

WIC FARMERS' MARKET NUTRITION PROGRAM

State Plan of Operations Fiscal Year 2002

NOTE: Please identify clearly any attachments/addenda pages according to the numbering system used in this format.

I. Goals

Describe the State agency's plans to achieve the dual purposes of the FMNP, i.e., providing a nutritional benefit to recipients and increasing the awareness and utilization of farmers' markets. Also describe how the State agency plans to target the program to areas with high concentrations of eligible persons with the greatest access to farmers' markets. Be sure to include any special features, such as the use of volunteers and community resources or specialized management information systems, that the State agency plans to implement for the enhancement of its operation and administration of the FMNP.

Goals for FMNP in FY 2002 include the following:

1. Enhance the nutritional benefit to program participants through the introduction and use of fresh fruits and vegetables available through farmers' markets.
2. Assist farmers' market associations in training individual farmers participating in the FMNP.
3. Provide training video to each participating farmers' market.
4. Provide a WIC-Farmers' Market poster or banner to each farmer participating in Farmers' market program.
5. Provide participants with recipe and informational booklets on Texas grown fruits and vegetables.
6. Provide video and lesson to local agencies on shopping and preparing fruits and vegetables.
7. Provide WIC clinics with 5 A Day posters and pamphlets.
8. Provide ideas and information to local WIC agencies on food demonstrations using fresh fruits and vegetables.
9. Monitor participation in the FMNP to ensure compliance with USDA and State Agency policies and procedures.

See Section IV. for demographics of eligible persons served.

II. General Administration

1. Estimated number of FMNP coupon recipients for FY 2001: 226,277
2. Estimated number of FMNP recipients for FY 2002: 227,363
3. Proposed months of Program operation: April 2002 through September 2002
4. Proposed months of FMNP coupon issuance: April 2002 through August 2002
5. Staffing.

List all FMNP staff positions below, including both full and part-time positions. Attach job descriptions for each position.

All positions are paid through at least 30% State FMNP funds and no more than 70% Federal FMNP funds.

Position	Full-time	Part-time
Program Administrator V		X
Contract Specialist I		X
Auditor V		X
Auditor III		X
Auditor III		X
Auditor III		X
Auditor III		X
Accountant I		X

For job descriptions See Attachment II.5.

6. If the FMNP State agency is not the WIC State agency, what functions will be performed by State or local WIC Program staff?

Not Applicable

7. Will any other agency(ies), e.g. non-profit organizations, or extension services perform functions for the FMNP State agency?

No

If yes, list the agency(ies). Include a copy of the signed agreement between the FMNP State agency and the agency delineating the services to be performed in the addendum section.

Not Applicable

III. Funding

1. Describe in detail the State agency's financial management system that provide for accurate, current and complete disclosure of the financial status of the Program. At a minimum include the following elements:

- a. procedure which enables prompt and accurate payment of allowable costs and ensures that costs claimed are in accordance with A-87 (Cost Principles Applicable to Grants and Contacts with State and Local Governments) and FNS guidelines and instructions. See Section 248.12 b) FMNP regulations for allowable costs;

Expenditure claims/vouchers for direct costs are processed and posted to the department's accounting system daily. Automatic and manual edits are made to ensure the costs are applicable to food benefits or costs for administering the FMNP program Financial Management accountants review the costs monthly, reconciling to program databases/spreadsheets and initiate any necessary adjustments. The majority of FMNP costs are related to payment to vendors for food benefits or local agency costs for administering these benefits to participants. Both of these expenditures are reviewed as part of our ongoing monitoring efforts. Other state agency expenditures are minimal with any unplanned expenditures followed up in depth. Indirect costs are allocated to the FMNP grant through the department's approved cost allocation plan.

- b. procedures for obligating funds, including dispersing funds from Letter of Credit;

- (1) Food Coupon Obligations - The Texas WIN automated system produces FMNP participation counts based on issuance information uploaded nightly from the WIC clinics. FMNP participation counts are multiplied by 7 (the number of food coupons issued to each for FMNP benefits) and this product is then reduced by a historical redemption rate factor and multiplied by the FMNP coupon value of \$2.00 to arrive at an overall food obligation. Food expenditures are monitored throughout the season to assure accuracy of obligations and redemption trends.

- (2) State Administrative Obligations - State obligations will be based on all incurred but unpaid expenses. Any contract for materials, services, equipment and supplies will be obligated at the time the

funds are encumbered. Automated data service costs are identified separately for farmers' market. The food coupon stock is the same used for the WIC Program food vouchers, so the cost for procuring the stock is allocated based on actual FMNP issuance figures.

