

[DISCUSSION DRAFT]

114TH CONGRESS
2D SESSION

H. R. _____

To reauthorize child nutrition programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To reauthorize child nutrition programs, and for other
purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “_____ Act of 2016”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definition of Secretary.

TITLE I—NATIONAL SCHOOL LUNCH ACT

- Sec. 100. Authorized State agency.

- Sec. 101. Apportionments to States.
- Sec. 102. Repeal of nutrition promotion.
- Sec. 103. Direct Federal expenditures.
- Sec. 104. Nutritional and other program requirements.
- Sec. 105. Miscellaneous provisions.
- Sec. 106. Summer food service program for children.
- Sec. 107. Commodity distribution program.
- Sec. 108. Child and adult care food program.
- Sec. 109. Demonstration projects.
- Sec. 110. Fruit and vegetable program.
- Sec. 111. Compliance and accountability.
- Sec. 112. Repeal of State childhood hunger challenge grants.
- Sec. 113. Duties of the Secretary relating to nonprocurement debarment.
- Sec. 114. Improvements to school lunch facilities.

TITLE II—CHILD NUTRITION ACT

- Sec. 201. Special milk program authorization.
- Sec. 202. School breakfast program.
- Sec. 203. State administrative expenses.
- Sec. 204. Regulations.
- Sec. 205. Definition of authorized State agency.
- Sec. 206. Special supplemental nutrition program for women, infants, and children.
- Sec. 207. Team nutrition network.

TITLE III—MISCELLANEOUS

- Sec. 301. Reviews.
- Sec. 302. Program delivery.
- Sec. 303. Product availability.
- Sec. 304. Procurement.
- Sec. 305. School Nutrition Advisory Committee.
- Sec. 306. Paperwork reduction.
- Sec. 307. Technology.
- Sec. 308. Technical corrections.
- Sec. 309. Budgetary effects.
- Sec. 310. Effective date.

1 **SEC. 2. DEFINITION OF SECRETARY.**

- 2 In this Act, the term “Secretary” means the Sec-
3 retary of Agriculture.

1 **TITLE I—NATIONAL SCHOOL**
2 **LUNCH ACT**

3 **SEC. 100. AUTHORIZED STATE AGENCY.**

4 In each of the following Acts, strike “State Edu-
5 cational Agency” each place such term appears and insert
6 “authorized State agency”:

7 (1) The Richard B. Russell National School
8 Lunch Act (42 U.S.C. 1751 et seq.).

9 (2) The Child Nutrition Act of 1966 (42 U.S.C.
10 1771 et seq.).

11 **SEC. 101. APPORTIONMENTS TO STATES.**

12 Section 4(b) of the Richard B. Russell National
13 School Lunch Act (42 U.S.C. 1753(b)) is amended—

14 (1) in paragraph (3)—

15 (A) in subparagraph (B), by striking “Be-
16 ginning on” and all that follows through “the
17 Secretary” and inserting “The Secretary”;

18 (B) in subparagraph (E), by striking “Be-
19 ginning on” and all that follows through
20 “school food authorities” and inserting “School
21 food authorities”; and

22 (C) in subparagraph (F)—

23 (i) in clause (iii)(I), by inserting “(as
24 in effect on the day before the date of the

1 enactment of the _____ Act of
2 2016)” after “subparagraph (A)(i)”;

3 (ii) by adding at the end the fol-
4 lowing:

5 “(III) SUNSET.—The Secretary shall
6 return to the general fund of the Treasury
7 any funds that were made available under
8 this subparagraph but not obligated by a
9 State agency as of September 30, 2016.”;
10 and

11 (2) by adding at the end the following:

12 “(4) ANNOUNCEMENTS.—With respect to reim-
13 bursement rates described in this subsection, the
14 Secretary shall announce the rates and, to the max-
15 imum extent practicable, any associated guidance by
16 February 15 of the school year prior to the school
17 year for which the rates and guidance will become
18 effective.”.

19 **SEC. 102. REPEAL OF NUTRITION PROMOTION.**

20 Section 5 of the Richard B. Russell National School
21 Lunch Act (42 U.S.C. 1754) is repealed.

22 **SEC. 103. DIRECT FEDERAL EXPENDITURES.**

23 Section 6 of the Richard B. Russell National School
24 Lunch Act (42 U.S.C. 1755) is amended—

25 (1) in subsection (c)—

1 (A) by striking “(e)(1)(A) The national av-
2 erage” and all that follows through “(D)
3 Among those commodities” and inserting the
4 following:

5 “(c) CALCULATION OF TOTAL ASSISTANCE.—

6 “(1) NATIONAL AVERAGE VALUE.—

7 “(A) IN GENERAL.—Subject to subpara-
8 graphs (B) and (C), the national average value
9 of donated foods, or cash payments in lieu
10 thereof, shall be equal to the quotient obtained
11 by dividing, not later than February 15 of each
12 year for the upcoming school year—

13 “(i) the total funds available in the
14 preceding school year under section 4, this
15 section, and section 11; by

16 “(ii) the number of lunches served in
17 the preceding school year in all schools
18 participating in the school lunch program
19 under this Act.

20 “(B) ADJUSTMENT.—

21 “(i) IN GENERAL.—The value deter-
22 mined under subparagraph (A) shall be ad-
23 justed by the annual percentage change in
24 a 3-month average value of the Producer
25 Price Index for Foods Used in Schools and

1 Institutions of the Bureau of Labor Statis-
2 ties (in this subparagraph referred to as
3 the ‘Index’) for the preceding September,
4 October, and November.

5 “(ii) REQUIREMENT.—An adjustment
6 under clause (i) shall be computed to the
7 nearest $\frac{1}{4}$ cent.

8 “(iii) INDEX.—

9 “(I) IN GENERAL.—The Index
10 shall be computed using 5 major food
11 components in the Index (cereal and
12 bakery products, meats, poultry and
13 fish, dairy products, processed fruits
14 and vegetables, and fats and oils).

15 “(II) COMPONENTS.—Each com-
16 ponent described in subclause (I) shall
17 be weighted using the same relative
18 weight as determined by the Bureau
19 of Labor Statistics.

20 “(iv) MINIMUM AMOUNT OF COM-
21 MODITY ASSISTANCE.—Not less than 12
22 percent of the value adjusted in accordance
23 with this subparagraph shall be provided in
24 the form of commodity assistance.

1 “(C) INSUFFICIENT AMOUNTS.—If
2 amounts available to carry out section 4, this
3 section, and section 11 are insufficient to meet
4 the requirements of such sections for a school
5 year, the Secretary shall, to the extent nec-
6 essary, use the authority provided under section
7 14(a) to meet the requirements for the school
8 year.

9 “(D) AMOUNT FOR EACH STATE.—For
10 each school year, the total commodity assist-
11 ance or cash in lieu thereof available to a State
12 for the school lunch program shall be equal to
13 the product obtained by multiplying—

14 “(i) the number of lunches served in
15 such State in the most recent school year
16 for which data are available; by

17 “(ii) the rate determined under sub-
18 paragraph (A).

19 “(E) SPECIAL EMPHASIS.—Among those
20 commodities”; and

21 (B) in paragraph (1), by striking “(E)
22 Notwithstanding” and inserting the following:

23 “(F) MINIMUM QUANTITY OF DONATED
24 FOODS.—Notwithstanding”;

25 (2) by striking subsection (e); and

1 (3) by redesignating subsection (f) as sub-
2 section (e).

3 **SEC. 104. NUTRITIONAL AND OTHER PROGRAM REQUIRE-**
4 **MENTS.**

5 Section 9 of the Richard B. Russell National School
6 Lunch Act (42 U.S.C. 1758) is amended—

7 (1) by striking the section heading and designa-
8 tion and all that follows through the end of para-
9 graph (1) in subsection (a) and inserting the fol-
10 lowing:

11 **“SEC. 9. NUTRITIONAL AND OTHER PROGRAM REQUIRE-**
12 **MENTS.**

13 “(a) REQUIREMENTS.—

14 “(1) TECHNICAL ASSISTANCE AND TRAINING.—

15 The Secretary shall provide—

16 “(A) technical assistance and training to
17 schools participating in the school lunch pro-
18 gram to assist the schools in complying with the
19 nutritional requirements prescribed by the Sec-
20 retary pursuant to subsection (f) and in pro-
21 viding appropriate meals to children with medi-
22 cally certified special dietary needs, including
23 food allergies or other special dietary needs of
24 individual students, including religious dietary
25 restrictions; and

1 “(B) additional technical assistance to
2 schools that are having difficulty maintaining
3 compliance with the requirements.”;

4 (2) in subsection (a)—

5 (A) in paragraph (2), by adding at the end
6 the following:

7 “(D) FLUID MILK CONSIDERATIONS.—In
8 determining varieties of fluid milk available
9 with school meals and outside of the school
10 meal programs, the Secretary shall carry out
11 the following revisions:

12 “(i) Consider the critical nutrient
13 needs of children who may be at risk for
14 inadequate intake of the recommended
15 daily servings of milk and dairy products
16 under the most recent Dietary Guidelines
17 for Americans published under section 301
18 of the National Nutrition Monitoring and
19 Related Research Act of 1990 (7 U.S.C.
20 5341) (referred to in this subparagraph as
21 the ‘dietary guidelines’) and conform to
22 such guidelines.

23 “(ii) Analyze milk consumption data
24 and trends for school-aged children, evalu-
25 ating such information in comparison to

1 the recommended servings of milk and
2 dairy under the dietary guidelines.

3 “(iii) Consider changes in milk con-
4 sumption and milk waste when establishing
5 or revising criteria.

6 “(E) MILK VARIETY CONSIDERATIONS.—In
7 determining milk varieties eligible for schools to
8 offer, the Secretary shall consider the most
9 commonly available types, sizes, containers, and
10 varieties of milk in local, regional, and national
11 markets to promote competition.”;

12 (B) by striking “(4) PROVISION OF INFOR-
13 MATION” and all that follows through “(C)
14 PROCUREMENT AND PROCESSING OF FOOD
15 SERVICE PRODUCTS AND COMMODITIES.—The
16 Secretary” and inserting the following:

17 “(4) PROCUREMENT AND PROCESSING OF FOOD
18 SERVICE PRODUCTS AND COMMODITIES.—The Sec-
19 retary”; and

20 (C) in paragraph (4) (as so designated)—

21 (i) by redesignating clauses (i)
22 through (iii) as subparagraphs (A) through
23 (C), respectively, and indenting appro-
24 priately; and

1 (ii) by redesignating subclauses (I)
2 and (II) as clauses (i) and (ii), respec-
3 tively, and indenting appropriately;

4 (3) in subsection (b)—

5 (A) in paragraph (2)(B)—

6 (i) in clause (i), by striking “, and
7 shall contain only the family size income
8 levels for reduced price meal eligibility with
9 the explanation that households with in-
10 comes less than or equal to these values
11 would be eligible for free or reduced price
12 lunches”;

13 (ii) in clause (ii), by inserting “or re-
14 duced price” after “free”;

15 (iii) in clause (iii)(I)—

16 (I) in item (aa), by striking
17 “and” at the end;

18 (II) in item (bb), by striking the
19 period at the end and inserting “;
20 and”;

21 (III) by adding at the end the
22 following:

23 “(cc) individuals may report
24 alleged fraud to the Office of the

1 Inspector General of the Depart-
2 ment of Agriculture.”; and

3 (iv) by adding at the end the fol-
4 lowing:

5 “(iv) REPORTING OF FRAUD.—The
6 Secretary shall ensure that the Internet
7 website of the Department of Agriculture
8 prominently displays a link to the Internet
9 website of the Office of the Inspector Gen-
10 eral of the Department and the phone
11 number of the Office of the Inspector Gen-
12 eral through which an individual may re-
13 port any alleged fraud.

14 “(v) APPLICATION FORMS.—Not later
15 than 120 days after the date of the enact-
16 ment of this clause, the Secretary shall—

17 “(I) review the most current ap-
18 plication forms, including paper and
19 digital, used to apply for participation
20 in the school lunch program author-
21 ized under this Act and the school
22 breakfast program established by sec-
23 tion 4 of the Child Nutrition Act of
24 1966 (42 U.S.C. 1773);

1 “(II) provide to States guidance
2 relating to best practices, including at
3 a minimum a standard application
4 form for use by local educational
5 agencies or schools;

6 “(III) provide to States guidance
7 relating to how to improve the appli-
8 cation to ensure families understand
9 and can enroll in the school lunch pro-
10 gram and the school breakfast pro-
11 gram; and

12 “(IV) provide to States such in-
13 formation as is necessary to ensure
14 that States understand school food
15 authorities may not—

16 “(aa) require or mandate
17 families apply for either program;

18 “(bb) request that a family
19 apply for the program after the
20 parent or guardian has informed
21 the school that the family does
22 not want to participate in the
23 program or receive additional in-
24 formation about the program in
25 that school year; or

1 “(cc) in the case of a family
2 that has not informed the school
3 about their choice, request more
4 than twice in that school year
5 that such family apply for the
6 program if such family has not
7 submitted an application.”;

8 (B) in paragraph (3)—

9 (i) by striking subparagraph (D) and
10 inserting the following:

11 “(D) VERIFICATION.—

12 “(i) STANDARD VERIFICATION OF AP-
13 PLICATIONS.—

14 “(I) IN GENERAL.—Beginning
15 with the second school year that be-
16 gins after the date of the enactment
17 of the _____ Act of 2016,
18 each school year, each local edu-
19 cational agency shall verify the eligi-
20 bility of the children in a portion of
21 the household applications approved
22 for the school year by the local edu-
23 cational agency, as of November 1 of
24 the school year, as determined by the

1 Secretary in accordance with this sub-
2 section.

3 “(II) SAMPLE SIZE.—

4 “(aa) IN GENERAL.—The
5 portion for a local educational
6 agency for a school year shall
7 equal the lesser of—

8 “(AA) 10,000; or

9 “(BB) 10 percent of
10 approved applications.

11 “(bb) CALCULATION.—Not
12 later than July 1 of each year,
13 the Secretary shall calculate the
14 sample size under this subpara-
15 graph for each local educational
16 agency based on data from the 2
17 most recent school years avail-
18 able.

19 “(III) SAMPLE SELECTION.—Ap-
20 plications shall be selected for
21 verification by the local educational
22 agency based on indications that in-
23 formation relevant to eligibility is in-
24 consistent with the information pro-

1 vided on the application, including at
2 a minimum the following:

3 “(aa) The household has
4 submitted information in writing
5 to the local educational agency
6 that is inconsistent with the in-
7 formation on the application.

8 “(bb) The information pro-
9 vided on the application is con-
10 sistent with a pattern of error or
11 fraud detected by the local edu-
12 cational agency, the State agen-
13 cy, or the Secretary.

14 “(cc) For not more than $\frac{1}{4}$
15 of the sample, students who are
16 directly certified or the applica-
17 tion provides a case number (in
18 lieu of income information) show-
19 ing participation in—

20 “(AA) the supplemental
21 nutrition assistance program
22 established under the Food
23 and Nutrition Act of 2008
24 (7 U.S.C. 2011 et seq.); or

1 “(BB) a State program
2 funded under the program
3 of block grants to States for
4 temporary assistance for
5 needy families established
6 under part A of title IV of
7 the Social Security Act (42
8 U.S.C. 601 et seq.) that the
9 Secretary determines com-
10 plies with standards estab-
11 lished by the Secretary that
12 ensure that the eligibility re-
13 quirements under the State
14 program are comparable to
15 the requirements for partici-
16 pation in accordance with
17 this Act and the Child Nu-
18 trition Act of 1966 (42
19 U.S.C. 1771 et seq.).

20 “(dd) For not more than $\frac{1}{4}$
21 of the sample, the income infor-
22 mation provided on the applica-
23 tion is close to the income limit
24 for free or reduced price meals,

1 as specified by the local edu-
2 cational agency each year.

3 “(ee) Such other criteria as
4 is determined by the State.

5 “(IV) ADDITIONAL VERIFICATION
6 OF APPLICATIONS.—If the number of
7 applications that match the criteria
8 described in subclause (III) is insuffi-
9 cient to meet the number of applica-
10 tions determined under subclause (II),
11 the local educational agency shall se-
12 lect additional applications at random.

13 “(ii) VERIFICATION FOR CAUSE.—In
14 addition to conducting verification of a
15 sample of applications as described in
16 clause (i), a local educational agency may
17 verify any household application at any
18 point in the school year if the household
19 application meets the criteria described in
20 item (aa), (bb), or (cc) of clause (i)(III) or
21 such other criteria as is determined by the
22 Secretary.

23 “(iii) COMPLIANCE.—In conducting
24 verification under this subparagraph, a
25 State agency or local educational agency

1 shall not select applications in a manner
2 that violates section 12(1)(4)(M).”;

3 (ii) in subparagraph (F)—

4 (I) in clause (i), in the matter
5 preceding subclause (I), by striking
6 “may” and inserting “shall”; and

7 (II) by striking clauses (iv) and
8 (v) and inserting the following:

9 “(iv) DIRECT CERTIFICATION.—If eli-
10 gibility for a household application is con-
11 firmed using direct verification, the chil-
12 dren in the household shall be considered
13 directly certified.”;

14 (iii) in subparagraph (G)—

15 (I) in clause (iii), by striking “1
16 attempt” and inserting “2 attempts”;
17 and

18 (II) by adding at the end the fol-
19 lowing:

20 “(v) VALIDITY OF VERIFICATION RE-
21 SULTS.—

22 “(I) DEFINITIONS.—In this
23 clause:

24 “(aa) APPROVED APPLICA-
25 TION.—The term ‘approved ap-

1 application' includes each student
2 on a paper or electronic applica-
3 tion approved by the local edu-
4 cational agency for free or re-
5 duced price lunches for the school
6 year.

7 “(bb) RESPONSE RATE.—
8 The term ‘response rate’ means
9 the percentage of the approved
10 household applications of the
11 local educational agency for
12 which verification information
13 was obtained after attempted
14 verification under this section.

15 “(cc) NONRESPONSE
16 RATE.—The term ‘nonresponse
17 rate’ means the percentage of the
18 approved household applications
19 of the local educational agency
20 for which verification information
21 was not obtained after attempted
22 verification under this section.

23 “(dd) CONFIRMATION
24 RATE.— The term ‘confirmation
25 rate’ means the percentage of ap-

1 proved household applications
2 and directly certified students se-
3 lected by the local educational
4 agency for verification under this
5 subparagraph that had the level
6 of benefits confirmed as a result
7 of information obtained during
8 the verification process.

9 “(II) REDUCTIONS.—

10 “(aa) IN GENERAL.—The
11 sample under subparagraph
12 (D)(i)(II) may be reduced by not
13 more than the lesser of 2,500 ap-
14 plications or 2.5 percentage
15 points for each of the criteria de-
16 scribed in subclause (III) that
17 are met by the local educational
18 agency.

19 “(bb) LIMITATION.—Reduc-
20 tions under item (aa) may result
21 in a sample of not less than 2.5
22 percent of approved applications.

23 “(III) CRITERIA.—The criteria
24 referred to in subclause (II)(aa) are
25 as follows:

1 “(aa) RESPONSE RATE.—
2 For the preceding school year the
3 response rate was more than 85
4 percent.

5 “(bb) NONRESPONSE RATE
6 REDUCTION.—The nonresponse
7 rate was at least 15 percent
8 below the nonresponse rate for
9 the second preceding school year.

10 “(cc) CONFIRMATION
11 RATE.—The confirmation rate is
12 100 percent or has increased by
13 at least 5 percent over the two
14 most recent school years for
15 which data is available.

16 “(dd) ADMINISTRATIVE
17 BURDEN REDUCTION.—The local
18 educational agency receives a de-
19 termination from the Secretary
20 that compliance with subpara-
21 graph (D)(i)(II) would render the
22 local educational agency unable
23 to administer the program.

