assistance to four nuclear-affected Pacific islands and delivers food-based relief to the victims of disasters.

An additional range of management initiatives that improved operations in the CAP programs during FY 2008 are described under “Acquisition and Distribution of Commodities” in the Child Nutrition Programs section.

**Special Commodity Initiatives:** FNS continues to work closely with its partners and customers, such as schools and industry, and with its three sister agencies within the USDA – the FSA, the AMS, and the FSIS – to improve service to its customers, streamline operations, and maintain support for American agriculture. Highlights of FNS’s most recent efforts in this area include:

- *Processed Commodity Information Management System (PCIMS) Replacement* - PCIMS is a mission-critical system that USDA relies on to buy, inventory, manage, and deliver commodities to customers. PCIMS is currently used and supported by FNS, AMS, and FSA. Initiation of the PCIMS replacement system project, known as the Web-Based Supply Chain Management System (WBSCM) began in FY 2006. The WBSCM contract was awarded in early FY 2007. In FY 2008, FNS participated in system design sessions and initiated system development activity. System development and testing will continue throughout FY 2009.
- *USDA Food Communication Initiative* - FNS has undertaken USDA Foods Communication Initiative to support USDA nutrition assistance programs by improving the public perception of USDA foods. Through the initiative, FNS intends to increase stakeholder and public awareness of how USDA foods contribute to meeting the *Dietary Guidelines for Americans*, support local wellness policies, and are high quality, healthy options benefiting schools and other recipients. Additionally, this initiative will help program managers understand the significant improvements that have been made to USDA foods, and how to best utilize them for the benefit of program participants.

- *State and Regional Commodity Program Training and Communication* - In FY 2008, one Food Distribution 101 training session was provided to 27 participants from 17 State agencies. Training was also provided during various Regional, State, association and industry-sponsored meetings. FNS' Commodity Foods Network Web site and Food Distribution Division Web site also continue to be a valuable resource to FNS commodity partners.

**Food Safety:** In FY 2008, FNS continued to enhance food safety initiatives in support of USDA's strategic performance objective 5.2, "Promote Healthier Eating Habits and Lifestyles". Major initiatives were related to both food defense and food safety, and complemented the food safety education activities described under the Child Nutrition Programs section. FNS's Food Safety Staff received three Honor Awards from the Food and Drug Administration Center for Food Safety and Applied Nutrition. The Awards were for leveraging/collaboration on several projects.

- *Liaison Work With Other Federal Food Safety Partners:* FNS participated in USDA's Food Safety Risk Assessment Committee quarterly meetings, which are intended to enhance communication and coordination among various USDA agencies and to promote scientifically sound risk assessments in support of food safety policy and regulatory decisions. The agency participated in the Interagency Risk Assessment Consortium, which provides similar coordination across the Federal Government, and the CDC Environmental Health Specialist Network (EHS-Net) Steering Committee. FNS also reviewed the food safety components of Healthy People 2010 to ensure that the document reflects nutrition assistance-related food safety activities, and participated in meetings and activities to coordinate and share information on food borne outbreaks that involve multiple jurisdictions.
- *Liaison Work With Other Food Safety Partners:* FNS also worked with the National Academies' Food Forum, participated in the Partnership for Food Safety Education, and led the National Food Safe Schools Coalition, an alliance of representatives from a variety of national organizations, professional associations, and government agencies that have interest or active involvement in reducing food borne illness in the U.S. The agency also works with the National Food Service Management Institute (NFSMI) on food safety education and training for Child Nutrition Programs nationwide.

### **CROSS-PROGRAM NUTRITION INITIATIVES**

Federal nutrition assistance programs are designed to work together to form a nutrition safety net that promotes access to food and improved nutrition for the children and low-income people they serve. While FNS activities support the effective administration of each program individually, many of our administrative efforts are designed to improve coordination across programs to achieve goals and outcomes that they share. Currently, the NPA account funds these multi-program activities. Key areas of focus include:

**Promoting Healthy Eating and Active Living:** Promoting healthy eating and active living behaviors among those eligible to participate in Federal nutrition assistance programs is a critical part of the FNS mission. Research shows that nutrition education and promotion that reaches people through multiple channels, promotes consistent messages that are relevant to the target audience, and utilizes environmental strategies that support healthy behaviors both within and beyond program delivery settings, and are essential tools in achieving behavior change. Furthermore, coordination of nutrition education, promotion and services across FNS programs and aligning them with broader efforts of CNPP for the general population can leverage these investments for greater impact.

FNS employees develop guidance materials and policy documents; formulate education interventions and monitor implementation; disseminate knowledge and effective strategies; and perform a variety of other activities. The agency also works with public and private entities that have a shared interest and responsibility for nutrition and related issues to coordinate and promote nutrition education for the FNS target populations. Key FY 2008 accomplishments in this area include:

*National Nutrition Education and Promotion Campaign* – FNS continued development and implementation of the Eat Smart. Play Hard.™ (ESPH) Campaign, a long-term effort designed to promote healthy eating

and physical activity by developing and disseminating behavior-focused resources containing motivational messages based on the *Dietary Guidelines for Americans* and the MyPyramid food guidance system. These messages are conveyed across FNS programs through multiple channels, including the Power Panther™ spokes character featured on educational resources and on interactive Web sites for educators, kids and parents, and in person at nutrition-related events. All materials have been updated to reflect the current *Dietary Guidelines* and can be accessed on the Web site. The updated pages received about 600,000 visits each month in FY 2008.

