
Title IV

Nutrition Assistance

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The Nutrition Assistance Title of the 1996 Act relates to several domestic food assistance programs, including the Food Stamp Program. As reauthorized via the 1996 Act, the various food programs will continue to operate as they have during the past several years, with a few minor changes. Authorizations are granted through fiscal year 2002, except for the Food Stamp Program, which is only covered through fiscal year 1997. New authorization provides start-up assistance for community food projects, and mandatory funds for food assistance to American Samoa.

Food Stamp Program

The cornerstone of USDA's food assistance programs, the Food Stamp Program (FSP), supplements the food purchasing power of eligible low-income households by issuing monthly benefits through coupons or electronic benefit transfer (EBT) cards that are redeemable at authorized retail food stores. The Food Stamp Program was initiated as a pilot program in 1961 and was established as a permanent program by the Food Stamp Act of 1964. The 1964 Act was permanently amended by the Food Stamp Act of 1977, which eliminated purchase requirements and simplified eligibility determinations. The Federal Agriculture Improvement and Reform Act of 1996 reauthorizes the Food Stamp Program through fiscal year 1997. It also amends several provisions of the Food Stamp Act of 1977.

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Employment and Training

The 1996 Act reauthorizes the Secretary to allocate \$75 million annually to carry out the Employment and Training Program through fiscal year 2002. States continue to be required to conduct an employment and training program to assist food stamp recipients in gaining the skills, training, or experience to increase their ability to obtain regular employment.

Pilot Projects

The Act reauthorizes through fiscal year 2002 seven pilot projects for food assistance begun in 1981. Assistance is provided with cash, in lieu of coupons, to households composed entirely of elderly or Supplemental Security Income recipients. These projects were designed to test program changes that might increase the efficiency of the Food Stamp Program and improve the delivery of food stamp benefits to eligible households.

Outreach Demonstration Projects

Outreach demonstration projects designed to increase participation by eligible low-income households in the Food Stamp Program were reauthorized through fiscal year 2002.

Miscellaneous

The 1996 Act also amends a provision of the Food Stamp Act of 1977 concerning the permanent disqualification of stores from participating in the FSP due to program violations. With this amendment, the provision now permits a civil money penalty in lieu of disqualification of a food store if there has been no more than one prior coupon trafficking violation by store management.

Nutrition Assistance Programs

The Nutrition Assistance Programs for Puerto Rico and American Samoa provide food assistance through block grant funds in lieu of food stamps. The Act reauthorizes the Nutrition Assistance Program in Puerto Rico at the following levels:

<i>Fiscal year</i>	<i>Million dollars</i>
1996	1,143
1997	1,174
1998	1,204
1999	1,236
2000	1,268
2001	1,301
2002	1,335

The program in Puerto Rico shall be used to finance 100 percent of the expenditures for food assistance provided to needy persons and 50 percent of the administrative expenses. The level of funding of this program had been \$1,097 million in fiscal year 1994 and \$1,143 million in fiscal year 1995.

The American Samoa nutrition assistance program is authorized as a mandated program through fiscal year 2002, not to exceed the current program level of \$5.3 million per year. These funds are to be used to finance 100 percent of the expenditures for the program.

Commodity Supplemental Food Program

The Commodity Supplemental Food Program (CSFP) was reauthorized through fiscal year 2002. The program provides commodity foods to supplement the diets of low-income infants; children up to age 6; pregnant, postpartum, and breast-feeding women; and persons 60 years of age and older. The 1996 Act also reauthorizes a provision requiring 9 million pounds of cheese and 4 million pounds of nonfat dry milk be transferred to the CSFP, to the extent that Commodity Credit Corporation quantities are available. A new provision requires that not more than 20 percent of any CSFP food funds carried over from a prior year shall be available for administrative expenses of this program.

Food Distribution Program on Indian Reservations

The Food Distribution Program on Indian Reservations provides monthly food packages primarily for Native Americans who live on or near Indian reservations. This program is an alternative food assistance program for Native Americans who cannot or choose not to participate in the Food Stamp Program. The Act reauthorizes the program through fiscal year 2002.

The Emergency Food Assistance Program

The Act reauthorizes The Emergency Food Assistance Program (TEFAP) through fiscal year 2002. TEFAP provides needy Americans with USDA-donated foods through local agencies such as food banks, shelters, and soup kitchens.

Soup Kitchen and Food Bank Program

Authorization of the Soup Kitchen and Food Bank Program was extended through fiscal year 2002. The program provides commodities from USDA surplus stocks and purchases food for distribution to eligible cooperators including orphanages, homes for the elderly, temporary shelters, and hospitals.

National Commodity Processing

The National Commodity Processing Program was reauthorized through fiscal year 2002. Under the program, the Secretary encourages consumption of surplus commodities through agreements with private companies to reprocess commodities into end-food products for use by eligible recipient agencies who pay the expense of reprocessing.

Community Food Projects

New authority is granted to the Secretary to make grants to assist eligible private nonprofit entities in

establishing and carrying out community food projects designed to: (1) meet the food needs of low-income people, (2) increase the self-reliance of communities in providing for their own food needs, and (3) promote comprehensive responses to local food, farm, and nutrition issues. These projects are defined as community-based projects that require a one-time infusion of

Federal assistance to become self-sustaining. The Federal share of the cost of establishing or carrying out a community food project may not exceed 50 percent the cost of the project during the term of the grant. The total amount of funds provided as grants may not exceed \$1 million for fiscal year 1996 and \$2.5 million for each of fiscal years 1997 through 2002.