24 “(IV) REQUIREMENT.—The Sec-
25 retary shall develop a system by which

1 to measure cost and administrative
2 burden associated with compliance
3 with subparagraph (D)(i)(II) and
4 shall consider requests from local edu-
5 cational agencies based on that sys-
6 tem.”;

7 (iv) in subparagraph (H)(i)—
8 (I) in subclause (I), by striking
9 “November” and inserting “Decem-
10 ber”; and
11 (II) in subclause (II), by striking
12 “December” and inserting “January”;

13 (v) in subparagraph (K)(i), in the
14 matter preceding subclause (I), by striking
15 “data mining” and inserting “analyses of
16 data”;

17 (vi) by amending subparagraph (K)(ii)
18 to read as follows:
19 “(ii) REPORT.—Not later than two
20 years after the date of the enactment of
21 the _____ Act of 2016, the Sec-
22 retary shall submit to the Committee on
23 Education and the Workforce of the House
24 of Representatives and Committee on Agri-

1 culture, Nutrition, and Forestry of the
2 Senate a report describing—

3 “(I) the results of the feasibility
4 study conducted under this sub-
5 section;

6 “(II) how a computer system—

7 “(aa) used to reduce
8 verification and certification er-
9 rors can be adapted to further
10 reduce errors; and

11 “(bb) using technology de-
12 scribed in clause (i) could be im-
13 plemented; and

14 “(III) a plan to adapt or imple-
15 ment such system.”;

16 (vii) by adding at the end the fol-
17 lowing:

18 “(L) ENHANCED VERIFICATION METH-
19 ODS.—

20 “(i) REQUIREMENTS.—

21 “(I) IN GENERAL.—The Sec-
22 retary shall help local educational
23 agencies engage in alternative and en-
24 hanced methods of certification and
25 verification to increase the effective-

1 ness of the process, reduce certifi-
2 cation errors, and produce more
3 meaningful management information
4 to facilitate local educational agency,
5 State, and Federal oversight with re-
6 spect to program integrity in the
7 school meal programs.

8 “(II) BEST PRACTICES.—The
9 Secretary shall encourage local edu-
10 cational agencies to adopt proven best
11 practices with regard to verification.

12 “(III) SELECTION FOR IMPLE-
13 MENTATION.—To the extent necessary
14 to refine alternative verification meth-
15 ods or assess the feasibility, impact,
16 or efficacy of the methods prior to
17 recommending the methods, the Sec-
18 retary shall work with States and
19 local educational agencies to imple-
20 ment methods subject to clause (iii).

21 “(ii) REQUIREMENTS.—The certifi-
22 cation and verification methods shall—

23 “(I) meet such terms and condi-
24 tions as the Secretary considers ap-
25 propriate; and

1 “(II) except as otherwise pro-
2 vided in this subparagraph, be con-
3 ducted in accordance with this sub-
4 section.

5 “(iii) SELECTION CRITERIA.—In se-
6 lecting methods, including methods for im-
7 plementation under clause (i)(III), the Sec-
8 retary shall—

9 “(I) consider the degree to which
10 the method would improve certifi-
11 cation accuracy and program integrity
12 within the school meal programs;

13 “(II) consider whether there is
14 evidence that the method could be
15 replicated easily by other local edu-
16 cational agencies or political subdivi-
17 sions;

18 “(III) consider whether the meth-
19 od would increase the efficiency and
20 effectiveness of the verification proc-
21 ess;

22 “(IV) consider whether the local
23 educational agency or State agency
24 has a demonstrated capacity to under-
25 take the method and to produce the

1 data necessary to support the evalua-
2 tion; and

3 “(V) ensure the methods imple-
4 mented under clause (i)(III) are im-
5 plemented across a range of geo-
6 graphic areas and States, including
7 rural and urban areas, and, when con-
8 sidered as a group, allow for an as-
9 sessment of a range of strategies re-
10 garding verification sample selection,
11 obtaining eligibility documentation,
12 and the entity conducting verification,
13 including strategies that—

14 “(aa) use analyses of data,
15 particularly in large local edu-
16 cational agencies to develop algo-
17 rithms to select error-prone ap-
18 plications for verification;

19 “(bb) use third-party data
20 sources to confirm eligibility
21 prior to conducting household
22 verification under subparagraph
23 (G);

24 “(cc) rely on alternative
25 methods, including message test-

1 ing, of communicating with
2 households to assess which meth-
3 ods most effectively result in
4 household responses;

5 “(dd) rely on agencies or or-
6 ganizations other than the local
7 educational agency to conduct
8 verification, including at a min-
9 imum the State agency or a
10 State health and human services
11 agency; and

12 “(ee) could reduce the ad-
13 ministrative burden of conducting
14 verification for a consortia of
15 local educational agencies, includ-
16 ing shared online applications
17 and shared verification proce-
18 dures.

19 “(iv) REDUCTION.—Notwithstanding
20 the limitation in subparagraph
21 (D)(v)(II)(bb), a local educational agency
22 that uses the strategies described in clause
23 (iii)(V) may qualify for a reduction of an
24 additional 0.25 percent under such sub-

1 paragraph, creating a floor of 2.25 percent
2 for the verification sample size.”;
3 (C) in paragraph (4)—
4 (i) by striking subparagraph (E);
5 (ii) by redesignating subparagraphs
6 (F) and (G) as subparagraphs (E) and
7 (F), respectively; and
8 (iii) in subparagraph (E) (as so reded-
9 ignated)—
10 (I) in clause (i), by striking
11 “means—” and all that follows
12 through “for the school year there-
13 after” in subclause (III) and inserting
14 “means, for the school year”;
15 (II) in clause (ii)—
16 (aa) in subclause (II), by
17 striking “and” at the end;
18 (bb) in subclause (III), by
19 striking the period at the end
20 and inserting “; and”; and
21 (cc) by adding at the end
22 the following:
23 “(IV) include in the report re-
24 quired under section 4301 of the
25 Food, Conservation, and Energy Act

1 of 2008 (42 U.S.C. 1758a), a descrip-
2 tion of technical assistance provided
3 to and progress of States identified
4 under subclause (I) toward imple-
5 menting the measures and meeting
6 the goals established by the State as
7 required under clause (iii)(II).”; and
8 (III) in clause (iii)(II)(bb), by in-
9 serting “within 3 school years” after
10 “those measures”;
11 (D) in paragraph (15)—
12 (i) in subparagraph (B)(i), by striking
13 “section 9(b)(1)(A) of this Act” and in-
14 serting “paragraph (1)(A)”; and
15 (ii) in subparagraphs (C)(ii) and (D),
16 by striking “paragraph (4)(G)” both places
17 it appears and inserting “paragraph
18 (4)(F)”;
19 (4) in subsection (f)—
20 (A) in paragraph (1)—
21 (i) in subparagraph (A), by striking
22 “and” at the end;
23 (ii) in subparagraph (B), by striking
24 the period at the end and inserting “;
25 and”; and

1 (iii) by adding at the end the fol-
2 lowing:

3 “(C) meet minimum nutritional require-
4 ments prescribed by the Secretary on the basis
5 of tested nutritional research specifically con-
6 ducted to understand the impact for children,
7 except that the minimum nutritional require-
8 ments—

9 “(i) may not prohibit the substitution
10 of foods to accommodate the medical, in-
11 cluding allergies, or other special dietary
12 needs of individual students, including reli-
13 gious dietary restrictions; and

14 “(ii) shall, as possible in accommo-
15 dating the medical or other special dietary
16 needs of such students, be based on the
17 weekly average of the nutrient content of
18 school lunches.”;

19 (B) in paragraph (3)(A)(ii), by striking
20 “paragraph (3)” and inserting “paragraph
21 (2)”;

22 (C) by striking paragraph (4) and insert-
23 ing the following:

24 “(4) REGULATIONS, REVIEW, AND RELIEF.—

1 “(A) REVIEW REGULATIONS.—The Sec-
2 retary shall, at least every 3 years, review the
3 regulations promulgated in accordance with this
4 Act for the school meal programs described in
5 paragraph (1) (in this paragraph referred to as
6 the ‘school meal programs’), and with consulta-
7 tion from stakeholders in schools, including
8 school leaders, school boards, local educational
9 agency administrators, and school food nutri-
10 tion directors—

11 “(i) certify the regulations are—

12 “(I) appropriate for the age of
13 children participating in the school
14 meal programs, including for the
15 health of children;

16 “(II) in compliance with the pre-
17 ponderance of the latest high-quality
18 research based on school-aged children
19 conducted to examine the health and
20 safety of children participating in the
21 school meal programs;

22 “(III) not increasing the cost to
23 implement the requirements of the
24 school meal programs; and

1 “(IV) not leading students not to
2 participate in the school meal pro-
3 grams;

4 “(ii) revise the regulations as nec-
5 essary to be able to meet the requirements
6 of clause (i); and

7 “(iii) publish in the Federal Register,
8 and submit to the Committee on Education
9 and the Workforce of the House of Rep-
10 resentatives and the Committee on Agri-
11 culture of the Senate, the certification
12 under clause (i).

13 “(B) FIRST REVIEW.—The review required
14 under subparagraph (A) shall—

15 “(i) be concluded not later than Sep-
16 tember 30, 2016;

17 “(ii) include a review of the sodium
18 and whole grain requirements under the
19 regulations for the school meal programs;
20 and

21 “(iii) ensure such requirements—

22 “(I) allow for cultural foods to be
23 served under the school meal pro-
24 grams;

1 “(II) prevent the sodium require-
2 ments under the regulations for the
3 school meal programs from moving
4 beyond the Tier I requirement estab-
5 lished in such regulations (as in effect
6 on the day before the date of the en-
7 actment of the _____ Act of
8 2016) until the new sodium target (as
9 determined in accordance with sub-
10 clause (III)); and

11 “(III) have a sodium target
12 that—

13 “(aa) is based on health re-
14 quirements for children;

15 “(bb) backed by a majority
16 of research focused on school-
17 aged kids that directly estab-
18 lishes, through well-controlled
19 randomized trials or well-de-
20 signed, long-term observational
21 studies, that sodium reductions
22 are both safe and produce bene-
23 ficial health outcomes for such
24 children; and

1 “(cc) does not take effect
2 until 3 years after any proposed
3 change made as a result of the
4 review under subparagraph (A)
5 has been published.

6 “(C) SPECIAL RULE FOR REGULATION RE-
7 LIEF FOR FAMILY MEAL DAY.—The Secretary
8 shall issue guidance, or promulgate new rules
9 as necessary, to ensure each State agency pro-
10 vides guidance to school food authorities on al-
11 lowing family meal days which shall allow an
12 exception to exempt up to four special days, as
13 designated by the school, from the meal pattern
14 rules specified under the regulations for the
15 school meal programs to allow a school to—

16 “(i) invite parents to participate in
17 special meals, such as a Thanksgiving meal
18 or a parents’ day meal; and

19 “(ii) provide additional nutrition edu-
20 cation, such as recipe building or healthy
21 cooking classes to parents and families on
22 making healthy meal options at home.”;

23 (5) by striking subsections (g) and (k);

1 (6) by redesignating subsections (h), (i), (j),
2 and (l) as subsections (g), (h), (i), and (j), respec-
3 tively; and

4 (7) in subsection (g) (as so redesignated), by
5 striking “2011 through 2015” each place it appears
6 in paragraphs (3) and (4) and inserting “2017
7 through 2021”.

8 **SEC. 105. MISCELLANEOUS PROVISIONS.**

9 (a) UNIVERSAL MEAL SERVICE IN HIGH POVERTY
10 AREAS THRESHOLD.—Section 11(a)(1)(F) of the Richard
11 B. Russell National School Lunch Act (42 U.S.C.
12 17659a(a)(1)(F)) is amended—

13 (1) in clause (ii), by inserting “including a sub-
14 set of schools within the local educational agency if
15 the average percentage of identified students is
16 above the threshold in clause (viii)” after “on behalf
17 of certain schools”;

18 (2) in clause (vi), by inserting “(except in the
19 case of a nonpublic school that has requested infor-
20 mation for the sole purpose of verifying eligibility of
21 students for free or reduced price lunch)” after this
22 “subparagraph”¹

23 (3) by striking clause (viii) and inserting the
24 following:

25 “(viii) THRESHOLD.—

1 “(I) IN GENERAL.—For each school year
2 beginning on or after July 1, 2017, the Sec-
3 retary may use a threshold that shall not be
4 less than 60 percent.

5 “(II) PHASE-IN.—In the case of a school
6 that received special assistance payments under
7 this subparagraph during the school year imme-
8 diately prior to the school year during which
9 the _____ Act of 2016 was enacted,
10 the Secretary shall provide the school with two
11 years to meet the threshold under subclause (I).

12 “(III) TECHNICAL ASSISTANCE.—During
13 the phase-in under subclause (II), the Secretary
14 shall provide technical assistance to ensure
15 school food authorities making an election
16 under clause (ii)(II) are able to effectively and
17 efficiently transition from receiving payments
18 under this subparagraph to receiving special as-
19 sistance payments otherwise made available
20 under this paragraph, including communicating
21 the application process to families in a timely
22 manner to ensure continuity of services for eli-
23 gible families.”; and
24 (4) in clause (xi)—

1 (A) in subclause (II), by striking “Not
2 later than December 31, 2013” and inserting
3 “Not later than one year after the date of en-
4 actment of the _____ Act of 2016”; and

5 (B) in subclause (III), by striking “If the
6 Secretary uses the authority provided in clause
7 (vii)(II)(bb) to use a different multiplier for dif-
8 ferent schools or local educational agencies, for
9 each school year beginning on or after July 1,
10 2014, not later than April 1, 2014” and insert-
11 ing “If the Secretary uses the authority pro-
12 vided in clause (vii), for each school year begin-
13 ning on or after July 1, 2017, not less than one
14 year prior to the Secretary electing to use such
15 authority,”

16 (b) **PROCUREMENT TRAINING.**—Section 12(m)(4) of
17 the Richard B. Russell National School Lunch Act (42
18 U.S.C. 1760) is amended by striking “2015” and insert-
19 ing “2021”.

20 (c) **PRICE FOR A PAID LUNCH.**—Section 12 of the
21 Richard B. Russell National School Lunch Act (42 U.S.C.
22 1760) is amended—

23 (1) in subsection (d), by amending paragraph
24 (9) to read as follows:

1 “(9) AUTHORIZED STATE AGENCY.—The term
2 ‘authorized State agency’ means—

3 “(A) the chief State school officer (such as
4 the State superintendent of public instruction,
5 commissioner of education, or similar officer);

6 “(B) a board of education controlling the
7 State department of education;

8 “(C) the State Commissioner or individual
9 who administers agricultural programs in the
10 State; or

11 “(D) a State official the State legislature
12 designates to administer the programs under
13 this Act.”; and

14 (2) by striking subsection (p) and redesignating
15 subsections (q) and (r) as subsections (p) and (q),
16 respectively.

17 **SEC. 106. SUMMER FOOD SERVICE PROGRAM FOR CHIL-**
18 **DREN.**

19 Section 13 of the Richard B. Russell National School
20 Lunch Act (42 U.S.C. 1761) is amended—

21 (1) in subsection (a)—

22 (A) in paragraph (4), by adding at the end
23 the following:

24 “(C) EDUCATIONAL AND ENRICHMENT AC-
25 TIVITIES.—In determining participation under

1 subparagraph (A), the State shall prioritize ap-
2 plications that include an educational or enrich-
3 ment activity, or demonstrate a partnership
4 with an entity providing such activity.”;

5 (B) by amending paragraph (8) to read as
6 follows:

7 “(8) STREAMLINING.—

8 “(A) SEAMLESS SUMMER.—Except as oth-
9 erwise determined by the Secretary, a service
10 institution that is a public or private nonprofit
11 school food authority may provide summer or
12 school vacation food service in accordance with
13 applicable provisions of law governing the
14 school lunch program established under this Act
15 or the school breakfast program established
16 under the Child Nutrition Act of 1966 (42
17 U.S.C. 1771 et seq.).

18 “(B) SUMMER AND CACFP AT-RISK TRAN-
19 SITION OPTION.—

20 “(i) IN GENERAL.—Notwithstanding
21 subsections (b)(2) and (c)(1), a State may
22 elect to streamline and simplify program
23 operations for service institutions described
24 in paragraphs (6) or (7) and that are eligi-
25 ble to participate in the program serving

1 at-risk children under section 17(r), other
2 than a public school, by providing reim-
3 bursement for—

4 “(I) up to 2 meals served to at-
5 risk children—

6 “(aa) during each day of op-
7 eration during the months of
8 May through September; and

9 “(bb) in the case of a service
10 institution that provides meal
11 service to such children who are
12 not in school for a period during
13 the school year due to a natural
14 disaster, building repair, court
15 order, or similar cause, at any
16 time during such period in that
17 school year; and

18 “(II) up to 1 meal and 1 supple-
19 ment served to children during each
20 day of operation outside of school
21 hours during the regular school cal-
22 endar, including after school, week-
23 ends, and school holidays.

24 “(ii) REIMBURSEMENT.—The State
25 shall reimburse service institutions seeking

1 reimbursement under this subparagraph at
2 a rate that is consistent with section
3 17(r)(4)(B).

4 “(iii) TECHNICAL ASSISTANCE.—

5 “(I) IN GENERAL.—Not later
6 than December 31, 2016, the Sec-
7 retary shall develop guidance and pro-
8 vide technical assistance for States
9 and eligible providers to assist in the
10 implementation of this subparagraph,
11 including by identifying areas of pro-
12 grammatic overlap in the program
13 under this section and the child and
14 adult care food program under section
15 17 so that States may simplify the ad-
16 ministration of each such program.

17 “(II) GUIDANCE.—Such guidance
18 shall include information on possible
19 ways States may ensure participation
20 under this subparagraph will lead to
21 reduced paperwork and other adminis-
22 trative burdens, including rec-
23 ommendations for streamlined pro-
24 gram applications, reporting require-
25 ments, inspections, and other areas of

1 potential duplication, while retaining
2 appropriate measures of program in-
3 tegrity.

4 “(iv) SUCCESSFUL IMPLEMENTA-
5 TION.—

6 “(I) IN GENERAL.—The Sec-
7 retary may allow not more than 5
8 States with demonstrated administra-
9 tive capacity to effectively implement
10 this subparagraph, to implement this
11 subparagraph beginning in May 2017.
12 As a condition of such implementa-
13 tion, such States shall, not later than
14 December 31, 2017, provide informa-
15 tion to the Secretary regarding best
16 practices for successful implementa-
17 tion, with a focus on how institutions
18 participating in the program serving
19 at-risk children under section 17(r)
20 will transition to operating year
21 round. Not later than March 31,
22 2018, the Secretary shall update the
23 information provided under clause (iii)
24 to reflect the information received in
25 accordance with this subclause to en-

1 sure dissemination of best practices
2 for a successful implementation of
3 this subparagraph.

4 “(II) ADDITIONAL BEST PRAC-
5 TICES.—If the Secretary determines
6 additional best practices could be pro-
7 vided, the Secretary may allow an ad-
8 ditional 5 States to implement this
9 subparagraph beginning in October
10 2018. As a condition of such imple-
11 mentation, such States shall, not later
12 than May 30, 2019, provide informa-
13 tion to the Secretary regarding best
14 practices for successful implementa-
15 tion, with great focus on summer pro-
16 viders transitioning to year-round
17 service. Not later than September 30,
18 2019, the Secretary shall update the
19 information provided under clause
20 (iii).

21 “(III) ADDITIONAL STATES.—
22 The Secretary may allow additional
23 States to implement this subpara-
24 graph beginning in May 2020. As a
25 condition of such implementation,

1 such States shall provide information
2 to the Secretary regarding best prac-
3 tices of implementation in such time
4 and in such manner as the Secretary
5 may reasonably require. The Sec-
6 retary shall continue to periodically
7 update the information provided
8 under clause (iii) for continued suc-
9 cessful implementation of this sub-
10 paragraph.”;

11 (C) by striking paragraphs (9) and (12);

12 and

13 (D) by redesignating paragraphs (10) and
14 (11) as paragraphs (9) and (10), respectively;

15 and

16 (E) by adding at the end the following:

17 “(11) TEMPORARY ALLOWANCE FOR OFF-SITE
18 CONSUMPTION.—

19 “(A) IN GENERAL.—Beginning in May
20 2017, the Secretary shall grant requests made
21 by a State to allow children who are partici-
22 pating in the program but who are not provided
23 the option under paragraph (12), to consume
24 meals away from a congregate site when the

1 program is available to such children at a con-
2 gregate feeding site but—

3 “(i) the site is closed due to extreme
4 weather conditions;

5 “(ii) violence or other public safety
6 concerns in the area temporarily prevent
7 children from traveling safely to the site;
8 or

9 “(iii) other emergency circumstances,
10 as defined by the Secretary or State, pre-
11 vent access to the site.

12 “(B) LIMITATIONS.—In granting a request
13 under subparagraph (A), the Secretary shall en-
14 sure that—

15 “(i) allowances are issued by a State
16 only between the months of May through
17 September;

18 “(ii) allowances are granted in the
19 most efficient and effective manner to en-
20 sure programs and States can quickly re-
21 spond and adapt to the circumstances de-
22 scribed in clauses (i) through (iii) of sub-
23 paragraph (A); and

24 “(iii) once an allowance is issued, any
25 meal in which a component is offered but

1 not served is not reimbursed under sub-
2 section (b).