*Coordination on Crosscutting Food, Nutrition, and Nutrition Education Policy* – FNS focuses on opportunities to work across programs to ensure consistent application of nutrition knowledge in agency policy, regulations, guidance and technical assistance. Examples include:

- *State Nutrition Action Plans* – There was ongoing improvement in the quality and implementation of the State Nutrition Action Plan in FY 2008. All regions achieved the targeted performance goals and States continued to make progress in coordinating program-based nutrition education. The State of Nevada submitted its first State Nutrition Action Plan, increasing the number of States involved to 49. Three FNS regional offices conducted cross-program conferences in FY 2008 to further collaboration efforts; all regions have now sponsored collaboration meetings.
- *Core Nutrition Messages* – FNS has developed a set of core nutrition messages supporting content and guidance for use by FNS programs, State cooperators, and others to help low-income mothers and children participating in Federal nutrition assistance programs meet the 2005 *Dietary Guidelines for Americans* and establish child feeding practices that support the development of healthy eating habits. These consumer-tested messages will be a valuable tool to State and local nutrition educators that often do not have the resources or capacity to develop and test messages that are compelling, accurate and realistic for the low-income families they serve. They also support recent policy changes, such as the new WIC food package, and can be easily integrated into educational activities, campaigns, materials and communication tools. The messages have already been used in MyPyramid for Preschoolers.
- *Employee Wellness Initiative* – FNS continued a program of innovative fitness opportunities and challenges for employees. These included nutrition and wellness seminars, and other special events to promote wellness among agency staff by increasing awareness, providing a supportive work environment and modeling of healthy behaviors. FNS planned and implemented a national nutrition month (NNM) celebration in March 2008; more than 250 employees participated.
- FNS developed and disseminated “*Increasing Fruit and Vegetable Consumption through the USDA Nutrition Assistance Programs*,” a progress report that summarizes the actions and initiatives FNS implemented from 2002 – 2008 to increase fruit and vegetable consumption among nutrition assistance program participants.
- *Inter/Intra Agency Leadership and Representation* – FNS supports and coordinates committees chaired by the Under Secretary and served in leadership and liaison roles for a number of internal/external organizations.

## **FINANCIAL MANAGEMENT INITIATIVES**

### **Continue EBT Implementation**

FNS continues to provide needed technical assistance to States which are renegotiating contracts for the continuation of EBT services.

The Account Management Agent (AMA) system/EBT has successfully rolled out its Web-based platform. Enhancements to the software are now under development. AMA release 4.0 upgrades will augment some of the reporting capabilities, increase the awareness of system issues by providing automated notifications

of these issues, automate some of the current manual processes, and provide better communication to users through broadcast messages on the AMA.gov Web page.

The AMA was developed by FNS as a payment authorization and account management interface for the United States Department of Treasury's Automated Standard Application for Payments (ASAP) system. Both systems reside at the Federal Reserve Bank of Richmond and are integrated into one seamless process. The AMA's purpose is to manage the ASAP SNAP Program accounts for FNS in support of their EBT process, which utilizes electronic debit cards. The debit cards carry a SNAP benefits balance reduced by the amount of purchases when swiped by the retailer. The retailer is subsequently reimbursed by the State's EBT contractor.

A historic record of States' Monthly Funding Limits is in place to provide for better funding estimates. This is monitored regularly by the Program Reports Analysis and Monitoring branch.

### **Accounting and Financial Tracking Improvements**

FNS continues to maintain its strong record of financial management oversight. FNS implemented updates to the Standard General Ledger and Financial Statements mandated for FY 2007.

### **Debt Collection Activity in FY 2008**

For Federally managed Federal debt, FNS continued its vigorous pursuit of debt owed the agency by billing \$62 million in new receivables during the fiscal year. Year-end outstanding debts for the FY increased from the previous year by \$30 million. The overall debt resolution rate achieved was about 49 percent.

#### Federally Managed Federal Debt Profile FY 2006 – FY 2008 (\$ millions)

Debt Management Category	2006	2007	2008
Accounts Receivable	\$59	\$55	\$58
Collections	38	28	41
Litigation	2	15	1
Past due	17	16	15
Recipient Claims	179	181	208

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 2006 – FY 2008  
(\$ Millions)

Claims Activity	2006	2007	2008
<u>Claims</u>	\$208	\$232	\$254
Established			
Claims	195	180	225
Collected			
Ending Balance	1,149	1,192	1,198

<sup>u</sup> Figures provided on the FNS-209 are preliminary and subject to change.

### Financial Management (FM) Reviews

The FM organization conducted two on-site financial reviews and two self-assessments of regional offices during FY 2008 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 Statements Audit

During FY 2008, FNS received an unqualified (“clean”) opinion on the FY 2007 Financial Statements, meaning that the agency met the highest auditing standards. While FNS was able to provide reasonable assurance relating to internal controls, financial reporting and financial systems for FY 2008, the agency has reached a critical point regarding necessary administrative resources.

