



United States  
Department of  
Agriculture

Food and  
Nutrition  
Service

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DATE: February 24, 2010

MEMO CODE: SP 18 -2010

SUBJECT: Fresh Fruit and Vegetable Program (FFVP): Allocation of Funds for School Year (SY) 2010/11

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 elementary schools in the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands. For School Year 2010/2011, the Act provides \$101 million on July 1, 2010. This funding level increases to \$150 million for SY 2011/2012. Beginning SY 2012/2013 and after, FFVP funding will be increased each year to reflect annual changes in the Consumer Price Index.

The purpose of this memorandum is to provide funding allocation amounts for all State agencies (SAs) for SY 2010/2011; to provide information on funding requirements and deadlines; and to serve as a reminder of important program requirements.

#### **Allocation of Funds to SAs**

As in the previous year, allocations of FFVP funds are made on a school year basis, but funds will be provided on a fiscal year basis through two distributions: on or about July 1 and October 1, 2010. For SY 2010/2011, FNS will allocate to States a total of \$110.3 million, comprised of the \$101 million referred to above (less \$500,000 for federal administration)<sup>1</sup> and \$9.8 million in prior year funds available for reallocation.

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 one percent of the funds made available; and (2) FNS will allocate the remaining funds to each State 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. This attachment also includes each State's maximum July allocation.

#### **July Allocation**

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 its FFVP during the first quarter of SY 2010/2011; this amount will be the SA's July allocation and will be

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

available for obligations made from July 1 through September 30, 2010. We anticipate that providing each SA the flexibility to estimate the amount of funds it needs during the first quarter of the school year will reduce the amount of unobligated funds at the end of the fiscal year.

Therefore, each SA must notify its respective FNS Regional Office (RO) by June 1, 2010 of the amount of its total July allocation it wishes to receive on or about July 1, 2010. ROs must report SAs' July allocation requests to HQ-FM by June 8, 2010. A request for more than 25 percent of the State's total grant award for the first quarter of SY 2010/2011 will require written justification and subsequent approval from FNS.

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

- All participating schools, including new schools, should be operational when classes resume for the school year. Therefore, the estimate should include all necessary expenses for schools to initiate the FFVP; i.e., ordering produce for delivery in August and September and any equipment to support program operations.
- SAs may want to consider including a portion of their administrative funds in their first quarter estimate.

To ensure that States are provided every opportunity to expend their allocation, and as allowed in the previous school year, if a State returns unobligated FY 2010 FFVP funds from the July allocation to FNS-HQ prior to the end of September, those returned funds will be added to the FY 2011 October allocation the State will receive on or about October 1, 2010. A SA can only receive its unobligated funds from its July allocation. Unobligated funds that are not returned to FNS-HQ prior to September 30, 2010, will be recovered by FNS during normal closeout activities and made available for future program operations. This early recovery and return process does not apply to the October allocation.

RO-FM staff should be able to track the transactions by Program Cost Account (PCA) at the regional level. Since regional FM personnel handle letter of credit (LOC) transactions with States, SAs should notify their FM contacts in the regions of any balances to be returned. States may also want to consider copying regional program staff and HQ staff for continuity. States must provide their balances to be returned to RO-FM no later than September 22, 2010, and the RO in turn must provide this information to HQ-FM no later than September 24, 2010. These deadlines will allow sufficient time for each SA's return to be processed so that it may be included in the October allocation.

### **October Allocation**

The second allocation will be made on or about October 1, 2010. Schools can obligate the October funds through June 30, 2011. SAs may continue to obligate these funds through September 30, 2011.

The October allocation will be the remainder of the SA's total grant for the school year, including any unobligated funds from the July allocation that a State returned prior to the end of the fiscal year.

**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 principles 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, 2010.

**General Program Reminders**

- The requirements in the law for school selection are very prescriptive and require that schools with the highest level of free and reduced price enrollment receive priority in selection. For more detailed information regarding school targeting, outreach to needy schools and the application process, please refer to FNS memorandum dated December 1, 2009, SP-10-2010, titled *Fresh Fruit and Vegetable Program (FFVP) Targeted School Selection and Outreach Process*.
- As stated in Section 19 of the NSLA, starting SY 2010/2011 only elementary schools are eligible to participate in the FFVP. Secondary schools are no longer allowed to participate.
- Total enrollment of all schools selected in the SA must result in a per-student allocation of \$50 to \$75 per year.
- The application process must be conducted yearly, however returning schools do not have to submit a new application each year; instead they are permitted to update their application on file, at the discretion of the SA.
- As stated earlier, all schools should be operating the FFVP as soon as the new school year begins. Therefore, SAs are strongly encouraged to select their schools before the current school year ends.

The following table provides some key FFVP dates.

