

105TH CONGRESS
2D SESSION

H. R. 3686

To authorize the Secretary of Health and Human Services to make block grants to States for purposes of improving the quality of child care services and making grants to business consortia to provide quality child care services, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 1998

Mrs. TAUSCHER (for herself, Mr. ALLEN, Mr. MORAN of Virginia, Mrs. CLAYTON, Mr. CONDIT, Ms. DELAURO, Mr. FROST, Ms. HARMAN, Mr. KENNEDY of Massachusetts, Ms. LOFGREN, Mr. MILLER of California, Mr. TANNER, Mr. TORRES, and Ms. WOOLSEY) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To authorize the Secretary of Health and Human Services to make block grants to States for purposes of improving the quality of child care services and making grants to business consortia to provide quality child care services, 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.**

4 This Act may be cited as the “Model States Child
5 Care Enhancement Act of 1998”.

1 **TITLE I—GRANTS TO MODEL**
2 **STATES**

3 **Subtitle A—Grants To Improve the**
4 **Quality of Child Care Services**

5 **SEC. 101. AUTHORITY TO MAKE CHALLENGE GRANTS.**

6 The Secretary may make grants in accordance with
7 this subtitle to eligible States to improve the quality of
8 child care services, to be used by such States for purposes
9 the Secretary shall specify by rule, including—

10 (1) to provide State or federally approved, de-
11 velopmentally appropriate child care training that
12 adheres to a program widely recognized by the com-
13 munity of interest that serves young children and
14 that is accredited by national institutions that are
15 recognized by the Secretary of Education, beyond
16 the training described in section 102, to individuals
17 who are caregivers who are, or are employed by,
18 child care providers who provide child care services
19 for compensation,

20 (2) to require health consultation and age-ap-
21 propriate immunization in accordance with the then
22 current immunization recommendations issued by
23 the Centers for Disease Control and Prevention to—

24 (A) children who receive child care services
25 for which assistance is provided under the Child

1 Care and Development Block Grant Act of
2 1990 (42 U.S.C. 9858 et seq.), and

3 (B) children not described in subparagraph
4 (A) who receive child care services provided by
5 center-based child care providers, and

6 (3) to provide assistance to eligible child care
7 providers to achieve the developmentally appropriate
8 child-per-caregiver ratios established by a national
9 association that accredits child care providers and
10 that is recognized by the Secretary,

11 (4) in the aggregate amount of \$1,000,000 or
12 5 percent of such grant, whichever is less, to make
13 grants to persons on a competitive basis, established
14 by the Secretary by rule, to be used for improve-
15 ments and startup costs (as defined by the Secretary
16 by rule) incurred to become eligible childcare provid-
17 ers,

18 (5) to pay costs incurred to obtain comprehen-
19 sive background checks required by section
20 102(a)(1)(A),

21 (6) to increase payment rates to providers who
22 serve children under the Child Care and Develop-
23 ment Block Grant Act of 1990 and, at the option of
24 the State, to require providers to seek accreditation
25 or otherwise enhance the quality of their child care

1 services as a condition of receiving increased pay-
2 ment rates,

3 (7) to expand activities to educate parents on
4 the availability and quality of child care, including
5 the development and operation of resource and refer-
6 ral systems, and

7 (8) to improve the availability and quality of
8 child care services for children with special needs, in-
9 cluding special needs relating to health and disabil-
10 ities.

11 **SEC. 102. ELIGIBILITY.**

12 (a) APPLICATION REQUIRED FOR ALL FISCAL
13 YEARS.—To be eligible to receive a grant under section
14 101 for a fiscal year, and subject to subsection (b), a State
15 shall submit to the Secretary an application at such time,
16 in such form, and containing such information as the Sec-
17 retary may require by rule, including the following:

18 (1) A certification that there is in effect in such
19 State, and that the State maintains a mechanism to
20 enforce, a requirement that—

21 (A) each center-based child care provider,
22 and each group home child care provider, in
23 such State obtain from such State, or from an
24 entity of local government designated by such
25 State, a preemployment criminal background

1 check of each individual subsequently employed
2 by such provider to provide child care services,
3 and

4 (B) such State, or such entity, conduct
5 criminal background checks requested for the
6 purpose of complying with subparagraph (A), at
7 a cost to child care providers that does not ex-
8 ceed \$50 or 50 percent of the cost of conduct-
9 ing each such check, whichever is less.

10 (2) A certification that there is in effect in such
11 State, and that such State enforces, a requirement
12 that an entity of State or local government—

13 (A) inspect center-based child care provid-
14 ers at least semiannually, group home child
15 care providers at least annually, and family
16 child care providers at least biennially; and

17 (B) periodically inspect all other child care
18 providers;

19 for compliance with the health and safety require-
20 ments applicable to such providers under State law.

21 (3) A certification that there is in effect in such
22 State, and that such State enforces, a requirement
23 that all caregivers who provide child care services for
24 which assistance is provided under the Child Care
25 and Development Block Grant Act of 1990 (42

1 U.S.C. 9858 et seq.), receive training in providing
2 medical first aid.

3 (4) A certification that there is in effect in such
4 State, and that such State enforces, a requirement
5 that caregivers who are, or are employed by, child
6 care providers who provide child care services for
7 compensation have specific minimum training as de-
8 termined and provided by the lead agency.