## ADMINISTRATIVE MANAGEMENT INITIATIVES

### Human Capital Management

In FY 2008, FNS continued to pursue the President’s Human Capital Initiative, focusing on the areas of employee development, decreasing skill gaps, workforce planning, performance management, diversity, and organizational efficiency:

- FNS University (FNSU) - Nearly 1,000 training opportunities were available to FNS employees through one- and two-day learning labs and seminars offered at the national offices and in all Regional Offices. The labs for 2008 were based upon the results of the agency’s Foundation of Continual Learning skill gap analysis. In addition to the learning labs, FNSU training opportunities include the Field Academy, the Job Enrichment Program, the Leadership Institute, the Tuition Reimbursement Program, and the Supervisory Excellence Program.
- Field Academy – Sixty field office employees attended the sixth annual Field Academy, which included courses on working in a generationally diverse office and dealing with the challenges of virtual teaming, along with offerings of the 2008 FNSU learning labs.
- Job Enrichment Program (JEP) – On March 2, 2008, a pilot of the JEP kicked-off at the National Office. The purpose of the JEP is to provide cross-functional knowledge across the agency. Participating employees were matched with projects in a variety of program areas, and spent up to 25 percent of their time during approximately three months working on those projects. This gave them a feel for work, different from what they usually do, as well as some of the important initiatives in other program areas.

- Leadership Institute - FNS' intensive 16 month program is designed to build leadership skills for selected GS/GM 11-14 employees. This program is the agency's primary succession planning tool. The 15-member class of 2008 was selected in June 2007 and graduated in October 2008. The graduates' team-based Action Learning Projects focused on the areas of Customer Service; Data Analysis; Expanding Existing Initiatives; Human Capital Initiatives; Standardizing Processes; Team Building and Worksite Wellness and were sponsored by senior agency leaders.
- Supervisory Excellence Program (SEP) – The 360-Degree assessments that some supervisors received as part of the 2008 SEP identified three competencies, at least one of which will serve as the basis for the 2009 SEP seminar, mandatory for all agency supervisors and managers. These competencies are vision, conflict management, and performance coaching.
- Tuition Reimbursement Program – This program provides reimbursement for employees who successfully complete dean-approved courses on their own time and at their own expense. Course tuition is reimbursed at the rate of 75 percent, up to a yearly \$2,000. More than 75 percent of the applications in FY 2008 were from prior applicants. Some of the courses approved in 2008 were in accounting, communications, Spanish, statistics and nutrition conferences.

### **Commercial Services Management (formerly Competitive Sourcing)**

In the fourth quarter of FY 2008, FNS began a business process re-engineering study of the D708-Applications Receipt/Processing function. The study is scheduled for completion during FY 2009.

### **Procurement Outreach to Small and Disadvantaged Business**

In FY 2008, FNS continued its long-standing emphasis on procurement from small and disadvantaged businesses. The agency exceeded all, but one, of its procurement goals for FY 2008, including an eleven percent accomplishment for Service Disabled Veteran-owned small businesses. Hence, the agency received a Green on its small business scorecard. Representatives from FNS attended the USDA small business outreach sessions each month. Further, the agency held one Small Business Roundtable and participated in the USDA Small Business Awards' Ceremony by nominating three small business firms.

### **Information Technology and Egovernment**

In FY 2008, FNCS completed the successful implementation of the Voice over IP (VoIP) telephone system and a new Video Teleconferencing (VTC) system. These tools provide the agency with a cost effective, secure, fast, and up-to-date telecommunications infrastructure. FNS continued to solidify its information security program by complying with the Federal Information Security management Act which requires federal agencies to develop, document, and implement agency-wide information security programs to protect the confidentiality, integrity, and availability of information and systems that support the operations and assets of the agency.

## **CENTER FOR NUTRITION POLICY AND PROMOTION**

### **Program Mission**

The U.S. Department of Agriculture is the lead Federal agency in human nutrition, charged with providing research-based human nutrition education and information to all American consumers. The mission of the CNPP is to improve the health of Americans by developing and promoting dietary guidance that links scientific research to the nutrition needs of consumers. CNPP staff members link nutrition research to consumers by using an integrated program of nutrition education, promotion, and research. CNPP translates nutrition guidance into consumer-oriented promotion programs to improve the dietary behavior of all Americans. CNPP also helps devise better cost-effective strategies to target nutrition programs to different customers by analyzing consumer dietary needs, characteristics, behaviors, and lifestyles. CNPP serves a diverse consumer base—including customers of food and nutrition assistance programs.

## CNPP's Programming Continues to Link Science to the Nutrition Needs of Consumers

Description	Base Programming Areas
Nutrition Education, Promotion, and Analyses	<ul style="list-style-type: none"> <li>• Nutrition Evidence Library</li> <li>• <i>Dietary Guidelines for Americans</i></li> <li>• MyPyramid Food Guidance System</li> <li>• Healthy Eating Index</li> </ul>
Monitoring of Food and Nutrient Intake	<ul style="list-style-type: none"> <li>• USDA Food Plans</li> <li>• Nutrient Content of the U.S. Food Supply</li> </ul>

### Nutrition Education, Promotion, and Analyses

**Preparations Begin for 2010 Dietary Guidelines for Americans:** The SNAP, Child Nutrition and WIC Programs use the latest *Dietary Guidelines for Americans* to calibrate their food benefits. All of the nutrition assistance programs, myriad nutrition education and promotion programs government-wide, as well as private sector nutrition education and promotion efforts, use the *Dietary Guidelines for Americans* as their focal point. It is so critical that the *Dietary Guidelines for Americans* be both scientifically up to date and in touch with the realities of contemporary living that Public Law 101-445 requires USDA and the Department of Health and Human Services (DHHS) to review the *Dietary Guidelines for Americans* at least every five years. USDA and DHHS alternate leadership of this review and USDA has leadership responsibility for the 2010 *Dietary Guidelines for Americans*. The effort began in FY 2006, increased in 2007 and 2008, and must expand significantly in 2009 to ensure timely completion, which is estimated to be Spring 2010.

