

FOOD AND NUTRITION SERVICE

2015 Explanatory Notes

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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 other low-income Americans access to food, a healthful diet, and nutrition education.

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

Descriptions of Programs:

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

- *Supplemental Nutrition Assistance Program (SNAP):* Authorized by the Food and Nutrition Act of 2008, SNAP is the cornerstone of the Nation's nutrition assistance safety net, touching the lives of 47 million Americans. It provides nutrition assistance to participants, the majority of whom are children, the elderly, or people with disabilities, helping them put food on the table using benefits that can be redeemed at retail 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, American Samoa, and the Commonwealth of the Northern Mariana Islands receive grant funds with which to provide food and nutrition assistance in lieu of SNAP.)

- *Food Distribution Program on Indian Reservations (FDPIR):* FDPIR distributes USDA-purchased foods as an alternative to SNAP for Indian households living on or near reservations. State agencies and Indian Tribal Organizations (ITOs) that operate the program are responsible for eligibility certification, nutrition education, local warehousing and transportation of food, distribution of food to recipient households, and program integrity. The Federal Government pays 100 percent of the cost of commodities distributed through the program, and cash payments for administrative expenses.
- *Child Nutrition Programs (CNP):* The Child Nutrition Programs - National School Lunch (NSLP), School Breakfast (SBP), Special Milk (SMP), Child and Adult Care Food (CACFP), and Summer Food Service (SFSP) - provide reimbursement to State and local governments for nutritious meals and snacks served to almost 34 million children in schools, child care institutions, and after school care programs. CACFP also supports meal service in adult day care centers. FNS provides cash and USDA-purchased foods on a per-meal basis to offset the cost of food service at the local level and a significant portion of State and local administrative expenses, and provides training, technical assistance, and nutrition education. Payments are substantially higher for meals served free or at a reduced price to children from low-income families.

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

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- *Special Supplemental Nutrition Program for Women, Infants and Children (WIC):* WIC addresses the supplemental nutritional needs of at-risk, low-income pregnant, breastfeeding and postpartum women, infants and children up to five years of age. It provides participants monthly supplemental food packages targeted to their dietary needs, breastfeeding support to nursing mothers, nutrition education, and referrals to a range of health and social services – benefits that promote a healthy pregnancy for mothers and a healthy start for their children. Appropriated funds are provided to States for food packages and nutrition services and administration for the program; States operate the program pursuant to plans approved by FNS. 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 additional fresh produce to WIC participants.
- *The Emergency Food Assistance Program (TEFAP):* This program supports the emergency food organization network by distributing USDA-purchased food for use by emergency feeding organizations including soup kitchens, food recovery organizations, and food banks. TEFAP also provides administrative funds to defray costs associated with processing, repackaging, storage, and distribution of Federal and privately donated food. The allocation of both Federal food and administrative grants to States is based on a formula that considers the States' unemployment levels and the number of persons with income below the poverty level.
- *The Commodity Supplemental Food Program (CSFP):* This program provides foods purchased by USDA to low-income senior citizens and in some cases low-income infants and children up to age six, low-income pregnant and postpartum women. In recent years, there has been a shift towards low-income elderly in this program; in FY 2013, elderly participation comprised 97 percent of total participation. The Agriculture Act of 2014 discontinued the admission of new pregnant and postpartum women and children into the program. Foods are distributed through State agencies to supplement food acquired by recipients from other sources. The CSFP is operated as a Federal/State partnership under agreements between FNS and State health care, agricultural or education agencies. In FY 2013, 39 States, the District of Columbia, and two Indian reservations operated CSFP.
- *Senior Farmers' Market Nutrition Program (SFMNP):* This program provides coupons to low-income seniors that can be exchanged for fresh, nutritious, unprepared, locally grown fruits, vegetables and herbs at farmers' markets, roadside stands, and community-supported agriculture programs.
- *Pacific Island and Disaster Assistance:* Pacific Island Assistance includes assistance to the nuclear-affected zones of the Republic of the Marshall Islands in the form of USDA purchased food, or cash-in-lieu of food, and administrative funds and is authorized under the Compact of Free Association Amendments Act of 2003 (P.L. 108-188). Disaster relief funds are provided for use in non-Presidentially declared disasters.

Federal nutrition assistance programs operate as partnerships between FNS and the State and local organizations that interact directly with program participants. States voluntarily enter into agreements with the Federal Government to operate programs according to Federal standards in exchange for program funds that cover all benefit costs, and a significant portion, if not all, of administrative expenses.

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

FNCS Staff:

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

FNS staff is funded primarily out of the Nutrition Programs Administration account, which represents approximately one-third of one percent of the total FNS budget. The agency employment level represents less than two percent of

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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 27 field offices/satellite locations as well as two SNAP compliance offices. A regional administrator directs each regional office. These offices maintain direct contact with State agencies that administer the FNS programs and conduct on-site management reviews of State operations. The Retailer Operations Division monitors the 252,962 stores and other outlets as of September 30, 2013 authorized to redeem SNAP benefits.

As of September 30, 2013, there were 1,315 full-time permanent employees in the agency. There were 510 employees in the Washington headquarters office; and 805 in the regional and field offices. The chart below displays staff year utilization.

STAFF YEAR DISTRIBUTION (From All Sources of Funds)					
FNS Projects and CNPP	2012 Actual	2013 Actual	2014 Estimate	Change	2015 Estimate
Supplemental Nutrition Assistance Program	154	170	224	109	333
Child Nutrition Programs	198	221	221	0	221
Commodity Assistance Program	3	1	3	0	3
Supplemental Nutrition Program for Women, Infants and Children	28	30	35	0	35
Nutrition Programs Administration	899	905	980	0	980
Center for Nutrition Policy and Promotion*	32	32	35	0	35
Total Available	1,314	1,359	1,498	109	1,607

* CNPP Staff Year Distribution includes NPA and program funding.

Audit Reports of National Significance Issued for Fiscal Year 2013

OIG Audits Issued

Area	Number	Date	Title	Status
SNAP	27002-0011-13	10-2012	Analysis of FNS’ Supplemental Nutrition Assistance Program Fraud Prevention and Detection Efforts	Final action pending on open recommendations.
Financial Management	27401-0002-21	11-2012	Food and Nutrition Service Financial Statements for Fiscal Years 2012 and 2011	Report contained an unqualified opinion with no recommendations.
NSLP	27601-0001-23	1-2013	National School Lunch Program – Food Service Management Company Contracts	Final action pending on open recommendations.
SNAP	27703-0002-22	3-2013	Recovery Act Performance Measures for the Supplemental Nutrition Assistance Program	Closed

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Area	Number	Date	Title	Status
WIC	27601-0038-CH	3-2013	Vendor Management in for Food and Nutrition Service’s Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	Final action pending on open recommendations.
All Programs	27001-0001-10	6-2013	Overlap and Duplication in the Food and Nutrition Service’s Nutrition Programs	Final action pending on open recommendations.
SNAP	27703-0001-22	6-2013	U.S. Department of Agriculture, Recovery Act Impacts on Supplemental Nutrition Assistance Program Phase II	Final report pending management decision.
SNAP	27601-0001-31	7-2013	FNS: Controls for Authorizing Supplemental Nutrition Assistance Program Retailers	Final report pending management decision.

GAO Audits Issued

Area	Number	Date	Title	Status
WIC	GAO-13-290	2-2013	WIC Program: Improved Oversight of Income Eligibility Determination Needed	Final action pending on open recommendations.

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 agency for developing and promoting dietary guidance that links the best evidence-based scientific research to the nutrition needs of Americans.

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 segments of the population by analyzing consumer dietary needs, socio-economic characteristics, behaviors, and lifestyles. To meet its mission, CNPP performs the following functions:

Advances and Promotes Food and Nutrition Guidance for Americans (Ages 2 Years and Older)

CNPP manages 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 MyPlate Food Guidance System provides current departmental nutrition guidance disseminated to nutrition educators, health professionals, and consumers in the form of millions of print documents; educators’ toolkits; and via Web-based interactive and personalized tools at www.ChooseMyPlate.gov, which garners over 4 billion pieces of information disseminated quarterly and has millions of registered users of the tools for dietary and physical activity assessment. ChooseMyPlate.gov provides updated content to meet the nutrition education needs of the general population, as well as those of specific segments of the population.

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

CNPP established and maintains USDA’s 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 Nutrition Evidence Library, maintained and updated by CNPP’s

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Evidence Analysis Library Division, supports the *Dietary Guidelines* process. The Evidence Analysis Library Division was formed to provide support to 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*. These areas include obesity, food groups, weight management, physical activity, food safety, methods of program development for nutrition education, risk analysis and nutrients, and social marketing. The Evidence Analysis Library Division and the Nutrition Evidence Library serve as the USDA model upon which USDA agencies approach science review to support the policies for which they are responsible.

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 *Dietary Guidelines*. CNPP is the focal agency for advancing and coordinating nutrition promotion and education policy within USDA. The USDA Dietary Guidance Working Group reviews all of USDA's and DHHS' nutrition publications and materials to ensure consistency with the *Dietary Guidelines* and is chaired by CNPP. CNPP also represents USDA on the DHHS Healthy People 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 old 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 diet-related 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 lead ultimately to improved health status. In addition to its efforts to disseminate 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 leads USDA's efforts to communicate nutrition messages through a wide variety of mechanisms, including www.ChooseMyPlate.gov, GovDelivery, the Nutrition Communicators Network, MyPlate Food Guidance System, nutrition assistance programs, commodity and agricultural groups, food industry, trade associations, public health organizations, and the media. Collaboration with the public and private sectors is used to encourage widespread participation in nutrition education efforts based on the *Dietary Guidelines for Americans*. CNPP has established over 100 National Strategic Partners and over 7,000 Community Partners to magnify the reach of MyPlate tools and nutrition messages.

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

CNPP's science-based research supports national 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. These analyses support policymaking for domestic nutrition assistance and setting a national agenda for nutrition security. They also contribute to activities related to nutrition monitoring of foods and nutrients available for consumption. CNPP develops USDA's Food Plans including the Thrifty Food Plan, upon which SNAP benefit levels are based. The Food Plans represent a market basket of nutritious foods that could be purchased at various lower income levels. CNPP also produces the *Expenditures on Children by Families* ("The Cost of Raising a Child") report, which provides families with the costs of household expenditures, including food. Further, CNPP measures diet quality as a gauge of the nutritional well-being of the U.S. population. The Healthy Eating Index 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*. The HEI scores for children are included in a compendium of 41 well-being indicators that are released in *America's Children: Key Indicators of Well-Being*.

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Eating patterns and their behavioral determinants are analyzed to gauge the effect of policy on consumers' food behaviors 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 Web sites (www.cnpp.usda.gov, www.ChooseMyPlate.gov, and www.NEL.gov), GovDelivery, and presentations at national professional conferences.

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

Item	2012 Actual		2013 Actual		2014 Estimate		2015 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Supplemental Nutrition Assistance Program	\$72,735,235	154	\$76,414,587	173	\$73,127,825	224	\$79,181,386	333
SNAP ARRA.....	8,342,291		6,060,739		5,795,694		0	
Child Nutrition Program:								
Appropriation.....	11,613,707	163	11,977,986	185	12,163,230	185	12,542,997	185
Permanent Appropriation.....	205,708	35	220,238	40	340,895	40	179,250	40
Transfer from Section 32.....	6,749,898		7,697,031		8,011,569		8,299,923	
Total - Child Nutrition Program.....	18,569,313	198	19,895,255	225	20,515,694	225	21,022,170	225
Special Supplemental Nutrition Program for Women, Infants, and Children	7,167,986	28	6,946,401	30	7,019,825	35	7,154,024	35
Commodity Assistance Program.....	282,947	3	281,104	1	293,321	3	296,301	3
Nutrition Programs Administration.....	134,933	931	130,016	930	139,348	1,011	153,000	1,011
Congressional Hunger Center.....	2,000		1,845		2,000		2,000	
National Commission on Hunger.....	0		0		1,000		0	
Total, Food and Nutrition Service Funds.....	107,234,705	1,314	109,729,947	1,359	106,893,707	1,498	107,808,881	1,607
<u>Obligations under other</u>								
<u>USDA Appropriations:</u>								
Office of the Chief Information Officer.....	281		19		0		0	
Departmental Management.....	30		376		0		0	
Foreign Agricultural Service.....	58		10		0		0	
Food Safety and Inspection Service.....	10		10		0		0	
Economic Research Service.....	10		10		0		0	
Office of the Inspector General.....	13		13		0		0	
National Appeals Division.....	52		32		0		0	
Natural Resources and Conservation Service.....	183		0		0		0	
Farm Service Agency.....	10		0		0		0	
Rural Development.....	36		36		0		0	
Total, Agriculture Appropriations.....	683		506		0		0	
<u>Other Federal Funds:</u>								
Army Audit.....	7		0		0		0	
Health and Human Services.....	0		166		0		0	
Small Business Administration.....	0		4		0		0	
Labor.....	51		0		0		0	
Federal Executive Board.....	222		266		0		0	
Total, Other Federal Funds.....	280		436		0		0	
Total, Food and Nutrition Service.....	107,235,668	1,314	109,730,889	1,359	106,893,707	1,498	107,808,881	1,607

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

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Permanent Positions by Grade and Staff Year Summary

Grade	2012 Actual			2013 Actual			2014 Estimate			2015 Estimate		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
Senior Executive Service	9	8	17	9	8	17	9	8	17	9	8	17
GS-15.....	45	23	68	41	22	63	41	22	63	41	22	63
GS-14.....	87	33	120	86	57	143	96	63	159	105	68	173
GS-13.....	214	103	317	229	149	378	254	165	419	276	178	454
GS-12.....	90	284	374	85	241	326	95	267	362	104	288	392
GS-11.....	27	258	285	24	251	275	27	278	305	29	301	330
GS-9.....	20	37	57	28	41	69	31	44	75	33	47	80
GS-8.....	3	5	8	9	3	12	9	3	12	9	3	12
GS-7.....	19	25	44	16	28	44	16	28	44	16	28	44
GS-6.....	6	10	16	5	6	11	5	6	11	5	6	11
GS-5.....	4	9	13	2	7	9	2	7	9	2	7	9
GS-4.....	14	16	30	8	7	15	8	7	15	8	7	15
Other Graded Positions..	6	4	10	4	3	7	4	3	7	4	3	7
Total Permanent Positions.....	544	815	1,359	546	823	1,369	597	901	1,498	641	966	1,607
Unfilled Positions End-of Year.....	19	19	38	37	17	54						
Total, Permanent Full-Time Employment End-of Year.....	525	796	1,321	510	805	1,315	597	901	1,498	641	966	1,607
Staff Year Estimate	525	789	1,314	530	829	1,359	597	901	1,498	641	966	1,607

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SIZE, COMPOSITION AND COST OF MOTOR VEHICLE FLEET

The FNS fleet consists largely of sedans. Retailer Investigations Branch officials employ the majority of these vehicles in field audits as part of the Supplemental Nutrition Assistance Program (SNAP). Additionally, and to a much lesser extent, vehicles are assigned to FNS regional offices and used for business travel among their field offices and remote worksites. Lastly, FNS uses two 12-passenger vans and one 9-passenger ADA van at Headquarters in Alexandria, Virginia for all-day shuttle service to the USDA agencies in downtown Washington, D.C.

Changes to the motor vehicle fleet. There have been significant decreases in the size and mission of the FNS national fleet. The decreases are due to employees that telework and more efficient use of vehicles in the fleet. Nine vehicles were returned to GSA during FY 2013.

Replacement of passenger motor vehicles. Two GSA vehicles were replaced during FY 2013 due to age/mileage (more than three years old/more than 75,000 miles).

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

Size, Composition, and Annual Operating Costs of Vehicle Fleet

Fiscal Year	Number of Vehicles by Type*							Annual Operating Costs (\$ in 000)	
	Sedans and Station Wagons	Light Trucks, SUVs and Vans		Medium Duty Vehicles	Ambulances	Buses	Heavy Duty Vehicles		Total Number of Vehicles
		4X2	4X4						
FY 2012	25	4	8	4	-	-	-	41	\$167
Change	-5	+4	-6	-	-	-	-	-7	-
FY 2013	20	8	2	4	-	-	-	34	167
Change	+1	-	-	-	-	-	-	+1	+16
FY2014	21	8	2	4	-	-	-	35	183
Change	-	-	-	-	-	-	-	-	-
FY2015	21	8	2	4	-	-	-	35	183

NOTES:

- * These numbers include vehicles that are owned by the agency, leased from commercial sources, and leased from GSA.
- * Operating costs, along with inventory count reductions, did not decline in FY 2013 due to rising fuel and repair costs as well as costs associated with expanding number of ADA compliant vehicles.
- * These numbers revise data in the FAST System.

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CHILD NUTRITION PROGRAMS

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

Child Nutrition Programs (including transfers of funds):

For necessary expenses to carry out the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except sections 17 and 21; [~~\$19,287,957,000~~] \$20,537,000,000, to remain available through September 30, [~~2015~~]2016, of which such sums as are made available under section 14222(b)(1) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246), as amended by this Act, shall be merged with and available for the same time period and purposes as provided herein: *Provided*, That of the total amount available, \$17,004,000 shall be available to carry out section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.): *Provided further*, That of the total amount available, [~~\$25,000,000~~] \$35,000,000 shall be available to provide competitive grants to State agencies for subgrants to local educational agencies and schools to purchase the equipment needed to serve healthier meals, improve food safety, and to help support the establishment, maintenance, or expansion of the school breakfast program: *Provided further*, That of the total amount available, \$30,000,000 shall remain available until expended to carry out section 749(g) of the Agriculture Appropriations Act of 2010 (Public Law 111–80).

The first change provides \$30 million to continue the Summer EBT demonstration projects originally authorized by Section 749 of the FY 2010 Appropriations Act.

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Lead-Off Tabular Statement

Budget Estimate, 2015.....	\$20,537,000,000
2014 Estimate	19,287,957,000
Change in Appropriation	<u>+1,249,043,000</u>

Summary of Increases and Decreases
(Dollars in thousands)

	2012 Actual	2013 Change	2014 Change	2015 Change	2015 Estimate
Discretionary Appropriations:					
School Meals Equipment Grants	0	\$35,000	-\$10,000	\$10,000	\$35,000
Equipment Grant Rescission	0	(25,000)	0	0	0
Summer EBT Demonstration	0	0	0	30,000	30,000
All Other Discretionary Activities	\$17,516	-1,012	500	0	17,004
Subtotal, Discretionary	17,516	33,988	-9,500	40,000	82,004
Mandatory Appropriations:					
Meal Reimbursement Payments to States					
National School Lunch Program	10,169,615	1,109,006	-702,355	792,813	11,369,079
School Breakfast Program	3,313,848	345,499	69,232	176,388	3,904,967
Child and Adult Care Food Program	2,831,543	118,001	130,371	69,785	3,149,700
Summer Food Service Program	401,998	32,726	26,860	31,154	492,738
Special Milk Program	13,240	-717	-1,915	-258	10,350
State Administrative Expenses	279,016	10,668	-42,502	16,834	264,016
Commodity Reimbursement/Procurement	1,075,727	105,924	-102,983	121,129	1,199,797
Mandatory Other Program Costs	48,673	10,165	4,313	1,198	64,349
Subtotal, Mandatory	18,133,660	1,731,272	-618,979	1,209,043	20,454,996
Total Appropriation or Change	18,151,176	1,765,260	-628,479	1,249,043	20,537,000

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

Project	2012 Actual	SY	2013 Actual	SY	2014 Estimate	SY	Inc. or Dec.		2015 Estimate	SY
Meal Reimbursement Payments to States										
National School Lunch Program	\$10,169,615		\$11,278,621		\$10,576,266		\$792,813		\$11,369,079	
School Breakfast Program	3,313,848		3,659,347		3,728,579		176,388		3,904,967	
Child and Adult Care Food Program	2,831,543		2,949,544		3,079,915		69,785		3,149,700	
Summer Food Service Program	401,998		434,724		461,584		31,154		492,738	
Special Milk Program	13,240		12,523		10,608		-258		10,350	
Subtotal, Meal Reimbursements	16,730,244		18,334,759		17,856,952		1,069,882	(1)	18,926,834	
State Administrative Expenses	279,016		289,684		247,182		16,834	(2)	264,016	
Commodity Reimbursement/Procurement	1,075,727		1,181,651		1,078,668		121,129	(3)	1,199,797	
Mandatory Other Program Costs:										
Food Safety Education	2,510		2,575		2,649		69		2,718	
Coordinated Review	9,763		10,000		10,000		0		10,000	
Computer Support	9,525		10,746		11,002		248		11,250	
Training and Tech. Assist.	3,537		7,675		8,016		121		8,137	
CN Studies	19,000		19,323		19,697		382		20,079	
CN Payment Accuracy	2,338		6,436		9,617		287		9,904	
Farm to School Team	2,000		2,083		2,170		91		2,261	
Subtotal, Mandatory Other Program Costs	48,673		58,838		63,151		1,198	(4)	64,349	
Subtotal, Mandatory	18,133,660		19,864,932		19,245,953		1,209,043		20,454,996	
Discretionary Activities:										
Team Nutrition/HUSSC/CMS	16,516		16,504		17,004		0		17,004	
Summer EBT Demonstration	0		0		0		30,000		30,000	
School Meals Equipment Grants	0		35,000		25,000		10,000		35,000	
School Breakfast Expansion Grants	1,000		0		0		0		0	
Subtotal, Discretionary Activities	17,516		51,504		42,004		40,000	(5)	82,004	
Total Appropriation	18,151,176		19,916,436		19,287,957		1,249,043		20,537,000	
Sequester	0		-2,510		-4,156		4,156		0	
Rescission 1/	0		-25,718		0		0		0	
Total Adjusted Appropriation	18,151,176	163	19,888,208	185	19,283,801	185	1,253,199		20,537,000	185

1/ Appropriated funds are adjusted to reflect rescissions pursuant to P.L. 113-6.

FOOD AND NUTRITION SERVICE

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

Project	2012 Actual	SY	2013 Actual	SY	2014 Estimate	SY	Inc. or Dec.	2015 Estimate	SY
Meal Reimbursement Payments to States									
National School Lunch Program	\$10,426,831		\$11,052,821		\$11,481,904		\$193,096	\$11,675,000	
School Breakfast Program	3,350,583		3,610,150		3,713,453		191,514	3,904,967	
Child and Adult Care Food Program	2,846,404		3,034,361		3,050,636		99,064	3,149,700	
Summer Food Service Program	399,860		437,006		460,739		31,999	492,738	
Special Milk Program	12,629		10,760		10,568		-218	10,350	
Subtotal, Meal Reimbursements	17,036,307		18,145,098		18,717,300		515,455	19,232,755	
State Administrative Expenses	275,954		292,235		249,702		14,314	264,016	
Commodity Reimbursement/Procurement	998,619		1,165,862		1,067,138		132,659	1,199,797	
Mandatory Other Program Costs:									
Food Safety Education	2,158		3,081		3,093		-375	2,718	
Coordinated Review	8,562		9,010		11,622		-1,622	10,000	
Computer Support	9,259		12,533		10,430		820	11,250	
Training and Tech. Assist.	3,747		4,709		10,770		-2,633	8,137	
CN Studies	11,904		21,477		33,217		-13,138	20,079	
CN Payment Accuracy	2,201		2,557		12,904		-3,000	9,904	
Farm to School Team	295		2,653		3,299		-1,038	2,261	
Subtotal, Mandatory Other Program Costs	38,126		56,020		85,335		-20,986	64,349	
Subtotal, Mandatory	18,349,006		19,659,215		20,119,475		641,442	20,760,917	
Discretionary Activities:									
Team Nutrition/HUSSC/CMS	14,599		14,802		20,595		-3,591	17,004	
Summer EBT Demonstration	0		0		0		30,000	30,000	
School Meals Equipment Grants	0		0		34,729		271	35,000	
School Breakfast Expansion Grants	0		1,000		0		0	0	
Subtotal, Discretionary	14,599		15,802		55,324		26,680	82,004	
Total Obligations	18,363,605	163	19,675,017	185	20,174,799	185	668,122	20,842,921	185
Prior Year Recoveries/Collections	-452,324		-306,177		0		0	0	
Unobligated Balance Start-of-Year	-541,919		-719,763		-1,192,763		886,842	-305,921	
Unobligated Balance End-of-Year	715,937		1,192,763		305,921		-305,921	0	
Unobligated Balance Expiring	65,877		74,596		0		0	0	
Total Appropriation	18,151,176	163	19,916,436	185	19,287,957	185	1,249,043	20,537,000	185
Sequester	0		-2,510		-4,156		4,156	0	
Rescission 1/	0		-25,718		0		0	0	
Total Adjusted Appropriation	18,151,176	163	19,888,208	185	19,283,801	185	1,253,199	20,537,000	185

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

1/ Appropriated funds are adjusted to reflect rescissions pursuant to P.L. 113-6.

FOOD AND NUTRITION SERVICE

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

Direct Appropriation and Transfer Activities	2012 Actual	SY	2013 Actual	SY	2014 Estimate	SY	Inc. or Dec.	2015 Estimate	SY
Information Clearinghouse	\$250		\$250		\$250		0	\$250	
Food Service Management Institute	5,000		5,000		5,000		0	5,000	
Fresh Fruit and Vegetable Program (transfer) <u>1/</u>	137,000		174,000		159,000		\$1,000	160,000	
Technical Assistance Program Integrity	4,000		4,000		4,000		0	4,000	
Grants to States (Administrative Review)	4,000		4,000		4,000		0	4,000	
Direct Certification Performance Bonuses	4,000		4,000		4,000		-4,000	0	
Professional Standards - Foodservice	1,000		1,000		1,000		0	1,000	
Farm to School Grants	0		5,000		5,000		0	5,000	
FFVP Evaluation	0		0		(5,000)		(5,000)	0	
Child Hunger Research	0		10,000		0		0	0	
Hunger Demonstration Projects	0		40,000		0		0	0	
Total Direct Appropriations/Transfers	155,250	35	247,250	40	182,250	40	-3,000	179,250	40

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

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

The NSLA specified that:

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

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

- In FY 2012, the appropriations bill specified that \$133 million of the July 1, 2012, transfer would not be available until October 1, 2012.
- In FY 2013, the appropriations bill specified that \$117 million of the July 1, 2013, transfer would not be available until October 1, 2013.
- In FY 2014, the appropriations bill specified that \$119 million of the July 1, 2014, transfer would not be available until October 1, 2014.

The FY 2015 proposal would have \$122 million of the July 1, 2015, transfer not be made available until October 1, 2015.

The amounts displayed in the table above incorporate all delays in the transfer amount, including the proposed delay from the July 1, 2015, transfer.

FOOD AND NUTRITION SERVICE

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

Direct Appropriation and Transfer Activities	2012		2013		2014		Inc. or Dec.	2015	
	Actual	SY	Actual	SY	Estimate	SY		Estimate	SY
Information Clearinghouse	\$249		\$250		\$250		0	\$250	
Food Service Management Institute	5,000		5,000		5,000		0	5,000	
Fresh Fruit and Vegetable Program (transfer)	157,259		165,115		205,243		-\$45,243	160,000	
Technical Assistance Program Integrity	2,881		3,737		8,122		-4,122	4,000	
Grants to States (Administrative Review)	3,431		713		9,928		-5,928	4,000	
Summer Demonstration Projects	17,994		29,632		4,789		-4,789	0	
School Lunch Equipment Grants	0		0		1,447		-1,447	0	
CACFP Health and Nutrition Grants	0		0		281		-281	0	
Direct Certification Technical Assistance	9,781		3,266		8,705		-8,705	0	
Direct Certification Performance Bonuses	4,000		5,160		4,000		-4,000	0	
Medicaid Direct Certification Evaluation	4,392		21		587		-587	0	
Alternative Meal Claiming Evaluation	47		30		180		-180	0	
CACFP Nutrition Technical Assistance	26		1,121		8,854		-8,854	0	
CACFP Nutrition and Wellness Study	0		0		5,000		-5,000	0	
Professional Standards - Foodservice	222		391		7,387		-6,387	1,000	
Indirect Cost Study	36		36		151		-151	0	
Farm to School Grants	0		4,744		5,256		-256	5,000	
FFVP Evaluation	0		0		(5,000)		(-5,000)	0	
Child Hunger Research	0		0		10,000		-10,000	0	
Hunger Demonstration Projects	0		0		40,000		-40,000	0	
SFSP Rural Transportation Grants	0		0		1,082		-1,082	0	
Evaluation CACFP	0		0		8		-8	0	
Direct Certification and Verification	0		0		1,784		-1,784	0	
Evaluation of Effectiveness (Direct Cert.)	0		0		495		-495	0	
SFSP Evaluation	0		0		9		-9	0	
CACFP Audit Funds - X year	390		1,022		12,337		-12,337	0	
Total Obligations	205,708	35	220,238	40	340,895	40	-161,645	179,250	40
Unobligated Balance Start of Year	-149,054		-153,756		-161,725		158,645	-3,080	
Collections/Recoveries	-15,066		19,043		0		0	0	
Unobligated Balance Expiring	1		0		0		0	0	
Unobligated Balance End of Year	113,661		161,725		3,080		0	3,080	
Total Direct Appropriations/Transfers	155,250	35	247,250	40	182,250	40	-3,000	179,250	40

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

FOOD AND NUTRITION SERVICE

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

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

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

Justification of Increases and Decreases

The FY 2015 request for the Child Nutrition Programs reflects a net increase of \$1,249,043,000 and includes no increase in staff years (\$19,287,957,000 and 185 staff years enacted in 2014).

Base funds for Child Nutrition Programs will continue to fund school meals and child and adult care feeding programs that are correlated with a long term improvement in the nutritional content of American diets. The National School Lunch Program gives children the nutrition they need to develop and grow. The vast majority of children eating school lunches and breakfasts are receiving meals that meet or exceed the dietary standards for fat, cholesterol, protein, vitamins A and C, calcium, and iron.¹

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

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

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Since October 2012, school lunches that meet the new school meal pattern standards have been entitled to an additional 6 cent reimbursement. Preliminary data shows that, during the first few months of school year 2013-14, over 90 percent of meals are earning the additional 6 cent payment. This means that the great majority of students who participate in NSLP are being served lunches that meet the program’s science based standards for whole grains, fruits and vegetables, and lowfat milk, with limits on the amounts of saturated and trans fats, and calories. The percentage of schools serving breakfasts and lunches that meet the meal pattern standards has been steadily increasing over time.

The funding change is requested in the following items:

- (1) An increase of \$1,069,882,000 for meal reimbursements (\$17,856,952,000 enacted in FY 2014).

School Lunch Program: Program costs are expected to increase from FY 2014 to FY 2015. The request for budget authority increases by \$792,813,000 for an appropriation level of \$11,369,079,000 in FY 2015 (\$10,576,266,000 is available for FY 2014). Meal reimbursement funds are available for two fiscal years and the 7.5 percent increase in budget authority results from four factors:

- a slight increase in average daily participation equal to about 200,000 additional participants per serving day;
- a very slight increase in the percentage of meals served at the free rate expected to be equal to about one-tenth of a percentage point;
- increases in reimbursement rates due to an expected 1.8 percent increase in food inflation coupled with an increase in the number of schools receiving the additional 6 cent payment; and
- a reduction in the amount of funding expected to be available as carryover from FY 2014 into FY 2015.

In FY 2015, student participation in the NSLP is expected to continue at approximately 60 percent of enrollment in participating schools. Free lunches are estimated at 63.5 percent of all lunches served in FY 2015, which is slightly higher than the proportion of lunches estimated to be served free in FY 2014 (63.4 percent). This request also reflects the cost of the six-cent performance-based reimbursement rate increase authorized in Section 201 of the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296), and of snacks served under the after school NSLP snack program created by the William F. Goodling Child Nutrition Reauthorization Act of 1998 (P.L. 105-336).

Other information: Income Eligibility

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

Poverty Level	2012-2013 School Year	2013-2014 School Year
100 Percent	\$23,050	\$23,550
130 Percent	29,965	30,615
185 Percent	42,643	43,568

FOOD AND NUTRITION SERVICE

PROGRAM INDICATORS					
SCHOOL LUNCH PROGRAM PROGRAM PERFORMANCE DATA	2012 ACTUAL	2013 ACTUAL	2014 ESTIMATE	2015 ESTIMATE	CHANGE
Lunches Served (millions):					
Above 185% of poverty	1,657.3	1,503.0	1,442.5	1,468.7	26.2
130% - 185% of poverty	449.0	423.9	409.2	385.5	-23.7
Below 130% of poverty	3,108.5	3,156.3	3,206.6	3,224.8	18.2
TOTAL, Lunches	5,214.8	5,083.2	5,058.3	5,079.0	20.7
Average Daily Participation (millions):	31.6	30.6	30.2	30.4	0.2
Lunch Rate per meal (blended) (cents):					
Above 185% of poverty	26.2	27.2	34.1	34.2	0.1
130% - 185% of poverty	238.5	247.2	259.9	264.2	4.3
Below 130% of poverty	278.7	287.4	300.0	304.4	4.4
Snacks Served (millions):					
Above 185% of poverty	8.7	8.2	8.4	9.6	1.2
130% - 185% of poverty	0.8	0.8	0.9	1.0	0.1
Below 130% of poverty	220.9	213.4	218.2	220.3	2.1
TOTAL, Snacks	230.4	222.4	227.5	230.9	3.4
Snack subsidy per meal (blended)(cents):					
Above 185% of poverty	7.0	7.0	7.0	7.0	0.0
130% - 185% of poverty	38.2	39.2	40.0	40.2	0.2
Below 130% of poverty	76.4	78.4	80.2	81.4	1.2
TOTAL, Lunches and Snacks	5,445.2	5,305.6	5,285.8	5,309.9	24.1
TOTAL, Meal Reimbursement (millions)	\$10,426.8	\$11,052.8	\$11,481.9	\$11,675.0	\$193.1

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

School Breakfast Program: This program will require an increase of \$176,388,000 (about 4.7 percent) for an appropriation of \$3,904,967,000 in FY 2015 (\$3,728,579,000 enacted in FY 2014). The current estimate projects an increase of 68.6 million breakfasts in FY 2015 (3.0 percent) above the current estimate for FY 2014. This includes a projected increase of about 61.7 million breakfasts in the free category as well as additional increases in the number of paid breakfasts. The estimate of total meals projected to be served in FY 2015 is 2.353 billion.

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

FOOD AND NUTRITION SERVICE

PROGRAM INDICATORS					
SCHOOL BREAKFAST PROGRAM PROGRAM PERFORMANCE DATA	2012 ACTUAL	2013 ACTUAL	2014 ESTIMATE	2015 ESTIMATE	CHANGE
Meals Served (millions):					
Above 185% of poverty	338.8	336.3	335.8	345.9	10.1
Reduce Price, Regular	15.9	13.7	10.7	8.7	-2.0
Reduce Price, Severe Need	155.7	155.0	155.5	154.3	-1.2
130%-185% of poverty, Total	171.6	168.7	166.2	163.0	-3.2
Free, Regular	96.1	89.0	89.6	91.1	1.5
Free, Severe Need	1,538.6	1,618.7	1,693.1	1,753.3	60.2
Below 130% of poverty, Total	1,634.7	1,707.7	1,782.7	1,844.4	61.7
TOTAL, Meals	2,145.1	2,212.7	2,284.7	2,353.3	68.6
Average Daily participation (millions)	12.9	13.1	13.6	14.0	0.4
Average Subsidy Per Meal (cents):					
Paid	27.1	27.2	28.1	28.1	0.0
Reduced Price:					
Regular	121.8	125.7	128.7	131.7	3.0
Severe Need	150.9	155.8	159.8	163.7	3.9
Free:					
Regular	151.9	155.8	158.8	161.8	3.0
Severe Need	180.8	185.7	189.7	193.5	3.8
PROGRAM TOTAL (millions)	\$3,350.6	\$3,610.2	\$3,713.5	\$3,905.0	\$191.5

Child and Adult Care Food Program (CACFP): This program will require an increase of \$69,785,000 (about 2.3 percent) for an appropriation of \$3,149,700,000 in FY 2015 (\$3,079,915,000 enacted in FY 2014). The current estimate projects 2.02 billion meals served in childcare centers, family day care homes and adult care centers in 2015. This represents an increase of 31.2 million meals (or 1.6 percent) above the FY 2014 estimate of 2.0 billion meals.

The increase is mainly the result of an anticipated 2.3 percent increase in meals provided in centers, with growth in both free meals (17.4 million increase, or 1.74 percent) and paid meals (11.2 million increase over FY 2014, or a 3.0 percent increase). Tier 1 (low-income) homes continue a modest increase, with a 0.25 percent growth in meals (1.2 million more than in FY 2014), while meals reimbursed at Tier 2 (upper income) homes continue to decline (down 2.5 million meals, a reduction of 4 percent from FY 2014). The need for additional funds is also due to changes in the reimbursement rates, which are adjusted by the CPI for Food Away from Home (for centers) and for Food at Home (for homes). Both the CPI for Food at Home and the CPI for Food Away from Home increase by about 1.8 percent from FY 2014 to FY 2015.

FOOD AND NUTRITION SERVICE

PROGRAM INDICATORS					
CHILD AND ADULT CARE FOOD PROGRAM PROGRAM PERFORMANCE DATA	2012 ACTUAL	2013 ACTUAL	2014 ESTIMATE	2015 ESTIMATE	CHANGE
Meals Served (millions):					
Centers:					
Above 185% of poverty	357.1	358.9	365.3	376.5	11.2
130% - 185% of poverty	79.1	76.7	77.4	81.3	3.9
Below 130% of poverty	941.7	970.9	1,002.5	1,019.9	17.4
TOTAL, Centers	1,377.9	1,406.5	1,445.2	1,477.7	32.5
Family Day Care Homes:					
Tier 1 (Low Income)	494.3	484.2	483.0	484.2	1.2
Tier 2 (Upper Income)	76.0	67.5	62.8	60.3	-2.5
TOTAL, Family Day Care Homes:	570.3	551.7	545.8	544.5	-1.3
Total Child & Adult Care Program Meals:	1,948.2	1,958.2	1,991.0	2,022.2	31.2
Average Subsidy per meal (cents): <u>1</u>/					
Centers:					
Above 185% of poverty	18.6	19.0	19.4	19.5	0.1
130% - 185% of poverty	130.3	134.8	137.4	140.0	2.6
Below 130% of poverty	174.0	181.5	185.4	188.4	3.0
Family Day Care Homes					
Tier 1 (Low Income)	147.9	151.2	152.6	155.5	2.9
Tier 2 (Upper Income)	68.8	70.2	71.1	72.3	1.2
Funding: (millions)					
Meal Reimbursement	\$2,592.9	\$2,771.1	\$2,885.7	\$2,980.3	\$94.6
Sponsor Admin	121.0	120.8	121.4	123.9	2.5
Audits	38.2	39.4	41.2	43.1	1.9
Training & Tech. Assistance	2.3	2.4	2.4	2.4	0.0
TOTAL (millions)	\$2,846.4	\$3,034.4	\$3,050.7	\$3,149.7	\$99.0

Summer Food Service Program: This program will require an increase of \$31,154,000 (about 6.7 percent) for an appropriation of \$492,738,000 in FY 2015 (\$461,584,000 enacted in FY 2014). The current estimate projects 166.2 million meals, which is an increase of approximately 7.9 million meals (or 5.0 percent) above the estimate for FY 2014. In addition, the reimbursement rates will increase because of projected changes in the CPI for Food Away from Home.

PROGRAM INDICATORS					
SUMMER FOOD SERVICE PROGRAM PROGRAM PERFORMANCE DATA	2012 ACTUAL	2013 ACTUAL	2014 ESTIMATE	2015 ESTIMATE	CHANGE
Meals Served (millions):					
Summer Food Program	143.8	150.7	158.3	166.2	7.9
Average Subsidy Per Meal (cents):					
Lunch	306.0	314.0	321.0	327.0	6.0
Breakfast	176.0	180.0	184.0	187.0	3.0
Supplements	71.0	73.0	74.0	76.0	2.0
PROGRAM TOTAL (millions)	\$399.9	\$437.0	\$460.7	\$492.7	\$32.0

Special Milk Program: This program will decrease by \$258,000 (2.4 percent) for an appropriation of \$10,350,000 in FY 2015 (\$10,608,000 enacted in FY 2014). The reduction is mainly due to a projected decrease in the number of half pints served from FY 2014 to FY 2015 of 1.1 million (2.1 percent). In addition

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the free reimbursement rate also is projected to decline slightly. 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	2012 ACTUAL	2013 ACTUAL	2014 ESTIMATE	2015 ESTIMATE	CHANGE
Half Pints Served (millions):					
Paid (Above 130% of poverty)	55.6	50.0	47.5	46.5	-1.0
Free (130% of poverty or below)	5.0	4.7	4.4	4.3	-0.1
TOTAL, Half pints	60.6	54.7	51.9	50.8	-1.1
Reimbursement Rates (cents):					
Paid	20.2	19.5	20.3	20.3	0.0
Free	21.7	20.3	21.6	21.4	-0.1
PROGRAM TOTAL (millions)	\$12.6	\$10.8	\$10.6	\$10.4	-\$0.2

- (2) An increase of \$16,834,000 for State Administrative Expenses (\$247,182,000 enacted in FY 2014).

An appropriation of \$264,016,000 will be needed in FY 2015 for State Administrative Expenses. The base amount of State Administrative Expenses available for allocation to States is equal to at least 1.5 percent of Federal cash program payments for the National School Lunch (excluding snacks), School Breakfast, CACFP (including snacks) and Special Milk Programs in the second previous fiscal year (i.e., FY 2013 for FY 2015). The request for funding increases is due to a rise in the estimated program obligations for FY 2013, which is the base year for calculating the availability of funds for this program in FY 2015. State Administrative Expense funds are used for State employee salaries, benefits, support services and office equipment.

- (3) An increase of \$121,129,000 for Commodity Reimbursement/Procurement (\$1,078,668,000 enacted in FY 2014).

An appropriation of \$1,199,797,000 will be needed to fund commodity reimbursement and procurement costs in FY 2015. The increase from 2014 is due to changes in meals served coupled with changes in the commodity rate per meal as increased by the Producer Price Index (PPI) for commodities. Based on changes in the PPI, the per meal commodity rate will increase by about one-half of one cent from \$0.2325 per meal in school year 2013-14 to \$0.2375 per meal in school year 2014-15. In addition, the estimate is based on FNS receiving \$465 million in support for entitlement commodities from Section 32 or Commodity Credit Corporation funds. Funding is provided for commodity purchases used in the School Lunch, Child and Adult Care Food, and the Summer Food Service Programs, including the costs of procuring those commodities.

Section 6(e)(1) of the Richard B. Russell National School Lunch Act requires that not less than 12 percent of the total assistance provided under Sections 4, 6, and 11 of the Act be provided in commodities. As cash reimbursements rise due to the additional 6 cent payments in the NSLP, additional commodity purchases may be required to meet the 12 percent requirement.

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COMMODITY COST DATA (\$ MILLIONS)					
COMMODITY PURCHASES:	2012 ACTUAL	2013 ACTUAL	2014 ESTIMATE	2015 ESTIMATE	CHANGE
CN Appropriation:					
AMS/CCC Commodities	\$465.0	\$465.0	\$465.0	\$465.0	0.0
Section 6 Commodities/Cash/Procurement Costs	698.5	792.4	730.7	750.6	-\$61.7
12% Commodity Floor Requirement	184.4	249.3	206.0	313.1	107.1
SCHOOL LUNCH TOTAL	1,347.9	1,506.7	1,401.7	1,528.7	127.0
Child & Adult Care Food Program:					
Commodities/Cash	114.4	122.8	128.9	134.6	5.7
Summer Food Service Program:					
Commodities	1.3	1.4	1.5	1.5	0.0
TOTAL COMMODITY COSTS	1,463.6	1,630.9	1,532.1	1,664.8	132.7
APPROPRIATION	\$1,075.7	\$1,181.7	\$1,078.7	\$1,199.8	\$121.1

- (4) An increase of \$1,198,000 in Mandatory Other Program Costs (\$63,151,000 enacted in FY 2014) as shown below.

Changes in Mandatory Other Program Costs (Thousands)

Project	2014 Enacted Estimate	Non-Pay Cost Change	Pay Cost Change	2015 Estimate Estimate
Mandatory Other Program Costs:				
Food Safety Education	\$2,649	\$60	\$9	\$2,718
Coordinated Review	10,000	0	0	10,000
Computer Support	11,002	224	24	11,250
Training and Tech. Assist.	8,016	79	42	8,137
CN Studies	19,697	377	5	20,079
CN Payment Accuracy	9,617	172	115	9,904
Farm to School Team	2,170	81	10	2,261
Total Mandatory Other Program Costs	63,151	993	205	64,349

Explanation of Change:

- a. An increase of \$69,000 for Food Safety Education (\$2,649,000 enacted in FY 2014).

Food safety education funds reinforce and expand FNS' efforts to provide Child Nutrition Programs operators with continuous, effective training and technical assistance in food safety and food defense. FNS develops materials, ensures their delivery at all appropriate levels, makes training available at all possible levels, and facilitates the implementation of food safety requirements into the operators' food service operations. This increase provides additional resources to help ensure the safety of foods served to school children, including increasing training for State and local staff. The change includes \$9,000 for pay costs.

- b. No change for the Coordinated Review Program (\$10,000,000 enacted in FY 2014).

These funds are used to provide training and technical assistance for State agencies responsible for reviewing local school food authorities that participate in the school meal programs. The Coordinated Review Effort (CRE) helps ensure that school children are offered meals that meet regulatory standards and that the financial claims associated with those meals are appropriate. CRE reviews have the following goals: (1) determine if free and reduced-price meal benefits are provided in accordance with the regulations; (2) determine if proper meal counts are being taken at the point of service, and (3) determine if complete reimbursable meals are being offered.

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- c. An increase of \$248,000 for Computer Support (\$11,002,000 enacted in FY 2014).

This line supports the essential systems needed to administer the Child Nutrition Programs, including the federal staff required to operate and maintain those systems. These systems include the Web-Based Supply Chain Management System (WBSCM), which is used by State agencies and school food authorities to order commodities for the NSLP, and computer systems that support the activities of federal staff. This increase would provide continued maintenance for these vital systems. The change includes \$24,000 for pay costs.

- d. An increase of \$121,000 for Training and Technical Assistance (\$8,016,000 enacted in FY 2014).

Effective and continual training and technical assistance are necessary to help States properly administer the Child Nutrition programs, including, but not limited to, the National School Lunch, School Breakfast, Child and Adult Care Food Programs, and to ensure States are equipped to identify and prevent fraud and abuse. This is especially critical because of the changes made to these vital programs by the Healthy, Hunger-Free Kids Act of 2010, which reauthorized these programs and instituted new requirements on State agencies. This increase reflects an increase in federal activity associated with this project, including implementation of the new requirements. The change also includes \$42,000 for pay costs.

- e. An increase of \$382,000 for CN Studies (\$19,697,000 enacted in FY 2014).

FNS conducts a variety of studies, evaluations, and related activities that respond to the needs of policy makers and managers and help ensure that nutrition assistance programs achieve their goals effectively. This line supports the critical evaluations needed for the Child Nutrition Programs, including the federal staff needed to oversee this vital work. The increase ensures adequate support for these activities. The change includes \$5,000 for pay costs.

- f. An increase of \$287,000 for CN Payment Accuracy (\$9,617,000 enacted in FY 2014).

Robust Federal oversight, monitoring and technical assistance are essential to the identification, prevention and resolution of erroneous payments. This increase also supports FNS' efforts to reduce erroneous payments through training, technical assistance and oversight. The change includes \$115,000 for pay costs.

- g. An increase of \$91,000 for the Farm to School Team (\$2,170,000 enacted in FY 2014).

The Farm to School initiative is an effort to connect schools (K - 12) with regional or local farms in order to serve healthy meals using locally produced foods. USDA recognizes the growing interest among school districts and communities to incorporate regionally and locally produced farm foods into the school nutrition programs. The Farm to School Team supports local and regional food systems by facilitating alliances between schools and their local food producers. Working with local and state authorities, school districts, farmers, and community partners, the Farm to School Team provides guidance to and develops mechanisms for assisting schools in accessing local markets, enabling food producers to effectively service their local schools, and facilitating communication between interested stakeholders. The change includes \$10,000 for pay costs.

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(5) An increase of \$40,000,000 in Discretionary Other Program Costs (\$42,004,000 enacted in FY 2014).

Changes in Discretionary Activities (Thousands)

Project	2014 Estimate	Non-Pay Cost Change	Pay Cost Change	2015 Estimate
Summer EBT Demonstration	0	\$30,000	0	\$30,000
School Meals Equipment Grants	\$25,000	10,000	0	35,000
Team Nutrition/HUSSC	17,004	-23	\$23	17,004
Total Discretionary Other Program Costs	42,004	39,977	23	82,004

Explanation of Change:

a. An increase of \$30,000,000 for Summer EBT Demonstration.

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

Based on these encouraging results, FNS is proposing to continue these demonstration projects in FY 2015 by either serving the same areas as were included in the current demonstrations or by conducting the demonstration in one or two small States on a statewide basis. The information gleaned from State-wide implementation in one or two States would provide important information on the feasibility of expansion of the pilots – in particular, whether the WIC EBT model or the SNAP EBT model has a higher possibility of success in implementation.

b. An increase of \$10,000,000 for the School Meals Equipment Grants (\$25,000,000 enacted for 2014).

In FY 2009, the American Recovery and Reinvestment Act (ARRA) provided a one-time appropriation of \$100 million to carry out competitive grants at the local level for National School Lunch Program equipment assistance. The funds were provided for grants to replace outdated equipment with new, energy efficient appliances such as refrigerators, ovens, and other food service related equipment. Nearly 25,000 school districts applied for equipment grants requesting over \$640 million in assistance. Subsequent appropriations acts have provided an additional \$60 million for equipment grants - \$25 million in FYs 2010 and 2014 and \$10 million in FY 2013. Grants have been targeted toward States with the most unmet need and the highest rates of free and reduced price lunch participation. States competitively award the funds to school districts to purchase needed equipment, with priority given to districts serving a high percentage of low-income children. Unfortunately, the \$160 million provided over the last several years is still

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insufficient to meet all of the equipment needs in schools, particularly as schools have been implementing the meal patterns required by the Healthy, Hunger Free Kids Act of 2010.

A recent survey of school food service personnel conducted by the Pew Charitable Trusts and the Robert Wood Johnson Foundation reported that 88 percent of school food authorities (SFAs) need one or more pieces of equipment to help them meet the current lunch standards and only 42 percent report having a budget to help them meet their equipment needs. In addition, more than half of all SFAs need infrastructure at one or more schools in order to continue to meet the child nutrition meal requirements.² The \$35 million requested in this budget will provide needed funding for SFAs to upgrade equipment to help support nutritious meals, better ensure food safety, improve energy efficiency in the cafeteria, and expand participation in school nutrition programs.

- c. No change for Team Nutrition and the Healthier US School Challenge (HUSCC) (\$17,004,000 enacted in FY 2014).

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

The Healthier US School Challenge (HUSCC) recognizes schools that have met rigorous standards for nutritious food and beverage choices, nutrition education, physical education and opportunities for physical activity for students. Each HUSCC school receives a monetary incentive award.

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

²Urahn, Susan, Michael Caudell-Feagan, Kathryn Thomas, Jasmine Hall-Ratliff, et al. *Serving Healthy School Meals*, Pew Charitable Trusts and the Robert Wood Johnson Foundation, December 2013.

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Geographic Breakdown of Obligations and Staff Years (SY)

(Dollars in thousands)

Child Nutrition Programs--Federal Salaries & Expenses								
	<u>2012 Actual</u>		<u>2013 Actual</u>		<u>2014 Estimated</u>		<u>2015 Estimated</u>	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Arizona	\$113	1	\$128	1	\$128	1	\$129	1
California	1,649	15	1,863	17	1,866	17	1,885	17
Colorado	1,519	13	1,716	15	1,719	15	1,737	15
District of Columbia	1	0	1	0	1	0	1	0
Florida	250	2	282	2	283	2	285	2
Georgia	1,633	14	1,845	16	1,848	16	1,867	16
Illinois	1,493	18	1,687	20	1,690	20	1,707	20
Iowa	95	1	107	1	107	1	108	1
Massachusetts	1,794	17	2,027	19	2,030	19	2,051	19
Michigan	0	1	0	1	0	1	0	1
Missouri	75	1	85	1	85	1	86	1
New Jersey	488	17	552	19	553	19	558	19
New York	76	1	86	1	86	1	87	1
North Carolina	48	1	54	1	54	1	55	1
North Dakota	78	1	88	1	88	1	89	1
Oregon	191	2	216	2	216	2	218	2
South Carolina	104	1	117	1	118	1	119	1
Texas	1,716	14	1,939	16	1,942	16	1,962	16
Utah	90	1	102	1	102	1	102	1
Virginia	70,436	77	79,578	89	79,719	89	80,516	89
Wisconsin	5	0	6	0	6	0	6	0
Virgin Islands	4	0	5	0	5	0	5	0
TOTAL	81,858	198	92,484	224	92,646	224	93,574	224

Note: Totals may not add due to rounding.

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Child Nutrition Programs - Appropriation

Classification by Objects

(Dollars in Thousands)

	2012	2013	2014	2015
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Personnel Compensation:				
Washington D.C.....	\$6,874	\$7,910	\$7,973	\$8,053
Field.....	8,070	9,285	9,360	9,453
11.0 Total personnel compensation.....	14,944	17,195	17,333	17,506
12.0 Personnel benefits.....	4,719	5,430	5,474	5,529
Total personnel comp. and benefits.....	19,663	22,625	22,807	23,035
Other Objects:				
21.0 Travel and transportation of persons.....	973	1,270	1,294	1,316
22.0 Transportation of things.....	10	1	1	1
23.2 Rental payments to others.....	254	96	98	100
24.0 Printing and reproduction.....	117	2,410	2,456	2,498
25.0 Other Services.....	29,310	43,660	44,490	45,246
26.0 Supplies and materials.....	998,619	1,166,267	1,067,138	1,199,797
31.0 Equipment.....	171	502	512	521
32.0 Land and structures.....	0	0	0	0
41.0 Grants.....	17,314,488	18,438,186	19,036,003	19,570,407
Total, Other Objects.....	18,343,942	19,652,392	20,151,992	20,819,886
99.9 Total, new obligations.....	18,363,605	19,675,017	20,174,799	20,842,921

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Child Nutrition Programs - Permanent Appropriation

Classification by Objects

(Dollars in Thousands)

	2012	2013	2014	2015
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Personnel Compensation:				
Washington D.C.....	\$1,365	\$1,443	\$1,455	\$1,470
Field.....	1,603	1,695	1,708	1,725
11.0 Total personnel compensation.....	2,968	3,138	3,163	3,195
12.0 Personnel benefits.....	937	991	999	1,009
Total personnel comp. and benefits.....	3,905	4,129	4,162	4,204
Other Objects:				
21.0 Travel and transportation of persons.....	165	153	156	159
23.2 Rental payments to others.....	15	9	9	9
24.0 Printing and reproduction.....	1	1	1	1
25.0 Other Services.....	7,354	15,785	16,085	16,358
26.0 Supplies and materials.....	28	20	20	20
31.0 Equipment.....	0	12	12	12
41.0 Grants.....	194,240	200,129	320,450	158,487
Total, Other Objects.....	201,803	216,109	336,733	175,046
99.9 Total, new obligations.....	205,708	220,238	340,895	179,250

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CHILD NUTRITION PROGRAMS

STATUS OF PROGRAM

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

Program Mission

The Child Nutrition Programs improve the diets of children when they are away from home through nutritious meals and snacks based on the *Dietary Guidelines for Americans*. The National School Lunch and School Breakfast Programs (School Meal Programs) provide such benefits in public and private elementary, middle and secondary schools, and in residential child care institutions. The Special Milk Program provides fluid milk to any participating public or non-profit private school or child care institution that does not participate in other Federally subsidized meal programs. The Child and Adult Care Food Program provides food for the nutritional well-being of young children and adults in day care homes and non-residential centers, and for children and teenagers in at-risk afterschool care programs and in emergency shelters. The Summer Food Service Program provides nutritious meals to children in low-income areas and in residential camps during the summer months, and at other times when school is not in session. In participating elementary schools, the Fresh Fruit and Vegetable Program provides free fresh fruits and vegetables outside of the regular meal service to all students. These programs are administered in most States by the State education agency. Where State laws prohibit the State from disbursing funds to private schools and institutions, USDA administers the program directly through its Food and Nutrition Service Regional Offices.

