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United States  
Department of  
Agriculture

SUBJECT: High Volume FSP Authorized Retailers as Venues for FSNE

Food and  
Nutrition  
Service

TO: Food Stamp Program Directors  
All Regions

3101 Park  
Center Drive

FROM: Karen J. Walker  
Director  
Program Accountability Division

Alexandria, VA  
22302-1500

Purpose of memorandum

The purpose of this policy memorandum is to set forth an additional new criterion to allow States to offer Food Stamp Nutrition Education (FSNE) in retail grocers on the basis of high volume Food Stamp Program (FSP) redemptions under waiver. Currently, use of retailer locations is allowed under waiver only when data shows that the area served by the retailer is low income. The enhancement of this retailer component is in response to requests by States for additional targeting mechanisms to increase their efficiency and effectiveness in delivering FSNE benefits and in recognition of the fact that retailers clearly are a good venue for reaching low income people with FSNE services.

Exclusivity Requirement

Fiscal Year (FY) 2007 FSNE Plan Guidance emphasizes that FSNE is intended exclusively for FSP participants and individuals eligible for the FSP. This provision, known as the exclusivity requirement, is consistent with FSP regulations at 7 CFR 272.2(d)(2)(iii) regarding State FSNE plans and FSNE Guiding Principle Number 1 regarding FSNE target audiences.

Categories of Target Audiences

Notwithstanding the exclusivity requirement, Food and Nutrition Service (FNS) acknowledges that it is not always practical or feasible to exclusively target participants and eligibles. Thus, the Guidance at Part II, Section A, *Identifying and Understanding the Target Audience*, notes categories of target audience by degree of likelihood of eligibility, starting with the highest likelihood as follows: 1) certified eligibles, 2) likely eligibles, and 3) potential eligibles by site/location. The first two categories have been determined to meet the exclusivity requirement, and thus are preferred and encouraged. No waiver is required for these categories. With an approved FNS waiver of the exclusivity requirement, States may also deliver FSNE at Category 3 venues.

New Alternative Criteria for Retail Stores

Up until now, States have had to document for sites in Category 3 that the majority of people being served (at least 50 percent) have incomes at or below 185 percent of the Poverty Income Guidelines. This criterion is still allowable, but this policy memorandum now allows retailers to serve as Category 3 venues by an alternative means based on high

levels of FSP redemptions. Specifically, a retailer may be a venue for FSNE if it has average monthly FSP redemptions of \$50,000 or more over the course of 12 months as documented in a waiver request, when the waiver request is approved by FNS. FNS will approve the request upon verification using FNS records. Stores with lower redemptions that do not meet the \$50,000 threshold but do meet the 50 percent of 185 percent low-income criterion may continue to be used as FSNE sites with an approved waiver.

#### Impact of New Criteria

Based on an analysis of the amount of redemptions made by FSP authorized stores during FY 2005, FNS has determined that an authorized retailer redeeming \$50,000 or more in food stamp benefits in an average month over the course of 12 months is a setting which offers a high likelihood of reaching potential eligibles. Thus, such a retailer is deemed to be an appropriate location for FSNE delivery. The \$50,000 threshold will allow over 12,000 retailer firms nationally to be potential venues for FSNE on the basis of high redemptions under Category 3 with an approved FNS waiver. Every State has some stores which meet the \$50,000 threshold.

This policy is effective for FY 2007 plans. States may include these targeted Category 3 retailers, as appropriate, in their FY 2007 FSNE plans. Approval is subject to FNS verification of redemption level, and waiver and plan approval using FNS proprietary data on retailers. Any retailer that is disqualified or withdrawn from FSP authorization will not be considered an appropriate venue for FSNE and will not be approved. States may name these stores in their State Plans and their FNS Regional Offices will verify that the listed stores meet the \$50,000 redemption threshold as self declared by the stores, using proprietary retailer data available to FNS. Verification of redemption levels of retailers will become part of the annual FNS State Plan approval process.

#### Implementation

There are a variety of ways States may implement this provision, and States may best determine the most suitable way to target retailers in their FSNE plans. One such way is that a State could initiate the process by contacting stores it has good reason to believe might meet the threshold for food stamp redemptions and inviting them to be a FSNE venue if the store can in fact attest to its average monthly redemption level meeting the \$50,000 threshold. Retailers need not reveal their actual redemption information, which is frequently considered to be proprietary, so long as they can attest to averaging \$50,000 or more per month over a 12-month period.

FNS Regional Offices and States are encouraged to submit other successful ways which they devise to target retailers on the basis of high redemptions as promising practices for the delivery of FSNE benefits.