During the development of the 2005 *Dietary Guidelines for Americans*, the Advisory Committee used a modified evidence-based review process—an evolving process developed to provide a more thorough, comprehensive examination of the scientific literature than would otherwise be achievable. The process provided a transparent method of evaluating research that allows others to use the same process to validate that they would come to the same conclusions. The evidence-based system will ensure Federal nutrition guidance is based on a preponderance of scientific literature, that scientific uncertainty is properly considered, and that the systematic, transparent peer review of the science dictated by the Quality of Information Act will be completed (this act was undergoing implementation during development of the 2005 *Dietary Guidelines for Americans*). Development of the *Dietary Guidelines for Americans* goes well beyond the science and systems work. It also includes administrative functions of operating meetings of the Dietary Guidelines Advisory Committee, publishing notices in the Federal Register, and collecting and presenting stakeholder comments. In FY 2008, CNPP developed an electronic Public Comments Database that will streamline the process for collecting, and reviewing comments from Americans.

**MyPyramid Helping Americans Take “Steps To A Healthier You”:** When USDA’s MyPyramid food guidance system was released, former USDA Secretary Johanns said: “MyPyramid is about the ability of Americans to personalize their approach when choosing a healthier lifestyle that balances nutrition and exercise. Many Americans can dramatically improve their overall health by making modest improvements to their diets and by incorporating regular physical activity into their daily lives.”

Americans are clearly interested in making improvements and using science-based guidance to do so. Use of MyPyramid tools was beyond initial expectations during the first year of the release (2005). The success experienced during FY 2005 continues. Visitors to MyPyramid.gov used a number of interactive tools: MyPyramid Tracker, MyPyramid Plan, Inside MyPyramid, MyPyramid for Kids, MiPirámide (the Spanish-language version of MyPyramid), and the newest addition, MyPyramid for Pregnancy and Breast Feeding (“MyPyramid for Moms”), and MyPyramid for Preschoolers. As a result, MyPyramid.gov has over 5 billion hits, mostly from general consumers, students, and educators and teachers. MyPyramid Tracker, the assessment tool for dietary and physical activity status, has over 1.6 million active users.

With an on-line evaluation survey, CNPP was able to determine that most survey respondents visited MyPyramid.gov to change their diet or to eat more healthfully, to obtain information for themselves or their

family, to lose weight, to obtain information to teach a class, or to fulfill a school assignment. In addition, most respondents indicated that the information prompted them to take action regarding their health: change their diet or their family's diet; obtain their personalized eating plan; monitor what they eat and reduce their unhealthful eating; and set a physical activity goal.

CNPP will continue making enhancements to MyPyramid.gov to ensure that Americans have dependable access to the site as well as have educational tools that can help them personalize their diets.

***Healthy Eating Index – 2005 Indicates Diets Need to Improve:*** The USDA intends to use broader nutrition education efforts as key opportunities “to promote healthier eating habits and lifestyles” (strategic goal 5.2 of the USDA Strategic Plan for FY 2005-2010) across the Nation, with the outcome being improved eating habits. To measure the effectiveness of these opportunities, USDA uses the Healthy Eating Index (HEI), a general measure of diet quality based on conformance with the *Dietary Guidelines for Americans*. The first HEI report was based on data from the USDA's 1989-90 *Continuing Survey of Food Intakes by Individuals*. The second and third reports (HEI for 1994-1996 and for 1999-2000) were based on data from the National Health and Nutrition Examination Survey. These three reports show that HEI scores ranged from 63.5 (in 1995) to 63.8 (in 1996 and in 1999-2000), indications that the quality of the American diet needs to improve. Released in 2007, the HEI-2005, which employs a methodology that differs from previous versions, reports data from 1994-96 and 2001-02. Results show that the American diet still needs to improve and especially so for certain food groups. A report was released in 2008 of the HEI-2005 scores by income level and shows that all Americans, regardless of income level, could benefit from dietary improvement. To improve their HEI-2005 scores, Americans need to increase their intake of fruits, vegetables, whole grains, and fat-free or low-fat milk; choose more nutrient-dense forms of foods--that is, foods low in solid fats and free of added sugars; and lower their intake of sodium and saturated fats. By FY 2009, USDA wants its strategies to result in a two-point increase (to 65.6 percent) in the HEI score for the general population. On December 7, 2007, the HEI-2005 was published at <http://www.cnpp.usda.gov>. In FY 2008, CNPP released two reports at CNPP's Web site and included the HEI-2005 as a health indicator in *America's Children, 2009*.

### **Monitoring of Food and Nutrient Intake**

***USDA Food Plans:*** The Thrifty, Low-Cost, Moderate-Cost and Liberal Food Plans comprise the USDA Food Plans. These food plans specify the type and quantity of foods that people could consume at home to have a nutritious diet at a minimal cost. The Thrifty Food Plan, consisting of model market baskets of foods, serves as a national standard for a nutritious diet at a minimal cost. It also serves as the basis for setting and adjusting maximum SNAP benefits. The Low-Cost Food Plan is used by bankruptcy courts in determining the portion of income to allocate to necessary food expenses for those seeking bankruptcy. The Moderate-Cost and Liberal Food Plans are used by the Department of Defense in setting the Basic Allowance for Subsistence rate for all enlistees. Many divorce courts use the USDA food plans to set fair alimony and child support payments.