REAUTHORIZATION

The Healthy, Hunger-Free Kids Act of 2010 (HHFKA, P.L. 111-296) was enacted on December 13, 2010. The HHFKA amended the Richard B. Russell National School Lunch Act (NSLA) and the Child Nutrition Act of 1966 (CNA) in the areas of program access, improved school meals, healthy school nutrition environments, and integrity. The HHFKA:

- Dramatically improves the nutrition environment in schools by providing USDA with the authority to set nutritional standards for all foods sold in schools, including in vending machines, the “a la carte” lunch lines, and school stores. Students who eat lunch or breakfast provided by their school are now seeing more fruits, vegetables, low-fat or fat-free milk varieties, and whole grains; less saturated fat, trans fat, and sodium; and proper portion sizes on their trays. Increases the federal reimbursement rate for school lunches by six cents for districts that comply with new federal nutrition standards. This is the first non-inflationary reimbursement rate increase in over 30 years. After one year of implementation, nearly 80 percent of school food authorities had submitted documentation to receive the 6 cents reimbursement.
- Expands at-risk afterschool meal availability to all States, through the Child and Adult Care Food Program.
- Requires schools to make information more readily available to parents regarding the nutritional quality of school meals, school meal program participation, food safety inspections, and local school wellness policies.
- Creates demonstration projects to increase the number of eligible children enrolled in the School Meal Programs by using Medicaid data to directly certify children who meet income requirements without requiring individual applications, connecting approximately 115,000 new students to the School Meal Programs.
- Enhances universal meal access for eligible children in high poverty communities by eliminating paper applications and using direct certification or census data to determine Federal reimbursement.
- Strengthens local school wellness policies by emphasizing ongoing implementation and assessment by an expanded team of collaborators at the school and community levels, and requires notification to the community on wellness policy content and implementation.
- Requires the establishment of professional standards for school food service administrators, including educational qualifications, competencies, and training necessary to successfully execute the responsibilities of State and local program operation.
- Improves the quality of foods supplied to schools by building on and further advancing the work USDA has been doing to improve the nutritional quality of the foods that schools get from USDA and use in their lunch and breakfast programs.

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- Establishes a Farm to School program in order to assist eligible entities, through grants and technical assistance, in implementing farm to school programs that improve access to local foods in eligible schools.

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

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

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

NATIONAL SCHOOL LUNCH PROGRAM

Program Mission

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

Section 4 of the NSLA authorizes a base reimbursement for all eligible meals served, including lunches to children whose family income is above 185 percent of the Federal poverty guidelines. In addition, Section 11 of the NSLA authorizes additional reimbursement for meals served to children from families with incomes at or below 130 percent of the Federal poverty level (these children qualify for free meals), and for those from families with incomes between 130 and 185 percent (they qualify for reduced price meals). For the 2013-2014 school year, a child from a family of four with an annual income of \$30,615 or less is eligible for free meals, and a child from a family of four with a family income of no more than \$43,568 is eligible for reduced price meals. The reimbursement rates for meals are revised on July 1 of each year. The cash reimbursement for a free or reduced price lunch is the sum of Section 4 (base) and Section 11 (supplemental) reimbursement rates. School food authorities (SFAs) that served 60 percent or more free and reduced price lunches during the second preceding school year receive increased assistance at the rate of \$0.02 per meal served. School Food Authorities that have demonstrated that the meals offered meet the updated nutrition standards receive an additional 6 cents per lunch served. In addition to the cash reimbursements, Section 6 of the NSLA also provides base funding for the purchase of USDA Foods to be used in the meal service, based on lunches served in the previous year.

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Facts in Brief

- On an average school day in FY 2013, more than half of all school children in America were provided an NSLP lunch. At participating schools and Residential Child Care Institutions (RCCIs), approximately 59.4 percent of the enrolled students participated in the NSLP on a daily basis, down from 62.1 percent in FY 2012.
- In FY 2013, a total of 5.1 billion lunches were served in the NSLP, a 0.2 percent decrease from the 5.2 billion served in FY 2012. Average daily participation decreased from 31.63 million in FY 2012 to 30.61 million in FY 2013. The decrease in lunches served is primarily due to a decrease in paid lunches, which declined by 154.3 million meals, while free lunches increased by 47.8 million.
- On average, approximately 30.6 million lunches were served daily, a 3.2 percent decrease from the FY 2012 daily average of 31.6 million lunches.
- In FY 2013, approximately 70.4 percent of total lunches served were provided free or at a reduced price, up from 68.2 percent in FY 2012.
- The number of schools participating in the NSLP decreased by 233 from FY 2012 to FY 2013, while the number of RCCIs decreased by 398. A total of 99,815 schools and RCCIs participated in the NSLP in FY 2013.

Improving the Nutrition Environment in Schools

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

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

While the majority of updates to the school lunch program occurred in SY 2012-13, the changes to breakfast are being phased in over multiple years. For SY 2013-14, schools increased their whole grain-rich offerings and adhered to new weekly calorie ranges. Increased fruit offerings will become effective in SY 2014-15. For both school lunch and breakfast, the first sodium limit will be implemented in SY 2014-15, with additional targets scheduled for SYs 2017-18 and 2022-23. This phased-in approach will allow both industry and food service operators ample time to create appealing food items and menus that students will accept.

Since publication of the final rule in January 2012, and throughout the initial implementation period by SFAs, USDA has devoted considerable effort to provide training and technical assistance, and to respond appropriately to unforeseen implementation challenges faced by local SFAs. USDA has conducted numerous webinars, in-person training sessions, and presentations at national conferences in order to communicate the meal pattern changes while listening and responding to operator concerns. Policy memoranda and an extensive frequently updated Question and Answer document clarify how the meal pattern can be implemented successfully. In June 2013, USDA issued updated guidance for SY 2013-2014 on implementing offer versus serve (OVS) for the school meal programs. OVS allows students to select food items that they prefer. This guidance provides specific information for food service staff to plan and recognize reimbursable lunches and breakfasts under OVS. In addition, the guidance discusses the importance of assisting students on selecting reimbursable meals under OVS through signage and other techniques.

In July 2013, USDA also issued an updated version of the USDA Menu Worksheet and Simplified Nutrient Assessment for both breakfast and lunch for SY 2013-14 for use by local SFAs to document compliance with the new meal patterns so they may begin receiving the additional 6 cent reimbursement. The Food Buying Guide for School Meals continues to be revised and updates will be made available online as they are made. Additional resources under development include the Recipes for Healthy Kids cookbooks for schools, updated Nutrient

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Analysis Protocols, and the Whole Grain Resource for School Meals. A comprehensive revision of the menu planner for healthy school meals is also expected in Summer 2014.

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

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

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

USDA considered all comments in the development of an interim final rule, which was published on June 28, 2013. The standards for food and beverages in the interim final rule represent minimum standards that local educational agencies, school food authorities and schools are required to meet. Should they wish to do so State agencies and/or local school districts have the discretion to establish their own standards for non-program foods sold to children, as long as such standards are not inconsistent with the Federal standards.

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

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

- Conducting briefings and presentations on the new requirements for Congressional staff, industry, nutrition advocates, school nutrition organizations and other stakeholder organizations;
- Developing extensive guidance materials, including Questions and Answers, brochures and a nutrition calculator; and
- Continuing to reach out to non-traditional stakeholders, such as education groups, school finance officials, school nurse associations, etc. to conduct presentations at their organization's conventions, contribute to organization newsletters, etc.

Improving Program Integrity

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

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

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frequent reviews of SFAs by State agencies was set forth in the regulations for updated nutrition standards for the School Meal Programs.

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

USDA is in the final stages of reviewing and analyzing public feedback on the proposed rule outlining requirements for a second, independent review of free and reduced price meal applications as mandated under Section 304 of the HHFKA. The proposed rule was published in the *Federal Register* on September 13, 2012. As proposed, the independent review would be mandatory for local educational agencies previously demonstrating high rates of administrative error in their free and reduced price application process. A final rule is expected in early 2014. When implemented, the rule is expected to strengthen program integrity.

Professional Standards for School Food Service Administrators

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

Direct Certification

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

Based on the October 2012 Report, "*Direct Certification in the National School Lunch Program: State Implementation Progress School Year 2011-2012, Report to Congress*," 36 of the 52 States operating the National School Lunch Program (including the District of Columbia and Guam) met the first 80% benchmark and 16 States implemented continuous improvement plans. In 2013, 24 of the 52 States achieved direct certification rates at or above the 90-percent performance target. The remaining States and Guam must develop and implement continuous improvement plans.

The HHFKA provides for Direct Certification Performance Awards for up to 15 States that show either outstanding performance or significant improvement in directly certifying eligible children with SNAP. Up to \$2 million is available in each category for each of three years. Awards were made in September 2013 to 13 States. Outstanding performance awards were made to 8 States—District of Columbia, Kansas, Kentucky, Michigan, Tennessee, Texas, Vermont and Virginia. Substantial Improvement awards were made to 5 States—Arizona, Massachusetts, Ohio, South Dakota, and Utah.

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

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In SY 2013-2014, direct certification demonstrations with Medicaid are being conducted in Florida, Illinois, New York and Massachusetts in selected school districts that collectively serve 4.6% of the nation's free and reduced price eligible students. In addition, two Statewide demonstrations are being conducted in Kentucky and Pennsylvania. For Year 3 of the demonstrations, a Request for Applications will be released in the fall of 2013 to invite additional States to apply to participate.

To support direct certification efforts, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (P.L. 111-80) initially provided \$22 million for grants to State agencies that administer the NSLP. Under this funding, FNS has awarded 38 Direct Certification grants to States, totaling almost \$15 million, to assist them in implementing direct certification process improvements. States will have four additional opportunities to apply for the remaining funds in FY 2014.

Community Eligibility Provision

In Kentucky, Illinois and Michigan beginning in SY 2011-2012; in New York, Ohio, West Virginia, and the District of Columbia in SY 2012-2013; and in Florida, Georgia, Maryland and Massachusetts in SY 2013-2014, the Agency began implementation of the Community Eligibility Provision, which provides an alternative to household applications for free and reduced price meals in high poverty LEAs and schools. In order to be eligible for the Community Eligibility Provision, LEAs and schools must meet a minimum level of identified students for free meals, agree to serve free lunches and breakfasts to all students, and agree to cover with non-Federal funds any costs of providing free meals to all students above amounts provided in Federal assistance. The level of Federal reimbursement is based on an identified student percentage for each school or group of schools. Identified students are those certified for free meals through means other than individual household applications, primarily students directly certified with SNAP. The identified student percentage is then multiplied by a factor of 1.6 to arrive at the percentage of meals served that will be reimbursed at the federal free rate, up to a maximum of 100 percent. Any meals not reimbursed at the free rate are reimbursed at the federal paid rate. USDA is providing extensive technical assistance in SY 2013-14 to help States prepare for nationwide implementation of the Community Eligibility Provision beginning July 1, 2014. Since the inception of Community Eligibility, USDA has also been working closely with the U.S. Department of Education to address challenges schools face with the absence of household applications and the impact on their within-district Title I allocations.

Team Nutrition

Team Nutrition's goal is to improve the lifelong eating and physical activity habits of children by using the principles of the *Dietary Guidelines for Americans* and ChooseMyPlate. Team Nutrition activities strive to instill healthy behaviors in children to prevent nutrition-related health problems, including obesity, diabetes, and other nutrition related illnesses. Team Nutrition complements the President's efforts to confront the obesity epidemic and to improve the nutrition and health of all Americans.

Team Nutrition supports the Chefs Move to Schools Program, a component of the First Lady's *Let's Move!* initiative that is designed to help connect chefs interested in volunteering their time with local schools for the purposes of improving school meals and teaching children about food and health.

USDA's Healthier US School Challenge (HUSSC) recognizes Team Nutrition schools that have met rigorous standards for nutritious food and beverage choices, nutrition and physical education, and opportunities for physical activity for students. HUSSC was adopted under the First Lady's *Let's Move!* initiative in February 2010, and at that time financial incentives were made available to HUSSC schools. During the same timeframe, the First Lady also challenged schools to reach 1,000 additional schools each school year for the next two years. USDA met the goal of 2,250 schools certified for SY 2011-12 and surpassed the goal to have 3,250 schools certified by June 2013. As of September 30, 2013, USDA had certified 6,560 HUSSC schools.

In 2012, HUSSC criteria was updated to reflect the updated meal pattern requirements and a new category of Other Criteria of Excellence was added to provide schools the opportunity to highlight their other extraordinary accomplishments that were not reflected in other HUSSC criteria, like promoting School Breakfast Program participation and methods and Walk-to-School programs. USDA continues to work with partners in schools and the private sector to train and make resources available to encourage schools to apply. In the past year, increased collaboration with Alliance for a Healthier Generation's Healthy Schools Program and the Cornell Center for

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Behavioral Economic in Child Nutrition Programs (BEN) to promote Smarter Lunchroom techniques has kept HUSSC up-to-date with the latest trends in establishing and maintaining a healthy school environment. Since the inception of HUSSC in 2004, USDA has recognized schools in 50 States and territories at four award levels: Bronze, Silver, Gold and Gold of Distinction. Schools also receive a banner, award plaque, and recognition on the Team Nutrition website for their efforts at <http://www.teamnutrition.usda.gov/HealthierUS/awardwinners.html>.

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

Grants: Since 1995, Team Nutrition has provided more than \$84 million in training grants to State agencies. These grants are intended to establish and enhance Statewide sustainable infrastructure and training systems to assist local agencies in implementing USDA's nutrition requirements, the *Dietary Guidelines for Americans*, MyPlate, and other nutrition and wellness-related goals.

Materials: Team Nutrition has developed more than 100 different materials of various types, providing nutrition education for children and their families, providing technical assistance for food service professionals, and encouraging community support for healthy children. All of these materials are available on the Team Nutrition website (<http://teamnutrition.usda.gov/>) to download and many are available to order in print.

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

Efforts also included the development of nutrition curricula for grades one through eight that are linked to educational standards for math, science, English language arts and health. These materials, *Serving Up MyPlate* (for Grades 1-6) and *Nutrition Voyages; The Quest To Be Our Best* (for Grades 7-8), are available on the Team Nutrition website. In 2013, the 4-page booklet for parents (*MyPlate at Home*) was translated into Spanish, traditional Chinese, and French to help parents reinforce the *Serving Up My Plate* classroom lessons at home. A curriculum for kindergarten is under development.

In FY 2014, three versions of the *Recipes for Healthy Kids* cookbooks were finalized for publication in 2013. These cookbooks are a culmination of Team Nutrition's *Recipes for Healthy Kids* competition (launched September 7, 2010 in partnership with the American Culinary Federation and School Nutrition Association), which drew on the talents of chefs, students, school nutrition professionals, and parents or other community members working together to develop tasty, nutritious, kid-approved foods that can be served at school, at child care centers, and at home. Over 340 recipes were submitted in three categories: Whole Grains, Dark-Green and Orange Vegetables, and Beans and Peas. USDA standardized these recipes to comply with the new meal pattern requirements of the NSLP and

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published them on the Team Nutrition website in the form of a *Recipes for Healthy Kids Cookbook*. Print copies of the cookbooks will be available in 2014.

In addition, USDA provides support to school and childcare food service staff through the web-based Healthy Meals Resource System (HMRS). HMRS provides access to print and electronic training materials; the Best Practices Sharing Center, a collection of resources and tools for use to serve healthy menus that meet school meal regulations; the Education and Training Materials Database, a database of educational materials developed by universities, private industry, and local, State and Federal government agencies for school personnel and others working in Child Nutrition Programs; and the Recipe Finder Database, a search tool to find standardized recipes, quantity recipes, and more that include a database of common foods and USDA Foods. USDA's National Agricultural Library (NAL) maintains discussion groups, such *Mealtalk* (1,351 current subscribers), *Successstalk* (394 current subscribers), *CACFP-Summertalk* (45 current subscribers), as well as Team Nutrition e-Newsletters (7,932 recipients) and Team Nutrition Twitter (30,283 followers).

Farm to School

Grants: The Farm to School Grant Program announced the request for applications (RFA) in April 2013. The RFA solicited applications for three types of farm to school grants: 1) Planning grants for school districts or schools just starting to incorporate farm to school program elements into their operations; 2) Implementation grants to further develop existing farm to school initiatives, and 3) Support service grants to further develop and provide broad reaching support services to farm to school initiatives. More than \$5.2 million in grants for 71 projects, spanning 42 States and the District of Columbia, were awarded to connect school cafeterias with local agricultural producers. These grants will help schools respond to the growing demand for locally sourced foods and increase market opportunities for producers and food businesses, including food processors, manufacturers, and distributors. Grants will also be used to support agriculture and nutrition education efforts such as school gardens, field trips to local farms, and cooking classes. In sum, these grants will serve more than 13,000 schools and 2.8 million students, nearly 45 percent of whom live in rural communities.

Census: The Farm to School Program also released results from the first ever national Farm to School Census in October 2013. The purpose of the Census was to establish realistic goals with regard to "increasing the availability of local foods in eligible schools." The Census questionnaire was sent to over 13,000 school districts and prioritized gathering procurement data related to local sourcing, with documentation of additional farm to school activities. Over 65 percent of those school districts surveyed responded. Results show that in school year 2011-2012, schools participating in farm to school activities purchased and served over \$350 million in local food, with more than half of participating schools planning to purchase even more local foods in future school years. Results also revealed that 43 percent of public school districts across the country reported having an existing farm to school program in place, with another 13 percent of school districts surveyed committed to launching a farm to school program in the near future.

FoodCorps: Additionally, the Farm to School Program finalized a partnership agreement with FoodCorps to support up to 40 volunteer service members in schools in 13 States, including 5 StrikeForce States (Arizona, Arkansas, Mississippi, New Mexico, and North Carolina). These service members will be tasked specifically with building or maintaining school gardens, incorporating agricultural and food based nutrition education into the school's culture and curriculum, and supporting school food service personnel in procuring or promoting local and regional products for the school meal program. In addition to executing projects, service members are also responsible for designing projects that can be maintained long after their year of service has come to an end. FoodCorps will submit to USDA quarterly reports that detail best practices and lessons learned from the field so that FNS might distribute success stories broadly.

Training & TA: The Farm to School Program also compiled and made available a plethora of farm to school resources from across the country to assist schools in their efforts to bring more local and regional foods into the cafeteria. In addition to the resource pages, the Farm to School Program completed a series of six fact sheets and a USDA Farm to School Program brochure. The team developed an interactive trade-show booth to disseminate farm to school information at conferences and relevant meetings. The Farm to School Program hosted a wide variety of webinars throughout the year to support FY 2013 Planning for Grantees and Cooperative Extension professionals' involvement in farm to school programming. A farm to school planning toolkit and local food procurement guide were developed and are expected to be published in FY 2014. Farm to School Program staff also published over 15

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blog posts on the USDA blog about farm to school program efforts and activities. In sum, national and regional Farm to School Program staff attended and presented at over 40 State, regional, and national conferences and meetings.

SCHOOL BREAKFAST PROGRAM

Program Mission

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

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

Beginning in SY 2013-14, schools participating in the SBP were required to begin offering breakfasts under a new meal pattern featuring updated nutritional requirements, as mandated under the HHSFKA. During the coming years, the updated standards will increase the servings of fruits offered to students, require all grains served as part of a reimbursable meal to be whole grain-rich, and limit saturated fat, trans fat, and sodium.

In order to assist schools with implementation of the first aspect of the phased-in updates to the breakfast meal pattern, USDA provided extensive technical assistance. In addition to existing technical resources available on the USDA website, we also offered webinars and social media activities to provide further information on what’s new for school breakfast in 2013-14. The agency also updated its breakfast toolkit resources, which empower program operators with information about starting or expanding school breakfast service, evaluating costs and serving methods, and marketing the program to key stakeholders. The toolkit also assists operators with implementation of the upcoming changes by providing sample menus and suggestions for offering healthy and appealing meals in compliance with the new meal pattern.

Additionally, USDA has partnered with the President’s Council on Fitness, Sports, and Nutrition to produce promotional materials, including posters and public service announcements on breakfast. These materials promote the importance of eating a healthy breakfast for all students and are intended to maintain or increase participation in the SBP.

Presently, USDA is developing additional guidance materials for State and local educational agencies and anticipates that the phased-in implementation timeline and numerous flexibilities built into the breakfast meal pattern will result in successful implementation of breakfast in most schools in the coming year.

Facts in Brief

- In FY 2013, program availability rose to 89,878 institutions (an increase of 0.7 percent from FY 2012) with an enrollment of 48.2 million students (an increase of 3.3 percent from FY 2012). 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 93.5 percent of the students enrolled in schools participating in the lunch program in FY 2013, as compared to 50 percent in FY 1990. Average daily participation in FY 2013 was 13.1 million, an increase of approximately 2.2 percent from the prior year.
- The portion of total meals served free or at a reduced price was about 84.8 percent during FY 2013, up from 84.2 percent in FY 2012.
- Approximately 2.2 billion breakfasts were served in FY 2013, an increase of 3.2 percent over FY 2012. On average, 12.2 million breakfasts were served daily, compared to 11.9 million in FY 2012, or a 2.2 percent increase.

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FNS continues to work with State agencies to improve participation by supporting creative approaches to breakfast service, such as classroom service of meals, kiosks, and increased use of alternative techniques to meal counting and claiming. To support awareness of the SBP, the HHFKA requires that school food authorities participating in the School Meal Programs provide materials to households of students in the school informing them of the availability of the SBP.

SPECIAL MILK PROGRAM

Program Mission

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

Facts in Brief

- The number of half pints served as part of the SMP decreased from 60.6 million in FY 2012 to 54.6 million in FY 2013, a 9.8 percent decrease. Overall, the number of half pints served has decreased from 181.3 million in FY 1990, a 69.9 percent decrease.
- A total of 4,645 schools, non-residential child care institutions, and summer camps participated in the SMP in FY 2013, a 1.2 percent decrease from the FY 2012 level of 4,700. The number of participating schools and non-residential child care institutions decreased by 93. Summer camps and non-residential child care institutions increased by 17 and 21, respectively.
- The portion of half pints served free during FY 2013 was about 8.5 percent, as compared to 8.3 percent in FY 2012.

CHILD AND ADULT CARE FOOD PROGRAM

Program Mission

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

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

Centers receive reimbursements based on a free, reduced price, or paid meal rate for each eligible meal type they serve (CACFP facilities may serve breakfasts, lunches, snacks and/or suppers). Centers receive applications from parents or adult participants and make eligibility determinations based on family size and income, essentially following the same guidelines used in the NSLP. Family or group day care homes receive reimbursement under a two-tier system intended to target program funds to support low-income children, while requiring less paperwork than would be necessary if the NSLP guidelines were used. Under this system, a higher reimbursement rate is paid

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to daycare homes located in areas where at least 50 percent of the children are eligible for free or reduced price meals or where the provider's household size and income meet the established income criteria for free or reduced price meals. The higher rate of reimbursement may also be paid to providers whose households receive SNAP benefits. All other homes receive reimbursement at a lower rate, except where individual children who are enrolled for care in the home are determined to be eligible for the higher meal rate.

Facts in Brief

- In FY 2013, the combined average daily attendance in CACFP was approximately 3.54 million children and adults, a slight decrease from the average daily attendance of 3.55 million in FY 2012.
- Of 3.43 million children in average daily attendance in FY 2013, approximately 2.63 million were in child care centers and approximately 794,000 were in family day care homes.
- On average, in FY 2013 a CACFP child care center had approximately 48 children in attendance on an average day, and received about \$33,050 a year in meal reimbursement (compared to 47 children and \$30,550 in FY 2012).
- By comparison, on average a family day care home cared for and fed six children on an average day, and received slightly more than \$6,350 a year in meal reimbursement (compared to six children and slightly more than \$6,100 in FY 2012).
- Total meal service increased slightly (0.7 percent) from FY 2012 to FY 2013; a total of 1.96 billion meals were served in FY 2013.
- In FY 2013, approximately 81.7 percent of total meals served were provided free or at a reduced price, compared to 81.6 percent in FY 2012.

At-Risk Afterschool Meals

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

Improving Nutrition

USDA is working to improve the nutrition and health of CACFP participants through two key efforts. FNS contracted with the IOM to review the CACFP meal patterns and make recommendations for bringing the program's nutritional requirements in line with the current *Dietary Guidelines for Americans (DGA)* and other relevant scientific knowledge on the nutrition needs of the populations served by the program. On November 4, 2010, the IOM released a comprehensive report with recommendations for new food-based meal patterns for infants, children, and adults. The report also included recommendations for implementation of the new requirements and for evaluation and research activities to guide future program improvement.

The HHFKA required FNS to review the current CACFP meal patterns to ensure consistency with the DGAs and current science and to propose regulations to update the meal patterns. FNS has reviewed the IOM recommendations and plans to issue a proposed regulation updating the CACFP meal requirements in 2014. The HHFKA also required that milk served in CACFP meet the *Dietary Guidelines for Americans* and required that drinking water be made available to CACFP participants. USDA has issued guidance implementing these provisions and will include these requirements in the proposed regulations updating the meal patterns.

Finally, the HHFKA required FNS to develop guidance and provide technical assistance to child care institutions on complying with changes in CACFP nutritional requirements, as well as recommendations relating to physical activity and use of electronic media. FNS partnered with several key Federal agencies, including the Centers for Disease Control and Prevention and the Department of Health and Human Services Office of Child Care, to develop a handbook that provides practical tips to help child care providers and parents improve the nutrition and wellness of

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children in care. The handbook was published online and is available at <http://www.teamnutrition.usda.gov/Resources/nutritionandwellness.html>. Paper copies are also available for order. FNS is conducting a needs assessment to evaluate the technical assistance and resource needs of the CACFP community and will continue to work with Federal partners and CACFP stakeholders to develop additional resources and technical assistance plans based on the results of the needs assessment.

New Provisions to Address Program Integrity and Simplification

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

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

The HHFKA also directs USDA to work with State agencies and institutions to examine administrative requirements and submit a report to Congress on actions taken to reduce unnecessary or duplicative paperwork in CACFP in 2014. USDA has formed a work group of CACFP professionals, including representatives from FNS Regional Offices, State agencies, sponsoring organizations, and advocacy groups, to help better understand the needs and concerns of the CACFP community, develop recommendations for improvement, and produce this report.

Over the past two years, agency staffs have developed several handbooks intended to provide plain language guidance and to address specific administrative and compliance concerns identified by the Targeted Management Evaluations of 2010 and 2011:

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

During FY 2014, FNS will issue the above guidance and provide State agency trainings on these topics.

SUMMER FOOD SERVICE PROGRAM

Program Mission

The Summer Food Service Program (SFSP) was established to ensure that low-income children continue to receive nutritious meals when school is not in session. Free meals, that meet Federal nutrition guidelines, are provided to all children 18 years old and under at approved SFSP sites in areas with significant concentrations of low-income children. Sponsors must be public or private non-profit schools, government agencies, private non-profit

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organizations that meet certain criteria, residential camps, or National Youth Sports Programs. Meals are served free to children 18 and under and at most sites are limited to two meals (which cannot include both lunch and supper) or one meal and one snack. Summer camps and sites that primarily serve migrant children may be reimbursed for up to three meals or two meals and one snack served to each eligible child each day.

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

Facts in Brief

- During July 2013, the peak month of program operations, approximately 2.41 million children participated in the program on an average day, a slight increase from the 2.35 million children that participated in July 2012.
- During FY 2013, 42,014 feeding sites provided 150.7 million meals to needy children through the SFSP. This is a 4.8 percent increase from the 143.8 million meals provided in FY 2012. There were increases in all types of meals, but the largest increases were in breakfasts (2.8 million increase, or 7.4 percent) and Lunches (2.6 million, or 3.2 percent increase).
- In FY 2013, approximately 57.2 percent of the meals served were lunches (compared to 58.2 percent in FY 2012), 27.0 percent were breakfasts (26.4 percent in FY 2012), and the remaining 15.8 percent were suppers and supplements (15.5 percent in FY 2012).

Program Simplification

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

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

Improving Access to the SFSP

Improving access to the SFSP has been a long standing priority for USDA. However, the program is still reaching only a fraction of the children in need of nutrition assistance when school is out. The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (P.L. 111-80) provided \$85 million to conduct demonstration projects aimed at reducing or eliminating food insecurity and hunger among children and improving their nutritional status. USDA has implemented several types of demonstration projects, the first of which began in 2010, to test alternative methods for feeding children over the summer.

The Enhanced SFSP Demonstrations began in Summer 2010 with two initial demonstrations. The Extending Length of Operation Incentive Project was awarded to Arkansas to provide incentives to extend the duration of SFSP operations for sites open more than 40 days. The Activity Incentive Project was awarded to Mississippi to enhance the program with funding for enrichment activities to attract children to feeding sites. These two projects concluded in 2011 and the results of the evaluation were published in 2012.

In Summer 2011, three household based demonstration projects were implemented: Home Delivery, Food Backpacks and the Summer Electronic Benefits Transfer for Children (SEBTC) project. The Home Delivery Demonstration Project provides funds to test meal delivery in rural areas of Delaware, New York and Massachusetts. The Food Backpacks Demonstration Project provided funding for sponsors to give children food backpacks with meals to take home on the days that SFSP meals are not available. This project was implemented in Kansas, Ohio and Arizona. These demonstrations were continued through Summer 2012.

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

In 2011 (a proof-of-concept test in 5 sites), the prevalence of very low food security among children (VLFS-C) was reduced from 7.0 percent to 5.6 percent. Thus, SEBTC eliminated VLFS-C for about one-fifth of the children who would otherwise have experienced it. Analyses of related measures of food security—general food insecurity among children plus measures of both severe and general food insecurity among adults and households as a whole—indicated similar proportional reductions. Preliminary analyses for 2012, with the demonstrations fully implemented at 14 sites, suggest an even stronger result: the elimination of VLFS-C for about one-third of the children who might otherwise have experienced it.

In summer 2013, all ten States and Tribal Nations continued their 2012 projects for another year by providing EBT benefits to the same children as the previous year. In addition, FNS tested the difference between providing children with a \$30 benefit versus a \$60 benefit in Michigan, Oregon, Chickasaw, and Delaware. USDA also extended the Meal Delivery and Food Backpack projects in all six States to allow them to operate their projects for an additional year.

Data collection in the SEBTC sites—entailing over 27,000 household interviews in the spring and summer of 2013—has been completed. In addition, the evaluation team has collected a variety of information on EBT transactions, cost, and processes from all participating sites. USDA expects to deliver a full report on the results of the evaluation by the end of 2013.

Additionally, in summer 2013, USDA conducted intensive targeted technical assistance efforts in five States, Arkansas, California, Colorado, Rhode Island and Virginia, with the goal of increasing access to and participation in the program. USDA also focused special efforts on the 10 States with the lowest levels of participation in summer. USDA also developed a national brand for the program and strengthened national partnerships.

FRESH FRUIT AND VEGETABLE PROGRAM

Program Mission

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

Section 19 of the NSLA authorizes the Fresh Fruit and Vegetable Program (FFVP) and provides a steady source of funding through an annual transfer from the Agricultural Marketing Service’s (AMS) Section 32 funds. Funding is allocated among States using a statutory formula that provides base funding equally to each of the 50 States and the District of Columbia, and provides additional funding to all States operating a school lunch program (including Guam, Puerto Rico, and the Virgin Islands) on the basis of population. Funding is allocated for each school year and the transfer is scheduled to occur on July 1 and October 1 of each year (due to the schools operating on a school year basis and funding issued on a fiscal year basis). In total, funding allocated for SY 2010-2011, including recovered funds from the prior year, was \$110.3 million, for SY 2011-2012 was \$158.0 million, for SY 2012-2013 was \$163.5 million and for SY 2013-2014 is \$165.5 million. USDA has provided the following technical assistance:

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

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- (a final rule is currently under development); and
- Developed an online toolkit, which is available at <http://www.fns.usda.gov/cnd/FFVP/toolkit.htm>, to encourage participation and aid in the understanding of the FFVP.

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 in foodservice operations.

Produce Safety

In FY 2013, approximately 150 FNS Regional Office, State Agency, and school district partners completed Produce Safety University (PSU). Based on results from the FY 2012 PSU six-month follow-up survey, it is estimated that, using a train-the-trainer format, these graduates will train an additional 18,000 people in their home districts. PSU is a week-long course in produce safety designed for State agency staff and local school district directors for the NSLP. Participants learn how to mitigate food safety risks associated with fresh produce at every stage in the farm-to-fork continuum. FNS works with the Agricultural Marketing Service (AMS) and the National Food Service Management Institute (NFSMI) to develop and offer PSU instruction and materials in support of the growing interest and participation in fresh produce programs in schools, such as the Fresh Fruit and Vegetable Program, farm-to-school initiatives, and school gardens. The project received two USDA awards in FY 2012: the USDA Secretary's Honor Award and the AMS Administrator's Superior Service Award. Since FY 2010, PSU has graduated more than 600 participants from 50 States and four territories.

In FY 2013, FNS also partnered with the Farm-to-School (F2S) team to provide training to F2S grantees. F2S produce safety training reached grantees in nearly 40 States. FNS continued to work with NFSMI to develop and publish new produce safety training resources including a mock recall resource that provides instruction on how to practice conducting a school district-wide recall of fresh produce.

Food Allergies

In FY 2013, the National Education Association Health Information Network (NEA-HIN) distributed over 150,000 copies of *The Food Allergy Book* to all 50 States and two territories. Through an FNS grant, NEA-HIN produced this resource in cooperation with the Office of Food Safety, which authored the content. The booklet helps school employees understand how to manage allergies in a school setting.

The National Food Service Management Institute (NFSMI) published new food allergy resources for child nutrition professionals in FY 2013. These resources, developed in collaboration with FNS through a cooperative agreement, address the eight major food allergen, preventing cross-contact, and the roles and responsibilities of child nutrition professionals in managing food allergies.

In FY 2013, FNS contributed to the Center for Disease Control and Prevention (CDC) *Voluntary Guidelines for Managing Food Allergies in Schools and Early Care and Education Programs*. The final version will be released in FY 2014.

The Food Defense Awareness

In FY 2013, FNS fulfilled a USDA Management initiative, "Enhance USDA homeland security and emergency preparedness to protect USDA employees and the public," through several food defense activities initiated by the FNS Office of Food Safety. FNS developed a concept for a resource/tool kit for a foodborne outbreak response project that is specific to schools. FNS contributed to the construction of the National Agriculture Food Safety Defense Strategy, which is required by Section 108 of the Food Safety Modernization Act, and served on the FDA work group for this project. FNS also participated in monthly Homeland Security meetings sponsored by the USDA Office of Homeland Security and Emergency Coordination.

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ACQUISITION AND DISTRIBUTION OF USDA FOODS

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

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

The 2008 Farm Bill increased funding for the purchase of fruits, vegetables, and nuts for USDA's domestic nutrition assistance programs from \$390 million in FY 2008 to \$393 million in FY 2009, \$399 million in FY 2010, \$403 million in FY 2011, and \$406 million in FY 2012 and subsequent fiscal years. At least \$50 million of these funds, annually, must be used to purchase fresh fruits and vegetables for distribution to schools and service institutions.

FY 2013 USDA Foods Assistance Rate

For SY 2012-2013, schools, daycare centers and residential institutions were authorized to receive an average of 22.75 cents worth of USDA Foods per lunch/supper served. The rate for USDA Foods increased to 23.25 cents on July 1, 2013, for SY 2013-2014. USDA Foods provided to Child Nutrition Programs (excluding bonus and cash in lieu of entitlement USDA Foods) totaled \$1,218.0 million for FY 2013.

USDA Foods in Schools

USDA strengthens the Nation's nutrition safety net and supports American agriculture by distributing high quality, 100 percent American-grown USDA Foods to schools. The distribution of USDA Foods to schools is managed at the State level by a State distributing agency, which works with local school districts to ensure the effective use of these foods in school meal programs. USDA offers over 180 different foods to schools. These foods are low in added sugar, salt and fat and support the new meal patterns for the National School Lunch and Breakfast Program. In FY 2013, USDA continued to ensure schools a wide selection of healthy foods by adding frozen broccoli to the list of available foods and implemented a pilot purchase of "greek-style" (i.e., high-protein) yogurt to four States (AZ, ID, NY and TN). Lead times for States to place food orders were reduced, and USDA worked with AMS and FSA to change procurement methods for some products to ensure better fulfillment of orders. To ensure effective use of USDA Foods schools, USDA also began a series of trainings for State agencies and developed a communications plan to improve State and school knowledge of best practices regarding USDA Foods.

Department of Defense Fresh Produce Project

USDA and the Department of Defense (DOD) work together to enable school districts to obtain fresh produce. Under this joint venture, schools can use their USDA foods entitlement to order fresh produce through DOD's contracting and distribution network. This project has grown steadily since its beginning in SY 1994-1995, and 46 States, Puerto Rico, the District of Columbia, Guam and the Virgin Islands spent a combined total of \$111.6 million in entitlement funds on produce through this program in SY 2012-2013. In addition to these Federal purchases, 26 States, Puerto Rico, Guam, and the District of Columbia used Section 4 and 11 funds to purchase over \$14.7 million in fresh produce directly from DOD.

The Fresh Fruits and Vegetables Order Receipt System (FFAVORS) web application offers participating agencies in the NSLP and the Food Distribution Program on Indian Reservations the ability to order and receive shipments of fresh produce to their location. The FFAVORS system supports the partnership between USDA and the Defense Logistics Agency (DLA) Troop Support Branch. This partnership is beneficial to the nutrition programs as DLA Troop Support uses its large-scale buying power to help meet the demand for consistent, weekly deliveries of a wide variety of fresh produce to school cafeterias, central kitchens, and State and Tribal organization distribution

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centers. The FFAVORS system was developed by DLA Information Operations. Philadelphia Troop Support business operations maintain their access to support the daily ordering activities. In FY 2013, USDA implemented four software releases to the FFAVORS web application which achieved enhancements and code fixes to existing functionality.

USDA Foods Administrative Expenses

WBSCM is fully implemented and has replaced the Processed Commodities Inventory Management System, PCIMS, and the Electronic Commodity Ordering System, ECOS. PCIMS and ECOS are currently only viewed for reporting and analysis purposes. PCIMS and ECOS are being assessed for complete decommissioning and archiving in FY 2014. USDA will continue to fund PCIMS and ECOS until final shutdown. FNS will fund WBSCM operational costs as part of the tri-agency partnership (AMS, FNS and FSA).

Cash in Lieu of USDA Foods

Section 6 of the NSLA authorizes funds to be used to provide cash in lieu of USDA Foods, in accordance with sections 16, 17(h), and 18(b) of the NSLA. The State of Kansas is permanently receiving cash payments in lieu of USDA Foods as a result of the NSLA and Child Nutrition Act Amendments of 1975. Cash is also being received by school districts that began participating during the 1980s and early 1990s in alternative demonstration projects that provided cash or Commodity Letters of Credit in lieu of USDA Foods. Some nonresidential child care institutions participating in CACFP have also elected to receive their USDA Foods entitlements in cash.

STATE ADMINISTRATIVE EXPENSE FUNDS

Section 7 of the CNA authorizes funds to the States for program administration and for supervision and technical assistance in local school districts and child care institutions. In FY 2013, \$238 million was allocated for State Administrative Expenses (SAE), including \$130.1 million for administration of the school food programs, \$73.5 million for the administration of the CACFP, and \$24.0 million for the administration of the Food Distribution Program. In addition, \$4.1 million in SAE funds were reallocated to State agencies for approved projects. Funds appropriated for SAE are available to States for obligation over a two-year period. The State agency may carry over up to 20 percent of the initial allocation. Each fiscal year, carryover exceeding the 20 percent limit is recovered by USDA.

CHILD NUTRITION PROGRAMS STUDIES AND EVALUATIONS

FNS published eight reports related to CND during FY 2013, which are available at: <http://www.fns.usda.gov/ops/child-nutrition-programs>. These include:

- **Direct Certification in the National School Lunch Program: State Implementation Progress School Year 2011-2012:** This is an annual report to Congress on the effectiveness of State and local efforts to directly certify children for free school meals.
- **Regional Office Review of Applications 2011 and 2012:** These reports examine administrative errors incurred during approval of applications for free and reduced-price school meals.
- **Summer Food for Children Demonstrations and Evaluation:** The 2010 Agricultural, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act enabled the Food and Nutrition Service (FNS) to initiate and carry out the Summer Food for Children demonstration projects, aimed at preventing food insecurity and hunger among children during summer months. FNS implemented both enhancements to the traditional Summer Food Service Program ("eSFSP"), and a pilot of a new method of addressing summer food insecurity: the Summer Electronic Benefits Transfer for Children (SEBTC) demonstration. The eSFSP projects included four separate initiatives, two of which began in summer 2010 with the other two launching in summer 2011.

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- Evaluation of the Summer Electronic Benefits for Children Demonstrations – 2012 Impact Evaluation: The Summer Electronic Benefits Transfer for Children (SEBTC) demonstration offered a rigorous test of the impact of providing a monthly benefit of \$60 per child - using existing electronic benefit transfer (EBT) systems - on food insecurity among children during the summer when school meals are not available. In the second year of operations, when the demonstration was fully implemented, the evaluation found that this approach could reach up to 75 percent of eligible children and reduce the prevalence of very low food security among children by about one-third.
- Evaluation of the Impact of Enhancement Demonstrations on Participation in the Summer Food Service Program (SFSP): FY 2011: This report examines administrative data obtained from the eight States that operated the 2011 eSFSP demonstrations to assess changes within demonstration sites compared to non-demonstration sites. Outcomes include the total number of meals served, the days of operation, and the total number of children served.
- Evaluation of the Summer Food Service Program Enhancement Demonstrations: 2011 Demonstration Evaluation Report: This report presents exploratory findings from the evaluation of four types of demonstrations in eight States: The Extending Length of Operation Incentive demonstration (2010-2011) in Arkansas; The Activity Incentive demonstration (2010-2011) in Mississippi; The Meal Delivery demonstration (2011-2012) in Delaware, Massachusetts, and New York; and The Backpack demonstration (2011-2012) in Arizona, Kansas, and Ohio.
- CACFP Sponsor Tiering Assessment 2011 and 2012: The Improper Payments Information Act of 2002 (IPIA) (Public Law 107-300) requires all Federal agencies to calculate the amount of erroneous payments in Federal programs and to periodically conduct detailed assessments of vulnerable program components. This 2012 assessment of the family daycare homes (FDCHs) component of CACFP provides a national estimate of the share of the 125,000 participating FDCHs that are approved for an incorrect level of per-meal reimbursement, or reimbursement "tier" for their circumstances. The assessment also estimates the dollar amount of improper payments attributable to these tiering errors.
- Fresh Fruit and Vegetable Program Evaluation: This report describes findings from the evaluation of the Fresh Fruit and Vegetable Pilot Program conducted during the 2010– 2011 school year. The evaluation had two components: (1) an impact study to estimate program impacts on participating elementary students and schools; and (2) an implementation study to examine how the FFVP operates in the selected elementary schools. The study found that the program increased fruit and vegetable consumption among participating children by 1/3 cup.
- School Nutrition and Dietary Assessment Study – IV: This report summarizes findings from the fourth School Nutrition Dietary Assessment Study (SNDA-IV), which collected data from nationally representative samples of school districts and schools in school year (SY) 2009-10. As in prior studies, the nutrient content of the average meals offered and served in the Nation's schools was compared with regulatory standards in effect at the time—the School Meal Initiative (SMI) nutrition standards—as well as selected recommendations included in the Dietary Guidelines for Americans. In January 2012, USDA issued new standards for school meals to be phased in over 3 years beginning in SY 2012-13. The data reported here thus serve as a marker of progress in achieving the SMI standards, and a baseline for measuring future improvements under the new standards. Finally, the study collected data from a sample of elementary schools participating in the HealthierUS School Challenge (HUSCC) and compared them to elementary schools nationwide.

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CHILD NUTRITION PROGRAMS

FINANCING FOR FISCAL YEAR 2013

STATE OR TERRITORY	Special Milk	School Lunch	School Breakfast	State Administrative Expenses	Commodities and Cash In-Lieu of Commodities	Child And Adult Care	Summer Food Service	Total Program Contribution
Alabama-----	\$33,528	\$197,451,612	\$61,937,377	\$1,880,419	\$23,974,575	\$37,955,638	\$5,113,761	\$328,346,909
Alaska-----	2,604	31,040,268	8,687,245	687,523	2,600,657	9,073,735	1,341,087	53,433,119
Arizona-----	54,776	254,525,492	78,690,481	3,957,825	28,354,485	45,699,309	5,537,159	416,819,527
Arkansas-----	0	125,301,351	44,828,121	2,834,720	19,507,264	57,091,203	10,450,966	260,013,624
California-----	369,501	1,402,946,513	428,101,923	21,552,623	158,807,807	329,308,007	23,106,629	2,364,193,004
Colorado-----	135,518	125,241,338	38,112,243	2,241,390	11,924,643	23,082,305	4,019,499	204,756,936
Connecticut-----	241,627	87,100,988	24,814,610	1,599,046	11,925,646	15,291,394	1,668,063	142,641,373
Delaware-----	33,372	30,076,027	9,573,206	862,854	5,195,461	14,522,917	2,265,524	62,529,360
District of Columbia-----	5,119	22,667,728	9,650,962	596,173	2,312,150	7,555,772	3,081,261	45,869,165
Florida-----	25,126	680,866,187	201,074,209	11,331,605	82,641,929	183,483,263	30,156,275	1,189,578,593
Georgia-----	8,104	465,864,641	164,717,581	8,268,276	62,821,468	105,579,491	10,296,643	817,556,204
Hawaii-----	1,191	42,732,481	11,044,098	715,417	4,361,764	6,745,002	56,126,355	66,126,355
Idaho-----	172,839	50,917,541	16,986,225	900,836	7,573,265	6,625,203	4,492,728	87,668,707
Illinois-----	2,190,764	429,503,891	123,817,883	4,194,594	49,500,880	133,665,105	11,240,722	754,113,838
Indiana-----	180,151	240,405,698	67,232,949	1,952,850	41,404,430	48,074,423	8,369,007	407,619,508
Iowa-----	78,955	94,982,059	22,250,368	2,042,485	16,377,946	28,261,621	2,630,930	166,624,365
Kansas-----	68,295	93,121,357	25,591,191	1,761,222	13,535,837	32,185,919	3,146,759	169,410,580
Kentucky-----	33,956	183,229,444	70,447,176	2,940,452	23,950,136	33,306,180	6,112,569	320,019,912
Louisiana-----	39,357	200,199,967	68,556,752	4,691,029	24,931,156	76,207,785	12,265,665	386,891,710
Maine-----	26,506	32,699,431	11,070,965	810,027	5,102,525	9,654,342	1,884,546	61,248,341
Maryland-----	307,900	145,814,546	50,298,553	3,089,451	21,972,003	48,651,933	7,637,030	277,771,416
Massachusetts-----	307,890	155,303,094	41,272,352	3,250,749	27,110,656	58,689,394	6,740,014	292,674,149
Michigan-----	350,171	291,873,595	97,776,189	5,628,397	37,777,301	65,209,074	10,168,807	508,783,534
Minnesota-----	771,627	146,464,349	39,922,022	3,246,969	27,475,880	64,228,445	6,593,898	288,703,190
Mississippi-----	2,646	162,017,931	59,499,928	2,909,389	19,027,387	38,050,359	5,483,474	286,991,115
Missouri-----	454,301	195,085,071	65,925,809	2,816,618	30,093,673	48,070,272	10,475,192	352,920,936
Montana-----	16,000	25,262,322	6,924,649	683,395	3,834,311	10,257,051	1,479,195	48,456,923
Nebraska-----	55,675	63,014,135	14,317,251	1,204,096	9,449,409	32,596,499	2,723,488	123,360,553
Nevada-----	119,971	85,305,888	25,962,310	1,163,275	10,514,307	7,028,768	1,429,596	131,524,114
New Hampshire-----	176,779	22,650,241	4,944,948	561,377	4,897,768	4,282,325	1,068,400	38,581,479
New Jersey-----	486,536	230,029,213	65,647,760	4,748,384	35,318,427	66,034,810	8,432,914	410,698,045
New Mexico-----	432	88,222,260	37,792,512	1,610,707	10,021,534	32,885,326	6,227,757	176,760,527
New York-----	801,747	643,609,011	180,151,584	11,571,975	91,500,083	205,019,134	52,903,099	1,185,556,632
North Carolina-----	197,148	349,109,929	114,837,173	7,351,119	45,948,759	85,447,490	9,743,671	612,635,289
North Dakota-----	21,393	17,434,459	4,388,496	732,440	4,470,322	9,707,322	508,448	37,259,881
Ohio-----	424,148	339,814,026	105,516,984	6,915,615	45,181,602	90,865,448	10,979,761	599,697,584
Oklahoma-----	25,006	153,322,290	55,934,379	3,327,110	19,609,266	54,934,843	3,311,272	290,464,166
Oregon-----	111,116	100,527,983	33,327,461	2,159,229	14,633,666	31,948,751	6,078,602	188,786,806
Pennsylvania-----	375,106	315,899,756	85,226,651	5,979,100	44,294,979	94,220,701	14,059,553	560,055,845
Rhode Island-----	76,588	28,876,795	9,072,989	1,182,849	3,826,641	7,807,163	958,394	51,801,418
South Carolina-----	15,644	186,863,710	73,704,661	3,002,020	18,791,372	29,597,843	6,961,928	318,937,178
South Dakota-----	32,823	26,793,345	6,665,472	1,183,640	3,316,731	9,008,653	1,561,035	48,561,699
Tennessee-----	23,181	237,291,532	89,267,992	2,790,054	26,008,883	62,807,452	10,667,104	428,856,198
Texas-----	23,522	1,308,485,625	493,000,519	17,825,715	142,947,284	295,666,828	46,962,526	2,304,912,019
Utah-----	80,002	93,653,462	18,524,329	1,756,675	17,161,422	27,042,986	2,181,787	160,400,662
Vermont-----	78,061	14,364,075	5,179,368	383,304	2,639,428	5,362,888	1,047,401	29,054,526
Virginia-----	222,961	213,870,385	65,864,441	3,486,050	30,889,140	43,210,531	11,286,166	368,829,675
Washington-----	254,613	183,637,170	49,700,515	3,499,314	23,643,905	42,775,634	4,921,714	308,432,865
West Virginia-----	25,435	64,771,001	28,518,025	1,397,183	9,334,830	15,383,985	1,767,320	121,197,779
Wisconsin-----	1,121,078	156,707,563	40,248,831	2,863,394	32,922,081	38,603,054	7,146,359	279,612,360
Wyoming-----	27,844	14,046,019	3,409,964	478,453	2,778,561	5,138,916	672,973	26,552,730
American Samoa-----	0	0	0	0	0	0	0	0
Guam-----	0	7,187,524	2,544,224	321,427	27,351	393,303	0	10,473,828
North Mariana Islands-----	0	0	0	0	0	0	0	0
Puerto Rico-----	0	128,282,891	33,957,941	2,005,357	14,388,253	26,392,800	11,685,131	216,712,373
Trust Territory (excluding CNMI)-----	0	0	0	0	0	0	0	0
Virgin Islands-----	1,312	5,795,276	1,264,999	304,480	950,940	1,236,350	608,533	10,161,890
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	9,237,793	24,247	0	116,033,050	0	0	125,295,090
AMS/FSA/PCIMS-----	0	0	0	0	20,202	0	0	20,202
Board of Jewish ED-----	0	0	0	0	0	0	0	0
AAFES-----	0	0	0	0	1,246,792	0	0	1,246,792
Anticipated Adjustment-----	70,449	51,322,601	112,348,503	104,983,848	83,999,369	172,436,055	14,830,068	539,990,893
TOTAL-----	\$10,760,393	\$11,052,820,880	\$3,610,149,591	\$292,234,524	\$1,630,861,592	\$3,034,361,000	\$437,005,513	\$20,068,193,493

NOTE: Data is based on obligations as reported September 30, 2013. Commodities are based on food orders for fiscal year 2013. Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAM
Value of Commodities to States
Entitlement and Bonus
Fiscal Year 2013

STATE OR TERRITORY	Entitlement	Bonus	Total
Alabama.....	\$22,254,591	\$0	\$22,254,591
Alaska.....	2,256,749	0	2,256,749
Arizona.....	25,928,120	0	25,928,120
Arkansas.....	16,858,757	0	16,858,757
California.....	141,591,698	0	141,591,698
Colorado.....	10,780,571	0	10,780,571
Connecticut.....	11,195,887	0	11,195,887
Delaware.....	4,491,570	0	4,491,570
District of Columbia.....	1,854,137	0	1,854,137
Florida.....	73,960,878	0	73,960,878
Georgia.....	57,011,322	0	57,011,322
Hawaii.....	3,951,830	0	3,951,830
Idaho.....	7,220,013	0	7,220,013
Illinois.....	42,726,888	0	42,726,888
Indiana.....	38,976,388	0	38,976,388
Iowa.....	14,782,064	0	14,782,064
Kansas.....	0	0	0
Kentucky.....	22,364,128	0	22,364,128
Louisiana.....	21,331,532	0	21,331,532
Maine.....	4,683,546	0	4,683,546
Maryland.....	19,436,498	0	19,436,498
Massachusetts.....	24,644,833	0	24,644,833
Michigan.....	34,675,129	0	34,675,129
Minnesota.....	24,178,611	0	24,178,611
Mississippi.....	17,275,718	0	17,275,718
Missouri.....	27,536,837	0	27,536,837
Montana.....	3,328,565	0	3,328,565
Nebraska.....	7,933,859	0	7,933,859
Nevada.....	10,177,355	0	10,177,355
New Hampshire.....	4,777,170	0	4,777,170
New Jersey.....	32,368,001	0	32,368,001
New Mexico.....	8,429,484	0	8,429,484
New York.....	80,346,093	0	80,346,093
North Carolina.....	41,098,428	0	41,098,428
North Dakota.....	3,901,301	0	3,901,301
Ohio.....	40,404,378	0	40,404,378
Oklahoma.....	17,203,513	0	17,203,513
Oregon.....	12,932,318	0	12,932,318
Pennsylvania.....	39,321,611	0	39,321,611
Rhode Island.....	3,406,897	0	3,406,897
South Carolina.....	17,361,676	0	17,361,676
South Dakota.....	2,794,760	0	2,794,760
Tennessee.....	22,818,119	0	22,818,119
Texas.....	127,448,451	0	127,448,451
Utah.....	15,658,380	0	15,658,380
Vermont.....	2,400,073	0	2,400,073
Virginia.....	28,534,917	0	28,534,917
Washington.....	21,361,668	0	21,361,668
West Virginia.....	8,514,889	0	8,514,889
Wisconsin.....	30,644,925	0	30,644,925
Wyoming.....	2,488,659	0	2,488,659
American Samoa.....	0	0	0
Guam.....	0	0	0
Northern Mariana Islands.....	0	0	0
Puerto Rico.....	13,427,217	0	13,427,217
Trust Territory.....	0	0	0
Virgin Islands.....	899,638	0	899,638
AAFES.....	1,246,792	0	1,246,792
DOD Fresh	116,033,050	0	116,033,050
AMS / FSA / PCIMS.....	20,201,694	0	0
Undistributed.....	80,979,913	0	0
TOTAL.....	\$1,490,412,088	\$0	\$1,490,412,088

Source: WBSCM -- Sales Order and contract information.

