



NEWS RELEASE

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USDA AWARDS \$30 MILLION TO STATES FOR EXCEPTIONAL ADMINISTRATION OF THE FOOD STAMP PROGRAM

National Payment Accuracy Rate Reaches an Historic High

CHICAGO, June 27, 2008 --Agriculture Secretary Ed Schafer today announced that USDA will award \$30 million to states for demonstrating excellence in administering Food Stamp Program benefits in Fiscal Year (FY) 2007. Among those states, South Dakota and Nebraska have exceptional records, winning high performance bonuses every year since 2003, the first year that the high performance awards were authorized. The overall national payment accuracy rate for FY 2007 was 94.36 percent, an historic high for the program.

"USDA commends our state partners for their diligence in maintaining program integrity while increasing access and participation in the Food Stamp Program," said Schafer. "One of our top priorities is to ensure that America's most vulnerable residents have access to a healthful diet."

As authorized by the 2002 Farm Bill, each year USDA awards \$24 million among the seven states with the best payment accuracy rates and the three states with the most improved payment accuracy rates. The payment accuracy rate measures overpayments and underpayments to food stamp recipients. The states with the best payment accuracy rates in FY 2007 were South Dakota, Nebraska, North Carolina, Missouri, Mississippi, Pennsylvania, and Washington. The most improved states were Florida, Arizona and Kansas.

USDA will award an additional \$6 million among the four states with the lowest negative error rates and the two states with the most improved negative error rates. The negative error rate measures improper denials or termination of food stamp benefits. The states with the lowest negative rate in FY 2007 were Nebraska, which had a zero negative error rate for the second consecutive year, South Dakota, Alabama and Minnesota. The most improved states were Oregon and Kansas.

"I am extremely proud of our state partners for achieving an all-time high national payment accuracy rate of 94.36 percent," said Agriculture Under Secretary Nancy Johner. "This achievement indicates continued focus on customer service and providing critical nutrition assistance to those most in need."

The states below will receive the following awards:

BEST PAYMENT ACCURACY RATES

- South Dakota \$312,145
- Nebraska \$544,319
- North Carolina \$3,451,068
- Missouri \$2,682,498
- Mississippi \$1,632,119
- Pennsylvania \$4,644,234
- Washington \$2,436,247

MOST IMPROVED PAYMENT ACCURACY RATES

- Florida \$5,481,910
- Arizona \$2,005,164
- Kansas \$810,296

BEST NEGATIVE ERROR RATES

- Nebraska \$479,050
- South Dakota \$280,981
- Alabama \$1,715,161
- Minnesota \$1,063,350

MOST IMPROVED NEGATIVE ERROR RATES

- Oregon \$1,755,504
- Kansas \$705,954

USDA's 15 nutrition assistance programs reach one in five Americans each year and serve as our Nation's first line of defense against hunger. They include the Food Stamp Program (FSP), the school meals programs, and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC).

The Food Stamp Program serves more than 27 million low-income individuals each month and supplements their food budgets so participants can buy the food they need for good health.

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