



Food and
Nutrition
Service

Park Office
Center

3101 Park
Center Drive
Alexandria
VA 22302

DATE: October 19, 2016

MEMO CODE: SP 06-2017

SUBJECT: Fresh Fruit and Vegetable Program:
Funding Allocation Distribution

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

Beginning in school year (SY) 2017-18, the *Fresh Fruit and Vegetable Program* (FFVP) will operate on a Federal fiscal year funding allocation structure. This memorandum provides guidance to State agencies on transitioning from the current FFVP funding structure to one based on a Federal fiscal year.

Currently, the FFVP funding structure consists of two scheduled allocation distribution to State agencies – on July 1st and October 1st each year. This allocation distribution schedule was originally established for several reasons designed to support stakeholders. First, the schedule attempted to compensate for Federal appropriation timeframes while ensuring that FFVP funds were awarded on a basis that approximated the Federal fiscal year. Second, the schedule synchronized FFVP closeout procedures with those of other Child Nutrition Programs to create a streamlined administrative process for schools and State agencies. Recent stakeholder feedback indicates that the allocation distribution schedule is burdensome for State agencies and creates uncertainty around continued availability of July 1st funds beyond the first three months. Therefore, beginning in SY 2017-18, the funding structure for FFVP will be moved to a Federal fiscal year allocation distribution.

In order to complete this transition to a funding structure consistent with a Federal fiscal year allocation distribution, during SY 2016-2017 and the first three months of SY 2017-2018, FFVP will operate on a one-time 15-month grant award period. An initial allocation of FFVP funds was distributed in July 2016, a second allocation including additional funds described below will be made available in October 2016.

To ensure that adequate funding is available at the local level during the additional three months of the grant award period, Food and Nutrition Service (FNS) will release to State agencies unexpired carryover funds from prior years.

FNS anticipates that with the addition of \$40 million and accounting for the limited number of operating days during the months of July-September, State agencies will be sufficiently able to maintain operation of the FFVP during the final three months of this one time, 15-month grant award period. Funds will continue to be distributed by FNS throughout the grant award period as they become available, and may be spent or obligated by State agencies through September 30, 2017.

The next FFVP allocation distribution will be made available on or around October 1, 2017, and the Program will subsequently adhere to a standard 12 month October - September Federal fiscal year funding structure in all future years.

These streamlining modifications to the FFVP's funding structure are intended to result in administrative efficiencies at the State and local levels. Furthermore, FNS does not anticipate that this change will substantially disrupt the process by which States process monthly reimbursement claims from participating school food authorities, though it should be noted that the eligibility period for FFVP will continue to operate on a school year basis. As such, States will now use each fiscal year's grant funding to pay claims across two consecutive school years; the last three quarters of the school year already in effect on October 1st, and first quarter of the next school year which begins the following July 1st. To ensure that States are able to accurately predict how many schools may participate in FFVP during the next school year; FNS will annually publish the dollar amount to be received by each state from the upcoming fiscal year's grant award in a timely fashion.

Beginning with the next FFVP allocation distribution, FNS will require the return and reallocation of unspent or unobligated FFVP funds only at the close of a Federal fiscal year. However, the timing and number of allocation distributions made to State agencies may continue to vary annually based on the manner in which Federal grant funding is appropriated and provided to FNS. FNS will provide timely updates of FFVP funding availability to State agencies as needed.

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 1 st 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 2 nd allocation for SY 2016-2017 and an additional \$40 million |
| Dec. 31, 2016 | Closeout for Fiscal Year (FY) 2016 funds; State agencies submit final SF-425, Federal Financial Report, via FPRS |
| Sept. 30, 2017 | <u>State agencies</u> can obligate all 2 nd 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.