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

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAM
Quantity and Value of Commodities
Fiscal Year 2013

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 6/32 TYPE:</i>		
APPLE SLICES, CANNED, UNSWEETENED	6,153,264	\$4,696,034
APPLE SLICES, FROZEN, UNSWEETENED	10,929,600	6,387,823
APPLES, BULK	1,425,600	857,894
APPLES, FRESH	5,442,822	3,770,890
APPLESAUCE, CANNED, UNSWEETENED	35,569,368	21,114,141
APPLESAUCE, CUPS, UNSWEETENED	2,003,400	1,142,274
APRICOTS, CANNED, DICED, EX LT SYRUP	73,872	48,792
APRICOTS, CANNED, DICED, EX LT SUCROSE SYRUP	960,336	701,492
APRICOTS, CANNED, HALVES, EX LT SYRUP	812,592	591,067
APRICOTS, CANNED, HALVES, EX LT SUCROSE SYRUP	36,936	24,660
APRICOTS, CUPS, FROZEN	2,106,720	2,736,248
APRICOT SLICES, FROZEN	228,000	228,057
BEANS, CANNED, BABY LIMA, LOW-SODIUM	1,259,712	565,868
BEANS, CANNED, BLACK TURTLE, LOW-SODIUM	3,289,248	1,289,269
BEANS, CANNED, BLACK EYE PEA, LOW-SODIUM	1,609,632	638,963
BEANS, CANNED, GARBANZO, LOW-SODIUM	3,744,144	1,437,242
BEANS, CANNED, GREAT NORTHERN, LOW-SODIUM	1,189,728	498,837
BEANS, CANNED, GREEN, LOW-SODIUM	21,152,016	7,788,107
BEANS, CANNED, KIDNEY, LOW-SODIUM	3,131,784	1,304,528
BEANS, CANNED, PINK, LOW-SODIUM	874,800	435,197
BEANS, CANNED, PINTO, LOW-SODIUM	10,182,672	4,041,040
BEANS, CANNED, REFRIED, LOW-SODIUM	6,205,248	2,879,781
BEANS, CANNED, SMALL RED, LOW-SODIUM	2,729,376	1,156,671
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	9,587,808	3,805,060
BEANS, DRY, GREAT NORTHERN, W/O SALT	160,000	111,680
BEANS, DRY, PINTO, W/O SALT	1,040,000	602,464
BEANS, DRY, LENTILS, W/O SALT	40,000	20,800
BEANS, DRY, NAVY BEAN, W/O SALT	40,000	26,400
BEANS, GREEN, FROZEN, NO ADDED SALT	5,425,200	2,800,974
BEEF, BULK, BONELESS, SPECIAL TRIM, FROZEN	924,000	2,624,752
BEEF, BULK, BONELESS, FRESH	16,520,000	37,485,488
BEEF, BULK, COARSE GROUND, FROZEN	59,766,000	136,500,647
BEEF, CANNED	540,000	1,857,668
BEEF, DICED, FROZEN	546,000	2,260,440
BEEF, CRUMBLES, COOKED	3,920,000	9,655,260
BEEF, CRUMBLES, COOKED, LFT OPT	240,000	575,060
BEEF, FINE GROUND, FROZEN	28,079,320	63,320,432
BEEF, FINE GROUND, FROZEN, LFT OPT	1,920,000	4,321,588
BEEF, PATTIES	10,260,000	23,857,783
BEEF, PATTIES, LFT OPT	38,000	98,272
BLUEBERRIES, UNSWEETENED, FROZEN	4,953,600	5,679,787
BROCCOLI, FROZEN	6,872,040	7,573,146
CARROTS, FRESH BABY CUT	184,748	209,277
CARROTS, FROZEN, SLICED, NO ADDED SALT	6,217,200	3,252,307
CARROTS, CANNED, LOW-SODIUM	6,880,584	3,014,815
CATFISH, FILET STRIPS	1,599,880	7,537,824
CHERRIES, DRY	266,112	1,247,733
CHERRIES, FROZEN	1,228,800	1,093,533
CHERRIES, CANNED	387,436	338,033
CHICKEN, BULK, WHOLE, CHILLED	171,180,000	150,017,130
CHICKEN, BULK, LEGS, CHILLED	23,616,000	16,130,012
CHICKEN, CANNED, BONED	337,500	790,875
CHICKEN, CUT UP, FROZEN	5,840,000	5,757,212
CHICKEN, DICED, FROZEN	10,831,680	27,661,618
CHICKEN, FAJITA STRIPS	13,181,580	25,903,250
CHICKEN, OVEN ROASTED, FROZEN	8,820,000	20,555,363
CORN, CANNED, WHOLE KERNEL, NO ADDED SALT	19,394,820	8,217,212
CORN, COBS, FROZEN, NO ADDED SALT	3,168,000	1,576,709
CORN, WHOLE KERNEL, FROZEN, NO ADDED SALT	13,384,800	7,652,182
CRANBERRY SAUCE, CANNED	622,080	294,477
DoD FRESH PRODUCE*		116,033,050
EGGS, LIQUID, WHOLE, BULK	13,440,000	9,845,064
EGGS, FROZEN, WHOLE	4,241,910	4,341,767
FRUIT-NUT MIX, DRIED	582,400	1,327,033
FRUIT MIX, DRIED	1,092,000	2,189,342
HAM, COOKED, FROZEN, WATER-ADDED	3,605,480	5,387,287
HAM, COOKED, FROZEN, WATER-ADDED, DICED	1,440,000	2,754,044
HAM, COOKED, FROZEN, WATER-ADDED, THIN SLICED	5,000,000	9,103,420
HAM, COOKED, FROZEN, WATER-ADDED, THIN SLICED, RD SOD	880,000	1,638,596
FRUIT MIX, CANNED, EX LT SYRUP	23,025,108	15,324,433
FRUIT MIX, CANNED, EX LT SUCROSE SYRUP	10,839,348	7,882,056
ORANGE JUICE, CANNED, FROZEN, UNSWEETENED	180,000	189,900

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAM
Quantity and Value of Commodities
Fiscal Year 2013

ENTITLEMENT COMMODITIES	Pounds	Dollars
ORANGE JUICE, SINGLES, FROZEN UNSWEETENED	16,416,000	\$7,699,716
ORANGE JUICE, UNSWEETENED, TANKERS	624,000	1,275,300
ORANGES, FRESH	1,647,756	606,664
PEACHES, CANNED, CLINGSTONE, DICED, EX LT SYRUP	16,748,424	10,401,165
PEACHES, CANNED, CLINGSTONE, DICED, EX LT SUCROSE	9,498,024	6,762,528
PEACHES, CANNED, CLINGSTONE, SLICED, EX LT SYRUP	9,425,520	5,500,080
PEACHES, CANNED, CLINGSTONE, SLICED, EX LT SUCROSE	6,371,289	4,224,991
PEACHES, CUPS, FREESTONE, FROZEN	16,465,680	19,030,393
PEACHES, FREESTONE, SLICES, FROZEN	684,000	589,665
PEARS, CANNED, DICED, EX LT SYRUP	16,174,776	11,365,241
PEARS, CANNED, DICED, EX LT SUCROSE	9,438,288	6,589,528
PEARS, CANNED, HALVES, EX LT SYRUP	2,100,215	1,548,480
PEARS, CANNED, HALVES, EX LT SUCROSE	900,600	670,384
PEARS, CANNED, SLICED, EX LT SYRUP	10,468,409	7,198,820
PEARS, CANNED, SLICED, EX LT SUCROSE	3,782,520	2,589,537
PEARS, FRESH	526,500	255,366
PEAS, CANNED, LOW-SODIUM	2,773,848	1,458,946
PEAS, FROZEN, NO ADDED SALT	4,118,400	2,708,305
POLLOCK, ALASKA, FROZEN	2,918,832	4,529,188
PORK, BULK, BONELESS LEG ROAST, FROZEN	1,092,000	1,527,834
PORK, BULK, BONELESS PICNIC, FROZEN	12,086,040	14,181,971
PORK, CANNED	684,000	1,471,198
PORK, CRUMBLES, COOKED	40,000	88,000
PORK, LEG ROAST, FROZEN	3,920,000	5,820,160
POTATO WEDGES, FROZEN	4,791,600	2,413,013
POTATO WEDGES, FAT FREE, FROZEN	3,484,800	1,977,136
POTATOES, BULK	174,000,000	17,404,622
POTATOES, BULK, DEHYDRATED	28,000,000	1,762,576
POTATOES, FRESH, RUSSET	80,000	15,824
POTATOES, OVEN, FROZEN	9,543,600	4,477,378
POTATOES, ROUNDS, FROZEN	12,236,400	5,839,706
RAISINS, BOX 144/1.33 OZ	3,841,344	6,309,722
RAISINS, CTN 30 LB	207,000	233,248
RAISINS, PKG 15 OZ	38,880	52,289
SALSA, CANNED, LOW-SODIUM	4,821,516	2,299,392
SALSA, POUCH, LOW-SODIUM	3,205,440	1,397,923
SPAGHETTI SAUCE (MEATLESS), CANNED, LOW-SODIUM	3,140,886	1,002,539
SPAGHETTI SAUCE (MEATLESS), POUCH, LOW-SODIUM	686,880	238,090
STRAWBERRIES, WHOLE, FROZEN, UNSWEETENED	4,316,400	4,604,503
STRAWBERRIES, SLICED, FROZEN	5,266,470	5,064,674
STRAWBERRIES, DICED, CUPS, FROZEN	19,369,557	26,452,584
SWEET POTATOES, FRESH	80,000	28,600
SWEET POTATOES, FRESH, BULK	20,020,000	3,306,092
SWEET POTATOES, CANNED, EX LT SYRUP, LOW-SODIUM	1,625,184	992,167
SWEET POTATOES, CANNED, MASHED, LOW-SODIUM	411,312	302,018
SWEET POTATOES, FROZEN, MASHED, NO ADDED SALT	237,600	157,938
SWEET POTATOES, FROZEN, RANDOM CUT, NO ADDED SALT	2,059,200	1,198,698
TOMATO PASTE, BULK	10,453,800	3,966,303
TOMATO PASTE, DRUM	1,040,040	505,132
TOMATO PASTE, CANNED, LOW-SODIUM	3,188,425	1,714,652
TOMATO PASTE, POUCH, LOW-SODIUM	159,840	96,672
TOMATO SAUCE, CANNED, LOW-SODIUM	3,588,948	1,098,644
TOMATO SAUCE, POUCH, LOW-SODIUM	1,221,120	444,970
TOMATOES, CANNED, DICED, NO ADDED SALT	4,674,456	1,782,867
TOMATOES, POUCH, DICED, NO ADDED SALT	1,468,800	713,779
TURKEY, BULK, CHILLED	12,276,000	13,463,813
TURKEY, BULK, THIGHS	1,692,000	2,244,517
TURKEY, DELI BREAST, FROZEN	7,519,840	14,557,420
TURKEY, DELI BREAST, SMOKED, FROZEN	2,440,000	4,748,468
TURKEY HAMS, FROZEN	4,280,000	7,247,584
TURKEY ROAST, FROZEN	10,710,560	19,742,185
TURKEY, TACO FILLING	1,989,000	3,443,674
TURKEY, WHOLE, FROZEN	266,000	317,110
SUBTOTAL, SECTION 6/32 TYPE	1,140,788,322	\$1,106,490,113

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAM
Quantity and Value of Commodities
Fiscal Year 2013

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 416 TYPE:</i>		
CHEESE, BULK, CHEDDER, WHT	81,600	\$157,708
CHEESE, BULK, CHEDDER, YEL	979,200	1,792,009
CHEESE, BULK, NATURAL AMERICAN, BARREL	33,293,159	65,757,248
CHEESE BLEND, AMER/SKIM MILK, REDUCED FAT, WHT	1,425,600	2,527,537
CHEESE BLEND, AMER/SKIM MILK, REDUCED FAT, YEL	9,068,400	15,749,101
CHEESE, CHEDDAR, REDUCED FAT, SHREDDED, WHT	1,228,800	2,467,226
CHEESE, CHEDDAR, REDUCED FAT, SHREDDED, YEL	7,103,790	14,212,724
CHEESE, CHEDDAR, CUTS, REDUCED FAT, YEL	199,750	424,856
CHEESE, CHEDDAR, SHREDDED, WHT	345,600	695,524
CHEESE, CHEDDAR, SHREDDED, YEL	3,033,030	6,026,502
CHEESE, CHEDDAR, CUTS, WHT	319,600	694,333
CHEESE, CHEDDAR, CUTS, YEL	39,950	86,384
CHEESE, MOZZ, LITE, SHREDDED, FROZEN	5,241,600	10,161,200
CHEESE, MOZZ, LITE, UNFROZEN	534,625	945,805
CHEESE, MOZZ, LOW MOIST, PART SKIM, SHREDDED, FROZEN	5,644,800	10,850,477
CHEESE, MOZZ, LOW MOIST, PART SKIM, FROZEN	5,402,880	9,873,727
CHEESE, MOZZ, LOW MOIST, PART SKIM, UNFROZEN	46,103,626	81,721,751
CHEESE, PROCESS, LOAVES	1,980,000	3,920,365
CHEESE, PROCESS, SLICES, WHT	1,069,200	2,129,138
CHEESE, PROCESS, SLICES, YEL	7,879,890	14,748,064
CORN, YELLOW, WHOLE DRY KERNELS, TOTE	550,800	97,873
CORNMEAL	214,200	75,278
FLOUR, BULK, BAKERS HARD WHEAT, BLEACHED	1,936,600	486,764
FLOUR, BULK, BAKERS HARD WHEAT, UNBLEACHED	8,662,500	2,120,225
FLOUR, BULK, BAKERS HARD WHEAT HEARTH, BLEACHED	990,000	251,636
FLOUR, BULK, BAKERS HARD WHEAT HEARTH, UNBLEACHED	1,170,000	301,860
FLOUR, BULK, BAKERS SOFT WHEAT, UNBLEACHED	495,000	100,859
FLOUR, BULK, BREAD	2,160,000	533,241
FLOUR, BULK, HIGH GLUTEN	2,385,000	622,773
FLOUR, ALL PURPOSE, ENRCH, BLEACHED	3,300,480	930,976
FLOUR, ALL PURPOSE, ENRCH, UNBLEACHED	172,440	46,957
FLOUR, BAKERS, HARD WHEAT, BLEACHED	777,600	206,466
FLOUR, BAKERS HARD WHEAT, UNBLEACHED	950,400	239,328
FLOUR, BAKERS HARD WHEAT HEARTH, BLEACHED	129,600	34,361
FLOUR, BREAD, ENRCH, BLEACHED	1,071,000	431,326
FLOUR, BREAD, ENRCH, UNBLEACHED	172,800	57,072
FLOUR, HIGH GLUTEN	345,600	100,902
FLOUR, WHOLE WHEAT	5,197,680	1,448,751
FLOUR, MASA	43,200	21,600
GRITS	42,840	14,009
MACARONI	40,000	16,756
MACARONI, WHOLE GRAIN	2,470,000	1,013,509
MILK, UHT, 1% LOW-FAT	533,998	335,732
OATS, ROLLED	764,448	332,735
OIL, SOYBEAN	702,240	604,392
OIL, VEGETABLE, BTL 6/1 GAL	3,769,181	2,591,720
OIL, VEGETABLE, BTL 48 OZ	339,570	238,942
OIL, VEGETABLE, BULK	1,680,660	964,408
PANCAKES, WHOLE GRAIN	2,608,200	2,066,107
PEANUT BUTTER	3,843,750	4,331,527
PEANUT BUTTER SMTH DRUM 500	4,960,000	4,957,600
PEANUTS, ROASTED	34,560	51,546
RICE	1,260,000	509,851
RICE, BROWN	7,602,000	4,101,213
ROTINI	28,000	12,368
ROTINI, WHOLE GRAIN	2,408,000	1,045,456
SPAGHETTI	120,000	44,992
SPAGHETTI, WHOLE GRAIN	3,369,960	1,367,001
SUNFLOWER BUTTER	739,200	1,537,721
SUNFLOWER BUTTER, DRUMS	43,680	85,307
TORTILLAS, WHOLE GRAIN 8"	4,536,000	3,187,832
YOGURT, CUP, BLUEBERRY, HIGH PROTEIN	83,790	117,306
YOGURT, CUP, STRAWBERRY, HIGH PROTEIN	60,060	84,084
YOGURT, CUP, VANILLA, HIGH PROTEIN	19,950	27,930
YOGURT, TUB, PLAIN, HIGH PROTEIN	5,400	7,560
YOGURT, TUB, VANILLA, HIGH PROTEIN	30,600	42,840
SUBTOTAL, SECTION 416 TYPE	203,796,087	\$282,740,369
Anticipated Adjustment	0	80,979,913
AMS / FSA / WBSM Admin. Expenses	0	20,201,694
TOTAL COMMODITY ENTITLEMENT	1,344,584,409	\$1,490,412,088
<i>BONUS COMMODITIES</i>		
<i>SECTION 32 TYPE:</i>		
NONE	0	\$0
<i>SECTION 416 TYPE:</i>		
NONE	0	\$0
TOTAL BONUS COMMODITIES	0	\$0
Cash In-Lieu of Commodities	0	\$140,449,504
GRAND TOTAL	1,344,584,409	\$1,630,861,592

Source: WBSM -- Sales Order and contract information.

*DoD Fresh most frequently requested produce items include: Apples, Oranges, Carrots, Lettuce and Potatoes.

FOOD AND NUTRITION SERVICE

**SCHOOL LUNCH PROGRAM
SCHOOLS, ENROLLMENT AND PARTICIPATION
FISCAL YEAR 2013**

STATE OR TERRITORY	NUMBER OF SCHOOLS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,500	755	562
Alaska-----	439	125	54
Arizona-----	1,757	1,062	652
Arkansas-----	1,163	495	345
California-----	10,212	6,252	3,298
Colorado-----	1,558	745	380
Connecticut-----	1,089	536	292
Delaware-----	238	143	96
District of Columbia-----	230	77	52
Florida-----	3,739	2,797	1,658
Georgia-----	2,340	1,682	1,274
Hawaii-----	319	190	118
Idaho-----	701	256	164
Illinois-----	4,276	1,954	1,180
Indiana-----	2,135	1,114	796
Iowa-----	1,427	532	391
Kansas-----	1,537	534	356
Kentucky-----	1,439	806	544
Louisiana-----	1,554	804	583
Maine-----	626	185	103
Maryland-----	1,537	876	426
Massachusetts-----	2,250	978	529
Michigan-----	3,538	1,610	902
Minnesota-----	2,031	871	622
Mississippi-----	921	509	405
Missouri-----	2,218	966	629
Montana-----	811	150	86
Nebraska-----	955	311	250
Nevada-----	582	452	212
New Hampshire-----	455	199	97
New Jersey-----	2,667	1,300	706
New Mexico-----	827	325	221
New York-----	6,100	2,966	1,740
North Carolina-----	2,479	1,508	931
North Dakota-----	412	109	89
Ohio-----	3,831	1,843	1,090
Oklahoma-----	1,866	674	447
Oregon-----	1,345	581	303
Pennsylvania-----	3,609	1,811	1,075
Rhode Island-----	378	147	79
South Carolina-----	1,174	761	489
South Dakota-----	692	142	108
Tennessee-----	1,763	1,151	671
Texas-----	8,217	5,335	3,374
Utah-----	912	590	341
Vermont-----	354	91	52
Virginia-----	2,017	1,247	726
Washington-----	2,115	1,069	534
West Virginia-----	766	313	196
Wisconsin-----	2,535	911	579
Wyoming-----	321	93	55
American Samoa-----	0	0	0
Guam-----	44	34	17
Puerto Rico-----	1,739	544	365
Virgin Islands-----	63	18	15
DOD/ Army/AF/USMC/Navy-----	12	50	27
TOTAL-----	99,815	51,581	31,286

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

FOOD AND NUTRITION SERVICE

**SCHOOL LUNCH PROGRAM
LUNCHES SERVED
FISCAL YEAR 2013**

STATE OR TERRITORY	TOTAL LUNCHES SERVED			
	PAID (000)	REDUCED PRICE (000)	FREE (000)	TOTAL (000)
Alabama-----	25,554	6,695	58,376	90,625
Alaska-----	2,223	792	5,521	8,536
Arizona-----	24,823	8,894	75,034	108,751
Arkansas-----	13,974	5,926	35,864	55,764
California-----	102,675	62,505	397,886	563,066
Colorado-----	21,244	6,169	34,677	62,090
Connecticut-----	21,070	3,779	23,790	48,639
Delaware-----	5,642	795	8,872	15,309
District of Columbia-----	945	310	7,013	8,268
Florida-----	53,884	22,698	199,540	276,122
Georgia-----	54,541	15,370	137,920	207,831
Hawaii-----	6,950	2,183	9,655	18,788
Idaho-----	8,631	3,053	13,651	25,336
Illinois-----	49,772	11,172	130,029	190,973
Indiana-----	54,541	11,900	65,225	131,666
Iowa-----	33,753	4,724	24,656	63,133
Kansas-----	22,158	5,427	24,559	52,144
Kentucky-----	26,492	5,504	54,416	86,412
Louisiana-----	24,953	6,331	59,104	90,387
Maine-----	6,415	1,409	9,193	17,017
Maryland-----	21,857	5,959	41,664	69,480
Massachusetts-----	36,618	5,581	43,416	85,615
Michigan-----	40,095	9,066	86,867	136,029
Minnesota-----	51,969	8,413	36,563	96,946
Mississippi-----	11,970	5,382	48,570	65,923
Missouri-----	36,904	8,501	54,565	99,969
Montana-----	5,784	1,502	6,579	13,865
Nebraska-----	19,185	3,975	15,830	38,990
Nevada-----	6,784	3,928	25,228	35,941
New Hampshire-----	9,048	1,095	5,845	15,988
New Jersey-----	40,035	9,539	64,299	113,873
New Mexico-----	7,584	3,564	25,382	36,530
New York-----	74,210	19,515	188,577	282,302
North Carolina-----	40,102	12,463	102,587	155,152
North Dakota-----	8,950	984	4,070	14,005
Ohio-----	60,773	12,254	98,353	171,379
Oklahoma-----	19,690	7,003	43,104	69,797
Oregon-----	11,716	3,777	29,331	44,823
Pennsylvania-----	74,078	12,538	88,841	175,458
Rhode Island-----	3,842	967	8,431	13,241
South Carolina-----	19,870	5,759	55,155	80,784
South Dakota-----	8,633	1,489	6,879	17,001
Tennessee-----	28,498	8,224	69,724	106,446
Texas-----	130,677	45,444	384,040	560,161
Utah-----	25,906	6,171	23,440	55,517
Vermont-----	3,746	614	3,873	8,233
Virginia-----	48,346	10,507	58,712	117,564
Washington-----	25,850	8,519	51,883	86,251
West Virginia-----	11,358	1,631	19,288	32,276
Wisconsin-----	42,697	6,417	43,148	92,262
Wyoming-----	4,417	1,087	3,356	8,860
Guam-----	354	124	2,292	2,770
Puerto Rico-----	8,179	5,218	38,736	52,132
Virgin Islands-----	325	189	1,774	2,288
DOD Army/AF/USMC/Navy--	2,694	856	926	4,476
TOTAL-----	1,502,984	423,892	3,156,309	5,083,185

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

FOOD AND NUTRITION SERVICE

**SCHOOL BREAKFAST PROGRAM
SCHOOLS, ENROLLMENT, AND PARTICIPATION
FISCAL YEAR 2013**

STATE OR TERRITORY	NUMBER OF SCHOOLS AND INSTITUTIONS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,436	727	227
Alaska-----	356	104	22
Arizona-----	1,608	1,013	300
Arkansas-----	1,136	488	173
California-----	8,817	6,370	1,558
Colorado-----	1,227	569	157
Connecticut-----	744	373	90
Delaware-----	229	147	39
District of Columbia-----	229	77	35
Florida-----	3,629	2,769	777
Georgia-----	2,265	1,514	630
Hawaii-----	302	188	39
Idaho-----	662	248	78
Illinois-----	3,292	1,556	427
Indiana-----	1,905	1,034	261
Iowa-----	1,314	513	100
Kansas-----	1,399	485	112
Kentucky-----	1,343	778	279
Louisiana-----	1,469	767	370
Maine-----	594	180	48
Maryland-----	1,475	847	215
Massachusetts-----	1,677	719	150
Michigan-----	3,082	1,448	388
Minnesota-----	1,662	766	188
Mississippi-----	866	466	207
Missouri-----	2,026	943	272
Montana-----	679	130	30
Nebraska-----	1,232	420	68
Nevada-----	531	426	95
New Hampshire-----	405	182	23
New Jersey-----	1,968	940	251
New Mexico-----	801	320	152
New York-----	5,571	2,691	668
North Carolina-----	2,436	1,496	406
North Dakota-----	359	101	25
Ohio-----	3,160	1,553	437
Oklahoma-----	1,809	659	232
Oregon-----	1,273	564	144
Pennsylvania-----	3,091	1,611	376
Rhode Island-----	374	156	34
South Carolina-----	1,170	760	273
South Dakota-----	606	133	28
Tennessee-----	1,728	1,121	365
Texas-----	8,167	5,303	1,839
Utah-----	786	525	77
Vermont-----	336	88	23
Virginia-----	1,949	1,226	279
Washington-----	1,960	1,008	191
West Virginia-----	756	311	123
Wisconsin-----	1,875	743	178
Wyoming-----	268	84	16
Guam-----	41	32	8
Puerto Rico-----	1,739	544	136
Virgin Islands-----	63	18	5
TOTAL-----	89,878	48,233	13,621

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

FOOD AND NUTRITION SERVICE

**SCHOOL BREAKFAST PROGRAM
BREAKFASTS SERVED
FISCAL YEAR 2013**

STATE OR TERRITORY	TOTAL BREAKFASTS SERVED					TOTAL (000)
	PAID (000)	REDUCED PRICE		FREE		
		REGULAR (000)	SEVERE NEED (000)	REGULAR (000)	SEVERE NEED (000)	
Alabama-----	4,174	209	2,091	1,472	29,621	37,566
Alaska-----	559	8	292	36	2,541	3,435
Arizona-----	7,336	161	3,419	1,148	37,330	49,394
Arkansas-----	3,762	111	2,579	937	20,571	27,960
California-----	29,244	893	24,864	5,041	200,603	260,645
Colorado-----	4,776	239	2,510	1,017	16,717	25,258
Connecticut-----	2,578	163	995	1,016	11,196	15,947
Delaware-----	1,338	29	277	320	4,443	6,407
District of Columbia-----	591	10	178	101	4,874	5,755
Florida-----	18,855	338	8,617	2,900	95,678	126,388
Georgia-----	14,984	400	6,780	2,798	78,143	103,105
Hawaii-----	1,314	93	559	294	4,107	6,366
Idaho-----	2,684	77	1,318	511	7,179	11,768
Illinois-----	6,873	264	3,280	2,846	60,372	73,635
Indiana-----	7,137	414	3,254	2,490	30,053	43,348
Iowa-----	3,707	398	837	2,282	8,562	15,786
Kansas-----	2,543	271	1,471	1,172	11,020	16,478
Kentucky-----	7,279	172	2,262	1,335	33,716	44,763
Louisiana-----	5,418	168	2,377	1,106	33,085	42,154
Maine-----	1,781	52	651	261	4,909	7,655
Maryland-----	7,628	470	2,429	3,843	20,434	34,804
Massachusetts-----	4,239	186	1,666	1,419	18,926	26,435
Michigan-----	8,541	214	2,863	2,447	46,880	60,945
Minnesota-----	7,505	855	2,217	3,280	15,243	29,100
Mississippi-----	2,918	18	2,233	171	29,563	34,903
Missouri-----	8,193	298	3,247	2,040	29,666	43,445
Montana-----	999	53	441	201	3,012	4,706
Nebraska-----	2,906	278	870	1,076	5,466	10,596
Nevada-----	1,575	40	1,429	175	12,390	15,609
New Hampshire-----	1,104	106	150	676	1,742	3,778
New Jersey-----	6,169	407	2,770	2,463	29,846	41,655
New Mexico-----	4,297	61	2,192	508	17,408	24,465
New York-----	14,137	824	5,710	5,393	85,218	111,283
North Carolina-----	9,590	182	5,402	1,153	54,861	71,187
North Dakota-----	1,519	159	150	729	1,299	3,855
Ohio-----	11,515	347	3,577	3,307	49,161	67,907
Oklahoma-----	6,322	188	3,205	941	25,586	36,241
Oregon-----	3,925	43	1,880	304	15,536	21,688
Pennsylvania-----	11,661	934	3,001	7,560	34,767	57,924
Rhode Island-----	884	14	332	159	4,341	5,731
South Carolina-----	6,992	103	2,778	763	35,640	46,276
South Dakota-----	909	144	237	580	2,674	4,544
Tennessee-----	8,827	188	3,853	1,369	42,243	56,479
Texas-----	46,163	1,231	21,637	8,629	232,753	310,413
Utah-----	2,308	244	1,067	1,205	7,574	12,399
Vermont-----	918	62	276	342	2,098	3,697
Virginia-----	8,706	579	3,396	3,685	27,915	44,280
Washington-----	3,934	198	3,065	0	22,795	29,993
West Virginia-----	5,677	101	777	644	13,262	20,461
Wisconsin-----	6,130	608	1,435	3,706	16,100	27,980
Wyoming-----	670	63	256	248	1,275	2,511
Guam-----	70	0	36	0	1,329	1,435
Puerto Rico-----	2,331	2	1,793	7	16,409	20,541
Virgin Islands-----	110	0	64	0	613	787
DOD Army/AF/USMC/Navy--	1	2	0	8	0	11
TOTAL-----	336,305	13,671	155,044	88,985	1,618,744	2,212,749

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

FOOD AND NUTRITION SERVICE

CHILD AND ADULT CARE FOOD PROGRAM
PARTICIPATION AND MEALS SERVED

FISCAL YEAR 2013

STATE OR TERRITORY	NUMBER OF CENTERS/HOMES	PARTICIPATION PEAK MONTH (000)	TOTAL MEALS SERVED					
			CHILD CARE AND ADULT CENTERS				DAY CARE HOMES (000)	TOTAL (000)
			PAID (000)	REDUCED PRICE (000)	FREE (000)	TOTAL (000)		
Alabama-----	1,785	47	4,843	1,094	16,484	22,421	4,147	26,569
Alaska-----	583	13	1,763	379	1,477	3,619	1,069	4,689
Arizona-----	3,344	44	6,116	1,376	13,393	20,885	9,774	30,659
Arkansas-----	1,949	84	6,360	1,958	27,145	35,463	3,594	39,058
California-----	21,574	475	17,033	6,811	95,178	119,023	71,187	190,210
Colorado-----	2,228	37	5,125	714	8,050	13,889	4,421	18,309
Connecticut-----	1,210	22	1,638	593	5,226	7,457	2,822	10,279
Delaware-----	922	21	1,978	266	5,001	7,245	2,482	9,728
District of Columbia-----	160	5	770	171	3,140	4,082	180	4,262
Florida-----	6,229	233	23,477	8,520	86,802	118,799	9,747	128,546
Georgia-----	4,741	157	20,479	4,551	45,058	70,089	9,711	79,800
Utah-----	548	11	2,916	338	1,705	4,959	789	5,748
Idaho-----	504	13	1,313	237	2,057	3,607	1,421	5,028
Illinois-----	11,719	148	12,982	3,341	36,225	52,549	36,675	89,223
Indiana-----	3,025	85	6,616	827	12,875	20,318	15,560	35,877
Iowa-----	2,800	42	8,387	610	5,988	14,985	9,655	24,640
Kansas-----	4,019	50	5,549	846	4,764	11,159	13,935	25,095
Kentucky-----	1,598	56	7,256	1,332	15,134	23,722	2,144	25,866
Louisiana-----	8,331	68	3,960	953	15,482	20,395	23,860	44,254
Maine-----	1,161	11	754	120	1,243	2,117	4,778	6,895
Maryland-----	4,421	77	4,942	428	13,952	19,322	12,589	31,911
Massachusetts-----	5,372	69	4,477	1,240	17,314	23,031	16,635	39,666
Michigan-----	6,087	89	5,769	535	16,339	22,643	21,236	43,879
Minnesota-----	8,989	95	5,608	515	6,807	12,929	38,334	51,263
Mississippi-----	1,327	48	3,241	995	19,380	23,617	1,501	25,118
Missouri-----	2,701	77	9,353	965	17,884	28,202	7,460	35,662
Montana-----	897	15	1,496	193	2,167	3,856	3,532	7,388
Nebraska-----	3,297	50	5,926	492	7,080	13,498	11,975	25,473
Nevada-----	458	16	1,175	184	2,861	4,220	473	4,693
New Hampshire-----	320	9	1,668	191	1,617	3,477	515	3,992
New Jersey-----	2,008	83	5,518	2,104	31,442	39,064	1,605	40,669
New Mexico-----	3,905	40	3,039	647	8,112	11,798	8,469	20,268
New York-----	14,171	328	12,804	2,755	58,133	73,693	49,012	122,704
North Carolina-----	4,557	126	19,753	4,549	35,119	59,420	9,233	68,654
North Dakota-----	1,324	18	2,449	110	1,209	3,768	5,162	8,930
Ohio-----	5,458	138	14,498	1,798	34,014	50,309	14,008	64,317
Oklahoma-----	2,950	56	7,263	1,760	20,350	29,374	9,657	39,031
Oregon-----	3,067	52	1,716	177	6,524	8,417	10,016	18,433
Pennsylvania-----	5,063	153	14,287	3,173	39,235	56,695	8,593	65,288
Rhode Island-----	484	10	1,152	214	2,865	4,231	1,238	5,469
South Carolina-----	1,315	43	3,298	579	12,403	16,279	3,567	19,846
South Dakota-----	885	16	2,333	187	1,949	4,468	3,425	7,893
Tennessee-----	3,264	79	7,088	1,313	24,849	33,249	10,016	43,265
Texas-----	11,939	387	42,826	12,441	120,528	175,795	29,666	205,461
Utah-----	2,291	35	2,981	305	4,267	7,554	10,656	18,209
Vermont-----	663	10	620	93	1,278	1,990	1,759	3,749
Virginia-----	3,811	70	10,533	1,216	14,314	26,063	10,114	36,178
Washington-----	3,571	72	9,423	943	13,910	24,277	9,720	33,997
West Virginia-----	1,782	29	2,946	324	4,548	7,818	3,066	10,884
Wisconsin-----	3,461	68	9,546	729	11,699	21,973	8,580	30,553
Wyoming-----	490	9	1,313	256	1,133	2,702	1,714	4,416
Guam-----	31	1	178	10	149	336	15	351
Puerto Rico-----	1,432	31	300	189	14,352	14,842	304	15,146
Virgin Islands-----	49	1	58	53	659	770	0	770
TOTAL-----	190,270	4,021	358,892	76,699	970,870	1,406,462	551,797	1,958,259

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

FOOD AND NUTRITION SERVICE

**SUMMER FOOD SERVICE PROGRAM
NUMBER OF SITES, PARTICIPATION AND MEALS SERVED
FISCAL YEAR 2013**

STATE OR TERRITORY	NUMBER OF SITES	PARTICIPATION (JULY) (000)	TOTAL MEALS SERVED (000)
Alabama-----	593	30	1,653
Alaska-----	151	5	257
Arizona-----	402	24	1,889
Arkansas-----	661	42	3,778
California-----	1,896	115	10,601
Colorado-----	391	18	1,334
Connecticut-----	236	12	561
Delaware-----	213	8	850
District of Columbia-----	343	35	1,201
Florida-----	3,466	145	11,450
Georgia-----	1,085	72	3,585
Hawaii-----	89	5	185
Idaho-----	284	21	1,362
Illinois-----	1,624	54	4,170
Indiana-----	1,298	59	2,910
Iowa-----	265	14	839
Kansas-----	280	25	1,052
Kentucky-----	1,024	18	2,025
Louisiana-----	580	40	4,162
Maine-----	303	11	630
Maryland-----	1,442	74	2,648
Massachusetts-----	921	47	2,575
Michigan-----	1,242	76	3,422
Minnesota-----	576	46	2,357
Mississippi-----	396	27	1,863
Missouri-----	570	27	3,613
Montana-----	157	8	489
Nebraska-----	160	10	903
Nevada-----	175	10	494
New Hampshire-----	140	15	366
New Jersey-----	1,038	58	2,869
New Mexico-----	619	11	1,946
New York-----	2,417	392	17,885
North Carolina-----	1,292	98	3,414
North Dakota-----	47	2	168
Ohio-----	1,457	60	3,727
Oklahoma-----	392	11	1,202
Oregon-----	749	39	1,952
Pennsylvania-----	2,157	97	5,345
Rhode Island-----	184	8	312
South Carolina-----	1,002	55	2,416
South Dakota-----	70	6	512
Tennessee-----	1,679	45	3,944
Texas-----	3,601	180	17,235
Utah-----	119	13	645
Vermont-----	226	7	355
Virginia-----	1,537	56	4,052
Washington-----	706	40	1,694
West Virginia-----	321	12	596
Wisconsin-----	652	88	2,525
Wyoming-----	53	4	242
Puerto Rico-----	576	29	4,235
Virgin Islands-----	157	10	249
TOTAL-----	42,014	2,413	150,743

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

FOOD AND NUTRITION SERVICE

**SPECIAL MILK PROGRAM
HALF-PINTS OF MILK SERVED
FISCAL YEAR 2013**

STATE OR TERRITORY	AVERAGE SERVED DAILY			TOTAL SERVED		
	FREE (000)	PAID (000)	TOTAL (000)	FREE (000)	PAID (000)	TOTAL (000)
Alabama-----	0	1	1	3	170	172
Alaska-----	0	0	0	4	9	13
Arizona-----	0	2	2	15	267	281
Arkansas-----	0	0	0	0	0	0
California-----	0	7	8	106	1,782	1,888
Colorado-----	0	4	4	15	682	696
Connecticut-----	1	5	6	124	1,110	1,234
Delaware-----	0	1	1	0	173	173
District of Columbia-----	0	0	0	5	21	26
Florida-----	0	0	1	8	120	128
Georgia-----	0	0	0	0	42	42
Hawaii-----	0	0	0	0	6	6
Idaho-----	0	4	4	28	856	884
Illinois-----	9	55	64	1,584	9,630	11,214
Indiana-----	0	3	4	41	879	920
Iowa-----	0	1	1	4	401	405
Kansas-----	0	2	2	48	301	349
Kentucky-----	0	1	1	16	158	173
Louisiana-----	0	1	1	0	202	202
Maine-----	0	0	0	12	121	132
Maryland-----	0	8	8	13	1,574	1,586
Massachusetts-----	0	4	5	50	1,512	1,562
Michigan-----	0	7	7	65	1,719	1,784
Minnesota-----	0	13	14	34	3,918	3,951
Mississippi-----	0	0	0	0	14	14
Missouri-----	0	13	14	92	2,241	2,333
Montana-----	0	0	0	17	64	81
Nebraska-----	0	1	1	10	274	284
Nevada-----	0	1	1	3	615	618
New Hampshire-----	0	2	2	42	849	891
New Jersey-----	2	13	15	290	2,212	2,502
New Mexico-----	0	0	0	2	0	2
New York-----	1	15	16	1,426	2,611	4,037
North Carolina-----	0	3	3	5	1,004	1,009
North Dakota-----	0	0	0	2	107	109
Ohio-----	0	10	11	72	2,104	2,176
Oklahoma-----	0	1	1	0	128	128
Oregon-----	0	2	3	16	551	566
Pennsylvania-----	1	5	6	175	1,733	1,908
Rhode Island-----	0	1	1	35	352	386
South Carolina-----	0	0	0	8	72	80
South Dakota-----	0	1	1	8	160	168
Tennessee-----	0	0	0	72	43	115
Texas-----	0	1	1	0	121	121
Utah-----	0	2	2	7	405	411
Vermont-----	0	0	1	10	381	390
Virginia-----	0	7	7	0	1,150	1,150
Washington-----	0	5	5	10	1,289	1,299
West Virginia-----	0	1	1	13	118	131
Wisconsin-----	1	22	23	166	5,581	5,747
Wyoming-----	0	0	0	0	142	142
Virgin Islands-----	0	0	0	6	0	6
TOTAL-----	19	227	246	4,658	49,972	54,630

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

FOOD AND NUTRITION SERVICE

**SPECIAL MILK PROGRAM
NUMBER OF PARTICIPATING OUTLETS AND OBLIGATIONS BY STATE
FISCAL YEAR 2013**

STATE OR TERRITORY	OUTLETS				OBLIGATIONS (000)
	SCHOOLS	NON-RESIDENTIAL CHILD CARE INSTITUTIONS	SUMMER CAMPS	TOTAL	
Alabama-----	2	1	2	5	\$34
Alaska-----	2	0	0	2	3
Arizona-----	31	0	0	31	55
Arkansas-----	0	0	0	0	0
California-----	96	4	19	119	370
Colorado-----	44	0	8	52	136
Connecticut-----	111	0	10	121	242
Delaware-----	5	0	0	5	33
District of Columbia-----	2	0	0	2	5
Florida-----	3	0	1	4	25
Georgia-----	1	1	0	2	8
Hawaii-----	1	0	0	1	1
Idaho-----	119	0	13	132	173
Illinois-----	519	3	14	536	2,191
Indiana-----	42	0	20	62	180
Iowa-----	52	0	14	66	79
Kansas-----	82	0	3	85	68
Kentucky-----	2	0	0	2	34
Louisiana-----	7	0	0	7	39
Maine-----	23	0	9	32	27
Maryland-----	72	34	2	108	308
Massachusetts-----	67	36	35	138	308
Michigan-----	93	0	1	94	350
Minnesota-----	307	73	66	446	772
Mississippi-----	0	0	0	0	3
Missouri-----	143	0	0	143	454
Montana-----	18	0	2	20	16
Nebraska-----	46	0	3	49	56
Nevada-----	8	10	0	18	120
New Hampshire-----	26	1	33	60	177
New Jersey-----	104	0	6	110	487
New Mexico-----	2	0	0	2	0
New York-----	196	54	82	332	802
North Carolina-----	22	0	13	35	197
North Dakota-----	15	0	11	26	21
Ohio-----	103	0	20	123	424
Oklahoma-----	409	0	1	410	25
Oregon-----	35	7	16	58	111
Pennsylvania-----	136	19	23	178	375
Rhode Island-----	50	10	6	66	77
South Carolina-----	5	0	0	5	16
South Dakota-----	31	4	4	39	33
Tennessee-----	2	0	3	5	23
Texas-----	5	1	1	7	24
Utah-----	51	0	16	67	80
Vermont-----	10	3	61	74	78
Virginia-----	70	0	6	76	223
Washington-----	40	4	10	54	255
West Virginia-----	7	0	7	14	25
Wisconsin-----	332	228	44	604	1,121
Wyoming-----	4	10	3	17	28
Virgin Islands-----	1	0	0	1	2
Anticipated Adjustment-----	0	0	0	0	69
TOTAL-----	3,554	503	588	4,645	\$10,760

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

FOOD AND NUTRITION SERVICE

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

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

For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), [~~\$6,715,841,000~~] \$6,823,000,000, to remain available through September 30, [~~2015~~] 2016, of which such sums as are necessary to [~~restore~~] increase the contingency reserve to [~~\$125,000,000~~] \$150,000,000, shall be placed in reserve, to remain available until expended, to be allocated as the Secretary deems necessary, notwithstanding section 17(i) of such Act, to support participation should cost or participation exceed budget estimates: *Provided*, That notwithstanding section 17(h)(10) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(10)), not less than \$60,000,000 shall be used for breastfeeding peer counselors and other related activities, \$14,000,000 shall be used for infrastructure, and \$30,000,000 shall be used for management information systems: *Provided further*, That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of such Act: *Provided further*, That none of the funds provided shall be available for activities that are not fully reimbursed by other Federal Government departments or agencies unless authorized by section 17 of such Act: *Provided further*, That upon termination of a federally-mandated vendor moratorium and subject to terms and conditions established by the Secretary, the Secretary may waive the requirement at 7 CFR 246.12(g)(6) at the request of a State agency.

FOOD AND NUTRITION SERVICE

Lead-Off Tabular Statement

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

Budget Estimate, 2015.....	\$6,823,000,000
2014 Estimate	<u>6,715,841,000</u>
Change in Appropriation	<u>+107,159,000</u>

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

Item of Change	2012 Actual	2013 Change	2014 Change	2015 Change	2015 Estimate
Discretionary Appropriations:					
Grants to States (Suppl. Food and NSA costs)	\$6,547,497	\$374,503	-\$451,159	\$207,135	\$6,677,976
Federal Admin. Oversight & Infrastructure	6,000	4,000	1,000	24	11,024
WIC Contingency Funds	0	0	125,000	-100,000	25,000
All Other Discretionary Appropriations	65,000	49,000	-5,000	0	109,000
Subtotal, Discretionary	6,618,497	427,503	-330,159	107,159	6,823,000
Mandatory Appropriations:					
UPC Database (Direct Appropriation)	1,000	0	0	0	1,000
Appropriations or Change	6,619,497	427,503	-330,159	107,159	6,824,000
Rescissions	0	-190,804	190,804	0	0
Sequester	0	-333,001	332,929	72	0
Less Direct Appropriation	-1,000	51	21	-72	-1,000
Total Appropriation or Change	6,618,497	-96,251	193,595	107,159	6,823,000

FOOD AND NUTRITION SERVICE

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

Project	2012 Actual	SY	2013 Actual	SY	2014 Estimate	SY	Inc. or Dec.		2015 Estimate	SY
Grants to States (Food & NSA)	\$6,547,497		\$6,922,000		\$6,470,841		\$207,135	(1)	\$6,677,976	
Infrastructure Grants	0		14,000		13,600		0	(2)	13,600	
Technical Assistance	0		0		400		0	(3)	400	
Breastfeeding Peer Counselors	60,000		60,000		60,000		0	(4)	60,000	
Management Information Systems	0		35,000		30,000		0	(5)	30,000	
Program Evaluation & Monitoring	5,000		5,000		5,000		0	(6)	5,000	
Federal Admin. Oversight	6,000		10,000		11,000		24	(7)	11,024	
WIC Contingency Funds	0		0		125,000		-100,000	(8)	25,000	
UPC Database (Direct Approp.)	1,000		1,000		1,000		0	(9)	1,000	
Total Adjusted Appropriation	6,619,497	28	7,047,000	30	6,716,841	35	107,159		6,824,000	35
Rescissions	0		-190,804		0		0		0	
Sequester	0		-333,000		-72		72		0	
UPC Database (Direct Approp.)	-1,000		-949		-928		-72		-1,000	
Total Appropriation	6,618,497	28	6,522,247	30	6,715,841	35	107,159		6,823,000	35

FOOD AND NUTRITION SERVICE

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

Project	2012 Actual	SY	2013 Actual	SY	2014 Estimate	SY	Inc. or Dec.	2015 Estimate	SY
Grants to States:									
Supplemental Food	\$4,780,274		\$4,817,090		\$4,966,583		\$75,734	\$5,042,317	
Nutrition Services and Admin. Costs	1,925,893		2,012,596		1,932,290		58,393	1,990,683	
Subtotal, Grants to States	6,706,167		6,829,686		6,898,873		134,127	7,033,000	
Infrastructure Grants	3,253		12,943		13,600		0	13,600	
Technical Assistance	0		0		400		0	400	
Breastfeeding Peer Counselors	60,000		55,540		60,000		0	60,000	
Management Information Systems	10,233		32,398		30,000		0	30,000	
Program Evaluation & Monitoring	10,002		5,108		5,000		0	5,000	
Federal Admin. Oversight	8,469		9,518		11,024		0	11,024	
WIC Contingency Funds	368,255		0		0		0	0	
UPC Database (Direct Appropriation)	1,607		1,208		928		72	1,000	
Total Obligations	7,167,986		6,946,401		7,019,825		134,199	7,154,024	
Recovery of Prior Year Obligations:									
WIC Program	-164,255		-390,768		-295,056		-59,968	-355,024	
Unobligated Balances:									
Available Start of Year									
WIC Program	-25,512		-40,529		-8,000		8,000	0	
WIC Contingency 1/	-125,000		-125,000		-125,000		0	-125,000	
Available End of Year									
WIC Program	40,529		8,000		0		0	0	
WIC Contingency	125,000		125,000		125,000		25,000	150,000	
Transfer from SNAP account (12-3505) 2/	-400,000		0		0		0	0	
Transfer to Working Capital Fund	75		0		0		0	0	
Lapse	674		91		0		0	0	
Total Appropriation	6,619,497	28	6,523,195	30	6,716,769	35	107,231	6,824,000	35
Rescission	0		190,804		0		0	0	
Sequester	0		332,950		72		-72	0	
UPC Database (Direct Appropriation)	-1,000		-949		-1,000		0	-1,000	
Total Adjusted Appropriation	6,618,497	28	7,046,000	30	6,715,841	35	107,159	6,823,000	35

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

2/ FNS transferred \$400 million from the SNAP account to WIC contingency in order to support anticipated participation in FY 2012. The transferred funds were used for Grants to States for supplemental food and NSA costs.

FOOD AND NUTRITION SERVICE

Justification of Increases and Decreases

The FY 2015 request for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) reflects an appropriation increase of \$107,159,000.

- (1) An increase of \$207,135,000 for WIC Grants to States for supplemental food, nutrition services and administrative costs (\$6,470,841,000 available in FY 2014).

The funding increase will support benefits for the 8.66 million individuals expected to participate in the program each month. The Administration expects the Budget request to provide sufficient resources to serve all eligible women, infants, and children, who seek WIC benefits. The average monthly food cost per person is estimated to increase from \$44.71 in FY 2014 to \$47.14 in FY 2015. The increase in the food package cost supports revised food packages that better reflect current nutrition science and dietary recommendations, and inflation costs (anticipated changes in the Thrifty Food Plan are used to estimate food package inflation from the current year to the budget year).

The average nutrition services and administrative (NSA) cost per person is estimated to increase from \$18.27 in FY 2014 to \$18.84 in FY 2015. NSA funds are used by State agencies to provide non-food benefits to participants, including nutrition education, health screenings and referrals, and breastfeeding support; to manage the infant formula rebate system, monitor and manage relationships with retail vendors; screen applicants for nutritional risk and income eligibility; as well as a small portion for other administrative work. The increase reflects a projected increase of about 3 percent in the State and Local Expenditure Index.

- (2) No change for Infrastructure Grants (\$13,600,000 available in FY 2014).

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

- (3) No change for Technical Assistance (\$400,000 available in FY 2014).

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

- (4) No change for Breastfeeding Peer Counselors (\$60,000,000 available in FY 2014).

These funds are used to support breastfeeding peer counselor programs. For nearly all infants, breastfeeding is the best source of infant nutrition and immunologic protection, and it provides remarkable health benefits to mothers as well. The use of breastfeeding peer counselors has proven to be an effective method of increasing breastfeeding duration. The WIC Program promotes breastfeeding as the best form of nutrition for infants through the provision of support and encouragement to new mothers and through nutrition education during pregnancy. State agencies are now implementing plans that institutionalize peer counseling as a core service in WIC. In FY 2003, FNS began the development of "Using *Loving Support* to Implement Best Practices in Peer Counseling," a project designed to prepare staff within the WIC Program to implement and expand breastfeeding peer counseling programs. This project continues to serve as a guide for local programs in designing, building and sustaining peer counseling programs.

- (5) No change for Management Information Systems (\$30,000,000 available in FY 2014).

Dedicated funding for Management Information Systems (MIS) and Electronic Benefit Transfer (EBT) activities is needed to meet the Healthy, Hunger-Free Kids Act of 2010 mandate of nationwide EBT by October 1, 2020. EBT systems have the potential to enhance benefit delivery and improve accountability of food benefits and vendor payment systems. FNS is working with, and providing funds to, individual State agencies on initiatives to plan, develop, and implement WIC EBT systems. As of February 2014, 11 of the 90 WIC State

FOOD AND NUTRITION SERVICE

agencies have implemented EBT Statewide. An additional 54 WIC State agencies are involved in some phase of EBT - either planning, development, or implementation. Twenty-five WIC State agencies have not yet engaged in WIC EBT planning. Of those, 7 are States and 18 are Indian Tribal Organizations.

(6) No change for Program Evaluation and Monitoring (\$5,000,000 available in FY 2014).

FNS conducts a variety of studies, evaluations, and related activities that respond to the needs of policy makers and managers and help ensure that the WIC program effectively achieves its goals. This line supports the critical evaluations and research needed for the WIC Program, including the federal staff needed to oversee this vital work.

(7) An increase of \$24,000 for Federal Administrative Oversight which includes an increase of \$47,000 for pay costs and a decrease of \$23,000 for unspecified savings (\$11,000,000 available in FY 2014).

Funding in this line item is used to improve Federal oversight of the EBT implementation process and to provide other technical assistance or oversight at the State level. Section 352(d) of the Healthy, Hunger-Free Kids Act of 2010 imposed a requirement that all WIC State agencies must implement EBT systems throughout the State by October 1, 2020. This is an aggressive implementation schedule and requires dedicated resources to ensure that FNS is able to provide the technical support required to assist States in meeting this Congressionally-mandated deadline. FNS is working with individual State agencies on initiatives to plan, develop and implement WIC EBT systems.

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

(8) An increase of \$25,000,000 for WIC Contingency Funds (\$125,000,000 available in FY 2014).

The request in contingency funds is needed to provide a greater protection against a funding shortfall should participation or food costs exceed current estimates. The WIC contingency fund was first authorized in 2003. At that time the contingency fund represented approximately two weeks of benefits funding. The increase of \$25,000,000 – for a total of \$150 million in 2015 – will help to raise the contingency fund to be approximately one and a half weeks of benefits funding.

(9) No change for UPC Database (\$1,000,000 available in FY 2014).

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

FOOD AND NUTRITION SERVICE

Program Cost and Performance
Summary

Program Performance Data	2012 Actual	2013 Actual	2014 Estimate	Inc. or Dec.	2015 Estimate
Program Expenditures (\$ in millions)					
Grants to States:					
Supplemental Food	\$4,527.8	\$4,685.0	\$4,647.3	\$322.3	\$4,969.7
Nutrition Services and Administration	1,787.5	1,849.5	1,896.6	65.4	1,962.0
Subtotal, Grants to States	6,315.3	6,534.6	6,543.9	387.8	6,931.7
Infrastructure Grants	3.3	13.0	13.6	0.0	13.6
Technical Assistance	0.0	0.0	0.4	0.0	0.4
Breastfeeding Peer Counselors	60.0	55.6	60.0	0.0	60.0
Management Information Systems	10.2	32.4	30.0	0.0	30.0
Program Evaluation and Monitoring	10.0	5.1	5.0	0.0	5.0
Fed. Admin. Oversight	8.5	9.5	11.0	0.0	11.0
UPC Database (Direct Appropriation)	1.6	1.2	0.9	0.1	1.0
WIC Contingency Funds	368.3	0.0	0.0	25.0	25.0
Total Program Expense ^{1/}	6,777.1	6,651.4	6,664.8	412.8	7,077.7
Structural Carry over	390.8	295.0	355.0	-253.7	101.3
Total Obligations ^{2/}	7,167.9	6,946.4	7,019.8	134.1	7,154.0
Average Participation Per Month (in millions)	8.961	8.661	8.662	0.0	8.662
Average Food Cost Per Person Per Month	\$44.98	\$43.45	\$44.71	\$2.43	\$47.14
Average Admin. Cost Per Person Per Month	17.57	18.16	18.27	0.6	18.84
Total Benefit Costs	\$62.55	\$61.61	\$62.98	\$3.00	\$65.98

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

2/ The total obligations do not include the additional \$25 million requested in FY 2015 for the WIC Contingency Fund. Those additional funds will be held in reserve and not obligated during FY 2015.

FOOD AND NUTRITION SERVICE

Geographic Breakdown of Obligations and Staff Years (SY)

(Dollars in thousands)

Special Supplemental Nutrition Program for Women, Infants and Children (WIC)- Federal Salaries and Expenses									
	<u>2012 Actual</u>		<u>2013 Actual</u>		<u>2014 Estimated</u>		<u>2015 Estimated</u>		
	Amount	SY	Amount	SY	Amount	SY	Amount	SY	
California	\$298	2	\$298	2	\$302	2	\$304	2	
Colorado	278	1	278	2	280	2	282	2	
Georgia	288	2	288	2	290	2	292	2	
Illinois	152	1	242	2	244	2	246	2	
Massachusetts	298	2	298	2	302	2	304	2	
New Jersey	322	2	322	2	326	2	328	2	
Texas	318	2	318	2	320	2	322	2	
Virginia	17,679	16	13,550	16	13,692	21	13,835	21	
Undistributed	0	0	0	0	0	0	0	0	
TOTAL	\$19,633	28	\$15,594	30	\$15,756	35	\$15,913	35	

Note: Totals may not add due to rounding.

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

Classification by Objects

(Dollars in Thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	Actual	Actual	Estimate	Estimate
Personnel Compensation:				
Washington D.C.....	\$1,280	\$1,450	\$1,687	\$1,704
Field.....	1,502	1,703	1,981	2,000
11.0 Total personnel compensation.....	2,782	3,153	3,668	3,704
12.0 Personnel benefits.....	878	996	1,158	1,169
Total personnel comp. and benefits.....	3,660	4,149	4,826	4,873
Other Objects:				
21.0 Travel and transportation of persons.....	128	130	132	134
22.0 Transportation of things.....	2	2	2	2
25.0 Other Services.....	2,100	2,136	2,170	2,205
26.0 Supplies and materials.....	575	585	594	604
41.0 Grants.....	7,161,521	6,939,399	7,012,101	7,146,206
Total, Other Objects.....	7,164,326	6,942,252	7,014,999	7,149,151
99.9 Total, new obligations.....	7,167,986	6,946,401	7,019,825	7,154,024

FOOD AND NUTRITION SERVICE

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

STATUS OF PROGRAM

Program Mission

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) provides nutritious supplemental foods, nutrition education, breastfeeding promotion and support, and health care referrals at no cost to low-income pregnant, postpartum, and breast-feeding women, to infants, and to children up to their fifth birthday, who are determined by health professionals to be at nutritional risk. “Low-income” is defined as at or below 185 percent of poverty. For the period of July 1, 2012, to June 30, 2013, this represented \$42,643 for a family of four. WIC also promotes breastfeeding as the feeding method of choice for infants, provides substance abuse education, and promotes immunization and other aspects of healthy living.

FNS makes funds available to participating State health agencies and Indian Tribal Organizations (ITOs) that, in turn, distribute the funds to participating local agencies. State and local agencies use WIC funds to pay the costs of specified supplemental foods provided to WIC participants, and to pay for specified nutrition services and administration (NSA) costs, including the cost of nutrition assessments, blood tests for anemia, nutrition education, breastfeeding promotion and health care referrals.

