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 in 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

PROCEDURES: Local agencies shall 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 FFY2016, USDA may reduce its FFY2017 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 agencies are assigned caseloads. Their success in reaching targets affects the state’s ability to meet its 97 percent target.

2.1 Local agencies are allocated NSA funds based on the CLHO approved funding formula, which provides a per participant funding level.
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 will have an opportunity to develop a caseload improvement plan. If still unable to meet their assigned caseload, they will have corresponding reductions in assigned caseload and correspondingly NSA funds. See ♦305—Funding Formula.★

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