



POLICY: The state WIC program shall spend at least 97 percent of its food budget by the end of the Federal Fiscal Year (FFY) in September. If the state underspends the 97 percent target, the USDA regional office imposes a penalty. Local programs that underserve will share in that penalty.

PURPOSE: To reach 97 percent target statewide. To clarify consequences if state and local programs do not reach the 97 percent target.

RELEVANT REGULATIONS: 7 CFR §246.16(e)(2) 97 Percent Performance Standard

PROCEDURES: Local programs maintain an assigned caseload in order to spend between 97-100% of the statewide food budget.

State penalty 1.0 If Oregon as a whole spends less than 97% of its food budget, the USDA regional office may penalize the state.

1.1 The penalty would affect state level grants the following fiscal year. For example, if Oregon underspends in FFY97, USDA may reduce its FFY98 grant.

1.2 The penalty reduces the state's food grant by the amount the state underspent the 97% target in the previous fiscal year. Nutrition Services and Administration (NSA) funds are reduced a corresponding amount.

1.3 The USDA regional office has the option of waiving the penalty for a state that has underspent. A current caseload for the state is the key factor in making that decision. If imposing the penalty would cause the state to cut the caseload it currently serves, USDA may waive the penalty.

Local program penalty 2.0 Local programs are assigned caseloads. Their success in reaching targets affects the state's ability to meet its 97 percent target.

2.1 Local programs are allocated NSA funds based on the percentage of the statewide caseload they served in the prior year.

2.1 Local programs that do not meet their assigned caseload will have corresponding reductions in NSA funds the following year (Please refer to ♦305—Funding Formula). ★