



## Policy 330

### Penalty for Underspending Food Budget

September 17, 2020

#### 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 in the following fiscal year. Local agencies that underserve will share that penalty.

#### PURPOSE

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

#### RELEVANT REGULATIONS

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

#### OREGON WIC PPM REFERENCES

◆ [305—Funding Formula](#)

#### PROCEDURE

##### State penalty

- 1.0 If Oregon State WIC Program as a whole spends less than 97% of its annual 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 FFY2020, USDA may reduce its FFY2021 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.
  - 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 agencies are assigned caseloads at the beginning of each State fiscal year. Their success in maintaining the assigned caseload affects the state's ability to meet its 97% target.
  - 2.1. Local agencies are allocated NSA funds to manage their caseloads based on the Coalition of Local Health Officials (CLHO) approved funding formula, which provides a cost per participant funding rate. The cost per participant rate changes annually based on the federal funding given to Oregon.

- 2.2. Caseload performance by the local agencies is reviewed quarterly by the state WIC Caseload Team. Local programs that do not meet their assigned caseload may have corresponding reductions in assigned caseload and NSA funds. See [◆305—Funding Formula](#)

**If you need this in large print or an alternate format, please call 971-673-0040.**

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**POLICY HISTORY**

Date	* Major Revision, Minor revision
8/18/2020	Minor revision

The date located at the top of the policy is the implementation date unless an “effective date” is noted on the policy. Policies will become compliance findings 6 months from the implementation date.

*Release notes can be found in the corresponding document on the [Policy and Procedure Manual page](#).*

**\*Major Revisions:** *Significant content changes made to policy.*

**Minor Revisions:** *Minor edits, grammatical updates, clarifications, and/or formatting changes have occurred.*

**Date of Origin:** *Date policy was initially released*