Facts in Brief

Selected Characteristics of WIC Participants
Proportion of WIC Participants (Percent)

WIC Participants	April	April	April	April	April	April	April
	2000	2002	2004	2006	2008	2010	2012
Infants	26.3	25.7	25.7	25.9	25.5	23.6	23.0
Children	49.6	50.1	49.8	48.9	49.5	52.9	53.4
Women	24.1	24.1	24.5	25.1	25	23.5	23.6
Under 18 Years Old	8	6.8	6.3	6.2	6.1	5.2	4.4
Breastfeeding	5.3	5.7	6	6.7	6.9	6.6	6.8
Race*							
Black	21.9	20.2	20	19.6	19.6	19.3	19.8
White	37.4	35.9	34.8	55.3	60.3	60.9	58.2
Race Not Reported	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	3.2	1.5	1.4	0.7
All Other	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	21.9	18.6	18.4	21.3
Ethnicity*							
Hispanic	35.3	38.1	39.2	41.2	42.1	42	41.5
Non-Hispanic	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	55.9	57.1	57	57.8
Ethnicity Not Reported	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	2.9	0.8	1	0.7
On SNAP (Food Stamps)	19.6	17.5	19.8	21.8	22.6	29.4	35.8
On Medicaid	49.5	54.3	61.1	63.2	62	65.6	70.8
On TANF	12.1	9.6	9.4	9.3	6.5	7.9	8.6

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Poverty Status:							
0-50 Percent	26.5	26.5	28.6	29.3	29.6	31.7	33.4
51-100 Percent	29.1	27.4	28.6	30.5	31.2	32.1	33.2
101-130 Percent	13.7	13.4	13.1	13.4	13.4	12.6	11.4
131-150 Percent	7.1	6.7	6.2	6.4	6.1	5.6	5.3
151-185 Percent	8.4	8.2	7.7	7.6	7.4	6.8	6.2
Mean Income (whole \$)	\$13,819	\$14,550	\$14,758	\$15,577	\$16,535	\$16,449	\$16,842
Mean Household Size (persons)	4	4	4	4	4.1	4.1	4.1
One Person Households Percent	1.8	1.5	1.3	1.3	1.2	1.2	1.2
Enrollment in 1 st Trimester Percent	47.7	48.4	50.7	51.2	50.6	51.6	56.9
Enrollment in 2 nd Trimester Percent	39	39.8	38.4	37.9	37.4	35.4	34.7

Source: WIC Participant and Program Characteristics reports 2000-2012

* The 2006 WIC Participant and Program Characteristics Report was the first to contain data on race and ethnicity applying the new data collection procedures required by the Office of Management and Budget (OMB). Because the 2006 race/ethnicity categories differ significantly from previous reports, explicit comparison across years is not possible. <http://www.fns.usda.gov/ora/menu/Published/WIC/WIC.htm>

Program Participation and Costs

Average Monthly Participation (In Thousands)	2008	2009	2010	2011	2012	2013
Women	2,153.2	2,182.4	2,137.9	2,096.9	2,093.7	2,046.1
Infants	2,222.5	2,224.2	2,173.1	2,102.8	2,067.8	2,035.0
Children <5	4,328.8	4,715.1	4,864.0	4,760.9	4,746.3	4,579.6
Total	8,704.5	9,121.7	9,175.0	8,960.6	8,907.8	8,660.7
Change from Prior Year	5.1%	4.8%	0.6%	-2.3%	-0.6%	-2.8%
Food Cost Total (Million \$)	\$4,534	\$4,641	\$4,563	\$5,018	\$4,808	\$4,516
Avg./Person/Month	\$43.41	\$42.40	\$41.44	\$46.67	\$44.98	\$43.45
Change in Per Person Food Cost	11.2%	-2.3%	-2.3%	12.6%	-3.6%	-3.4%
Per Person Per Month Total (Food/Admin.) Cost	\$58.81	\$58.73	\$58.77	\$64.91	\$62.55	\$61.61

Source: Program Information Report, September 30, 2013. Actual totals may be received in future reporting periods. National Data Bank, KD21 US FY 2013.

Reauthorization of the WIC Program

The Healthy, Hunger-Free Kids Act of 2010 (HHFKA, P.L. 111-296) reauthorized WIC through FY 2015. Major provisions of HHFKA affecting WIC include: 1) allowing States the option to certify children for a period up to one year, provided that participant children receive required health and nutrition assessments; 2) requiring annual collection and publication of breastfeeding data at the State and local levels; 3) establishing an exemplary breastfeeding recognition program at the local or clinic level; 4) authorizing up to \$10 million in funding for breastfeeding performance bonuses; 5) requiring food package reviews not less than every ten years; 6) establishing new bid requirements for infant formula and all foods for which rebates are solicited; 7) requiring all States to implement an Electronic Benefit Transfer (EBT) system for WIC benefits by 2020; and 8) establishing a Universal Product Code (UPC) database within two years that all States will be required to use. FNS implemented the non-EBT provisions through regulation in FY 2011 and issued a proposed rule on February 28, 2013 incorporating the WIC EBT-related provisions.

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WIC Food Package

On December 6, 2007, the Department published an interim final rule revising the WIC food packages. The revisions align the WIC food packages with updated nutrition science and infant feeding practice guidelines of the American Academy of Pediatrics. State agencies were required to implement the provisions contained in the interim rule no later than October 1, 2009.

The interim rule allowed FNS to obtain feedback on the major changes recommended by the National Academy of Sciences' Institute of Medicine (IOM), while allowing implementation to move forward.

Nutrition Education: An Important Benefit

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

FNS, in collaboration with the Center for Nutrition Policy and Promotion have updated the content of the outreach publication, *How WIC Helps*, and the participant nutrition education poster, *Healthy Tips for Expectant Moms* to reflect the 2010 *Dietary Guidelines for Americans* and MyPlate icon and are expected to be published online in winter/spring FY14. FNS also continues work on revising the participant nutrition education publication, *Next Steps to Health for You and Your Family* (formerly titled, *After You Deliver*) to reflect recommendations from focus group participants and current dietary guidance. This publication fulfills the congressional mandate to provide WIC women participants graduating from the Program with an exit counseling brochure. This publication is expected to be published in FY14.

A joint FNS/National WIC Association workgroup, with 32 members from Federal, State and local agencies, was established to collaborate on the update and revision to the 2001 WIC Nutrition Services Standards (NSS). The NSS identifies a level of quality standards of practice for WIC State and local agencies. The NSS provide a way for State and local agencies to self-assess how well they deliver a wide range of nutrition services and make quality program improvements in their processes for achieving the delivery of quality nutrition services in their WIC Programs. In 2013, each Regional Office and WIC State Agency received a copy of the revised standards, and an electronic copy was posted to the WIC Works Resource System.

WIC regulations require that WIC participants receive information about the dangers of alcohol, drug and other harmful substance abuse, and require, when appropriate, referrals to alcohol and drug abuse counseling. FNS awarded a contract to update and replace the existing educational materials developed as a result of a January 1990 FNS report, *A Study of Appropriate Methods of Drug Abuse Education for Use in the WIC Program*, and the resulting resource materials for local staff and participants including *Providing Drug Abuse Information and Referrals in the WIC Program: A Local Agency Resource Manual*. In FY 2013, the contractor used the final report that they developed in FY 2012 to produce an updated resource guide for use by local WIC agencies. The resource guide is designed for local WIC agency staff who must decide how to integrate alcohol and other drug information and referral elements into their activities without overburdening either their clients or themselves, and without reducing current efforts focused on providing food benefits, nutrition education, and referrals for health care. The resource guide will be finalized in mid FY 2014.

FNS continues to work in cooperation with the Food and Nutrition Information Center to expand the number of nutrition services tools available to WIC State and local agency staff through the online WIC Works Resource

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System, <http://www.nal.usda.gov/wicworks>. Features of the WIC Works Resource System include: 1) WIC-Talk, an email discussion forum; 2) WIC Sharing Center, a portal to share State-developed materials; 3) WIC Infant

Formula Database, a searchable directory on the infant formula approved for use in the program; 4) Assessment tools to help staff facilitate the certification process; and 5) WIC Learning Online (WLOL), a series of online courses for WIC State and local staff development and continuing education. During FY 2013, the Spanish version of the Loving Support© Through Peer Counseling training platform and materials was formatted and added to the Sharing Center, along with a new page of resources about WIC designed for students, interns and new employees. WLOL had over 29,633 active users in FY 2013. A new off-the-shelf course, Interpersonal Communication – Listening Skills, was added to WLOL and six custom courses were also added. The WIC Works Spring mailing was distributed to State, local and regional WIC offices on USDA’s Summer Food Service Program so that WIC agencies had the up-to-date program information to make referrals.

Breastfeeding Promotion Efforts

The WIC Program promotes breastfeeding as the best form of nutrition for infants. WIC program staff offer support and encouragement to new mothers and the benefits of breastfeeding are explained to participants in the nutrition education information provided during pregnancy. In addition, WIC mothers who decide to breastfeed receive a more substantial food package and are eligible to receive WIC for a longer period of time than non-breastfeeding postpartum women. Based on 2012 WIC Participant and Program Characteristics data, for the first time, the proportion of WIC breastfeeding women was higher than the proportion of postpartum women.

The number of participating postpartum women determines the minimum amount of WIC NSA funding States are required to dedicate toward breastfeeding promotion and support. In FY 2013, FNS continued its “Using *Loving Support* to Implement Best Practices in Peer Counseling”, a project designed to assist staff within the WIC Program to implement and expand breastfeeding peer counseling programs. This project serves as a guide for local programs in designing, building, and sustaining peer counseling programs. The goal of the project is to equip WIC Programs with the tools necessary to implement and manage a research-based peer counseling model that is effective and feasible. State agencies are now implementing plans that institutionalize peer counseling as a core service in WIC. In FY 2013, FNS awarded \$50 million in grants for breastfeeding peer counseling. Almost all WIC State agencies are operating peer counseling programs with these funds, with over 3000 peer counselors providing services to WIC mothers. This year’s World Breastfeeding Week theme, *Breastfeeding Support: Close to Mothers*, highlighted breastfeeding peer counseling. FNS created a video to celebrate WIC peer counselors and thank the staff of State and local WIC offices for continuing to strengthen and expand breastfeeding peer counseling programs for mothers and infants served by WIC. FNS Administrator Audrey Rowe provided an introduction highlighting WIC peer counseling programs and praising the work of peer counselors. The video features images of actual WIC peer counselors displaying their written words of advice to new peer counselors. State and WIC local agencies are using the video to promote peer counseling in clinics, in the community, and with partners and stakeholders. The video is posted on the WIC Works Resource System at: <http://wicworks.nal.usda.gov/breastfeeding/world-breastfeeding-week/video>.

In FY 2013, FNS hosted a webinar with the U.S. Department of Labor (DOL) for WIC State Breastfeeding Coordinators to learn about the breastfeeding breaks for nursing mothers’ provision in the National Fair Labor Standards Act. Staff from DOL’s Wage and Hour Division informed WIC State Breastfeeding Coordinators about the basic requirements under the law, discussed the enforcement and complaint process, described the educational resources available and provided State and regional contact information. The webinar was recorded and is posted to the WIC Works Resource System, along with additional DOL resources for WIC staff to utilize, such as FAQs, fact sheets, and other tools.

The Healthy, Hunger-Free Kids Act of 2010 (the Act), Public Law 111-296, enacted January 5, 2010, increased emphasis on breastfeeding promotion and support in WIC. The Act established the provision of breastfeeding performance bonus payments. In FY 2013, bonuses were awarded to one “large” and one “small” State Agency in the category of *greatest improvement* in the proportion of fully breastfed infant participants. The performance bonus for the smaller State agency was awarded to Eight Northern Indian Pueblos WIC State Agency and the performance bonus for the larger State Agency was awarded to Colorado. The performance bonuses build upon WIC’s longstanding efforts to promote and support breastfeeding, and are intended to recognize and award State agencies

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that have demonstrated successful breastfeeding promotion and support efforts. These awards provide an opportunity to highlight successful WIC breastfeeding initiatives. Additionally, these awards will encourage successful State agencies to continue their efforts and motivate other State agencies to strengthen their breastfeeding promotion and support services.

In FY 2013, FNS continued work to update USDA's national breastfeeding promotion and support campaign—*Loving Support Makes Breastfeeding Work*. This campaign was initially launched in 1997. Based on a social marketing approach, *Loving Support* is a national effort to promote breastfeeding to WIC participants and their families, by emphasizing that the support of family and friends, the health care system, and the community are all essential for a breastfeeding mother to be successful. The IOM report, *Updating the USDA National Breastfeeding Campaign: Workshop Summary*, available at <http://iom.edu/Reports.aspx>, has continued to inform the process necessary to successfully update the *Loving Support* campaign. In FY 2013, FNS developed a plan to update the campaign as funding allows, and in FY 2014, FNS is updating electronic resources available to WIC staff, participants, family and friends, and community partners.

All WIC local agencies are required to implement policies and procedures to provide breastfeeding support and assistance throughout the prenatal and postpartum period. In addition, Section 231 of HHFKA requires USDA to implement a program to recognize exemplary breastfeeding support practices at WIC local agencies and clinics. In response, FNS is developing the Loving Support Award for Excellence in Breastfeeding. The purpose of the program is to recognize exemplary breastfeeding support practices at local WIC agencies and provide models to motivate other local WIC agencies and clinics to strengthen their breastfeeding promotion and support activities. A notice soliciting public comments on the approach for selecting and awarding local agencies for the program was published in the Federal Register on June 29, 2011. FNS considered the public comments gathered from the notice, information from existing recognition programs, and key stakeholder input to develop the award selection criteria and application procedures. A second notice was published in the Federal Register on March 8, 2013, requesting comments on the data collection and the estimated burden of time. FNS plans to launch the award process in FY 2014.

FNS continues to collaborate with other Federal agencies and non-profit organizations to promote breastfeeding surrounding the Surgeon General's Call to Action to Support Breastfeeding (Call to Action) and the Healthy People 2020 objectives on breastfeeding. FNS continues to partner with other member organizations to sponsor the Breastfeeding Promotion Consortium (BPC) meeting. The mission of the BPC is to be a forum for the Federal Government and breastfeeding advocacy groups to promote, protect, and support breastfeeding. The BPC comprises over 30 organizations, including professional and public health associations, government agencies, and breastfeeding advocacy groups. Additionally, FNS participates in a Federal Breastfeeding Workgroup convened by the Department of Health and Human Services' Centers for Disease Control and Prevention which focuses on implementation activities as well as interagency coordination of breastfeeding support efforts. The workgroup includes staff from Federal agencies that have a substantive role in breastfeeding promotion and support activities. FNS is also a government liaison to the United States Breastfeeding Committee, a national breastfeeding committee composed of representatives from relevant government departments, non-governmental organizations, and health professional associations who strategically work to support breastfeeding efforts and initiatives across the country.

Cost Containment Initiatives

In an effort to use food grants more efficiently, all geographic WIC State agencies and most Indian Tribal Organizations (ITO) 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 23 years. The average monthly food cost has increased by approximately 43.8 percent from FY 1990 to FY 2013, while general food inflation, as measured by the Thrifty Food Plan (TFP), has increased by 86.8 percent.

The most successful strategy has been competitively bid infant formula rebate contracts between State agencies and infant formula manufacturers. In addition, 18 State agencies, including State agencies that are parties in three multi-State contracts, have rebate contracts for infant foods (cereal, vegetable, fruit, and meat). In FY 2013, States

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reported an estimated rebate savings of \$1.88 billion. Approximately 88 percent (42) of the geographic State agencies (excluding Mississippi and Vermont) received a 90 to 99 percent discount on the wholesale cost of a 13-ounce can of milk-based liquid concentrate infant formula. The remaining geographic State agencies (six) received discounts ranging from 86 to 89 percent. Twenty-four geographic State agencies implemented contracts for FY 2013 with discounts ranging from 88 to 99 percent, with a median discount of 97 percent. To date, 5 geographic State agencies awarded contracts for FY 2014 with discounts ranging from 95 to 98 percent, with a median discount of 96 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 contained provisions regarding vendors that derive more than 50 percent of their annual food sales from WIC redemptions, including requiring State agencies to ensure that the 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, implementing the new provisions. By law, State agencies were required to implement the rule provisions by December 30, 2005. FNS published a final rule to complete the implementation of these provisions of the law on October 8, 2009 (74 FR 51745). In addition, to ensure that vendor peer groups remain effective, WIC State agencies are required to conduct an assessment of their peer group structure at least every three years. This process should include using statistical methods to verify the appropriateness of the peer group criteria and the methodology for establishing competitive price. WIC State agencies are required to submit this assessment to FNS to demonstrate that it continues to meet the requirements of cost neutrality. FNS continued to provide training and technical assistance to assist States in implementing their vendor cost containment systems. Each year States vendor management is monitored through The Integrity Profile (TIP) report. This approach will give a more complete assessment of WIC vendor management nationwide to inform additional improvements to FNS oversight efforts.

In addition to training that is provided to State agency staff during individual FNS Regional meetings, FNS Headquarters provides periodic training to Regional and State agency staff. In late 2012, FNS convened a WIC Vendor Management Evaluation (ME) Workgroup, comprised of headquarters and regional staff members and hosted training via LiveMeeting for over 50 FNS staff members. The purpose of the training was to introduce the recently-updated ME Guidance Package to regional staff who will be involved in the WIC Vendor ME process. This Guidance Package included a streamlined questionnaire (including detailed reviewers' notes), and Standard Operating Procedures (SOPs) for conducting Vendor MEs, as well as several spreadsheets for more detailed data collection and analysis. The purpose of the Vendor Management Evaluation Workgroup and the ME Guidance package that was developed is to ensure that Vendor MEs are conducted in a manner that is thorough and consistent nationwide.

With the completion of the WIC Vendor management evaluation (ME) process training, FNS launched a major project to conduct an ME review of the vendor management functional areas in each geographic WIC State agency that uses a retail food delivery system by the end of fiscal year (FY) 2014. This approach will give a more complete assessment of WIC vendor management nationwide to include additional improvements to our oversight efforts. In addition, this project will track and analyze vendor management ME findings on an ongoing basis to determine the need for additional training, policy clarification, guidance or other technical assistance.

In September 2013, FNS in collaboration with the National WIC Association (NWA) co-hosted the NWA's Biennial Technology Conference. This conference included three tracks: Technology, EBT, and Program Integrity. FNS developed the Program Integrity sessions that focused on development of effective methods to determine competitive price, maximum allowable reimbursement rates and peer group criteria.

WIC Prescreening Tool

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

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The WIC Prescreening Tool is accessible to all Internet users via “Am I Eligible?” links on the WIC homepage. The tool is accessed approximately 2,000 times per day by users across the country. The tool was initially launched in English, Spanish and Mandarin Chinese; due to its popularity, it has been translated into six additional languages (Arabic, Haitian-Creole, Korean, Russian, Somali and Vietnamese), which will be launched in FY 2014.

State Agency Model (SAM) Project

The SAM Project is an initiative to develop model WIC management information systems (MIS) through multiple State agency consortia. It also includes the transfer of these models to other WIC State agencies in order to eliminate systems development duplication and streamline the MIS procurement process. The SAM Project is consistent with FNS’ technology goal to improve WIC system functionality through the replacement of automated legacy systems. For many states, this step is a necessary precursor to EBT implementation.

FY 2013 was the tenth year in which FNS awarded grant funds in support of the SAM Project. The three SAM consortia are: Successful Partners in Reaching Innovative Technology (SPIRIT), comprised of 13 ITOs in New Mexico and Oklahoma; the Mountain Plains State Consortium (MPSC), 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 MIS system, SPIRIT, was completed in FY 2007 and enhanced in FY 2008 and FY 2009. With the completion of the SPIRIT model, FNS has provided funding and/or approval to eight State agencies to transfer the SPIRIT system (Arkansas, Missouri, Montana, Maine, Alaska, Minnesota, Mississippi and Potawatomi Indian Tribal Organization (ITO)). The Chickasaw Nation ITO implemented the SPIRIT online EBT system in October 2010.

The MPSC system has been successfully implemented in Colorado, Utah and Wyoming. Wyoming enhanced the system to support offline EBT and implemented in the fall of 2012. MPSC is now the second model system available for assessment and transfer and several state agencies have already identified MPSC as their transfer system of choice.

The Crossroads State agencies finalized User Acceptance Testing and in November 2013, Virginia begin pilot with Crossroads and online EBT with the other three agencies to follow with scheduled pilot completion in spring 2014.

Electronic Benefit Transfer (EBT)

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

EBT systems have the potential to enhance benefit delivery and improve accountability of food benefits and vendor payment systems. FNS continues to work with individual State agencies to plan, develop, and implement WIC EBT systems. As of the end of FY 2013, at least 65 WIC State agencies, over two-thirds of all WIC State agencies, are involved in some phase of EBT -- planning, development, implementation or operational Statewide. In FY 2013, 12 new EBT projects were funded.

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

Thirty-four WIC State agencies are currently in the planning phase for EBT. They include: ACL (Acoma, Canoncito, and Laguna of NM); Alabama; Alaska; American Samoa (Arizona Lead); Arizona; California; Choctaw Nation of Oklahoma; Commonwealth of the Northern Mariana Islands (Arizona Lead); District of Columbia; 8 Northern Indian Pueblos, Inc.; 5 Sandoval Indian Pueblos (Lead in NM ITO EBT Project); Guam (Arizona Lead); Hawaii; Indiana; Inter-Tribal Council Inc., of Oklahoma; Inter-Tribal Council, Inc., of Arizona; Kansas; Louisiana;; Muscogee Creek Nation, OK; Navajo Nation (Arizona Lead); Nebraska; New Hampshire; New Jersey; New York;

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North Dakota; Osage Nation of OK; Otoe-Missouria Tribe of OK; Pennsylvania; Pueblo of Zuni, NM; Puerto Rico, Rhode Island; South Carolina; South Dakota, and WCD (Wichita, Caddo, and Delaware Tribes) Enterprises, Inc., OK (Lead in OK ITO EBT project).

Twenty WIC State agencies (Arkansas, Colorado Connecticut, Delaware, Florida, Illinois, Iowa, Maine, Maryland (with Virgin Islands), Massachusetts, Missouri, Montana, Ohio, Oklahoma, Oregon, Vermont, Virginia, Washington and Wisconsin) are currently implementing EBT.

In FY 2013, the national universal product code (NUPC) contractor completed several enhancements to the NUPC database which simplify the data input process, expand the database to include nutrition information and ingredients for each product, and provide an automated function which will ensure all food items residing in the database meet the Federal requirements for WIC eligible foods. The contractor also began populating the database with information that was not previously available in the NUPC database. FNS will be moving into FY 2014 with a pilot project to test this new functionality and identify any enhancements which might be required prior to placing the system into production.

Nutrition Risk Assessment

Value Enhanced Nutrition Assessment (VENA): The VENA initiative is a response to the IOM Report, Dietary Risk Assessment in the WIC Program, published in 2002, which determined that all women and children (ages 2 to 5 years), who meet eligibility requirements of the Program, also meet the requirement of nutrition risk, based on failure to meet the Dietary Guidelines. VENA Policy and Guidance (developed with the assistance of a joint workgroup of FNS and National WIC Association representatives) was implemented in FY 2006. FNS continues to provide technical assistance to assist State agencies with VENA competencies and operation; including the WIC Works Resource System public website, which hosts a VENA village complete with three VENA competency online training modules, the VENA guidance document, and State developed training materials. In addition, in FY 2012 a VENA II initiative was launched to highlight VENA successes at the State and local level and to identify areas that may need additional support and effort. Ongoing plans include quarterly webinars for WIC staff at every level to showcase successful VENA activities and to promote such activities in other WIC Programs across the nation; and to provide additional refresher trainings on individual staff competencies identified in the VENA Guidance. Consistent with the VENA II initiative, in 2013, the nutrition assessment standard of the WIC Nutrition Services Standards was revised to reflect VENA policy.

Revised WIC Nutrition Risk Criteria: In FY 2013 four WIC nutrition risk criteria were revised and implemented as part of the on-going cyclical review of risk criteria. The following revised criteria were implemented: Food Allergies, Celiac Disease, Lactose Intolerance and Failure to Meet Dietary Guidelines for Americans.

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

In FY 2013, FNS provided two-year noncompetitive grants to two States as part of FNS' Revitalizing Quality Nutrition Services in WIC initiative, whose goal is to improve and strengthen the effectiveness of WIC nutrition services. FNS awarded the two -year grants to Virginia and Connecticut. Each State agency received a \$74,999 noncompetitive grant to further develop their earlier projects which focused on a partnership with Head Start and Early Head Start to increase WIC participation and retention rates of children. These State agencies were previously awarded funding in FY 2011 through a competitive process to develop concept papers that address collaboration with Head Start/Early Head Start and support USDA's commitment to collaborate with the Department of Health and Human Services to increase the availability of affordable healthy foods in underserved urban and rural communities.

WIC Studies and Evaluations

FNS published three major reports related to WIC during FY 2013, which are available at <http://www.fns.usda.gov/ops/wic-studies> . These include:

- **WIC Eligibles Estimates – National and State for 2010** which updates national, FNS regional, and state-level estimates of individuals eligible for WIC and the percentage of the eligible population receiving benefits.

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- **WIC Erroneous Payments to Vendors – Annual Estimates for 2011** which provides aged estimates of the number of WIC vendors who over- and under-charged and the amounts of erroneous payments in FY 2011.
- **WIC Food Package Cost Report for FY 2010** which estimates the average monthly food costs for each of the five WIC participant subgroups and estimates total dollars spent on 17 major categories of WIC-eligible foods in FY 2010.

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**SPECIAL SUPPLEMENTAL NUTRITION PROGRAM (WIC)
PARTICIPATION AND PROGRAM FINANCING
FISCAL YEAR 2013**

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION				PROGRAM GRANT 2/ (000)
	WOMEN	INFANTS	CHILDREN	TOTAL	
Alabama-----	31,854	35,099	72,047	139,001	\$115,061
Alaska-----	5,571	5,621	12,061	23,253	23,714
Arizona 1/-----	43,118	46,454	92,770	182,342	144,453
Arkansas-----	22,607	24,075	43,020	89,702	70,088
California-----	317,192	283,602	830,985	1,431,778	1,198,573
Colorado 1/-----	23,306	22,382	51,186	96,874	75,707
Connecticut-----	11,498	13,679	29,075	54,253	46,279
Delaware-----	4,284	5,288	11,212	20,783	16,300
District of Columbia-----	3,979	4,638	7,043	15,659	14,867
Florida-----	117,411	116,818	249,029	483,257	366,924
Georgia-----	70,366	67,425	151,545	289,335	249,475
Hawaii-----	8,672	8,517	19,181	36,370	34,686
Idaho-----	10,501	10,289	22,502	43,292	30,757
Illinois-----	65,302	74,138	141,023	280,463	224,949
Indiana-----	38,675	40,206	80,643	159,524	109,903
Iowa-----	15,670	16,524	33,682	65,876	44,192
Kansas-----	16,105	17,376	37,134	70,615	51,716
Kentucky-----	31,223	34,015	64,471	129,710	102,719
Louisiana-----	34,583	38,082	67,192	139,856	121,089
Maine 1/-----	5,191	5,379	13,797	24,366	18,629
Maryland-----	34,595	34,928	74,950	144,473	111,258
Massachusetts-----	27,226	27,777	65,050	120,053	85,876
Michigan-----	58,317	63,257	132,551	254,126	191,363
Minnesota-----	29,156	28,414	67,047	124,617	100,022
Mississippi 1/-----	20,244	26,118	45,289	91,652	85,947
Missouri-----	35,829	36,556	68,189	140,574	100,525
Montana-----	4,586	4,814	10,449	19,848	16,348
Nebraska 1/-----	9,004	9,537	21,611	40,151	33,323
Nevada 1/-----	17,252	17,962	39,797	75,011	52,086
New Hampshire-----	3,628	3,973	8,078	15,679	10,952
New Jersey-----	38,346	37,858	91,659	167,862	146,040
New Mexico 1/-----	14,904	14,596	31,899	61,399	47,252
New York 1/-----	121,315	116,278	275,258	512,851	485,013
North Carolina 1/-----	60,958	63,579	140,137	264,674	199,634
North Dakota 1/-----	3,049	3,332	6,893	13,273	12,781
Ohio-----	61,528	68,180	133,799	263,507	182,390
Oklahoma 1/-----	28,751	29,344	60,432	118,527	94,821
Oregon-----	25,270	23,075	59,514	107,859	77,989
Pennsylvania-----	57,217	64,055	131,986	253,258	205,995
Rhode Island-----	5,063	5,576	12,768	23,407	19,536
South Carolina-----	32,231	33,627	58,429	124,287	98,303
South Dakota 1/-----	4,460	4,880	11,087	20,427	18,783
Tennessee-----	42,137	43,544	73,745	159,426	122,899
Texas-----	249,718	226,938	478,416	955,072	533,301
Utah-----	16,591	15,270	34,865	66,726	46,848
Vermont-----	3,128	2,786	8,922	14,836	13,158
Virginia-----	39,202	38,479	78,254	155,935	101,041
Washington-----	44,055	37,542	110,173	191,770	152,472
West Virginia-----	11,077	11,538	23,786	46,401	38,405
Wisconsin-----	25,857	26,916	60,968	113,740	92,492
Wyoming 1/-----	2,922	2,752	6,307	11,980	9,664
American Samoa-----	1,239	1,090	4,221	6,551	7,746
Guam-----	1,679	1,958	3,860	7,496	9,628
North Mariana Island-----	778	689	2,711	4,179	5,642
Puerto Rico-----	36,616	37,129	114,105	187,850	243,701
Virgin Islands-----	1,109	1,068	2,761	4,938	7,588
Anticipated adjustment-----					8,782
TOTAL-----	2,046,140	2,035,021	4,579,561	8,660,722	\$6,829,686

1/ Includes Indian Tribal Organizations

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

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

FOOD AND NUTRITION SERVICE

The estimates include appropriations language for this item as follows (new language underscored; deleted mater 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), [~~\$82,169,945,000~~] \$84,256,387,000, of which [~~\$3,000,000,000~~] \$5,000,000,000, to remain available through September 30, [~~2015~~] 2016, shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided*, That funds provided herein shall be expended in accordance with section 16 of the Food and Nutrition Act of 2008: *Provided further*, That of the funds made available under this heading, \$998,000 may be used to provide nutrition education services to State agencies and Federally recognized tribes participating in the Food
- 1 Distribution Program on Indian Reservations: *Provided further: That, of the funds made available under this heading, \$5,000,000 may be used to fund a national food consumption survey: Provided further*, That this appropriation shall be subject to any work registration or workfare requirements as may be
 - 2 required by law: *Provided further*, That funds made available for Employment and Training under this heading shall remain available [until expended, notwithstanding section 16(h)(1) of the Food and
 - 3 Nutrition Act of 2008] through September 30, 2016: *Provided further*, That funds made available under this heading for a study on Indian tribal administration of nutrition programs, as provided in title IV of
 - 4 the Agricultural Act of 2014 (Public Law 113–79), and a study of the removal of cash benefits in Puerto Rico, as provided in title IV of the Agricultural Act of 2014 (Public Law 113–79) shall be available until
 - 5 expended: *Provided further*, That funds made available under this heading for section 28(d)(1) (nutrition education and obesity grants) and section 27(a) (The Emergency Food Assistance Program) of the Food and Nutrition Act of 2008 shall remain available through September 30, [~~2015~~] 2016: *Provided further*, That funds made available under this heading for employment and training pilot projects, as provided in
 - 6 title IV of the Agricultural Act of 2014 (Public Law 113–79), shall remain available through September 30, 2018: *Provided further*, That funds made available under this heading may be used to enter into contracts and employ staff to conduct studies, evaluations, or to conduct activities related to program integrity provided that such activities are authorized by the Food and Nutrition Act of 2008.
 - 6 For necessary expenses to carry out the Food and Nutrition Act of 2008 (7. U.S.C. 2011 et seq.) for the first quarter of fiscal year 2016, \$21,064,096,750, to remain available through September 30, 2016.
 - 6 For making, after June 30 of the current fiscal year, benefit payments to individuals, and payments to States or other non-Federal entities, pursuant to the Food and Nutrition Act of 2008 (7. U.S.C. 2011 et seq.), for unanticipated costs incurred for the last three months of the current fiscal year, such sums as may be necessary.
- 1 The first change allows FNS to provide support for the National Health and Nutrition Examination Survey (NHANES), conducted by the Department of Health and Human Services, which provides important information on dietary intakes, nutrient consumption, food insecurity and obesity rates of SNAP participants.
 - 2 The second change provides two year availability for Employment and Training grants to States as directed in Section 4022 of the Agricultural Act of 2014 (P.L. 113-79).
 - 3 The third change changes the period of availability of study funds reprogrammed in FY 2014 as directed in Sections 4004, 4025 and 4031 of the Agricultural Act of 2014 (P.L. 113-79).
 - 4 The fourth change provides a two year period of availability for the Nutrition Education and Obesity Prevention grants to States as authorized by Section 28 of the Food and Nutrition Act of 2008, as amended. This also provides a two year period of availability for the commodity portion of The Emergency Food Assistance Program (TEFAP) as authorized by Section 4027 of the Agricultural Act of 2014 (P.L. 113-79).
 - 5 The fifth change makes funding available for Employment and Training Pilot Projects through FY 2018, as authorized by Section 4022 of the Agricultural Act of 2014.
 - 6 The sixth change provides an advance appropriation for fiscal year 2016 and enhanced flexibility in the fourth quarter to conform the treatment of SNAP with other direct spending programs subject to appropriations that serve low-income individuals, such as Medicaid, SSI, Child Support, and Foster Care.

FOOD AND NUTRITION SERVICE

Lead-Off Tabular Statement

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) – Current Law

Budget Estimate, 2015.....	\$84,256,387,000
2014 Enacted <u>a/</u>	<u>82,169,945,000</u>
Change in Appropriation	<u>-2,086,442,000</u>

a/ Excludes ARRA funding of \$6,667,381,000 in FY 2014. ARRA Funding for SNAP expired in FY 2014 and as a result, no ARRA funding is provided in FY 2015.

Budget Estimate, Current Law	\$84,256,387,000
Change due to proposed legislation <u>a/</u>	<u>(-10,000,000)</u>
Net Request, 2015 Request.....	<u>84,256,387,000</u>

a/ Proposed legislation reflects the impact of legislative proposals from other agencies. These proposals include requests for Afghan special immigrant visas (SIVs), Child Support enforcement changes, and extending Supplemental Security Income time limits for qualified refugees.

Summary of Increases and Decreases – Current Law

(Dollars in thousands)

Item of Change	2012 Actual	2013 Change	2014 Change	2015 Change	2015 Estimate
Benefit Costs	\$70,334,648	-\$3,021,553	\$4,547,860	-\$357,544	\$71,503,411
ARRA -- Benefits	8,290,823	-1,599,894	-190,929	-6,500,000	0
Contingency Reserve	2,790,000	210,000	0	2,000,000	5,000,000
Administrative Costs:					
State Administrative Costs	3,742,000	124,512	132,512	119,971	4,118,995
Nutrition Ed. and Obesity Prevention	388,000	-103,000	116,000	6,000	407,000
Employment and Training	386,118	29,828	21,459	9,822	447,227
Mandatory Other Program Costs	119,977	20,146	21,056	13,813	174,992
Discretionary Other Program Costs	1,000	-2	0	5,000	5,998
Total Administrative Costs	4,637,095	71,484	291,027	154,606	5,154,212
Nutrition Assistance for Puerto Rico	1,835,464	37,446	20,970	36,248	1,930,128
ARRA -- NAP	165,104	-37,446	39,056	-166,714	0
American Samoa	7,371	151	84	146	7,752
ARRA -- American Samoa Benefits	663	-151	155	-667	0
FDPIR Food and Admin	102,746	-2,590	3,844	15,736	119,736
TEFAP Commodities	260,250	5,500	3,000	55,250	324,000
Commonwealth of the Northern Mariana	13,148	-1,000	0	0	12,148
Community Food Project	5,000	0	0	4,000	9,000
E&T Work Pilot	0	0	10,000	180,000	190,000
Pilots and Demonstration Projects	0	0	3,000	-2,000	1,000
Program Access	5,000	0	0	0	5,000
Total Adjusted Appropriation	88,447,312	-4,338,053	4,728,067	-4,580,939	84,256,387
ARRA Funding	-8,456,590	1,637,491	151,718	6,667,381	0
Transfer to WIC (12-3510)	400,000	-400,000	0	0	0
Sequestration	0	-4,720	4,720	0	0
Rescission	11,000	-11,027	27	0	0
Total Appropriation or Change	80,401,722	-3,116,309	4,884,532	2,086,442	84,256,387

FOOD AND NUTRITION SERVICE

PROJECT STATEMENT

(On basis of appropriation)

(Dollars in thousands)

Project	2012 Actual	SY	2013 Actual	SY	2014 Estimate	SY	Inc. or Dec.		2015 Estimate	SY
Participant Benefits:										
SNAP Benefits	\$70,334,648		\$67,313,095		\$71,860,955		-\$357,544	(1)	\$71,503,411	
ARRA Benefits	8,290,823		6,690,929		6,500,000		-6,500,000		0	
Subtotal, Participant Benefits	78,625,471		74,004,024		78,360,955		-6,857,544		71,503,411	
Contingency Reserve	2,790,000		3,000,000		3,000,000		2,000,000	(2)	5,000,000	
State Administrative Costs	3,742,000		3,866,512		3,999,024		119,971	(3)	4,118,995	
Nutrition Ed. & Obesity Prevention Grant Prog.	388,000		285,000		401,000		6,000	(4)	407,000	
Employment and Training:										
Federal Funds 100%	99,000		99,000		110,000		0		110,000	
Federal Funds and Participant Costs 50%	287,118		316,946		327,405		9,822		337,227	
Subtotal, Employment and Training	386,118		415,946		437,405		9,822	(5)	447,227	
Subtotal, State Administrative Funding	4,516,118		4,567,458		4,837,429		135,793		4,973,222	
Mandatory Other Program Costs:										
Benefit & Retailer Redemption and Monitoring	29,327		32,738		39,061		9,478		48,539	
Certification of SSI Recipients for SNAP	20,772		21,208		21,749		-2,707		19,042	
Payment Accuracy and Cooperative Services	8,225		10,996		17,505		3,057		20,562	
Web-Based Automation of Systems	7,500		7,500		7,500		0		7,500	
Retailer Integrity and Trafficking	8,151		12,364		16,599		224		16,823	
Computer Support	7,474		9,594		9,776		132		9,908	
Electronic Benefit Transfer Systems	9,641		12,422		15,159		205		15,364	
Nutrition Education and Program Information	11,887		14,117		14,386		3,194		17,580	
Program Evaluation and Modernization	11,500		13,684		13,945		229		14,174	
FMMI	3,500		3,500		3,500		0		3,500	
IT Modernization and Support	2,000		2,000		2,000		0		2,000	
Subtotal, Mandatory Other Program Costs	119,977		140,123		161,180		13,812	(6)	174,992	
Discretionary Other Program Costs:										
FDPIR Nutrition Education	1,000		998		998		0		998	
National Health and Nutrition Examination Survey	0		0		0		5,000		5,000	
Subtotal, Discretionary Other Program Costs	1,000		998		998		5,000	(14)	5,998	
Subtotal, Other Program Costs	120,977	154	141,121	173	162,177	224	18,813	109	180,990	333
Subtotal, Supplemental Nutrition Assistance Program	86,052,566	154	81,712,603	173	86,360,561	224	-4,702,938	109	81,657,623	333
Nutrition Assistance for Puerto Rico	1,835,464		1,872,910		1,893,880		36,248	(7)	1,930,128	
ARRA -- Benefits NAP	165,104		127,658		166,714		-166,714		0	
Subtotal, NAP	2,000,568		2,000,568		2,060,594		-130,466		1,930,128	
American Samoa	7,371		7,522		7,606		146	(8)	7,752	
ARRA -- American Samoa Benefits	663		512		667		-667		0	
Subtotal, American Samoa	8,034		8,034		8,273		-521		7,752	
Food Distribution Program on Indian Reservations:										
USDA Foods in lieu of SNAP	64,938		61,327		63,811		15,133		78,944	
Distributing Agencies Expenses and Nut. Ed.	37,808		38,829		40,189		603		40,792	
Subtotal, FDPIR	102,746		100,156		104,000		15,736	(9)	119,736	
TEFAP Commodities 1/	260,250		265,750		268,750		55,250	(10)	324,000	
Commonwealth of the Northern Mariana Islands	13,148		12,148		12,148		0		12,148	
Community Food Project	5,000		5,000		5,000		4,000	(11)	9,000	
E&T Work Pilot	0		0		10,000		180,000	(12)	190,000	
Pilots and Demonstration Projects	0		0		3,000		-2,000	(13)	1,000	
Program Access	5,000		5,000		5,000		0		5,000	
Total Adjusted Appropriation	88,447,312	154	84,109,259	173	88,837,326	224	-4,580,939	109	84,256,387	333
ARRA Funding	-8,456,590		-6,819,099		-6,667,381		6,667,381		0	
Transfer to WIC (12-3510) 2/	400,000		0		0		0		0	
Sequestration	0		-4,720		(-7,636)		(7,636)		0	
Rescission	11,000		-27		0		0		0	
Total Appropriation	80,401,722	154	77,285,413	173	82,169,945	224	2,086,442	109	84,256,387	333

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

2/ FNS has transferred through reprogramming \$400 million from the SNAP account to WIC contingency in order to support anticipated participation in the WIC program in FY 2012.

FOOD AND NUTRITION SERVICE

PROJECT STATEMENT

(On basis of obligation)

(Dollars in thousands)

Project	2012 Actual	SY	2013 Actual	SY	2014 Estimate	SY	Inc. or Dec.	SY	2015 Estimate	SY
Participant Benefits:										
SNAP Benefits	\$66,370,589		\$66,750,481		\$66,233,241		\$5,270,169		\$71,503,410	
State Options Reimbursable	66,566		61,405		70,000		0		70,000	
ARRA Benefits	8,176,524		5,932,569		5,628,313		-5,628,313		0	
Subtotal, Participant Benefits	74,613,680		72,744,455		71,931,554		-358,144		71,573,410	
Contingency Reserve			3,234,519		0		0		0	
State Administrative Costs	3,235,814		3,322,084		3,594,566		524,429		4,118,995	
Nutrition Ed. & Obesity Prevention Grant Prog.	388,000		285,000		401,000		6,000		407,000	
Employment and Training:										
Federal Funds 100%	111,403		113,180		110,284		-284		110,000	
Federal Funds and Participant Costs 50%	222,593		254,715		259,809		77,418		337,227	
Subtotal, Employment and Training	333,996		367,895		370,093		77,134		447,227	
Subtotal, State Administrative Funding	3,957,810		3,974,979		4,365,659		607,563		4,973,222	
Mandatory Other Program Costs:										
Benefit & Retailer Redemption and Monitoring	29,169		29,570		37,197		11,342		48,539	
Certification of SSI Recipients for SNAP	12,599		12,727		20,618		-1,576		19,042	
Payment Accuracy and Cooperative Services	7,975		10,467		16,695		3,867		20,562	
Web-Based Automation of Systems	7,415		7,256		7,102		398		7,500	
Retailer Integrity and Trafficking	8,040		12,026		15,967		856		16,823	
Computer Support	7,408		9,272		9,372		536		9,908	
Electronic Benefit Transfer Systems	8,522		11,966		14,450		914		15,364	
Nutrition Education and Program Information	11,770		13,250		13,717		3,863		17,580	
Program Evaluation and Modernization	11,459		12,190		13,322		852		14,174	
FMMI	3,500		3,347		3,248		252		3,500	
IT Modernization and Support	2,000		1,913		1,856		144		2,000	
Subtotal, Mandatory Other Program Costs	109,857		123,984		153,544		21,449		174,992	
FDPIR Nutrition Education	998		916		998		0		998	
National Health and Nutrition Examination Survey	0		0		0		5,000		5,000	
Subtotal, Discretionary Other Program Costs	998		916		998		5,000		5,998	
Subtotal, Other Program Costs	110,856		124,900		154,541		26,449		180,990	
Subtotal, Supplemental Nutrition Assistance Program	78,682,345	154	80,078,853	173	76,451,754	224	275,868	109	76,727,622	333
Nutrition Assistance for Puerto Rico	1,835,464		1,872,910		1,893,880		36,248		1,930,128	
ARRA -- Benefits NAP	165,104		127,658		166,714		-166,714		0	
Subtotal, NAP	2,000,568		2,000,568		2,060,594		-130,466		1,930,128	
American Samoa	7,371		7,522		7,606		146		7,752	
ARRA -- American Samoa Benefits	663		512		667		-667		0	
Subtotal, American Samoa	8,034		8,034		8,273		-521		7,752	
Food Distribution Program on Indian Reservations:										
USDA Foods in lieu of SNAP	64,926		61,327		63,811		15,133		78,944	
Distributing Agencies Expenses and Nut. Ed.	37,760		38,829		40,189		603		40,792	
Subtotal, FDPIR	102,686		100,156		104,000		15,736		119,736	
TEFAP Commodities	260,220		265,567		268,750		55,250		324,000	
Commonwealth of the Northern Mariana Islands	13,148		12,148		12,148		0		12,148	
Community Food Project	5,000		5,000		5,000		4,000		9,000	
E&T Work Pilot	0		0		7,000		36,000		43,000	
Pilots and Demonstration Projects	0		0		1,000		0		1,000	
Program Access	5,000		5,000		5,000		0		5,000	
Total Obligations	81,077,526		82,475,326		78,923,519		255,867		79,179,386	
Recoveries	-8,298		9,507		0		0		0	
Unobligated Balance Start of Year	-3,029,124		-2,814,494		-2,556,752		-443,248		-3,000,000	
Unobligated Balance End of Year	2,814,494		2,556,752		3,084,431		2,077,572		5,162,003	
Balance Lapsing	7,544,981		1,185,213		8,584,441		-5,599,443		2,984,998	
Transfer to WIC (12-3510)	400,000		0		0		0		0	
Collections from Reimbursable Obligations	-66,566		-61,405		-70,000		0		-70,000	
Total Adjusted Appropriation	88,733,013		83,350,899		87,965,639		-3,709,252		84,256,387	
ARRA Funds	-8,342,291		-6,060,739		-5,795,694		5,795,694		0	
Sequestration			-4,720		(-7,636)		(7,636)		0	
Rescission	11,000		-27		0		0		0	
Total Available or Estimated	80,401,722	154	77,285,413	173	82,169,945	224	2,086,442	109	84,256,387	333

FOOD AND NUTRITION SERVICE

PROJECT STATEMENT DIRECT

(On basis of appropriation)

(Dollars in thousands)

Direct Appropriations and Transfers	2012 Actual	SY	2013 Actual	SY	2014 Enacted	SY	Inc. or Dec.		2015 Estimate	SY
Direct Appropriations										
Reduction of Trafficking and Fraud	-	-	-	-	-	-	\$15,000		\$15,000	-
Subtotal, Direct Appropriations	-	-	-	-	-	-	15,000		15,000	-

PROJECT STATEMENT DIRECT

(On basis of obligations)

(Dollars in thousands)

Direct Appropriations and Transfers	2012 Actual	SY	2013 Actual	SY	2014 Enacted	SY	Inc. or Dec.		2015 Estimate	SY
Direct Appropriations										
Reduction of Trafficking and Fraud	-	-	-	-	-	-	\$2,000		\$2,000	-
Subtotal, Direct Appropriations	-	-	-	-	-	-	2,000		2,000	-

Note: The Agricultural Act of 2014 (P.L. 113-79) section 4029 provides funds direct from the Treasury “to provide the Department of Agriculture with additional resources to prevent trafficking in violation of this Act by strengthening recipient and retail food store program integrity.”

Justification of Increases and Decreases

The FY 2015 request for SNAP reflects an increase of \$2,086,442,000 (not including changes resulting from ARRA adjustments).

- (1) A decrease of \$357,544,000 for Benefit Costs (\$71,860,955,000 available in FY 2014).

This decrease reflects estimated changes in participation and food costs. Participation is expected to decrease slightly to a level of just below 47 million participants while food costs are expected to increase by about 2 percent.

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

SNAP lifts millions of people out of poverty. The Census Bureau has released a report based on their Supplemental Poverty Measure which finds that that 49.8 million people - 16 percent of all those in the United States - lived in poverty in 2012. The Census Bureau indicates that SNAP would lift nearly 5 million Americans - including 2.2 million children - out of poverty if its benefits were included in the official measures of income and poverty. Another study found that the antipoverty effectiveness of SNAP accelerated over the decade, with about 2 million people lifted out of poverty each year through 2003, but that figure more than doubled to 4.5 million in 2009 because of the deep recession and the temporary benefit increase provided by the Recovery Act.

SNAP delivers critical benefits with a high degree of integrity. The program effectively delivers benefits only to households that need them: more than 99 percent of all participating households are eligible for SNAP benefits. In fiscal year 2012, the program achieved the highest level of overall payment accuracy in its history: the national overpayment error rate - the percentage of SNAP benefit dollars issued in excess of the amounts for which households are eligible - fell to 2.77 percent; the underpayment error rate was 0.65 percent. The SNAP payment accuracy rate is among the best in the federal government.

FOOD AND NUTRITION SERVICE

Estimated Erroneous Benefits through FY 2015 (Dollars in Millions)

	2012 Actual	2013 Target	2014 Target	2015 Target
Amount of Overpayments	\$2,067	\$2,015	\$2,201	\$2,119
Overpayment Error Rate	2.77	2.77	3.06	2.96
Amount of Underpayments	\$485	\$473	\$532	\$530
Underpayment Error Rate	0.65	0.65	0.74	0.74
Total Benefits Over/Under Issued in	\$2,552	\$2,488	\$2,733	\$2,648
Combined Payment Error Rate	3.42	3.42	3.80	3.70
Amount of Combined Payment Errors	\$1,582	\$1,542	\$1,669	\$1,589

The SNAP program is a cornerstone of the nation’s social safety net. FNS expects program benefit costs to decline in FY15. This overall decline in cost reflects a projected decline in participation, as the economy continues to recover; food prices are expected to increase slightly. A comparison of key program performance and cost indicators for FYs 2012 through 2015 is presented below:

Program Performance Cost Indicators

Program Performance Cost Indicators				
	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
Average participation per month (000)	46,609	47,636	47,596	46,949
Average unemployment rate (percent)	8.1	7.5	6.9	6.4
Thrifty Food Plan (TFP)	\$611.70	\$627.90	\$632.00	\$644.30
Maximum Allotment (4 person hh) based on the TFP	\$611.00	\$627.00	\$632.00	\$644.00
Maximum Allotment (4 person hh)	\$668.00	\$668.00	\$632.00	\$644.00
Overall average benefit per person per month	\$133.42	\$133.08	\$126.95	\$127.04

Note: The Maximum Allotment and Average Benefit per Person per Month in FY 2014 shown above do not include ARRA benefits provided through October 2013. Including the ARRA benefits, for the month of October, 2013, the maximum allotment for a 4 person household was \$668.00, with an estimated average benefit per person of \$134.50.

- (2) An increase of \$2,000,000,000 for Contingency Reserve (\$3,000,000,000 available in FY 2014).

The SNAP Contingency Reserve is a key element in maintaining program “elasticity” – the ability of the program to react to shifts in program need that were not anticipated at the time of a budget request. A reserve of \$5,000,000,000 in FY 2015 would allow for an additional 10 days of program funding without requiring supplemental funding (14 days of contingency funds were requested for FY 2014).

- (3) An increase of \$119,971,000 for State Administrative Expenses (SAE) (\$3,999,024,000 available in FY 2014).

SAE are federal matching funds for such expenses as: certification, quality control, IT systems, and fraud control. The FY 2015 estimate of \$4,118,995,000 for SAE is based on estimated inflationary increases in state and local government costs.

- (4) An increase of \$6,000,000 for the Nutrition Education Grant Program (\$401,000,000 available in FY 2014).

These funds support the Nutrition Education and Obesity Prevention Grant Program, which was established by Section 241 of the Healthy, Hunger-Free Kids Act of 2010 (P.L.111-296). The funding level was set by the American Taxpayer Relief Act of 2012 in Section 701(d)(2) through FY 2015. The funding is allocated among States through a statutory formula, and provides 100 percent Federal funding through two-year grants, which give States more flexibility to target services where they can be most effective.

- (5) An increase of \$9,822,000 for Employment and Training (\$437,405,000 available in FY 2014).

This matching funding provides grants to States to provide employment and training (E&T) programs to assist SNAP participants to prepare for and find work. States use flexible SNAP E&T funding to serve low-skilled, vulnerable adults who often have limited access to employment services or job training otherwise. SNAP E&T programs are designed to promote self-sufficiency. In FY 2012, 13.5 million SNAP recipients were registered

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for work and about 760,000 SNAP recipients were subject to E&T participation. The E&T grants allow State agencies to choose the components that make up their particular E&T programs and meet the needs of their SNAP recipients, including: job search and job search training; workfare; basic education or vocational training; job retention services, and other workforce opportunities.

This increase is due to estimated inflationary increases in state and local government costs.

- (6) An increase of \$13,812,000 for mandatory other program costs, of which \$249,000 is for pay costs as shown below (\$161,180 available in FY 2014).

	2014 Estimate	Non-Pay Cost Change	Pay Cost Change	2015 Estimate
Mandatory				
Benefit & Retailer Redemption and Monitoring	\$39,061	\$9,397	\$81	\$48,539
Certification of SSI Recipients for SNAP	21,749	-2,707	0	19,042
Payment Accuracy and Cooperative Services	17,505	3,007	50	20,562
Web-Based Automation of Systems	7,500	0	0	7,500
Retailer Integrity and Trafficking	16,599	193	31	16,823
Computer Support	9,776	132	0	9,908
Electronic Benefit Transfer Systems	15,159	166	39	15,364
Nutrition Education and Program Information	14,386	3,154	40	17,580
Program Evaluation and Modernization	13,945	221	8	14,174
FMMI	3,500	0	0	3,500
IT Modernization and Support	2,000	0	0	2,000
Subtotal, Mandatory Other Program Costs	161,179	13,564	249	174,992
Discretionary				
Center for Nutrition Policy and Promotion	0	0	0	0
FDPIR Nutrition Education	998	0	0	998
National Health and Nutrition Examination Survey	0	5,000	0	5,000
Subtotal, Discretionary Other Program Costs	998	5,000	0	5,998
Total	162,177	18,564	249	180,990

The overall change consists of the following:

Mandatory:

- (a) An increase of \$9,478,000 for Benefit & Retailer Redemption and Monitoring (\$39,061,000 available in FY 2014).

USDA has taken a number of steps to strengthen its program integrity efforts and to combat fraud, waste and abuse. This Budget requests additional resources to support those efforts. Resources will support additional compliance specialists, investigators, quality assurance and data mining experts, and administrative reviewers. This line provides funding for contracts that support benefit redemption activity, as well as most of the systems development and maintenance associated with retailer management. Additional resources are requested under this line to combat trafficking, fraud, and other forms of retailer non-compliance. Further information regarding this additional request can be found in the Current Law proposal section.

- (b) A decrease of \$2,707,000 for Certification of Supplemental Security Income (SSI) Recipients for SNAP (\$21,749,000 available in FY 2014).

These funds are used for certifying SSI recipients for SNAP and utilizing Social Security Administration (SSA) data to ensure accurate SNAP benefit determinations. These funds are also

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available for data exchange and data mining efforts related to SSA and FNS data, as well as FNS oversight of SSA activities provided for SNAP certification and data analysis efforts.

The decrease reflects an anticipated decrease in the amount required by SSA for this activity.

- (c) An increase of \$3,057,000 Payment Accuracy and Cooperative Services (\$17,505,000 available in FY 2014).

This line supports a wide range of activities aimed at increasing payment accuracy and promotes integrity and efficiency in State administration of the program by promoting State exchange of ideas and information. As part of USDA's program integrity investments, USDA will increase its technical assistance to states and perform management evaluations to help identify possible fraud and other non-compliant activities. Additional resources are requested under this line to further pursue management evaluation efforts. Further information regarding this additional request can be found in the Current Law proposal section.

- (d) No change for Web-Based Automation of Systems (\$7,500,000 available in FY 2014).

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

There are no changes to the funding level of this line.

- (e) An increase of \$224,000 for Retailer Integrity and Trafficking (\$16,599,000 available in FY 2014).

This line provides funding for a "strike force" of retailer investigators, for oversight of the 248,653 retailers authorized to redeem SNAP benefits, and for other activities that promote retailer integrity efforts.

- (f) An increase of \$132,000 for Computer Support (\$9,776,000 available in FY 2014).

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

- (g) An increase of \$205,000 for Electronic Benefit Transfer Systems (\$15,159,000 available in FY 2014).

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

- (h) An increase of \$3,194,000 for Nutrition Education and Program Information (\$14,386,000 available in FY 2014).

This line supports Federal costs for SNAP nutrition education initiatives, and supports national projects, including program information and educational efforts to increase awareness of the nutrition benefits of SNAP. In FY 2015, FNS requests additional funding to support new monitoring, oversight, and technical assistance responsibilities required by the recently enacted Agricultural Act of 2014. As specified in the Act, FNS staff will work with States to help them serve SNAP participants more effectively in E&T programs, monitor State E&T performance, and implement other required changes to SNAP E&T programs. For more information, see the Current Law proposal section.

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- (i) An increase of \$229,000 for Program Evaluation and Modernization (\$13,945,000 available in FY 2014).

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

- (j) No change for FMMI (\$3,500,000 available in FY 2014).

