



United States
Department of
Agriculture

Food and
Nutrition
Service

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Alexandria, VA
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DATE: February 13, 2009

MEMO CODE: SP 13-2009

SUBJECT: Fresh Fruit and Vegetable Program (FFVP): Allocation of Funds for SY 2009/10

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
School Nutrition Programs
All States

The Food, Conservation, and Energy Act of 2008, also known as the 2008 Farm Bill, amended the Richard B. Russell National School Lunch Act (NSLA) by adding section 19, the *Fresh Fruit and Vegetable Program*. Under section 19 of the NSLA, the FFVP became a nationwide program, starting July 1, 2008, that operates in selected schools in the 50 States, the District of Columbia, Guam, Puerto Rico and the Virgin Islands. The Act provides \$65 million in funding available as of July 1, 2009. This funding level increases to \$101 million for SY 2010/2011 and \$150 million for SY 2011/2012. Beginning SY 2012/2013 and after, FFVP funding will be indexed to reflect annual changes in the Consumer Price Index for All Urban Consumers for items other than food, as published by the Department of Labor's Bureau of Labor Statistics.

The purpose of this memorandum is to provide information to all State agencies (SAs) regarding the allocation of funds for SY 2009/10, as well as to serve as a reminder of program procedures.

Allocation of Funds to SAs

FFVP funds will be provided on a fiscal year basis through two allocation distributions; on or around July 1 and October 1. FNS will make \$64.5 million available for the upcoming SY 2009/10.¹ Additionally, approximately \$8 million of prior years' FFVP funds will be made available for reallocation and will be added to the \$64.5 million, resulting in a total of approximately \$72.5 million available for FFVP operations for the school year. Per section 19, the funding formula is as follows: (1) all 50 States and the District of Columbia will receive an annual grant equal to 1 percent of the funds made available; and (2) FNS will allocate the remaining funds to each State that is operating a school lunch program under section 4 based on the proportion of the State population to the U.S. population. All funds are allocated using this formula. Please refer to the Attachment for the total of FFVP funds available for each State.

¹ Per Section 19 of the NSLA, FNS may retain up to \$500,000 for the administrative costs of carrying out the FFVP.

July Allocation

The first allocation will be made on or about July 1, 2009. The funds will be available for obligation by schools through September 30, 2009. Funds not obligated by September 30, 2009, will be recovered by FNS during normal closeout activities and made available for future program operations. These recovered funds will NOT be available for the remainder of SY 2009/10.

In an effort to help SAs effectively administer the FFVP, FNS is asking each SA to determine the amount of funding needed to initiate and operate their FFVP during the first quarter of SY 2009/10; this amount will be the SA's July allocation. We anticipate that providing each SA the flexibility to estimate the amount of funds they need during the first quarter of the school year will reduce the amount of unobligated funds at the end of the fiscal year. SAs must notify their respective FNS Regional Office by June 1, 2009, with the amount they want to receive for the July 1, 2009, allocation. A request for more than 25 percent of the State's total grant award for SY 2009/10 will require written justification and subsequent approval from FNS.

Here are a few considerations for SAs when deciding their July allocation request:

- Any funds that are unobligated as of September 30, 2009, will be recovered and no longer available to the SA for SY 2009/10; thus overestimating will result in the SA underutilizing available FFVP funds for SY 2009/10.
- If an SA's need is greater than its estimate for the first quarter, FNS can provide an upward adjustment prior to the end of the fiscal year.
- To the extent practicable, all participating schools, including new schools, should be operational during the first quarter. Therefore, the estimate should include all necessary expenses for schools participating in SY 2009/10.
- SAs may want to consider both the cost of equipment purchases and including a portion of their administrative funds in their first quarter estimate.

October Allocation

The second allocation will be made on or about October 1, 2009. Schools can obligate the October funds through June 30, 2010. SAs may continue to obligate these funds through September 30, 2010.

The October allocation will be the remainder of the SA's total grant for the school year.

****Please note: the October allocation will not include any unobligated funds remaining from the July allocation.**

General Program Reminders

The following information provides a reminder of a few policy areas regarding funding and school selection. For more detailed information regarding funds for administrative costs, school selection criteria, outreach to low-income schools, application procedures, program evaluation and other general program parameters, please refer to SP 31-2008 or the Fresh Fruit & Vegetable Program Handbook, August 2008.

Funds for State Administrative Costs

Section 19 permits SAs to retain a portion of their total FFVP grant allocation for State administrative costs. The amount of funds retained for State administrative costs is the lesser of: (1) five percent of the SA's total grant for the year; or (2) the amount required to pay the costs of one full-time coordinator for the FFVP in the SA. Each SA should identify the appropriate level and resulting salary for a FFVP coordinator within the SA personnel structure. As a reminder, this provision serves to assist SAs in determining the FFVP administrative funds they can retain from their total grant and does not require SAs to employ a coordinator for the FFVP.

The amount retained for State administrative costs must be determined up-front, since SAs must subtract funds used for State administrative costs prior to making school selections and determining school allocations. State administrative funds are subject to the same cost accountability and management principals applied to State Administrative Expense funds.

SAs can determine from which of the two allocations and how much, if any, of the funds they will retain for administrative expenses. SAs taking the entire portion of administrative funds in the July allocation must obligate these funds by September 30, 2009.

School Selection Criteria and Process

As stated in section 19 of the NSLA, only elementary schools are eligible to participate in the FFVP. However, section 19 does permit previously participating secondary schools to continue to participate in the program for one more school year, SY 2009/10, provided the secondary schools meet the remainder of the selection criteria, as established.

Total enrollment of all schools selected in the SA must result in a per-student allocation of \$50 to \$75 per year. FNS strongly encourages one application process; the early notification of FFVP funding levels should provide ample time for the school solicitation process and thus eliminate the need to conduct an additional solicitation. To the extent possible, all selected schools should begin FFVP operations at the beginning of SY 2009/10, with both new and returning schools on the same schedule.

Outreach to Low-Income Schools

SAs are required to inform elementary schools with the highest percentage of free/reduced price enrollment, including Native American schools, of FFVP participation

eligibility. At a minimum, SAs must provide information to all elementary schools with free/reduced price enrollment at or above 50 percent.

In addition, from the 50 percent or higher group, States must further identify and inform schools that are likely to be chosen to participate in FFVP because the schools have the highest free/reduced price percentages. The outreach must be conducted before the SA selects schools for participation in the program.

School Applications

SAs must solicit applications from interested elementary schools within the State. This application process must be conducted by the SA every year.

Again, please refer to SP 31-2008 or the Fresh Fruit & Vegetable Program Handbook, August 2008 for more detailed instruction.

SAs with questions regarding FFVP should contact their respective Regional Office. Regional Offices should contact Lynn Rodgers-Kuperman at (703) 305-2595 of the Child Nutrition Division.

Original Signed

CYNTHIA A. LONG
Director
Child Nutrition Division

Attachment