***Update to Thrifty Food Plan (TFP) Completed; Monthly Food Costs Reported:*** Section 3(o) of the Food and Nutrition Act of 2008 specifies that the TFP is the basis for determining SNAP benefits and that the amount shall be adjusted on October 1 of each year to reflect changes in the cost of the TFP market basket. CNPP completes the TFP work for SNAP. During FY 2006, CNPP completed its revision of the TFP so that the market baskets of the TFP would be 1) based on the *Dietary Guidelines for Americans* and other standards, and 2) available for use by FNS. During FY 2008, CNPP continued to provide monthly cost updates of the food plans. For a family of four that included a couple and children ages two to three and four to five years, monthly costs for the TFP ranged from \$493 to \$527. For a family of four that included a couple and children ages six to eight and nine to eleven years, monthly costs for the TFP ranged from \$567 to \$606.

***Update to Low-Cost, Moderate-Cost and Liberal Food Plans Reported:*** These food plans provide representative healthful market baskets at three different cost levels and are based on the most current dietary standards. They are used by either the Department of Defense to determine the Basic Allowance for Subsistence rates for all service members, the courts to set alimony payments, or the States to establish

guidelines for child support and foster care payments. The revisions maintained the same inflation-adjusted costs as those of the previous respective plans, last revised in 2003. CNPP released the revised plans November 2007, <http://www.cnpp.usda.gov>.

***Food Supply Trends Updated Through 2004:*** The U.S. food supply series presents data on the amount of nutrients that are available for consumption on a per capita per day basis. Examination of this data is useful to assess trends in food and nutrient consumption over time, for monitoring the potential of the food supply to meet the nutritional needs of Americans, and for examining relationships between food availability and diet-health risk.

In FY 2008, CNPP released the report *Nutrient Content of the U.S. Food Supply, 1909-2005*. The report shows that food energy continues to rise, moving from a low of 3,400 kilocalories being available in 1909-1919 to a high of 4,000 kcal in 2005. In addition, CNPP released two other products based on the Nutrient Content of the Food Supply Series: a factsheet (for food manufacturers) and PowerPoint presentation (for educators) focusing on the availability of fiber. In FY 2009, the interactive version of the 1909-2005 food supply data and a Nutrition Insight on the availability of dietary fiber were disseminated via <http://www.cnpp.usda.gov>.

## FOOD AND NUTRITION SERVICE

### Summary of Budget and Performance Statement of Goals and Objectives

The Food and Nutrition Service (FNS) was established August 8, 1969, by Secretary's Memorandum No. 1659 and Supplement 1 pursuant to the authority contained in 5 U.S.C. 301 and the Reorganization Plan No. 2 of 1953. FNS increases food security and reduces hunger in partnership with cooperating organizations by providing children and low-income people access to food, a healthful diet, and nutrition education in a manner that supports American agriculture and inspires public confidence. FNS administers the U.S. Department of Agriculture's 15 nutrition assistance programs. These programs, which serve one in five Americans over the course of a year, represent our Nation's commitment to the principle that no one in our country should fear hunger or experience want. They provide a safety net to people in need. The programs' goals are 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. FNS administers four major programs or program groups: (1) the Supplemental Nutrition Assistance Program; (2) the Child Nutrition Programs; (3) the Special Supplemental Nutrition Program for Women, Infants and Children; and (4) the Commodity Assistance Programs.

The agency's goals are fully integrated into one goal and three objectives in USDA's Strategic Plan 2005-2010:

USDA Strategic Goal/Objective		Programs that Contribute	Key Outcome
<b>Agency Goal 1:</b> Improve the Nation's Nutrition and Health	<u>Agency Strategic Objective 1.1:</u> Ensure Access to Nutritious Food	<ul style="list-style-type: none"> <li>● Supplemental Nutrition Assistance Program</li> <li>● Child Nutrition Programs</li> <li>● Special Supplemental Nutrition Program for Women, Infants and Children (WIC)</li> <li>● Commodity Assistance Program</li> <li>● Food Distribution Program in Indian Reservations</li> <li>● The Emergency Food Assistance Program</li> </ul>	<u>Key Outcome 1:</u> Reduce Hunger and Improve Nutrition.
	<u>Agency Strategic Objective 1.2:</u> Promote Healthier Eating Habits and Lifestyles	<ul style="list-style-type: none"> <li>● Supplemental Nutrition Assistance Program</li> <li>● Child Nutrition Programs</li> <li>● Special Supplemental Nutrition Program for Women, Infants and Children (WIC)</li> <li>● Center for Nutrition Policy and Promotion</li> </ul>	<u>Key Outcome 2:</u> Promote more healthful eating and physical activity across the Nation.
	<u>Agency Strategic Objective 1.3:</u> Improve Nutrition Assistance Program Management and Customer Service	<ul style="list-style-type: none"> <li>● Supplemental Nutrition Assistance Program</li> <li>● Child Nutrition Programs</li> <li>● Special Supplemental Nutrition Program for Women, Infants and Children (WIC)</li> </ul>	<u>Key Outcome 3:</u> Maintain a high level of integrity in the nutrition assistance programs.

Selected Accomplishments Expected at the FY 2010 Proposed Resource Level:

- The Supplemental Nutrition Assistance Program will serve an average of 35 million persons per month and reach 67.9 percent of the target population.
- The National School Lunch Program will serve an average of 32.1 million persons per school day and will reach 57.2 percent of children enrolled in school.
- The WIC Program will serve a monthly average of 9.8 million women, infants, and children.
- USDA will seek to improve Healthy Eating Index scores for people in households with incomes under 130 percent of poverty to 65.8 points.
- USDA will seek to improve Healthy Eating Index scores for the U.S. population to 65.8 points.
- FNCS will seek to distribute 3.0 billion pieces of nutrition guidance.
- The Supplemental Nutrition Assistance Program payment accuracy rate will be improved to 94.6 percent.