Financial Management Modernization Initiative (FMMI) is an on-going project due to be deployed in the Spring of FY 2015.

There are no changes to the funding level of this line.

- (k) No change for IT Modernization and Support (\$2,000,000 available in FY 2014).

There are no changes to the funding level of this line.

- (7) An increase of \$36,248,000 for the Nutrition Assistance Program for Puerto Rico (\$1,893,880,000 available in FY 2014).

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

- (8) An increase of \$146,000 for American Samoa (\$7,606,000 available in FY 2014).

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

- (9) An increase of \$15,736,000 for the Food Distribution Program for Indian Reservations (FDPIR) (\$104,000,000 available in FY 2014).

The Food and Nutrition Act of 2008 provides for an alternative program to SNAP EBT for Indian Tribal Organizations which qualify. This line provides for the food costs and administration of this program. The program provides food packages to ITOs to improve nutrition and provide culturally appropriate sustenance. Of the requested increase, about \$10,736,000 is needed to fund projected increases in participation. For the first quarter of FY 2014, FDPIR participation has increased by about 9 percent above the same period in FY 2013.

An additional \$5 million is requested to expand purchases of regionally preferred and locally grown foods. The current FDPIR benefit provides participants with a very nutritious food package, designed to have a Healthy Eating Index (HEI) score of 85 compared to a score of 58 for the average American diet. Since 2002, FNS has worked continually with the program community to improve the FDPIR food package by adding new healthy offerings such as grape and cherry tomatoes, canned salmon, frozen pork chops and a dried fruit/nut mix. Other recent changes include adding lower sodium soups and replacing golden hominy with white hominy. In addition, FNS continues to work with the Department of Defense to expand seasonal fresh produce offerings for FDPIR through the Fresh Produce Program. The additional \$5 million would allow FNS to create a region-specific vendor model that could provide specific foods such as bison, wild rice and blue corn meal utilizing locally sourced foods, to the extent practicable.

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FDPIR Performance Table

Program Performance Data	2012 Actual	2013 Actual	2014 Estimate	Inc. or Dec.	2015 Estimate
Resources: (\$000)					
Appropriation	\$102,746	\$100,156	\$104,000	\$15,736	\$119,736
Beginning Inventory (Federal and Local)	29,053	22,000	21,067	-4,917	16,150
Total Resources	131,799	122,156	125,067	10,819	135,886
Program Demand:					
Average Monthly Participation	76,535	75,608	83,000	0	83,000
Average Monthly Food Packages:					
FNS Purchased	\$64.73	\$67.84	\$68.28	\$1.18	\$69.46
Free Substitute	0.00	0.00	0.00	0.00	0.00
Total Monthly Food Package	64.73	67.84	68.28	1.18	69.46
Demand: (\$000)					
FDPIR USDA Food Costs	59,452	61,552	68,007	1,175	69,182
USDA Foods Purchases Admin.	687	708	721	13	734
Regionally preferred and locally grown foods	0	0	0	5,000	5,000
Demand, USDA Foods	60,139	62,260	68,728	6,188	74,916
State Administration	37,808	38,829	40,189	603	40,792
Total Demand	97,947	101,089	108,917	6,791	115,708
Use of Resources:					
Program Demand	97,947	101,089	108,917	6,791	115,708
Inventory Change	-7,053	-933	-4,917	8,945	4,028
Remaining Available for Upward Adjustments	11,852	0	0	0	0
Total Funds Available	102,746	100,156	104,000	15,736	119,736
Balance End of Year:					
Ending Inventory	22,000	21,067	16,150	4,028	20,178
Commodity Obligations	53,086	61,327	63,811	15,133	78,944

(10) An increase of \$55,250,000 for The Emergency Food Assistance Program (TEFAP) (\$268,750,000 available in FY 2014).

Section 27(a) of the Food and Nutrition Act of 2008 requires the Secretary to purchase USDA Foods for distribution through The Emergency Food Assistance Program (TEFAP). The section establishes a baseline funding level and a formula for annual adjustments based on food price inflation. In addition, Section 4027 of the recent Farm Bill (The Agricultural Act of 2014, P.L. 113-79) provided additional funding for TEFAP, beginning in FY 2015. The increase for FY 2015 is specified at \$50 million. Up to ten percent of the total available funding is permitted to be used for TEFAP administrative costs.

Section 4027 of the Farm Bill also directs the Secretary to make TEFAP funds available for two years starting in FY 2015. In order to ensure the period of availability of the funding, a change to the appropriation language specifying the two year period of availability is requested.

(11) An increase of \$4,000,000 for the Community Food Project (\$5,000,000 available in FY 2014).

Section 4026 of the Farm Bill provides \$9 million per year to meet the Hunger Free Communities goals as described in the House Concurrent Resolution 302, 102nd Congress, agreed to October 5, 1992.

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- (12) An increase of \$180,000,000 for the Employment and Training (E&T) Pilot Projects (\$10 million enacted in 2014).

Section 4022 of the Agricultural Act of 2014 (P.L. 113-79) provides \$190 million in FY 2015 (available through FY 2018) to conduct E&T pilot projects.

- (13) A decrease of \$2,000,000 for Pilots and Demonstration Projects (\$3,000,000) available in FY 2014).

This funding is for continued research into the viability of the use of Electronic Benefit Transfer systems in the Commonwealth of the Northern Marianas Islands

Discretionary:

- (14) An increase of \$5,000,000 for a National Health and Nutrition Examination Survey (\$0 available in FY 2014).

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

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

Item of Change	Current Law	Change	President's Request
Benefits:			
SNAP Benefits	\$71,503,411	(-10,000)	\$71,503,411
ARRA Benefits	0	0	0
Contingency Reserve	5,000,000	0	5,000,000
Administrative Costs:			
State Administrative Costs	4,118,995	0	4,118,995
Nutrition Ed.	407,000	0	407,000
Employment and Training	447,227	0	447,227
Mandatory Other Program Costs	174,992	0	174,992
Discretionary Other Program Costs	5,998	0	5,998
Total Administrative Costs	5,154,212	0	5,154,212
Nutrition Assistance for Puerto Rico	1,930,128	0	1,930,128
ARRA -- NAP	0	0	0
American Samoa	7,752	0	7,752
ARRA -- American Samoa Benefits	0	0	0
FDPIR	119,736	0	119,736
TEFAP Commodities	324,000	0	324,000
CNMI	12,148	0	12,148
Community Food Project	9,000	0	9,000
E&T Work Pilot	190,000	0	190,000
Pilots and Demonstration Projects	1,000	0	1,000
Program Access	5,000	0	5,000
Total Adjusted Appropriation	84,256,387	(-10,000)	84,256,387

Proposed legislation reflects the impact of legislative proposals from other agencies. These proposals include requests for Afghan special immigrant visas (SIVs), Child Support enforcement changes, and extending Supplemental Security Income time limits for qualified refugees.

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FISCAL YEAR 2015 PRESIDENT'S BUDGET
CURRENT LAW

Program: Supplemental Assistance Nutrition Program – Other Program Costs – Benefit & Retailer Redemption and Monitoring

Proposal: Increase funding by \$9 million to allow FNS to increase its staff of investigators and compliance analysts to monitor the growing population of SNAP retailers.

Rationale: Over the last 4 years, the number of retailers authorized to participate in SNAP has grown by over 40 percent to more than 240,000 retailers. Meanwhile, resources for retailer monitoring and oversight have remained relatively flat. Last August, FNS released a report examining the trafficking rate in SNAP, which indicated that the vast majority of retailer trafficking, the illegal sale of SNAP benefits for cash, occurs in the smaller retailer venues. Small stores accounted for about 15 percent of all redemption dollars, but accounted for 85 percent of all trafficking dollars.

Additional resources will allow FNS to increase its staff of retailer investigators and compliance analysts to monitor the ever growing population of SNAP retailers and prevent fraud.

The Consolidated Appropriations Act of 2014 provided \$6,323,000 in additional pre-sequester funding. This funding will support analysts, undercover investigators, and other retailer integrity staff. The proposed investment will increase staff levels by more than 50% in FY 2015. This is a large-scale application of resources: Each additional investigator produces approximately 100 undercover cases each year.

These staff would operate within FNS's recent reengineered retailer authorization and oversight process. This process is based on an integrated national structure, while focusing on high risk geographical areas and retailers. The process allows FNS to maximize its investments in technology and fully leverage enhanced policies associated with retailer integrity. This reengineering also provides for quality assurance and due process.

Program oversight is one of FNS' most fundamental roles in order to ensure compliance with program rules and that the program is meeting the highest standards of integrity.

Budget Impact:
(in millions)

	FY 2015
SNAP Mandatory Budget Authority	\$9
SNAP Mandatory Outlays	7

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FISCAL YEAR 2015 PRESIDENT'S BUDGET
CURRENT LAW

Program: Supplemental Assistance Nutrition Program – Other Program Costs – Payment Accuracy and Cooperative Services

Proposal: Increase funding by \$3 million to increase the depth and frequency of SNAP Federal Management Evaluation (ME) reviews and ensure compliance with SNAP laws and regulations.

Rationale: In order to increase the depth and frequency of SNAP Management Evaluation (ME) reviews of States' administration of the Program, the Budget requests \$3 million to support 23 additional staff years. As program participation has grown over the past few years FNS has made a concerted effort to increase the depth and frequency of ME reviews and Financial Management (FM) reviews. This funding will provide additional reviewers in regional offices.

Management Evaluations ensure State compliance with Federal rules and regulations, particularly those areas pertaining to SNAP benefit access and program integrity. The reviews also identify issues that may be of concern in multiple States, and monitor implementation of technology and system upgrades that can have important impacts on program administration. Finally, ME reviews often enable FNS to identify issues before they become widespread and allow FNS to take proactive steps to address issues quickly and prevent negative impacts on program participants.

Additional staff will improve integrity by allowing FNS to perform more on-site reviews. These reviews:

- Ensure compliance with SNAP rules and statutory provisions;
- Identify customer service issues;
- Assist States in drafting and implementing corrective actions; and,
- Provide technical assistance to help States improve their business processes.

Currently, even with the additional support from funding appropriated in the Consolidated Appropriations Act of 2014, FNS believes that additional resources are needed to perform these oversight functions. Regional offices must perform three mandatory reviews in every State each year, and may review up to seven additional risk areas. The review process consists of: 1) Pre-review preparation, 2) on site assessment, 3) post visit development of corrective actions, and 4) monitoring of corrective actions. Each review takes approximately two staff months to complete.

Many States are moving away from more traditional Program administration and are implementing business process re-engineering improvements, technology upgrades and system enhancements. States are implementing on-line applications, which need to be easy to navigate and be accessible to people with disabilities. States have implemented call centers, and it is important to ensure that they have low dropped or abandoned call rates. These types of systems also increase the complexity of the review process, and require FNS to step up review efforts to ensure appropriate and effective program administration.

ME reviews protect the integrity of the Program by identifying and rectifying issues that may be unique to one State or may indicate more global problems. For example, during one ME review, FNS discovered during an ME review that one State was failing to recertify applicants timely manner, resulting in over-issuance of SNAP benefits. FNS worked with the State agency to make corrections quickly. At the same time, FNS launched a nationwide process for monitoring and measuring recertification timeliness and developed a technical assistance strategy. The MEs provide the vehicle for identifying and resolving these types of issues before they become widespread.

Budget Impact:

(in millions)	FY 2015
SNAP Mandatory Budget Authority	\$3
SNAP Mandatory Outlays	2

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**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2015
CURRENT LAW**

Program: Supplemental Assistance Nutrition Program – Other Program Costs - Nutrition Education and Program Information

Proposal: To provide funding for 13 additional staff years to provide additional support and technical assistance to States in designing, operating and measuring the efficacy of their Employment and Training (E&T) programs.

Rationale: In 1987, Congress established the Food Stamp Employment and Training Program to assist able-bodied food stamp recipients in obtaining employment. From its conception, the purpose of the E&T Program has been to help SNAP households gain skills, training, work, or experience that will increase self-sufficiency.

The Food and Nutrition Act of 2008 gives State agencies a great deal of flexibility in designing their E&T program. State E&T programs must include at least one of the following:

- a. A job search program;
- b. A job search training program, (job skills assessment, job clubs, etc);
- c. Workfare programs;
- d. Work experience or training;
- e. State, local or Workforce Investment Act (WIA) work programs;
- f. Self-employment; and,
- g. Education programs (Basic Adult Education, GED preparation, and English as a Second Language classes).

State agencies also have discretion in the geographic coverage of their E&T programs. The great range of options enables variety across States, but it can also lead to difficulty for States to design and target their programs to be most effective in serving the needs of their populations.

FNS currently has a very limited staff available to work on E&T issues. The expanded staff would concentrate on activities including: collecting and disseminating best practices in the field of E&T services – this may include working with other Federal experts on employment services; generating guidance on evidence-based strategies for improving E&T services; and providing technical assistance to State agencies and community partners on expanding and enhancing E&T services.

Budget Impact:
(in millions)

	FY 2015
SNAP Mandatory Budget Authority	\$3
SNAP Mandatory Outlays	2

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

Supplemental Nutrition Assistance Program--Federal Salaries & Expenses									
	2012 Actual		2013 Actual		2014 Estimated		2015 Estimated		
	Amount	SY	Amount	SY	Amount	SY	Amount	SY	
Alabama	\$343	2	\$396	2	\$421	3	\$462	4	
Alaska	8	0	9	0	10	0	11	0	
Arizona	29	0	34	0	36	0	39	0	
Arkansas	43	0	50	0	53	0	58	0	
California	1,940	9	2,243	10	2,385	13	2,617	19	
Colorado	703	10	814	11	865	15	949	22	
Connecticut	161	1	186	1	198	2	217	2	
Delaware	345	3	399	3	424	4	465	6	
District of Columbia	1,506	5	1,742	6	1,851	7	2,032	11	
Florida	955	5	1,105	6	1,174	7	1,289	11	
Georgia	1,181	7	1,366	8	1,452	10	1,594	15	
Hawaii	57	1	66	1	70	2	77	2	
Idaho	45	0	52	0	55	0	61	0	
Illinois	1,247	23	1,442	26	1,533	34	1,683	50	
Indiana	118	0	136	0	145	0	159	0	
Iowa	253	1	292	1	311	2	341	2	
Kansas	139	1	161	1	171	2	187	2	
Kentucky	213	1	246	1	262	2	287	2	
Louisiana	165	1	191	1	203	2	222	2	
Maine	220	1	254	1	270	2	297	2	
Maryland	1,071	6	1,239	7	1,317	9	1,445	13	
Massachusetts	4,316	6	4,992	7	5,306	9	5,823	13	
Michigan	328	1	379	1	403	2	442	2	
Minnesota	188	1	217	1	231	1	253	2	
Mississippi	12	0	14	0	15	0	16	0	
Missouri	259	2	299	2	318	3	349	4	
Montana	30	0	35	0	37	0	40	0	
Nebraska	152	1	176	1	187	1	205	2	
Nevada	28	0	32	0	34	0	38	0	
New Hampshire	54	0	62	0	66	0	73	0	
New Jersey	801	11	927	12	985	16	1,081	24	
New Mexico	34	0	39	0	42	0	46	0	
New York	799	5	925	6	983	7	1,079	11	
North Carolina	431	3	498	3	530	4	581	6	
North Dakota	29	0	34	0	36	0	39	0	
Ohio	290	1	335	1	356	1	391	2	
Oklahoma	32	0	37	0	39	0	43	0	
Oregon	213	1	246	1	262	1	287	2	
Pennsylvania	304	3	351	3	373	4	410	6	
Rhode Island	29	0	34	0	36	0	39	0	
South Carolina	39	0	45	0	48	0	53	0	
South Dakota	16	0	18	0	20	0	22	0	
Tennessee	427	3	494	3	525	4	576	6	
Texas	1,829	12	2,115	13	2,248	17	2,467	26	
Utah	104	1	120	1	128	1	140	2	
Vermont	49	0	57	0	60	0	66	0	
Virginia	75,167	25	89,234	31	94,850	36	104,093	58	
Washington	217	1	251	1	267	1	293	2	
West Virginia	46	0	53	0	57	0	62	0	
Wisconsin	171	0	198	0	210	0	231	0	
Wyoming	30	0	35	0	37	0	40	0	
Undistributed	1,982	0	0	0	0	0	0	0	
Total obligations	\$99,148	154	\$114,675	173	\$121,895	224	\$133,770	333	

Note: Figures include additional Staff Years in FY 2014 and 2015 to enhance SNAP integrity efforts and provide additional Technical Assistance to States.

Totals may not sum due to rounding.

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Classification by Objects
(Dollars in thousands)

	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
Personnel Compensation:				
Washington D.C.....	\$6,460	\$7,092	\$9,243	\$13,755
Field.....	7,584	8,326	10,851	16,147
11.0 Total personnel compensation.....	14,044	15,418	20,094	29,902
12.0 Personnel benefits.....	3,801	4,869	6,345	9,443
Total personnel comp. and benefits.....	17,845	20,287	26,439	39,345
Other Objects:				
21.0 Travel and transportation of persons.....	2,221	1,507	1,524	1,545
22.0 Transportation of things.....	158	161	163	165
23.3 Communications, utilities, and misc. charges.....	2,251	228	231	234
24.0 Printing and reproduction.....	998	662	669	678
25.0 Other Services.....	43,211	79,978	80,858	81,990
26.0 Supplies and materials.....	328,646	330,241	335,809	406,444
31.0 Equipment.....	1,344	884	894	907
41.0 Grants.....	80,614,286	81,979,973	78,406,932	78,578,078
Total, Other Objects.....	80,993,115	82,393,634	78,827,080	79,070,041
Subtotal, Direct Obligations.....	81,010,960	82,413,921	78,853,519	79,109,386
Reimbursable Obligations.....	66,566	61,405	70,000	70,000
99.9 Total, new obligations.....	81,077,526	82,475,326	78,923,519	79,179,386

FOOD AND NUTRITION SERVICE

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

STATUS OF PROGRAM

Program Mission

The Supplemental Nutrition Assistance Program (SNAP) works to raise nutrition levels of low-income households by ensuring access to a nutritious, healthful diet for households through nutrition assistance and nutrition education. SNAP provides the opportunity for low-income recipients to purchase and consume a diet consistent with the *Dietary Guidelines for Americans* by issuing monthly allotments of benefits redeemable for food at 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 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 funding for USDA Foods used in The Emergency Food Assistance Program (TEFAP).

Facts in Brief

Program Participation

SNAP participation for FY 2013 averaged 47.64 million persons per month, representing a nearly 2.2 percent increase from the average monthly participation in FY 2012. The majority of the increase reflects the impact of economic conditions, as well as Federal and State efforts to improve program access.

The following table displays data on benefit costs and participation for FYs 2008 through 2013:

SNAP	2008	2009	2010	2011	2012	2013
Avg. Participation (Millions)	28.41	33.49	40.30	44.71	46.61	47.64
Benefit Costs (Billions)	\$34.6	\$50.4	\$64.7	\$71.8	\$74.6	\$76.0
Average/Person/Month	\$101.52	\$125.31	\$133.79	\$133.85	\$133.41	\$133.08
% Of Population Participating	9.4	11.1	13.0	14.4	14.9	15.1
Persons Unemployed (Millions)	8.8	13.0	14.8	13.8	12.5	11.5

Note: FY 2009 through 2013 includes ARRA funding.

Sources:

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

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

Participation Rates among Eligible People – The most recent figures from the Characteristics of NAP Recipients Report on the rate of participation show that in 2011, 79 percent of all those who were eligible for SNAP participated in the program while over benefits were issued equaling 92 percent of the value of the cost of benefits if SNAP participation were 100 percent estimated benefits were issued. This indicates that the program is effectively serving those most in need of nutrition assistance.

Characteristics of SNAP Recipients – The most recent survey of household characteristics, conducted during 2012, indicates that:

- 75 percent of households included a child, an elderly (age 60 or older) person, or a person with disabilities;
- The gross income of 82 percent of households was below the Federal poverty level;

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

Program Integrity

Recent data demonstrates that the program integrity efforts of FNS and its State partners are yielding results and continue to trend in the right direction. Two excellent measures of program integrity, certification errors and trafficking are at historically low levels and have continued to improve. A certification error occurs when a State eligibility worker authorizes benefits in the wrong amount to a household. Trafficking occurs when SNAP benefits are traded for cash. In spite of holding both of these integrity issues to a low level, more work remains. In FY 2013, FNS redoubled efforts to prevent and identify fraud and hold bad actors accountable for misuse of the program. These efforts included:

- Continuing updates to the next generation of the ALERT fraud detection system;
- Extensive training of compliance staff;
- Focusing attention on verification and analysis of the accuracy and comprehensiveness of ownership information for high-risk retailers including:
 - Maintained the increased documentation requirements for high-risk stores applying to redeem SNAP benefits to better verify their identity and assure their business integrity, and
 - New requirements for the annual reauthorization of these same stores.
- Reengineering FNS retailer management processes to increase efficiency and put FNS in a better position to combat fraud and abuse;
- Publishing final rule updating the definition of trafficking;
- Publishing proposed rule to hold funds of retailers suspected of egregious trafficking;
- Developing final rule to update retailer sanctions;
- Publishing final and interim final rule to provide States with additional tools to identify and act upon instances where an individual requests an excessive number of card replacements in order to facilitate trafficking schemes;
- Providing State agencies technical assistance to improve monitoring of social media web sites;
- Initiating data mining activities to further strengthen State oversight of recipient fraud activities and to identify successful, predictive fraud indicators that can be provided to State agencies.
 - FNS obtained a single, national contract for data mining and analytical services to be deployed in up to seven participating States.
 - FNS awarded a contract to use State eligibility and fraud data to data mine effective ways to detect recipient based fraudulent activity in order to provide the States with technical assistance to use in their own processes.
- Working with electronic benefit transfer (EBT) processors to strengthen fraud detection system reporting and training to improve overall effectiveness of State fraud detection operations;
- Engaging States in a dialogue about client integrity through various forums; and
- Working with five States that received a grant funded through the OMB Partnership Fund for Program Integrity, to develop and test the accuracy of an interstate database to support identification of duplicate participation in SNAP and disaster SNAP.
- Conducting management evaluations (ME) to assess State efforts related to client integrity using the ME tool developed in FY 2012.

In FY 2013, FNS provided targeted technical assistance to low performing States in the area of negative errors (improper denial, suspension, or termination of benefits). In FY 2013, FNS continued a study of the impact of completion rates on quality control. Finally, we will continue to work with States on the timeliness of application processing at initial certification and recertification.

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

Characteristics of SNAP Recipients	2005	2006	2007	2008	2009	2010	2011	2012
Individuals:								
Average Number (in Millions)	24.9	25.6	25.9	27.8	33.5	40.3	44.1	46.0
% Children	50.0	49.2	49.1	48.6	47.5	46.6	45.1	44.5
% Elderly	8.2	8.7	8.7	9.1	8.3	7.9	8.5	9.0
% Disabled Nonelderly Individuals	--	--	--	--	--	--	--	11.9
% Female	59.1	58.7	58.6	58.5	57.3	56.4	56.5	56.4
% Nonelderly Adults Registered for Work	--	--	--	25.3	28.2	29.6	31.3	31.6
Average Household Size	2.3	2.3	2.2	2.2	2.2	2.2	2.1	2.1
Households:								
Average Number (in Millions)	10.9	11.3	11.6	12.5	15.0	18.4	20.8	22.0
% Receiving Maximum Benefit	31	31	32	33	37	40	41	40
% Certified 12 Months or More	55	58	58	58	57	59	62	66
% With Earned Income	29	30	30	29	29	30	31	31
% With AFDC/TANF Income	15	13	12	11	10	8	8	7
Average Gross Monthly Income	\$648	\$673	\$691	\$701	\$711	\$731	\$744	\$755
Average Net Monthly Income	\$319	\$328	\$330	\$335	\$329	\$336	\$338	\$343
% With Zero Gross Income	14	14	14	16	18	20	20	20
% With Zero Net Income	30	31	31	33	36	38	39	38
% With Gross Monthly Incomes Less than \$400	30	29	28	29	31	32	32	31
% Gross Income Below Poverty Guidelines	89	87	87	87	86	85	83	82
% Gross Income Below 50% of Poverty Guideline	40	39	39	41	42	43	43	42
Average Shelter Deduction	\$186	\$203	\$303	\$319	\$343	\$364	\$376	\$374
Average Shelter Expense	\$416	\$458	\$490	\$507	\$544	\$583	\$600	\$591
% at Shelter Cap (Maximum shelter deduction)	14	15	16	16	18	20	21	20

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

General Activities

Regulations Issued in FY 2013

During FY 2013, three SNAP rulemaking actions were published in the *Federal Register*:

- *Supplemental Nutrition Assistance Program (SNAP): Updated Trafficking Definition and Supplemental Nutrition Assistance Program—Food Distribution Program on Indian Reservations Dual Participation.* This final rule was published on February 21, 2013, and allows for the disqualification of a SNAP client who intentionally obtains cash by purchasing, with SNAP benefits, products that have container deposits, subsequently discarding the product, and returning the container(s) in exchange for cash refund of deposit(s); or who intentionally resells or exchanges products purchased with SNAP benefits for purposes of obtaining cash and/or other non-eligible items. The rule also stipulates penalties for certain Program

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other abuses committed by retailers. The rule also addresses the mandatory 2008 Farm Bill provisions requiring disqualification in SNAP when an individual is disqualified from FDPIR, and under existing authority, clarifying the prohibition against dual participation in SNAP and FDPIR.

- *Supplemental Nutrition Assistance Program: Suspension of SNAP Benefit Payments to Retailers.* This proposed rule was published on February 22, 2013, and would codify a provision of the Food, Conservation, and Energy Act of 2008 (FCEA) which authorizes the Department to suspend the payment of redeemed SNAP benefits to certain retail food stores or wholesale food concerns pending administrative action to disqualify the firms for fraudulent activity. This proposed rule would also clarify that, in all trafficking cases, requests for extensions to reply to charges of trafficking shall not be granted and that Freedom of Information requests will be completed separate from the administrative sanction process to prevent retailer-caused delays in the issuance of a final determination. Further, under existing authority in the Food and Nutrition Act of 2008, the Department is proposing several changes to enhance retailer business integrity requirements.
- *Supplemental Nutrition Assistance Program: Trafficking Controls and Fraud Investigations.* This rule was published as both a final and interim final rule on August 21, 2013, and allows State agencies to deny a request for a replacement electronic benefits transfer (EBT) card until contact is made by the household with the State agency, if the request for a replacement card is determined to be excessive, defined as receiving a minimum of four replacement cards within a twelve month period. State agencies that exercise this authority must protect vulnerable persons, such as individuals with disabilities, homeless individuals, or the elderly, who may repeatedly lose EBT cards, but are not committing fraud. An interim final provision amends the regulation to require States to monitor and send warning notices to clients who request four card replacements in a twelve month period. This rule also changes the EBT card replacement timeframes to make replacement cards available for pick up or to place the card in the mail within two business days following notice by the household that their card has been lost or stolen. Finally, this rule expands the definition of trafficking to include the intent to buy or sell SNAP benefits in cases where an individual makes the offer to sell their benefits online or in person, so that State agencies may pursue an Intentional Program Violation against the individual.

Grants to Improve Program Access and Eligibility Determination

On September 25, 2013, FNS announced the awardees of the FY 2013 SNAP Process and Technology Improvement grants. These grants fund projects that simplify SNAP application and eligibility systems, improve client services and save States time and money. This year's grants focused on projects that reform office business processes, identify and implement efficiencies and/or use technology to improve client services, and provide participants training opportunities to gain skills to improve their employment prospects and help participants move toward self-sufficiency. For FY 2013, FNS awarded seven grants:

- **Delaware Department of Health and Social Services** received \$2,800,000 to implement a pilot project serving the ABAWD population within New Castle County. The pilot project will assess participants' needs, reduce employment barriers, and offer access to appropriate job related services to help participants meet their identified employment and career goals.
- **Jefferson County Department of Social Services (NY)** received \$24,157 to purchase call center software to utilize with their current "task based" system. The software will monitor all phone calls in real time to better manage call volume and staff coverage.
- **City of New York Human Resources Administration/Department of Social Services** received \$650,000 in partnership with the Metropolitan Council on Jewish Poverty (*Met Council*) to pilot Electronic Application and Scanning Express (EASE) Service Areas at SNAP Centers and Community Based Organizations (CBOs) in fifteen target communities. EASE Service Areas will enhance New York City residents' ability to file SNAP applications online as well as scan and upload eligibility documentation electronically.
- **Florida Department of Children and Families, Economic Self-Sufficiency** received \$71,612 to implement an interactive video recording with American Sign Language (ASL) for the Department's online

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user interface to SNAP benefits. The new technology that will improve access to SNAP benefits for Limited English Proficient individuals, including deaf, hard of hearing, and illiterate applicants and recipients.

- **Massachusetts Department of Transitional Assistance** received \$666,356 to implement a multilingual Internet-based consumer interface to improve access to SNAP benefits for eligible prospective applicants with limited English language proficiency. The Massachusetts Executive Office of Health and Human Services (EOHHS) in conjunction with DTA will construct, implement, and assess a Multilingual Virtual Gateway SNAP Online Application.
- **City and County of San Francisco Human Services Agency** received \$600,000 to develop a data system designed to improve workflow processes by collecting data on CalFresh Employment and Training (CFET) participants that will enable the City to evaluate the effectiveness of the program, make decisions regarding improvements to the program design, and document program results both internally and externally (to policymakers, funders and other stakeholders). The proposed database will be modeled on eJAS system developed by the State of Washington.
- **Arvada Community Food Bank (CO)** received \$187,875 to implement the Bridges to Opportunity Program to provide job application assistance, GED instruction, and employment readiness skills for participants. The program will partner with faith based agencies and will combine navigator services with family advocacy and mandated Colorado Employment First options to support self-sufficiency for able-bodied SNAP -eligible households in Northern Jefferson County. The project will serve 350 households.

State Performance Bonuses

The Farm Security and Rural Investment Act of 2002 (P.L. 107-171, the “2002 Farm Bill”) revised the performance and liability system in SNAP. This performance system replaced the former Quality Control liabilities and Enhanced Funding system, which focused solely on error rates. This performance system awards \$48 million in bonuses each year to States based on high or improved performance for actions taken to correct errors, reduce the rates of error, and improve eligibility determinations, or for other activities that demonstrate effective administration, as determined by FNS.

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

Bonuses provided under this system link two of the program’s performance measures: increases in the program payment accuracy rate and increases in access and participation as measured by the Program Access Index. The first bonuses for performance in 2003 were awarded in June and September 2004. The bonuses for performance in 2012 were awarded in June and September 2012. The following States received awards:

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BEST PAYMENT ACCURACY		
State	Payment Error Rate (PER)	Bonus Amount
Florida	0.77	\$8,072,238
Alaska	1.07	265,714
Louisiana	1.45	1,945,592
South Carolina	1.59	1,892,369
Illinois	1.74	4,092,147
Virginia	1.76	2,020,886
Alabama	1.85	1,897,845
South Dakota	1.88	296,973
Wisconsin	2.07	1,842,047
National Average	3.42	

MOST IMPROVED PAYMENT ACCURACY				
State	FY 2011 PER	FY 2012 PER	Change	Bonus Amount
Maryland	6.06	3.40	-2.66	\$1,674,189
Total				24,000,000

BEST CASE AND PROCEDURAL ERROR RATE		
State	Rate	Bonus Amount
South Dakota	1.88	\$509,861
Alaska	6.95	444,817
Mississippi	7.28	2,793,953
North Dakota	8.33	347,755
New Hampshire	11.94	612,010
Maine	13.02	1,291,604
National Average	27.27	

MOST IMPROVED CASE AND PROCEDURAL ERROR RATE		
There are no "Most Improved Case and Procedural Error Rates" since this is the first year and the Case and Procedural Error Rate cannot be compared to the prior negative error rate. For FY 2012, FNS awarded an additional two "Best" awards for the Case and Procedural Error Rate.		
Total		6,000,000

BEST PROGRAM ACCESS INDEX		
State	Rate	Bonus Amount
Delaware	108.18	\$590,844
District of Columbia	106.45	662,568
Maine	99.53	1,025,417
Oregon	96.42	3,256,420
Maryland	95.12	2,643,853
National Average	72.00	

MOST IMPROVED PROGRAM ACCESS INDEX				
State	FY 2010	FY 2011	Change	Bonus Amount
Delaware	98.88	108.18	9.31	See best above
Hawaii	79.35	88.44	9.08	\$724,139
Iowa	76.58	83.75	7.17	1,445,729
Connecticut	77.66	84.39	6.73	1,651,030
Total				12,000,000

BEST APPLICATION PROCESSING TIMELINESS RATE		
State	Rate	Bonus Amount
Idaho	99.28	\$766,398
New Mexico	97.85	1,383,473
Kentucky	97.26	2,770,591
North Dakota	96.62	280,825
District of Columbia	96.41	628,695
Virgin Islands	95.38	170,018
National Average	85.74	
Total		6,000,000

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FNS continues its aggressive efforts to collect debts owed to SNAP, for example by recipients who have not repaid overissuances, collecting delinquent recipient debts through the Treasury Offset Program (TOP), which is the collection mechanism by which Federal payments to individuals, such as tax refunds and Federal salary and benefit payments, are offset to pay outstanding debts. Almost \$126.5 million in delinquent debt was collected through TOP in calendar year 2012. Approximately \$1.66 billion has been collected through TOP (and its predecessor, the Federal Tax Refund Offset Program) since FNS began this effort as a pilot project in 1992. These claims may not have been collected without Federal collection programs being made available to the State agencies that manage these debts.

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

On June 21, 2013, FNS notified seven SNAP agencies (Guam, Missouri, Nevada, Rhode Island, Vermont, West Virginia and Wyoming) they were in liability status for having a poor QC error rate for at least two consecutive years. Arizona, Arkansas and Connecticut were not assessed a financial liability because their error rate was below six percent, which is the statutory standard for being assessed a liability. However, Arizona, Arkansas and Connecticut are still considered to be in liability status for the year, which will be used to determine whether the States are in liability status for two consecutive years when determining liability for FY 2013. Liability amounts were established against the following States:

State	Liability Amount
Guam	\$151,030
Missouri	1,725,250
Nevada	5,290
Rhode Island	394,538
Vermont	135,606
West Virginia	530,427
Wyoming	61,088

In addition, eleven States (Arizona, Arkansas, Colorado, Connecticut, Kansas, Kentucky, New Hampshire, New York, Minnesota, Oklahoma and Oregon) exceeded the FY 2012 threshold for the first year. Potential liabilities will be established if these States have a payment error rate in FY 2013 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.

Recertification Processing Timeliness

In FY 2013, FNS required States to conduct reviews of recertification timeliness as part of the QC process. The recertification timeliness measure is more robust than the application processing timeliness measure because it requires the QC reviewer to determine whether the State agency or client caused the delay. In order to ease implementation, FNS updated the 310 Handbook and provided tools to help States implement the new measures. The implementation of recertification timeliness appears to be successful. FNS continues to provide guidance and technical assistance to State agencies.

State Policy Options Report

FY 2013, marked the second year in which FNS used a survey software package to modernize the way it surveys States about their policy options for the State Options Report – a report of State choices in policy areas where legislation and regulations allow States flexibility in how they implement certain requirements.

SNAP's statute, regulations, and waiver authority provide State agencies with numerous policy options. State agencies use this flexibility to best meet the nutrition needs of low-income people across the Nation. Choosing certain options can facilitate program design goals, such as removing or reducing barriers to access and sustaining participation for low-income families and individuals, providing better support for those working or looking for work, targeting benefits to those most in need, streamlining administration and field operations, and coordinating SNAP activities with those of other programs.

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

SNAP Outreach

FNS works to ensure that outreach is in line with the law and policy by focusing clearly on groups who are eligible under the law; emphasizing that programs provide support during times of need, not permanently, and avoiding messages that disparage or demean the importance of work. FNS supports informational and educational activities that explain the eligibility requirements of the program. State agencies administering the SNAP have the option to conduct outreach activities in order to inform low-income households about the availability of SNAP, eligibility requirements, and application procedures for SNAP.

- *Toll Free Information Line:* FNS provides a SNAP toll free information line in English and Spanish to refer callers to their State information lines for information on application procedures and eligibility requirements. During FY 2013, FNS distributed 15,110 packets of information in English and Spanish to toll-free number callers and answered 49,352 calls.
- *Educational Materials:* Informational materials in both English and Spanish are available for States and community based organizations to order or to download through the FNS website at <http://snap.ntis.gov/>. Approximately 5 million hard copy items were shipped in FY 2013.
- *National Anti-Hunger and Opportunity Corps:* Through a third year partnership with the Corporation for National and Community Service, 96 VISTA members served with 70 organizations in 30 States to conduct SNAP informational efforts for underserved populations such as seniors.
- *State Outreach Plans:* States have the option of providing outreach as part of their program operations, and FNS reimburses up to 50 percent of the allowable administrative costs for these activities. At the end of FY 2013, 43 States had approved outreach plans and an additional two States performed outreach activities.

SNAP Administration Performance Improvement Initiatives

- *Business Process Reengineering Support for Local Offices:* FNS awarded a contract to provide Business Process Reengineering (BPR) support to low performing States on critical SNAP performance measures (application process timeliness, payment accuracy and negative errors) over the next three years. The contractor began leading onsite State BPR teams in Colorado, Nebraska and Tennessee to conduct a systematic review of each local office's business processes and recommend both short term and long term process enhancements to improve efficiency in the SNAP application, recertification, and case management process.
- *SNAP Workflow Information Management System (SWIM):* FNS worked to develop an online workflow and document management system to automate key business functions for State SNAP waiver requests and SNAP policy questions. The system will allow States to submit waiver requests (or modify existing waiver requests) and policy questions through an online portal. These requests will be automatically routed through FNS regional offices and the National Office for processing. The system will allow FNS to efficiently process, track and manage waivers and policy questions while improving transparency and consistency. The system is expected to go live in early 2014.

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

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

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Section 241 of the Healthy, Hunger-Free Kids Act of 2010 (HHFKA) added a focus on obesity prevention and changed the funding structure of SNAP-Ed, which was previously funded through State SAE grants. SNAP-Ed funding was changed to a capped formula grant whereby USDA provides 100 percent Federal funds to States to provide SNAP-Ed activities. USDA previously reimbursed States for 50 percent of their SNAP-Ed expenditures, with no limit on reimbursements. Under the HHFKA, SNAP-Ed funding was set at \$375 million in FY 2011, inflated each year based on annual changes in the CPI beginning in FY 2012. The American Taxpayer Relief Act of 2012 (P.L. 112-240) amended the law to set the funding for FY 2013 through FY 2015 at amounts certain, but the amount in subsequent years will grow with changes in the CPI. From FY 2010 through FY 2012, States receive funding under the statutory formula based on their relative shares of total SNAP-Ed expenditures during FY 2009, as reported as of February 2010. For FY 2014 through FY 2018, the funding formula gradually changes, incorporating each State's relative share of SNAP participation in the previous 12-month period ending the preceding January 31 to allocate a portion of the total funding, starting with a 90/10 weighting of expenditures to participation in FY 2014 and building to a 50/50 weighting of expenditures to participation in FY 2018 and beyond.

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

Education and Administrative Reporting System (EARS) is designed to provide uniform information about SNAP-Ed activities. Data collected under this reporting system include demographic characteristics of participants receiving nutrition education, topics covered, educational delivery sites, educational strategies and resource allocation. EARS was fully implemented as of December 31, 2010, by all State agencies. EARS is not an evaluation tool, but will provide FNS with national data that will inform management decisions, support policy initiatives, provide documentation for legislative, budget and other requests, and support planning within the agency. Over time, the EARS data will provide a picture of SNAP-Ed trends. An online EARS training module is now available for those involved in EARS reporting. Over the next three years, FNS will explore ways to update and modify the EARS form to reflect changes in the SNAP-Ed Program due to implementation of the HHFKA.

Other SNAP-Ed Activities

Fostering Healthy Eating among SNAP participants: FNS awarded a contract to provide a full inventory of current nutrition education materials available via various organizations and websites, an options paper to inform decisions on needed materials based on gaps identified through the inventory. As a result, a toolkit for teen is being developed with the goal of offering a multi-component nutrition education and promotion package targeted to low-income students.

Inventory and assessment of local SNAP-Ed practices: FNS established an Interagency Agreement with the National Institute for Food and Agriculture (NIFA) and land grant university Colorado State (CSU), to learn more about how successful SNAP-Ed models are best transferred from community to community through a review of all FY 2012 SNAP-Ed plans and annual reports. The project identified best practice criteria through the use of an expert panel, collect evaluation tools and document outcomes.

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

The SNAP-Ed Connection helps educators meet their professional development needs by supplying information on valuable training and continuing education resources. The Web site also houses a Community Corner that provides consumers with tips, information, and tools for making healthy lifestyle choices.

Models of SNAP-Ed and Evaluation: FNS conducted two rounds (Waves I and II) of independent and rigorous impact evaluations of SNAP-Ed projects to identify models of effective SNAP-Ed interventions and practical impact. A total of seven demonstration projects were competitively selected based on their promise of success and

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potential to inform the field. The evaluation results of the four projects in Wave I were released in January 2012 and the results of the three Wave II projects were released in December 2013.

The Wave II demonstration projects focused on increasing fruit and vegetable consumption and included an intervention for rural Appalachian elementary school students (University of Kentucky), implementation and evaluation of FNS's *Eat Smart. Live Strong* curriculum for seniors (Michigan State University Extension (MSUE)), and a combined direct education/social marketing campaign for elementary school children led by the Iowa Nutrition Network (INN). Both the MSUE and INN demonstrations significantly increased participants' fruit and vegetable intakes. This study highlighted the importance of effectively engaging participants, using multicomponent interventions to increase reach and exposure and better communications on purchasing fruits and vegetables economically. These lessons will help to inform development of future SNAP-Ed interventions.

Incentive Programs to Increase Healthy Food Purchases in SNAP

During FY 2013, FNS approved three requests to waive the equal treatment requirement in SNAP regulations (7 CFR 278.2(b)) to pilot incentive programs in retail food stores aimed at increasing healthy food purchases with SNAP benefits. The pilots operate in select stores only and provide incentives in a variety of ways (gift cards and coupons) that can only be used in select stores to purchase healthy foods, primarily fresh fruits and vegetables. FNS is not providing funding for these pilots.

Combined Application Projects (CAP)

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

In FY 2013, 18 States were operating CAP demonstration projects: Arizona, Florida, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, New Jersey, New Mexico, New York, North Carolina, Pennsylvania, South Carolina, South Dakota, Texas, Virginia and Washington.

FY 2012 Certification Payment Error Rates

The FY 2012 national average certification payment error rate, announced in June 2013, was 3.42 percent; 46 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 2012 quality control data.

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

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

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Disaster Supplemental Nutrition Assistance Program (D-SNAP)

FNS continues to work on a proposed D-SNAP regulation the agency expects to publish in 2014. Currently, D-SNAP operates under interim regulations. The forthcoming regulations will provide detailed guidance on disaster planning, requesting D-SNAP, and reporting requirements.

Over the course of FY 2013, D-SNAP played an important role in serving disaster-affected households in seven States, including survivors of Hurricane Sandy. FNS' role in D-SNAP operations includes analyzing and responding to State agency requests to operate D-SNAP, waiving applicable certification and issuance policies for ongoing households to ease program administration, providing on-site monitoring of State operations to ensure timely and accurate delivery of benefits, and providing operational guidance to States as needed.

The following summarizes State reported disaster assistance provided in FY 2013:

State	Disaster	Total Households	Total Issuance
Colorado	Flood	559	\$212,104
Illinois	Flood	50,268	21,541,295
Maryland	Hurricane Sandy	2,383	514,985
New Jersey	Hurricane Sandy	195,008	33,582,542
New York	Hurricane Sandy	56,723	9,715,279
Oklahoma	Tornado	766	357,478
West Virginia	Storms	20,488	4,024,816
TOTAL		326,195	69,948,499

Court Suit Activity in SNAP

In May 2013, the Department was named as a defendant in a court suit related to Hurricane Sandy, but subsequently dismissed from the case in November 2013.

Employment and Training (E&T)

Background

The Food Security Act of 1985 required States to establish an E&T Program to help able-bodied SNAP recipients find work or gain the skills, training, and experience that lead to employment. SNAP participants who are not specifically exempted by statute are subject to work requirements as a condition of eligibility. Work requirements include:

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

In addition to the work requirements, able bodied adults without dependents (ABAWDs) must comply with additional requirements in order to receive benefits for more than 3 months in a 36 month period. ABAWDs in non-waived areas must meet at least one of the following requirements:

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

Eligibility and Participation

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

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SNAP E&T is State administered and States have a great deal of flexibility in designing E&T programs that meet the needs of their participants and local economy. States submit an annual plan to FNS that details what E&T services, called components, the State plans to offer, including: job search and job search training; workfare; basic education or vocational training; and job retention services. In FY 2013, the most common components were:

Most Common Components	Number of States with Component	Total Participants
Job search or job search training	53	565,625
Basic education, literacy, or vocational training	32	63,856
Workfare or work experience	25	145,928

States use flexible E&T funding to serve low-skilled, vulnerable adults that might not otherwise receive job training or employment services. The program fills a critical gap in workforce services for this population. In FY 2013, States placed over 633,760 participants in E&T components, serving an average of 166,238 participants per month. Currently, FNS does not have a national outcome measures for the E&T program. Thirty-six States voluntarily collect and report E&T outcomes such as job entry, job retention and average wage. However, States use a variety of methods and definitions in collecting these measures and data cannot be compared at the national level. FNS is in the process of establishing national outcome measures and requiring States to report outcome data through the rule making process. Such performance measures are now required by the Agricultural Act of 2014.

Funding

SNAP E&T is funded under four funding streams:

Budget Item	Description	2013 Obligations (Thousands)	States Using Funding
100 Percent Federal Grant	Base funding for E&T administration, allocated annually to States based on the percentage of work registrants and ABAWDs in each State.	\$93,180	53
ABAWD 100 Percent Federal Grant	Additional grants for States that guarantee certain activities aimed at the ABAWD population	20,000	6
Federal 50 percent Administrative Grants	50 percent reimbursement for States that exceed their 100 percent Federal grant.	186,396	28
Federal 50 percent Participation Grants	50 percent reimbursement for transportation and childcare costs to ensure successful participation in E&T programs. States are not allowed to use 100 percent grants for participant reimbursements.	68,319	47
	TOTAL	367,895	53

Future Plans

In FY 2014 and 2015, FNS intends to work in close partnership with a small number of States in order to identify best practices and to improve the effectiveness of E&T programs with a focus on improving employment outcomes for E&T participants. This effort will involve enhancing State resources to support innovative E&T programs that focus on emerging or high demand industries. FNS intends to help States develop programs that complement, rather than duplicate, other Federal workforce programs.

In FY 2014, FNS expects to publish a proposed rule to create national E&T outcome reporting requirements. The proposed rule would establish standard outcome reporting measures for SNAP E&T participants that focus on results. States would be required to collect information such as job entry, job retention and average earnings for E&T participants.

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The Agriculture Act of 2014 provides \$200 million for 3 year pilots in up to 10 States. The pilot projects will be designed to increase the number of work registrants who obtain unsubsidized employment, increase their earned income, and reduce their reliance on public assistance. To qualify, States must participate in an evaluation, provide evidence that they have a robust data collection system, commit to collaborating with State workforce boards, and maintain FY 2013 State funding for E&T. The projects should target certain populations such as those with low skills, be in both urban and rural areas, emphasize rapid attachment to employment, and test both mandatory and voluntary E&T participation. A Request for Application is required 180 days after enactment.

Electronic Benefit Transfer Systems

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

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

Integrity – STARS: FNS continued to re-engineer retailer administration functions to ensure effective use of staff and financial resources through automation. This included numerous updates to support the new, national retailer management structure.

Integrity – ALERT: FNS continued to enhance the next generation ALERT system to add new analytical capabilities, and incorporate data mining activities in order to significantly improve program integrity.

Studies and Evaluations

FNS published three major reports related to SNAP during FY 2013, which are available at <http://www.fns.usda.gov/ops/supplemental-nutrition-assistance-program-snap-research>. These include:

- **Measuring the Effect of SNAP Participation on Food Security** which found that participating in SNAP for 6 months was associated with a decrease in food insecurity by 5 to 10 percentage points, including households with food insecurity among children.
- **The Extent of Trafficking in the Supplemental Nutrition Assistance Program: 2009-2011**, the latest in a series of periodic analyses, which estimates the extent of trafficking in SNAP during the period 2009 through 2011.
- **Nutrition Assistance in Farmers Markets: Understanding Current Operations** which describes how farmers markets and direct marketing farmers operate and their perceived benefits and barriers to accepting SNAP benefits.

Work on two congressionally mandated or authorized studies continued in FY 2013:

- **Evaluation of the Healthy Incentives Pilot (HIP)** examines the impact of providing financial incentives at the point of sale on the consumption of fruits and vegetables. Under HIP, SNAP participants received an incentive of 30 cents for every SNAP dollar spent on targeted fruits and vegetables credited to their SNAP Electronic Benefit Transfer (EBT) card, which could be spent on any SNAP-eligible foods and beverages. Implemented by the Massachusetts Department of Transitional Assistance (DTA) in Hampden County, HIP operated between November 2011 and December 2012. Of the SNAP households in Hampden County, 7,500 were randomly assigned to the HIP group and the remaining households to the non-HIP group. The Early Implementation Report, released in February 2013, covers the period from pilot inception to March 2012. The report describes how HIP works, what was required to overlay HIP on normal SNAP operations, and the key successes and challenges during implementation. Results presented in the Interim Report, released July 2013, indicate that HIP participants (respondents aged 16 and older) consumed one-fifth of a cup-equivalents more targeted fruits and vegetables per day than did non-participants. This represents an increase of 25 percent in consumption over

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control group members. The Final Report, expected to be released in spring 2014, will present comprehensive analyses of all data collected for the HIP evaluation, as well as providing detailed cost information for the pilot.

- **Evaluation of Combined Application for SNAP and Medicare Part D Low-Income Subsidy**, which was authorized by the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010, will assess three approaches to increasing SNAP participation among the applicants for Extra Help assistance with Medicare Part D. The demonstration pilots in New Mexico, Pennsylvania, and Washington have concluded, post-demonstration data are being collected, and data analyses have started. The report is expected at the end of the year.

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 \$9 million per year. While funded through the SNAP account and the National Institute of Food and Agriculture administers the program.

FY 2012 and FY 2013 Farmers' Market Point-of-Sale Equipment Grants

In FY 2012, FNS received \$4 million to expand the availability of wireless point-of-sale (POS) equipment in farmers' markets not currently participating in SNAP. Each SNAP State agency received a share of the funds proportional to the percentage of the Nation's farmers' markets not currently authorized to participate in SNAP within that State. FNS allocated the funds in May of 2012, and States were initially informed that they may use those funds through September 30, 2013. Per budgetary language, the funds could only be used to purchase or lease POS equipment for eligible farmers' markets and direct-marketing farmers participating at a market where SNAP is not otherwise available, and to pay for SNAP wireless access for that equipment.

As of June 30, 2013, \$1,056,590 (26.41%) of the \$4 million appropriated in FY 2012 have been obligated. States have provided two general reasons why they have not used more of the funds: 1) Difficulty identifying and recruiting eligible markets, and 2) procedural obstacles to sign up interested/eligible markets. As a result, the period of performance for this grant has been extended through September 30, 2014.

Congress appropriated an additional \$4 million in FY 2013 SNAP Farmers' Market Equipment Funds to increase the availability of SNAP at farmers' markets under the same terms as conditions as in FY 2012. Since State agencies already have funds remaining from the prior fiscal year, on September 30, 2013, the Food and Nutrition Service awarded a contract to further increase SNAP participation among farmers and markets. The contractor is tasked with:

- Identifying eligible direct-marketing farmers and farmers markets.
- Recruiting farmers and markets to become SNAP-authorized.
- Providing technical assistance throughout the authorization process.
- Procuring wireless terminals and providing technical assistance to new users through this fiscal year.

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NUTRITION ASSISTANCE FOR PUERTO RICO (NAP)

Program Mission

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

Facts in Brief

- On average, 1.36 million people were served monthly during FY 2013.
- In FY 2013, total benefit costs were \$1.9 billion, or about \$118 per person per month, for nutrition assistance program recipients.
- Puerto Rico spent an estimated \$49.9 million of Federal funds on administrative activities in FY 2013, which are matched by an equivalent amount of State funds.
- On September 1, 2001, Puerto Rico began targeting 75 percent of nutrition assistance benefits to the purchase of food while continuing to provide 25 percent of benefits in cash through the Commonwealth’s EBT system.

Federal Responsibilities of the Block Grant

Puerto Rico proposes its annual program plan that estimates the costs of benefits, administration and other projects in July for the fiscal year beginning on the following October 1. FNS must review and approve the Commonwealth’s annual plan and monitor program operations to ensure program integrity. These monitoring activities include reviewing financial reports of obligations and expenditures and on-site management reviews of selected program operations. The cost of these components for FYs 2011 through 2013 is as follows:

NUTRITION ASSISTANCE FOR PUERTO RICO

Summary of Funding
(Dollars in thousands)

	2011 Actual	2012 Actual	2013 Estimated
Benefit Costs	\$1,942,981	\$1,918,080	\$1,921,990
Administrative Costs	\$56,969	\$48,568	\$49,988
Nutrition Education Program	\$618	\$618	\$618
Total Federal Funds	\$2,000,568	\$2,000,568	\$2,000,568
State Administrative Costs	\$54,587	\$48,568	\$49,988
Total Program Costs	\$2,055,155	\$2,049,136	\$2,030,568

Participation

From its inception, the NAP in Puerto Rico served a much higher proportion of the total population than the United States as a whole, due to the significantly lower living standards in Puerto Rico. This continues to be the case under the block grant program: 1.36 million persons or about 37 percent of Puerto Rico’s total estimated population of 3.667 million participated in the program in FY 2013. Monthly participation for FYs 2011 through 2013 is as follows:

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NUTRITION ASSISTANCE FOR PUERTO RICO

Summary of Participation

	2011 Actual	2012 Actual	2013 Actual
Average Number of Persons (million)	1.35	1.37	1.36
Average Number of Households	644,76	662,635	666,624
Average Household Size (persons)	2.1	2.07	2.04
Average Benefit Per Household	\$247	\$241	\$240

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 2013, \$8,034,000 in grant funds (which included \$512,000 in ARRA funds) was authorized to be expended under American Samoa's block grant.

Facts in Brief

- A monthly average of 4,437 persons, or about 8 percent of American Samoa's total estimated population of 55,519, was served during FY 2013.
- In FY 2013, average monthly benefit costs were \$571,993, or \$143.80 per person.
- American Samoa spent about \$1.382 million for administrative activities for FY 2013. Block grant funding provides 100 percent of administrative and benefits costs.
- The program serves the low-income elderly, blind and disabled population.
- American Samoa prints its own food coupons.

Federal Responsibilities of the Block Grant

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

NUTRITION ASSISTANCE FOR THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Program Mission

The Commonwealth of the Northern Mariana Islands' (CNMI) nutrition assistance program began on July 2, 1982. The program was authorized by Public Law 96-597 (December 24, 1980), which allowed USDA to extend programs administered by the Department to CNMI and other territories. In FY 2013, \$12,148,000 in grant funds were provided to CNMI.

Facts in Brief

- On average each month 9,349 people, or 17 percent of CNMI's total estimated population of 53,883, were served during FY 2013.
- In FY 2013, average benefit costs were \$234 per household per month.
- The CNMI spent \$1.099 million on administrative activities for FY 2013. Block grant funding provides 100 percent of administrative and benefit costs.

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- CNMI is allowed to set its eligibility standards within the capped block grant.
- CNMI prints its own food coupons.

Federal Responsibilities of the Block Grant

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

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (FDPIR)

Program Mission

FDPIR is an alternative to SNAP for low-income households residing on Indian reservations and low-income Indian households in designated service areas near reservations or in Oklahoma. FDPIR is authorized by Section 4(b) of the Food and Nutrition Act of 2008, as amended, to allow Indian Tribal Organizations (ITOs) to operate a food distribution program for households who prefer USDA Foods to regular SNAP benefits. FDPIR offers a variety of foods to help participants maintain a nutritionally balanced diet. Federal administrative funding is also available for nutrition education related activities, which can include individual nutrition counseling, cooking demonstrations, nutrition classes, and the dissemination of resources related to USDA Foods. Households may not participate in FDPIR and SNAP in the same month.

Facts in Brief

- In FY 2013, five States and 100 ITOs administered programs on 276 Indian reservations, pueblos, rancherias, and Alaska Native Villages. Nutrition assistance was provided to an average of 75.6 thousand persons per month at a cost to FNS of \$59.31 per food package in FY 2013, with an average monthly per person administrative cost of \$42.80.