- (3) Local Administrative Obligations - Local administrative obligations will be initially based upon FMNP participation multiplied by a set funding rate. Once local agencies have billed actual costs, then obligation amounts are adjusted to reflect actual costs and liquidated as these costs are posted to the department's accounting system.
- (4) Letter of Credit draws are based on cash needs. Fiscal receives a report - Cash Balances by Department Fund - daily. They compare expenditures to balances by department fund and draw down funds accordingly.

- c. description of how farmers are paid, claims procedures for overpayments to farmers, farmers' markets, and recipients;

Compliance buys will be conducted to ensure that coupons are not redeemed for ineligible food items, non-food items or cash; change is not given, and sales tax is not charged on eligible food items. Associations shall not be paid for improperly redeemed FMNP coupons. FMNP coupons may be deemed invalid for payment due to any of the following reasons:

- 1) If request for payment is postmarked after the expiration of the time limitation noted on the face of the coupon for which payment is requested.
- 2) If any signature and/or dates designating valid periods are missing or have appeared to be forged or altered.
- 3) If a FMNP coupon is accepted after the valid period stated on the instrument.
- 4) If unauthorized foods, non-food items, and/or cash have been issued in exchange for the coupon.

Associations and/or farmers who violate the above will be sanctioned based on the severity of the violation in accordance with the Farmers' Market Contract/Policy Violations, Policy FM: 01.4. In addition, recovery of the funds in question, will be achieved either through a reduction of a subsequent claim or direct payment from the association.

- d. description of the time reporting system used to distribute employee salaries and related costs.

Every employee is required each month to complete an individual time sheet with activity codes properly reported. Supervisors are responsible for assuring that these time sheets are properly completed and submitted on a timely basis to the Fiscal Division. All expenditures posted to the department's accounting system also run through the automated time allocation system. Each month cumulative percentages of employee time coded to the FMNP activity code are used to allocate a portion of general operational costs to the FMNP grant. Other FMNP program costs that are specifically identified with the FMNP activity code are directly applied to the FMNP grant. Allocated expenditures are reviewed monthly by Grants Management and Financial Management Division accountants.

2. Indicate the amount(s) and source(s) the State agency intends to use to meet the minimum **30 percent match requirement** for the FMNP.

<u>Amount</u>	<u>Source</u>
<u>\$707,143</u>	State Appropriated Funds
<u>0</u>	In-kind Contributions
<u>0</u>	Local Funds or Private Funds: (name) <u>Not Applicable</u>
<u>0</u>	Similar Programs: Include title of program, source of funding and a brief description of how the program operates.

3. If any portion of the State agency minimum 30 percent matching requirement will be met through in-kind contributions, please describe the contribution and its value

No in-kind contributions will be used.

4. Is the State agency applying for (not more than) 2 percent of total program funds for market development or technical assistance to farmers' markets in FY 2002?

No

5. Describe in detail the State agency's record keeping system for the FMNP, addressing at a minimum, the following areas:

- a. financial operations - Revenues received by the Texas Department of Health (TDH) whether by state appropriation, federal grant award, contract, fees, etc., are entered into the TDH's central accounting system at the beginning of

each fiscal period or at the earliest date known thereafter. Individual budget and fund numbers are assigned to revenues restricting them for specific Bureaus, Divisions, Programs within the Department.

All expenditures of the Department are applied to the respective budget and fund number and identified to a cost category. Cumulative balances in these budgets, funds and categories are maintained as requisitions and expenditure vouchers are processed. Each transaction produces comparative balances on the accounts. At no time are cumulative expenditures and outstanding requisitions allowed to exceed the budgeted amount.

Programs requiring state matching funds are assigned separate fund numbers to apply expenditures against state or federal cost centers. Cost centers of these programs are reviewed by staff of TDH's Grants Management Division on a monthly basis and/or at the time of reporting whichever occurs earlier. At that time, adjustments are made to realign expenditures to assure proper federal/state expenditure ratios. At the end of a fiscal period formal expenditure transfers can be initiated if necessary.