3 “(C) ADMINISTRATION.—

4 “(i) STATE PLAN.—As part of the
5 management and administration plan de-
6 scribed in subsection (n), States shall de-
7 scribe—

8 “(I) the approval process, includ-
9 ing the timeline, the State would un-
10 dertake to issue an allowance;

11 “(II) standards for what cir-
12 cumstances merit an allowance, how
13 long an allowance will last, and when
14 an allowance may be extended; and

15 “(III) how the program would
16 operate once an allowance is issued.

17 “(ii) REGULATIONS.—By December
18 31, 2016, the Secretary shall promulgate
19 regulations, with an opportunity for notice
20 and comment, for implementation of this
21 paragraph, ensuring the process will allow
22 States to easily and quickly respond to the
23 circumstances of their request.

24 “(12) OFF-SITE CONSUMPTION.—

1 “(A) IN GENERAL.—Beginning in May of
2 2017, a State may elect for service institutions
3 in the State to provide summer food service
4 program meals to children eligible to participate
5 in the program that such children may consume
6 away from a congregate feeding site.

7 “(B) AVAILABILITY.—The option described
8 in subparagraph (A) shall be available to chil-
9 dren only when the child being served lives in
10 an area that is eligible to participate in the
11 summer food service program but not currently
12 being served, and—

13 “(i) rural, as defined by the State; or

14 “(ii) not rural, and where more than
15 80 percent of students are certified as eli-
16 gible for free or reduced price meals.

17 “(C) ADMINISTRATION.—

18 “(i) IN GENERAL.—In administering
19 the option described in this paragraph, the
20 Secretary shall—

21 “(I) ensure that—

22 “(aa) the number of meals
23 served to each child in a single
24 meal service is limited to 2
25 meals, and the number of meals

1 in a seven-day period is limited
2 to 10 meals;

3 “(bb) any meal served meets
4 the same standards for nutrition,
5 safety, and quality as a meal
6 served at a congregate feeding
7 site;

8 “(cc) any meal in which a
9 component is offered but not
10 served is not reimbursed under
11 subsection (b);

12 “(dd) each State gives pri-
13 ority to children who are living
14 where congregate feeding sites
15 are not accessible; and

16 “(ee) nothing in this section
17 or in any regulations prescribed
18 to carry out this section shall be
19 construed to allow congregate
20 feeding sites to cease from oper-
21 ating or to be replaced by off-site
22 consumption options under this
23 paragraph; and

24 “(II) prohibit States from—

1 “(aa) operating an off-site
2 consumption option simulta-
3 neously in the same service area
4 with a congregate feeding site;

5 “(bb) using more than 10
6 percent of funds received for ad-
7 ministrative expenses; and

8 “(cc) implementing an off-
9 site consumption option in all
10 service areas in a State.

11 “(ii) STATE PLAN.—Each State
12 choosing to provide summer food service
13 program meals through an off-site con-
14 sumption option under this paragraph
15 shall describe how the State plans to im-
16 plement the option in the management and
17 administration plan in subsection (n).

18 “(iii) REGULATIONS.—Not later than
19 December 31, 2016, the Secretary shall
20 promulgate regulations, with an oppor-
21 tunity for notice and comment, or guidance
22 if appropriate, for implementation of the
23 option described in this paragraph. Such
24 regulations or guidance shall include rec-
25 ommendations for States to—

1 “(I) document operation and im-
2 plementation of an off-site consump-
3 tion option in the State management
4 and administration plan under sub-
5 section (n);

6 “(II) determine the method for
7 selecting eligible areas and eligible
8 service institutions to most effectively
9 deliver summer food service program
10 meals in the manner described in this
11 paragraph;

12 “(III) design mechanisms by
13 which households with children eligible
14 to participate in the program could in-
15 dicate need for meal service through
16 off-site consumption;

17 “(IV) develop an appropriate
18 maintenance of effort requirement for
19 service institutions currently operating
20 feeding sites;

21 “(V) develop requirements for
22 implementing safety and security
23 measures to ensure that safety and
24 security through an off-site consump-

1 tion option is equivalent to such meas-
2 ures at a congregate feeding site; and
3 “**(VI)** periodically reevaluate the
4 potential for children to be served at
5 a congregate site.”;

6 **(2)** in subsection **(k)(3)**—

7 **(A)** by striking “**(3)** To provide” and in-
8 serting the following:

9 “**(3)** **NUTRITIONAL AND FOOD QUALITY MONI-**
10 **TORING.**—

11 “**(A)** **IN GENERAL.**—To provide”; and

12 **(B)** by adding at the end the following:

13 “**(B)** **INSUFFICIENT FUNDS.**—

14 “**(i)** **IN GENERAL.**—If funds provided
15 under subparagraph **(A)** are insufficient to
16 pay for State or local health department
17 inspections, and to reinspect facilities and
18 deliveries to test meal quality, as required
19 under this Act or the Childhood Nutrition
20 Act of 1966, State agencies may use funds
21 described in paragraph **(1)** for those activi-
22 ties.

23 “**(ii)** **LIMITATION.**—Funds described
24 in clause **(i)** shall not exceed the lesser
25 of—

1 “(I) actual costs; or

2 “(II) 1 percent of program
3 funds.”;

4 (3) by amending subsection (n) to read as fol-
5 lows:

6 “(n) Each State desiring to participate in the pro-
7 gram shall notify the Secretary by January 1 of each year
8 of its intent to administer the program and shall submit
9 for approval by February 15 a management and adminis-
10 tration plan for the program for the fiscal year, which
11 shall include, at a minimum—

12 “(1) the State’s administrative budget for the
13 fiscal year; and

14 “(2) the State’s plans for—

15 “(A) use of program funds and additional
16 State or private funds to reach children with
17 the greatest need, to the maximum extent prac-
18 ticable;

19 “(B) strengthening the congregate feeding
20 model for program delivery, including a process
21 for identifying gaps in service and barriers to
22 access;

23 “(C) administrative and fiscal plans for
24 using the allowance described in subsection
25 (a)(11) and, if applicable, the option described

1 in subsection (a)(12) to assist service institu-
2 tions in reaching children with the greatest
3 need;

4 “(D) providing technical assistance and
5 training for eligible service institutions;

6 “(E) monitoring and inspecting service in-
7 stitutions, feeding sites, and food service man-
8 agement companies and ensuring that such
9 companies do not enter into contracts for more
10 meals than they can provide effectively and effi-
11 ciently, and in compliance with the program;

12 “(F) timely and effective action against
13 program violators;

14 “(G) ensuring fiscal integrity by auditing
15 service institutions not subject to auditing re-
16 quirements prescribed by the Secretary; and

17 “(H) complying with any standards pre-
18 scribed by the Secretary under subsection (k).”;

19 and

20 (4) in subsection (r), by striking “2015” and
21 inserting “2021”.

22 **SEC. 107. COMMODITY DISTRIBUTION PROGRAM.**

23 Section 14 of the Richard B. Russell National School
24 Lunch Act (42 U.S.C. 1762a) is amended—

25 (1) in subsection (f), in the third sentence—

1 (A) by striking “section 9(a) of this Act”
2 and inserting “section 9(f)”; and

3 (B) by striking “represent the four basic
4 food groups, including” and inserting “in-
5 clude”; and

6 (2) by striking subsection (h).

7 **SEC. 108. CHILD AND ADULT CARE FOOD PROGRAM.**

8 (a) IN GENERAL.—Section 17 of the Richard B. Rus-
9 sell National School Lunch Act (42 U.S.C. 1766) is
10 amended—

11 (1) in subsection (a)—

12 (A) in paragraph (2)—

13 (i) in subparagraph (B), in the matter
14 preceding clause (i), by striking “if” and
15 inserting “if, during the month preceding
16 the date of submission of the applicable
17 initial application or reapplication”;

18 (ii) in subparagraph (E), by striking
19 “and” at the end;

20 (iii) in subparagraph (F), by striking
21 the period at the end and inserting a semi-
22 colon; and

23 (iv) by adding at the end the fol-
24 lowing:

1 “(G) any public or licensed nonprofit pri-
2 vate residential child care institution (as de-
3 fined in subsection (v)(1)) that is not receiving
4 reimbursement under the school lunch program
5 under this Act or the school breakfast program
6 under the Child Nutrition Act of 1966 (42
7 U.S.C. 1771 et seq.); and

8 “(H) any boarding school funded by the
9 Bureau of Indian Education under such school
10 lunch or school breakfast program.”; and

11 (B) by adding at the end the following:

12 “(7) DURATION OF DETERMINATION.—With re-
13 spect to an institution described in paragraph
14 (2)(B), an eligibility determination under this sub-
15 section shall remain in effect for a period of 4
16 months after the date such institution is approved
17 by the State under subsection (d). Upon any
18 changes that would change eligibility status of an in-
19 stitution, the institution shall report such changes to
20 the State agency responsible for approval under sub-
21 section (d) for such agency to redetermine eligibility
22 under this section.”;

23 (2) in subsection (b), by striking “For the fiscal
24 year ending September 30, 1979, and for each sub-
25 sequent fiscal year, the” and inserting “The”;

1 (3) in subsection (d)—

2 (A) in paragraph (4)—

3 (i) by striking “In consultation” and

4 inserting the following:

5 “(A) IN GENERAL.—In consultation”; and

6 (ii) by adding at the end the fol-

7 lowing:

8 “(B) REPORTS.—Each sponsoring organi-

9 zation shall submit to the applicable State

10 agency a report, not less frequently than annu-

11 ally, that describes, with respect to the pre-

12 ceding calendar year—

13 “(i) the expenditures of program

14 funds by the sponsoring organization; and

15 “(ii) the amount of meal reimburse-

16 ments retained by the sponsoring organiza-

17 tion for administrative costs, if applica-

18 ble.”; and

19 (B) in paragraph (5), by adding at the end

20 the following:

21 “(F) SERIOUS DEFICIENCY PROCESS.—

22 “(i) IN GENERAL.—Not later than 1

23 year after the date of the enactment of the

24 _____ Act of 2016, the Secretary

1 shall review the serious deficiency process
2 for the program under this section.

3 “(ii) REVIEW.—In carrying out clause
4 (i), the Secretary shall review the processes
5 for, and those involved in—

6 “(I) a finding of serious defi-
7 ciency, including—

8 “(aa) what measures auto-
9 matically result in a finding of
10 serious deficiency; and

11 “(bb) how differentiation is
12 being made between—

13 “(AA) a reasonable
14 margin of human error and
15 systematic or intentional
16 noncompliance; and

17 “(BB) State-specific re-
18 quirements and Federal law
19 and regulations, if applica-
20 ble;

21 “(II) appeals and mediation in
22 any case in which there is a finding of
23 serious deficiency;

1 “(III) determining the cir-
2 cumstances under which a corrective
3 action plan is acceptable;

4 “(IV) information sharing be-
5 tween Departments of Agriculture and
6 Health and Human Services; and

7 “(V) termination and disquali-
8 fication, including maintenance of the
9 list under subparagraph (E).

10 “(iii) GUIDANCE AND REGULA-
11 TIONS.—

12 “(I) IN GENERAL.—After con-
13 ducting the review under this sub-
14 paragraph, the Secretary shall con-
15 clude findings from the information
16 collected and issue guidance, and, as
17 appropriate, regulations, from such
18 findings that will assist sponsoring or-
19 ganizations, State agencies, and the
20 Food and Nutrition Service in ensur-
21 ing a fair, uniform, and effective ad-
22 ministration of the serious deficiency
23 process, while retaining program in-
24 tegrity.

1 “(II) SCOPE.—Such guidance
2 shall include—

3 “(aa) clarity on the different
4 measures for noncompliance;

5 “(bb) parameters for an ap-
6 peals process to review a finding
7 of serious deficiency or a deter-
8 mination that a corrective action
9 plan is inadequate; and

10 “(cc) adequate timeframes
11 under a corrective action plan for
12 compliance that are consistent
13 for all types of institutions par-
14 ticipating in the program, includ-
15 ing family or group day care
16 homes.

17 “(III) INFORMATION SHARING.—
18 Within such regulation, and as soon
19 as practicable, the Secretary shall en-
20 sure information about findings are
21 shared with the Secretary of Health
22 and Human Services as to allow for
23 maximum health, safety, oversight,
24 and monitoring of child care facili-
25 ties.”;

1 (4) in subsection (f)—

2 (A) in paragraph (2)(C), by adding at the
3 end the following:

4 “(iii) CARRYOVER FUNDS.—Not more
5 than 10 percent of the amount reserved by
6 sponsoring organizations under clause (i)
7 for administrative expenses for a fiscal
8 year may remain available for obligation or
9 expenditure in the succeeding fiscal year
10 for administrative purposes.”; and

11 (B) in paragraph (3)—

12 (i) by striking subparagraph (C); and

13 (ii) by redesignating subparagraphs

14 (D) and (E) as subparagraphs (C) and

15 (D), respectively;

16 (5) in subsection (g), by striking paragraph (6)

17 and inserting the following:

18 “(6) USE OF DONATED FOODS.—To the max-
19 imum extent practicable, each institution shall use in
20 its food service foods that are donated by the Sec-
21 retary.”;

22 (6) in subsection (h)(1), by adding at the end
23 the following:

24 “(E) ENGAGEMENT WITH STATE AND
25 LOCAL AGENCIES.—

1 “(i) IN GENERAL.—Subject to clause
2 (ii), the Secretary, as practicable, shall en-
3 courage institutions participating in the
4 program under this section to engage with
5 authorized State agencies and local edu-
6 cational agencies to use existing infrastruc-
7 ture to enhance the use of, and increase
8 access to, donated commodities.

9 “(ii) EFFECT OF SUBPARAGRAPH.—
10 Nothing in this subparagraph shall compel
11 a local educational agency unwillingly to
12 serve any institution participating in the
13 program under this section.”;

14 (7) in paragraph (2) of subsection (i)—

15 (A) by striking subparagraph (B); and

16 (B) by striking the paragraph designation
17 and heading and all that follows through “The
18 Secretary” in subparagraph (A) and inserting
19 the following:

20 “(2) FUNDING.—The Secretary”;

21 (8) in subsection (r), by striking paragraph (6)
22 and inserting the following:

23 “(6) HANDBOOK.—For each calendar year, the
24 Secretary shall—

1 “(A) review guidelines for afterschool
2 meals for at-risk school children; and

3 “(B) publish a revised handbook reflecting
4 those guidelines and any changes.”;

5 (9) in subsection (s)(2)—

6 (A) in the matter preceding subparagraph
7 (A), by striking “participating family and”; and

8 (B) in subparagraph (C), by striking “par-
9 ents of enrolled children at enrollment” and in-
10 sserting “parents or legal guardians of enrolled
11 children in an easily accessible manner”;

12 (10) in subsection (u)(3)—

13 (A) in subparagraph (C)(i), by inserting
14 “for distribution to participants and families of
15 participants” after “nutrition education”; and

16 (B) in subparagraph (H), by adding at the
17 end the following:

18 “(iii) SUNSET.—The Secretary shall
19 return to the general fund of the Treasury
20 any funds that were—

21 “(I) made available under this
22 subparagraph; and

23 “(II) not obligated as of the date
24 of the enactment of this clause.”; and

25 (11) by adding at the end the following:

1 “(v) PARTICIPATION BY RESIDENTIAL CHILD CARE
2 INSTITUTIONS.—

3 “(1) DEFINITION OF RESIDENTIAL CHILD CARE
4 INSTITUTION.—In this subsection, the term ‘residen-
5 tial child care institution’ means any public or non-
6 profit private residential child care institution, or
7 distinct part of such an institution, that—

8 “(A) operates principally for the care of
9 children; and

10 “(B) if private, is licensed to provide resi-
11 dential child care services under the appropriate
12 licensing code by the State or local agency.

13 “(2) ADMINISTRATION.—Except as otherwise
14 provided in this subsection, a residential child care
15 institution shall be considered eligible for reimburse-
16 ment for meals or supplements served to eligible
17 children residing at the residential child care institu-
18 tion, so long as the institution does not simulta-
19 neously participate in the school lunch program
20 under this Act or the school breakfast program
21 under the Child Nutrition Act of 1966 (42 U.S.C.
22 1771 et seq.).

23 “(3) MEAL OR SUPPLEMENT REIMBURSE-
24 MENT.—

1 “(A) LIMITATIONS.—A residential child
2 care institution may claim reimbursement under
3 this section—

4 “(i) only for a meal or supplement
5 served to children residing at the residen-
6 tial child care institution, that are—

7 “(I) not more than 12 years of
8 age; or

9 “(II) children with disabilities;
10 and

11 “(ii) for not more than—

12 “(I) 1 breakfast, 1 lunch, and 1
13 supplement per child per day; or

14 “(II) 1 breakfast, 1 supper, and
15 1 supplement per child per day.

16 “(B) RATE.—A meal or supplement eligi-
17 ble for reimbursement under this subsection
18 shall be reimbursed at the rate at which free,
19 reduced price, and paid meals and supplements,
20 respectively, are reimbursed under subsection
21 (c).”.

22 (b) ADVISORY COMMITTEE.—

23 (1) IN GENERAL.—Not later than 180 days
24 after the date of the enactment of this Act, the Sec-

1 retary shall establish and convene an advisory com-
2 mittee—

3 (A) to examine the feasibility of reducing
4 unnecessary or duplicative paperwork resulting
5 from regulations and recordkeeping require-
6 ments, including paperwork resulting from ad-
7 ditional State requirements, for individuals and
8 entities participating or seeking to participate
9 in the child and adult care food program under
10 section 17 of the Richard B. Russell National
11 School Lunch Act (42 U.S.C. 1766) (as amend-
12 ed by subsection (a)), including (within the
13 meaning of that Act (42 U.S.C. 1751 et
14 seq.))—

- 15 (i) State agencies;
16 (ii) family child care homes;
17 (iii) child care centers;
18 (iv) sponsoring organizations; and
19 (v) families.

20 (B) to provide recommendations to reduce
21 unnecessary or duplicative paperwork for those
22 program participants while ensuring that prop-
23 er accountability and program integrity are
24 maintained.

1 (2) REPRESENTATION.—The advisory com-
2 mittee under this subsection shall include 1 rep-
3 resentative from each of the following (within the
4 meaning of the Richard B. Russell National School
5 Lunch Act (42 U.S.C. 1751 et seq.), as applicable):

6 (A) Public and private nonprofit organiza-
7 tions.

8 (B) Home-based day care providers.

9 (C) Head Start centers.

10 (D) For-profit proprietary organizations.

11 (E) Shelters for homeless families.

12 (F) Adult day care centers.

13 (G) State agencies.

14 (H) Sponsor organizations that provide ad-
15 ministrative support to multiple providers.

16 (3) CONSIDERATIONS.—In developing the rec-
17 ommendations under this subsection, the advisory
18 committee shall take into consideration, as appro-
19 priate—

20 (A) any existing information, recommenda-
21 tions, and reports from the paperwork reduction
22 work group convened by the Food and Nutri-
23 tion Service in response to section 119(i) of the
24 Child Nutrition and WIC Reauthorization Act

1 of 2004 (42 U.S.C. 1766 note; 118 Stat. 755);
2 and

3 (B) the use of technology for electronic
4 recordkeeping to reduce paperwork burden on
5 program participants and providers.

6 (4) SECRETARIAL ACTION.—

7 (A) GUIDANCE OR REGULATIONS.—

8 (i) ISSUANCE.—Not later than 1 year
9 after the date of the enactment of this Act,
10 the Secretary shall issue guidance or regu-
11 lations, as appropriate, based on the rec-
12 ommendations of the advisory committee
13 under paragraph (1) regarding streamlined
14 and consolidated paperwork and record-
15 keeping requirements, including applica-
16 tions, monitoring and auditing require-
17 ments, and any other areas recommended
18 by the advisory committee intended to re-
19 duce administrative burden.

20 (ii) IMPLEMENTATION.—Not later
21 than 18 months after the date of the en-
22 actment of this Act, the Secretary shall im-
23 plement any changes resulting from the
24 guidance or regulations described in clause
25 (i).

1 (B) REPORT.—After issuing any guidance
2 or regulations under subparagraph (A), the
3 Secretary shall submit to the Committee on Ag-
4 riculture, Nutrition, and Forestry of the Senate
5 and the Committee on Education and the
6 Workforce of the House of Representatives a
7 report describing any recommendations for leg-
8 islative changes to further strengthen and
9 streamline the application and monitoring proc-
10 ess and reduce administrative burden on grant-
11 ees, participants, local and State governments,
12 and the Federal Government.