FDPIR PARTICIPATION AND COST

	2007	2008	2009	2010	2011	2012	2013
Average Participation (in Thousands)	86.6	90.1	95.4	84.6	77.8	76.5	75.6
Per Person Per Month Food Cost (Entitlement)	\$44.40	\$54.52	\$54.54	\$47.45	\$50.71	\$57.04	\$59.31
Total FNS Food Cost (\$ in Millions)	\$46.94	\$55.32	\$62.90	\$48.17	\$47.36	\$52.38	\$53.81

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

FDPIR Final Rule Publication

FNS published the Food Distribution Program on Indian Reservations: Income Deductions and Resource Eligibility final rule in the *Federal Register* on August 27, 2013. The provisions of the rule expand access to FDPIR, improve program administration, and more closely align FDPIR with SNAP. Specifically, the rule eliminates the resource test as a basis for determining FDPIR eligibility; expands the medical deduction to include other medical expenses in excess of \$35; and establishes a new region-specific standard deduction for shelter and utility expenses. The provisions of this rule became effective September 26, 2013.

Food Package

FNS continues its commitment to improve the food package offered under FDPIR by partnering with the National Association of Food Distribution Programs on Indian Reservations (NAFDPIR). A work group, representing NAFDPIR-appointed representatives and FNS staff, is focusing on ways to better meet the nutritional needs and

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food preferences of program participants. The work group focuses on ways to reduce saturated fat, sugar, and sodium, and also explores ways to improve the acceptability and convenience of products in the food package.

In FY 2013, FNS continued to work on implementing a list of prioritized food package additions and piloted a purchase of frozen pork chops.

Studies and Evaluations

In September FY 2011, FNS contracted with the Urban Institute in Washington, DC, to conduct a three-year national study of FDPIR and its participants. The study's objectives are to obtain an updated demographic profile of participants; explore reasons for changes in FDPIR participation; examine food package distribution approaches and other key aspects of FDPIR operations; learn about FDPIR's contribution to participants' food supply; and learn about participant satisfaction with the program. Twenty-five Indian Tribal Organizations (ITOs) that currently administer FDPIR were invited to participate in the study. In-person consultation sessions were held with Tribal leaders and their designees. Data collection activities such as case record reviews of participant data, participant surveys, and site visits are included in the study.

Improved Access to Fresh Fruits and Vegetables and Expanded Offerings

In FDPIR, 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 that program participants may select in lieu of canned goods. In FY 2013, 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 that would otherwise be very difficult for them to obtain. A total of thirty-six fresh produce items were available in FY 2012. Many items are only available on a seasonal basis. Fresh cherry and grape tomatoes were added to the list of fresh produce items available to FDPIR recipients, making up to thirty-eight items available in FY 2013, depending on the season.

Nutrition Education Discretionary Grants

In May 2013, FNS awarded nearly \$1 million in Food Distribution Program on Indian Reservations Nutrition Education Grants to 12 grantees to support healthy eating habits among FDPIR participants. FNS also developed a new FDPIR recipe book in FY 2013 accompanied with a pack of sample spices to encourage healthy, low-sodium cooking with USDA Foods and provided materials to support nutrition education demonstrations at all FDPIR sites.

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

FISCAL YEAR 2013

STATE OR TERRITORY	AVERAGE PARTICIPATION IN THOUSANDS		TOTAL VALUE OF BENEFITS ISSUED (\$000)	AVERAGE MONTHLY BENEFIT PER PERSON	STATE ADMINISTRATIVE, NUTRITION EDUCATION, and EMPLOYMENT & TRAINING FUNDING (\$000)
	PERSONS	HOUSEHOLDS			
Alabama-----	915	421	\$1,414,952	\$128.82	\$40,192
Alaska-----	91	38	189,566	172.90	11,583
Arizona-----	1,111	477	1,648,694	123.65	63,075
Arkansas-----	505	224	731,846	120.86	30,417
California-----	4,159	1,906	7,558,358	151.44	813,371
Colorado-----	508	231	823,389	135.09	50,662
Connecticut-----	425	233	707,655	138.65	40,154
Delaware-----	153	72	235,028	127.90	12,156
District of Columbia-----	145	82	235,021	135.17	12,320
Florida-----	3,556	1,944	5,906,159	138.39	89,600
Georgia-----	1,948	908	3,188,744	136.40	78,638
Hawaii-----	189	96	494,182	217.49	14,638
Idaho-----	227	98	346,783	127.30	9,542
Illinois-----	2,040	1,017	3,378,096	137.99	104,425
Indiana-----	926	416	1,461,136	131.49	41,692
Iowa-----	420	199	586,542	116.28	21,868
Kansas-----	317	149	474,256	124.68	23,268
Kentucky-----	872	420	1,332,999	127.33	45,181
Louisiana-----	940	426	1,479,828	131.18	54,387
Maine-----	249	130	367,070	122.79	10,735
Maryland-----	771	392	1,178,662	127.39	53,107
Massachusetts-----	888	499	1,394,536	130.92	53,072
Michigan-----	1,776	910	2,911,624	136.65	149,390
Minnesota-----	553	274	773,774	116.62	55,010
Mississippi-----	669	305	993,078	123.77	24,801
Missouri-----	930	437	1,428,882	128.04	44,971
Montana-----	129	59	192,260	124.65	12,502
Nebraska-----	180	79	264,636	122.71	12,331
Nevada-----	361	175	535,231	123.57	19,406
New Hampshire-----	117	56	162,971	115.76	7,630
New Jersey-----	876	432	1,419,227	134.97	132,645
New Mexico-----	440	197	679,482	128.58	29,183
New York-----	3,170	1,711	5,621,405	147.75	356,609
North Carolina-----	1,704	786	2,491,198	121.85	90,507
North Dakota-----	57	26	85,530	126.10	8,395
Ohio-----	1,825	889	2,923,161	133.50	92,516
Oklahoma-----	622	287	958,684	128.48	42,278
Oregon-----	818	451	1,251,244	127.54	71,309
Pennsylvania-----	1,785	870	2,748,347	128.32	168,861
Rhode Island-----	180	101	303,062	140.37	10,151
South Carolina-----	876	417	1,381,782	131.47	25,036
South Dakota-----	104	45	165,040	132.18	6,948
Tennessee-----	1,342	662	2,127,682	132.11	61,003
Texas-----	4,042	1,674	5,934,442	122.35	206,451
Utah-----	252	101	377,903	125.15	23,513
Vermont-----	101	52	150,054	124.38	9,639
Virginia-----	941	456	1,442,442	127.75	99,226
Washington-----	1,113	591	1,678,737	125.64	80,622
West Virginia-----	351	167	504,486	119.88	15,708
Wisconsin-----	857	417	1,198,302	116.56	50,269
Wyoming-----	38	16	56,980	124.80	4,930
American Samoa 1/-----	0	0	0	0.00	0
CNMI 1/-----	0	0	0	0.00	0
Guam-----	46	15	118,159	216.15	1,382
Virgin Islands-----	27	12	56,991	173.10	4,163
Anticipated Adjustment-----	0	0	-91,321	0.00	774,188
TOTAL-----	47,636	23,052	\$75,978,974	\$133.08	\$4,365,659

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

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

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**SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
FIRMS AUTHORIZED TO RECEIVE AND REDEEM SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS
Fiscal Year 2013**

State	Retailers	Wholesale	Drug and/or Alcohol Treatment Program	Shelter for Battered Women and Children	Communal Dining Facility	Group Living Arrangement	Homeless Meal Provider	Meal Delivery Service	Private Restaurant/Meal Delivery	Senior Citizens Center/Residential Building	Total
Alabama	5,091		24	1	1	27	2				5,146
Alaska	529		7	1			2				539
Arizona	3,917		7	1	1		3	2	177		4,108
Arkansas	2,596		16		1		2	2			2,617
California	24,128		217	6	7		28	13	1,463		25,862
Colorado	2,656		13		4	1	4	5			2,683
Connecticut	2,533		21	1	2			1			2,558
Delaware	812		3		1		6				822
District of Co	466						2				468
Florida	15,882		72	1	4	30	9	4	9		16,011
Georgia	10,002	1	4		5	1	3	2			10,018
Guam	273										273
Hawaii	979		10	8	2	2	1	2			1,004
Idaho	1,015										1,015
Illinois	9,202		17	1	38	14	8	21		115	9,416
Indiana	4,931		3	1	5		6	13		1	4,960
Iowa	2,687		13		18			13			2,731
Kansas	1,883		10		12	6	1	7			1,919
Kentucky	4,512		31		3	5					4,551
Louisiana	4,830		7		1	2	7				4,847
Maine	1,573		9		10	1	1	1		2	1,597
Maryland	3,792		17	3	5	22	12	3			3,854
Massachusetts	5,009		75	9	6	111	9	2		6	5,227
Michigan	10,031	2	27		36	37	8	29		1	10,171
Minnesota	3,208		4		8		2	12		2	3,236
Mississippi	3,528	1	1								3,530
Missouri	4,613		12	2			10	2			4,641
Montana	725		3		17	10	2	1		3	761
Nebraska	1,063		11				2				1,076
Nevada	1,741		5	1			6				1,753
New Hampshire	1,044		4		1	2	1	2		1	1,055
New Jersey	6,233		26		1	8	7			1	6,276
New Mexico	1,481		2								1,483
New York	18,602	1	110		32	217	16	35			19,013
North Carolina	8,993	1	6		24		2	9			9,035
North Dakota	445		3		19	4	1	7		1	480
Ohio	9,209		32		4	1	3	8			9,257
Oklahoma	3,387		15	1	17		1	17			3,438
Oregon	3,367		26	1	8	32	9	3		1	3,447
Pennsylvania	10,139	1	16		12	15	26	27			10,236
Rhode Island	994		11	1	9	4	2	1	5		1,027
South Carolina	5,178	1	3				1				5,183
South Dakota	670		2		11	17		5			705
Tennessee	6,664		19		1	29	3	2		2	6,720
Texas	18,327		28				1	2			18,358
Utah	1,329		8		1	2		1			1,341
Vermont	720		1		2	1					724
Virgin Islands	97	2	1				1				101
Virginia	6,322	1	14		1	3		1			6,342
Washington	4,902		23		5	6	2	5			4,943
West Virginia	2,193	2	1		8			2			2,206
Wisconsin	3,851		5	1	16	2	5	10			3,890
Wyoming	299		6			2		1			308
Total	248,653	13	1,001	40	363	613	219	270	1,654	136	252,962

FOOD AND NUTRITION SERVICE

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS
PARTICIPATION AND FUNDING
FISCAL YEAR 2013

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION	FOOD COSTS <u>1/</u>	ADMINISTRATIVE FUNDING <u>2/</u>	TOTAL FOOD AND ADMIN.
Alaska-----	204	\$135,525	\$523,509	\$659,034
Arizona-----	10,835	7,744,238	4,370,838	12,115,076
California-----	5,593	3,612,889	2,576,019	6,188,908
Colorado-----	419	267,648	225,446	493,094
Idaho-----	1,440	929,593	615,779	1,545,372
Kansas-----	416	291,034	249,191	540,225
Michigan-----	1,299	961,929	1,192,008	2,153,937
Minnesota-----	2,297	1,675,013	1,531,400	3,206,413
Mississippi-----	701	461,101	259,479	720,580
Montana-----	2,375	1,744,926	2,414,576	4,159,502
Nebraska-----	1,010	691,668	459,630	1,151,298
Nevada-----	1,373	794,408	667,049	1,461,457
New Mexico-----	2,533	1,718,239	1,630,042	3,348,281
New York-----	380	206,407	370,775	577,182
North Carolina-----	584	408,019	197,084	605,103
North Dakota-----	3,840	2,794,432	1,440,868	4,235,300
Oklahoma-----	25,678	19,038,996	9,518,300	28,557,296
Oregon-----	678	456,082	770,957	1,227,039
South Dakota-----	7,457	5,481,227	3,310,298	8,791,525
Texas-----	117	67,980	177,014	244,994
Utah-----	117	71,608	68,872	140,480
Washington-----	3,164	2,138,471	2,122,596	4,261,067
Wisconsin-----	2,441	1,644,514	1,789,857	3,434,371
Wyoming-----	657	473,938	192,046	665,984
AMS / FSA / WBSCM / Computer Support-----	0	2,516,487	0	2,516,487
Undistributed-----	0	5,138,079	1,987,349	7,125,428
TOTAL-----	75,608	\$61,464,451	\$38,660,982	\$100,125,433

SOURCE: FPRS FNS-152 data - Food distributed to participants in fiscal year 2013.

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 2013**

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 6/32 TYPE:</i>		
APPLESAUCE, CANNED, W/O SALT, UNSWEETENED	340,762.50	\$279,732
APRICOTS, CANNED, HALVES, LT SYRUP	328,050	261,792
BEANS, CANNED, BLACK	71,145	30,432
BEANS, CANNED, GREEN, LOW-SODIUM	950,475	436,324
BEANS, CANNED, LIGHT RED KIDNEY, LOW-SODIUM	391,299	193,638
BEANS, CANNED, PINTO, LOW-SODIUM	320,153	147,829
BEANS, CANNED, REFRIED, LOW-SODIUM	367,200	174,298
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	220,320	100,383
BEANS, DRY, GREAT NORTHERN, W/O SALT	362,880	231,405
BEANS, DRY, PINTO, W/O SALT	1,072,440	555,006
BEEF, CANNED	684,000	2,319,710
BEEF, FINE GROUND, FROZEN	2,022,000	4,857,210
BEEF, ROUND ROAST, FROZEN	760,000	2,761,160
BEEF STEW, CANNED	1,920,600	1,944,285
CARROTS, CANNED, LOW-SODIUM	291,600	146,059
CHICKEN, CONSUMER SPLIT BRST PKG	741,000	1,345,516
CHICKEN, WHOLE, BAGGED	673,200	632,456
CHICKEN, CANNED	228,000	441,551
CORN, CANNED, CREAM STYLE	182,250	100,651
CORN, CANNED, WHOLE KERNEL	35,037	17,029
CORN, CANNED, WHOLE KERNEL, LOW-SODIUM	350,370	159,732
CRANBERRY SAUCE, CANNED	183,600	98,792
*DoD FRESH PRODUCE		6,010,907
EGG MIX, DRIED	360,000	1,244,369
FRUIT-NUT MIX, DRY	34,944	112,923
HAM, WATER ADDED, FROZEN	464,508	685,626
HOMINY, CANNED	431,460	220,703
JUICE, BOTTLED, APPLE, UNSWEETENED	2,309,328	1,255,767
JUICE, BOTTLED, CRANBERRY APPLE, UNSWEETENED	984,840	589,652
JUICE, BOTTLED, GRAPE, UNSWEETENED	905,670	586,874
JUICE, BOTTLED, GRAPEFRUIT, UNSWEETENED	285,360	101,649
JUICE, BOTTLED, ORANGE, UNSWEETENED	1,794,810	743,935
JUICE, BOTTLED, TOMATO, UNSWEETENED	509,820	141,812
MIXED FRUIT, CANNED, LT SYRUP	555,300	365,763
MIXED VEGETABLES, CANNED, LOW-SODIUM	495,450	279,448
PEACHES, CANNED, CLING, LT SYRUP	1,226,250	794,024
PEARS, CANNED, LT SYRUP	770,850	575,617
PEAS, CANNED, LOW-SODIUM	522,900	278,540
PLUMS, DRIED	72,000	117,600
PORKCHOPS, FROZEN	114,000	391,780
POTATOES, DEHYDRATED	120,000	140,425
POTATOES, CANNED, SLICED	367,200	163,741
PUMPKIN, CANNED, LOW-SODIUM	109,350	72,673
RAISINS	116,640	165,041
SALMON, CANNED	177,000	431,792
SOUP, CANNED, TOMATO, CONDENSED, LOW-SODIUM	141,900	98,032
SOUP, CANNED, VEGETABLE, LOW-SODIUM	177,375	146,982
SOUP, CREAM OF CHICKEN, REDUCED SODIUM	311,850	286,062
SOUP, CREAM OF MUSHROOM, REDUCED SODIUM	207,900	180,978
SPAGHETTI SAUCE, CANNED, MEATLESS, LOW-SODIUM	484,200	186,224
SPINACH, CANNED, LOW-SODIUM	203,490	103,199
SWEET POTATOES, CANNED, EX LT SYRUP, NO ADDED SALT	103,275	69,569
TOMATO SAUCE, CANNED, LOW-SODIUM	757,350	281,262
TOMATOES, CANNED, DICED, LOW-SODIUM	649,890	290,338
TURKEY BREAST, COOKED	360,126	864,887
SUBTOTAL, SECTION 6/32 TYPE	28,621,417	\$35,213,181

FOOD AND NUTRITION SERVICE

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (Cont.)

Quantity and Value of Commodities

Fiscal Year 2013

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 416 TYPE:</i>		
BUTTER, SALTED	861,840	\$1,705,388
BUTTERY SPREAD, LIGHT, ZERO TRANS FAT	298,080	301,806
CEREAL, CORN AND RICE, READY-TO-EAT	22,680	33,345
CEREAL, CORN FLAKES, READY-TO-EAT	145,800	143,963
CEREAL, CORN SQUARES, READY-TO-EAT	49,392	79,982
CEREAL, OAT CIRCLES, READY-TO-EAT	86,888	118,900
CEREAL, RICE CRISPS, READY-TO-EAT	161,448	214,086
CEREAL, WT BRAN FLAKES, READY-TO-EAT	148,827	172,470
CHEESE, BLEND, AMER/SKIM MILK, SLICED	514,800	872,994
CHEESE, PROCESSED, LOAVES	1,742,400	3,357,858
CORNMEAL	899,640	245,807
CRACKERS, UNSALTED	662,400	754,243
EGG NOODLES	437,760	291,212
FARINA, QUICK COOKING	232,848	153,913
FLOUR MIX, LOWFAT	972,000	834,897
FLOUR, ALL PURPOSE, ENRICHED	3,898,440	1,029,655
FLOUR, WHOLE WHEAT	171,360	46,242
MAC N CHEESE MIX, DRY	549,666	561,392
MACARONI	921,360	417,099
MILK, EVAPORATED, CANNED, SKIM	2,193,561	1,532,983
MILK, INSTANT NDM	195,840	455,698
MILK, UHT, 1% LOW-FAT	4,431,150	1,636,553
OATS, WHOLE GRAIN, NO ADDED SALT	1,179,360	666,194
OIL, VEGETABLE	1,061,676	770,591
PEANUT BUTTER, SMOOTH	536,760	588,091
PEANUTS, ROASTED	103,680	127,008
RICE, WHITE	1,089,900	413,934
ROTINI, WHOLE GRAIN	102,000	52,975
SPAGHETTI	1,076,400	424,324
SUBTOTAL, SECTION 416 TYPE	24,747,955	\$18,003,604
AMS / FSA / WBSCM / Computer Support	0	2,516,487
Anticipated Adjustment	0	5,731,179
TOTAL COMMODITY ENTITLEMENT	53,369,373	\$61,464,451
BONUS COMMODITIES		
<i>SECTION 32 TYPE:</i>		
NONE	0	\$0
SUBTOTAL, SECTION 32 TYPE	0	\$0
BONUS COMMODITIES		
<i>SECTION 416 TYPE:</i>		
NONE	0	\$0
SUBTOTAL, SECTION 416 TYPE	0	\$0
Anticipated Adjustment	0	0
TOTAL BONUS COMMODITIES	0	\$0
TOTAL -- ALL COMMODITIES	53,369,373	\$61,464,451
Anticipated Adjustment	0	0
GRAND TOTAL	53,369,373	\$61,464,451

Source: WBSCM -- Sales Order and contract information.

* DoD Fresh Includes Top Five (5) Foods: Apples, Oranges, Carrots, Lettuce and Potatoes.

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, [\$269,701,000] \$275,701,000 to remain available through September 30, [2015] 2016: 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 [2014] 2015 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, [2015] 2016: Provided further, That of the funds made available under section 27(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)), the Secretary may use up to 10 percent for costs associated with the distribution of commodities.

Lead-Off Tabular Statement

COMMODITY ASSISTANCE PROGRAM (CAP)

Budget Estimate, 2015.....	\$275,701,000
2014 Estimate	<u>269,701,000</u>
Change in Appropriation	<u>+6,000,000</u>

Summary of Increases and Decreases

(Dollars in thousands)

Item of Change	2012 Actual	2013 Change	2014 Change	2015 Change	2015 Estimate
Discretionary Appropriations:					
Commodity Supplemental Food Program	\$176,788	\$10,147	\$15,747	\$6,000	\$208,682
All Other Discretionary Activities	65,548	1,469	2	0	67,019
Total Appropriation or Change	242,336	11,616	15,749	6,000	275,701

FOOD AND NUTRITION SERVICE

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

Project	2012		2013		2014		Inc. or Dec.		2015	
	Actual	SY	Actual	SY	Estimate	SY			Estimate	SY
Commodity Supplemental Food Program	\$176,788		\$186,935		\$202,682		\$6,000	(1)	\$208,682	
Farmers' Market Programs										
Farmers' Market Nutrition Program	16,548		16,548		16,548		0	(2)	16,548	
Senior Farmers' Market Nutrition Program (transfer) <u>1/</u>	20,600		19,549		20,600		0		20,600	
Total Adjusted FMP	37,148		36,097		37,148		0		37,148	
Emergency Food Assistance Program										
Administrative Costs	48,000		49,401		49,401		0	(3)	49,401	
Other Programs										
Nutrition Services Incentive Program <u>2/</u>	2,025		2,542		2,392		-2,392		0	
Nuclear Affected Islands	537		574		574		0	(4)	574	
Disaster Assistance	463		494		496		0	(5)	496	
TEFAP Disaster Assistance Supplemental	0		6,000		0		0		0	
Total Adjusted Appropriation	264,961	3	282,043	1	292,693	3	3,608		296,301	3
Sequester	0		-3,651		-1,483		0		0	
Rescissions	0		-6,877		0		0		0	
TEFAP Disaster Assistance Supplemental	0		-6,000		0		0		0	
Transfers (SFMNP and NSIP)	-22,625		-22,091		-22,992		2,392		-20,600	
Total Appropriation	242,336	3	253,952	1	269,701	3	6,000		275,701	3

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

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

FOOD AND NUTRITION SERVICE

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

Project	2012 Actual	SY	2013 Actual	SY	2014 Estimate	SY	Inc. or Dec.	2015 Estimate	SY
Commodity Supplemental Food Program									
USDA Food Purchases	\$146,534		\$143,196		\$158,417		\$5,895	\$164,312	
Administrative Costs	42,138		42,683		44,409		-39	44,370	
Subtotal, CSFP Obligations	188,672		185,879		202,826		5,856	208,682	
Recoveries & Collections of Prior Yr	-15,890		-154		0		0	0	
Unobligated Balances:									
Available Start of Year	0		-4,006		-144		144	0	
Available End of Year	4,006		144		0		0	0	
Balance Lapsing	0		10		0		0	0	
Subtotal, CSFP Appropriation	176,788		181,873		202,682		6,000	208,682	
Farmers' Market Programs									
Seniors Farmers' Market Nutrition Program	22,241		21,194		20,600		0	20,600	
Farmers' Market Nutrition Program	20,517		18,733		16,567		-19	16,548	
Subtotal, FMP Obligations	42,758		39,927		37,167		-19	37,148	
Transfer from CCC	-20,600		-19,549		-19,117		-1,483	-20,600	
Recoveries & Collections of Prior Yr	-5,623		-5,097		0		0	0	
Unobligated Balances:									
Available Start of Year	-17		-29		-25		25	0	
Available End of Year	29		25		0		0	0	
Balance Lapsing	1		0		0		0	0	
Subtotal, FMP Appropriation	16,548		15,277		18,025		-1,477	16,548	
Emergency Food Assistance Program <u>1/</u>									
Administrative Costs	48,551		45,920		49,401		0	49,401	
SNAP/TEFAP Admin. (non add)	(17,249)		(18,401)		0		0	0	
SNAP/TEFAP USDA Foods (non add)	(242,971)		(247,166)		(268,750)		(55,250)	(324,000)	
Subtotal, TEFAP Obligations	48,551		45,920		49,401		0	49,401	
Recoveries & Collections of Prior Yr	-529		-327		0		0	0	
Unobligated Balances:									
Available Start of Year	-23		0		0		0	0	
Available End of Year	0		0		0		0	0	
Balance Lapsing	1		0		0		0	0	
Subtotal, TEFAP Appropriation	48,000		45,593		49,401		0	49,401	
Other Programs:									
Nutrition Services Incentive Program <u>2/</u>	2,024		2,692		2,398		-2,398	0	
Nuclear Affected Islands	537		530		574		0	574	
Disaster Assistance	405		456		955		-459	496	
TEFAP Disaster Assistance	0		5,700		0		0	0	
Subtotal, Other Program Obligations	2,966		9,378		3,927		-2,857	1,070	
Transfer from DHHS	-2,025		-2,542		-2,392		2,392	0	
Recoveries & Collections of Prior Yr	0		-150		0		0	0	
Unobligated Balances:									
Available Start of Year	-439		-464		-459		459	0	
Available End of Year	464		459		0		0	0	
Balance Lapsing	34		0		0		0	0	
Subtotal, Other Program Appropriation	1,000		6,681		1,076		-6	1,070	
Total, CAP Obligations	282,947	3	281,104	1	293,321	3	2,980	296,301	3
Rescission	0		6,877		0		0	0	
Sequester	0		3,651		-1,483		1,483	0	
Total Adjusted Appropriation	242,336	3	259,952	1	269,701	3	6,000	275,701	3
TEFAP Disaster Assistance Supplemental	0		-6,000		0		0	0	
Total Appropriation	242,336	3	253,952	1	269,701	3	6,000	275,701	3

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

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

FOOD AND NUTRITION SERVICE

Justification of Increases and Decreases

The FY 2015 request for the Commodity Assistance Program (CAP) reflects an increase of \$6,000,000 (\$269,701,000 and 3 staff years are available in FY 2014). CAP combines funding for the Commodity Supplemental Food Program, administrative expenses for The Emergency Food Assistance Program, assistance to the Nuclear Affected Islands, Disaster Relief, the Senior Farmers' Market Nutrition Program, and the WIC Farmers' Market Nutrition Program.

- (1) An increase of \$6,000,000 for the Commodity Supplemental Food Program (\$202,682,000 available in FY 2014).

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 persons age 60 and over. The program operates in parts of 39 States, the District of Columbia, and through two Indian Tribal Organizations (ITOs). CSFP participants receive monthly food packages designed to address the specific nutritional needs of women, infants, children, and elderly clients. They include such nutritious foods as canned fruits and vegetables, juices, meats, fish, peanut butter, cheese, cereal and grain products, and dairy products. Infants receive formula and rice cereal. FNS also provides administrative grants to States from the appropriated funds.

The increase from FY 2014 to FY 2015 is due to estimated inflation in food costs and administrative expenses. The amount requested will support the current base caseload and participation levels by maintaining the current level of USDA Foods provided through the purchase authority in Section 4102 of the Agricultural Act of 2014 (P.L. 113-79).

The average monthly food cost per person will increase from an estimated \$29.55 for women, infants and children in FY 2014 to \$30.12 in FY 2015, and from \$23.57 to \$24.03 for the elderly. In FY 2015, the free portion of the food package costs will remain relatively steady.

The administrative grant per caseload slot is increased annually using the State and Local Expenditure Index. The FY 2015 grant is anticipated to be \$73.95 per year per caseload slot, an increase of \$1.09 from the FY 2014 level.

Section 4102 of the Agricultural Act of 2014 phases women, infants, and children out of CSFP as they become ineligible from the program based upon the eligibility requirements that were in effect prior to the passage of the Agricultural Act of 2014.

- (2) No change in the Farmer's Market Nutrition Program (\$16,548,000 available in FY 2014).

The WIC Farmers' Market Nutrition Program (FMNP) provides a direct link between nutrition and the Nation's small resource farmers by providing women, older infants, and children participating in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), special coupons to purchase and consume fresh local fruits, vegetables and herbs directly from farmers, farmers' markets and roadside stands. As a result, the FMNP has enhanced local agricultural economies by promoting the development of farmers' markets, which has increased the customer base for small local farmers and become a major income source.

- (3) No change in The Emergency Food Assistance Program (\$49,401,000 available in FY 2014).

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

FOOD AND NUTRITION SERVICE

(4) No change in Nuclear Affected Islands program (\$574,000 available in FY 2014).

This funding provides nutrition assistance to the former residents of the four atolls that were rendered uninhabitable because of the nuclear weapons testing program at Bikini atoll in the Pacific Ocean. Certain islands in nuclear-affected zones of the Republic of the Marshall Islands receive nutrition assistance as authorized by the Compact of Free Association Amendments Act of 2003 (P.L.108-188). Under the terms of a memorandum of understanding between USDA and the Republic of the Marshall Islands, the assistance is currently provided as cash in-lieu of USDA Foods and administrative funds.

(5) No change in Disaster Assistance program (\$496,000 available in FY 2014).

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

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

FOOD AND NUTRITION SERVICE

COMMODITY SUPPLEMENTAL FOOD PROGRAM		
CALENDAR YEAR AUTHORIZED CASELOAD LEVELS		
FOR WIC AND ELDERLY		
STATE/ TRIBAL ORG.	2013	2014
Alaska	2,148	2,119
Arizona	12,607	12,349
Arkansas	2,949	2,992
California	75,978	75,714
Colorado	17,959	18,100
Delaware	2,359	2,394
District of Columbia	6,402	6,329
Georgia	2,945	2,988
Illinois	17,263	17,023
Indiana	3,593	3,645
Iowa	2,955	2,998
Kansas	4,921	4,938
Kentucky	23,031	23,368
Louisiana	67,269	65,015
Maine	2,902	2,945
Michigan	75,450	76,366
Minnesota	15,751	15,903
Mississippi	9,437	9,575
Missouri	15,648	15,648
Montana	8,079	8,197
Nebraska	11,753	10,870
Nevada	7,212	7,212
New Hampshire	6,223	5,889
New Jersey	2,922	2,963
New Mexico	16,428	16,600
New York	33,574	34,066
North Carolina	1,121	1,138
North Dakota	2,096	2,047
Oglala Sioux, SD	601	601
Ohio	20,191	20,487
Oklahoma	2,946	2,989
Oregon	1,621	1,645
Pennsylvania	34,119	34,619
Red Lake, MN	87	88
South Carolina	5,450	5,366
South Dakota	4,162	4,219
Tennessee	13,274	13,468
Texas	33,452	33,942
Utah	2,385	2,420
Vermont	3,180	3,165
Washington	5,134	5,209
Wisconsin	10,423	10,391
TOTAL CASELOAD	588,000	588,000

FOOD AND NUTRITION SERVICE

Commodity Supplemental Food Assistance Program
Program Performance Data

	2012 Actual	2013 Actual	2014 Estimate	Difference	2015 Estimate
RESOURCES--START OF YEAR : (Dollars in thousands)					
Appropriation (Includes Sequestration and Rescission)	\$176,788	\$181,873	\$202,682	\$6,000.00	\$208,682
Cash Carry-In/Recoveries	0	4,006	0	0	0
Beginning Inventory (Federal-State-Local)	45,639	44,589	51,552	5,415	56,967
TOTAL RESOURCES	230,468	230,468	254,234	11,415	265,649
DEMAND:					
1. Program Performance Data:					
Caseload (Calendar Year)	599.380	588.000	588.000	0.000	588.000
Participation (Fiscal Year)	594.196	579.800	588.000	0.000	588.000
Participation					
<i>Women-Infants-Children</i>	<i>17.640</i>	<i>15.103</i>	<i>14.350</i>	<i>-0.720</i>	<i>13.630</i>
<i>Elderly</i>	<i>576.556</i>	<i>564.656</i>	<i>573.650</i>	<i>0.720</i>	<i>574.370</i>
Avg. Food Cost Person/Month (whole \$):					
Women-Infants-Children	29.30	28.84	29.55	0.57	30.12
FNS Funded <u>1/</u>	25.39	23.53	26.94	0.57	27.51
<i>Free (donated)</i>	<i>3.91</i>	<i>5.31</i>	<i>2.61</i>	<i>0.00</i>	<i>2.61</i>
Elderly	23.29	22.98	23.57	0.46	24.03
FNS Funded <u>1/</u>	20.43	19.23	21.52	0.46	21.98
<i>Free (donated)</i>	<i>2.86</i>	<i>3.75</i>	<i>2.05</i>	<i>0.00</i>	<i>2.05</i>
2. Food Costs: (Dollars in thousands)					
Food Distribution Costs	\$146,727	\$134,574	\$152,737	\$3,279	\$156,016
<i>Women-Infants-Children</i>	<i>5,374</i>	<i>4,265</i>	<i>4,639</i>	<i>-138</i>	<i>4,501</i>
<i>Elderly</i>	<i>141,353</i>	<i>130,309</i>	<i>148,098</i>	<i>3,417</i>	<i>151,515</i>
Commodity Administrative Costs	2,399	1,659	1,688	32	1,720
<i>AMS Charges</i>	<i>80</i>	<i>58</i>	<i>59</i>	<i>1</i>	<i>60</i>
<i>FSA Charges</i>	<i>291</i>	<i>342</i>	<i>348</i>	<i>7</i>	<i>355</i>
<i>PCIMS/FPRS/ECOS</i>	<i>1,377</i>	<i>1,111</i>	<i>1,130</i>	<i>21</i>	<i>1,151</i>
<i>Computer Support/Internet</i>	<i>650</i>	<i>148</i>	<i>151</i>	<i>3</i>	<i>154</i>
Total Food Costs	149,126	136,233	154,425	3,311	157,736
3. State Administrative Expenses (Dollars in thousands)	42,138	42,683	42,842	641	43,483
TOTAL DEMAND	191,264	178,916	197,267	3,952	201,219
BALANCES--YEAR-END: (Dollars in thousands)					
Funds (Carry-out)	0	0	0	0	0
Ending Inventory	44,589	51,552	56,967	7,463	64,430
COMMODITY ACTIVITY:					
Purchases	146,533	143,196	159,840	5,359	165,199
Inventory Change	-2,592	6,963	5,415	2,048	7,463

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

FOOD AND NUTRITION SERVICE

Geographic Breakdown of Obligations and Staff Years (SY)

(Dollars in thousands)

Commodity Assistance Program--Federal Salaries & Expenses								
	<u>2012 Actual</u>		<u>2013 Actual</u>		<u>2014 Estimate</u>		<u>2015 Estimate</u>	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
California	\$3	0	\$2	0	\$2	0	\$2	0
Colorado	2	0	1	0	2	0	2	0
Illinois	15	0	11	0	12	0	12	0
Massachusetts	0	0	0	0	0	0	0	0
New Jersey	2	0	1	0	2	0	2	0
Texas	47	0	34	0	37	0	38	0
Virginia	2,052	3	1,499	1	1,655	3	1,672	3
Undistributed	25	0	0	0	0	0	0	0
TOTAL	\$2,146	3	\$1,548	1	\$1,710	3	\$1,728	3

Commodity Assistance Program

Classification by Objects

(Dollars in Thousands)

	2012 <u>Actual</u>	2013 <u>Actual</u>	2014 <u>Estimate</u>	2015 <u>Estimate</u>
Personnel Compensation:				
Washington D.C.....	\$185	\$73	\$129	\$130
Field.....	217	85	152	153
11.0 Total personnel compensation.....	402	158	281	283
12.0 Personnel benefits.....	39	50	89	89
Total personnel comp. and benefits.....	441	208	370	372
Other Objects:				
21.0 Travel and transportation of persons.....	51	32	33	34
25.0 Other Services.....	1,286	1,286	1,308	1,329
26.0 Supplies and materials.....	153,391	143,632	159,372	164,808
41.0 Grants.....	127,778	135,946	132,238	129,758
Total, Other Objects.....	282,506	280,896	292,951	295,929
100 Total, new obligations.....	282,947	281,104	293,321	296,301

FOOD AND NUTRITION SERVICE
COMMODITY ASSISTANCE PROGRAM

STATUS OF PROGRAM

The Commodity Assistance Program (CAP) account combines funding for the Commodity Supplemental Food Program, administrative expenses for The Emergency Food Assistance Program, assistance to the 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 persons age 60 and over. Section 4102 of the Agricultural Act of 2014 begins phasing women, infants, and children out of CSFP as they become ineligible from the program based upon the eligibility requirements that were in effect prior to the passage of the Agricultural Act of 2014.

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

Facts in Brief

- In calendar year 2013, a total of 588,000 caseload slots were allocated to participating States and ITOs (CSFP caseload is assigned by calendar year).
- For FY 2013, program participation averaged 579,759 monthly.
- Average monthly participation of women, infants, and children decreased from 17,639 in FY 2012 to 15,103 in FY 2013; average monthly elderly participation also decreased in the same period from 576,556 to 564,656.

Program Participation and Caseload Utilization

Each year, to the extent that resources are available, FNS assigns a base caseload to all of the States and ITOs participating in the program. Base caseload equals the greatest of: 1) monthly average participation for the previous fiscal year; 2) monthly average participation for the final quarter of the previous fiscal year; or, in certain limited circumstances, 3) participation during September of the previous fiscal year. Base caseload cannot exceed total caseload for the previous year. If resources are available to support total caseload in excess of base caseload, States may also be eligible to receive additional caseload, which is assigned based on State requests for such caseload and FNS' determination of the number of slots that States can effectively use.

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CSFP Average Monthly Participation

Participation ^{1/}	2008	2009	2010	2011	2012	2013
Women	4,792	3,389	2,954	2,484	2,540	2,038
Infants	2,686	1,593	1,275	1,055	1,053	875
Children under 6	23,449	18,340	16,911	15,690	14,046	12,190
Total WIC Type	30,927	23,322	21,139	19,229	17,639	15,103
Elderly	444,380	443,293	497,707	568,847	576,556	564,656
Total, CSFP	475,307	466,615	518,846	588,076	594,195	579,759

^{1/} Based on National Databank version 8.2 data through September FY 2013. Due to rounding, the sum of the average participation by women, infants, children and elderly may not equal the total average participation.

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

Administrative Funding

Section 4201 of the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill, P.L. 107-171) established the method for calculating administrative funds for State agencies in CSFP. State agencies are provided an administrative grant per assigned caseload slot, adjusted each year for inflation. For FY 2013, \$72.24 was the legislatively-mandated administrative grant per assigned caseload slot. Allowable administrative costs include nutrition education, warehousing, food delivery, participant certification, and other costs associated with State and local administration of the program.

The Emergency Food Assistance Program

Program Mission

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

Facts in Brief

- TEFAP foods and administrative funds are allocated to States based on a formula that considers the number of unemployed people in each State and the number of persons in each State with incomes below the poverty level.
- States may direct their “fair share” of TEFAP foods to: 1) distribution to needy households, 2) provision of meals to the needy at congregate feeding sites, or 3) a combination of the two.
- Each State is responsible for selecting organizations to participate in the program, allocating foods and administrative funds among such organizations, and establishing eligibility criteria. Many local TEFAP agencies are faith-based organizations and many depend significantly on volunteers.

Administrative Funding

TEFAP administrative funds are provided to States under the CAP account to help defray State and local costs associated with the transportation, processing, storage and distribution of USDA Foods or foods secured from other

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sources, including the private sector. Unless expressly prohibited by appropriations legislation, a State can also choose to convert up to ten percent of their TEFAP administrative funds to food funds that are used by USDA to purchase additional USDA Foods. States can also use administrative funds to support food rescue activities such as gleaning and other food recovery efforts. In these ways, administrative funds are efficiently leveraged to increase the total flow of food, from all sources, through the TEFAP network.

Entitlement Foods

Funds for TEFAP food purchases are provided under the SNAP account. A great variety of healthful foods were purchased specifically for distribution in TEFAP in FY 2013. These included: dehydrated potatoes, prunes, raisins, frozen ground beef, frozen whole chicken, frozen ham, frozen turkey roast, black-eyed beans, garbanzo beans, great northern beans, light red kidney beans, lentils, lima beans, pinto beans, egg mix, shell eggs, low-fat bakery mix, egg noodles, white and yellow corn grits, spaghetti, macaroni, oats, peanut butter, roasted peanuts, white and brown rice, whole grain rotini, spaghetti and macaroni, vegetable oil, ultra high temperature fluid, 1 percent milk, bran flakes, corn flakes, oat cereal, rice cereal, corn cereal, and corn and rice cereal; the following canned items: low sodium green beans, low sodium blackeye beans, low sodium light red kidney beans, low sodium refried beans, low sodium vegetarian beans, no salt added carrots, low sodium cream corn, low sodium whole kernel corn, low sodium peas, low sodium sliced potatoes, low sodium pumpkin, low sodium spaghetti sauce, low sodium spinach, low sodium sweet potatoes, tomatoes, low sodium diced tomatoes, low sodium tomato sauce, low sodium mixed vegetables, low sodium tomato soup, low sodium vegetable soup, reduced sodium cream of chicken soup, reduced sodium cream of mushroom soup, apricots with light syrup, unsweetened applesauce, mixed fruit with light syrup, cling peaches with light syrup, pears with light syrup, beef, beef stew, chicken, pork, and salmon; and the following bottled juices: unsweetened apple juice, unsweetened cherry apple juice, unsweetened cran-apple juice, unsweetened grape juice, unsweetened grapefruit juice, unsweetened orange juice, and unsweetened tomato juice.

Bonus Food

In FY 2013, USDA purchased USDA Foods under its market support authorities and donated them for distribution through TEFAP. The total amount of bonus products distributed through TEFAP outlets in FY 2013 was \$228.5 million. Bonus USDA Foods include products made from chicken, lamb, turkey, catfish, blueberries, strawberries and cranberries.

FY 2013 TEFAP Spending

In FY 2013, \$45.6 million was appropriated for TEFAP administrative funds, and the Secretary was authorized to make available up to ten percent of TEFAP food funds to support administrative costs. The FY 2013 appropriation for TEFAP entitlement food, which occurs in the SNAP account, was \$265.8 million, the level authorized by Section 27(a)(2)(C) of the Food and Nutrition Act of 2008 as amended.

**TEFAP Summary
(Includes ARRA funds)
(Obligations)**

(In millions)	2008	2009	2010	2011	2012	2013
State Administrative Expenses	\$57.1	\$88.6	\$121.7	\$70.3	\$65.8	\$64.3
Bonus Foods	178.1	373.7	346.6	235.3	304.2	228.5
Entitlement Foods ^{1/}	182.3	336.2	231.9	228.4	242.9	247.2
TOTAL	\$417.5	\$798.5	\$700.2	\$534.0	\$612.9	\$540.0
Supplemental Funding for Hurricane Sandy (Disaster Relief -- Food and Administrative Funds)	0.0	0.0	0.0	0.0	0.0	5.7
TOTAL – Including Hurricane Sandy	\$417.5	\$798.5	\$700.2	\$534.0	\$612.9	\$545.7

^{1/} From SNAP Account

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The State Administrative Expenses shown in the table above include administrative funds, food funds converted to administrative funds, ARRA funds (FY 2009 and FY 2010), and administrative funds recovered from the previous year. In FY 2013, of the \$26.6 million eligible for conversion, States chose to convert \$18.4 million into administrative funds.

Section 27(a)(2)(C) of the Food and Nutrition Act of 2008 required that, starting in FY 2010, the authorized level of TEFAP entitlement food funds provided under the SNAP account be adjusted annually by the percentage change in the Thrifty Food Plan (TFP), which is also used to adjust the benefit level in SNAP. For FY 2013, \$247.2 million was provided for TEFAP entitlement food funds. The amounts shown for FY 2009 entitlement foods in the table above include \$100 million provided for TEFAP by the ARRA. The entitlement foods line also includes administrative funds that States chose to use instead to increase their food entitlements. In FY 2013, no administrative funds were converted to food funds.

Hurricane Sandy

The Disaster Relief Appropriations Act, 2013 (P.L. 113-2), provided TEFAP with \$5.7 million after sequestration, in supplemental funding to assist families and individuals affected by Hurricane Sandy. The supplemental appropriation was offered to the twelve States and the District of Columbia that were directly affected by Hurricane Sandy, as evidenced by major disaster declarations and eligibility for individual assistance by the Federal Emergency Management Agency (FEMA). The States that opted to receive TEFAP supplemental assistance were Connecticut, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Virginia. States chose to accept \$4.6 million in funding as USDA Foods and \$1.1 million as administrative funds.

WIC Farmers' Market Nutrition Program

The WIC Farmers' Market Nutrition Program (FMNP) provides a direct link between nutrition and the Nation's small resource farmers by providing women, older infants, and children participating in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), special coupons to purchase and consume fresh local fruits, vegetables and herbs directly from farmers, farmers' markets and roadside stands. As a result, the FMNP has enhanced local agricultural economies by promoting the development of farmers' markets, which has increased the customer base for small local farmers. During FY 2012, the last year for which data is available, the FMNP was operated by 46 State agencies and ITOs.

In FY 2012, the FMNP provided coupons to 1,717,668 WIC participants. The participants redeemed their coupons at 6,361 authorized farmers' markets and roadside stands, providing revenue to 18,246 small family farmers.

WIC Farmers' Market Nutrition Program

	2009	2010	2011	2012	2013
Funding (\$000)	\$21,750	\$22,089	\$23,283	\$20,517	\$18,733
WIC Recipients	2,242,321	2,153,467	1,919,477	1,717,668	*
Farmers' Markets**	6,321	6,419	4,079	6,361	*
Farmers	17,636	18,245	18,487	18,246	*

Note: Funding includes new authority and prior year resources.

* Data not yet available.

** Farmers' Markets data includes roadside stands.

Senior Farmers' Market Nutrition Program

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

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Section 4231 of the 2008 Farm Bill as amended, provided \$20.6 million annually, from FY 2008 through FY 2013, to operate the SFMNP and added the following new provisions: 1) honey as an eligible food; 2) a prohibition against considering the value of SFMNP benefits as income when determining eligibility for other Federal, State or local programs; and 3) a prohibition against the collection of State or local sales tax on any purchase of food with SFMNP benefits.

During FY 2013, the SFMNP operated in a total of 43 States, the District of Columbia, Puerto Rico, and seven Federally-recognized ITOs. The grant funds provide low-income seniors with coupons that can be exchanged for eligible foods at farmers' markets, roadside stands and community supported agricultural programs. A State agency may spend up to 10 percent of its total SFMNP grant to cover costs associated with the operation and administration of the SFMNP.

Senior Farmers' Market Program

	2009	2010	2011	2012	2013
Funding (\$000)	\$22,466	\$22,455	\$22,227	\$22,241	\$21,194
SFMNP Recipients	809,711	844,999	856,943	885,116	*
Farmers	18,714	20,106	19,069	19,892	*
Farmers' Markets	3,758	4,601	4,598	3,988	*
Roadside Stands	3,061	3,681	3,445	3,075	*
Community Supported Agriculture Programs	159	163	141	154	*

Note: Funding includes new authority and prior year resources.

* Data not yet available

Pacific Islands

Certain islands in nuclear-affected zones of the Republic of the Marshall Islands receive nutrition assistance as authorized by the Compact of Free Association Amendments Act of 2003 (P.L. 108-188). Under the terms of a memorandum of understanding between USDA and the Republic of the Marshall Islands, the assistance is currently provided as cash in-lieu of USDA Foods and administrative funds. USDA previously provided nutrition assistance under this account to the former Trust Territory of the Pacific Islands; however, as the trust relationship ended for the Federated States of Micronesia, the Republic of Palau, and the Republic of the Marshall Islands, this assistance was phased out.

Disaster Assistance

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

Nutrition Services Incentive Program (NSIP)

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

In 2003, Congress transferred NSIP funding and the allocation of resources in this program from USDA to the Department of Health and Human Services (DHHS). However, State Agencies on Aging could still choose to receive all or part of their NSIP allotments in the form of USDA Foods. They are also eligible to receive bonus food, as available.

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USDA's role is to purchase and deliver food to States that elect to receive it. DHHS provides funding to USDA for purchases of USDA Foods and related administrative expenses. FNS and DHHS' Administration on Aging enter into an agreement annually to ensure the effective provision of USDA Foods to State Agencies on Aging.

Surplus USDA Foods for Charitable Institutions and Summer Camps

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

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

In FY 2013, no bonus USDA foods were distributed to charitable institutions.

CAP Studies and Evaluations

White Paper on The Emergency Food Assistance Program (TEFAP): For three decades, TEFAP has helped supplement the diets of low-income Americans, including seniors, by providing them with emergency food and nutrition assistance at no cost. This white paper explains the program and describes some of its key results. The paper is available at <http://www.fns.usda.gov/ops/food-distribution-studies>.

FOOD AND NUTRITION SERVICE

COMMODITY SUPPLEMENTAL FOOD PROGRAM
PROJECTS, PARTICIPATION AND FOOD COST

FISCAL YEAR 2013

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	5	1	89	1,993	2,089	\$452,521	\$155,641
Arizona-----	10	122	0	601	11,448	12,171	2,332,630	916,816
Arkansas-----	3	0	0	0	2,958	2,958	668,346	213,686
California-----	6	71	74	1,222	73,255	74,621	16,757,373	5,505,303
Colorado-----	9	332	292	1,145	16,280	18,049	4,037,590	1,302,090
Delaware-----	1	0	0	0	2,366	2,366	561,651	170,938
District of Columbia-----	1	5	0	129	6,103	6,238	1,370,227	466,905
Georgia-----	2	0	0	0	2,945	2,945	591,746	191,164
Illinois-----	3	1	0	147	16,630	16,778	3,303,856	858,859
Indiana-----	3	0	0	0	3,489	3,489	715,898	274,061
Iowa-----	1	32	7	170	2,747	2,955	601,779	214,119
Kansas-----	3	8	1	90	4,768	4,867	1,060,427	357,372
Kentucky-----	6	13	6	94	23,031	23,143	5,104,522	1,674,578
Louisiana-----	1	124	107	546	64,237	65,015	14,678,647	4,874,250
Maine-----	5	0	0	0	2,922	2,922	647,445	210,272
Michigan-----	18	369	327	3,595	71,000	75,290	16,302,240	5,368,506
Red Lake, Minnesota-----	1	0	0	4	81	85	18,306	6,303
Minnesota-----	5	60	0	707	14,905	15,673	3,371,744	1,141,302
Mississippi-----	1	0	0	0	9,507	9,507	2,054,792	678,806
Missouri-----	6	0	0	0	15,881	15,881	3,427,437	1,117,798
Montana-----	12	0	0	75	8,048	8,124	1,644,234	585,397
Nebraska-----	8	85	9	540	10,237	10,870	2,218,743	774,722
Nevada-----	3	12	6	89	7,180	7,287	1,516,778	522,584
New Hampshire-----	4	639	0	808	4,442	5,889	1,277,592	447,671
New Jersey-----	3	0	0	0	2,920	2,920	612,707	212,223
New Mexico-----	3	21	12	483	15,844	16,360	3,738,231	1,053,683
New York-----	2	56	0	818	30,485	31,358	5,909,419	2,423,736
North Carolina-----	1	0	0	0	1,131	1,131	270,231	81,234
North Dakota-----	6	0	0	0	2,047	2,047	426,689	156,688
Ohio-----	8	0	0	0	20,286	20,286	4,602,022	1,463,022
Oklahoma-----	1	0	0	0	2,954	2,954	617,373	213,469
Oregon-----	4	0	0	0	1,621	1,621	349,694	117,462
Pennsylvania-----	17	0	0	8	34,346	34,354	7,580,467	2,472,233
South Carolina-----	2	0	0	2	5,287	5,288	1,057,322	324,355
South Dakota-----	2	0	0	0	4,158	4,158	912,425	301,909
Ogala Sioux, S.D.-----	1	6	18	153	444	621	136,238	43,542
Tennessee-----	4	71	16	346	12,830	13,264	3,067,558	942,225
Texas-----	6	0	0	23	33,095	33,118	7,214,265	2,423,904
Utah-----	1	0	0	32	2,354	2,386	504,557	172,314
Vermont-----	1	3	0	30	3,086	3,119	680,698	230,572
Washington-----	10	0	0	129	5,044	5,173	1,039,374	373,752
Wisconsin-----	3	1	0	117	10,273	10,391	2,305,363	755,233
AMS/FSA/WBSCM Admin. Exp.	0	0	0	0	0	0	1,511,000	0
Anticipated Adjustment-----	0	0	0	0	0	0	15,943,844	891,944
3/ TOTAL-----	189	2,038	875	12,190	564,656	579,759	\$143,196,000	\$42,682,643

SOURCE: FPRS FNS-153 data - Food distributed to participants in fiscal year 2013.

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

2/ Total outlays and unliquidated obligations.

3/ Totals may not add due to rounding.

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

FOOD AND NUTRITION SERVICE

COMMODITY SUPPLEMENTAL FOOD PROGRAM

Quantity and Value of Commodities

Fiscal Year 2013

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 6/32 TYPE:</i>		
APPLESAUCE, CANNED, W/O SALT, UNSWEETENED	5,026,950	\$3,989,617
APRICOTS, CANNED, HALVES, LT SYRUP	1,421,550	1,227,442
BEANS, CANNED, GREEN, LOW-SODIUM	4,185,026	1,842,672
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	2,166,480	991,501
BEANS, DRY, BABY LIMA, W/O SALT	725,760	481,910
BEANS, DRY, GREAT NORTHERN, W/O SALT	1,491,840	1,085,632
BEANS, DRY, LT RED KIDNEY W/O SALT	1,451,520	1,104,206
BEANS, DRY, PINTO, W/O SALT	1,941,480	1,054,313
BEEF, CANNED	1,980,000	6,679,843
BEEF, CANNED, CHILI W/O BEANS	2,448,000	3,774,002
BEEF, CANNED, STEW	2,614,680	2,586,647
CARROTS, CANNED, LOW-SODIUM	2,660,850	1,357,382
CHICKEN, CANNED	2,594,400	5,031,821
CORN, CANNED, NO SALT ADDED	3,731,441	1,672,963
JUICE, BOTTLED, APPLE, UNSWEETENED	2,550,840	1,110,260
JUICE, BOTTLED, CRANAPPLE, UNSWEETENED	3,737,520	1,929,190
JUICE, BOTTLED, GRAPE, UNSWEETENED	2,318,550	1,276,750
JUICE, BOTTLED, ORANGE, UNSWEETENED	1,293,029	532,125
JUICE, BOTTLED, TOMATO, UNSWEETENED	856,080	216,736
MIXED FRUIT, CANNED, LT SYRUP	3,025,913	4,529,618
MIXED VEGETABLES, CANNED, LOW-SODIUM	2,475,225	1,360,510
PEACHES, CANNED, LT SYRUP	3,056,625	2,091,091
PEARS, CANNED, LT SYRUP	2,300,625	1,785,702
PEAS, CANNED, LOW-SODIUM	3,215,925	1,707,701
POTATOES, CANNED, SLICED, LOW-SODIUM	2,166,480	990,996
SALMON, CANNED	1,309,800	3,004,180
SPAGHETTI SAUCE (MEATLESS), CANNED, LOW-SODIUM	2,318,850	882,289
SPINACH, CANNED, LOW-SODIUM	2,899,743	1,428,780
SWEET POTATOES, CANNED, EX LT SYRUP, NO SALT ADDED	743,580	514,674
TOMATOES, CANNED, DICED, LOW-SODIUM	19,575	9,945
TOMATOES, CANNED, DICED, NO SALT ADDED	2,026,013	918,443
Total Section 6/32 Type	70,754,349	\$ 57,168,942
SUBTOTAL, SECTION 6/32 TYPE	70,754,349	\$57,168,942

FOOD AND NUTRITION SERVICE

COMMODITY SUPPLEMENTAL FOOD PROGRAM (Cont.)

Quantity and Value of Commodities

Fiscal Year 2013

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 416 TYPE:</i>		
CEREAL, BABY INFANT RICE	16,640	\$45,905
CEREAL, CORN AND RICE, READY-TO-EAT	975,240	1,391,974
CEREAL, CORN FLAKES, READY-TO-EAT	1,945,215	1,919,815
CEREAL, CORN SQUARES, READY-TO-EAT	1,580,544	2,558,604
CEREAL, OAT CIRCLES, READY-TO-EAT	1,560,689	2,129,851
CEREAL, RICE CRISPS, READY-TO-EAT	1,456,392	1,913,466
CEREAL, WT BRAN FLAKES, READY-TO-EAT	2,200,496	2,513,820
CHEESE BLEND AMER SKIM LOAVES	13,978,800	25,514,621
FARINA	1,280,664	880,573
FORMULA, INFANT	65,472	491,040
GRITS	899,640	262,198
MACARONI	3,372,240	1,560,438
MILK UHT 1%	30,355,119	11,755,089
MILK, INSTANT NDM PKG	5,448,960	12,635,569
OATS	3,303,288	1,476,906
PEANUT BUTTER, SMOOTH	4,623,413	5,311,352
RICE	3,852,900	1,520,380
ROTINI, WHOLE GRAIN	1,889,800	887,303
SPAGHETTI	3,811,920	1,536,849
SUBTOTAL, SECTION 416 TYPE	82,617,431	\$76,305,752
Anticipated Adjustment	0	8,210,306
AMS/FSA/WBSCM Admin. Expenses	0	1,511,000
TOTAL COMMODITY ENTITLEMENT	153,371,780	\$143,196,000
BONUS COMMODITIES		
	Pounds	Dollars
<i>SECTION 32 TYPE:</i>		
APPLESAUCE, CANNED, W/O SALT, UNSWEETENED	109,350	\$92,664
JUICE, BOTTLED, APPLE, UNSWEETENED	11,458,874	5,812,695
JUICE, BOTTLED, CRANAPPLE, UNSWEETENED	5,907,300	3,540,496
JUICE, BOTTLED, GRAPE, UNSWEETENED	10,580,070	6,709,640
JUICE, BOTTLED, ORANGE, UNSWEETENED	16,396,890	6,443,642
JUICE, BOTTLED, TOMATO, UNSWEETENED	5,464,922	1,490,377
SUBTOTAL, SECTION 32 TYPE	49,917,407	\$24,089,514
BONUS COMMODITIES		
	Pounds	Dollars
<i>SECTION 416 TYPE:</i>		
NONE	0	0
SUBTOTAL, SECTION 416 TYPE	0	0
Anticipated Adjustment	0	0
TOTAL BONUS COMMODITIES	49,917,407	\$24,089,514
TOTAL -- ALL COMMODITIES	203,289,186	\$167,285,515
Adjustment		0
Cash In-Lieu of Commodities		0
GRAND TOTAL	203,289,186	\$167,285,515

Source: WBSCM -- Sales Order and contract information.