- b. coupon issuance and redemption - Local agencies issue FMNP coupons to participating WIC women and children at the same time as they are issued their WIC food vouchers. The issuance clerk verifies that the individual is currently certified for WIC by scanning the family identification card barcode with a wand that is connected to a microcomputer. The participant's WIC record is displayed on the screen. If the record meets issuance edits, the system requests the WIC clerk scan the barcode of the FMNP coupon in the system's printer. If the serial number of the FMNP coupon scanned coincides with the computer's inventory, coupons are printed. The coupon recipient signs the coupons in the "Authorized Signature" block. The coupons are given to the recipient and the recipient signed NCR copy of the coupons is retained by the clinic. (See AttachmentV.1.c.) Each night the issuance information is uploaded from the clinic site to the State Agency's automated WIN system. The Texas WIN automated system allocates food funding for vendor claim payment based on a specified federal/state match (70%/30%) until all federal funds have been depleted.
- c. FMNP participation reporting- Participation data will be transmitted nightly to the State agency from the clinic sites. This information will include the number of individuals issued coupons by participant category (woman or child) as generated by the Texas WIN systems.

6. Federal funds request

See Attachments III.6.A - III.6.D.
No request for expansion

IV. Certification

1. Describe the State agency's plans to target areas with high concentrations of eligible persons and access to farmers' markets within the broadest possible geographic area. For example, will the State concentrate on serving only a few areas where there are large numbers of WIC participants who have access to farmers' markets, or will it provide Statewide coverage?

Only women and children certified as eligible for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) who receive WIC food instruments during the months of April, May, June, July, and August shall be eligible for the Farmers' Market Nutrition Program Coupons. The State agency will contract with 33 out of 83 WIC local agencies. The 33 local agencies issue farmers' market coupons in clinics in 56 counties out of the state's 254.

These 33 local agencies represent a cross section of the state in that 9 of the local agencies are located in large metropolitan areas; 16 are in mid-size communities; while the remaining 8 serve rural areas and small communities. Each of these service areas has at least one Farmers' Market that has been certified under the Texas Department of Agriculture's Farmers' Market Certification Program.

2. a. Provide a detailed description of the service area(s), including the number and addresses of participating markets and area WIC clinics.

See Attachment IV.2.a.

- b. Attach a map outlining the service area and proximity of markets to clinics.
See Attachment IV.2.b.

- c. Estimated number of WIC participants per clinic:

See Attachment IV.2.c. for estimates per local agency

3. Intended FMNP recipients:

WIC Participants Only

4. Will all WIC participants in a FMNP service delivery area be issued FMNP coupons, or certain categories/groups only?

Specified categories/groups

Pregnant Women

Breastfeeding Women

Postpartum Women

Children 1 through 4 years

V. Coupon and Market Management

1. Issuing FMNP coupons to recipients
 - a. Describe the State agency's procedures for ensuring the secure transportation and storage of coupons. Include any type of reporting form used to gather data.

After the State Office receives the inventory from the food instrument manufacturer, the food instruments are stored in the WIC Warehouse under lock and key. On receipt from the food instrument manufacturer, the beginning and ending food instrument numbers are scanned from labels affixed to the outside of each box. The shipment is compared to a written document of inventory shipped by the food instrument manufacturer for accuracy.

The electronically scanned beginning and ending numbers are electronically uploaded into our benefit delivery system, Texas WIN. The automated program checks to ensure that there are no duplicate food instrument numbers received at the State Office prior to shipments to our local agencies. WIC Warehouse staff have keys to this Warehouse. The supervisor over the WIC Warehouse also has a key to the Warehouse.

Food instruments are delivered via freight companies scheduled by the WIC Warehouse staff. A printed BOL accompanies the shipment and an electronic shipment record is also forwarded to the local agency. Local agency staff compare the boxes physically received against what is printed on the BOL. An electronic record is initiated by the local agency staff by wanding the barcode information on the BOL into their system and marking the boxes as received. If the physical shipment of boxes does not match the printed BOL, the local agency staff would contact the help desk who would refer the call to the Inventory Manager position. If there were more boxes received than what appears on the BOL, the Inventory Manager could either create a new BOL for the additional boxes and fax that BOL to the local agency administrative office, or ask that the additional boxes be returned to the State Office. If the physical shipment contained fewer boxes than what appeared on the BOL, the boxes would be marked missing, and that electronic record would be forwarded to the State.

A box must be electronically received, and then electronically expanded for the food instruments to be available for issuance. An issuance record must exist for the incoming claim to get paid. If an electronic issuance record does not exist for a food instrument within an incoming claim, that food instrument is investigated. Printing of

benefits on the food instrument does not occur until the clinics are ready to issue benefits to the participants in their clinic.

