



March 13, 2009

**United States
Department of
Agriculture**

Subject: Implementation Plan for WIC Technology Funding Provided by the American Recovery and Reinvestment Act of 2009 (ARRA)

Food and
Nutrition
Service

To: All WIC State Agencies

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Public Law 111-5, the American Recovery and Reinvestment Act of 2009 (ARRA), was signed into law by President Obama on February 17, 2009. The ARRA provides a total of \$500 million for the WIC Program. Of that amount, \$100 million is to be used by WIC State agencies to establish, improve or administer management information systems (MIS) for WIC, to include changes necessary to meet new legislative or regulatory requirements and including the use of electronic benefits transfer in the WIC Program. This implementation plan outlines the priorities for the funds and the allocation mechanisms that will be put in place to efficiently utilize the funds congruent with the purpose and requirements of the ARRA as well as the WIC Program's technology goals.

It has been determined funds provided for WIC technology under the ARRA will be awarded on a competitive basis. This methodology is consistent with prudent management and will follow much of the same processes currently used in approving, awarding, reporting, and tracking of funding approved through the Advanced Planning Document (APD) process for State MIS projects and other technology needs and competitive grant awards for electronic benefits transfer (EBT) and State Agency Model (SAM) systems.

Priorities for Funding

Consistent with past practices and priorities, FNS will continue to fund existing projects that were awarded competitively for State Agency Model (SAM) systems and EBT. Additionally, funding will be allocated to State agencies for planning activities related to longer term projects such as replacement of older, outdated certification systems and EBT implementation. Using the concept of three separate and distinct project groupings and allocation strategies, these priorities are outlined below.

- **Current Projects Under Existing Grant Awards.** FNS currently has competitively awarded grants to numerous WIC State agencies to support the Program's technology priorities of 1) updating certification systems through the design, development, implementation and transfer of State Agency Model (SAM) systems; and 2) planning and implementing EBT. ARRA funds will be awarded under these existing cooperative agreements based on updated budgets submitted and approved for funding. This priority will confirm our support for ongoing projects, meet WIC's technology goals, and promote the goals of the ARRA by quickly and responsibly obligating funding.

- **Technology Grants for New Projects.** Solicitations will be released for new technology projects and will be competitively awarded through the grant process. Projects funded will include: 1) implementation of new SAM transfers; 2) new EBT planning grants; and 3) new EBT implementation grants for those WIC State agencies that have completed or nearly completed EBT planning activities. For new SAM transfers, State agencies will need to demonstrate, through their planning activities and an alternatives analysis, that a SAM transfer is the most appropriate system that meets Program needs. In accordance with provisions stipulated in the OMB implementation guidance for the ARRA, and past practices of FNS, these solicitations will be posted on www.Grants.gov. It is anticipated that 10-15 State agencies will receive new grants under this section. For EBT grants, cooperative agreements will be established to facilitate collaboration between FNS and the grantee State agencies to ensure projects are carried out in a manner that reduces risk to both the States and the Federal government.
- **Other Technology Projects and Technology Support Funding.** Many other technology needs exist in the WIC Program and will be addressed under this portion of the allocation plan for ARRA funding. State agencies will need to apply for the funds via a solicitation that will outline funding priorities, ranking criteria, and reporting requirements in accordance with OMB guidance. These solicitations will be posted on www.Grants.gov. Funds awarded through this solicitation will be competitively awarded based on established Program priorities and the goals of the ARRA.

Projects funded through this solicitation may include, but are not necessarily limited to:

- MIS enhancements/software changes for implementation of the new food package requirements, to include monthly reporting changes;
- MIS modifications to incorporate EBT readiness functionality and UPC database usage;
- Planning costs to assess new MIS needs, conduct alternatives analysis, etc. (will need to follow APD approval process);
- New MIS development/transfers that are outside the SAM project (will need to follow APD approval process);
- FY 2009 technology equipment purchases as outlined in the State agency's approved hardware replacement plan (FY 2010 hardware replacement needs may also be funded, but at a lower priority);
- Upgrades to technology such as conversion of current system to a web-based system, improving bandwidth or other data transmission lines, etc.;

- MIS modifications and enhancements needed to comply with Program requirements and/or improve Program management and reporting capabilities (examples include Value Enhanced Nutrition Assessment (VENA), improved vendor compliance and review reporting systems, upgrades to funding and participation reporting and forecasting tools, etc.);
- Other MIS modifications that improve communication and access to services (examples include automated participant reminder systems, video teleconferencing, geographic information systems, interactive training equipment, voicemail systems, etc.);
- Projects that impact multiple State agencies that can take advantage of joint procurement strategies and economies of scale; and
- Other information technology (IT) investments that improve infrastructure, promote efficiencies at the clinic and State level, reporting enhancements, and projects that support WIC's overall technology plan.

Obligation Timeframes

Consistent with the provisions and goals of the ARRA and implementation guidelines issued by OMB, additional consideration for award of stimulus funds will be given to those projects and activities that will result in an expedient outlay of funds and create or retain jobs. However, due to the protracted nature of system development and implementation, it is recognized that for larger IT projects State outlays may take one to three years to occur. FNS will review, evaluate and oversee outlay schedules submitted by State agencies through the grant and/or APD process when awarding funds under these solicitations to ensure timely outlays consistent with prudent management practices.

FNS is committed to the proper planning necessary to reduce risks and to ensure successful implementation of large technology projects. In-depth planning and preparation for EBT, to include the modernization and upgrade of certification systems, will reduce both the Federal and State risks associated with conversion to EBT and will lead to more timely conversions from paper to the electronic delivery of WIC benefits. Therefore, a portion of the ARRA funding may not be awarded to State agencies until FY 2010 so that WIC State agencies can complete EBT feasibility and assessment work in FY 2009. Should EBT planning demonstrate that EBT is affordable and consistent with Program goals, EBT implementation funds would be awarded in FY 2010 to those State agencies that have completed their planning activities.


Reporting Guidelines

Funding received through the ARRA is subject to specific reporting requirements. Stimulus funds must be tracked and reported separately, and will include project expenditures, obligations, and progress/status reports. Funding awarded under the ARRA is *not* to be combined with a State agency's nutrition services and administrative grant. Please note that final reporting requirements have not yet been determined.

Administrative Support Funding

The ARRA provides that up to one percent, or \$1,000,000, of the funds appropriated for the purposes specified in section 17(h)(10)(B)(ii) of Program regulations be made available for Federal administrative activities.

Information and questions concerning the award of ARRA funding should be directed to your FNS Regional office.

 for

PATRICIA N. DANIELS
Director
Supplemental Food Programs Division

Attachment