FOOD AND NUTRITION SERVICE

THE EMERGENCY FOOD ASSISTANCE PROGRAM
Administrative Funds / Entitlement and Bonus Commodities
Fiscal Year 2013

STATE OR TERRITORY	TEFAP Admin. Funds 1/	Entitlement Commodities 3/	Bonus Commodities*	Total Food	Total Admin. and Food
Alabama.....	\$726,669	\$4,095,099	\$3,684,105	\$7,779,204	\$8,505,873
Alaska.....	122,899	435,499	449,145	884,644	1,007,543
Arizona.....	1,617,258	5,206,184	5,351,267	10,557,451	12,174,709
Arkansas.....	631,053	2,364,992	2,762,364	5,127,357	5,758,410
California.....	9,792,399	31,070,032	30,044,543	61,114,574	70,906,973
Colorado.....	1,067,481	3,555,745	3,429,553	6,985,299	8,052,780
Connecticut.....	459,523	2,461,693	2,000,878	4,462,571	4,922,094
Delaware.....	100,656	578,786	987,003	1,565,788	1,666,444
District of Columbia.....	169,628	556,261	680,482	1,236,743	1,406,371
Florida.....	3,634,760	16,864,144	14,975,039	31,839,183	35,473,943
Georgia.....	1,614,998	9,194,485	7,414,171	16,608,657	18,223,655
Hawaii.....	148,250	960,761	850,299	1,811,060	1,959,310
Idaho.....	227,411	1,324,920	1,183,109	2,508,030	2,735,441
Illinois.....	2,640,457	9,673,062	8,889,588	18,562,649	21,203,106
Indiana.....	934,236	5,315,166	4,731,576	10,046,742	10,980,978
Iowa.....	525,449	1,631,258	1,761,347	3,392,605	3,918,054
Kansas.....	491,970	1,761,086	1,754,143	3,515,229	4,007,199
Kentucky.....	1,098,921	3,516,761	3,476,731	6,993,491	8,092,412
Louisiana.....	1,114,634	3,588,211	4,028,153	7,616,363	8,730,997
Maine.....	271,670	906,287	765,605	1,671,892	1,943,562
Maryland.....	954,082	3,145,067	2,477,996	5,623,064	6,577,146
Massachusetts.....	857,056	4,148,517	3,730,096	7,878,612	8,735,668
Michigan.....	2,389,676	7,635,818	7,566,183	15,202,001	17,591,677
Minnesota.....	916,817	2,931,534	2,779,341	5,710,876	6,627,693
Mississippi.....	737,373	2,843,063	2,698,130	5,541,194	6,278,567
Missouri.....	1,162,352	4,267,405	4,207,888	8,475,293	9,637,645
Montana.....	174,611	679,007	538,097	1,217,104	1,391,715
Nebraska.....	186,710	1,038,035	961,196	1,999,231	2,185,941
Nevada.....	491,801	2,627,631	2,664,479	5,292,111	5,783,912
New Hampshire.....	155,750	659,219	676,953	1,336,172	1,491,922
New Jersey.....	1,715,217	5,613,986	7,957,086	13,571,072	15,286,289
New Mexico.....	523,685	1,707,463	2,282,631	3,990,094	4,513,779
New York.....	3,388,267	15,761,976	15,677,982	31,439,958	34,828,225
North Carolina.....	1,570,246	8,871,682	7,513,907	16,385,589	17,955,835
North Dakota.....	97,124	303,001	291,581	594,582	691,706
Ohio.....	1,635,209	9,145,045	8,258,902	17,403,947	19,039,156
Oklahoma.....	487,616	2,717,684	2,578,637	5,296,321	5,783,937
Oregon.....	960,241	3,110,746	2,838,388	5,949,134	6,909,375
Pennsylvania.....	2,552,294	8,337,221	8,307,574	16,644,795	19,197,089
Rhode Island.....	168,261	993,644	644,455	1,638,098	1,806,359
South Carolina.....	1,190,581	3,855,286	3,920,613	7,775,899	8,966,480
South Dakota.....	138,644	455,517	344,700	800,217	938,861
Tennessee.....	1,558,144	5,095,826	4,395,578	9,491,404	11,049,548
Texas.....	6,014,881	19,498,933	17,023,189	36,522,122	42,537,003
Utah.....	500,540	1,625,609	1,848,310	3,473,919	3,974,459
Vermont.....	99,323	331,209	304,349	635,558	734,881
Virginia.....	1,346,240	4,462,719	3,906,925	8,369,644	9,715,884
Washington.....	1,461,063	4,847,940	4,596,809	9,444,749	10,905,812
West Virginia.....	381,288	1,466,552	2,381,405	3,847,956	4,229,244
Wisconsin.....	1,101,734	3,542,189	3,700,674	7,242,863	8,344,597
Wyoming.....	57,578	327,628	272,609	600,237	657,815
Guam.....	29,493	215,289	239,930	455,219	484,712
Northern Mariana Island.....	19,804	113,100	0	113,100	132,904
Puerto Rico.....	1,867,714	6,451,759	1,626,397	8,078,156	9,945,870
Virgin Islands.....	39,960	164,498	81,130	245,628	285,588
AMS/FSA/WBSCM Admin. Exp.....	0	2,500,906	0	2,500,906	2,500,906
Undistributed.....	-200	612,560	0	612,560	612,360
TOTAL 2/.....	\$64,321,497	\$247,165,695	\$228,513,223	\$475,678,917	\$540,000,414

Source: WBSCM -- Sales Order and contract information.

* Figures include Farm Bill.

1/ TEFAP SNAP commodity funds obligated as administrative funds \$18,400,961.

2/ Totals may not add do to rounding.

3/ Excludes Hurricane Sandy Relief.

FOOD AND NUTRITION SERVICE

THE EMERGENCY FOOD ASSISTANCE PROGRAM
Quantity and Value of Commodities

Fiscal Year 2013

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 6/32 TYPE:</i>		
APPLESAUCE, CANNED, W/O SALT, UNSWEETENED	9,467,438	\$7,291,247
APRICOTS, CANNED, HALVES, EXT LT SYRUP	1,786,050	1,512,206
BEANS, CANNED, BLACKYEYE, LOW-SODIUM	3,557,250	1,715,803
BEANS, CANNED, GREEN, LOW-SODIUM	15,864,559	7,051,229
BEANS, CANNED, LT RED KIDNEY, LOW-SODIUM	5,051,295	2,508,328
BEANS, CANNED, REFRIED, LOW-SODIUM	3,598,560	1,720,256
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	6,976,800	3,257,079
BEANS, DRY, BLACKEYE, W/O SALT	846,720	692,847
BEANS, DRY, GARBANZO, W/O SALT	282,240	179,323
BEANS, DRY, GREAT NORTHERN, W/O SALT	2,459,520	1,704,796
BEANS, DRY, LIMA, W/O SALT	1,088,640	779,491
BEANS, DRY, LT RED KIDNEY, W/O SALT	564,480	448,941
BEANS, DRY, PINTO, W/O SALT	10,130,400	5,607,979
BEEF, CANNED	540,000	1,846,861
BEEF, CANNED, STEW CHUNKY	17,366,940	17,497,195
BEEF GROUND, FROZEN	2,418,000	5,913,018
BEEF GROUND, FROZEN, LFT	720,000	1,730,028
CARROTS, CANNED, NO ADDED SALT	5,103,000	2,617,480
CHICKEN, WHOLE BAGGED	12,751,200	11,667,475
CHICKEN, CANNED	3,033,600	5,909,510
CORN, CANNED, CREAM, LOW-SODIUM	1,312,200	688,312
CORN, CANNED, WHOLE KERNEL, LOW-SODIUM	13,646,912	6,217,454
EGG MIX, DRY	612,000	2,247,761
EGGS, FROZEN	4,286,250	2,891,490
JUICE, BOTTLED, APPLE, UNSWEETENED	7,651,198	3,695,349
JUICE, BOTTLED, CHERRY APPLE, UNSWEETENED,	1,391,130	915,161
JUICE, BOTTLED, CRANBERRY APPLE, UNSWEETENED	2,568,240	1,438,998
JUICE, BOTTLED, GRAPEFRUIT JUICE, UNSWEETENED	1,224,682	426,718
JUICE, BOTTLED, ORANGE, UNSWEETENED	8,623,231	3,502,541
JUICE, BOTTLED, TOMATO, UNSWEETENED	3,941,518	1,060,635
LENTILS, DRY	2,499,840	1,076,851
MIXED FRUIT, CANNED, EXT LT SYRUP	9,322,088	7,358,618
PEACHES, CANNED, SLICED, EXT LT SYRUP	11,244,825	7,786,104
PEARS, CANNED, EXT LT SYRUP	4,364,325	3,415,880
PEAS, CANNED, LOW-SODIUM	5,446,575	2,989,617
PLUMS, DRIED, PITTED	72,000	129,600
PORK, CANNED	2,268,000	4,475,455
PORK , FROZEN, HAM, WATER ADDED	3,027,492	4,670,436
POTATOES, FLAKES, DEHYDRATED	1,740,000	2,095,374
POTATOES, CANNED, SLICED, LOW-SODIUM	5,361,120	2,427,844
PUMPKIN, CANNED, LOW-SODIUM	801,900	562,642
RAISINS	701,496	1,094,244
SALMON, CANNED, PINK	1,663,800	3,830,060
SOUP, CRM OF CHICKEN, LOW-SODIUM	970,200	872,991
SOUP, CRM OF MUSHROOM, LOW-SODIUM	1,455,300	1,327,095
SOUP, CANNED, TOMATO, LOW-SODIUM	3,512,025	2,370,104
SOUP, CANNED, VEGETABLE, LOW-SODIUM	4,753,650	3,943,698
SPAGHETTI, CANNED, MEATLESS SAUCE, LOW-SODIUM	17,754,750	6,794,173
SPINACH, CANNED	6,494,712	3,320,160
STRAWBERRY, FROZEN, CUPS	13,500	17,500
SWEET POTATOES, CANNED, W/ SYRUP	1,184,220	812,617

FOOD AND NUTRITION SERVICE

THE EMERGENCY FOOD AND ASSISTANCE PROGRAM (Cont.)

Quantity and Value of Commodities

Fiscal Year 2013

ENTITLEMENT COMMODITIES (cont.)	Pounds	Dollars
TOMATO SAUCE, CANNED, LOW-SODIUM	9,604,575	\$3,628,939
TOMATOES, CANNED, DICED, LOW-SODIUM	6,888,443	3,072,715
TOMATOES, CANNED, LOW-SODIUM	35,235	16,443
TURKEY, FROZEN, ROAST	1,360,000	2,494,099
VEGETABLES, CANNED, MIXED, LOW-SODIUM	2,241,675	1,227,049
SUBTOTAL, SECTION 6/32 TYPE	256,249,706	\$178,129,770
ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 416 TYPE:</i>		
CEREAL, CORN FLAKES	3,974,265	\$3,869,817
CEREAL, CORN SQUARES	82,320	133,260
CEREAL, OAT CIRCLE	1,231,272	1,677,530
CEREAL, RICE CRISP	1,031,184	1,353,230
CEREAL, CORN RICE BISC	396,900	571,298
CEREAL, FLAKES, WHEAT BRAN	1,088,835	1,235,257
CEREAL, SHREDDED, WHEAT	425,974	561,612
EGG NOODLES	3,847,680	2,599,825
FLOUR MIX, BAKERY, LOWFAT	1,516,320	1,306,990
GRITS	3,298,680	988,310
MACARONI	6,477,600	2,931,642
OATS, NO SALT ADDED, WHOLE GRAIN	6,144,264	2,806,650
PEANUT BUTTER SMTH	14,497,178	17,377,421
PEANUTS, ROASTED, NO ADDED SALT	155,520	215,240
RICE, BROWN	924,000	662,609
RICE, WHITE	20,593,104	8,358,959
SPAGHETTI	12,372,312	5,111,092
UHT MILK 1%	18,348,831	7,173,296
VEGETABLE OIL	3,327,786	2,337,124
WHOLE GRAIN MACARONI	2,162,400	1,038,021
WHOLE GRAIN ROTINI	3,550,200	1,639,584
WHOLE GRAIN SPAGHETTI	4,651,200	1,860,590
SUBTOTAL, SECTION 416 TYPE	110,097,824	\$65,809,358
Cash In-Lieu of Commodities - CNMI		113,100
AMS/FSA/WBSCM/Computer Support		2,500,906
Anticipated Adjustment		725,660
TOTAL COMMODITY ENTITLEMENT	366,347,530	\$247,165,695

FOOD AND NUTRITION SERVICE

THE EMERGENCY FOOD AND ASSISTANCE PROGRAM (Cont.)

Quantity and Value of Commodities

Fiscal Year 2013

BONUS COMMODITIES	Pounds	Dollars
<i>SECTION 32C TYPE:</i>		
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	6,536,160	\$3,022,377
BLUEBERRIES, FROZEN	21,754,080	30,569,540
CATFISH, FILLETS, UNBRD	2,090,000	9,924,460
CHICKEN, FROZEN, LEGS/QUARTERS	79,458,000	49,767,947
DATES, WHOLE	432,000	1,131,840
FRUIT AND NUT MIX, DRY	4,158,336	9,305,581
JUICE, BOTTLED, GRAPEFRUIT, UNSWEETENED	12,044,558	3,765,409
JUICE, CANNED, CRANBERRY CONCENTRATE	6,975,360	4,952,772
LAMB, ROAST/LEG/SHOULDER	1,080,000	4,960,064
MIXED FRUIT, CANNED	328,050	272,030
PEARS, FRESH	7,047,000	5,363,829
POTATOES, DEHYDRATED, FLAKES	12,720,000	15,675,375
POTATOES, FRESH	26,640,000	5,750,488
POTATOES, FROZEN	10,573,200	5,186,968
POTATOES, CANNED	5,618,160	2,537,383
RAISINS	524,448	811,832
SPAGHETTI, CANNED, MEATLESS SAUCE, LOW SODIUM	7,037,376	2,614,902
STRAWBERRY, FROZEN	831,600	978,397
STRAWBERRY, FROZEN, CUPS	604,800	985,446
TOMATOES, CANNED, LOW-SODIUM	563,760	262,796
TOMATOES, FRESH	7,280,000	3,559,856
TOMATO, SALSA, CANNED	145,008	74,346
TOMATO, SAUCE, CANNED	6,695,181	2,358,491
TURKEY, COOKED, FORMED, BREAST	5,016,000	9,445,508
TURKEY BREAST, FROZEN, DELI	2,432,000	6,688,000
TURKEY BREAST FROZEN, ROAST	2,470,000	4,893,740
TURKEY, CONSUMER PACK, WHOLE	2,850,000	2,988,130
TURKEY, CURED, DARK, PICNIC	38,000	48,260
TURKEY, FROZEN, SLICED	684,000	1,952,828
TURKEY, WHOLE	36,138,000	38,664,625
<i>Total Section 32C Type</i>	<i>270,765,077</i>	<i>\$228,513,223</i>
BONUS COMMODITIES		
<i>SECTION 416 TYPE:</i>		
NONE	0	\$0
<i>Total Section 416 Type</i>	<i>0</i>	<i>\$0</i>
Anticipated Adjustment	0	0
TOTAL BONUS COMMODITIES	270,765,077	\$228,513,223
TOTAL -- ALL COMMODITIES		
Entitlement	366,347,530	\$247,165,695
Bonus 32C	270,765,077	228,513,223
GRAND TOTAL	637,112,607	\$475,678,917

Source: WBSCM -- Sales Order and contract information.

FOOD AND NUTRITION SERVICE

**WIC FARMERS MARKET NUTRITION PROGRAM
PARTICIPATION AND PROGRAM FINANCING
FISCAL YEAR 2012 and 2013**

STATE OR TERRITORY	Fiscal Year 2012 TOTAL PARTICIPATION ^{1/}				FY 2012 PROGRAM GRANT	FY 2013 PROGRAM GRANT
	WOMEN	INFANTS	CHILDREN	TOTAL		
Alabama-----	1,806	0	5,690	7,496	120,619	109,845
Alaska-----	4,474	2,268	9,080	15,822	197,280	179,658
Arizona-----	2,012	0	4,480	6,492	206,331	187,900
Arkansas-----	5,290	0	10,661	15,951	166,652	151,766
California-----	59,273	42,338	180,644	282,255	2,196,479	2,000,276
Connecticut-----	13,797	0	40,498	54,295	317,244	288,905
District of Columbia-----	5,221	0	8,811	14,032	301,296	274,382
Florida-----	9,332	120	19,771	29,223	272,173	247,861
Georgia-----	8,505	3,884	18,711	31,100	1,013,344	922,826
Illinois-----	16,222	0	30,936	47,158	386,997	352,428
Indiana-----	15,158	0	18,923	34,081	254,186	231,480
Iowa-----	11,233	0	18,328	29,561	496,377	452,038
Kentucky-----	2,806	416	6,838	10,060	197,260	179,640
Louisiana-----	188	46	241	475	9,167	9,167
Maine-----	1,676	0	5,319	6,995	75,000	75,000
Maryland-----	4,559	1,101	10,063	15,723	341,331	301,841
Massachusetts-----	5,808	2,404	16,763	24,975	430,540	392,081
Michigan-----	5,548	0	13,620	19,168	394,971	359,689
Minnesota-----	16,175	9,506	35,135	60,816	307,017	279,592
Mississippi ^{2/} -----	2,054	180	5,817	8,051	119,834	91,377
Montana-----	1,201	0	2,395	3,596	59,782	59,782
New Hampshire ^{**} -----	0	0	0	0	^{**}	^{**}
New Jersey-----	23,000	0	22,555	45,555	1,124,804	1,024,330
New Mexico ^{2/} -----	2,092	68	4,661	6,821	282,251	243,376
New York-----	115,817	87,620	185,009	388,446	3,446,920	3,139,019
North Carolina-----	4,834	0	4,859	9,693	248,596	226,390
Nebraska-----	961	0	2,599	3,560	75,000	75,000
Ohio-----	8,264	0	23,032	31,296	476,669	434,090
Oklahoma Chickasaw-----	799	347	2,021	3,167	75,000	75,000
Oklahoma Osage Tribe-----	329	432	780	1,541	31,325	31,325
Oklahoma Choctaw Nation-----	494	401	1,302	2,197	79,410	75,000
Oregon-----	23,744	14,777	51,954	90,475	365,712	333,044
Pennsylvania-----	49,361	0	104,893	154,254	1,789,776	1,629,902
Rhode Island-----	4,810	0	14,744	19,554	133,862	121,905
South Carolina-----	5,171	0	9,979	15,150	135,046	122,983
Tennessee-----	3,437	0	6,110	9,547	84,366	76,830
Texas-----	0	0	9,129	9,129	1,122,348	1,022,093
Vermont-----	664	167	2,084	2,915	75,000	75,000
Washington-----	9,682	0	23,955	33,637	588,234	535,689
West Virginia-----	1,340	895	2,925	5,160	74,965	74,965
Wisconsin-----	26,288	0	58,934	85,222	618,659	563,397
Guam-----	1,217	0	2,267	3,484	83,977	76,476
Puerto Rico-----	20,968	57,757	0	78,725	1,654,591	1,506,793
Virgin Islands-----	315	0	500	815	86,537	78,807
Anticipated Adjustment-----	0	0	0	0	0	44,482
TOTAL-----	495,925	224,727	997,016	1,717,668	\$20,516,928	\$18,733,430

^{1/} Participation data reflects Fiscal Year 2012. Participation data for Fiscal Year 2013 is not due until February 2014.

^{2/} Includes Indian Tribal Organizations

^{**} Did not participate in the program

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

FOOD AND NUTRITION SERVICE

DISASTER FEEDING
Value of Commodities to States
Entitlement and Bonus
Fiscal Year 2013

State or Territory	Entitlement	Bonus	Total
Arizona.....	\$17,602	0	\$17,602
California.....	76,685	0	76,685
Connecticut**.....	479,825	0	479,825
Florida*.....	11,469	0	11,469
Louisiana.....	76,685	0	76,685
Maryland**.....	36,461	0	36,461
Massachusetts**.....	147,071	0	147,071
New Hampshire**.....	21,094	0	21,094
New Jersey**.....	1,438,227	0	1,438,227
New York**.....	3,807,451	0	3,807,451
Oklahoma.....	158,951	0	158,951
Rhode Island**.....	58,962	0	58,962
Virginia**.....	15,028	0	15,028
RMI.....	1,390,522	0	1,390,522
Anticipated Transportation.....	23,565	0	23,565
TOTAL.....	\$7,759,598	\$0	\$7,759,598

Source: WBSM Order and Shipment Quantities and Value Report.

* Florida Tropical Storm Debbie occurred in FY12, reimbursed in FY13

** Includes commodities provided as a result of Disaster Relief for Hurricane Sandy.

FOOD AND NUTRITION SERVICE

Disaster Feeding
Quantity and Value of Commodities
Fiscal Year 2013

ENTITLEMENT COMMODITIES	Disaster Feeding	
	Pounds	Dollars
<i>SECTION 6/32 TYPE</i>		
APPLESAUCE, CANNED, UNSWEETENED *	510,300	\$295,610
BEANS, DRY, GARBANZO	161,280	125,774
BEANS, DRY, GREAT NORTHERN	241,920	189,907
BEEF STEW, CANNED	741,780	718,414
CHICKEN, CANNED	144,000	286,416
JUICE, BOTTLED, APPLE, UNSWEETNED	214,020	82,408
JUICE, BOTTLED, CRANAPPLE, UNSWEETNED	249,690	107,117
JUICE, BOTTLED, ORANGE, UNSWEETENED *	535,050	222,420
JUICE, BOTTLED, TOMATO, UNSWEETENED	71,340	18,855
PEACHES, CANNED, SLICED, EXT LT SYRUP	9,063	6,998
PEARS, CANNED, EXT LT SYRUP	50,600	37,691
SUBTOTAL, SECTION 6/32 TYPE	2,929,043	\$2,091,610
<i>SECTION 416 TYPE</i>		
CEREAL, CORN FLAKES	116,640	\$109,012
CEREAL, FLAKES, WHEAT BRAN	81,377	92,200
CHEESE, BLEND, AMER/SKIM	79,200	210,264
EGGNOODLE	138,240	94,045
MACARONI	163,200	77,161
OATS, ROLLED	32,760	17,602
PEANUT BUTTER, SMTH *	1,843,290	2,150,569
RICE *	1,722,000	733,223
SPAGHETTI *	1,221,768	510,449
UHT MILK 1%	387,000	150,930
WHOLE GRAIN, SPAGHETTI	244,800	108,446
SUBTOTAL, SECTION 416 TYPE	6,030,275	\$4,253,901
Disaster Assistance Republic of Marshall Islands (RMI) #	791,629	\$1,269,207
RMI Anticipated Transportation, Storage, and Handling+		121,315
TOTAL COMMODITY ENTITLEMENT	8,959,318	\$7,736,033
BONUS COMMODITIES	Pounds	Dollars
<i>SECTION 32 TYPE</i>		
NONE	0	\$0
SUBTOTAL, SECTION 32 TYPE	0	\$0
BONUS COMMODITIES	Pounds	Dollars
<i>SECTION 416 TYPE</i>		
NONE	0	\$0
SUBTOTAL, SECTION 416 TYPE	0	\$0
TOTAL BONUS COMMODITIES	0	\$0
Anticipated Transportation, Storage, and Handling	0	\$23,565
GRAND TOTAL -- ALL COMMODITIES	8,959,318	\$7,759,598

Source: WBSCM Sales Order and contract information.

Products included canned meats, fruits, vegetables, rice, flour, vegetable oil, and powdered/UHT Milk provided through DoD

+ Estimated Transportation/Storage Handling for Disaster Assistance to RMI

* Includes products purchased for TEFAP with Supplemental funding (Hurricane Sandy)

FOOD AND NUTRITION SERVICE

NUTRITION SERVICES INCENTIVE PROGRAM

Value of Commodities to States

Entitlement and Bonus

Fiscal Year 2013

State or Territory	Entitlement	Bonus	Total
Connecticut.....	\$15,072	\$0	\$15,072
Delaware.....	106,834	0	106,834
Idaho.....	25,899	0	25,899
Kansas.....	269,523	0	269,523
Massachusetts.....	1,585,218	0	1,585,218
Montana.....	286,907	0	286,907
Nevada.....	112,552	0	112,552
Oklahoma.....	8,727	0	8,727
AMS/FSA/WBSCM Admin. Expenses	24,978	0	24,978
Anticipated Adjustment	256,332	0	256,491
TOTAL.....	\$2,692,042	\$0	\$2,692,201

Source: WBSCM -- Sales Order and contract information.

FOOD AND NUTRITION SERVICE

NUTRITION SERVICES INCENTIVE PROGRAM
Quantity and Value of Commodities
Fiscal Year 2013

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 6/32 TYPE:</i>		
BEANS, CANNED, GREEN, LOW-SODIUM	57,456	\$22,999
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	69,984	29,877
BEANS, GREEN, FROZEN, NO ADDED SALT	79,200	41,474
BEEF, BONELESS, BULK	80,000	176,172
BEEF, FINE GROUND, FROZEN	280,680	620,652
BEEF, COARSE GROUND, FROZEN	42,000	92,392
CATFISH, FILET STRIPS, FROZEN	40,120	190,176
CORN, WHOLE KERNEL, FROZEN, NO ADDED SALT	39,600	24,394
CHICKEN, BULK, CHILLED	72,000	58,658
CHICKEN, CUT UP, FROZEN	40,000	42,100
CHICKEN, DICED, FROZEN	80,320	210,292
CHICKEN, LEGS, BULK, CHILLED	36,000	22,950
CHICKEN, FAJITA STRIPS, FROZEN	420	850
EGGS, FROZEN, WHOLE	210	207
MIXED FRUIT, CANNED, EX LT SYRUP	139,920	100,600
PEACHES, CANNED, CLINGSTONE, DICED, EX LT SYRUP	36,252	25,782
PEARS, CANNED, DICED, EX LT SUCROSE	36,024	28,354
PEAS, GREEN, FROZEN, NO SALT ADDED	158,400	107,897
PORK, LEG ROAST, FROZEN	40,000	59,444
STRAWBERRIES, DICED, FROZEN, CUPS	62,262	84,898
STRAWBERRIES, SLICES, FROZEN	39,930	40,534
SPAGHETTI SAUCE (MEATLESS), CANNED, LOW-SODIUM	75,684	23,514
TOMATO SAUCE, CANNED, LOW-SODIUM	72,504	21,952
TURKEY, DELI BREAST, FROZEN	160	292
TURKEY, HAMS, FROZEN	40,000	68,592
TURKEY ROAST, FROZEN	129,440	213,589
SUBTOTAL, SECTION 6/32 TYPE	1,748,566	\$2,308,641
<i>SECTION 416 TYPE:</i>		
CHEESE, BULK, NATURAL AMERICAN, BARREL	40,800	\$82,416
CHEESE, CHEDDER, SHREDDED, YEL	570	1,106
CHEESE, CHEDDER, SHREDDED, YEL, REDUCED FAT	210	407
CHEESE, PROCESSED, SLICES, YEL	510	926
OIL, VEGETABLE, BTL 6/1 GAL	739	522
PEANUT BUTTER, SMOOTH, JAR	90	96
RICE, BROWN	42,000	16,603
SPAGHETTI, WHOLE GRAIN	40	16
SUBTOTAL, SECTION 416 TYPE	84,959	\$102,091
Anticipated Adjustment	0	256,491
AMS / FSA / WBSCM Admin. Expenses	0	24,978
TOTAL COMMODITY ENTITLEMENT	1,833,525	\$2,692,201
<i>BONUS COMMODITIES</i>		
TOTAL BONUS COMMODITIES	0	\$0
TOTAL -- ALL COMMODITIES	1,833,525	\$2,692,201

Source: WBSCM -- Sales Order and contract information.

FOOD AND NUTRITION SERVICE

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

Nutrition Programs Administration:

For necessary administrative expenses of the Food and Nutrition Service for carrying out any domestic nutrition assistance program, [~~\$141,348,000~~] \$155,000,000: Provided, That of the funds provided herein, \$2,000,000 shall be used for the purposes of section 4404 of Public Law 107-171, as amended by section 4401 of Public Law 110-246.

FOOD AND NUTRITION SERVICE

Lead-Off Tabular Statement

NUTRITION PROGRAMS ADMINISTRATION

Budget Estimate, 2015.....	\$155,000,000
2014 Enacted	<u>141,348,000</u>
Change in Appropriation	<u>+13,652,000</u>

Adjustments in 2014:

General Provision 743 <u>a/</u>	<u>\$1,000,000</u>
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Budget Estimate, 2015.....	\$155,000,000
Adjusted base for 2014 Enacted	<u>142,348,000</u>
Change in Appropriation	<u>+12,652,000</u>

a/ includes new language establishing a National Commission on Hunger and making available \$1 million.

Summary of Increases and Decreases
(Dollars in thousands)

Item of Change	2012 Actual	2013 Change	2014 Change	2015 Change	2015 Estimate
Direct Program, FNS and CNPP <u>1/</u>	\$136,500	-\$5,693	\$8,541	-\$1,347	\$138,001
2010 Dietary Guidelines for Americans & MyPlate	0	0	0	1,000	1,000
Dietary Guidance, Birth to Two	0	0	0	1,000	1,000
Congressional Hunger Center	2,000	-155	155	0	2,000
National Commission on Hunger	0	0	1,000	-1,000	0
Decentralized GSA & Security Payments	0	0	0	12,999	12,999
Total Appropriation	138,500	-5,848	9,696	12,652	155,000

1/ Administrative expenses for CNPP: FY 2013 is \$4,346,000; FY 2014 is \$4,538,200; FY 2015 is \$4,538,200.

Project Statement

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

Project	<u>2012 Actual</u>		<u>2013 Actual</u>		<u>2014 Estimate</u>		<u>Inc. or Dec.</u>		<u>2015 Estimate</u>	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Food and Nutrition Service/CNPP	\$136,500	931	\$130,807	930	\$139,348	1,011	-\$1,347	(1,2)	\$138,001	1,011
2010 Dietary Guidelines and MyPlate	0		0		0		1,000	(3)	1,000	
Dietary Guidance, Birth to Two Years	0		0		0		1,000	(4)	1,000	
Congressional Hunger Center	2,000		1,845		2,000		0		2,000	
National Commission on Hunger	0		0		1,000		-1,000	(5)	0	
Decentralized GSA & Security Payments	0		0		0		12,999	(6)	12,999	
Total Adjusted Appropriation	138,500	931	132,652	930	142,348	1,011	12,652		155,000	1,011
Rescission	0		3,886		0		0		0	
Sequestration	0		6,967		0		0		0	
Total Appropriation	138,500	931	143,505	930	142,348	1,011	12,652	0	155,000	1,011

FOOD AND NUTRITION SERVICE

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

Project	<u>2012 Actual</u>		<u>2013 Actual</u>		<u>2014 Estimate</u>		<u>Inc. or Dec.</u>		<u>2015 Estimate</u>	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Food and Nutrition Service/CNPP	\$134,933	931	\$130,016	930	\$139,348	1,011	-\$1,347	(1,2)	\$138,001	1,011
2010 Dietary Guidelines and MyPlate	0		0		0		1,000	(3)	1,000	
Dietary Guidance, Birth to Two Years	0		0		0		1,000	(4)	1,000	
Congressional Hunger Center	2,000		1,845		2,000		0		2,000	
National Commission on Hunger	0		0		1,000		-1,000	(5)	0	
Congressional Relations	230		212		0		0		0	
Miscellaneous Reimbursements	963		942		0		0		0	
Decentralized GSA & Security Payments	0		0		0		12,999	(6)	12,999	
Total Obligations	138,126	931	133,015	930	142,348	1,011	12,652		155,000	1,011
Congressional Relations	-230		-212		0		0		0	
Miscellaneous Reimbursements	-963		-942		0		0		0	
Direct Obligations	136,933	931	131,861	930	142,348	1,011	12,652		155,000	1,011
Balance Lapsing	1,567		791		0		0		0	
Rescission	0		3,886		0		0		0	
Sequestration	0		6,967		0		0		0	
Total Appropriation	138,500	931	143,505	930	142,348	1,011	12,652	0	155,000	1,011

FNS Program	FY 2015
Supplemental Nutrition Assistance Program	\$68,837
Child Nutrition Programs	39,545
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	21,969
Commodity Assistance Program	16,111
Subtotal	146,462
Congressional Hunger Center	2,000
Dietary Guidelines - My Plate	1,000
Dietary Guidelines - Birth to Two Years	1,000
Center for Nutrition Policy and Promotion	4,538
Total Request, Nutrition Programs Administration	155,000

FOOD AND NUTRITION SERVICE

Justification of Increases and Decreases

A net increase of \$12,652,000 for the Nutrition Assistance Programs (\$142,348,000 available in FY 2014) consisting of:

- (1) An increase of \$1,176,000 to fund increased pay costs (\$903,000 for 2015 pay cost of 1 percent; \$273,000 for 2014 of 1 percent).

This increase will enable FNS to maintain staffing levels, which are critical to achieving the agency's objective of providing children and low-income people access to food, a healthful diet, and nutrition education. The impact of not getting the pay costs increase will result in fewer staff onboard to implement programs that improve nutrition assistance, advance program integrity, and enhance nutritional quality of nutrition assistance programs.

- (2) A decrease of \$2,523,000 associated with savings for contracts with federal and non-federal sources.

FNS expects our recent transition to NFC as service provider for human resources services to yield savings for the agency during FY 2015. In addition, our current operation of two accounting systems will be consolidated to one accounting system when the agency is fully integrated into the Financial Management Modernization Initiative (FMMI). Our transition to FMMI, as part of the USDA deployment four, should offer additional savings for the agency.

- (3) FNS requests \$1,000,000 for the Center for Nutrition Policy and Promotion for Dietary Guidelines/My Plate.

This funding is for the Center for Nutrition Policy and Promotion to investigate and implement cutting-edge initiatives to help Americans put healthy eating behaviors, based on the Dietary Guidelines for Americans and MyPlate, into practice. The Center intends to focus on evidence-based programming to target vulnerable populations and technology-based solutions for the next generation in order to improve public health and reduce chronic disease.

Proposed tactics:

- Research and implement proven strategies to target vulnerable populations (e.g., older Americans, young children) with programming designed to improve eating and physical activity behaviors. Improving the nutrition status of older Americans can help to reduce incidence of chronic disease and potentially lower healthcare costs. Improved nutrition and weight status of young children is critical to the future of the public's health.
 - Target Americans, particularly a younger, technologically savvy population with technology solutions including the successful SuperTracker diet and physical activity planning and tracking application via mobile technology. Emerging evidence shows effectiveness of nutrition education delivered via digital media/technology for improving dietary intake among children and adolescents. SuperTracker is widely used in schools. Currently, SuperTracker is optimized for desktop computer utilization. Less than one in eight users access the application via mobile phone or tablet. As of January 2014, SuperTracker had more than 3.3 million registered users and mobile access is the number one user request.
- (4) An increase of \$1,000,000 for the Center for Nutrition Policy and Promotion for Phase I of developing unified Federal dietary guidance for Americans from birth to 24 months of age.

The Agricultural Act of 2014 (P.L. 113-79) states that beginning in 2020, the Dietary Guidelines for Americans shall include recommendations for pregnant women as well as children from birth until the age of two, and this will be the first Federal, comprehensive dietary guidance for the birth to two year age group. To ensure that the guidance is as comprehensive and evidence-based as guidance for Americans ages two years and older, CNPP requests \$1,000,000 in FY 2015 to initiate foundational work to support development of this guidance.

FOOD AND NUTRITION SERVICE

To ensure release of this guidance by 2020, CNPP, in partnership with HHS's Office of Disease Prevention and Health Promotion (ODPHP), has initiated a four phase plan. This plan involves (1) identifying and refining topics and research needs, (2) conducting systematic reviews and data analyses, (3) developing guidance, and (4) releasing the guidance as part of the 2020 Dietary Guidelines for Americans. (Plan available at: <http://www.cnpp.usda.gov/Publications/OtherProjects/BirthTo24MonthsProject.pdf>.)

The first phase of this plan was completed in FY 2013-14 with funds secured by ODPHP. This phase included cross-Department collaboration and input from national nutrition experts to identify topics and systematic review questions to inform guidance for the birth to two year population. The results of this phase are in press in the American Journal of Clinical Nutrition (example available at: <http://www.ncbi.nlm.nih.gov/pubmed/24452234>). The funds requested for FY 2015 will be used to support the second phase of the project; specifically, the funds will be used to conduct systematic reviews to be completed by CNPP's Nutrition Evidence Library (NEL). CNPP's NEL supports the current Dietary Guidelines process. Systematic reviews completed by the NEL have been widely supported by Federal and external stakeholders as a valid evidence base for the Guidelines. Additionally, NEL systematic reviews help USDA and HHS meet the Data Quality Act, which requires that all agencies ensure the quality, objectivity, utility, and integrity of information used to form Federal guidance.

As a comparison, by the time they are released, the 2015 Dietary Guidelines for Americans will have required approximately 3.5 years and \$1,300,000 (not including staff) to develop. The 2015 Guidelines will benefit from having seven previous iterations as a foundation and framework. Essentially, subsequent editions of the Guidelines are updates to previous iterations. We expect that the work needed to support the development of dietary guidance for the birth to age two group will be greater than the work required to update the traditional Dietary Guidelines for ages two years and older because (1) there is not any current Federal dietary guidance for this age group from which to build, (2) infants and toddlers have unique nutritional needs, eating patterns, and developmental stages, and (3) there is an expectation that the guidance will be as evidence-based and comprehensive as the guidance for Americans ages two years and older. As such, CNPP requests these funds to ensure that we successfully meet the Agricultural Act of 2014 on time, in a comprehensive fashion.

Since development of guidance for this age group will be above and beyond the traditional update of the Dietary Guidelines, CNPP requests this funding to conduct foundational work to support this work. Specifically, the funding will be used to (1) fund completion of systematic reviews by CNPP's NEL, which will serve as the evidence base for the Guidelines, (2) hire contract support to assist the NEL in completing the systematic reviews, (3) support travel of external experts working with the NEL to come to Washington, DC for one in-person meeting, and (4) initiate a web-based public comments database that will allow public input throughout the project.

The Dietary Guidelines for Americans inform Federal nutrition policies and programs. Developing dietary guidance for the birth to two year age group is important to ensure that all Federal policies and programs who support this population have the most current, science-based guidance to direct their work. Without funds, CNPP will not be able to conduct this initial foundational work to support development of dietary guidance for this important age group.

- (5) A decrease of \$1,000,000 which was one-time funding provided the National Commission on Hunger.
- (6) An increase of \$12,999,000 for decentralization of the General Services Administration (GSA) Rent and Security.

In FY 2015, USDA is proposing the decentralization of GSA Rental Payments and DHS security payments. The amount shown is the equivalent share of the current GSA Rent and DHS central appropriations based upon current space occupancy across the continental United States. The appropriations request for the central GSA rent account and the DHS payment account has been reduced accordingly.

FOOD AND NUTRITION SERVICE

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

Nutrition Programs Administration--Federal Salaries & Expenses								
	2012 Actual		2013 Actual		2014 Estimate		2015 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Alabama	\$189	2	\$180	2	\$191	2	\$209	2
Arizona	224	2	213	2	226	2	248	2
Arkansas	259	3	246	3	261	3	287	3
California	8,069	66	7,666	61	8,145	66	8,942	66
Colorado	9,208	93	8,748	87	9,294	93	10,205	93
Connecticut	118	1	112	1	119	1	131	1
Delaware	16	0	15	0	16	0	18	0
District of Columbia	2,893	7	4,567	7	4,893	7	5,176	7
Florida	316	3	300	3	319	3	350	3
Georgia	8,233	78	7,822	73	8,310	78	9,124	78
Hawaii	108	1	103	1	109	1	120	1
Illinois	7,399	38	7,029	35	7,468	38	8,200	38
Indiana	199	2	189	2	201	2	221	2
Iowa	226	2	215	2	228	2	250	2
Kansas	97	1	92	1	98	1	108	1
Kentucky	213	2	202	2	215	2	236	2
Louisiana	249	3	237	3	251	3	276	3
Maine	2	0	2	0	2	0	2	0
Maryland	695	8	660	7	702	8	770	8
Massachusetts	6,184	55	5,875	51	6,242	55	6,853	55
Michigan	201	4	191	4	203	4	223	4
Minnesota	952	9	904	8	961	9	1,055	9
Mississippi	70	1	67	1	71	1	78	1
Missouri	277	2	263	2	280	2	307	2
Montana	146	1	139	1	147	1	162	1
Nebraska	121	1	115	1	122	1	134	1
New Hampshire	112	1	106	1	113	1	124	1
New Jersey	7,580	69	7,201	64	7,651	69	8,401	69
New York	1,339	12	1,272	11	1,352	12	1,484	12
North Carolina	593	4	563	4	599	4	657	4
North Dakota	4	1	4	1	4	1	4	1
Ohio	494	3	469	3	499	3	547	3
Oklahoma	101	1	96	1	102	1	112	1
Oregon	434	5	412	5	438	5	481	5
Pennsylvania	293	3	278	3	296	3	325	3
Rhode Island	1	0	1	0	1	0	1	0
South Carolina	390	4	371	4	394	4	432	4
South Dakota	118	1	112	1	119	1	131	1
Tennessee	206	2	196	2	208	2	228	2
Texas	7,799	76	7,409	71	7,872	76	8,643	76
Utah	1,028	1	977	1	1,038	1	1,139	1
Virginia	70,029	353	66,501	388	71,638	433	77,564	433
Washington	0	1	0	1	0	1	0	1
West Virginia	106	1	101	1	107	1	117	1
Wisconsin	206	2	196	2	208	2	228	2
Puerto Rico	629	6	598	6	635	6	697	6
Undistributed	0	0	0	0	0	0	0	0
TOTAL	\$138,126	931	\$133,015	930	\$142,348	1,011	\$155,000	1,011

Note: Totals may not add due to rounding.

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Nutrition Programs Administration

Classification by Objects

(Dollars in Thousands)

	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
Personnel Compensation:				
Washington D.C.....	\$38,853	\$38,651	\$41,987	\$42,398
Field.....	45,609	45,373	49,289	49,772
11.0 Total personnel compensation.....	84,462	84,024	91,276	92,170
12.0 Personnel benefits.....	24,418	25,218	28,824	29,106
13.0 Benefits for former personnel	13	16	16	16
Total personnel comp. and benefits.....	108,893	109,258	120,116	121,292
Other Objects:				
21.0 Travel and transportation of persons.....	1,708	1,202	1,202	1,202
22.0 Transportation of things.....	32	2	2	2
23.1 Rental payments to GSA.....	0	0	0	12,077
23.2 Rental payments to others.....	665	650	650	650
23.3 Communications, utilities, and misc. charges.....	582	422	422	422
24.0 Printing and reproduction.....	430	283	283	283
25.1 Advisory and assistance services.....	380	0	0	0
25.2 Other services from non-Federal sources.....	15,257	13,210	11,200	11,219
25.3 Other purchases of goods and services from Federal sources.....	4,477	4,169	3,499	3,879
25.4 Operation and maintenance of facilities.....	23	26	26	26
25.6 Medical care.....	124	11	11	11
25.7 Operation and Maintenance of Equipment.....	376	184	184	184
25.8 Subsistence and support of persons.....	0	8	8	8
26.0 Supplies and materials.....	715	553	553	553
31.0 Equipment.....	2,462	1,191	1,191	1,191
41.0 Grants.....	2,000	1,845	3,000	2,000
42 Insurance claims and indemnities.....	2	1	1	1
43 Interest and dividends.....	0	0	0	0
Total, Other Objects.....	29,233	23,757	22,232	33,708
99.9 Total, new obligations.....	138,126	133,015	142,348	155,000
Position Data:				
Average Salary (dollars), ES Position.....	\$169,565	\$169,989	\$170,839	\$172,547
Average Salary (dollars), GS Position.....	\$89,223	\$89,446	\$89,893	\$90,792
Average Grade, GS Position.....	11.8	12.0	12.0	12.0

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NUTRITION PROGRAMS ADMINISTRATION

STATUS OF PROGRAM

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

FNS Administrative Resources – A Critical Program Management and Oversight Tool

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

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

Meeting these responsibilities is central to accomplishing core program objectives, including ensuring access to benefits for eligible individuals, improving the nutrition of program recipients, and strengthening program integrity. Ongoing efforts to improve SNAP 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 50 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 one-tenth of 1 percent of the total investment in nutrition assistance. Especially in the context of limited resources, increasing this investment in proper fiscal and program management for an agency managing approximately \$111 billion (including ARRA funding) must be a top priority.

The most significant accomplishments under this NPA appropriation during FY 2013 are cited below by program and activity.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)

For SNAP, NPA funding is used for a range of critically important functions. FNS develops policies and procedures for the administration of the program, provides State agency oversight to ensure compliance with program rules, and provides technical assistance to States. The agency also reviews State quality control activities, determines the effectiveness and efficiency of State administration, and reviews and approves planning documents for computer system acquisitions and electronic benefit transfer issuance systems. FNS authorizes and monitors 252,962 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 2013 accomplishments supported by the NPA appropriation and related to SNAP include:

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State Oversight: FNS, through its seven regional offices, conducts various on-site reviews of State and local SNAP offices each year. In FY 2013, FNS continued to perform Management Evaluation System Reviews (MEs) which are designed to cover national program priorities and known vulnerable areas. Program Access and Integrity Reviews, a major component of MEs, were also conducted at the State and local levels.

In FY 2013, FNS kicked-off several initiatives to strengthen the ME system. These initiatives include increasing the number, scope, and quality of reviews by adding staff that conduct (MEs), providing targeted training and technical assistance to reviewers, and implementing technology to support the review process.

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

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

Improving 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, the agency worked to ensure that changes to SNAP 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 2012 was 3.42 percent, representing the ninth consecutive year with a payment error rate under 6 percent. The rate reflects an over-issuance rate of 2.77 percent and an under-issuance rate of 0.65 percent. In FY 2013, FNS continued an aggressive payment accuracy improvement program that balanced the need to maintain program access.
- *Recipient Claims:* Preliminary data shows that State agencies collected about \$282 million in recipient claims in FY 2013. FNS continued to monitor corrective actions performed by States to address previously identified deficiencies in recipient claims systems.
- *Store Tracking and Redemption System (STARS):* Completed a series of STARS releases necessary to support the move to a National Retailer Management organization along with other program integrity related enhancements. Each release was accompanied by training webinars and updates to the STARS User Manual.
- *Anti-fraud Locator using EBT Retailer Transactions (ALERT):* During FY 2013 continued to update the re-designed ALERT system to augment fraud detection scans as new schemes are identified, better target high risk areas, and incorporate data mining driven models designed to significantly reduce the number of false positives.
- *Retailer Oversight and Integrity:* In FY 2013, FNS staff authorized or reauthorized 52,534 retailers to participate in SNAP. FNS utilized contractor store visits to verify the initial or continued eligibility of 37,642 stores participating in SNAP. In this same period, 21,906 firms were withdrawn from participation because of changes in ownership, business closings, or nonconformance with authorization criteria. In addition, 2,000 stores were fined or disqualified temporarily or permanently for noncompliance with law or SNAP regulations. At the end of FY 2013, 252,962 stores were authorized to participate in SNAP, an increase of 6,397 stores from FY 2012 and of 21,527 stores over the last three fiscal years.

During FY 2013, FNS conducted investigations of 4,899 stores nationwide. Approximately 33 percent (1,597) of these investigations documented evidence of SNAP violations. Of the 1,597 investigations, FNS investigators uncovered trafficking in 321 stores.

Overall, FNS compliance analysts and investigators reviewed over 15,000 stores for compliance monitoring purposes. As a result, there were 2,000 sanctions, including 1,215 stores permanently disqualified from the program in FY 2013.

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Electronic Benefit Transfer (EBT) Systems: FNS continues oversight of States as their EBT contracts end and they procure EBT systems through the Request for Proposal (RFP) process. This process includes State RFP approvals, contract approvals, as well as oversight of State conversions from one EBT vendor's system to a new vendor's system. In FY 2013, FNS approved two RFPs, three contracts, two contract extensions, and two EBT contract amendments.

Retailer Management Modernization (RMM): This initiative created a new National Retailer Management organization within FNS that touch every aspect of retailer activities and impacted approximately 200 FNS retailer staff who were assigned to new functional branches, work teams, supervisors and divisional leaders associated with the management of over 252,000 stores currently participating in SNAP. Implemented on January 1, 2013, this was the largest change in retailer operations and FNS structure in the last two decades.

Through RMM, FNS seeks to create a higher performing organization that will:

- Meet the Secretary's objectives to achieve efficiencies and streamline retailer operations through the national integration of staff with increased functional focus and the incorporation of technology advances;
- Better manage mandatory authorization/reauthorization activities;
- Increase compliance and retailer integrity productivity;
- Improve quality and consistency of all retailer functions by more closely integrating operations with the development of policy, procedures, training and systems;
- Enhance communication and management coordination structures to better respond to challenges;
- Implement a management structure that aligns with Department and Agency optimal supervisor to staff ratio;
- Update systems and optimize key retailer functions; and
- Facilitate quality and consistency in operations.

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (FDPIR)

Through the FDPIR, FNS acquires and distributes USDA Foods to participating Indian Tribal Organizations (ITOs) and State agencies for distribution to low-income households residing on Indian reservations and low-income Indian households living in designated service areas near reservations or in Oklahoma. Funding is also provided to the ITOs/State agencies to support the administrative cost of operating the program as well as for nutrition education efforts. FNS sets standards for participant and provider eligibility and provides training and other assistance to program partners as needed.

Highlights of FY 2013 accomplishments supported by the NPA appropriation and related to the FDPIR include:

FDPIR Final Rule Publication: FNS published the Food Distribution Program on Indian Reservations: Income Deductions and Resource Eligibility final rule in the *Federal Register* on August 27, 2013. The provisions of the rule expand access to FDPIR, improve program administration, and more closely align FDPIR with SNAP. Specifically, the rule eliminates the resource test as a basis for determining FDPIR eligibility; expands the medical deduction to include other medical expenses in excess of \$35; and establishes a new region-specific standard deduction for shelter and utility expenses. The provisions of this rule became effective September 26, 2013.

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

Improved Customer Service: FNS continues to improve customer service and program efficiency by expanding the use of long-term contracting and request for proposal contracting. This will help to ensure constant availability of desired USDA Foods and reduce costs.

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FDPIR Regional Vendor Pilot: In FY 2013, FNS re-competed and awarded a contract for the FDPIR Regional Vendor Pilot. The purpose of the pilot is to (1) provide fresher products for participants; (2) potentially allow for greater opportunities to buy traditional and/or local foods from Native American producers; and (3) potentially reduce overall storage and transportation costs which are attributed to the National Warehouse Model. The pilot varies from the current National Warehouse model in that the pilot distributor will purchase and deliver the required foods. Food deliveries under this pilot began in the spring of 2013. As deliveries continue through FY 2014, FNS will evaluate the pilot's success based on a number of factors, including food costs and customer satisfaction.

Nutrition Education: In May 2013, FNS awarded nearly \$1 million in Food Distribution Program on Indian Reservations Nutrition Education Grants to 12 grantees to support healthy eating habits among FDPIR participants. FNS also developed a new FDPIR recipe book in FY 2013 accompanied with a sample pack of spices to encourage healthy, low-sodium cooking with USDA foods and provided materials to support nutrition education demonstrations at all FDPIR sites.

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 2013 accomplishments supported by the NPA appropriation and related to the WIC Program include:

Healthy Hunger Free Kids Act of 2010: The Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296) reauthorized the WIC Program through 2015. Major provisions of the Act include: (1) allowing one-year certification option for children; (2) requiring annual collection and publication of breastfeeding data at the State and local levels; (3) establishing an exemplary breastfeeding recognition program at the local or clinic level; (4) establishing breastfeeding performance bonuses; (5) requiring a food package review not less than every ten years; (6) establishing new bid requirements for infant formula and all foods for which rebates are solicited; (7) requiring nationwide WIC Electronic Benefit Transfer (EBT) by 2020; and (8) requiring establishment of a Universal Product Code (UPC) database for use in EBT. FNS issued a regulation in FY 2011 implementing all the non-EBT provisions and issued a proposed rule on February 28, 2013, incorporating the EBT-related provisions.

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

- *WIC Nutrition Services Standards* - FNS established a 32-member workgroup, with Federal, State and local agency representation to collaborate on the update and revision to the 2001 WIC Nutrition Services Standards. The Nutrition Services Standards describe quality standards of practice for State and local agencies and help WIC agencies self-assess how well they deliver a wide range of nutrition services. The document was finalized and issued to State agencies in 2013.
- *Nutrition Education Materials* - In collaboration with the Center for Nutrition Policy and Promotion, FNS revised the outreach publication, *How WIC Helps*, and the participant nutrition education poster, *Healthy Tips for Expectant Moms* to reflect the 2010 Dietary Guidelines for Americans and My Plate icon. FNS is also revising the participant nutrition education brochure, *Next Steps to Health for You and Your Family* (formerly titled, *After You Deliver*) and the substance abuse prevention resource for local WIC staff.
- *WIC Special Project Grants* - FNS awarded two 2-year, noncompetitive grants to Virginia and Connecticut that addresses collaboration with Head Start/Early Head Start and support the Department's commitment to collaborate with the Department of Health and Human Services to increase the availability of affordable healthy foods in underserved urban and rural communities. Each State agency received a \$74,999 noncompetitive grant

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to further develop their earlier projects which focused on a partnership with Head Start and Early Head Start to increase WIC participation and retention rates of children.

- *Breastfeeding Promotion and Support Activities* –
 - FNS continued its “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. FNS awarded \$55 million in grants for State agencies to expand breastfeeding peer counseling activities. Almost all WIC State agencies are operating peer counseling programs with these funds, with over 3,000 peer counselors providing services to WIC mothers. As part of World Breastfeeding Week, FNS created a video highlighting the work peer counselors. State and WIC local agencies are using the video to promote peer counseling in clinics, in the community, and with partners and stakeholders.
 - FNS hosted a webinar with the U.S. Department of Labor (DOL) for WIC State Breastfeeding Coordinators to learn about the breastfeeding breaks for nursing mothers’ provision in the National Fair Labor Standards Act. Staff from DOL’s Wage and Hour Division informed WIC State Breastfeeding Coordinators about the basic requirements under the law, discussed the enforcement and complaint process, described the educational resources available and provided State and regional contact information.
 - FNS developed the *Loving Support* Award for Excellence in Breastfeeding in response to Section 31 of the Healthy, Hunger-Free Kids Act of 2010 (HHFKA). The purpose of the program is to recognize local WIC agencies’ exemplary breastfeeding support practices and provide models to motivate other local WIC agencies and clinics to strengthen their breastfeeding promotion and support activities. FNS considered information from existing recognition programs, key stakeholder input, and public comments gathered from public notices to develop the award selection criteria and application procedures. FNS plans to launch the award process in FY 2014.
 - FNS continues to partner with other Federal organizations to promote breastfeeding surrounding the Surgeon General’s Call to Action to Support Breastfeeding (Call to Action) and the Healthy People 2020 objectives on breastfeeding by sponsoring the Breastfeeding Promotion Consortium (BPC) meeting and participating in the Federal Breastfeeding Workgroup. The Federal Breastfeeding Workgroup consists of staff from various Federal agencies that focus on implementation activities as well as interagency coordination of breastfeeding support efforts. FNS is also a government liaison to the United States Breastfeeding Committee, a national breastfeeding committee composed of representatives from relevant government departments, non-governmental organizations, and health professional associations who strategically work to support breastfeeding efforts and initiatives across the country.
- *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. The Spanish version of the *Loving Support*® Through Peer Counseling training platform and materials was formatted and added in FY 2013, as were seven WIC Learning Online (WLOL) courses. In FY 2014, a new WLOL course will be developed by FNS and added to the WIC Works Resource System.
- *Value Enhanced Nutrition Assessment (VENA)* - In FY 2012, a VENA II initiative was launched to highlight VENA successes at the State and local level and to identify areas that may need additional support and effort. Ongoing plans include quarterly webinars to showcase successful VENA activities and to promote such activities in other WIC Programs across the nation; and to provide additional refresher trainings on individual staff competencies identified in the VENA Guidance. Consistent with the VENA II initiative, in 2013 the nutrition assessment standard of the WIC Nutrition Services Standards was revised to reflect VENA policy.