## FOOD AND NUTRITION SERVICE

### Summary of Budget and Performance Key Performance Outcomes and Measures

Agency Goal: Improve the Nation's Nutrition and Health.

Key Outcome 1: The reduction and prevention of hunger by improved access to Federal nutrition assistance programs.

USDA is the Federal agency responsible for managing the domestic nutrition assistance programs, which work individually and in concert with one another to improve the Nation's nutrition and health. They provide nutrition for millions of America's children, elderly, working poor and other targeted groups. For a variety of reasons, many individuals and families who are eligible to participate in these programs do not. USDA is committed to improving nutritional intake through increased access to and use of these programs by those in need.

Key Performance Measures:

- The percentage of eligible people participating in the Supplemental Nutrition Assistance Program and the National School Lunch Program.
- Participation in the major Federal assistance programs.

Key Performance Targets:

Annual Performance Goals and Indicators	Fiscal Year					
	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Target	2010 Target
1.1.1 Rates of eligible populations participating in the major Federal nutrition assistance programs.						
• The Supplemental Nutrition Assistance Program.	64.7%	67.3%	67.5%*	67.7%*	67.9%	68.0%
• The National School Lunch Program	54.0%	54.6%	54.9%	55.5%	56.6%	57.2%
• Participation in the major Federal nutrition assistance program.						
Average monthly SNAP (millions)	23.9	25.7	26.5	28.4	32.6	35.0
Average daily NSLP (millions)	29.6	30.1	30.5	30.9	31.6	32.1
Average monthly WIC (millions)	8.0	8.1	8.3	8.7	9.3	9.8

\*Figures are targets; actual data not yet available

#### Strategies:

In order to achieve the objective performance targets, USDA will:

- Fund and manage the major nutrition assistance programs to ensure access for all those eligible who wish to participate.
- Increase access to the Supplemental Nutrition Assistance Program (SNAP) through multiple, complementary strategies. These include streamlined eligibility policies, outreach and participation access grants, technical assistance to States, and development of education materials for administering agencies, community and faith-based organizations, retailers, and others, with special emphasis on hard-to-serve populations such as the working poor, legal immigrants, and the elderly.
- Improve access to programs that provide nutritious meals during the summer months, when school is not in session.
- Engage with faith-based and community organizations through partnership and outreach to improve nutrition assistance program access.

For the future, we will continue to seek opportunities to ensure access for all those that are eligible to participate in Federal nutrition assistance.

**Key Outcome 2:** Eating habits more consistent with *Dietary Guidelines for Americans*.

The Nation faces significant public health issues related to the quality of America's eating habits, including an increasing prevalence of overweight and obesity. USDA will use its nutrition assistance programs and its broader nutrition education efforts as key opportunities to promote more healthful eating and physical activity across the Nation.

**Key Performance Measures:**

- Improve the Healthy Eating Index (HEI) scores for people in households with incomes under 130% of poverty.
- Improve the Healthy Eating Index (HEI) scores of the U.S. Population.
- Increase application and usage of nutrition guidance tools.

A nutritious diet that includes the consumption of fruits and vegetables, whole grains and low-fat dairy products, combined with regular physical activity, is a key ingredient to a healthy life. For babies, breastfeeding has been shown to make an important difference in their health, not only in infancy, but beyond.

In FY 2010, USDA will purchase and distribute nutritious foods, deliver targeted nutrition education and provide technical assistance and oversight to ensure meals and other benefits support healthful diets.

Effective promotion of up-to-date, scientifically based dietary guidance is also essential in the campaign to motivate Americans to develop and maintain healthful dietary behaviors. Following on the release of the 2005 *Dietary Guidelines for Americans* and the MyPyramid food guidance system, USDA will continue to implement changes in the nutrition assistance programs to integrate and fully support the new guidance.

Annual Performance Goals and Indicators	Fiscal Year					
	2005 Actual*	2006 Actual*	2007 Actual*	2008 Actual*	2009 Target	2010 Target
1.2.1 Improve the Healthy Eating Index (HEI) <sup>1</sup> scores for people in households with incomes under 130% of poverty.	56.8	57.2	57.5	57.9	58.2	58.6
1.2.2 Healthy Eating Index (HEI) <sup>1</sup> scores of the U.S. Population	57.7	57.9	58.0	58.2	58.4	58.6
1.3.3 Pieces of nutrition guidance distributed	N/A	1.5 billion	2.0 billion	2.5 billion	2.5 billion	3.0 billion

<sup>1</sup>The Healthy Eating Index (HEI) methodology was updated to reflect the 2005 Dietary Guidelines for Americans; the HEI-2005 differs from previous HEI scores. The HEI-2005 score for the U.S. population during 2003-2004 was 57.5 out of 100 points; the 2003-04 score for people with household incomes below 130% of the Federal poverty guideline was 65.5 out of 100 points. Targets have been set based on the rate of change in targets from the USDA Strategic Plan, but with the baseline adjusted to reflect the new methodology.

\*Figures are targets; actual data not yet available.