Key Dates to Remember	
No later than June 30, 2010	SAs select all SY 2010/2011 FFVP participating schools (recommended)
June 1, 2010	SAs report July 2010 funding requirement to RO-FM
June 8, 2010	ROs report SA funding requirements to HQ-FM
July 1, 2010	SAs receive 1 <sup>st</sup> allocation for SY 2010/2011 (FY 2010 funds); schools can no longer obligate funds received in October 2009 allocation for SY 2009/2010
Sept. 22, 2010	States must notify RO-FM of any July allocation balances to be returned as part of their October allocation
Sept. 24, 2010	RO must provide July allocation return totals to HQ-FM
Sept. 30, 2010	Last day on which July allocation funds can be obligated (any unobligated funds will be recovered during closeout)
Oct. 1, 2010	SAs receive 2 <sup>nd</sup> allocation for SY 2010/2011 (FY 2011 funds)
Dec. 31, 2010	Closeout for FY 2010 funds; SAs submit final SF-425 via FPRS
June 30, 2011	<u>Schools</u> can obligate all 2 <sup>nd</sup> allocation funds (FY 2011 funds) up to this date
Sept. 30, 2011	<u>SAs</u> can obligate all 2 <sup>nd</sup> allocation funds (FY 2011 funds) up to this date

SAs with questions regarding FFVP should contact their respective Regional Offices. Regional Offices should contact Bill Wagoner or Gary Vessels of the Child Nutrition Division at (703) 305-2590.

**Original Signed**

CYNTHIA A. LONG  
 Director  
 Child Nutrition Division

Attachment

Proposed FFVP per state allocation for SY10-11, based on approximately \$110.3 million being available		Percentage Share of Total Allocation	Maximum July Allocation (25% of total)
Alabama	\$1,900,647	1.72%	\$475,162
Alaska	\$1,222,571	1.11%	\$305,643
Arizona	\$2,230,482	2.02%	\$557,621
Arkansas	\$1,600,098	1.45%	\$400,025
California	\$7,658,953	6.94%	\$1,914,738
Colorado	\$1,936,566	1.76%	\$484,142
Connecticut	\$1,723,405	1.56%	\$430,851
Delaware	\$1,255,320	1.14%	\$313,830
District of Columbia	\$1,195,981	1.08%	\$298,995
Florida	\$4,390,782	3.98%	\$1,097,696
Georgia	\$2,749,200	2.49%	\$687,300
Hawaii	\$1,334,404	1.21%	\$333,601
Idaho	\$1,363,190	1.24%	\$340,798
Illinois	\$3,344,396	3.03%	\$836,099
Indiana	\$2,210,896	2.00%	\$552,724
Iowa	\$1,625,893	1.47%	\$406,473
Kansas	\$1,589,533	1.44%	\$397,383
Kentucky	\$1,842,089	1.67%	\$460,522
Louisiana	\$1,903,422	1.73%	\$475,856
Maine	\$1,337,939	1.21%	\$334,485
Maryland	\$2,120,215	1.92%	\$530,054
Massachusetts	\$2,256,281	2.05%	\$564,070
Michigan	\$2,911,049	2.64%	\$727,762
Minnesota	\$2,037,863	1.85%	\$509,466
Mississippi	\$1,618,435	1.47%	\$404,609
Missouri	\$2,128,439	1.93%	\$532,110
Montana	\$1,270,388	1.15%	\$317,597
Nebraska	\$1,410,128	1.28%	\$352,532
Nevada	\$1,559,147	1.41%	\$389,787
New Hampshire	\$1,341,698	1.22%	\$335,425
New Jersey	\$2,663,914	2.42%	\$665,979
New Mexico	\$1,445,222	1.31%	\$361,306
New York	\$4,482,387	4.06%	\$1,120,597
North Carolina	\$2,707,078	2.45%	\$676,770
North Dakota	\$1,213,806	1.10%	\$303,452
Ohio	\$3,115,004	2.82%	\$778,751
Oklahoma	\$1,725,733	1.56%	\$431,433
Oregon	\$1,755,685	1.59%	\$438,921
Pennsylvania	\$3,288,358	2.98%	\$822,090
Rhode Island	\$1,296,420	1.18%	\$324,105
South Carolina	\$1,869,917	1.70%	\$467,479
South Dakota	\$1,239,417	1.12%	\$309,854
Tennessee	\$2,178,244	1.97%	\$544,561
Texas	\$5,328,010	4.83%	\$1,332,003
Utah	\$1,548,420	1.40%	\$387,105
Vermont	\$1,215,827	1.10%	\$303,957
Virginia	\$2,481,355	2.25%	\$620,339
Washington	\$2,228,992	2.02%	\$557,248
West Virginia	\$1,421,269	1.29%	\$355,317
Wisconsin	\$2,094,047	1.90%	\$523,512
Wyoming	\$1,193,121	1.08%	\$298,280
Guam	\$30,612	0.03%	\$7,653
Puerto Rico	\$688,915	0.62%	\$172,229
Virgin Island	\$18,835	0.02%	\$4,709
<b>Total SY10-11 Allocation:</b>	<b>\$110,299,998</b>	<b>100.00%</b>	<b>\$27,575,006</b>