13 **SEC. 109. DEMONSTRATION PROJECTS.**

14 (a) AMENDMENTS TO SECTION 18 OF NSLA.—Sec-
15 tion 18 of the Richard B. Russell National School Lunch
16 Act (42 U.S.C. 1769) is amended—

17 (1) by striking subsections (d) through (h), (j),
18 and (k);

19 (2) by redesignating subsection (i) as subsection
20 (g);

21 (3) in subsection (g)(5), as so redesignated, by
22 striking “2011through 2015” and inserting “2017
23 through 2021”; and

24 (4) by inserting after subsection (c) the fol-
25 lowing:

1 “(d) ACCESS TO LOCAL FOODS: FARM TO SCHOOL
2 PROGRAM.—

3 “(1) PROGRAM.—The Secretary shall carry out
4 a program to assist eligible schools, State and local
5 agencies, Indian tribal organizations, agricultural
6 producers or groups of agricultural producers, and
7 nonprofit entities through grants, technical assist-
8 ance, and research to implement farm to school pro-
9 grams that improve access to local foods and im-
10 prove nutrition education in eligible schools.

11 “(2) DEFINITIONS.—In this subsection:

12 “(A) AGRICULTURAL PRODUCER.—The
13 term ‘agricultural producer’ means a farmer,
14 rancher, or fisher (including of farm-raised
15 fish).

16 “(B) ELIGIBLE SCHOOL.—The term ‘eligi-
17 ble school’ means a school or institution that
18 participates in—

19 “(i) a program under this Act, includ-
20 ing the summer food service program for
21 children under section 13 and the early
22 care and afterschool portions of the child
23 and adult care food program under section
24 17; or

1 “(ii) the school breakfast program es-
2 tablished under section 4 of the Child Nu-
3 trition Act of 1966 (42 U.S.C. 1773).

4 “(3) GRANTS.—

5 “(A) IN GENERAL.—The Secretary shall
6 award competitive grants under this subsection
7 to be used for implementing nutrition education
8 programs, including farm to school programs,
9 through—

10 “(i) research, training, and technical
11 assistance;

12 “(ii) supporting operations;

13 “(iii) planning;

14 “(iv) purchasing equipment;

15 “(v) developing school gardens; and

16 “(vi) developing partnerships to facili-
17 tate nutrition education and healthy eat-
18 ing.

19 “(B) REGIONAL BALANCE.—In making
20 awards under this subsection, the Secretary
21 shall, to the maximum extent practicable, en-
22 sure—

23 “(i) geographical diversity; and

24 “(ii) equitable treatment of urban,
25 rural, and tribal communities.

1 “(C) IMPROVED PROCUREMENT AND DIS-
2 TRIBUTION.—In awarding grants under this
3 subsection, the Secretary may seek to improve
4 local food procurement and distribution options
5 between agricultural producers and eligible
6 schools by funding projects that include innova-
7 tive approaches to aggregation, processing,
8 transportation, and distribution.

9 “(D) AWARDS.—

10 “(i) MAXIMUM AMOUNT.—The total
11 amount provided to a grant recipient under
12 this subsection shall not exceed \$100,000.

13 “(ii) TERM.—The term of an award
14 shall not exceed 3 years.

15 “(iii) LIMITATION.—The Secretary
16 may not award to any entity more than 1
17 grant at any given time.

18 “(iv) PURPOSE AND SCOPE.—In car-
19 rying out this subsection, the Secretary
20 shall seek to make awards of diverse
21 amounts and duration so as to best match
22 a variety of purposes, scopes, and needs of
23 the project proposals.

24 “(E) LIMITATION.—The Secretary may
25 not award a grant under this subsection if the

1 majority of grant funds would be used solely for
2 the purpose of carrying out a conference.

3 “(4) FEDERAL SHARE.—

4 “(A) IN GENERAL.—The Federal share of
5 costs for a project funded through a grant
6 awarded under this subsection shall not exceed
7 75 percent of the total cost of the project.

8 “(B) FEDERAL MATCHING.—As a condi-
9 tion of receiving a grant under this subsection,
10 a grant recipient shall provide matching sup-
11 port in the form of cash or in-kind contribu-
12 tions, including facilities, equipment, or services
13 provided by State and local governments, non-
14 profit organizations, and private sources.

15 “(5) CRITERIA FOR SELECTION.—

16 “(A) IN GENERAL.—To the maximum ex-
17 tent practicable, in providing assistance under
18 this subsection, the Secretary shall give the
19 highest priority to funding projects that imple-
20 ment nutrition education, including proposals
21 to—

22 “(i) make local food products available
23 on the menu of reimbursable meals under
24 this Act at the eligible school;

1 “(ii) serve a high proportion of chil-
2 dren who are eligible for free or reduced
3 price meals;

4 “(iii) incorporate nutrition education
5 activities that encourage the participation
6 of school children in farm and garden-
7 based agricultural education activities;

8 “(iv) provide families the opportunity
9 to participate in educational programming,
10 including through materials and engage-
11 ment activities, to improve nutrition out-
12 side the school environment;

13 “(v) demonstrate collaboration be-
14 tween eligible schools, nongovernmental
15 and community-based organizations, agri-
16 cultural producer groups, and other com-
17 munity partners;

18 “(vi) demonstrate the potential for
19 long-term program sustainability; and

20 “(vii) expand the selection of local
21 commodities available for eligible schools.

22 “(B) TRIBAL COMMUNITY PROJECTS.—In
23 the case of projects serving tribal communities,
24 the Secretary shall, to the maximum extent
25 practicable, give highest priority to projects

1 that propose to use products from tribal agri-
2 cultural producers, in addition to the priorities
3 under subparagraph (A).

4 “(6) EVALUATION.—As a condition of receiving
5 a grant under this subsection, each grant recipient
6 shall agree to cooperate in an evaluation of the pro-
7 gram by the Secretary.

8 “(7) TECHNICAL ASSISTANCE AND RE-
9 SEARCH.—

10 “(A) IN GENERAL.—The Secretary shall
11 provide technical assistance, research, and in-
12 formation—

13 “(i) to facilitate the coordination and
14 sharing of information and resources that
15 may be applicable to the farm to school
16 program;

17 “(ii) to collect and share information
18 on best practices;

19 “(iii) to disseminate research and
20 data on existing farm to school programs
21 and the potential for programs to begin in
22 underserved areas; and

23 “(iv) to increase awareness of, and
24 participation in, farm to school programs
25 among agricultural and aquaculture pro-

1 ducers or agricultural producer groups, in-
2 cluding beginning, veteran, and socially
3 disadvantaged farmers and ranchers.

4 “(B) REVIEW.—Not later than 1 year
5 after the date of the enactment of the
6 _____ Act of 2016 and every 3 years
7 thereafter, the Secretary shall review and sub-
8 mit to the Committee on Agriculture and the
9 Committee on Education and the Workforce of
10 the House of Representatives and the Com-
11 mittee on Agriculture, Nutrition, and Forestry
12 of the Senate a report that describes the regu-
13 latory and other barriers related to including lo-
14 cally or regionally produced food products in
15 school food programs, including any progress
16 that has been made in identifying and elimi-
17 nating such barriers through examining—

18 “(i) barriers to the development and
19 implementation of successful farm to
20 school programs;

21 “(ii) the direct and indirect costs af-
22 fecting the production and marketing of lo-
23 cally or regionally produced agricultural
24 food products for school food programs;

1 “(iii) the costs local school food pro-
2 grams incur by acquiring such local foods
3 for school meal programs in comparison to
4 the costs for other foods in such school
5 meal programs; and

6 “(iv) local and regional market access
7 for such food products, partnerships,
8 small-scale production, and any barriers to
9 and long-term feasibility of such access.

10 “(8) FUNDING.—

11 “(A) IN GENERAL.—On October 1, 2016,
12 and each October 1 thereafter, out of any funds
13 in the Treasury not otherwise appropriated, the
14 Secretary of the Treasury shall transfer to the
15 Secretary to carry out this subsection
16 \$10,000,000, to remain available until ex-
17 pended.

18 “(B) RECEIPT AND ACCEPTANCE.—The
19 Secretary shall be entitled to receive, shall ac-
20 cept, and shall use to carry out this subsection
21 the funds transferred under subparagraph (A),
22 without further appropriation.

23 “(C) ADMINISTRATION.—Of the funds
24 made available to the Secretary under subpara-
25 graph (A), not more than 5 percent may be

1 used to pay administrative costs incurred by the
2 Secretary in carrying out this subsection and
3 evaluating the program in accordance with
4 paragraph (6).

5 “(e) SUMMER MEAL SERVICE BY LOCAL BUSI-
6 NESS.—

7 “(1) IN GENERAL.—From the funds made
8 available under the summer food service program
9 under section 13, the Secretary shall award grants
10 on a competitive basis to not more than 4 State
11 agencies to carry out a demonstration project to
12 make healthy food accessible for low-income families
13 in underserved areas during summer through sus-
14 tainable, scalable, business-driven solutions.

15 “(A) DURATION.—A grant awarded under
16 this section shall be for a period of not more
17 than 3 years.

18 “(B) PRIORITY.—In awarding grants
19 under this section, the Secretary shall give pri-
20 ority to State agencies that have met the appli-
21 cation requirements under this subsection and
22 which demonstrate a severe unmet need for
23 serving additional eligible areas in the State
24 through the summer food service program
25 under section 13.

1 “(C) LIMITATION.—Funds under this sec-
2 tion will—

3 “(i) be intended to reduce childhood
4 hunger and allow parents to better partici-
5 pate in the labor force or an education or
6 workforce development program; and

7 “(ii) not preempt or prevent operation
8 of the summer food service program as it
9 operates through requirements of section
10 13.

11 “(2) STATE APPLICATION.—A State seeking to
12 operate a demonstration award under this subsection
13 shall submit an application at such time and in such
14 manner as the Secretary may reasonably require.
15 The application shall contain—

16 “(A) State plans to implement and manage
17 the program in accordance with other applicable
18 Federal requirements under this Act;

19 “(B) a determination of the eligible areas
20 in the State in which poor economic conditions
21 exist in accordance with the program, but where
22 an eligible service institution is not currently in
23 operation, where the State may reimburse a
24 vendor;

1 “(C) identified eligible vendors which the
2 State has determined to be qualified to provide
3 meals in accordance with this section;

4 “(D) a proposed timeline for entering into
5 contracts with eligible vendors and strategies
6 for effective communication; and

7 “(E) an assurance that funds will be used
8 to provide meals to the most vulnerable, under-
9 served, and rural populations, as determined by
10 the State.

11 “(3) ELIGIBLE VENDOR.—Under this section,
12 an eligible vendor is an existing food vendor which
13 the State determines has the administrative capacity
14 and proven operating performance to provide eligible
15 meals to children in underserved areas in accordance
16 with this subsection and with the limitations and re-
17 quirements set forth in the summer food service pro-
18 gram regulations regarding management responsibil-
19 ities of sponsors and self-preparation sites, including
20 the vendor—

21 “(A) accepts final administrative and fi-
22 nancial responsibility for management of an ef-
23 fective food service, including auditing and re-
24 porting responsibilities, but will not receive ad-
25 ministrative funding from the State to do so;

1 “(B) has not been determined ineligible to
2 participate in any other program under this Act
3 or the Child Nutrition Act of 1966 by reason of
4 violation of the requirements of that program;

5 “(C) will provide adequate supervisory and
6 operational personnel for monitoring and man-
7 agement of a self-preparation site;

8 “(D) contracts directly with the State as a
9 sponsor;

10 “(E) ensures that meals are inspected peri-
11 odically as required under existing program reg-
12 ulations;

13 “(F) participates in applicable State and
14 Federal reporting and auditing requirements
15 under this Act as appropriate, including to pro-
16 vide other information determined relevant by
17 the Comptroller General in accordance with
18 paragraph (5);

19 “(G) has State or local health certification
20 for the facilities in which meals will be prepared
21 and distributed for use in the program, and en-
22 sures that State and local health and sanitation
23 requirements are met at all times; and

1 “(H) has the organizational capacity to
2 offer meals in underserved communities, includ-
3 ing preparation and delivery logistics.

4 “(4) STATE DISBURSEMENT.—A State shall re-
5 imburse an eligible vendor for meals served to eligi-
6 ble children in accordance with the summer food
7 service program under section 13 and with this sub-
8 section, as follows:

9 “(A) Reimbursements shall be available for
10 an eligible vendor operating in an eligible area
11 in which poor economic conditions exist where
12 no sponsor is currently operating.

13 “(B) To the extent practicable, a State
14 shall give priority to eligible vendors that—

15 “(i) demonstrate partnerships with
16 entities providing summer enrichment ac-
17 tivities such as schools, local government
18 agencies, and nonprofit agencies; and

19 “(ii) provide meals at a congregate
20 site, although such vendor shall not be re-
21 quired to do so.

22 “(C) A State shall follow established proce-
23 dures in entering into contracts with a vendor,
24 such as through a Request for Proposal, Invita-

1 tion for Sealed Bid, Small Purchase Procedure,
2 or other common method.

3 “(5) AUDITING.—Not later than 1 year after
4 the end of each grant period for each grant under
5 awarded under this subsection, the Comptroller Gen-
6 eral of the United States shall provide a report to
7 Congress, including information about the impacts
8 on children, families, and eligible service institutions
9 during the summer in each State receiving such
10 grant, including—

11 “(A) the impact on parents’ abilities to
12 participate in the labor force or an education or
13 workforce development program;

14 “(B) the reduction of childhood hunger
15 and food insecurity;

16 “(C) the ability for such business-driven
17 models to be sustainable and scalable, including
18 the costs associated in doing so; and

19 “(D) the extent to which such funds under
20 this section encouraged partnerships with
21 schools, local government agencies, and non-
22 profit agencies.

23 “(6) LIMITATIONS.—The following rules shall
24 apply with respect to this subsection:

1 “(A) No commodities shall be provided to
2 businesses or vendors under this subsection.

3 “(B) Vendors shall assume all administra-
4 tive costs under this subsection.

5 “(C) Meals shall be provided to children el-
6 igible for the summer food service programs
7 under section 13.

8 “(D) A vendor receiving reimbursements
9 shall not profit directly from such reimburse-
10 ments under this subsection.

11 “(f) SUMMER ELECTRONIC BENEFIT TRANSFER FOR
12 CHILDREN.—

13 “(1) PURPOSE.—The purposes of the provision
14 of electronic benefits provided through this sub-
15 section are to assess the use of alternate methods of
16 providing access to food for children during the sum-
17 mer months when school is not in regular session
18 that are intended to—

19 “(A) increase summer food service pro-
20 gram effectiveness and efficiency;

21 “(B) reduce or eliminate the food insecu-
22 rity and hunger of children; and

23 “(C) improve the nutritional status of chil-
24 dren.

25 “(2) DEMONSTRATION.—

1 “(A) ELECTION.—A State that, as of the
2 date of enactment of the _____ Act of
3 2016, is operating a summer electronic benefit
4 transfer for children demonstration may elect to
5 continue operating such demonstration in ac-
6 cordance with the requirements of this sub-
7 section as an alternative to other delivery mod-
8 els of providing meals to children during the
9 summer months when school is not in regular
10 session.

11 “(B) STATE REQUIREMENTS.—As a condi-
12 tion of participating in the demonstration under
13 this subsection, a State shall—

14 “(i) be in full compliance with the
15 electronic benefit transfer systems require-
16 ments of section 17(g)(12) of the Child
17 Nutrition Act of 1966 (42 U.S.C.
18 1786(g)(12));

19 “(ii) comply with the requirements
20 under this subsection; and

21 “(iii) agree to provide such informa-
22 tion the Comptroller General may require
23 for the evaluation of the demonstration as
24 required under this subsection.

25 “(3) DEFINITIONS.—In this subsection:

1 “(A) ELIGIBLE HOUSEHOLD.—The term
2 ‘eligible household’ means a household that in-
3 cludes 1 or more school-aged child determined
4 as eligible to receive free or reduced price school
5 meals during the prior school year, but such
6 child is not participating in a program that pro-
7 vides food during the summer through the sum-
8 mer food service program under section 13.

9 “(B) STATE.—The term ‘State’ includes a
10 tribal entity.

11 “(C) SUMMER ELECTRONIC BENEFIT
12 TRANSFER FOR CHILDREN DEMONSTRATION.—
13 The term ‘summer electronic benefit transfer
14 for children demonstration’ means an electronic
15 benefit transfer demonstration project under
16 section 748(g)(1) of the Agriculture, Rural De-
17 velopment, Food and Drug Administration, and
18 Related Appropriations Act, 2010 (Public Law
19 111-80; 123 Stat. 2132) that uses the elec-
20 tronic benefit systems implemented in a State
21 under section 17(g)(12) of the Child Nutrition
22 Act of 1966 (42 U.S.C. 1786(g)(12).

23 “(4) BENEFIT LEVELS.—

24 “(A) IN GENERAL.—The Secretary shall
25 approve States seeking to make an election

1 under paragraph (2)(A) that will evaluate the
2 impact of providing a variety of differentiated
3 benefit levels to eligible children as a way to
4 reach such children to the greatest extent prac-
5 ticable. The values of such benefits shall be de-
6 termined by the State, but shall be between \$15
7 and \$30 per month for each school-aged child
8 in an eligible household.

9 “(B) RATE DETERMINATION.—In deter-
10 mining the values under subparagraph (A), the
11 State may consider differentiating rates based
12 on—

13 “(i) the proportion of applicants that
14 are eligible for free price meals;

15 “(ii) total number of households and
16 children seeking to participate;

17 “(iii) food security in children across
18 communities in such State;

19 “(iv) average redemption rates of ben-
20 efits;

21 “(v) impact of such values at reducing
22 food security in children;

23 “(vi) availability of other community
24 programs that provide meals to children
25 during the summer months when school is

1 not in regular session where children might
2 otherwise receive nutrition assistance; and

3 “(vii) any other information a state
4 sees useful at determining such rates.

5 “(C) LIMITATIONS.—(i) No child may re-
6 ceive more than 3 months of benefits under this
7 paragraph in any 12-month period.

8 “(ii) No child may receive more than \$30
9 of benefits under this paragraph per month.

10 “(D) COST SHARING.—Nothing in this
11 paragraph shall be construed to prohibit States
12 from providing additional non-Federal resources
13 for the purposes of this subsection.

14 “(5) EFFECTIVE IMPLEMENTATION.—

15 “(A) IN GENERAL.—In administering the
16 demonstration under this subsection and pro-
17 viding benefits to children in accordance with
18 this subsection, a State shall consider previous
19 State experiences and best practices in imple-
20 menting the summer electronic benefit transfer
21 for children demonstration carried out before
22 the date of enactment of the _____ Act
23 of 2016, including information evaluating find-
24 ings of the demonstration (including the 2013

1 final report published by the Department of Ag-
2 riculture).

3 “(B) TECHNICAL ASSISTANCE.—The Sec-
4 retary shall provide, and periodically update,
5 technical assistance to States for purposes of
6 this paragraph.

7 “(6) USE OF BENEFITS.—

8 “(A) IN GENERAL.—Benefits issued to
9 families through the election under paragraph
10 (2)(A) may be used only for the purchase of
11 food for consumption by school-aged children in
12 such family.

13 “(B) TIMING.—Benefits issued through
14 the election described in this subparagraph may
15 be redeemed only when school is out of session
16 for the summer period.

17 “(7) ADMINISTRATION.—In administering this
18 subsection, the State shall—

19 “(A) ensure that benefits are issued only
20 to eligible households that live—

21 “(i) in areas with high rates of pov-
22 erty or long-term poverty that are rural
23 and have no congregate feeding sites or ac-
24 cess to meals otherwise provided through

1 the summer food service program author-
2 ized under section 13; or

3 “(ii) outside an area in which poor
4 economic conditions exist but in an area
5 with no access to meals otherwise provided
6 through the summer food service program
7 authorized under section 13;

8 “(B) issue benefits to eligible households
9 only after such household has made an oral or
10 written request to receive electronic benefit
11 transfer benefits under this subsection;

12 “(C) document how the election will be ad-
13 ministered in the management and administra-
14 tion plan described in subsection (n), including
15 the process for identifying areas in which bene-
16 fits will be issued; and

17 “(D) ensure full compliance with section
18 17(h)(12)(13) of the Child Nutrition Act of
19 1966 (42 U.S.C.1786(h)(12)(13)).