At the local agency level, Policy No. FD: 06.0 assigns the liability for the loss of WIC food instruments to the local agency for all food instruments received by them. Upon the discovery of inventory shortages, or improperly issued food instruments, the State agency may assess the local agency a monetary sum equal the actual redeemed value of the food instruments.

- b. Describe the coupon issuance system for recipients. Include any type of reporting form used to gather data. Include in your description the method used to transport coupons from the contractor who produces them to the State agency, and from the State agency to the local WIC clinics. Include a description of how unissued FMNP coupons are stored.

Farmers' market recipients present their family I D card to issuing clerk. System generates food instruments (food vouchers as well as farmers' market coupons). Data is gathered electronically overnight.

The method used to transport coupons from the contractor who produces them to the State agency, and from the State agency to the local WIC clinics is described in a. above.

unissued coupons are blank and identical to unissued WIC food instruments, since they are the same printed stock. Unissued coupons ultimately become issued WIC food instruments.

- d. Describe the State agency's system for instructing recipients on the proper use of FMNP coupons. If this function is to be performed by the WIC local agency on behalf of the FMNP State agency, indicate accordingly, who issues the coupons; what materials are provided during issuance; and who explains the use of the coupons and redemption procedures to the recipient.

Recipients of the FMNP coupons will receive verbal and written instructions, by the local WIC agency, on the proper use of the coupons to include, but not limited to:

- 1) A written list of the names and addresses of authorized markets at which coupons may be redeemed;
- 2) A written harvest schedule list of fresh, fruits and vegetables available during April, May, June, July, August, and September;
- 3) Verbal and written notification that no cash change will be given for the coupons;

- 4) Lost coupons will not be replaced; and
 - 5) Not to countersign the coupon until it is used at the farmers' market.
- d. Attach a copy of the log or other form used to record coupon issuance to valid certified recipients.

See Attachment V.1.c.

2. Authorization of farmers' market sites and/or farmers

- a. List or attach a listing of the criteria used to authorize farmers' markets.

A farmers' market association may be authorized if:

- 1) A completed farmers' market certification application form is submitted to the Texas Department of Agriculture;
- 2) The applicant has filed with the Department of Agriculture at the state headquarters office in Austin, a copy of the market's by-laws and a list of the association members;
- 3) All agricultural products sold at the applicant market shall be of good quality, as determined by the Commissioner.
- 4) There must be an operating WIC clinic in the area;
- 5) There must be sufficient funds available to the State agency to continue the Program, or to expand to a new area;
- 6) There must be one or more Texas Department of Agriculture Certified farmers' markets in the area capable of servicing the Program with sufficient produce to serve FMNP recipients as well as regular cash paying customers;
- 7) The association is required to receive training pertaining to program rules and redemption procedures, and to present on-going training to its own members;
- 8) In the event the association has previously been authorized, the association's compliance history with FMNP procedures, policies and/or regulations will be considered; and
- 9) An agreement must be signed between the State agency and the association before an association can begin accepting coupons.

- b. List or attach the criteria for farmer authorization.

Individual farmers are not authorized directly.

- c. How does the State agency define "eligible foods"? List (or attach a list of) the fruits, vegetables, and/or fresh herbs.

See Attachment V.2.c. for list

- d. How does the State agency define "locally grown produce" in order to designate the FMNP eligible foods?

Locally grown produce is any unprocessed, raw fresh fruit or vegetable grown by a farmer in Texas, or an adjoining state. Produce may not be grown in Mexico.

- e. To what extent does the State agency permit or prohibit the participation of individuals who are selling produce grown by someone else, in addition to their own produce?

FMNP coupons may be accepted only by authorized farmers who actually produce coupon eligible food to sell at farmers markets. Non-grower individuals and individuals who do not produce fresh fruits or vegetables may not accept FMNP coupons. Persons who exclusively sell produce purchased at a terminal or grocery store cannot be authorized to accept FMNP coupons.

- f. Under what conditions, if any, does the State agency authorize farmstands (i.e., markets operated by individuals associated with nonprofit entities who produce none of the produce they sell at the farmstand, but who do not realize a profit from such sales)?

The State agency does not authorize farmstands.

- g. Indicate the number and type of farmers' markets, farmers, and/or roadside farm stands that will be authorized:

43 farmers' markets
563 individual farmers in farmers' markets
0 roadside farm stands

During FY 2001 we contracted with 43 farmers' market associations which had a total of 91 market locations. A total of 43 farmers' market associations is expected to participate in FY 2002.

- h. Does the State agency require that the Market Manager be bonded?