**Strategies:**

In order to achieve the objective performance targets, USDA will:

- Improve nutrition education efforts within each of the major nutrition assistance programs, and develop and support an integrated, cross-program nutrition education effort designed to contribute to the improvement of scores on the Healthy Eating Index (HEI), reduce overweight and obesity, and address other diet-related problems.
- Partner with Federal health and education agencies, and other public and private sector entities, to promote the use of common messaging, support increased consumption of fruits and vegetables and encourage healthy school nutrition environments.

- Implement program changes to optimize alignment of nutrition assistance programs with the 2005 *Dietary Guidelines for Americans*, and work with providers to improve the nutritional quality of program meals, to maximize program contributions and to improve HEI scores.
- Plan and implement strategies related to the development of the 2010 *Dietary Guidelines for Americans* so that Federal nutrition guidance continues to be based strongly on a preponderance of the scientific literature.
- Implement a continual evaluation plan for MyPyramid to ascertain its use and usability by consumers, applicability of the website software, and to determine whether and what type of enhancements will be needed to encourage behavior changes that promote healthful diets.
- Provide timely and consistent customer support to enhance outreach and promotion of dietary guidance materials and interactive, educational tools.

For the future, we will continue to pursue the above strategies and pursue new opportunities within the nutrition assistance programs and for the general public to promote healthy eating.

**Key Outcome 3:** Fewer dollars lost through program errors.

Effective program management helps ensure that those families and individuals most in need of nutrition assistance receive it and that the funds intended for this purpose are not diminished by waste or program abuse. Improved customer service helps ensure that eligible families and individuals are aware of the lifetime benefits of good nutrition, know about the assistance that is available to them to improve their nutritional intake and have access to apply and receive the nutritional assistance in a timely manner. USDA plans to make use of all available opportunities, including new communication and eGovernment technologies, to serve our customers, work with partners, and administer our programs as effectively as possible.

**Key Performance Measure:**

- Increase the SNAP Payment accuracy rate.

USDA is strongly committed to maintaining a high level of stewardship and integrity in the nutrition assistance programs and preventing errors.

Annual Performance Goals and Indicators	Fiscal Year					
	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Target	2010 Target
1.3.1 Increase the SNAP accuracy rate.	94.1%	94.2%	94.4%	94.3%*	94.4%	94.6%

\*Figure is a target; actual data not yet available

**Strategies:**

In order to achieve the objective performance targets, USDA will:

- Support State efforts to improve SNAP benefit accuracy through oversight, training, technical assistance and “promising practices” information sharing.
- Manage and improve systems to disburse and account for program resources.
- Promote effective program operations at the State and local levels through strong Federal oversight, training and technical assistance.

We will continue efforts to measure erroneous payments and address potential sources of error in the Child Nutrition and WIC Programs. FNS recently completed a nationally representative study of improper payments in the National School Lunch and School Breakfast Programs and is using this data to pursue improvements in program operations to reduce improper payments. The agency is also updating estimates of certification and vendor error in the WIC Program.

**Food and Nutrition Service**  
**Full Cost by Strategic Objective**  
**Goal 1: Improve the Nation's Nutrition and Health**  
*Program Level (Dollars in Thousands) 1/*

PROGRAM / ACTIVITY	FY 2008	FY 2009	FY 2010
<b>Supplemental Nutrition Assistance Program Account</b>			
Supplemental Nutrition Assistance Program (SNAP)	\$37,557,661	\$48,834,179	\$56,122,666
ARRA SNAP Benefits and Admin. Funds	0	4,948,560	5,797,247
Nutrition Assistance for Puerto Rico (NAP)	1,622,521	1,760,435	1,873,103
ARRA NAP Funds	0	240,133	127,465
Food Distribution Program on Indian Reservation (FDPIR)	88,339	114,914	112,656
ARRA FDPIR Equipment Funds	0	5,000	0
The Emergency Food Assistance Program (TEFAP) Commodities	189,936	250,000	253,250
American Samoa	4,795	7,070	7,523
ARRA American Samoa Benefits	0	964	511
Program Access/ Community Food Project/ CNMI/Pilot Projects	14,852	47,148	22,148
Nutrition Programs Administration (Allocation to this program)	72,416	73,227	77,167
Other Program Costs 2/	3,918	4,392	1,526
<b>Total Cost</b>	<b>\$39,554,437</b>	<b>\$56,286,022</b>	<b>\$64,395,262</b>
<b>FTEs</b>	<b>613</b>	<b>630</b>	<b>643</b>
<b>Unit Costs</b>			
SNAP (Total Annual Cost per Participant) 3/	\$1,324.50	\$1,651.77	\$1,772.68
FDPIR (Total Annual Cost per Participant) 4/	\$1,024.98	\$1,300.43	\$1,159.71
<b>Performance Measure:</b> Average monthly SNAP participation (millions)	28.408	32.603	34.972
<b>Child Nutrition Program</b>			
Child Nutrition Programs			
School Lunch Program	\$8,365,115	\$9,071,783	\$9,821,347
School Breakfast Program	2,393,028	2,633,048	2,866,683
Child and Adult Care Food Program	2,245,195	2,513,852	2,686,523
Summer Food Service Program	312,203	357,984	377,752
Special Milk Program	15,120	14,941	13,590
State Administrative Expense	174,134	178,994	193,268
Total, Cash Grants to States	13,504,795	14,770,602	15,959,163
Commodities (Sec 6e Entitlement)	631,849	741,209	793,045
Child Nutrition Program Discretionary Activities	30,550	39,128	45,038
ARRA NSLP Equipment Grants	0	100,000	0
Child Nutrition Program Permanent Activities	36,452	134,062	109,000
Nutrition Programs Administration (Allocation to this program)	30,383	30,724	32,377
Other Program Costs 5/	575,997	667,645	714,306
<b>Total Cost</b>	<b>\$14,810,026</b>	<b>\$16,483,370</b>	<b>\$17,652,929</b>
<b>FTEs</b>	<b>379</b>	<b>393</b>	<b>399</b>
<b>Unit Costs</b>			
Child Nutrition Total Cost per Meal Served (\$/service unit) 6/	\$1.59	\$1.70	\$1.79
<b>Performance Measure:</b> Avg. daily NSLP participation (millions)	30.9	31.6	32.1
<b>Performance Measure:</b> Avg. daily SBP participation (millions)	10.6	11.0	11.3