20 “(8) EVALUATION.—The Secretary shall pro-
21 vide for an ongoing, independent evaluation of the
22 demonstration carried out under this subsection, in-
23 cluding quasi-experimental or other methods that
24 are capable of producing scientifically valid informa-
25 tion to determine effectiveness in achieving the pur-

1 poses described in paragraph (1), including exam-
2 ining or assessing—

3 “(A) feasibility of, or barriers to, success-
4 ful implementation of, and potential future scal-
5 ing of this program;

6 “(B) varied approaches in State implemen-
7 tation of such demonstration, including dif-
8 ferent approaches, challenges, and lessons
9 learned;

10 “(C) specific levels of use and receipt of
11 benefits;

12 “(D) impact on children’s food security
13 and nutritional impacts, including by the dif-
14 ferent impacts on children in a variety of geo-
15 graphical areas such as rural, urban, and sub-
16 urban areas, localities, and States;

17 “(E) total cost of implementing and oper-
18 ating such demonstration, including in compari-
19 son to other methods of providing summer meal
20 service to school-aged children; and

21 “(F) impacts and results of such evalua-
22 tion in comparison to evaluations of the sum-
23 mer electronic benefits transfer for children
24 demonstration published by the Secretary of
25 Agriculture.

1 “(9) REPORT.—Not later than one year after
2 amounts are first appropriated under paragraph
3 (10), and each year thereafter, the Comptroller Gen-
4 eral of the United States shall submit to Congress
5 a report that—

6 “(A) includes the information resulting
7 from the most recent evaluation under para-
8 graph (8); and

9 “(B) takes into consideration evaluations
10 of the summer electronic benefits transfer for
11 children demonstration published by the Sec-
12 retary of Agriculture.

13 “(10) AUTHORIZATION OF APPROPRIATIONS.—

14 “(A) IN GENERAL.—There is authorized to
15 be appropriated to carry out this subsection
16 \$10,000,000 for each of fiscal years 2018
17 through 2020, to remain available until ex-
18 pended.

19 “(B) LIMITATIONS.—Of such appropria-
20 tions, for each fiscal year—

21 “(i) not more than 5 percent may be
22 spent on administrative funds by a State;

23 “(ii) not more than 1 percent may be
24 spent on administrative funds by the Sec-
25 retary; and

1 “(iii) not more than \$499,999 shall be
2 available for the Secretary to comply with
3 paragraph (8).

4 “(11) REGULATIONS.—Not later than Decem-
5 ber 31, 2016, the Secretary shall provide guidance
6 to States to implement this subsection, including
7 recommendations for States in electing to success-
8 fully continue to implement the summer electronic
9 benefit transfer for children demonstration while
10 complying with the new or additional requirements
11 of this subsection.”.

12 (b) ADDITIONAL MEAL FOR CHILDREN IN FULL-
13 TIME CHILDCARE.—Section 17(f)(2) of the Richard B.
14 Russell National School Lunch Act (42 U.S.C. 1766(f))
15 is amended—

16 (1) by redesignating subparagraph (C), as
17 amended by section 108(a)(4)(A), as subparagraph
18 (D);

19 (2) in subparagraph (A), by striking “subpara-
20 graph (B)” and inserting “subparagraphs (B) and
21 (C)”;

22 (3) in subparagraph (B), by striking “No reim-
23 bursement” and inserting “Subject to subparagraph
24 (C) of this paragraph, no reimbursement”; and

1 (4) by inserting after subparagraph (B), the
2 following:

3 “(C)(i) Notwithstanding subparagraph
4 (B), for a 2-year period in not more than 5
5 States selected by the Secretary, reimbursement
6 may be made to any institution under this para-
7 graph, or to family or group day care home
8 sponsoring organizations under paragraph (3)
9 of this subsection, for up to 3 meals, or 2 meals
10 and 2 supplements per day per child.

11 “(ii) Reimbursements under clause (i) shall
12 not exceed \$10,000,000 for the period of fiscal
13 years 2017 through 2021.

14 “(iii) In selecting States under this sub-
15 paragraph, the Secretary shall give priority to
16 States that demonstrate—

17 “(I) a commitment to ending child-
18 hood hunger; and

19 “(II) an unmet need for additional
20 meals that will reduce hunger in children
21 and allow parents to better participate in
22 the labor force or an educational or work-
23 force development program.

1 “(iv) Each State that is selected under this
2 subparagraph shall comply with the following
3 requirements:

4 “(I) An institution, including a family
5 or group day care home sponsoring organi-
6 zation, is eligible to receive additional re-
7 imbursements from the State under this
8 subparagraph if the institution is—

9 “(aa) currently participating in
10 the program under this section;

11 “(bb) meets the requirements of
12 this section; and

13 “(cc) provides additional meals
14 for children maintained in a child care
15 setting for more than 8 hours per day.

16 “(II) The State shall, in disbursing
17 funds to institutions under this subpara-
18 graph, to the extent practicable, ensure—

19 “(aa) geographical diversity, in-
20 cluding equal treatments of urban,
21 suburban, and rural communities; and

22 “(bb) priority for institutions
23 that demonstrate—

24 “(AA) the need to serve ad-
25 ditional meals to children;

1 “(BB) how such additional
2 meals will allow parents to better
3 participate in the labor force, or
4 an educational or workforce de-
5 velopment program; and

6 “(CC) the organizational ca-
7 pacity for such institution to
8 offer additional meals.

9 “(v) Not later than 3 years after the date
10 of enactment of this subparagraph, the Comp-
11 troller General of the United States shall sub-
12 mit to the Committee on Education and the
13 Workforce of the House of Representatives and
14 the Committee on Agriculture, Nutrition, and
15 Forestry of the Senate, an interim report on
16 the impacts of reimbursement under this sub-
17 paragraph, which shall include information
18 about the impacts of additional meals on chil-
19 dren, families, and eligible service institutions
20 in each State selected for participation under
21 this subparagraph (including the impact on the
22 abilities of parents to participate in the labor
23 force, or an educational or workforce develop-
24 ment program and the reduction of childhood
25 hunger).

1 “(vi) Not later than 1 year after the in-
2 terim report is submitted under clause (v), the
3 Comptroller General shall submit to the Com-
4 mittee on Education and the Workforce of the
5 House of Representatives and the Committee
6 on Agriculture, Nutrition, and Forestry of the
7 Senate a final report.”.

8 **SEC. 110. FRUIT AND VEGETABLE PROGRAM.**

9 Section 19 of the Richard B. Russell National School
10 Lunch Act (42 U.S.C. 1769a) is amended—

11 (1) in the heading, by striking “**FRESH**”;

12 (2) by striking “fresh” each place it appears in
13 subsections (a), (b), and (e); and

14 (3) in subsection (i)—

15 (A) by striking paragraphs (5) and (7);

16 (B) by redesignating paragraph (6) as
17 paragraph (5); and

18 (C) by adding at the end the following:

19 “(6) **CLARIFICATION.**—The Secretary shall
20 issue guidance that clarifies to States that funds
21 under this program may be used on all forms of
22 fruits and vegetables and is no longer limited to only
23 fresh fruits and vegetables.”.

1 **SEC. 111. COMPLIANCE AND ACCOUNTABILITY.**

2 Section 22 of the Richard B. Russell National School
3 Lunch Act (42 U.S.C. 1769c) is amended—

4 (1) in subsection (a)—

5 (A) by striking “(1) IN GENERAL.—There
6 shall be” and inserting “There shall be”; and

7 (B) by redesignating subparagraphs (A)
8 and (B) as paragraphs (1) and (2), respectively,
9 and indenting appropriately;

10 (2) in subsection (b)—

11 (A) in paragraph (1)(C)(i), by striking “3-
12 year cycle” and inserting “5-year cycle”;

13 (B) by redesignating paragraphs (4)
14 through (6) as paragraphs (5) through (7), re-
15 spectively;

16 (C) by striking paragraph (3) and insert-
17 ing the following:

18 “(3) ERROR REDUCTION PLANS.—

19 “(A) IN GENERAL.—Each State agency
20 shall work with the local educational agencies
21 that have the highest rates of certification er-
22 rors according to the verification process under
23 section 9(a)(D) to develop an error reduction
24 plan and monitor implementation of the plan
25 over the remainder of the review cycle.

1 “(B) PLAN COMPONENTS.—Each error re-
2 duction plan shall include—

3 “(i) specific measures that the local
4 education agency shall take to reduce cer-
5 tification errors, including at a minimum—

6 “(I) increasing the standard
7 verification sample size, except such
8 increase shall not result in a
9 verification sample size of more than
10 15 percent;

11 “(II) improvements in the appli-
12 cation;

13 “(III) the use of technology to
14 minimize opportunities for error; and

15 “(IV) enhanced training and
16 oversight of staff involved in the cer-
17 tification and verification process;

18 “(ii) a timeline for the local edu-
19 cational agency to implement those meas-
20 ures within the review cycle;

21 “(iii) annual goals for reductions in
22 certification errors;

23 “(iv) technical assistance to be pro-
24 vided by the State agency; and

1 “(v) working with an educational serv-
2 ice agency to help conduct the verification
3 process and other aspects of the program
4 as necessary to help reduce errors in the
5 administration of the program.

6 “(C) STATE AGENCY RESPONSIBILITIES.—

7 Each State agency shall—

8 “(i) assist the local educational agen-
9 cies identified under subparagraph (D)
10 with developing an error reduction plan
11 that complies with subparagraph (B);

12 “(ii) provide technical assistance as
13 described in the error reduction plan under
14 subparagraph (B)(iv);

15 “(iii) conduct annual reviews focused
16 on the direct certification, application, cer-
17 tification, verification, meal counting, and
18 meal claiming processes; and

19 “(iv) report annually to the Secretary
20 on the progress of the State in reducing
21 errors.

22 “(D) SELECTION OF LOCAL EDUCATIONAL
23 AGENCIES.—

24 “(i) IN GENERAL.—Each State agency
25 shall select up to 10 percent of the local

1 educational agencies in the State to de-
2 velop an error reduction plan.

3 “(ii) LIMITATION.—The percentage of
4 local educational agencies selected under
5 clause (i) shall not be comprised of more
6 than 50 percent of small local educational
7 agencies, as determined by the Secretary.

8 “(iii) ASSESSMENT OF CERTIFICATION
9 ERROR.—In selecting local educational
10 agencies under this paragraph, certification
11 error shall be assessed based on a measure
12 determined by the Secretary that con-
13 siders—

14 “(I) the results of the reviews
15 conducted under paragraph (1) and

16 “(II) the percentage of household
17 applications verified under section
18 9(b)(3)(D)(i) that had the level of
19 benefits changed as a result of infor-
20 mation obtained during the
21 verification process, excluding benefit
22 terminations resulting from not ob-
23 taining information during household
24 verification conducted under section
25 9(b)(3)(G).

1 “(4) HIGH PERFORMANCE.—If a local edu-
2 cational agency is determined to be in the top 20
3 percent of local educations agencies, as determined
4 by the State, the sample size under section
5 9(b)(3)(D)(i)(II) shall be a verification sample size
6 of 2.5 percent .”; and

7 (D) in paragraph (6) (as redesignated by
8 subparagraph (B)), in subparagraph (A), by
9 striking “paragraph (4)” each place it appears
10 and inserting “paragraph (5)”; and

11 (3) in subsection (d), by striking “2011 through
12 2015” and inserting “2017 through 2021”.

13 **SEC. 112. REPEAL OF STATE CHILDHOOD HUNGER CHAL-**
14 **LENGE GRANTS.**

15 Section 24 of the Richard B. Russell National School
16 Lunch Act (42 U.S.C. 1769e) is repealed.

17 **SEC. 113. DUTIES OF THE SECRETARY RELATING TO NON-**
18 **PROCUREMENT DEBARMENT.**

19 Section 25 of the Richard B. Russell National School
20 Lunch Act (42 U.S.C. 1769f) is amended—

21 (1) by redesignating subsection (g) as sub-
22 section (h); and

23 (2) by inserting after subsection (f) the fol-
24 lowing:

25 “(g) FINES.—

1 “(1) IN GENERAL.—In a situation in which a
2 contractor is found guilty in any criminal proceeding
3 or found liable in any civil or administrative pro-
4 ceeding, of the activities listed in paragraph (2), in
5 connection with the supplying, providing, or selling
6 of goods or services to any local agency in connec-
7 tion with a child nutrition program, the Secretary
8 shall impose a civil penalty of not more than
9 \$100,000,000, as determined by the Secretary, to
10 provide restitution to the program for harm done to
11 the program.

12 “(2) INCLUDED ACTIVITIES.—Activities include,
13 at a minimum—

14 “(A) an anticompetitive activity, including
15 bid-rigging, price-fixing, the allocation of cus-
16 tomers between competitors, or other violation
17 of Federal or State antitrust laws;

18 “(B) fraud, bribery, theft, forgery, or em-
19 bezzlement;

20 “(C) knowingly receiving stolen property;

21 “(D) making a false claim or statement; or

22 “(E) any other obstruction of justice.

23 “(3) USE OF FUNDS.—Any funds collected
24 under this subsection shall be credited to the child
25 nutrition programs appropriations account.”.

1 **SEC. 114. IMPROVEMENTS TO SCHOOL LUNCH FACILITIES.**

2 The Richard B. Russell National School Lunch Act
3 is amended by inserting after section 26 (42 U.S.C.
4 1769g) the following:

5 **“SEC. 27. IMPROVEMENTS TO SCHOOL LUNCH FACILITIES.**

6 “(a) DEFINITIONS.—In this section:

7 “(1) DURABLE EQUIPMENT.—The term ‘dura-
8 ble equipment’ means durable food preparation, han-
9 dling, cooking, serving, and storage equipment great-
10 er than \$500 in value.

11 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
12 tity’ means—

13 “(A) a local educational agency or a school
14 food authority administering or operating a
15 school lunch program under this Act;

16 “(B) a tribal organization; or

17 “(C) a consortium that includes a local
18 educational agency or school food authority de-
19 scribed in subparagraph (A), a tribal organiza-
20 tion, or both.

21 “(3) INFRASTRUCTURE.—The term ‘infrastruc-
22 ture’ means a food storage facility, kitchen, food
23 service facility, cafeteria, dining room, or food prepa-
24 ration facility.

25 “(4) LOCAL EDUCATIONAL AGENCY.—The term
26 ‘local educational agency’ has the meaning given the

1 term in section 8101 of the Elementary and Sec-
2 ondary Education Act of 1965 (20 U.S.C. 7801).

3 “(5) SCHOOL FOOD AUTHORITY.—The term
4 ‘school food authority’ has the meaning given the
5 term in section 210.2 of title 7, Code of Federal
6 Regulations (or a successor regulation).

7 “(6) TRIBAL ORGANIZATION.—The term ‘tribal
8 organization’ has the meaning given the term in sec-
9 tion 4 of the Indian Self-Determination and Edu-
10 cation Assistance Act (25 U.S.C. 450b).

11 “(b) LOAN GUARANTEES.—

12 “(1) AUTHORITY.—The Secretary shall issue a
13 loan guarantee to an eligible lender for purposes of
14 financing the construction, remodeling, or expansion
15 of infrastructure or the purchase of durable equip-
16 ment that will assist the eligible entity in providing
17 healthy meals through the school lunch program au-
18 thorized under this Act.

19 “(2) PREFERENCE.—In issuing a loan guar-
20 antee under this subsection, the Secretary shall give
21 a preference to an eligible entity that, as compared
22 with other eligible entities seeking a loan guarantee
23 under this subsection, demonstrates substantial or
24 disproportionate—

1 “(A) need for infrastructure improvement
2 or durable equipment; or

3 “(B) impairment in durable equipment.

4 “(3) OVERSIGHT.—The Secretary, acting
5 through the Under Secretary for Rural Develop-
6 ment, shall establish procedures to oversee any
7 project or purchase for which a loan guarantee is
8 issued under this subsection.

9 “(4) GUARANTEE AMOUNT.—A loan guarantee
10 issued under this subsection may not guarantee
11 more than 80 percent of the principal amount of the
12 loan.

13 “(5) FEES AND COSTS.—

14 “(A) IN GENERAL.—The Secretary shall
15 establish fees for loan guarantees under this
16 subsection that are, to the maximum extent
17 practicable, equal to all costs of the loan guar-
18 antees as determined under the Federal Credit
19 Reform Act of 1990 (2 U.S.C. 661 et. seq.), as
20 determined by the Secretary.

21 “(B) FEE SHORTFALL.—To the extent
22 that the Secretary determines that fees de-
23 scribed in subparagraph (A) are not sufficient
24 to pay for all of the costs for the loan guaran-
25 tees pursuant to the Federal Credit Reform Act

1 of 1990 (2 U.S.C. 661 et. seq.), the Secretary
2 may use funds described in paragraph (6) to
3 pay for the costs of loan guarantees not paid
4 for by the fees.

5 “(6) FUNDING.—Subject to the availability of
6 appropriations provided in advance in an appropria-
7 tions Act specifically for the purpose of carrying out
8 this subsection, there is authorized to be appro-
9 priated \$5,000,000 for fiscal year 2016 and each fis-
10 cal year thereafter.

11 “(c) GRANTS.—

12 “(1) AUTHORITY.—Beginning in fiscal year
13 2017 and subject to the availability of appropria-
14 tions provided in advance in an appropriations Act
15 specifically for the purpose of carrying out this sub-
16 section, the Secretary shall make grants, on a com-
17 petitive basis, to eligible entities for the purchase of
18 durable equipment and infrastructure needed to
19 serve healthier meals and improve food safety.

20 “(2) PRIORITY.—In awarding grants under this
21 subsection, the Secretary shall give priority to eligi-
22 ble entities that—

23 “(A) are located in States that have en-
24 acted comparable statutory grant funding
25 mechanisms or that have otherwise appro-

1 priedated funds for the purpose described in para-
2 graph (1); and

3 “(B) have identified and are reasonably ex-
4 pected to meet an unmet local or community
5 need—

6 “(i) through a public-private partner-
7 ship or partnership with a food pantry or
8 other low-income assistance agency; or

9 “(ii) by allowing related community
10 organizations to use kitchen or cafeteria
11 space.

12 “(3) FEDERAL SHARE.—

13 “(A) IN GENERAL.—The Federal share of
14 costs for assistance funded through a grant
15 awarded under this subsection shall not exceed
16 80 percent of the total cost of the durable
17 equipment or infrastructure.

18 “(B) MATCHING.—To receive a grant
19 under this subsection, an eligible entity shall
20 provide matching support in the form of cash or
21 in-kind contributions.

22 “(C) WAIVER.—The Secretary may waive
23 or vary the requirements of subparagraphs (A)
24 and (B) if the Secretary determines that undue

1 hardship or effective exclusion from participa-
2 tion would otherwise result.

3 “(4) AUTHORIZATION OF APPROPRIATIONS.—

4 “(A) IN GENERAL.—There is authorized to
5 be appropriated \$30,000,000 to carry out this
6 subsection for fiscal year 2017 and each fiscal
7 year thereafter.

8 “(B) LIMIT.—The Secretary may use not
9 more than 5 percent of the funds made avail-
10 able under subparagraph (A) to provide tech-
11 nical assistance.

12 “(d) SALAD BARS.—

13 “(1) IN GENERAL.—Not later than 90 days
14 after the date of the enactment of the _____
15 Act of 2016, the Secretary shall review or revise any
16 guidance in existence on that date of enactment so
17 as to ensure that school food authorities have flexi-
18 bility in the establishment and implementation of
19 salad bars.

20 “(2) PLANNING.—The Secretary shall develop
21 and implement a plan to encourage the use of salad
22 bars in schools participating in the school lunch pro-
23 gram authorized under this Act.”.

1 **TITLE II—CHILD NUTRITION ACT**

2 **SEC. 201. SPECIAL MILK PROGRAM AUTHORIZATION.**

3 Section 3(a)(7) of the Child Nutrition Act of 1966
4 (42 U.S.C. 1772(a)(7)) is amended by striking “on an an-
5 nual basis each” and inserting “annually by February 15
6 for the upcoming”.

7 **SEC. 202. SCHOOL BREAKFAST PROGRAM.**

8 Section 4 of the Child Nutrition Act of 1966 (42
9 U.S.C. 1773) is amended—

10 (1) in subsection (b)(1), by adding at the end
11 the following:

12 “(F) INCREASED REIMBURSEMENT.—The
13 national average payment calculated in accord-
14 ance with subparagraph (B) shall be increased
15 by 2 cents in the school year 2017-2018 and
16 such increase shall be calculated in the base for
17 each succeeding year when calculating the reim-
18 bursement rate in accordance with subpara-
19 graph (B) for school year 2018-2019 and each
20 succeeding school year.”; and

21 (2) in subsection (e)(1)(B), by striking “, in-
22 cluding technical” and all that follows through “es-
23 tablished under this section,”.

