



Nutrition Services Incentive Program of the Older Americans Act and States

As of March 30, 2020

1. What is the Nutrition Services Incentive Program (NSIP)?

The NSIP is authorized by Section 311 of the Older Americans Act (OAA) (<https://legcounsel.house.gov/Comps/Older%20Americans%20Act%20Of%201965.pdf>). NSIP provides grants to states, territories, and eligible Tribal organizations to support the OAA Congregate and Home-Delivered Nutrition Programs by providing an incentive to serve more meals. Grantees can choose to receive their grant as cash, commodities (food) from the United States Department of Agriculture (USDA), or a combination of cash and commodities. If a program chooses to use commodities, USDA assesses an administrative fee that is taken from the grant.

USDA leads a process that allows States to choose cash or commodities prior to beginning of the next fiscal year. This choice may not be changed during the year.

About 15 years ago, the USDA administered this program and it was commonly known as cash-in-lieu of commodities or the Nutrition Program for the Elderly. The name was changed in the 2006 amendments to the OAA when the authorization and funding was transferred from USDA to the Administration for Community Living (ACL).

2. How is NSIP funded?

NSIP is funded by a Congressional appropriation to the ACL. State Units on Aging (SUAs) receive OAA allocations for nutrition services for Title III C1 (congregate), Title III C2 (home-delivered), and NSIP. Of these allocations, NSIP is about 16 percent of total OAA nutrition services funding before transfers among Titles III B and C occur.

3. What are the requirements of NSIP?

The requirements for NSIP are stated in Section 311 of the OAA. There are no other requirements by any other federal agency.

NSIP allocations are available to states that provide nutrition services in adherence to the requirements of the OAA which include:

- Serving meals to an individual who is eligible to receive services under the OAA;

- Serving meals to an individual who has not been means-tested to receive services;
- Serving meals that meet the requirements of the OAA including meals that meet the Dietary Guidelines for Americans and Dietary Reference Intakes as indicated in OAA Section 339;
- Serving meals to individuals who have been provided the opportunity to contribute to the cost of service; and
- Are served by an eligible agency, i.e. an agency that has a grant or contract with a SUA or Area Agency on Aging.

These criteria are concisely listed in the State Performance Report (SPR) Appendix A: Data Element Definitions: version 1.1 under NSIP qualified meal-Congregate and NSIP qualified meal-Home-Delivered found at https://agid.acl.gov/Resources/OAA_SPR.aspx.

4. Does the ACL have the authority to waive these requirements?

The ACL does not have the legal authority to waive these requirements. The OAA requirements that may be waived are listed in OAA Section 316. Section 316 does not list the NSIP requirements in Section 311 or the nutrition requirements in Section 339.

5. Can emergency meals such as shelf stable meals meet the nutrition requirements for NSIP?

Maybe. If the shelf stable meals meet the nutrition requirements of the OAA, the meals meet the requirements of NSIP. If the SUA uses an eating pattern similar to the pattern found in Appendix 3 of the Dietary Guidelines for Americans (<https://health.gov/our-work/food-nutrition/2015-2020-dietary-guidelines/guidelines/>) as its method for determining adherence to the requirements and the shelf-stable meal or other emergency meal meet this menu pattern, the meal probably meets the nutrition requirements. Shelf stable meals vary in nutrient content such as calories, fat, protein, fiber and vitamins and minerals. Many shelf stable meals are higher in sodium than recommended in the Dietary Guidelines for Americans or Dietary Reference Intakes.

6. How may NSIP allocations be used?

NSIP allocations may only be used to purchase domestically produced food such as milk, fruit, vegetables, protein products, etc. that are used in a meal. NSIP allocations may not be used to pay for administration or other nutrition services such as education or counseling. NSIP allocation may not be used to buy bags of groceries for program participants. Bags of groceries do not constitute a meal.

NSIP allocations may be used to pay for a portion of each meal such as specific food items like milk or a protein product. Prior to the COVID-19 emergency, many programs allocated a percentage of funds from NSIP to pay for a portion of the cost of a meal. However, if there is a concern that during the COVID-19 emergency not all of the NSIP allocation will be spent, the financial office may use the NSIP funds to pay for a larger portion of previously served meals so that all the allocation is spent.

Another way to spend NSIP funds would be to supplement a shelf-stable meal to ensure that it meets OAA nutrition requirements. For example, if a shelf-stable meal does not meet the nutrition requirements of the OAA because it lacks a dairy component or insufficient vegetables or fruit, the NSIP funding might be used to supplement the shelf-stable meal with a carton of milk, a packet of non-fat dry milk or a piece of fresh fruit. Then the meal might meet the OAA requirements and be reported as an NSIP meal.

7. Can NSIP allocations be transferred?

No, NSIP allocations may not be transferred because they are not a part of Title III B, III C, III D, or III E.

8. How are NSIP meals reported?

NSIP meals are reported on the regular State Program Report (SPR) for the states. The details on how to report are provided at https://agid.acl.gov/Resources/OAA_SPR.aspx. SUAs determine how the number of meals are reported at the sub-state level.

The funding formula for NSIP is based on the total number of eligible meals served by a state or territory in proportion to the total number of eligible meals served by all states and territories in the prior federal fiscal year. If a state or territory serves proportionally more meals than other states or territories, that state or territory receives a higher allocation which is in keeping with the incentive purpose of NSIP.

9. How does a state receive its allocation?

The SUA receives a notice of grant award after the number of meals is reported through the SPR. The SUA determines how to distribute the funding at a substate level.

10. Will NSIP be calculated based on COVID-19 meals served?

No. The COVID-19 crisis is expected to completely skew traditional meal service and meal counts. As a result, ACL is holding harmless meal counts from 2019 and will apply them to 2020 and 2021 NSIP allocations. This will alleviate the need to count COVID-19 meals for purposes of NSIP. COVID-19 meals resulting from the supplemental appropriations (Families First and CARES Act) must be reported and accounted for separately. The determination of the exact manner of those reports is underway and will be forthcoming.