USDA
United States Department of Agriculture

Food and Nutrition Service

Park Office Center

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SUBJECT: Fresh Fruit and Vegetable Program:
Allocation of Funds for School Year 2016-2017

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

The *Fresh Fruit and Vegetable Program (FFVP),* under Section 19 of the Richard B. Russell National School Lunch Act (NSLA) has been a nationwide program since 2008 and operates in select elementary schools in the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands. The purpose of this memorandum is to provide funding allocation amounts for all State agencies for school year (SY) 2016-2017; to provide information on funding requirements and deadlines; and to serve as a reminder of important program requirements.

Allocation of Funds to State Agencies

For SY 2016-2017, the total amount of funding available to State agencies is $184.5 million, which is comprised of the prior year base amount adjusted for inflation and carryover funds from last year. As in SY 2015-2016, allocations of FFVP funds are made on a school-year basis (July 1-June 30), but funds will be provided on a fiscal year basis (October 1 - September 30) through two distributions: on or about July 1 and October 1, 2016 respectively. Per Section 19 of the NSLA, the USDA Food and Nutrition Service (FNS) will apply the following allocation formula for FFVP funding:

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) Remaining funds will be allocated to all 50 States, the District of Columbia, Guam, Puerto Rico and the Virgin Islands based on the proportion of the State population to the U.S. population.

All funds are allocated using this formula.[1] Please refer to the Attachment for the total FFVP funds available for each State. The attachment also includes each State's maximum July allocation.

[1] Per Section 19 of the NSLA, FNS has retained $500,000 for the administrative costs of carrying out the FFVP.

July Allocation

This year a total of $46 million is available to the States for the July allocation. In an effort to help State agencies effectively administer the FFVP, FNS is asking each State agency to determine the amount of funding needed to initiate and operate its FFVP during the first quarter of SY 2016-2017. This amount will be the State agency's July allocation and will be available for obligations made from July 1 through September 30, 2016. We anticipate that providing each State agency 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.

Each State agency must notify its respective FNS regional office by June 13, 2016, of the amount the State agency wishes to receive for its July allocation. The State agency will receive these funds on or about July 1, 2016. Regional offices must report State agencies' July allocation requests to the national office Budget Division by June 20, 2016. Request for more than the available amount of the State's total grant award for the first quarter of SY 2016-2017 will require written a justification and subsequent approval from FNS.

State agencies should consider the following when determining their July allocation request:

- All participating schools, including new schools, should be operational when classes resume for the school year. The estimate should therefore include all necessary expenses for schools to initiate the FFVP; i.e., ordering produce for delivery in August and September of that school year and any equipment to support program operations during that school year.
- State agencies 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 July allocation, a State may return unobligated FFVP funds from the July allocation. The returned funds will be added to the State's October allocation. States must return the balance to their regional office Financial Management (FM) no later than September 16, 2016, and the regional office in turn must provide this information to the national office Budget Division no later than September 23, 2016. Unobligated funds not returned to FNS, with notification to the national office, by Friday, September 23, 2016, will be recovered during normal closeout activities. These funds will no longer be available for SY 2016-2017, but will be made available for future program operations. These deadlines will allow sufficient time for each State agency's return to be processed so that it may be included in their October allocation. Regional office FM staff should be able to track the transactions by Program Cost Account (PCA) at the regional level. States may also want to consider copying regional and national office program staff for continuity.

October Allocation

The second allocation will be made on or about October 1, 2016. Schools can obligate the October funds through June 30, 2017. State agencies may continue to obligate these funds for State administrative costs through September 30, 2017. The October allocation will be the remainder of the State agency'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. The October allocation will not include any funds recovered by FNS from the July allocation; those funds will be available for future program operations.

Funds for State Administrative Costs

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

The amount retained for State administrative costs must be determined upfront, since State agencies must subtract funds used for State administrative costs prior to making school selections and determining school allocations. FFVP state administrative funds are subject to the same cost accountability and management principles applied to State Administrative Expense funds in the National School Lunch Program.

State agencies can determine from which of the two FFVP allocations and how much, if any, of the funds they will retain for administrative expenses. State agencies taking the entire portion of administrative funds in the July allocation must obligate these funds by September 30, 2016.

General Program Reminders

- The statutory requirements 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 SP 10-2010, Fresh Fruit and Vegetable Program (FFVP) Targeted School Selection and Outreach Process (December 1, 2009). See also the manual Fresh Fruit and Vegetable Program: A Handbook for Schools, found at: http://www.fns.usda.gov/sites/default/files/handbook.pdf

- As stated in Section 19 of the NSLA, only elementary schools are eligible to participate in the FFVP. Secondary schools are not allowed to participate at this time.
- Total enrollment of all schools selected by the State agency 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 State agency.
- As stated earlier, all elementary schools should be operating the FFVP as soon as the new school year begins. Therefore, State agencies are strongly encouraged to select their schools before the current school year ends.
- Financial reporting for the FFVP will be conducted via the Food Programs Reporting System (FPRS). State agencies must submit the Federal Financial Report SF-425 electronically for four quarters and also submit a final report. Instructions for reporting on the SF-425 can be found at the "Help" option at the FPRS main menu under "OMB Forms and Forms Instructions."