No

3. Farmers/Farmers' Market Agreements

- (1) Describe the State agency's farmer/market authorization procedures. This should include a description of the face-to-face training that will be conducted for farmers/farmers' market managers in their first year of participation in the FMNP prior to their commencing participation in the FMNP. Please include the FMNP State agency and Farmers'/Farmers' Market Agreement in the addendum.

To be certified, a farmers' market manager, or other members of the governing body for a specified farmers' market location must submit a completed application on a form approved by the Texas Department of Agriculture to the state headquarters in Austin. Application forms can be obtained from any district office and/or state headquarters of the Texas Department of Agriculture.

The criteria for the authorization of associations to participate in the FMNP includes, but is not limited to:

- (a) There must be an operating WIC clinic in the area;
- (b) There must be sufficient funds available to the State agency to continue a previous FMNP, or to expand to a new area;
- (c) The association must be certified under the Texas Department of Agriculture farmers market certification program;
- (d) An on-site visit by Texas Department of Health WIC personnel prior to initial authorization to verify applicant information and to ascertain participant convenience and accessibility;
- (e) An authorized agent of the farmers' market association must accept training on FMNP procedures in order to instruct farmers on program requirements, eligible foods, and proper acceptance and submission of FMNP coupons;
- (f) In the event the association has previously been authorized, the association's compliance history with FMNP procedures, policies and/or regulations will be considered; and

- (g) An agreement must be signed between the State agency and the association before an association can begin accepting FMNP coupons.

The State agency will send agreements and farmer profile agreements to associations in eligible service areas. The association will complete the agreement and have each member farmer who will be redeeming FMNP coupons complete and sign a profile agreement. On the profile, the association will assign a unique four-digit identification number to each farmer and sign the profile agreement. The State agency will assign a four-digit Account Number to each association.

In the event farmers join an association after the association's agreement has been executed, the association will complete and submit a farmer profile for each new member farmer to the State agency. Likewise, if a farmer ceases to be a member of an association, the association will notify the State agency that the farmer will no longer be redeeming FMNP coupons through that association.

See Attachment V.3.(1)(A) Association Agreement
See Attachment V.3.(1)(B) Farmer/Association Agreement
See Attachment V.3.(1)(C) Texas Farmers' Nutrition Program Handbook

- (2) Describe other cooperative arrangements that may have been negotiated, such as with cooperative extension programs, or a State Agriculture Department to authorize farmers/farmers markets.

The Texas Department of Agriculture certifies farmers' market associations. This certification is a requirement of authorization in FMNP by the Texas Department of Health.

- (3) Describe the procedures that State agency has in place, or intends to implement, for the annual training required for authorized farmers/farmers' market managers and those who participated in the FMNP in prior years or who join the program after the regularly scheduled training has been held.

Texas Department of Health WIC personnel provides training to authorized agents of farmers' markets on an annual basis or as requested. Training includes, but is not limited to, an explanation of:

- (1) The purposes of the FMNP;

- (2) Who qualifies for the program;
- (3) Who administers the program;
- (4) The eligible foods (see attachment V.2.c.);
- (5) The proper redemption and submission of FMNP coupons;
- (6) The written agreement which sets out the duties of both the association and the State agency. It also sets the parameters within which the association must operate as regards to the FMNP;
- (7) The written agreement between each farmer and the association;
- (8) The Farmers' Market Contract/Policy Violations Policy No.: FM: 01.4.

Additional guidance and training is provided through:

- (a) The "Texas Farmers' Market Nutrition Program Handbook" which gives detailed information regarding the eligible foods and redemption, "Do's and Don'ts for Farmers" flier. The Handbook includes the "Submission of Farmers' Market Claims" procedures which gives detailed information regarding submission of FMNP coupons (see Attachment V.3.(1)(C).
- (b) Direct phone contact as need indicates. An incoming WATS line, 1-800-252-9629, is available to farmers free of charge to contact WIC personnel to answer questions or provide assistance.
- (c) Monitoring on-site visits;
- (d) Written correspondence with associations in response to their letters or when State personnel identify through other means that an association and/or farmer needs additional guidance.
- (e) Video entitled "WIC Farmers' Market & You".

After regularly scheduled training has been provided to the association and the association has signed the FMNP contract, the association accepts responsibility for providing training to new

market managers/farmers. The State agency supplies the association with additional farmer profiles, handbooks, posters, and allowable food lists, and submission of claims manuals to provide to new market managers/farmers.