1 **SEC. 203. STATE ADMINISTRATIVE EXPENSES.**

2 Section 7 of the Child Nutrition Act of 1966 (42
3 U.S.C. 1776) is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (3), in the second sen-
6 tence, by striking “, except as provided in para-
7 graph (5)”;

8 (B) by striking paragraph (5); and

9 (C) by redesignating paragraphs (6)
10 through (9) as paragraphs (5) through (8), re-
11 spectively;

12 (2) in subsection (g)(2)(B), by amending clause
13 (iii) to read as follows:

14 “(iii) MINIMIZING DISRUPTIONS.—The
15 Secretary shall encourage school food au-
16 thorities to consider—

17 “(I) providing the training re-
18 quired under this subparagraph to
19 local food service personnel during
20 paid, regular hours; and

21 “(II) that to the extent that
22 training must occur during nonwork
23 hours, it is minimally disruptive to
24 employees’ other work obligations if
25 employees are provided with sufficient
26 notice of training.”;

1 (3) in subsection (i)—

2 (A) in paragraph (3)—

3 (i) in subparagraph (A), by inserting

4 before the period at the end the following:

5 “and for the purposes described in section

6 749(h) of the Agriculture, Rural Develop-

7 ment, Food and Drug Administration, and

8 Related Agencies Appropriations Act, 2010

9 (Public Law 111–80; 123 Stat. 2133)”;

10 and

11 (ii) by adding at the end the fol-

12 lowing:

13 “(C) PRIORITY.—In awarding funds to

14 States under this paragraph, the Secretary

15 shall give priority to States in which local edu-

16 cational agencies, school good authorities, or

17 schools submit a plan under subparagraph (B)

18 that includes the use of technology or informa-

19 tion management systems to provide assistance

20 to tribal organizations administering the food

21 distribution program on Indian reservations es-

22 tablished under section 4(b) of the Food and

23 Nutrition Act of 2008 (7 U.S.C. 2013(b)) for

24 purposes of improving the rate of direct certifi-

1 cation of children in households participating in
2 that program.”; and

3 (B) in paragraph (4), by striking “2015”
4 and inserting “2020”;

5 (4) in subsection (j), by striking “2015” and
6 inserting “2020”;

7 (5) by redesignating subsection (j) as sub-
8 section (k); and

9 (6) by inserting after subsection (i) the fol-
10 lowing:

11 “(j) CENTRALIZED EXCHANGE NETWORK.—

12 “(1) ESTABLISHMENT.—The Secretary shall es-
13 tablish a centralized exchange network to facilitate
14 State exchange of information and best practices, for
15 programs authorized under this Act or the Richard
16 B. Russell National School Lunch Act (42 U.S.C.
17 1751 et seq.).

18 “(2) NETWORK TOPICS.—State exchanges of in-
19 formation and best practices described in paragraph
20 (1) may include, at a minimum, research methods
21 and data related to—

22 “(A) improved efficiency in the delivery of
23 benefits;

24 “(B) improved compliance in the pro-
25 grams; and

1 “(C) reduction of fraud, waste, and abuse
2 in the programs.”.

3 **SEC. 204. REGULATIONS.**

4 Section 10(b)(1)(C) of the Child Nutrition Act of
5 1966 (42 U.S.C. 1779(b)(1)(C)) is amended—

6 (1) in clause (i), by striking “and” at the end;

7 (2) by striking the period at the end of clause
8 (ii) and inserting “; and”; and

9 (3) by adding at the end the following:

10 “(iii) ensuring that the nutrition
11 standards under this paragraph do not
12 apply to fundraisers held by student
13 groups or organizations; and

14 “(iv) ensure that the nutrition stand-
15 ards under this paragraph allow any foods
16 that may be served as reimbursable meals
17 served under the school meal programs to
18 be sold in schools as described in subpara-
19 graph (B).”.

20 **SEC. 205. DEFINITION OF AUTHORIZED STATE AGENCY.**

21 Section 15 of the Child Nutrition Act of 1966 (42
22 U.S.C. 1784) is amended by striking paragraph (2) and
23 inserting the following:

24 “(2) AUTHORIZED STATE AGENCY.—The term
25 ‘authorized State agency’ means—

1 “(A) the chief State school officer (such as
2 the State superintendent of public instruction,
3 commissioner of education, or similar officer);

4 “(B) a board of education controlling the
5 State department of education;

6 “(C) the State Commissioner or individual
7 who administers agricultural programs in the
8 State; or

9 “(D) a State official the State legislature
10 designates to administer the programs under
11 this Act.”.

12 **SEC. 206. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM**
13 **FOR WOMEN, INFANTS, AND CHILDREN.**

14 (a) IN GENERAL.—Section 17 of the Child Nutrition
15 Act of 1966 (42 U.S.C. 1786) is amended—

16 (1) in subsection (a), in the second sentence, by
17 inserting “counseling,” before “promotion,”;

18 (2) in subsection (b)(14), by striking the para-
19 graph designation and all that follows through
20 “means those foods” and inserting the following:

21 “(14) SUPPLEMENTAL FOOD.—The term ‘sup-
22 plemental food’ means any food”;

23 (3) in subsection (d)—

24 (A) in paragraph (2)—

25 (i) in subparagraph (B)—

1 (I) in the matter preceding clause
2 (i), by striking “may choose to” and
3 inserting “shall”;

4 (II) in clause (i)(II), by striking
5 “and” at the end;

6 (III) in clause (ii), by striking
7 the period at the end and inserting “;
8 and”;

9 (IV) by adding at the end the fol-
10 lowing:

11 “(iii) any basic allowance for subsist-
12 ence provided under section 402 of title
13 37, United States Code, to a member of a
14 uniformed service.”; and

15 (ii) by adding at the end the fol-
16 lowing:

17 “(E) CHILD SUPPORT PAYMENTS.—For
18 the purpose of determining income eligibility
19 under this section, a State agency shall exclude
20 from income any child support payment for an
21 applicant who is legally obligated to pay child
22 support for any noncustodial child.”; and

23 (B) in paragraph (3), by adding at the end
24 the following:

1 “(G) DATA EXCHANGE STANDARDS FOR
2 IMPROVED INTEROPERABILITY.—

3 “(i) DESIGNATION.—The Secretary,
4 in consultation with an interagency work
5 group established by the Office of Manage-
6 ment and Budget, and taking into consid-
7 eration State government perspectives,
8 shall designate data exchange standards to
9 govern, under this section—

10 “(I) necessary categories of infor-
11 mation that State agencies operating
12 related programs are required under
13 applicable law to electronically ex-
14 change with another State agency;
15 and

16 “(II) Federal reporting and data
17 exchange required under applicable
18 law.

19 “(ii) REQUIREMENTS.—The data ex-
20 change standards required by clause (i)
21 shall, to the maximum extent practicable—

22 “(I) incorporate a widely accept-
23 ed, nonproprietary, searchable, com-
24 puter-readable format;

1 “(II) contain interoperable stand-
2 ards developed and maintained by
3 intergovernmental partnerships, such
4 as the National Information Exchange
5 Model;

6 “(III) incorporate interoperable
7 standards developed and maintained
8 by Federal entities with authority re-
9 garding contracting and financial as-
10 sistance;

11 “(IV) be consistent with, and im-
12 plement, applicable accounting prin-
13 ciples;

14 “(V) be implemented in a man-
15 ner that—

16 “(aa) is cost effective; and

17 “(bb) improves program effi-
18 ciency and effectiveness;

19 “(VI) be capable of being up-
20 graded as necessary; and

21 “(VII) protects the privacy of
22 any personally identifiable information
23 from being accessed by individuals
24 who do not need access to such infor-
25 mation.

1 “(iii) EFFECT OF SUBPARAGRAPH.—
2 Nothing in this subparagraph requires any
3 change to an existing data exchange stand-
4 ard for Federal reporting that is deter-
5 mined to be effective and efficient.

6 “(iv) IMPLEMENTATION.—

7 “(I) IN GENERAL.—Not later
8 than 2 years after the date of the en-
9 actment of this subparagraph, the
10 Secretary shall issue a proposed rule
11 to implement this subparagraph.

12 “(II) REQUIREMENTS.—The pro-
13 posed rule under this clause shall—

14 “(aa) identify all federally
15 required data exchanges;

16 “(bb) include specification
17 and timing for the exchanges to
18 be standardized;

19 “(cc) address the factors
20 used in determining whether and
21 when to standardize data ex-
22 changes;

23 “(dd) specify State imple-
24 mentation options; and

1 “(ee) describe future mile-
2 stones.”;

3 (4) in subsection (e)—

4 (A) by striking the subsection designation
5 and all that follows through “The State agency
6 shall” in the first sentence of paragraph (1)
7 and inserting the following:

8 “(e) NUTRITION AND DRUG ABUSE EDUCATION.—

9 “(1) EDUCATION.—

10 “(A) IN GENERAL.—A State agency shall”;

11 (B) in paragraph (1) (as amended by sub-
12 paragraph (A)), by adding at the end the fol-
13 lowing:

14 “(B) DISPOSAL OF CERTAIN INFANT FOR-
15 MULA.—

16 “(i) IN GENERAL.—The State agency
17 shall ensure that all pregnant, postpartum,
18 and breastfeeding participants in the pro-
19 gram, and parents or caretakers of infant
20 and child participants in the program, are
21 provided education regarding proper dis-
22 posal of unused or excess infant formula
23 obtained with food instruments issued
24 under the program under this section.

1 “(ii) INCLUSIONS.—The education
2 under this subparagraph shall include in-
3 formation regarding—

4 “(I) the safety hazards of pur-
5 chasing infant formula from an unau-
6 thorized vendor; and

7 “(II) the penalties associated
8 with the gifting, trading, sale, or re-
9 sale of infant formula or other supple-
10 mental foods obtained with food in-
11 struments issued under the program
12 under this section, in accordance with
13 subsection (o).”; and

14 (C) by striking paragraph (3) and insert-
15 ing the following:

16 “(3) NUTRITION EDUCATION MATERIALS.—

17 “(A) IN GENERAL.—The Secretary, after
18 submitting proposed nutrition education mate-
19 rials to the Secretary of Health and Human
20 Services for comment, shall issue the materials
21 for use in the program under this section.

22 “(B) SHARING OF MATERIALS WITH CHILD
23 AND ADULT CARE FOOD PROGRAM.—A State
24 agency may allow the local agencies or clinics
25 operating under the State agency to share nu-

1 trition educational materials with institutions
2 participating in the Child and Adult Care Food
3 Program established under section 17 of the
4 Richard B. Russell National School Lunch Act
5 (42 U.S.C. 1766) at no cost to that program,
6 if a written materials-sharing agreement exists
7 between the relevant agencies.”;

8 (5) in subsection (f)—

9 (A) by striking “(f)(1)(A) Each State
10 agency” and all that follows through the end of
11 paragraph (1)(A) and inserting the following:

12 “(f) PLAN OF OPERATION AND ADMINISTRATION BY
13 STATE AGENCY.—

14 “(1) REQUIREMENTS.—

15 “(A) SUBMISSION.—

16 “(i) IN GENERAL.—Each State agency
17 shall submit to the Secretary a plan of op-
18 eration and administration of the program
19 authorized under this section.

20 “(ii) DEADLINES.—Each State agency
21 shall submit—

22 “(I) an initial plan not later than
23 such date as is specified by the Sec-
24 retary; and

1 “(II) an update to the plan every
2 3 years thereafter, which shall be a
3 resubmission of the current plan if
4 such plan continues fully to address
5 the needs of the participants and
6 meets the requirements of this sec-
7 tion, or whenever the State agency
8 seeks approval of a substantive
9 change to the plan.”;

10 (B) in paragraph (1)(B), by striking “sub-
11 mitted for” and inserting “submitted covering”;

12 (C) in paragraph (1)(C)—

13 (i) in clause (x), by striking “and” at
14 the end;

15 (ii) by redesignating clause (xi) as
16 clause (xiii); and

17 (iii) by inserting after clause (x) the
18 following:

19 “(xi) a plan to allow, during an emer-
20 gency or disaster period, for different foods
21 or other products to be obtained with pro-
22 gram benefits in lieu of, or in addition to,
23 the supplemental foods available to be ob-
24 tained with such benefits;

1 “(xii) a plan detailing the methods to
2 be used by all local agencies to ensure
3 compliance with subsection (d)(2); and”;

4 (D) in paragraph (5)—

5 (i) by striking “(5) State and local”
6 and inserting the following:

7 “(5) ACCOUNTS, RECORDS, AND REVIEW.—

8 “(A) IN GENERAL.—State and local”; and

9 (ii) by adding at the end the fol-
10 lowing:

11 “(B) REVIEW.—The Secretary shall peri-
12 odically review State and local agency compli-
13 ance with the approved plan of operation and
14 administration of the applicable State.”;

15 (E) in paragraph (10)—

16 (i) by striking “(10) The Secretary”
17 and inserting the following:

18 “(10) STANDARDS FOR ADMINISTRATION.—

19 “(A) IN GENERAL.—The Secretary”; and

20 (ii) by adding at the end the fol-
21 lowing:

22 “(B) NOTIFICATION TO STATE AUTHOR-
23 ITY.—If, on reviewing the administration by a
24 State of the program, the Secretary determines
25 there is a need to temporarily halt the State

1 from approving new vendors to address defi-
2 ciencies in proper administration, the Secretary
3 may issue a moratorium on the authority of the
4 State to approve new vendors, subject to the
5 condition that the Secretary shall provide the
6 State with reasoning behind such determination
7 and shall establish—

8 “(i) a timeframe under which the
9 moratorium will be issued, including any
10 renewal or lifting of the moratorium;

11 “(ii) a process to approve vendors for
12 the State in a manner that does not im-
13 pede—

14 “(I) the sale of a business; or

15 “(II) the establishment of any
16 new business; and

17 “(iii) a review process to ensure that
18 participants, nonparticipants, and vendors
19 are not adversely impacted by the imple-
20 mentation of the moratorium.”;

21 (F) in paragraph (11)—

22 (i) in subparagraph (C)(ii), by strik-
23 ing “and cultural eating patterns” and in-
24 serting “cultural eating patterns, commer-

1 cial availability, and participant demand”;
2 and

3 (ii) by adding at the end the fol-
4 lowing:

5 “(D) PRODUCT PACKAGE SIZES.—In pro-
6 mulgating or revising regulations under this
7 paragraph, the Secretary shall allow a range of
8 product package sizes to be selected by partici-
9 pants.

10 “(E) CASH VALUE VOUCHERS.—In adjust-
11 ing annually for food cost inflation in the food
12 package under this paragraph, the Secretary
13 shall round to the nearest dollar increment.

14 “(F) PARTICIPANT CHOICE OPTIONS.—The
15 Secretary shall maximize opportunities for
16 State agency flexibility to ensure adequate and
17 appropriate participant choice to meet partici-
18 pant needs and cultural preferences in supple-
19 mental foods made available under this sec-
20 tion.”;

21 (6) in subsection (g), by striking paragraph
22 (1)(A) and inserting the following:

23 “(A) AUTHORIZATION.—There are author-
24 ized to be appropriated to carry out this section

1 \$6,350,000,000 for each of fiscal years 2017
2 through 2021.”; and

3 (7) in subsection (h)—

4 (A) in paragraph (8)(A)—

5 (i) in clause (vi)—

6 (I) by striking “Effective begin-
7 ning” and inserting the following:

8 “(I) IN GENERAL.—Effective be-
9 ginning”; and

10 (II) by adding at the end the fol-
11 lowing:

12 “(II) INFANT FORMULA.—Effec-
13 tive beginning on the date of the en-
14 actment of this subclause, a State
15 agency that has fully implemented
16 electronic benefits transfer systems
17 throughout the State shall have in ef-
18 fect a system to ensure that infant
19 formula rebate invoices, under com-
20 petitive bidding, provide an actual
21 count of the number of units sold to
22 participants in the program under this
23 section.”; and

24 (ii) by adding at the end the fol-
25 lowing:

1 “(xi) CONTRACT DURATION.—The
2 contracts awarded under clause (iii) shall
3 specify that—

4 “(I) if the income eligibility limit
5 under title XIX of the Social Security
6 Act (42 U.S.C. 1396 et seq.) for preg-
7 nant women or infants is increased,
8 the contractor may terminate the ex-
9 isting contract effective on the later
10 of—

11 “(aa) the date that is 1 year
12 after the date on which the State
13 decision to increase the eligibility
14 limit by amending the State plan
15 is made by—

16 “(AA) adopting State
17 legislation;

18 “(BB) issuing a State
19 executive order or adminis-
20 trative rule; or

21 “(CC) any other appli-
22 cable State process, as de-
23 termined by the Secretary;
24 and

1 “(bb) the first day of the
2 month during which the increase
3 takes effect; and

4 “(II) if a contractor elects to ter-
5 minate a contract pursuant to sub-
6 clause (I), the contractor shall notify
7 the State agency by not later than the
8 date that is 1 year before the pro-
9 posed date of termination.”;

10 (B) in paragraph (9)—

11 (i) in subparagraph (B)—

12 (I) in clause (i)—

13 (aa) in subclause (I), by
14 striking “and” at the end; and

15 (bb) by adding at the end
16 the following:

17 “(III) limit the term of any con-
18 tract (including any extension or re-
19 newal period) to a maximum of 5
20 years, subject to the condition that
21 any such extension or renewal shall be
22 approved only on mutual consent of
23 the contractor and the State agency;

24 “(IV) agree to provide, by not
25 later than 180 days before exercising

1 any termination for convenience
2 clause, a written notice to each af-
3 fected contractor;
4 “(V) agree—
5 “(aa) to receive an annual
6 audit of infant formula rebate in-
7 voices by a contractor; and
8 “(bb) to provide to each con-
9 tractor accurate monthly redemp-
10 tion files; and
11 “(VI) agree not to provide any
12 State preference to any bidder in eval-
13 uating bids;”;
14 (II) in clause (iii), by striking
15 “and” at the end;
16 (III) in clause (iv)—
17 (aa) by striking “30” and
18 inserting “45”; and
19 (bb) by striking the period
20 at the end and inserting a semi-
21 colon;
22 (IV) by redesignating clauses (iii)
23 and (iv) as clauses (iv) and (v), re-
24 spectively;

1 (V) by inserting after clause (ii)
2 the following:

3 “(iii) for any State agency that has
4 fully implemented electronic benefits trans-
5 fer systems throughout the State, have a
6 system to ensure that rebate invoices
7 under competitive bidding provide an ac-
8 tual count of the number of units lawfully
9 sold to participants in the program under
10 this section;” and

11 (VI) by adding at the end the fol-
12 lowing:

13 “(vi) provide a process to negotiate
14 the amount of funds to be returned to the
15 bidder by the State agency, and the meth-
16 od of return, on determining and verifying
17 that rebates were paid on any food, includ-
18 ing infant formula, sold under fraudulent
19 means;

20 “(vii) open bids and enter into a con-
21 tract under paragraph (8)(A)(iii) only after
22 making a reasonable effort to confirm in
23 writing, via email or other means, that the
24 manufacturers on the list the State agency
25 maintains under paragraph (8)(A)(ix) re-

1 received the initial request for proposals or
2 other bid solicitation document by not later
3 than the date that is 45 days before the
4 date on which the bids are due;

5 “(viii) agree to provide to contractors
6 supporting documentation for monthly in-
7 voices, subject to the participant and ven-
8 dor confidentiality protections under pro-
9 gram rules; and

10 “(ix) not later than the date that is
11 90 days after the date for opening bids,
12 submit to the Secretary a copy of the bid
13 solicitation and any other contract docu-
14 ments.”; and

15 (ii) by adding at the end the fol-
16 lowing:

17 “(D) CRITERIA.—

18 “(i) IN GENERAL.—The Secretary
19 shall ensure that any cost containment
20 measure for a supplemental food, excluding
21 infant formula—

22 “(I) is effective in lowering food
23 overall costs;

24 “(II) results in significant sav-
25 ings, after factoring in administrative

1 costs, effects on retail pricing, and
2 other costs associated with bid solici-
3 tations and implementation of single-
4 supplier contracts. as determined by
5 the Secretary;

6 “(III) is compatible with State
7 agency management information sys-
8 tems, current food instrument sys-
9 tems, and retail grocery markets; and

10 “(IV) does not—

11 “(aa) reduce variety and
12 choice in a manner that may neg-
13 atively affect participation or re-
14 demption rates, or otherwise un-
15 dermine the program purpose de-
16 scribed in subsection (a);

17 “(bb) result in administra-
18 tive costs to individual State
19 agencies nearly equal to or in ex-
20 cess of the food cost savings from
21 the measure;

22 “(cc) affect the nutritional
23 quality of the program authorized
24 under this section;

1 “(dd) negatively impact the
2 ability of a State agency to serve
3 the nutritional needs of program
4 participants;

5 “(ee) reduce the selection of
6 a specific food item by program
7 participants;

8 “(ff) reduce competition or
9 availability of private label
10 brands; or

11 “(gg) lead to increases in
12 the retail price of a food item.