Original Signed

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

| ATTACHMENT | | | |
|----------------------------------|--|--|---|
| FFVP Allocations by State | | | |
| State | Maximum July Allocation based on \$46 million available | October Allocation based on \$138.5 million available | FFVP per state allocation of additional \$40 million |
| | Combined Total \$184.5 million | | |
| Alabama | \$796,825 | \$2,399,135 | \$692,891 |
| Alaska | \$511,188 | \$1,539,121 | \$444,511 |
| Arizona | \$933,322 | \$2,810,111 | \$811,584 |
| Arkansas | \$666,449 | \$2,006,592 | \$579,521 |
| California | \$3,173,520 | \$9,555,059 | \$2,759,584 |
| Colorado | \$838,250 | \$2,523,862 | \$728,913 |
| Connecticut | \$708,920 | \$2,134,468 | \$616,453 |
| Delaware | \$525,572 | \$1,582,430 | \$457,019 |
| District of Columbia | \$506,599 | \$1,525,303 | \$440,521 |
| Florida | \$1,865,206 | \$5,615,892 | \$1,621,918 |
| Georgia | \$1,168,095 | \$3,516,981 | \$1,015,735 |
| Hawaii | \$559,239 | \$1,683,795 | \$486,295 |
| Idaho | \$574,720 | \$1,730,406 | \$499,756 |
| Illinois | \$1,351,456 | \$4,069,057 | \$1,175,179 |
| Indiana | \$918,877 | \$2,766,617 | \$799,023 |
| Iowa | \$676,549 | \$2,037,000 | \$588,303 |
| Kansas | \$661,835 | \$1,992,699 | \$575,509 |
| Kentucky | \$766,748 | \$2,308,577 | \$666,737 |
| Louisiana | \$783,775 | \$2,359,844 | \$681,543 |
| Maine | \$552,149 | \$1,662,449 | \$480,130 |
| Maryland | \$876,364 | \$2,638,618 | \$762,056 |
| Massachusetts | \$930,990 | \$2,803,089 | \$809,556 |
| Michigan | \$1,147,834 | \$3,455,977 | \$998,116 |
| Minnesota | \$840,539 | \$2,530,753 | \$730,904 |
| Mississippi | \$667,429 | \$2,009,541 | \$580,373 |
| Missouri | \$881,721 | \$2,654,745 | \$766,714 |
| Montana | \$531,604 | \$1,600,591 | \$462,264 |
| Nebraska | \$591,444 | \$1,780,761 | \$514,299 |
| Nevada | \$660,394 | \$1,988,358 | \$574,255 |

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| State | Maximum July Allocation based on \$46 million available | October Allocation based on \$138.5 million available | FFVP per state allocation of additional \$40 million |
| | Combined Total \$184.5 million | | |
| New Hampshire | \$552,238 | \$1,662,716 | \$480,207 |
| New Jersey | \$1,080,970 | \$3,254,660 | \$939,974 |
| New Mexico | \$604,540 | \$1,820,191 | \$525,687 |
| New York | \$1,832,246 | \$5,516,652 | \$1,593,257 |
| North Carolina | \$1,156,168 | \$3,481,070 | \$1,005,363 |
| North Dakota | \$512,470 | \$1,542,981 | \$445,626 |
| Ohio | \$1,265,043 | \$3,808,881 | \$1,100,038 |
| Oklahoma | \$731,134 | \$2,201,350 | \$635,769 |
| Oregon | \$739,289 | \$2,225,903 | \$642,860 |
| Pennsylvania | \$1,347,470 | \$4,057,058 | \$1,171,713 |
| Rhode Island | \$533,223 | \$1,605,463 | \$463,672 |
| South Carolina | \$799,401 | \$2,406,893 | \$695,131 |
| South Dakota | \$519,509 | \$1,564,174 | \$451,747 |
| Tennessee | \$917,533 | \$2,762,573 | \$797,855 |
| Texas | \$2,364,161 | \$7,118,180 | \$2,055,792 |
| Utah | \$667,677 | \$2,010,290 | \$580,589 |
| Vermont | \$503,397 | \$1,515,664 | \$437,737 |
| Virginia | \$1,041,110 | \$3,134,645 | \$905,313 |
| Washington | \$957,049 | \$2,881,551 | \$832,217 |
| West Virginia | \$587,835 | \$1,769,895 | \$511,161 |
| Wisconsin | \$860,069 | \$2,589,557 | \$747,887 |
| Wyoming | \$500,629 | \$1,507,329 | \$435,330 |
| Puerto Rico | \$240,831 | \$725,109 | \$209,418 |
| Guam | \$11,215 | \$33,767 | \$9,752 |
| Virgin Islands | \$7,180 | \$21,617 | \$6,243 |
| Previous 12 Month Total | \$184,500,000 | | |
| NEW 15-Month Total | | | \$224,500,000 |

Regional and State Directors

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Filename: J:\CND Workgroups\CNDPAMB\ANALYSIS SECTION\Fresh Fruit & Vegetable
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