4. Review of farmers and farmers' markets

- a. Describe the State's system for on-site reviews and investigations of farmers/farmers market.

See the following Farmers' Market Policies and Rules:

FM: 01.4, Farmers' Market Contract/Policy Violations, Attachment V.4.a.(A)

Texas Administrative Code Section 31.36, Right of Administrative Appeal, Attachment V.4.a.(B)

- b. Describe the State agency's procedures for imposing sanctions (fiscal claims, suspensions, etc....) against markets and farmers who violate Federal and/or State agency FMNP requirements.

See the following Farmers' Market Policies and Rules:

FM: 01.4, Farmers' Market Contract/Policy Violations, Attachment V.4.a.(A)

Texas Administrative Code Section 31.36, Right Of Administrative Appeal, Attachment V.4.a.(B)

5. Coupon Accountability

- a. Describe the State agency's system for identifying and reconciling FMNP coupons that were redeemed, voided, expired, or reported lost or stolen. Reimbursable coupons must be reconcilable to:

- i. a valid recipient identifier (signature on the issuance log, unique and sequential serial number, etc.);
- ii. redeemed within valid dates;
- iii. an authorized farmers' market; and
- iv. an authorized farmer operating under the auspices of the authorized market.

Local agencies will upload nightly to the State office the number of FMNP coupons issued, voided, lost/stolen, and their respective serial numbers, as well as participation by category/priority as supported by coupon issuance.

The coupon issuance/void/lost/stolen data is compiled in the State's WIN system enabling the comparison of redeemed versus issued coupons.

Farmers are required to write/stamp their identification number on each coupon. The Association submits a State of Texas Purchase Voucher and a redemption list detailing the farmer identification numbers and amount of coupons redeemed by each farmer.

The coupons are processed through our computer system for payment. During processing, one-to-one coupon reconciliation is performed. Coupons not matching an issuance file are followed up on subsequent to initial processing. The system runs as follows:

- (1) As coupons are redeemed, a tape is created of the following information for each individual coupon: Coupon number, amount paid, process date redeemed, Association Account Number, purchase voucher number, issue month, and issuing Local agency.
- (2) During processing the coupon redeemed tape is matched against the corresponding coupon issuance file.
- (3) A detailed reconciliation report is run on tape and the information entered into a history file for audit purposes.
- (4) Any void or lost/stolen coupons go onto an unused coupon file.
- (5) Coupons redeemed that are not found on the coupon issuance file are transferred to an Unmatched Redemption file and a report printed for research purposes.
- (6) Unredeemed expired coupons are moved to an unused coupon file.
- (7) State personnel verify the reconciliation for errors and research and follow-up on any identified problems, i.e. unmatched redemptions.

b. Coupon Timeframes

- i. for redemption by recipients: no later than September 30th
- ii. for submission to the State agency for payment by farmers' markets: no later than October 31st
- iii. for payment by the State agency: approximately 13 days

c. Attach a copy of the coupon to be used in the FMNP in the addendum section.

See Attachment V.4.c.

- d. Describe the State's system for ensuring that coupons are redeemed only by authorized farmers and markets for eligible foods.

Each authorized association is assigned a unique FMNP account number. Each authorized farmer is assigned a unique identifier by the association which is recorded on the farmer's agreement with the association.

The association is instructed to accumulate the FMNP coupons and at least every two weeks submit them to the State with a State of Texas Purchase Voucher and a Redemption List detailing the identifiers of the individual farmers who redeemed the coupons and the respective dollar amounts redeemed. Upon receipt of a purchase voucher, redemption list, and coupons, the State verifies the validity of the association's account number and farmer identifiers as evidenced by the FM Agreement file.

See Attachment V.3.(1)(C), FMNP Handbook, pages 3, 4, 5, 6, 7, 8.

- e. Describe the State agency's system for identifying and disallowing coupons which are redeemed or submitted for payment outside valid dates (as indicated in 5.b. above), or by unauthorized farmers' markets.

At the State, the coupons are computer edited for redemption within the valid period; that the coupon number is valid (a coupon reported lost/stolen/voided would have had its unique number invalidated for computer processing and the coupon must not have been used before, i.e. duplicate); and that the coupon was redeemed/submitted for payment by an authorized association as evidenced by a valid FMNP account number.

The State of Texas Purchase Voucher will be checked for: the accuracy of the dollar amount claimed as supported by valid coupons, and validity of their FMNP account number as evidenced by the FM Agreement File. The accompanying Redemption List will be checked for the validity of the individual farmers' identification numbers as evidenced by the FM Agreement File. Any coupons submitted by an unauthorized farmer will be followed up on.