13 “(ii) REVIEW.—Not later than 90
14 days after the date of the enactment of
15 this subparagraph, the Secretary shall re-
16 view and update, as necessary, any regula-
17 tions and associated guidance to ensure
18 that any cost containment measure adopt-
19 ed after the update is in compliance with
20 the criteria described in clause (i).

21 “(E) STATE CHOICE.—Subject to para-
22 graph (8), the Secretary shall not direct, pro-
23 mote, or otherwise require a State agency from
24 soliciting competitive bids for food other than
25 infant formula.”;

1 (C) in paragraph (11)(E)—

2 (i) by striking “If a State” and insert-
3 ing the following:

4 “(i) IN GENERAL.—If a State”; and

5 (ii) by adding at the end the fol-
6 lowing:

7 “(ii) REQUIREMENT.—Effective not
8 later than 120 days after the date of the
9 enactment of this clause, in calculating av-
10 erage payments per voucher under clause
11 (i), a State agency shall exclude food in-
12 struments not fully redeemed, based on an
13 actual count or a reasonable estimate.”;

14 (D) in paragraph (12)—

15 (i) in subparagraph (A)(i), by striking
16 “food delivery system that provides” and
17 inserting “method to deliver”; and

18 (ii) by adding at the end the fol-
19 lowing:

20 “(H) REGULATIONS.—As State agencies
21 transition to electronic benefit transfer for the
22 program, the Secretary shall update regulations
23 to account for the fact that State agencies—

1 “(i) are receiving shelf pricing more
2 frequently than twice a year from vendors;
3 and

4 “(ii) should adjust vendor reimburse-
5 ment levels more frequently to reflect pro-
6 gram food price changes in the market-
7 place.

8 “(I) AUTHORIZATION OF APPROPRIA-
9 TIONS.—

10 “(i) IN GENERAL.—There is author-
11 ized to be appropriated to carry out this
12 paragraph \$25,000,000 for each of fiscal
13 years 2016 through 2020.

14 “(ii) USE.—The Secretary shall allo-
15 cate the funds made available under this
16 subparagraph to States for purposes of en-
17 hancing and accelerating the implementa-
18 tion of electronic benefit transfer systems.

19 “(J) PENALTY FOR NONCOMPLIANCE.—
20 For any State agency that fails to comply with
21 subparagraph (B), including a State agency re-
22 ceiving an exemption under subparagraph (C),
23 the Secretary shall—

24 “(i) withhold such amounts otherwise
25 required to be allocated to the State agen-

1 cy for nutrition services and administration
2 as the Secretary determines to be appro-
3 priate; and

4 “(ii) direct the amounts withheld for
5 use by the State agency solely for achiev-
6 ing compliance with subparagraph (B).”;
7 and

8 (E) in paragraph (13), by adding at the
9 end the following:

10 “(C) ACCESS.—The Secretary shall make
11 available upon request the national universal
12 product code database to vendors approved for
13 participation in the special supplemental food
14 program established under this section.”;

15 (8) by striking subsection (k);

16 (9) by redesignating subsections (l) through (q)
17 as subsections (k) through (p), respectively;

18 (10) in subsection (o) (as so redesignated)—

19 (A) in paragraphs (1) and (2)(B), by strik-
20 ing “subsection (o)(1)(A)” each place it appears
21 and inserting “subsection (n)(1)(A)”;

22 (B) in paragraph (5)—

23 (i) in striking subparagraph (C), by
24 striking “and” at the end;

1 (ii) in subparagraph (D), by striking
2 the period at the end and inserting “;
3 and”; and

4 (iii) by adding at the end the fol-
5 lowing:

6 “(E) fifth, to reimburse any WIC infant
7 formula manufacturer for any rebate provided
8 to the State agency on WIC infant formula un-
9 lawfully trafficked under a provision of law de-
10 scribed in paragraph (2).”; and

11 (C) by adding at the end the following:

12 “(6) NOTICE OF INVESTIGATION.—

13 “(A) IN GENERAL.—For any investigation
14 into the trafficking of WIC infant formula pur-
15 suant to this subsection, the Secretary shall
16 provide notice of resolution of the disposition of
17 an unlawful action resulting from the investiga-
18 tion to all contracted manufacturers of the traf-
19 ficked infant formula.

20 “(B) ESTIMATES.—Not later than 60 days
21 after the date on which notice is provided under
22 subparagraph (A), the State shall submit to the
23 contracted manufacturer an estimate of—

1 “(i) the number of units, if any, for
2 which rebates may have been issued as a
3 result of the violation; and

4 “(ii) the total dollar amount of the re-
5 bates.”; and

6 (11) by adding at the end the following:

7 “(q) FRAUD AND SAFETY REVIEW.—

8 “(1) IN GENERAL.—Not later than 180 days
9 after the date of the enactment of this subsection,
10 the Secretary shall review current guidance, regula-
11 tions, and practices regarding fraud and safety for
12 purposes of this section.

13 “(2) INCLUSIONS.—The review under para-
14 graph (1) shall include a review of issues relating
15 to—

16 “(A) excess and unused infant formula;

17 “(B) invoices pertaining to products sub-
18 ject to rebate;

19 “(C) the sale of infant formula by unau-
20 thorized entities; and

21 “(D) the purchase of infant formula from
22 unauthorized entities.

23 “(3) UPDATES.—Based on the findings of the
24 review under paragraph (1), the Secretary shall up-

1 date current regulations and guidance and issue ad-
2 ditional regulations and guidance, as necessary—

3 “(A) to minimize fraud; and

4 “(B) to ensure the safety of participants.

5 “(r) COOPERATION WITH LAW ENFORCEMENT
6 AGENCIES.—Notwithstanding any other provision of law,
7 State agencies and law enforcement agencies shall share
8 WIC vendor information relating to investigations or pros-
9 ecutions under the program under this section, as deter-
10 mined by the Secretary.

11 “(s) PILOT PROJECTS.—

12 “(1) IN GENERAL.—Subject to paragraph (2),
13 the Secretary may conduct pilot projects to test al-
14 ternative certification and food delivery procedures
15 under this section.

16 “(2) PROHIBITION.—In conducting pilot
17 projects under paragraph (1), the Secretary may not
18 waive or modify the application of program eligi-
19 bility, supplemental foods, or cost containment re-
20 quirements.

21 “(3) EVALUATION.—The Secretary shall evalu-
22 ate each pilot project carried out under this sub-
23 section after the pilot project has been in operation
24 for 3 years.”.

1 (b) REVIEW OF ADJUNCTIVE ELIGIBILITY FOR
2 WIC.—

3 (1) DEFINITIONS.—In this subsection:

4 (A) ADJUNCTIVELY ELIGIBLE.—The term
5 “adjunctively eligible” with respect to an indi-
6 vidual, means an individual who is eligible for
7 WIC under section 17(d)(2)(A)(iii) of the Child
8 Nutrition Act of 1966 (42 U.S.C.
9 1786(d)(2)(A)(iii)).

10 (B) COMPTROLLER GENERAL.—The term
11 “Comptroller General” means the Comptroller
12 General of the United States.

13 (C) MEDICAID.—The term “Medicaid”
14 means the Medicaid program under title XIX of
15 the Social Security Act (42 U.S.C. 1396 et
16 seq.).

17 (D) POVERTY LINE.—The term “poverty
18 line” means the most recent annual Federal
19 Poverty Income Guidelines published by the De-
20 partment of Health and Human Services.

21 (E) WIC.—The term “WIC” means the
22 special supplemental nutrition program for
23 women, infants, and children established by sec-
24 tion 17 of the Child Nutrition Act of 1966 (42
25 U.S.C. 1786).

1 (2) STUDY.—The Comptroller General shall
2 conduct a study to examine the impact of adjunctive
3 eligibility on WIC participation, including the admin-
4 istrative burden, number of participants in WIC,
5 and other impacts on the participants.

6 (3) ADJUNCTIVE ELIGIBILITY AND INCOME OF
7 WIC PARTICIPANTS.—

8 (A) IN GENERAL.—In conducting the
9 study described in paragraph (2), the Comp-
10 troller General shall examine the extent to
11 which individuals certified as adjunctively eligi-
12 ble to receive supplemental foods and services
13 through WIC have income above 185 percent of
14 the poverty line.

15 (B) DATA.—

16 (i) DATA COLLECTION.—The Comp-
17 troller General shall collect data to deter-
18 mine—

19 (I) the total number of pregnant
20 women, postpartum women,
21 breastfeeding women, infants, and
22 children participating in WIC;

23 (II) an estimate of the share of
24 individuals described in subclause (I)
25 who are certified as adjunctively eligi-

1 ble under section 17(d)(2)(A)(iii) of
2 the Child Nutrition Act of 1966 (42
3 U.S.C. 1786(d)(2)(A)(iii)); and

4 (III) an estimate of the share of
5 individuals described in subclause (II)
6 for whom income (for purposes of
7 Medicaid eligibility) is above 185 per-
8 cent of the poverty line, above 250
9 percent of the poverty line, above 300
10 percent of the poverty line, and above
11 any other demarcation thresholds as
12 determined by the Comptroller Gen-
13 eral.

14 (ii) SOURCES.—The Comptroller Gen-
15 eral shall collect the information described
16 in clause (i) from—

17 (I) WIC program data for sub-
18 clauses (I) and (II) of that clause;
19 and

20 (II) a review of the income of a
21 representative sample of WIC partici-
22 pants (for purposes of Medicaid eligi-
23 bility) at the time of WIC certification
24 (for subclause (III) of that clause).

1 (iii) OTHER.—The estimate developed
2 under clause (i)(III) shall be based on data
3 collected in selected States in which the in-
4 come eligibility limit for infants under 1
5 year of age for Medicaid is at or above 185
6 percent of the poverty line.

7 (4) USE OF INCOME DATA TO INFORM MED-
8 ICAID ADJUNCTIVE ELIGIBILITY DETERMINA-
9 TIONS.—

10 (A) IN GENERAL.—Following collection of
11 the data described in paragraph (3), the Comp-
12 troller General shall assess the feasibility, bene-
13 fits, and costs of requiring that WIC use an
14 automated process to document that only appli-
15 cants with income below a specified threshold
16 may be certified as adjunctively eligible based
17 solely on Medicaid receipt.

18 (B) SCOPE.—The assessment described in
19 subparagraph (A) shall include an evaluation of
20 the capacity of the management information
21 systems for both WIC and Medicaid, including
22 the ability of the systems to exchange data.

23 (C) WIC MANAGEMENT INFORMATION SYS-
24 TEMS.—The Comptroller General shall assess—

1 (i) which State agencies and tribal or-
2 ganizations operating WIC use manage-
3 ment information systems with the capac-
4 ity, via an automated process, for local
5 WIC clinics to document—

6 (I) income as a share of the pov-
7 erty level for purposes of Medicaid eli-
8 gibility; or

9 (II) Medicaid enrollment and in-
10 come below a specified level;

11 (ii) the steps necessary to prepare all
12 local WIC clinics to obtain and to access
13 that income information as a part of the
14 WIC application process as well as part of
15 the associated costs of modifying WIC
16 automated systems and training staff; and

17 (iii) other information determined rel-
18 evant by the Comptroller General, such as
19 the impact of the identified steps on ad-
20 ministrative costs, clinical services, and
21 waiting times for appointments.

22 (D) MEDICAID MANAGEMENT INFORMA-
23 TION SYSTEMS.—The Comptroller General shall
24 assess—

1 (i) whether State’s mechanized claims
2 processing and information retrieval sys-
3 tems under section 1903(a)(3)(A)(i) of the
4 Social Security Act (42 U.S.C.
5 1396b(a)(3)(A)(i)) have the capacity to
6 provide, at the time of WIC certification
7 and via an automated process, data to an
8 agency or tribal organization operating
9 WIC regarding—

10 (I) income as a share of the pov-
11 erty level for purposes of Medicaid eli-
12 gibility; or

13 (II) whether a Medicaid recipient
14 has income below a specified level;

15 (ii) the steps necessary to ensure that
16 mechanized claims processing and informa-
17 tion retrieval systems in States for which
18 the income eligibility limit for infants
19 under 1 year of age under Medicaid is
20 above 185 percent of the poverty line have
21 the capacity to provide the information de-
22 scribed in clause (i) to local WIC clinics
23 for the purpose of documenting adjunctive
24 eligibility under an option that would limit

1 that eligibility to individuals with income
2 below a specific threshold; and

3 (iii) other information determined rel-
4 evant by the Comptroller General and the
5 Secretary of Health and Human Services,
6 including the impact of the identified steps
7 on administrative costs.

8 (5) REPORT.—Not later than 18 months after
9 the date of the enactment of this Act, the Comp-
10 troller General shall submit to the Committee on
11 Education and the Workforce of the House of Rep-
12 resentatives and the Committee on Agriculture, Nu-
13 trition, and Forestry of the Senate a report describ-
14 ing—

15 (A) the data collected under paragraph
16 (3);

17 (B) the assessments made under para-
18 graph (4); and

19 (C) the feasibility, costs, and benefits of a
20 new requirement that would only permit ad-
21 junctive eligibility for individuals with house-
22 hold income below a specified level.

23 **SEC. 207. TEAM NUTRITION NETWORK.**

24 Section 19 of the Child Nutrition Act of 1966 (42
25 U.S.C. 1788) is amended—

1 (1) in subsection (a)—

2 (A) in paragraph (1)—

3 (i) by inserting “evidence-based” be-
4 fore “team nutrition messages”; and

5 (ii) by striking “developed by the Sec-
6 retary”;

7 (B) in paragraph (2), by inserting “under
8 this Act and the Richard B. Russell National
9 School Lunch Act (42 U.S.C. 1751 et seq.)” be-
10 fore the period at the end;

11 (C) in paragraph (4), by striking “pur-
12 poses; and” and inserting the following: “pur-
13 poses, including if appropriate—

14 “(A) State and local nutrition education
15 programs, health and wellness policies, nutrition
16 and health education resources, and other State
17 resources; and

18 “(B) Federal nutrition education efforts,
19 including those programs under this Act and
20 the Richard B. Russell National School Lunch
21 Act (42 U.S.C. 1751 et seq.);” and

22 (D) in paragraph (5)—

23 (i) by striking “helping children to
24 maintain a healthy weight by”; and

1 (ii) by inserting “in and out of
2 school” before the period at the end;

3 (2) in subsection (b), by striking “(b)” and all
4 that follows through “In this section, the term” and
5 inserting the following:

6 “(b) DEFINITIONS.—In this section:

7 “(1) NUTRITION EDUCATION.—The term ‘nutri-
8 tion education’ means the provision of individual or
9 group learning opportunities and materials for chil-
10 dren and families that—

11 “(A) emphasize the relationship between
12 nutrition, physical activity, and health with a
13 goal of improving long-term dietary and phys-
14 ical health and increasing food security; and

15 “(B) include learning about food prepara-
16 tion.

17 “(2) TEAM NUTRITION NETWORK.—The term”;

18 (3) in subsection (c)—

19 (A) by striking the subsection heading and
20 inserting “STATE NETWORK GRANTS.—”; and

21 (B) by adding at the end the following:

22 “(4) ALLOCATION.—Subject to the availability
23 of funds for use in carrying out this subsection, the
24 total amount of funds made available for a fiscal

1 year for grants under this subsection shall equal not
2 more than the sum of—

3 “(A) the product obtained by multiplying
4 $\frac{1}{2}$ cent by the number of lunches reimbursed
5 through food service programs under the Rich-
6 ard B. Russell National School Lunch Act (42
7 U.S.C. 1751 et seq.) during the second pre-
8 ceeding fiscal year in schools, institutions, and
9 service institutions that participate in the food
10 service programs; and

11 “(B) the total value of funds received by
12 the Secretary in support of this subsection from
13 nongovernmental sources.

14 “(5) REQUIREMENTS FOR STATE PARTICIPA-
15 TION.—To be eligible to receive a grant under this
16 subsection, a State agency shall submit to the Sec-
17 retary a plan, at such time and in such manner as
18 the Secretary may require, including—

19 “(A) a description of the goals and pro-
20 posed State plan for addressing the health and
21 other consequences of children who are at risk
22 of becoming overweight or obese;

23 “(B) a description of the means by which
24 the State agency will use and disseminate the
25 team nutrition messages and material to chil-

1 dren and, if appropriate, families of such chil-
2 dren;

3 “(C) an explanation of the ways in which
4 the State agency will use the funds from the
5 grant to work toward the goals required under
6 clause (i), and to promote healthy eating and
7 physical activity and fitness in schools through-
8 out the State;

9 “(D) a description of the ways in which
10 the State team nutrition network messages and
11 activities will be coordinated at the State and
12 local level with other community health pro-
13 motion and education activities;

14 “(E) a description of the consultative proce-
15 ss that the State agency employed in the devel-
16 opment of the model nutrition and physical ac-
17 tivity programs, including consultations with in-
18 dividuals and organizations with expertise in
19 promoting public health, nutrition, or physical
20 activity of children;

21 “(F) an annual summary of the team nu-
22 trition network activities and their effectiveness;

23 “(G) a description of the ways in which
24 school environments might support healthy eat-
25 ing and physical activity; and

1 “(H) a description of how all communica-
2 tions to parents and legal guardians of students
3 who are members of a household receiving in-
4 formation under the program shall be in an un-
5 derstandable and uniform format and, to the
6 maximum extent practicable, in a language that
7 parents and legal guardians can understand.

8 “(6) STATE COORDINATOR.—Each State that
9 receives a grant under this subsection may appoint
10 a team nutrition network coordinator. Such coordi-
11 nator shall implement comprehensive, coordinated
12 nutrition education programming through the team
13 nutrition network, including—

14 “(A) to assist schools, school food authori-
15 ties, and other child nutrition program pro-
16 viders in the State to administer and coordinate
17 the team nutrition network activities; and

18 “(B) to coordinate activities of such pro-
19 viders, school, and food authorities, and those
20 of the Secretary, acting through the Food and
21 Nutrition Service, and State agencies respon-
22 sible for other children’s health, education, and
23 wellness programs.

1 “(7) AUTHORIZED ACTIVITIES.—A State agency
2 that receives a grant under this section may use
3 funds from the grant to—

4 “(A) identify the programs and services
5 available to meet the health and nutritional
6 needs of children and families in the State;

7 “(B) disseminate team nutrition network
8 messages and material that provide comprehen-
9 sive, coordinated nutrition and physical fitness
10 awareness and obesity prevention education;

11 “(C) implement demonstration projects in
12 schools to promote physical activity and to en-
13 hance the nutritional education provided to stu-
14 dents;

15 “(D) improve access to local foods through
16 coordinating with farm-to-school grant activities
17 that include the provision of nutrition edu-
18 cation;

19 “(E) if applicable, implement State guide-
20 lines in health (including nutrition education
21 and physical education guidelines) and empha-
22 size regular physical activity during school
23 hours;

24 “(F) encourage school to develop healthy
25 eating and lifestyle policies;

1 “(G) provide training and technical assist-
2 ance to teachers and school food service profes-
3 sionals consistent with the purposes of this sub-
4 section; and

5 “(H) collaborate with public and private
6 organizations, including community-based orga-
7 nizations, State medical associations, and public
8 health groups, to provide nutrition and physical
9 education targeting lower income children, eth-
10 nic minorities, and youth at a greater risk for
11 obesity or malnourishment.”;

12 (4) by striking subsections (d) through (g) and
13 (k);

14 (5) by redesignating subsections (h) through (j)
15 as subsections (d) through (f), respectively;

16 (6) by redesignating subsection (l) as subsection
17 (g);

18 (7) in subsection (d) (as so redesignated)—

19 (A) in the subsection heading, by inserting
20 “EDUCATION” after “NUTRITION”;

21 (B) in paragraph (5)—

22 (i) in subparagraph (A)—

23 (I) in clause (i), by striking
24 “and” at the end; and

1 (II) by adding at the end the fol-
2 lowing:

3 “(iii) incorporate nutrition education
4 into academic instruction, physical and
5 health education, and, if appropriate, after-
6 school programs, including athletics; and”;
7 and

8 (ii) in subparagraph (B)—

9 (I) by striking clause (iv);

10 (II) in clause (vii), by striking “a
11 variety of healthy foods” and all that
12 follows through “fruit bars” and in-
13 sserting “a variety of healthy foods, in-
14 cluding through initiatives to cre-
15 atively market such foods”;

16 (III) in clause (viii), by striking
17 “low-fat and nutrient dense” and in-
18 sserting “healthy”; and

19 (IV) by redesignating clauses (v)
20 through (ix) as clauses (iv) through
21 (viii), respectively;

22 (8) in subsection (e) (as so redesignated), by
23 striking “may provide for technical assistance and
24 grants” and inserting “shall provide for technical as-
25 sistance”; and

1 (9) in subsection (g) (as so redesignated) by
2 striking “such sums” and all that follows through
3 the period at the end and inserting “to carry out
4 this section \$17,000,000 for each of fiscal years
5 2017 through 2021.”.