The following table provides some key FFVP dates.

Key Dates to Remember	
No later than June 30, 2016	State agencies select all SY 2016-2017 FFVP participating schools (recommended)
June 13, 2016	State agencies report July 2016 funding requirement to FNS Regional Office FM
June 20, 2016	Regional Offices report State agency funding requirements to the National Office Budget Division
July 1, 2016	State agencies receive 1st allocation (July 2016) for SY 2016-2017
Sept. 16, 2016	State agencies must notify Regional Office FM of any July allocation balances to be returned
Sept. 23, 2016	Regional Office must provide July allocation return totals to the National Office Budget Division
Sept. 30, 2016	Last day on which July allocation funds can be obligated (any unobligated funds will be recovered during closeout)
Oct. 1, 2016	State agencies receive 2nd allocation for SY 2016-2017
Dec. 31, 2016	Closeout for Fiscal Year (FY) 2016 funds; State agencies submit final SF-425, Federal Financial Report, via FPRS
June 30, 2017	Schools can obligate all 2nd allocation funds (October 2016) up to this
Sept. 30, 2017	State agencies can obligate all 2nd allocation funds (October 2016) for administrative costs up to this date
Dec. 31, 2017	Closeout for FY 2017 funds; State agencies submit final SF-425, Federal Financial Report, via FPRS

State agencies with questions regarding FFVP should contact their respective Regional Offices.

Sarah E. Smith-Holmes
Director
Program Monitoring and Operational Support Division
Child Nutrition Programs

Attachment

ATTACHMENT		
FFVP Allocations by State for School Year 2016 - 2017		
State	**Proposed Total FFVP per state allocation for SY16-17, based on approximately $184.5 million available**	**Maximum July Allocation based on $46 million available**
Alabama	$3,195,960	$796,825
Alaska	$2,050,309	$511,188
Arizona	$3,743,433	$933,322
Arkansas	$2,673,041	$666,449
California	$12,728,579	$3,173,520
Colorado	$3,362,112	$838,250
Connecticut	$2,843,388	$708,920
Delaware	$2,108,002	$525,572
District of Columbia	$2,031,902	$506,599
Florida	$7,481,098	$1,865,206
Georgia	$4,685,076	$1,168,095
Hawaii	$2,243,034	$559,239
Idaho	$2,305,126	$574,720
Illinois	$5,420,513	$1,351,456
Indiana	$3,685,494	$918,877
Iowa	$2,713,549	$676,549
Kansas	$2,654,534	$661,835
Kentucky	$3,075,325	$766,748
Louisiana	$3,143,619	$783,775
Maine	$2,214,598	$552,149
Maryland	$3,514,982	$876,364
Massachusetts	$3,734,079	$930,990
Michigan	$4,603,811	$1,147,834
Minnesota	$3,371,292	$840,539
Mississippi	$2,676,970	$667,429
Missouri	$3,536,466	$881,721
Montana	$2,132,195	$531,604
Nebraska	$2,372,205	$591,444
Nevada	$2,648,752	$660,394
New Hampshire	$2,214,954	$552,238
New Jersey	$4,335,630	$1,080,970
New Mexico	$2,424,731	$604,540

New York	$7,348,898	$1,832,246
North Carolina	$4,637,238	$1,156,168
North Dakota	$2,055,451	$512,470
Ohio	$5,073,924	$1,265,043
Oklahoma	$2,932,484	$731,134
Oregon	$2,965,192	$739,289
Pennsylvania	$5,404,528	$1,347,470
Rhode Island	$2,138,686	$533,223
South Carolina	$3,206,294	$799,401
South Dakota	$2,083,683	$519,509
Tennessee	$3,680,106	$917,533
Texas	$9,482,341	$2,364,161
Utah	$2,677,967	$667,677
Vermont	$2,019,061	$503,397
Virginia	$4,175,755	$1,041,110
Washington	$3,838,600	$957,049
West Virginia	$2,357,730	$587,835
Wisconsin	$3,449,626	$860,069
Wyoming	$2,007,958	$500,629
Puerto Rico	$965,940	$240,831
Guam	$44,982	$11,215
Virgin Islands	$28,797	$7,180
TOTAL	**$184,500,000**	**$46,000,000**