After edit, payment files will be forwarded to the Texas Department of Health's Fiscal Division and the Texas Comptroller's Office for further processing and making direct deposit or issuance of warrants. The above system as described provides for claims' turnaround of approximately 12 to 20 calendar days.

See Attachment V.3.(1)(C), FMNP Handbook, pages 3, 4, 5, 6, 7, 8.

6. Program complaints

- a. Describe the State agency's procedures for handling program complaints from recipients, non-recipients, markets, and farmers.

In the event recipients, non-recipients, markets, and/or farmers have complaints, they may call the State toll free on a WATS line, 1-800-252-9629. The State will record the complaint on a form and take appropriate action. Copies of complaints of discrimination shall be forwarded to the Regional Civil Rights Director, USDA/Southwest Region, Food and Nutrition Service, 1100 Commerce Street, Dallas, TX 75242.

- b. Describe the State agency's procedures for offering, conducting, and rendering final decisions on fair hearings requested by local agencies, recipients, and markets/farmers.

See Texas Administrative Code Section 31.36, Right of Administrative Appeal, Attachment V.4.a.(B)

See Texas Administrative Code Section 31.29, Applicant and Participant Rights, Attachment V.6.b.

VI. Management Evaluations and Reviews

1. Describe the State agency's criteria for defining a high risk farmer. Such criteria must include at a minimum:

- a. proportionately high volumes of coupons redeemed within a farmers' market and within a State;
- b. recipient complaints; and
- c. new farmers and farmers' markets in their first year of operation.

State personnel will monitor on-site at least 10% of the contracted associations during the period of program operations to identify problems, deficiencies, and compliance with program regulations and procedures. Based on redemption data, the farmers who have redeemed the highest dollar amount of FMNP coupons within an association will be selected with whom to conduct compliance buys. In addition, compliance buys will be conducted with farmers within the association with whom the State agency has received complaints or detected previous violations within the last 12 months. Also, any new farmers' market in their first year of operation will be monitored on-site, targeting farmers with the highest coupon redemption.

2. Describe the State agency's plans (including any compliance purchase activities) for reviewing authorized farmers' markets (on-site) in FY 2002. Ten percent of farmers'

and 10 percent of farmers' markets must be monitored. For example, if there are five farmers' markets in a participating State and 40 farmers, the State shall monitor at a minimum, one farmers' market and four farmers. These four farmers may or may not be participating within the one farmers' market being monitored.

- a. Number of farmers' markets reviewed in FY 2001 (minimum 10%): 13(30%).
 - i. Markets with high risk farmers 9 (21%)
 - ii. Other markets 4 (9%)
- b. Number of farmers' markets to be reviewed in FY 2002 (minimum 10%): 5 (10%)
 - i. Markets with high-risk farmers 4(80%)
 - ii. Other markets 1(20%)
- c. Number of farmers reviewed in FY2001 (minimum 10%): 41(7%)
 - i. High-risk farmers 0 (0%)
 - ii. Other farmers 41 (7%)
- d. Number of farmers to be reviewed in FY2002 (minimum 10%): 57 (10%)
 - i. High-risk farmers 7 (12%)
 - ii. Other farmers 50 (88%)

Briefly summarize findings and corrective actions taken from any reviews conducted of farmers and farmers' markets.

Warnings were issued to 8 markets; 5 markets had no violations.

- 3. Describe the state agencies plans for reviewing FMNP practices at local agencies in FY 2002. All local agencies participating in the FMNP must be reviewed once every two years.
 - a. Number of local agencies to be reviewed in 2002: 19
 - b. Number of local agencies reviewed in FY 2001: 15
 - c. Briefly summarize findings and corrective action taken from any reviews conducted in FY 2001:

There were no discrepancies noted in monitoring visits to WIC local agencies during FY 2001.

VII. Nutrition Education Requirements

1. Describe in detail the State agency's plans to provide nutrition education to FMNP recipients.

See Section I. Goals

2. List the location or settings where nutrition education for FMNP is provided (i.e., WIC clinics, farmers' markets, community centers, child care facilities, schools, etc.).

A recipe book has been developed for Texas WIC participants. Each recipe features a fruit or a vegetable as a prominent ingredient. In addition to 27 recipes, the booklet contains:

- information on the selection and storage of fresh produce;
- common measurement equivalents;
- a glossary of cooking terms;
- information on putting out a kitchen fire.