6 **TITLE III—MISCELLANEOUS**

7 **SEC. 301. REVIEWS.**

8 (a) TRIBAL FOODS.—

9 (1) IN GENERAL.—Not later than 1 year after
10 the date of the enactment of this Act, the Secretary
11 shall review—

12 (A) the barriers to including tribally pro-
13 duced, traditional, and culturally appropriate
14 foods in child nutrition programs (as defined in
15 section 25(b) of the Richard B. Russell Na-
16 tional School Lunch Act (42 U.S.C. 1769f (b))
17 within tribal schools; and

18 (B) the means of encouraging and assist-
19 ing enhanced inclusion of foods described in
20 subparagraph (A) in child nutrition programs.

21 (2) SCOPE.—In carrying out the review de-
22 scribed in paragraph (1), the Secretary shall—

23 (A) survey and compile resources of the
24 Department of Agriculture on the issue de-
25 scribed in paragraph (1)(A);

1 (B) if necessary, clarify relevant Federal
2 regulations governing schools and tribal pro-
3 ducers, including regulations relating to pro-
4 curement, reimbursement, and food safety;

5 (C) involve all relevant agencies, including
6 the Food and Nutrition Service and Office of
7 Tribal Relations of the Department of Agri-
8 culture; and

9 (D) submit to Congress a report describing
10 the results of the review.

11 (b) USE OF PROGRAM DATA.—

12 (1) IN GENERAL.—The Secretary, jointly with
13 the Secretary of Education, shall—

14 (A) review information regarding available
15 alternative data sets for use in programs that
16 are using free and reduced price meals data;
17 and

18 (B) determine the appropriateness of using
19 such alternative data sets in place of free and
20 reduced price meal program data by other pro-
21 grams to reduce the burden on local school food
22 authorities.

23 (2) REPORT TO CONGRESS.—Not later than 1
24 year after the date of the enactment of this Act, the
25 Secretaries shall submit to the Committee on Edu-

1 cation and the Workforce of the House of Rep-
2 resentatives and the Committee on Agriculture, Nu-
3 trition, and Forestry of the Senate a report that de-
4 scribes the results of the review and any rec-
5 ommendations of the Secretaries.

6 (c) CREDITING AND LABELING PROGRAM.—

7 (1) IN GENERAL.—The Secretary shall review
8 and update the system of crediting and the vol-
9 untary child nutrition labeling program used in ad-
10 ministering—

11 (A) the school lunch program established
12 under the Richard B. Russell National School
13 Lunch Act (42 U.S.C. 1751 et seq.); and

14 (B) the school breakfast program estab-
15 lished by section 4 of the Child Nutrition Act
16 of 1966 (42 U.S.C. 1773).

17 (2) SCOPE.—The review described in paragraph
18 (1) shall include, at a minimum—

19 (A) the treatment of food products within
20 previously established food categories and new
21 products that have entered the commercial mar-
22 ketplace since the system of crediting and the
23 voluntary child nutrition labeling program were
24 developed; and

1 (B) the timeliness in which applications for
2 labels under the voluntary child nutrition label-
3 ing program are reviewed and are granted or
4 denied.

5 (3) REPORT TO CONGRESS.—Not later than 1
6 year after the date of the enactment of this Act, the
7 Secretary shall submit to the Committee on Edu-
8 cation and the Workforce of the House of Rep-
9 resentatives and the Committee on Agriculture, Nu-
10 trition, and Forestry of the Senate a report that de-
11 scribes the results of the review and any rec-
12 ommendations of the Secretary.

13 (d) NUTRITIONAL ANALYSIS.—The Secretary shall—

14 (1) review the practicability and feasibility of—

15 (A) conducting a nutritional analysis,
16 using publicly and commercially available nutri-
17 tional information, of food products that are
18 voluntarily submitted for use in child nutrition
19 programs, outside of the reimbursable school
20 meal; and

21 (B) aggregating and making the informa-
22 tion obtained through that nutritional analysis
23 publicly available for use by school food authori-
24 ties, food manufacturers, and other interested
25 parties; and

1 (2) if found practicable and feasible, proceed
2 with the analysis, aggregation, and public avail-
3 ability.

4 (e) OTHER.—

5 (1) IN GENERAL.—The Secretary shall review—

6 (A) the cost differences between—

7 (i) providing meals and supplements
8 under the Richard B. Russell National
9 School Act (42 U.S.C. 1751 et seq.) and
10 section 4 of the Child Nutrition Act of
11 1966 (42 U.S.C. 1773) in Palau, Guam,
12 American Samoa, the Commonwealth of
13 Puerto Rico, the United States Virgin Is-
14 lands, and the Commonwealth of the
15 Northern Mariana Islands, respectively;
16 and

17 (ii) the average cost of providing
18 meals and supplements under those provi-
19 sions of law in the 50 States and the Dis-
20 trict of Columbia; and

21 (B) the relation of the cost differences de-
22 termined under subparagraph (A) to the na-
23 tional average payment rates for meals and
24 supplements prescribed under sections 4, 11,
25 13, and 17 of the Richard B. Russell National

1 School Lunch Act (42 U.S.C. 1753, 1759a,
2 1761, 1766) and section 4(b) of the Child Nu-
3 trition Act of 1966 (42 U.S.C. 1773(b)).

4 (2) REPORT TO CONGRESS.—Not later than 1
5 year after the date of the enactment of this Act, the
6 Secretary shall submit to the Committee on Edu-
7 cation and the Workforce of the House of Rep-
8 resentatives and the Committee on Agriculture, Nu-
9 trition, and Forestry of the Senate a report that de-
10 scribes the results of the review and any rec-
11 ommendations of the Secretary.

12 (f) UNLAWFUL ACTIVITY.—

13 (1) IN GENERAL.—Not later than 1 year after
14 the date of the enactment of this Act, the Secretary
15 shall review—

16 (A) the number of instances and types of
17 unlawful activity that occurred in the preceding
18 3 years, including, at a minimum, instances of
19 fraud, bid-rigging, and any other anticompeti-
20 tive activities carried out in connection with
21 supplying, providing, or selling goods or services
22 for a program under the Richard B. Russell
23 National School Lunch Act (42 U.S.C. 1751 et
24 seq.) or the Child Nutrition Act of 1966 (42
25 U.S.C. 1771 et seq.); and

1 (B) the practices and procedures currently
2 used by the Department of Agriculture to pre-
3 vent unlawful activity described in subpara-
4 graph (A).

5 (2) SECRETARIAL RESPONSE.—Following com-
6 pletion of the review described in paragraph (1), the
7 Secretary shall respond, if appropriate, by taking ac-
8 tion to reduce such unlawful activity, including, at a
9 minimum—

10 (A) revising any relevant guidance and reg-
11 ulations;

12 (B) issuing fines authorized under sub-
13 section (g) of section 25 of the Richard B. Rus-
14 sell National School Lunch Act (42 U.S.C.
15 1769f) (as amended by section 115); and

16 (C) submitting to the appropriate commit-
17 tees of Congress recommendations for any legis-
18 lative changes needed to enhance program over-
19 sight.

20 (3) SCOPE.—The actions described in para-
21 graph (2) shall be designed to reduce—

22 (A) anticompetitive activities, including
23 bid-rigging, price-fixing, the allocation of cus-
24 tomers between competitors, or other violation
25 of Federal or State antitrust laws;

- 1 (B) fraud, bribery, theft, forgery, or em-
2 bezzlement;
3 (C) knowingly receiving stolen property;
4 (D) making a false claim or statement; or
5 (E) any other obstruction of justice.

6 **SEC. 302. PROGRAM DELIVERY.**

7 The Secretary shall work with States participating in
8 programs authorized under the Richard B. Russell Na-
9 tional School Lunch Act (42 U.S.C. 1751 et seq.) and the
10 Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) to
11 encourage—

12 (1) streamlining of program administration, in-
13 cluding data collection and reporting requirements,
14 at the State level;

15 (2) communication among State agencies ad-
16 ministering the programs;

17 (3) coordination of administration of Federal
18 benefits at the State level to ensure efficiency of pro-
19 gram delivery and improved access to participants;
20 and

21 (4) consolidation and elimination of duplicative
22 or unnecessary Federal and State reporting require-
23 ments.

1 **SEC. 303. PRODUCT AVAILABILITY.**

2 (a) IN GENERAL.—The Secretary shall, to the extent
3 practicable, make available lactose-free milk with an ex-
4 tended shelf life for use in the commodity distribution pro-
5 gram authorized under section 14 of the Richard B. Rus-
6 sell National School Lunch Act (42 U.S.C. 1762a).

7 (b) SIZE AND FORM.—The milk described in sub-
8 section (a) shall, to the extent practicable, be made avail-
9 able in a size and form acceptable for and conducive to
10 consumption by school-aged children.

11 **SEC. 304. PROCUREMENT.**

12 In administering the summer food service program
13 for children established under section 13 of the Richard
14 B. Russell National School Lunch Act (42 U.S.C. 1761)
15 and the child and adult care food program established
16 under section 17 of such Act (42 U.S.C. 1766), the Sec-
17 retary shall ensure that—

18 (1) service institutions participating in the pro-
19 grams have flexibility in determining the frequency
20 of procurement and food items included in each so-
21 licitation; and

22 (2) any procurement procedure implemented by
23 a State agency is cost effective and efficient in meet-
24 ing the relevant meal pattern requirements.

1 **SEC. 305. SCHOOL NUTRITION ADVISORY COMMITTEE.**

2 (a) ESTABLISHMENT.—Not later than 120 days after
3 the date of the enactment of this Act, the Secretary shall
4 establish a School Nutrition Advisory Committee (referred
5 to in this section as the “Committee”) to provide input
6 in the administration of the school lunch program author-
7 ized under the Richard B. Russell National School Lunch
8 Act (42 U.S.C. 1751 et seq.) and the school breakfast pro-
9 gram established by section 4 of the Child Nutrition Act
10 of 1966 (42 U.S.C. 1773) (referred to in this section as
11 “child nutrition programs”).

12 (b) MEMBERSHIP.—

13 (1) COMPOSITION.—Members of the Committee
14 shall be appointed by the Secretary from rec-
15 ommendations made by the chair and ranking mem-
16 ber of the Committee on Education and the Work-
17 force of the House of Representatives and the Com-
18 mittee on Agriculture, Nutrition, and Forestry of
19 the Senate. Membership on the committee shall rep-
20 resent the following stakeholders:

21 (A) An organization that conducts research
22 and advocates on issues relating to child nutri-
23 tion.

24 (B) An organization that advocates for
25 cardiac health.

1 (C) A professional organization rep-
2 resenting dietitians.

3 (D) A trade association representing fruit
4 and vegetable growers.

5 (E) A coalition of large urban school food
6 authorities.

7 (F) 2 representatives from State agencies
8 that administer the child nutrition programs.

9 (G) A professional organization rep-
10 resenting school food employees.

11 (H) A professional organization rep-
12 resenting school board members.

13 (I) A council representing large school dis-
14 tricts.

15 (J) A professional association representing
16 school administrators.

17 (K) An entity that processes and manufac-
18 tures meat products.

19 (L) An entity that processes and manufac-
20 tures dairy products.

21 (M) An entity that processes and manufac-
22 tures grain products.

23 (N) An entity that assists suppliers and
24 school food authorities in selling and obtaining
25 food products.

1 (O) A school food authority located in each
2 of the 7 regions established for activities of the
3 Food and Nutrition Service, including—

4 (i) 3 representatives from districts lo-
5 cated in rural areas;

6 (ii) 2 representatives from districts lo-
7 cated in urban areas; and

8 (iii) 2 representatives from districts
9 located in urban cluster areas as defined
10 by census tract data.

11 (P) A council that represents public offi-
12 cials who head departments of elementary and
13 secondary education.

14 (2) TERMS.—The members will serve on the
15 Committee for a 3-year term. The chairmen of each
16 congressional committee, under paragraph (1) shall
17 alternate in appointing a chair and vice chair of the
18 committee.

19 (c) FUNCTION.—The Committee shall—

20 (1) provide a venue for communication between
21 stakeholders and the Department of Agriculture re-
22 garding child nutrition programs;

23 (2) give insight into child nutrition program im-
24 plementation;

1 (3) review and make recommendations to the
2 Secretary on policy development involving child nu-
3 trition programs; and

4 (4) evaluate methods for programmatic and ad-
5 ministrative improvement of child nutrition pro-
6 grams.

7 (d) MEETINGS.—The Committee shall meet quar-
8 terly.

9 (e) STAFFING.—The Secretary shall provide such
10 staff personnel as may be required to assist the Committee
11 in carrying out the duties of the Committee, but such staff
12 shall not interfere in the discussions or conclusions
13 reached by the Committee.

14 (f) TERMINATION.—The authority of the Committee
15 shall terminate on September 30, 2025.

16 **SEC. 306. PAPERWORK REDUCTION.**

17 (a) IN GENERAL.—For any program authorized
18 under the Richard B. Russell National School Lunch Act
19 (42 U.S.C. 1751 et seq.) or the Child Nutrition Act of
20 1966 (42 U.S.C. 1771 et seq.), the Secretary shall—

21 (1) periodically review regulations, guidance,
22 and other requirements to evaluate the volume of in-
23 formation required to be reported to the Department
24 of Agriculture by program participants; and

1 (2) if appropriate, streamline or otherwise re-
2 duce any unnecessary or duplicative paperwork, re-
3 porting requirements, and other administrative bur-
4 dens while maintaining program integrity.

5 (b) REPORT.—Not later than 2 years after the date
6 of the enactment of this Act and every 3 years thereafter,
7 and upon any publishing of guidance or updated Federal
8 requirements the Secretary shall submit to the Committee
9 on Education and the Workforce of the House of Rep-
10 resentatives and the Committee on Agriculture, Nutrition,
11 and Forestry of the Senate a report that describes any
12 action the Secretary has taken under subsection (a) dur-
13 ing the preceding 3 calendar years, or in the case of a
14 report submitted based on publishing updated guidance or
15 requirements, a report on such action, including a deter-
16 mination of appropriateness under subsection (a)(2).

17 **SEC. 307. TECHNOLOGY.**

18 (a) USE OF TECHNOLOGY.—Not later than 180 days
19 after the date of the enactment of this Act, the Secretary
20 shall—

21 (1) review the current use of technology in the
22 school lunch program established under the Richard
23 B. Russell National School Lunch Act (42 U.S.C.
24 1751 et seq.) and the school breakfast program es-

1 established by section 4 of the Child Nutrition Act of
2 1966 (42 U.S.C. 1773);

3 (2) identify opportunities in which enhanced use
4 of technology would reduce the rate of errors in ad-
5 ministration of the programs by State agencies and
6 local educational agencies; and

7 (3) encourage State agencies and local edu-
8 cational agencies to use technology in the areas iden-
9 tified under paragraph (2).

10 (b) IDENTIFICATION.—Not later than 180 days after
11 the date of the enactment of this Act, the Secretary
12 shall—

13 (1) review the feasibility and evaluate the bene-
14 fits of using a unique student identifier in the school
15 lunch program established under the Richard B.
16 Russell National School Lunch Act (42 U.S.C. 1751
17 et seq.) and the school breakfast program estab-
18 lished by section 4 of the Child Nutrition Act of
19 1966 (42 U.S.C. 1773);

20 (2) submit to the Committee on Education and
21 the Workforce of the House of Representatives and
22 the Committee on Agriculture, Nutrition, and For-
23 estry of the Senate a report describing the results of
24 the review under paragraph (1); and

1 (3) initiate implementation of a system for
2 using a unique student identifier, unless implemen-
3 tation is not in the best interest of the programs de-
4 scribed in paragraph (1).

5 **SEC. 308. TECHNICAL CORRECTIONS.**

6 (a) RICHARD B. RUSSELL NATIONAL SCHOOL
7 LUNCH ACT.—

8 (1) The Richard B. Russell National School
9 Lunch Act is amended in each of sections 4, 9, 9A,
10 12, 19, 23, 24, and 25 (42 U.S.C. 1753,
11 1758,1758b, 1760, 1796a, 1769d, 1769e, 1769f) by
12 striking “Committee on Education and Labor” each
13 place it appears and inserting “Committee on Edu-
14 cation and the Workforce”.

15 (2) Section 9 of the Richard B. Russell Na-
16 tional School Lunch Act (42 U.S.C. 1758) is amend-
17 ed—

18 (A) by striking “foster child” each place it
19 appears and inserting “foster youth”; and

20 (B) in subsection (b)(5)(B), by striking
21 “(42 U.S.C. 11434a(2))” and inserting “(42
22 U.S.C. 11434a(2))”.

23 (3) Section 12 of the Richard B. Russell Na-
24 tional School Lunch Act (42 U.S.C. 1760) is amend-
25 ed—

1 (A) in subsection (d)(3), by striking
2 “U.S.C” and inserting “U.S.C.”;

3 (B) in subsection (m)(2), in the paragraph
4 heading, by striking “AMERICAN” and inserting
5 “AMERICAN”; and

6 (C) in subsection (n)—

7 (i) in paragraph (3), in the paragraph
8 heading, by striking “HAWAII” and insert-
9 ing “HAWAII”; and

10 (ii) in paragraph (4), in the para-
11 graph heading, by striking “PUERTO RICO”
12 and inserting “PUERTO RICO”.

13 (4) Section 14(c) of the Richard B. Russell Na-
14 tional School Lunch Act (42 U.S.C. 1762a(c)) is
15 amended—

16 (A) by striking “section 311(a)(4) of the
17 Older Americans Act of 1965 (42 U.S.C.
18 3030(a)(4))” and inserting “section 311(c)(4)
19 of the Older Americans Act of 1965 (42 U.S.C.
20 3030a(c)(4))”; and

21 (B) by striking “(42 U.S.C. 3030(b)(1))”
22 and inserting “(42 U.S.C. 3030a(b)(1))”.

23 (b) CHILD NUTRITION ACT OF 1966.—

24 (1) The Child Nutrition Act of 1966 is amend-
25 ed in each of sections 10 and 17 (42 U.S.C. 1779,

1 1786) by striking “Committee on Education and
2 Labor” each place it appears and inserting “Com-
3 mittee on Education and the Workforce”.

4 (2) Section 7(a)(2)(B)(i) of the Child Nutrition
5 Act of 1966 (42 U.S.C. 1776(a)(2)(B)(i)) is amend-
6 ed by striking “clause (ii)” and inserting “clause
7 (ii)”.

8 (3) Section 17 of the Child Nutrition Act of
9 1966 (42 U.S.C. 1786) is amended—

10 (A) in subsection (b)(21), in the paragraph
11 heading, by striking “INDIAN OR NATIVE” and
12 inserting “INDIAN OR NATIVE”;

13 (B) in subsection (h)—

14 (i) in paragraph (4)—

15 (I) in subparagraph (A)(vi), by
16 striking “and” at the end; and

17 (II) in subparagraph (C)(iv), by
18 striking “; and” at the end and in-
19 serting a period;

20 (ii) in paragraph (5)(D), in the sub-
21 paragraph heading, by striking “INDIAN
22 OR NATIVE” and inserting “INDIAN OR NA-
23 TIVE”; and

24 (iii) in paragraph (8)(A)(iv)—

1 (I) in the clause heading, by
2 striking “STATE” and inserting
3 “STATE”; and

4 (II) in subclause (III), in the
5 subclause heading, by striking “STATE
6 AGENCIES AND INDIAN STATE AGEN-
7 CIES” and inserting “STATE AGEN-
8 CIES AND INDIAN STATE AGENCIES”;
9 and

10 (C) in subsection (m)(6)(C)(iv), by striking
11 “(G)(i)” each place it appears and inserting
12 “(F)(i)”.

13 **SEC. 309. BUDGETARY EFFECTS.**

14 The budgetary effects of this Act, for the purpose of
15 complying with the Statutory Pay-As-You-Go Act of 2010,
16 shall be determined by reference to the latest statement
17 titled “Budgetary Effects of PAYGO Legislation” for this
18 Act, submitted for printing in the Congressional Record
19 by the chairman of the Senate Committee on the Budget,
20 provided that such statement has been submitted prior to
21 the vote on passage.

22 **SEC. 310. EFFECTIVE DATE.**

23 Except as otherwise specifically provided in this Act
24 or any of the amendments made by this Act, this Act and

1 the amendments made by this Act take effect on October
2 1, 2016.