PROGRAM / ACTIVITY	FY 2008	FY 2009	FY 2010
<b>Special Supplemental Nutrition Program for Women, Infants and Children (WIC)</b>			
Cash Grants to States: Food & NSA (inclusive of projected carryout)	\$6,370,790	\$6,931,716	\$7,480,384
ARRA Contingency Cash Grants to States	0	0	0
Infrastructure Grants	13,672	13,600	13,600
Technical Assistance	398	400	400
State Management Information Systems	0	0	30,000
Breastfeeding Peer Counselors	15,076	14,850	14,850
ARRA WIC MIS	0	80,000	20,000
WIC Reauthorization Initiatives and Program Improvements	0	0	162,000
Nutrition Programs Administration (Allocation to this program)	28,868	29,192	30,763
Other Program Costs	0	0	0
<b>Total Cost</b>	<b>\$6,428,803</b>	<b>\$7,069,758</b>	<b>\$7,751,997</b>
<b>FTEs</b>	<b>214</b>	<b>212</b>	<b>218</b>
<b>Unit Costs</b>			
WIC (Total Annual Cost per Participant) <u>7/</u>	\$738.52	\$760.84	\$790.86
<b>Performance Measure:</b> Average monthly WIC participation (millions)	8.705	9.292	9.802
<b>Commodity Assistance Program Account</b>			
Commodity Supplemental Food Program (CSFP)	\$140,807	164,579	162,818
The Emergency Food Assistance Program (TEFAP) Administrative Cost	49,823	49,500	49,500
ARRA TEFAP Administrative Funds	0	25,000	25,000
ARRA TEFAP Commodity Funds	0	100,000	0
Farmers' Market Programs			
Farmers' Market Nutrition Program	21,838	20,658	20,600
Seniors' Farmers' Market Program	21,402	19,865	20,000
Commodity Assistance (Nuc. Affected Isld, Disaster Asst., NSIP Comm.)	3,736	4,224	1,070
Nutrition Programs Administration (Allocation to this program)	5,553	5,616	5,919
Other Program Costs <u>8/</u>	195,628	195,397	192,890
<b>Total Cost</b>	<b>\$438,787</b>	<b>\$584,839</b>	<b>\$477,797</b>
<b>FTEs</b>	<b>41</b>	<b>41</b>	<b>42</b>
<b>Unit Costs</b>			
CSFP (Total Annual Cost per Participant) <u>9/</u>	\$337.39	\$387.88	\$379.82
<b>Performance Measure:</b> Average monthly CSFP participation (thousands)	475.308	473.473	473.473
<b>Nutrition Programs Administration Account (Center for Nutrition Policy and Promotion)</b>			
Center for Nutrition Policy and Promotion	\$2,855	\$3,836	\$3,913
Hunger Fellowships (Congressional Hunger Center) <u>10/</u>	2,458	2,347	0
Nutrition Programs Administration (Allocation to this program)	NA	NA	NA
Other Program Costs	0	0	0
<b>Total Cost</b>	<b>\$5,313</b>	<b>\$6,183</b>	<b>\$3,913</b>
<b>FTEs</b>	<b>24</b>	<b>32</b>	<b>26</b>
<b>Performance Measure:</b> Pieces of nutrition guidance distributed	2.5 billion	2.5 billion	3.0 billion

**Total for Strategic Goal 1**

<b>Subtotal FNS Program Cost</b>	\$61,237,366	\$80,430,172	\$90,281,898
<b>Less Other Program Costs</b>	775,543	867,434	908,722
<b>Total FNS Program Cost</b>	\$60,461,823	\$79,562,738	\$89,373,176
<b>FTEs (excludes FTEs associated with CN Permanent Approp.)</b>	1,271	1,308	1,328

**Notes**

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

*Supplemental Nutrition Assistance Program Account*

2/ Includes FDPIR bonus commodities.

3/ SNAP Average Monthly Participation Assumptions: FY 2008: 28,408 million; FY 2009: 32,603 million; FY 2010: 34,972 million

4/ FDPIR Average Monthly Participation Assumptions: FY 2008: 90,116; FY 2009: 95,703; FY 2010: 98,574

*Child Nutrition Programs Account*

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

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

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

7/ WIC average monthly participation assumptions: FY 2008: 8.705 million; FY 2009: 9.292 million; FY 2010: 9.802 million.

*Commodity Assistance Program Account*

8/ Includes bonus commodities for TEFAP, CSFP, Disaster Assistance, Nuclear Affected Island, and other commodity assistance.

9/ CSFP average monthly participation assumptions: FY 2008: 475,308; FY 2009: 473,473; FY 2010: 473,473.

*Nutrition Programs Administration*

10/ Congressional Hunger Fellowships directly appropriated to FNS in FY 2008 and appropriated through a general provision in FY 2009.