The distribution of the booklet will coincide with the issuance of farmers= market coupons to Texas WIC participants.

3. Does the State agency coordinate with other agencies around issues related to nutrition education and promotion?

 No

 X Yes (If yes, check the applicable partnerships below):

 Food Stamp Program

 Team Nutrition

 other school-based programs

 Commodity Supplemental Food Program

 Children and Adult Care Food Program(CACFP)

 Temporary Assistance for Needy Families Program

 Food Distribution Program on Indian reservations

 WIC

 other FNS programs (specify):_____

 X Expanded Food and Nutrition Education Program (EFNEP) and/or Cooperative Extension Service

 other government programs (e.g., Head Start, 5 A Day, etc.)

 non-profit organizations (specify):

 for-profit organizations (specify):

- industry (specify):
- professional organizations (specify):
- educational Institutions (specify):
- religious Institutions (specify):
- other (specify): Texas Department of Agriculture

4. Describe how nutrition education for FMNP is coordinated with other nutrition education programs or services, such as Food Stamps, Extension Service, 5 A Day, State initiatives, etc.

At this time the Texas WIC Program is not coordinating with other nutrition education programs in the development of nutrition education materials developed for FMNP.

5. Describe the nutrition education materials that you have developed and how they are used. In addition, describe any new materials you are planning to develop.

Posters previously developed to promote FMNP are still utilized in Texas WIC clinics. The posters have a large photograph of a farmers' market and have a space to post specific information about the location and hours of operation for local farmers' markets.

6. Does the state agency plan to develop new participant educational materials containing the new Dietary Guidelines for Americans messages?

No
 Yes

Type of material	Target audience	Project completion date
written videos lessons	WIC clients and general public	ongoing (this involves incorporation and for revision of current materials)

7. If the State agency intends to collect survey information to assess the effects of the program on farmers' markets and the change in consumption of fresh fruits and vegetables by FMNP participants, attach copies of survey forms.

Not Applicable

VIII. Miscellaneous Requirements - Civil Rights and Drug - Free Workplace Certification Statements

1. Describe the State Agency's procedures for handling complaints of discrimination on the basis of race, color, national origin, age, sex or disability, including timeframes for submitting such complaints and for investigating them and responding to plaintiffs.

Complaints of discrimination in the FMNP are handled in accordance with established and approved procedures for handling civil rights complaints in the WIC Program.

In the event participants and/or markets have complaints, they may call the State toll free on either the Vendor WATS line, 1-800-252-9629, or the Participant WATS line, 1-800-942-3678.

Each complaint is documented and forwarded to the Regional Civil Rights Director, USDA/Southwest Region, within seven working days of receipt of the complaint. In addition, a copy of all civil rights complaints is provided to the Texas Department of Health's (TDH) Office of Equal Opportunity. FMNP and WIC staff are involved in the investigation process and the response to complainants only at the request of either the USDA or TDH Office of Equal Opportunity.

2. Drug-Free Workplace Assurance

Describe the State agency's plans to provide and maintain a drug-free workplace as required by 7 CFR Part 3017. As in the WIC Program, the Drug-Free certification statement may be submitted one time only to the granting organization.

The State will comply with all Federal and State structures relating to a drug-free workplace as required by 7 CFR Part 3017; The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; and the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616) as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism.

The Drug-Free certification statement has been previously submitted to USDA.

LIST OF ATTACHMENTS

- II.5. Job Descriptions

- III.6.A. FY2002 FMNP Estimated Federal Budget
- III.6.B. Abbreviated Federal Funds Request Worksheet
- III.6.C. Federal Funds Request & State Match Worksheet
- III.6.D. Food Benefit Allocation Plan/State Match Worksheet

- IV.2.a. Market and Clinic Addresses
- IV.2.b. Maps of Market Locations
- IV.2.c. Projected Participation

- V.1.c. Food Coupon Log
- V.2.c. List of Eligible Fruits and Vegetables
- V.3.(1)(A) Association Agreement
- V.3.(1)(B) Farmer/Association Agreement
- V.3.(1)(C) Texas Farmers' Market Nutrition Program Handbook
- V.4.a.(A) FM: 01.4, Farmers' Market Contract/Policy Violations
- V.4.a.(B) Texas Administrative Code, Sec.31.36 Right of Administrative Appeal
- V.4.c. Farmers' Market Coupon
- V.6.b. Texas Administrative Code, Sec.31.29, Applicant and Participant Rights