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- *Revised WIC Nutrition Risk Criteria - In FY 2013, four WIC nutrition risk criteria were revised and implemented as part of the on-going cyclical review of risk criteria. The following revised criteria were implemented: Food Allergies, Celiac Disease, Lactose Intolerance and Failure to Meet Dietary Guidelines for Americans.*

WIC Prescreening Tool: The WIC Prescreening Tool is a web-based tool that was developed to help potential WIC applicants determine if they are likely to be eligible for WIC benefits. The WIC Prescreening Tool asks users to complete a series of short questions regarding their eligibility for WIC benefits. Users who are likely to be eligible to receive WIC benefits are provided with State-specific contact information and are encouraged to make a certification appointment with their WIC local agencies. Additionally, users are provided with a printable summary of their responses and a list of examples of the documentation that is required at a certification appointment.

The WIC Prescreening Tool is accessible to all internet users via “Am I Eligible?” links on the WIC homepage. The tool is accessed approximately 2,000 times per day by users across the country. The tool was initially launched in English, Spanish and Mandarin Chinese. Due to its popularity, it has been translated into six additional languages (Arabic, Haitian-Creole, Korean, Russian, Somali and Vietnamese).

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.

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

EBT systems have the potential to enhance benefit delivery and improve accountability of food benefits and vendor payment systems. FNS continues to work with individual State agencies to plan, develop, and implement WIC EBT systems. As of the end of FY 2013, at least 65 WIC State agencies, over two-thirds of all WIC State agencies, are involved in some phase of EBT -- planning, development, implementation or operational Statewide. In FY 2013, twelve new EBT projects were funded.

Enhancing Program Management and Oversight: In FY 2013, FNS continued to improve the management evaluation process and made further refinements to the automated management evaluation tool (ME Tool). A total of 64 State Technical Assistance Reviews were initiated using the automated tool.

Also in FY 2013, FNS reviewed and revised the Vendor Management functional area of the ME Tool; site visits, were completed for 25 vendor management MEs. Vendor Management MEs will be completed for the remaining geographic State agencies during FY 2014.

Expanding Services to the Military: In FY 2013, FNS continued to provide assistance to the Department of Defense in administering its WIC-like Overseas Program. It also provided assistance to Regional Offices and WIC State agencies regarding which payments to military personnel/households are excluded or included when determining income eligibility for the WIC Program.

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

- FNS plans to initiate a WIC Vendor Risk Reduction Project. The Healthy, Hunger-Free Kids Act of 2010 requires WIC to transition to EBT benefit delivery by 2020. The nature of vendor error, overcharging, and fraud under EBT is fundamentally different from these activities under the traditional paper WIC food instrument. This study will include exploration of effective methods of screening new vendor applicants, including assessment of competitive pricing and improved peer group structure and assignment.

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It will build upon ongoing studies of high-risk vendor identification and data analysis to identify possible patterns of fraud in EBT transaction data.

- FNS, in collaboration with the National WIC Association (NWA), developed the Program Integrity Track to NWA's Biennial Technology Conference in September 2013. The Program Integrity sessions focused on development of effective methods to determine competitive price, maximum allowable reimbursement rates and peer group criteria. NWA has been an active partner in FNS' program integrity efforts from the outset, and agreed to combine the Technology Conference with Program Integrity for the September 2013 meeting in Dallas, Texas. FNS staff led two general sessions, presented as panelists in three and moderated six Program Integrity sessions.
- In FY 2013, FNS formed a workgroup to revise the Vendor Management (VM) functional area of the ME Tool. The workgroup reviewed and revised the VM questions, findings, observations, required corrective actions, and suggestions. Additionally, the workgroup created worksheets for regional staff to use to further analyze State agencies food costs. The workgroup hosted training for all FNS staff involved in VM MEs in an effort to ensure that the VM ME process would be uniform nationwide. In FY 2013, regional offices began targeted reviews of the VM functional area for all geographic WIC State agencies. Approximately half of these reviews were initiated in FY 2013; the remaining MEs are scheduled to be initiated in FY 2014.
- Periodic assessments of the Vendor Management MEs will be conducted to determine common problem areas that may need to be addressed on a broader scale, and to assess the effectiveness of the review instruments or to make mid-course corrections as necessary and appropriate. Information elicited from the vendor management MEs will also be used to identify successful policies, practices, and procedures that have been developed and implemented by WIC State agencies, and to share those successful efforts with an eye toward their adaptation for use in State agencies that may be experiencing difficulties in selected areas of vendor management
- In April 2013, FNS issued WIC Policy Memorandum #2013-3 *WIC Income Eligibility Guidance*. The memorandum provides comprehensive guidance to strengthen the income assessment process.
- In FY 2014, FNS will supplement the income eligibility guidance with technical assistance webinars for each FNS region and their respective WIC State agencies. The webinars will provide an overview of the information contained in the income eligibility guidance as well as respond to income eligibility related questions submitted by individual WIC State agencies. At the conclusion of the webinars, FNS will issue a comprehensive FAQ document that includes answers to all the questions submitted by WIC State agencies.

COMMODITY ASSISTANCE PROGRAM

The NPA appropriation funds the staff administrative expenses of the Commodity Assistance Program (CAP). In addition to providing commodities, also known as USDA Foods, for the Child Nutrition Programs, FNS makes nutritious foods available to State agencies for distribution to low-income people through the Commodity Supplemental Food Program (CSFP) and The Emergency Food Assistance Program (TEFAP), and administrative resources to States to support the distribution of these USDA Foods. The agency also provides USDA Foods to four nuclear-affected Pacific islands and delivers food-based relief to the survivors of disasters.

More information about the CAP programs during FY 2013 is described under "Acquisition and Distribution of USDA Foods" in the Child Nutrition Programs section.

Special USDA Foods Initiatives: FNS continues to work closely with its partners and customers, such as schools and industry, and with its three sister agencies within USDA – FSA, AMS, and 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:

- *Web-Based Supply Chain Management (WBSCM)* - The PCIMS replacement system project, known as Web-Based Supply Chain Management (WBSCM), achieved full production status for domestic and international

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ordering and procurement activities in April 2011 as an AMS IT investment with project support from FNS and FSA. In 2013, WBSCM directly supported the order, procurement and delivery of 8.4 billion pounds of farm food commodities at a cost of \$2.9 billion. Currently WBSCM has over 8,400 internal and external users with approximately 80 percent representing FNS customer and industry stakeholders. In FY 2014, WBSCM will be completing a technical upgrade to assist in meeting the needs of FNS, AMS, FAS, FSA, and USAID.

- *Processed Commodity Information Management System (PCIMS) Replacement* - PCIMS is the legacy mission-critical system that USDA relied on to buy, inventory, manage, and deliver USDA Foods to customers. With the implementation of WBSCM, PCIMS has been retired and is being used for reporting purposes only. Plans for archiving PCIMS will be undertaken in FY 2014.
- *USDA Foods Nutrition Initiative* - FNS continually reviews USDA Foods along with FSA and AMS to improve and enhance the nutrition profile of USDA Foods offered to program participants. In addition, FNS responds to input from stakeholders by adding new foods or replacing existing products to help meet the Dietary Guidelines for Americans, as well as the new meal pattern requirements.
- *Improving TEFAP Program Integrity* - FNS strengthened TEFAP program integrity in FY 2013 by creating a management evaluation tool to assess each State's risk of waste, fraud, and abuse, and which is used to determine which States must receive management evaluations. FNS also formalized policy which requires States to maintain a full list of participating eligible recipient agencies, recommends that States adopt a risk-based assessment to determine which eligible recipient agencies must be reviewed by the State, and requires State agencies to review documentation of eligible recipient agency expenditures of administrative funds. To further strengthen program integrity, FNS issued guidance to review State agency processes for monitoring compliance with storage and warehousing practices and inventory controls. Finally, FNS verified American Recovery and Reinvestment Act reporting with States and requested updates to the reports.

CAP Studies and Evaluations: FNS published a White Paper on The Emergency Food Assistance Program (TEFAP) in FY 2013. The report available at <http://www.fns.usda.gov/ops/food-distribution-studies> explains the TEFAP program and describes some of its key results.

CROSS-PROGRAM NUTRITION INITIATIVES

Federal nutrition assistance programs are designed to work together to form a nutrition safety net that promotes access to food and improved nutrition for the children and low-income people they serve. While FNS activities support the effective administration of each program individually, many of our administrative efforts are designed to improve coordination across programs to achieve goals and outcomes that they share, including promoting healthy eating and active living behaviors among those eligible to participate in Federal nutrition assistance programs. To assist States in advancing this critical part of the FNS mission, the agency develops guidance materials and policy documents; nutrition education resources, training and implementation support. The agency also disseminates knowledge and new information about effective strategies and other activities, and works with nutrition-focused public and private entities to coordinate and promote nutrition education for the FNS target populations.

FNS also encourages and provides resources to facilitate across program collaboration and consistent application of nutrition knowledge in agency policy, regulations, guidance and technical assistance. For example, the agency disseminated a set of core nutrition messages and provided training and guidance regarding use of these messages in the FNS programs. The messages are designed to help low-income mothers and children meet the current Dietary Guidelines for Americans and establish child feeding practices that support the development of healthy eating habits. WIC, schools and child care programs across the country are now using these consumer-tested messages to support nutrition education activities. Working in collaboration with key stakeholders, the agency translated and tested the messages with Spanish speaking Mexican American mothers. The Spanish version of these materials will be available on the web site in 2014. The messages and related supporting content (tips, recipes, stories, etc.) are designed to motivate program participants to eat recommended amounts of whole grains, fat free and one percent fat milk and milk products, fruits and vegetables and to help kids form healthy eating habits early in life.

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These messages can be easily integrated into educational activities, campaigns, materials and communication tools, and have been incorporated into MyPlate guidance for preschool children and in resources developed by State and local programs.

FNS supports and coordinates nutrition-related committees on behalf of Departmental leadership, and serves in leadership and liaison roles for a number of internal/external organizations, including working with DHHS on Healthy People 2020 Objectives, participating in the National Collaborative on Childhood Obesity Research, National Physical Activity Plan, National More Matters Fruit and Vegetable partnership and many others.

FINANCIAL MANAGEMENT INITIATIVES

Debt Collection Activity in FY 2013

For Federally-managed Federal debt, FNS continued its vigorous pursuit of debt owed the agency by billing \$129 million in new receivables during the fiscal year. Year-end outstanding debts for FY 2013 increased from FY 2012 by \$7 million. The overall debt resolution rate achieved was about 54 percent.

Federally Managed Federal Debt Profile
FY 2010 – FY 2013
(\$ millions)

Debt Management Category	2010	2011	2012	2013
Accounts Receivable	\$43	\$42	\$82	\$79
Collections	27	22	23	61
Litigation	1	1	3	2
Past due	9	9	16	15
Recipient Claims	271	283	283	293

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 2011 – FY 2013
(\$ millions)

Claims Activity ¹	2011	2012	2013
Claims Established	521	400	415
Claims Collected	314	273	282
Ending Balance	1,441	1,513	1,680

¹ Figures provided on the FNS-209 are preliminary and subject to change.

Financial Management (FM) Regional Office Reviews

The FM organization conducts assessments of regional offices with the objective of ensuring the propriety of financial operations and transactions within FNS. These reviews have been instrumental in raising the confidence

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level of management officials within the agency over the past several fiscal years.

Financial Management Reviews (FMRs)

In addition to the reviews that HQ staff conduct of the regional offices, the regions also conduct FMRs of participating State agencies and ITOs to obtain reasonable assurance that the financial information reported by such grantees is correct, complete, and in compliance with Federal standards and regulations.

Financial Statements Audit

FNS received an unmodified (“clean”) opinion on the FY 2013 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 2013, the agency has reached a critical point regarding necessary administrative resources.

ADMINISTRATIVE MANAGEMENT INITIATIVES

Field Office Restructuring

Budget reductions, staff attrition, and increased workload have necessitated a review of FNS offices across the country. In many cases, modern technology has reduced the need for brick and mortar facilities. Consistent with FNS’ desire to cut costs and maximize the utilization of resources, 5 field offices and 1 storage facility, which housed a total of 18 employees, were closed in FY 2013, and 1 office housing 1 employee has been closed in FY 2014 to date. Employees from the closed offices did not lose their jobs, but were instead provided the option to work out of regional offices, federal buildings, other leased spaces or telework.

USDA SmartSpace Initiative—Optimizing Service, Efficiency and Productivity

Review leased portfolio for opportunities to reduce space footprint 25 percent and return space to Lessor or GSA to offset budget challenges and gain efficiencies by the end of 2015. Any disposals or closings that have happened since FY 2012 will be counted towards the 25 percent stretch goal and includes both office and warehouse space.

Other initiatives include:

- Develop recommendations for USDA’s National workspace utilization strategy
- Identify opportunities in space that will:
 - Improve Space Utilization
 - Manage possible elimination of the Central Rent Account (CRA)
 - Realize cost savings/cost avoidance to help offset shortfall and to generate savings

Human Capital Management

Through the thoughtful planning of activities and complementary messaging, Cultural Transformation (CT), which is a top priority for Secretary Vilsack and FNCS leaders, has become an even more ingrained part of the FNCS fabric. FNCS has been rated the top mission area based on USDA’s end of FY 2013 review of all CT metrics tracked by the Department.

CT, along with other initiatives that fell under Management’s purview in 2013, such as leadership of the Combined Federal Campaign and EVS Working Groups, helped propel a diverse and inclusive workplace environment where there is equity of opportunity and empowerment of all employees to reach their full potential.

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Cultural Transformation

Several CT accomplishments, organized by pillar and focus area, follow:

Leadership

- Hosted “Lunch with Leaders” Events
- Enhanced Leadership Institute

Talent Management

- Improved Position Management
- Provided Additional Detail Opportunities
- Enhanced New Employee Orientation

Employee Development

- Instituted Learning Continuum (including Aspiring Leaders Program)
- Reinvigorated Toastmasters
- Executed on Health/Wellness Initiatives (Community Supported Agriculture, Walking Club, seminars)

Customer Service and Community Outreach

- Provided “Out and About” Opportunities
- Organized “Days of Service”
- Hosted SNAP Fair
- Previewed “A Place at the Table”

Recruitment and Retention

- Hosted Opportunities for Employees to Share Cultural Differences
- Targeted Under-Represented Groups
- Improved Workspace/Employee Surroundings
- Implemented Employee Recognition Program

Process Improvement

- Trained cadre of internal FNCS instructors to teach Lean Six Sigma
- Established enterprise improvement project process

Diversity Roadmap

- Developed and executed an effective Special Emphasis Program plan
- Established/formalized an FNCS Diversity Council

Labor Management Partnership

- Developed expanded telework pilot program through negotiations
- Utilized the Labor Management Forum as an information sharing vehicle

In addition, FNCS ensured that CT activities were covered and amplified through the following delivery mechanisms:

- Emails from Administrator and Principals
- FNCS Labor Management Forum Bulletins
- FNCS Intranet (Cultural Transformation Site)
- Posters
- Electronic Bulletin Board (with accompanying CT “Soundtrack”)
- My USDA Newsletter (Feature Pieces)
- USDA Website (Articles and Blogs)

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Office of Management

During a challenging FY 2013, the Office of Management (OM) surmounted multiple impediments to achieve all Agency goals within its purview. In consistently protecting Agency interests, it contributed to well-reasoned organizational advancement, and maintained or enhanced solid, constructive relationships with all partners while developing and implementing envelope-expanding initiatives. In FY 2013, FNCS continued to lead the way as a model agency within USDA in aggressively, expanding, enhancing and implementing longstanding and innovative programs and processes in support of FNCS mission effectiveness and efficiency.

Succession Planning

Working with consultant support and a core team of HR, Regional, and Retailer Operations Division representatives, OM defined and designed a formal Succession Planning program and process for FNCS. In doing so, it identified key leadership competencies, drafted learning maps, formed an oversight Executive Team, explained and marketed the program to employees and managers alike, and, after competency training, began to implement the program's first phase. To support implementation, OM delivered webinars and conference calls, met unanticipated challenges as they arose and swept newly promoted Team leads within the scope of Phase 1. In accomplishing this program roll-out, OM tapped the expertise of its Learning and Development staff to develop learning maps, ensured the target audience was properly identified by relying on its Position Manager, reality checked its calibration of proficiency levels for base-lining progress with a swath of managers and employees throughout the organization, and is following through on its expansion of advancement opportunities for incumbents of GS 13, 14 and non-supervisory 15 positions.

Position Management Principles

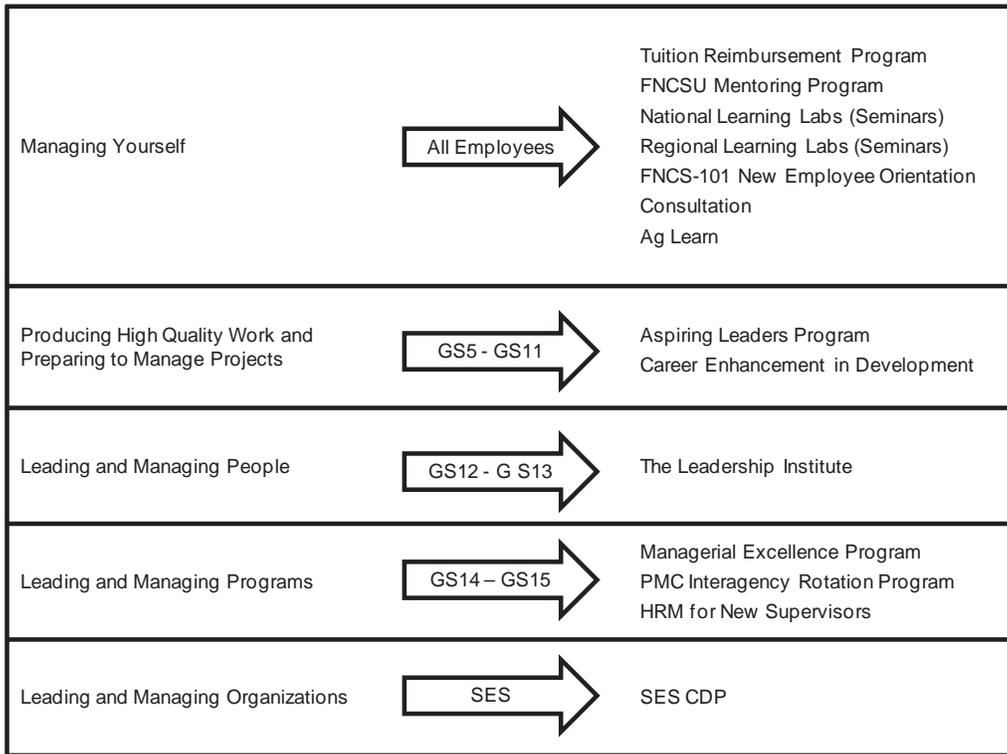
FNCS successfully implemented and aligned all of the Agency's Organizational Structure codes to comply with the OneUSDA initiative. Consistent with its evolving Organization Structure Guide, several organizational restructurings and realignments have been instituted, including the creation of a consolidated Office of the Chief Communications Officer, the realignment of the Supplemental Nutrition Program, the development of a Regional Public Affairs staffing model, the reorganization of the Office of Financial Management in light of business developments, and the introduction of a Regional Financial Management model for consideration, all contributing to organizational soundness, reporting clarity, and increased productivity. At the same time, the Position Manager's ongoing workforce analysis has led to initial career-pathing design, linking stand-alone junior level positions with existing lower-graded career ladders to provide recruitment flexibility and attractiveness while delivering added career advancement opportunities. Position Management linkage with Budget has also been strengthened in service to more fully informed personnel hiring decisions.

Leadership Continuum

In FY 2013, FNCS University (FNCSU) reached a new milestone—with direction and hands-on support from leadership it meaningfully expanded the FNCS Leadership Continuum—the array of development opportunities for all interested in developing or perfecting leadership competencies. The Learning and Development Branch team worked with Northern Virginia Community College to create and deliver the Agency's initial regionally-focused "Aspiring Leaders Program," designed to introduce structured competency building opportunities for employees in Grade 5 through Grade 11 positions. In cementing these programs into place around its flagship, year-long Leadership Institute offering for employees in GS 12 and 13 positions, FNCSU successfully completed the initial expansion of its evolving Leadership Continuum. The Continuum is a graphic presentation illustrating the FNCSU formal, competency-based skills training available for all FNCS employees. FNCS is unwaveringly committed to supporting employees' interests in competency and skills enhancement.

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**FNCS University
Leadership Continuum**



Expanded Telework Pilot

Working closely with the National Treasury Employees Union (NTEU), FNCS constructed a solid framework for the conduct of an expanded telework pilot program encompassing 50 bargaining unit employees for up to a year. With management-approved selection criteria and the predication of the program on success data to be derived from periodic surveys of employees, their supervisors, customers and stakeholders, the Pilot successfully commenced at the end of FY 2013 and is being viewed by the Department and the OPM/OMB-led National Council on Labor Management Relations with keen interest in light of the USDA Space Utilization priority initiative and the National Council’s interest in identifying and promoting models for constructive, mutually beneficial collaboration.

Labor Management

FNCS’s Labor Relations staff developed and conducted a major two-day Labor Management Forum meeting in February 2013. The session promoted communication under the leadership of the Co-chairs, provided opportunities for updates on ongoing management initiatives, such as Succession Planning and the Administrative Resource Center to National Finance Center transition, teased out matters of concern, led to a consensus that Forum membership should be expanded, reviewed the essentials of professional development initiatives, and considered “trust” as a bedrock principle for constructive labor-management relationships. Human Resources and Employee Labor Relations conducted several pre-decisional involvement briefings and conference calls over the next several months covering an array of topics in various phases of development or implementation, e.g., the institution of “Team Lead” positions throughout the Regions. HR’s Employee Labor Relations Branch has negotiated and implemented several significant MOUs governing a series of organizational organizations/realignments, continuing office closures, institution of the Invoice Payment Platform (IPP), the shift to an E-application system for transit benefits, the FNCS C.A.R.E.S. awards program, and SWRO renovations and POC parking and security changes. Putting a capstone on FY 2013, FNCS and NTEU successfully completed the negotiation of a new forward-looking Collective Bargaining Agreement to include new language regarding collaboration in the interest and support of the FNCS mission.

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Transition to New Human Resources Service Provider

Office of Management, Human Resources Division, was responsible for the successful planning for and securing of a new high quality HR operations service provider and for managing the critical and delicate transition from the existing provider, Administrative Resources Center (ARC), to our newly acquired partner, National Finance Center (NFC).

This transition required the specification of work to be accomplished, the identification of performance metrics, the solicitation and review of proposals from five USDA agencies, the provision of information to decision-makers and the crafting of selection recommendations. These steps were followed by the establishment of weekly meetings with NFC, FNCS and ARC Transition teams and the development of a joint Project Plan, specifying action items, timeframes and designations of responsible parties for each task. Following the selection of NFC, HRD immediately shared FNS policies, procedures and operating instructions to allow NFC to familiarize itself with how we have conducted business and to recommend any prudent changes. That led to our joint development of policies and procedures applicable to the new working environment, including protocols for addressing impediments to success and enhancing communication and process efficiencies. HR engineered an NFC/FNCS joint informational presentation to the workforce in late July 2013 and then delivered nuts and bolts orientation and training to Administrative Officers and HR Liaisons in August 2013. As of the end of FY 2013, we had successfully transitioned all seven Human Resources operations services while maintaining solid communications links with ARC for any post-service period follow up that may be required.

CENTER FOR NUTRITION POLICY AND PROMOTION

Program Mission

The U.S. Department of Agriculture is the lead Federal agency in human nutrition, charged with providing research-based human nutrition guidance, education, and outreach to all American consumers, as well as providing the bases for scientifically guided nutrition assistance programs. The mission of the Center for Nutrition Policy and Promotion (CNPP), the focal nutrition policy and nutrition promotion agency in USDA, is to improve the health of Americans by developing and promoting dietary guidance that links scientific research to the nutrition needs of consumers. CNPP links nutrition research findings to consumers by using an integrated program of systematic evidence-based nutrition research reviews, program-focused consumer economic analyses, nutrition education resources, and personalized on-line tools. CNPP helps devise cost-effective strategies to target nutrition programs to different customers by analyzing consumer dietary needs, characteristics, behaviors, and lifestyles. It also develops guidance on the food patterns for healthful eating on a budget.

The CNPP makes a key contribution to USDA's priority of ensuring that America's children (and their families) have access to nutritious, balanced meals by translating nutrition guidance into innovative consumer-focused nutrition promotion and outreach programs to provide consumers with information and ways to apply the dietary recommendations to their lives. Consequently, through its projects and strategic initiatives, CNPP uses guidance and promotional materials to reach this diverse consumer base.

Dietary Guidelines Set National Nutritional Standards. The *Dietary Guidelines for Americans* are used in SNAP and in the Child Nutrition and WIC Programs to guide nutrition standards and benefit levels for participants ages 2 years and older. The *Dietary Guidelines for Americans* are also used as the science-based foundation in all Federal nutrition education and promotion programs Government-wide and in most private sector nutrition education and promotion efforts. The *Dietary Guidelines for Americans* help policymakers in designing and implementing nutrition-related programs. They also provide education and health professionals with the latest science-based recommendations.

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During FY 2013, and in conjunction with the Department of Health and Human Services (HHS), CNPP—

- Solicited nominations for the 2015 Dietary Guidelines Advisory Committee (Committee).
- Announced, through a notice in the *Federal Register*, and managed the first meeting of the Committee that was held June 13-14. Presentations focused on the history and current use of the *Dietary Guidelines* and public policy, the process for selecting topics to be considered by the Committee, the USDA Nutrition Evidence Library, and the state of the American Diet. Other presentations focused on specific topics of interest to the Committee.

SuperTracker, Other Online Efforts, and Partnerships Encourage Positive Nutrition and Physical Activity Behaviors. CNPP uses the SuperTracker, other online efforts, and strategic and community partnerships to connect science to the nutrition needs of consumers across the life cycle. During FY 2013, CNPP accomplished the following:

- The SuperTracker was enhanced with new options: “My Foods,” “My Recipe,” and an expanded foods database. This application’s user base grew to 3 million registered users and over 200 million page views since December 2011.
- The MyPlate Kids Place and the MyPlate Champions Pledge were developed and disseminated as part of Back-to-School promotional efforts.
- MyPlate on Facebook was launched and grew to more than 13,000 followers and an engagement reach of more than 615,000. The MyPlate Pinterest account increased to more than 100,000 followers.
- The 10 Tips nutrition education series continued to be one of the most popular resources available at ChooseMyPlate.gov, with 4,293,573 downloads during FY 2013.
- The Nutrition Communicators Network grew to 112 National Strategic Partners, more than 7,000 Community Partners, and over 950 Ambassadors (a new Partner category). The network is designed to empower and mobilize message multipliers to promote MyPlate and *Dietary Guidelines* consumer messages. The new category was launched to encourage more healthful habits and the use of MyPlate on Campus among college students.

Nutrition Evidence Library Informs Federal Nutrition Policy and Programs. USDA’s Nutrition Evidence Library is a practice center within CNPP that specializes in conducting systematic reviews to inform Federal nutrition policy and programs. The Nutrition Evidence Library evaluates, synthesizes, and grades the strength of the evidence to support conclusions and uses a transparent methodology to define the state of food- and nutrition-related science. The Library is a key resource for making food and nutrition research accessible to all Americans. During FY 2013, CNPP accomplished four major evidence-based initiatives:

- A groundbreaking “Birth to 24 months” project identified key topics and systematic review questions related to the nutrition and feeding of infants and toddlers, birth to 24 months old. This strategic project, conducted in collaboration with HHS, successfully leveraged input from key Federal stakeholders and leading scientific experts to prepare the foundation for future development of dietary guidance for this young population.
- A comprehensive systematic review examined the relationship between dietary patterns and important public health outcomes. This review focused on the complex interactive and complementary aspects of various components of the diet as they relate to the risk of obesity, cardiovascular disease, and type 2 diabetes. Historically, most dietary guidance has been based on research conducted on individual food components or nutrients.
- “A Series Systematic Reviews on the Effects of Nutrition Education on Children’s and Adolescents’ Dietary Intake” was released. A second review focusing on nutrition and academic performance informed the FNS’ “The School Day Just Got Healthier!” national campaign.
- The design of the Nutrition Evidence Library website, www.NEL.gov, was updated, and state-of-the-art data extraction and bias assessment tools were created for use when conducting systematic reviews.

USDA Food Plans Increase Food Security of SNAP Recipients and Serve the Military. The four USDA Food Plans (Thrifty, Low-Cost, Moderate-Cost, and Liberal) are national standards for nutritious diets at various cost levels. Each plan represents a set of market baskets containing a selection of foods in quantities that reflect current dietary recommendations and are applicable to one of 15 age-gender groups. The Thrifty Plan (a minimal-cost

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nutritious diet) is used as the basis for SNAP (Supplemental Nutrition Assistance Program) allotments. The Moderate and Liberal Plans are used by the Department of Defense to determine the Basic Allowance for Subsistence rate (food allowance) for the 1.4 million U.S. service members. During FY 2013, CNPP updated two key aspects of these national standards for nutritious diets:

- The monthly USDA Food Plans were updated to reflect the latest prices of food.
- The methodology for determining the bases for the USDA Food Plans was updated.

Healthy Eating Index Tracks the Quality of the U.S. Diet. The Healthy Eating Index (HEI) is designed to assess diet quality in terms of how well diets comply with the *Dietary Guidelines for Americans*. CNPP uses the HEI to monitor the quality of the diets of the American population and subpopulations of particular interest. During FY 2013, CNPP informed the public and policymakers on the status of the overall American diet, as well as that of children's diets.

- The latest update on the quality of the American diet was released. The HEI-2010 showed that the total score for the American diet did not improve overall between 2001-02 and 2007-08.
- Data on the quality of American children's diet based on the HEI-2010 was released in the report *America's Children: Key National Indicators of Well-Being, 2013*. This report, which presented a compendium of 41 well-being indicators, depicted both the promises and the challenges confronting our Nation's young people. Findings from HEI studies conducted between 2003 and 2008 showed that the quality of children's and adolescents' diets was less than optimal, compared with recommendations of the 2010 *Dietary Guidelines for Americans*.

Expenditures on Children by Families Report Helps Set Child Support and Foster Care Payments. Since 1960, USDA has annually issued its *Expenditures on Children by Families* report. This report examines current child-rearing expenses for the major household budgetary components: Housing, food, transportation, clothing, health care, child care and education, and miscellaneous expenses (e.g., personal care items and entertainment). Expenses are examined by age of the child, household income level, and region of residence. These expense estimates are used by States to set child support guidelines and foster care payments. During FY 2013, CNPP released updated estimates.

- The annual report also known as the *Cost of Raising a Child* was released. Today, the cost of raising a child, excluding college, is reaching a quarter-million dollars. Families with the highest expenditures on children reside in the urban Northeast, followed by those living in the urban West, urban Midwest, urban South, and in rural areas.
- The Cost of Raising a Child Calculator was updated and released. This interactive version of the report is especially useful for educational purposes.

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Shared Funding Projects

	FY 2012 <u>Actual</u>	FY 2013 <u>Actual</u>	FY 2014 <u>Estimate</u>	FY 2015 <u>Estimate</u>
Working Capital Fund:				
Administration:				
Beltsville Service Center.....	\$131	\$92	\$156	\$160
Mail and Reproduction Management.....	34	23	23	28
Integrated Procurement System.....	167	181	182	187
Subtotal.....	332	296	361	375
Communications:				
Creative Media & Broadcast Center.....	50	1,026	1,026	1,026
Finance and Management:				
NFC/USDA.....	235	579	3,579	3,967
Controller Operations.....	759	727	727	727
Financial Systems.....	6,627	681	681	2,102
Internal Control Support Services.....	139	163	163	163
Subtotal.....	7,760	2,150	5,150	6,959
Information Technology:				
NITC/USDA.....	1,851	1,739	1,739	1,739
International Technology Services.....	1	78	78	78
Telecommunications Services.....	765	502	502	502
Subtotal.....	2,617	2,319	2,319	2,319
Correspondence Management.....	149	148	129	154
Total, Working Capital Fund.....	10,908	5,939	8,985	10,833
Department-Wide Reimbursable Programs:				
1890's USDA Initiatives.....	40	37	40	40
Advisory Committee Liason Services.....	20	16	18	18
Continuity of Operations Planning.....	23	26	28	28
E-GOV Initiatives HSPD-12.....	82	84	91	91
E-GOV Initiatives Content Management.....	138	140	140	140
Emergency Operations Center.....	31	30	31	31
Facility and Infrastructure Review and Assessment.....	3	5	6	6
Faith-Based Initiatives and Neighborhood Partnerships.....	5	5	5	5
Federal Biobased Products Preferred Procurement Program....	5	4	5	5
Hispanic-Serving Institutions National Program.....	26	25	27	27
Honor Awards.....	1	1	1	1

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	FY 2012	FY 2013	FY 2014	FY 2015
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Human Resources Transformation (inc. Diversity Council).....	22	20	22	22
Intertribal Technical Assistance Network.....	26	25	25	25
Medical Services.....	18	22	22	22
Personnel and Document Security.....	50	15	15	15
Pre-authorizing Funding.....	46	44	50	50
Radiation Safety.....	12	12	12	12
Retirement Processor/Web Application.....	7	7	8	8
Sign Language Interpreter Services.....	49	58	60	60
TARGET Center.....	12	12	12	12
USDA 1994 Program.....	11	10	11	11
Virtual University.....	28	26	28	28
Visitor Information Center.....	10	11	13	13
Total, Department-Wide Reimbursable Programs.....	665	635	670	670
E-Gov:				
Budget Formulation and Execution Line of Business.....	1	1	1	1
Disaster Assistance Improvement Plan.....	5	5	6	7
Enterprise Human Resources Intigration.....	38	32	30	30
E-Rulemaking.....	6	13	14	14
E-Training.....	38	33	38	38
Financial Management Line of Business.....	1	2	2	2
Geospatial Line of Business.....	-	-	-	-
GovBenefits.gov.....	11	14	18	18
Grants.gov.....	8	9	8	8
Grants Management Line of Business.....	-	-	-	-
Human Resources Line of Business.....	3	6	4	4
Integrated Acquisition Environment - Loans and Grants.....	16	17	26	26
Integrated Acquisition Environment.....	8	9	9	9
Recreation One-Stop.....	-	-	-	-
Total, E-Gov.....	135	141	156	157
Agency Total.....	11,708	6,715	9,811	11,660

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Summary of Budget and Performance
Statement of Goals and Objectives

The Food and Nutrition Service (FNS) was established August 8, 1969, by Secretary's Memorandum No. 1659 and Supplement 1 pursuant to the authority contained in 5 U.S.C. 301 and the Reorganization Plan No. 2 of 1953. FNS increases food security and reduces hunger in partnership with cooperating organizations by providing children and low-income people access to food, a healthful diet, and nutrition education in a manner that supports American agriculture and inspires public confidence. FNS administers the U.S. Department of Agriculture's 15 nutrition assistance programs. These programs, which serve one in four Americans over the course of a year, are designed to provide low-income persons with access to a more nutritious diet, to improve the eating habits of the Nation's children, and to help America's farmers by providing an outlet for food purchased under agricultural support authorities. The agency's activities all support USDA's Strategic Goal to, "Ensure that all of America's children have access to safe, nutritious and balanced meals."

USDA Strategic Goal	Strategic Objective	Programs that Contribute	Key Outcome
USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious and balanced meals	<u>Agency Strategic Goal/Objective 4.1:</u> Increase Access to Nutritious Food	<ul style="list-style-type: none"> • Supplemental Nutrition Assistance Program • Child Nutrition Programs • Special Supplemental Nutrition Program for Women, Infants and Children (WIC) 	Key Outcome 1: Improve access to nutrition assistance programs. Key Outcome 2: Ensure public trust in the programs.
	<u>Agency Strategic Goal/Objective 4.2:</u> Promote Healthy Diet and Physical Activity Behaviors	<ul style="list-style-type: none"> • Supplemental Nutrition Assistance Program • Child Nutrition Programs • Special Supplemental Nutrition Program for Women, Infants and Children (WIC) • Center for Nutrition Policy and Promotion 	Key Outcome 3: Help Americans eat smart.

Key Outcome:

Key Outcome 1: Improve access to nutrition assistance programs.

Long-term Performance Measures:

- Reduce the prevalence of food insecurity in households with children.
- Increase annual percentage of eligible people participating in SNAP.
- Increase annual percentage of eligible people participating in the NSLP.
- Increase annual percentage of children participating in the free/reduced price school lunch program that participate in summer feeding programs.

Selected Past Accomplishments toward Achievement of the Key Outcome:

- The percentage of eligible individuals participating in SNAP reached 79 percent in 2011.
- FNS served 168 million meals in the summer of 2013, a 7 million meal increase over 2012, and increased summer feeding program participation among children participating in the free or reduced price lunch program from 15.5 percent in 2012 to 16.0 percent in 2013.

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Selected Accomplishments Expected at the FY 2015 Proposed Resource Level:

- The SNAP participation rate of 79 percent will be increased modestly as the economy continues to improve and SNAP participation decreases, ensuring the program remains available to those in need.
- The percentage of children participating in the free or reduced price school lunch program who participate in summer feeding programs will increase to 16.6 percent in 2015.

Key Outcome 2: Preserve public trust in our programs.

Long-term Performance Measure:

- Maintain or increase the SNAP payment accuracy rate.

Selected Past Accomplishments toward Achievement of the Key Outcome:

- The FY 2012 SNAP payment accuracy rate was 96.58 percent, the highest in the history of the program.

Selected Accomplishments Expected at the FY 2015 Proposed Resource Level:

- The SNAP payment accuracy rate will be 96.20 percent. This represents a slight re-set of the payment accuracy target as a result of passage of the Agricultural Act of 2014 (P.L. 113-79). Section 4019 of the Agricultural Act lowered the error tolerance threshold for small QC errors from \$50 to \$37 adjusted for inflation. As a result, a larger number of small errors will be counted toward a State's over or under issuance error rate.

Key Outcome 3: Help Americans eat smart.

Long-term Performance Measures:

- Increase the number of times adults consume fruits and vegetables each day.
- Increase the number of direct marketing farmers and farmers' markets authorized to redeem SNAP benefits.
- Increase the volume of SNAP redemptions made through direct marketing farmers and farmers' markets.

Selected Past Accomplishments toward Achievement of the Key Outcome:

- Published proposed and interim rules to set nutrition standards for all foods sold in schools that operate Federal meals programs.
- Provided grants to States to provide point-of-sale equipment and wireless access to increase the number of farmers' markets participating in SNAP. Over 4,000 direct marketing farmers and farmers' markets were authorized to redeem SNAP benefits in FY 2013, and redeemed \$21.2 million in benefits.

Selected Accomplishments Expected at the FY 2015 Proposed Resource Level:

- Adults will consume fruits 1.7 times per day and vegetables 2.2 times per day.
- Over 4,750 farmers' markets will be authorized to redeem SNAP benefits, and redeem \$25.1 million in benefits.

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Key Performance Outcomes and Measures

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

FNS has identified key areas of performance with goals, objectives and indicators.

Improve Access to Nutrition Assistance Programs

USDA’s domestic nutrition assistance programs serve one in four Americans annually. The Department is committed to making benefits available to every eligible person who wishes to participate in the major nutrition assistance programs, including the Supplemental Nutrition Assistance Program (SNAP), the Child Nutrition Programs, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). While the Department’s ultimate objective is for economic opportunities to make nutrition assistance unnecessary for as many families as possible, we will ensure that these vital programs remain ready to serve all eligible people who need them.

Key Performance Measures:

- Reduce the prevalence of food insecurity in households with children.
- Increase annual percentage of eligible people participating in SNAP.
- Increase annual percentage of eligible people participating in the NSLP.
- Increase annual percentage of children participating in the free/reduced price school lunch program that participate in summer feeding programs.

Key Performance Targets:

Annual Performance Goals and Indicators	Fiscal Year				
	2011 Actual	2012 Actual	2013 Actual	2014 Target	2015 Target
Prevalence of food insecurity in households with children	20.6%	20.0%	19.7%*	19.4%	19.1%
Annual percentage of eligible people participating in SNAP	79%	79%*	79%*	79.2%	79.4%
Annual percentage of eligible people participating in NSLP	58.0%	57.6%	55.6%	56.4%	57.2%
Annual percentage of children participating in the free/reduced price school lunch program that participate in summer feeding programs	15.5%	15.5%	16.0%	16.3%	16.6%

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

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

- Ensure access to and promote awareness of nutrition assistance programs among eligible people through customer service improvements, information sharing, and partnerships with communities and program operators;
- Conduct analysis and implement program improvements to address food access gaps that may compromise food security, especially among children, such as the difference between summer feeding and school feeding rates;
- Work with tribes and States to streamline applications, use integrated technology and business process improvements, and make operational changes to programs and policies to facilitate easier access to programs, especially for children;
- Support tribal and State efforts to increase the use of electronic benefit transfer technology in WIC;
- Continue implementation of the provisions of the Healthy, Hunger Free Kids Act of 2010 that improve program access for children in need.

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Preserve Public Trust in Our Programs

USDA is strongly committed to maintaining a high level of stewardship and integrity in the nutrition assistance programs and preventing errors. Effective program management helps ensure that those families and individuals most in need of nutrition assistance receive an accurate determination of eligibility and the correct amount of benefits, not too much or too little. USDA plans to make use of all available opportunities, including new communication and eGovernment technologies, to serve our customers, work with partners, and administer programs as effectively as possible.

Key Performance Measure: Increase the SNAP payment accuracy rate.

Key Performance Targets:

Annual Performance Goals and Indicators	Fiscal Year				
	2011 Actual	2012 Actual	2013 Actual	2014 Target	2015 Target
SNAP payment accuracy rate.	96.20%	96.58%	96.58%*	96.2%**	96.3%**

*FY 2013 figure is a target since actual data not yet available.

** Section 4019 of the Agricultural Act of 2014 changed the error tolerance threshold for small QC errors from \$50 to \$37 adjusted for inflation on an annual basis. As a result, a larger number of errors will be counted as part of a State's over or under payment error rate.

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

- Support State efforts to improve SNAP benefit accuracy through leadership, oversight, training, technical assistance and “promising practices” information sharing;
- Manage and improve systems to disburse and account for program resources;
- Promote effective program operations at the State and local levels through strong Federal oversight, training and technical assistance.

Help Americans Eat Smart

Diet is linked to many of the most prevalent and devastating health conditions we face in the United States, including overweight and obesity; coronary heart disease; hypertension; and the risk of stroke, diabetes, and some cancers. Data from the National Health and Nutrition Examination Surveys (NHANES) show that the prevalence of obesity has increased among children and adolescents, reaching 16.9 percent in 2009-10. This rapid increase in the prevalence of obesity and overweight among both children and adolescents is a matter of great public health concern.

Reducing the rate of obesity and improving the health of all Americans, including those in the USDA nutrition assistance programs, are central to the mission of the Center for Nutrition Policy and Promotion (CNPP) and fundamental purposes of establishing the *Dietary Guidelines for Americans* and communicating them through ChooseMyPlate.gov, which provide the bedrock components of Federal nutrition policy and nutrition education programs. It does this by communicating the nutrition messages from the *Dietary Guidelines for Americans* linked to the new MyPlate icon, the SuperTracker e-tool, and other resources that help Americans make healthy choices. USDA will use its nutrition assistance programs and its broader nutrition education efforts as key opportunities to promote more healthful eating and physical activity across the Nation.

In addition, limited access to nutritious food and relatively easier access to less nutritious food may be linked to poor diets and, ultimately, to obesity and diet-related diseases. Increasing the opportunities for farmers and food entrepreneurs to vend in low access areas will reduce food and transportation costs and improve access to a more nutritious food supply for many households. Nutrition assistance programs such as SNAP with benefits that can be redeemed though such vendors can help low-income families take advantage of improved access to healthful choices.

FOOD AND NUTRITION SERVICE

Key Performance Measures:

- Increase the number of times per day adults consume fruits and vegetables.
- Increase the number of direct marketing farmers and farmers’ markets authorized to redeem SNAP benefits.
- Increase the volume of SNAP redemptions made through direct marketing farmers and farmers’ markets.

Key Performance Targets:

Annual Performance Goals and Indicators	Fiscal Year				
	2011 Actual	2012 Actual	2013 Actual	2014 Target	2015 Target
Median times per day adults consume fruits	1.1	-	1.4*	-	1.7
Median times per day adults consume vegetables	1.6	-	1.9*	-	2.2
SNAP-authorized direct marketing farmers and farmers’ markets	2,445	3,214	4,057	4,666	4,750
SNAP redemptions in farmers’ markets	\$11.7 million	\$16.6 million	\$21.2 million	\$22.3 million	\$23.5 million

*2011 is the latest year available for nationwide data on fruit and vegetable consumption from the Centers for Disease Control and Prevention’s Behavioral Risk Factor Surveillance System; figures are targets. Data is available biennially.

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

- Release and implement the 2015 *Dietary Guidelines for Americans* through a comprehensive communications plan that includes messages, materials and online tools to facilitate adoption of healthier eating and physical activity behaviors;
- Expand access to locally grown fruits and vegetables and other nutritious food by expanding the use of SNAP electronic benefit transfer in farmers markets, among other strategies;
- Increase adoption of farm to school approaches in school meal programs including breakfast, lunch, the Fresh Fruit and Vegetable Program, and dinner programs.

FOOD AND NUTRITION SERVICE

Strategic Goal Funding Matrix
(Dollars in Thousands)

Program/Program Items	2012 Enacted	2013 Enacted	2014 Estimate	Increase or Decrease	2015 Request
Department Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals					
Supplemental Nutrition Assistance Program					
Benefits.....	\$70,334,648	\$67,313,095	\$71,860,955	-\$357,544	\$71,503,411
State Administrative Funding.....	3,742,000	3,866,512	3,999,024	119,971	4,118,995
Employment and Training.....	386,118	415,946	437,405	9,822	447,227
Nutrition Education and Obesity Prevention Grant.....	388,000	285,000	401,000	6,000	407,000
Mandatory Other Program Costs.....	119,977	140,123	161,179	13,813	174,992
Discretionary Other Program Costs.....	1,000	998	998	5,000	5,998
Puerto Rico/American Samoa/CNMI.....	1,855,983	1,892,580	1,913,634	36,394	1,950,028
FDPIR.....	102,746	100,156	104,000	15,736	119,736
TEFAP Commodities.....	260,250	265,750	268,750	55,250	324,000
Other SNAP Activities.....	10,000	10,000	23,000	182,000	205,000
Contingency Reserve.....	2,790,000	3,000,000	3,000,000	2,000,000	5,000,000
Subtotal, SNAP Appropriations.....	79,990,722	77,290,160	82,169,945	2,086,442	84,256,387
Direct Appropriation/Transfers.....	0	0	0	15,000	15,000
ARRA Funding.....	8,456,590	6,819,099	6,667,381	-6,667,381	0
Subtotal, SNAP.....	88,447,312	84,109,259	88,837,326	-4,565,939	84,271,387
Staff Years, SNAP.....	154	173	224	109	333
Child Nutrition Programs					
Meal Reimbursements.....	16,730,244	18,334,759	17,856,952	1,069,882	18,926,834
State Administrative Expenses.....	279,016	289,684	247,182	16,834	264,016
Commodity Reimbursement/Procurement.....	1,075,727	1,181,651	1,078,668	121,129	1,199,797
Mandatory Other Program Costs.....	48,673	58,838	63,151	1,198	64,349
Discretionary Activities.....	17,516	51,504	42,004	40,000	82,004
Subtotal, CNP Appropriations.....	18,151,176	19,916,436	19,287,957	1,249,043	20,537,000
Direct Appropriation/Transfers.....	155,250	247,250	182,250	-3,000	179,250
Subtotal, CNP.....	18,306,426	20,163,686	19,470,207	1,246,043	20,716,250
Staff Years, CNP.....	198	225	225	0	225
Special Supplemental Nutrition Program (WIC)					
Grants to States.....	6,547,497	6,922,000	6,470,841	207,135	6,677,976
Other Program Costs.....	71,000	124,000	245,000	-99,976	145,024
Subtotal, WIC Appropriations.....	6,618,497	7,046,000	6,715,841	107,159	6,823,000
Direct Appropriation (UPC Database).....	1,000	1,000	1,000	0	1,000
Subtotal, WIC.....	6,619,497	7,047,000	6,716,841	107,159	6,824,000
Staff Years, WIC.....	28	30	35	0	35
Commodity Assistance Programs					
CSFP.....	176,788	186,935	202,682	6,000	208,682
Other CAP Activities.....	65,548	73,017	67,019	0	67,019
Subtotal, CAP Appropriations.....	242,336	259,952	269,701	6,000	275,701
Transfers (SFMNP/NSIP).....	22,625	22,091	22,992	-2,392	20,600
Subtotal, CAP.....	264,961	282,043	292,693	3,608	296,301
Staff Years, CAP.....	3	1	3	0	3
Nutrition Programs Administration					
FNS/CNPP.....	136,500	141,505	139,348	653	140,001
GSA Rental Payments.....	0	0	0	12,999	12,999
National Commission on Hunger.....	0	0	1,000	-1,000	0
Congressional Hunger Center.....	2,000	2,000	2,000	0	2,000
Subtotal, NPA.....	138,500	143,505	142,348	12,652	155,000
Staff Years, NPA.....	931	930	1,011	0	1,011
Subtotal, FNS Appropriations.....	105,141,231	104,656,053	108,585,792	3,461,296	112,047,088
Subtotal, Direct Appropriations/Transfers.....	8,635,465	7,089,440	6,873,623	-6,657,773	215,850
Total, FNS.....	113,776,696	111,745,493	115,459,415	-3,196,477	112,262,938
Total Staff Years.....	1,314	1,359	1,498	109	1,607

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

FOOD AND NUTRITION SERVICE

Full Cost by Strategic Goal
Program Level (Dollars in Thousands) L/

USDA Strategic Goal: Ensure That America's Children Have Access to Safe, Nutritious and Balanced Meals

PROGRAM/ ACTIVITY	FY 2012	FY 2013	FY 2014	FY 2015
Child Nutrition Program				
Child Nutrition Programs				
School Lunch Program	\$10,426,831	\$11,052,821	\$11,481,904	\$11,675,000
School Breakfast Program	3,350,583	3,610,150	3,713,453	3,904,967
Child and Adult Care Food Program	2,846,404	3,034,361	3,050,636	3,149,700
Summer Food Service Program	399,860	437,006	460,739	492,738
Special Milk Program	12,629	10,760	10,568	10,350
State Administrative Expense	275,954	292,235	249,702	264,016
Total, Cash Grants to States	17,312,261	18,437,333	18,967,002	19,496,771
USDA Foods (Sec 6e Entitlement)	998,619	1,165,862	1,067,138	1,199,797
Child Nutrition Program Other Program Costs	52,725	71,822	140,659	146,353
Child Nutrition Program Permanent Activities	205,708	220,238	340,895	179,250
Nutrition Programs Administration (Allocation to this program)	35,654	33,933	36,399	39,545
Other Program Costs 2/	470,780	465,000	465,000	465,000
Total Cost	\$19,075,747	\$20,394,188	\$21,017,093	\$21,526,716
FTEs	442	468	490	490
Unit Costs				
Child Nutrition Total Cost per Meal Served (\$/service unit) 3/	\$1.96	\$2.11	\$2.15	\$2.17
Performance Measure: Avg. daily NSLP participation (millions)	31.6	30.6	30.2	30.4
Performance Measure: Avg. daily SBP participation (millions)	12.9	13.1	13.6	14.0
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)				
Cash Grants to States: Food & NSA (inclusive of projected carryout)	\$7,074,422	\$6,829,686	\$6,898,873	\$7,033,000
Infrastructure Grants	3,253	12,943	13,600	13,600
Technical Assistance	0	0	400	400
Breastfeeding Peer Counselors	60,000	55,540	60,000	60,000
Management Information Systems	10,233	32,398	30,000	30,000
Program Evaluation and Monitoring	10,002	5,108	5,000	5,000
Federal Administrative Oversight and Infrastructure	8,469	9,518	11,024	11,024
UPC Database (Permanent Approp.)	1,607	1,208	928	1,000
Nutrition Programs Administration (Allocation to this program)	19,808	18,852	20,221	21,969
Other Program Costs	0	0	0	0
Total Cost	\$7,187,794	\$6,965,253	\$7,040,046	\$7,175,993
FTEs	163	165	182	182
	\$7,167,986	\$6,946,401	\$7,019,825	\$7,154,024
Unit Costs				
WIC (Total Annual Cost per Participant)	\$802.12	\$804.21	\$812.75	\$828.45
Performance Measure: Average monthly WIC participation (millions)	9.0	8.7	8.7	8.7

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PROGRAM/ ACTIVITY	FY 2012	FY 2013	FY 2014	FY 2015
Supplemental Nutrition Assistance Program Account				
Supplemental Nutrition Assistance Program (SNAP)	\$70,505,224	\$74,146,284	\$70,823,441	\$76,727,622
ARRA SNAP Benefits	8,176,524	5,932,569	5,628,313	0
Nutrition Assistance for Puerto Rico (NAP)	1,835,464	1,872,910	1,893,880	1,930,128
ARRA NAP Funds	165,104	127,658	166,714	0
Food Distribution Program on Indian Reservation (FDPIR)	102,686	100,156	104,000	119,736
The Emergency Food Assistance Program (TEFAP) Commodities	260,220	265,567	268,750	324,000
American Samoa	7,371	7,522	7,606	7,752
ARRA American Samoa Benefits	663	512	667	0
Program Access/ Community Food/ CNMI	23,148	22,148	22,148	26,148
Farm Bill Studies and Pilots	0	0	8,000	44,000
Farm Bill Direct Appropriations	0	0	0	2,000
Nutrition Programs Administration (Allocation to this program)	62,063	59,069	63,361	68,837
Other Program Costs 4/	0	0	0	0
Total Cost	\$81,138,467	\$82,534,395	\$78,986,880	\$79,250,223
FTEs	575	594	683	792
Unit Costs				
SNAP (Total Annual Cost per Participant)	\$1,689.74	\$1,683.53	\$1,607.42	\$1,637.40
FDPIR (Total Annual Cost per Participant)	\$1,333.59	\$1,317.84	\$1,253.01	\$1,442.60
Performance Measure: Average monthly SNAP participation (millions)				
	46.6	47.6	47.6	46.9
Commodity Assistance Program Account				
Commodity Supplemental Food Program (CSFP)	\$188,672	\$185,879	\$202,826	\$208,682
Emergency Food Assistance Program (TEFAP) Administrative Cost	48,551	45,920	49,401	49,401
Farmers' Market Programs				
Farmers' Market Nutrition Program	20,517	18,733	16,567	16,548
Seniors' Farmers' Market Program	22,241	21,194	20,600	20,600
Other Commodity Assistance (Nuc. Affected Isld, Disaster Asst., NSIP Comm.)	2,966	9,378	3,927	1,070
Nutrition Programs Administration (Allocation to this program)	14,526	13,825	14,829	16,111
Other Program Costs 5/	330,656	252,603	250,000	250,000
Total Cost	\$628,129	\$547,532	\$558,150	\$562,412
FTEs	102	100	111	111
Unit Costs				
CSFP (Total Annual Cost per Participant) 6/	\$354.16	\$348.00	\$356.16	\$357.86
Performance Measure: Average monthly CSFP participation (thousands)				
	594.196	579.800	588.000	588.000

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PROGRAM/ ACTIVITY	FY 2012	FY 2013	FY 2014	FY 2015
Nutrition Programs Administration Account (Center for Nutrition Policy and Promotion)				
Center for Nutrition Policy and Promotion	\$4,004	\$4,337	\$4,538	\$6,538
Congressional Hunger Center Fellows	2,000	1,845	2,000	2,000
Nutrition Programs Administration (Allocation to this program)	NA	NA	NA	NA
Other Program Costs	0	0	0	0
Total Cost	\$6,004	\$6,182	\$6,538	\$8,538
FTEs	32	32	32	32
Performance Measure: Median times per day adults consume fruits \geq	1.1	1.4	-	1.7
Performance Measure: Median times per day adults consume vegetables	1.6	1.9	-	2.2
Total for Strategic Goal				
Subtotal FNS Program Cost	\$108,036,141	\$110,447,550	\$107,608,707	\$108,523,882
Less Other Program Costs	801,436	717,603	715,000	715,000
Total FNS Program Cost	\$107,234,705	\$109,729,947	\$106,893,707	\$107,808,882
FTEs	1,314	1,359	1,498	1,607