9 (5) A certification that there is in effect in such
10 State, and that such State enforces, a requirement
11 that all child care providers in such State who pro-
12 vide child care services for compensation obtain from
13 the parents (or legal guardians) of the children who
14 receive such services information regarding whether
15 such children have received age-appropriate immuni-
16 zations in accordance with the then current immuni-
17 zation recommendations issued by the Centers for
18 Disease Control and Prevention.

19 (6) A certification that there is in effect in such
20 State, and that such State enforces, a requirement
21 that specifies developmentally appropriate child-per-
22 caregiver ratios applicable to center-based child care
23 providers in such State.

1 (7) An assurance that such State will comply
2 with the requirements of this subtitle applicable with
3 respect to such grant.

4 (8) A certification that such State complies
5 with section 658E(c)(4)(A) of the Child Care and
6 Development Block Grant Act (42 U.S.C.
7 9858c(c)(4)(A)).

8 (9) An assurance that the State will not reduce
9 or remove any requirement applicable to child care
10 providers, that exceeds any requirement applicable
11 under this title.

12 (b) **ADDITIONAL REQUIREMENT FOR SUBSEQUENT**
13 **FISCAL YEARS.**—A State that receives a grant under this
14 subtitle for a fiscal year and that applies for a grant under
15 this subtitle for a subsequent fiscal year shall include in
16 the application information in such form as the Secretary
17 may require by rule, that demonstrates to the satisfaction
18 of the Secretary that in the most recent fiscal year for
19 which such State received a grant under this title such
20 State enforced the requirements certified under section
21 102 by such State.

22 **SEC. 103. ALLOTMENT OF FUNDS FOR GRANTS.**

23 (a) **FORMULA FOR ALLOTMENTS.**—Funds appro-
24 priated for a fiscal year to carry out this subtitle shall
25 be allotted among the States based on the formula used

1 for determining payments to States under section 403(n)
2 of the Social Security Act as in effect before October 1,
3 1995.

4 (b) REALLOTMENTS.—Any portion of an allotment
5 made under subsection (a) that the Secretary determines
6 will not be used for grants to a State shall be reallocated
7 to other States in proportion to the original allotments to
8 such other States.

9 (c) GRANTS.—Grants made under section 101 to a
10 State shall be made from funds allotted or reallocated under
11 this section to such State.

12 **Subtitle B—Grants to Business** 13 **Consortia**

14 **SEC. 151. AUTHORITY MAKE GRANTS.**

15 (a) IN GENERAL.—The Secretary shall make grants
16 to States to be used to provide grants to eligible entities
17 described in subsection (b) to assist such entities to im-
18 prove access to affordable, local, quality child care serv-
19 ices.

20 (b) ELIGIBLE ENTITIES DESCRIBED.—

21 (1) IN GENERAL.—An eligible entity described
22 in this subsection is a consortium that—

23 (A) shall consist of representatives from
24 not fewer than 5 businesses (or a nonprofit or-

1 organization that represents not fewer than 5
2 businesses); and

3 (B) has not received a grant under this
4 title.

5 (2) **ADDITIONAL REQUIREMENT.**—To the maxi-
6 mum extent practicable, each business or organiza-
7 tion that forms an eligible entity under paragraph
8 (1) shall be located in the same geographic region of
9 the United States.

10 (c) **PRIORITY FOR SMALL BUSINESSES.**—In provid-
11 ing grants under subsection (a), a State shall give priority
12 to eligible entities that consist of a majority of representa-
13 tives from small businesses.

14 (d) **MAXIMUM AMOUNT OF GRANT.**—The amount of
15 a grant provided to an eligible entity under subsection (a)
16 may not exceed \$50,000 for any fiscal year.

17 **SEC. 152. APPLICATION.**

18 The Secretary may not provide a grant under section
19 151 to an eligible entity unless such entity submits to the
20 Secretary an application that contains—

21 (1) a proposal to use such grant for the pur-
22 poses specified in section 101 (including the pur-
23 poses specified by the Secretary by rule) to provide
24 quality child care services; and

1 (2) such information as the Secretary may rea-
2 sonably require by rule.

3 **SEC. 153. USE OF AMOUNTS.**

4 (a) IN GENERAL.—The Secretary may not provide a
5 grant under section 151 to an eligible entity unless such
6 entity agrees to use such grant to initiate a quality, afford-
7 able, local child care program that carries out the proposal
8 included in the application submitted under section 152
9 by such entity.

10 (b) CONDUCT OF PROGRAM.—In carrying out the
11 program described in subsection (a), the eligible entity
12 may—

13 (1) establish a board of directors to oversee the
14 program; and

15 (2) provide child care services on a sliding fee
16 scale that provides for cost sharing by the families
17 of the children who receive such services.

18 (c) ADMINISTRATIVE COSTS.—The eligible entity
19 may use not more than 15 percent of the amount of a
20 grant to pay for administrative costs associated with the
21 program described in subsection (a).

22 **SEC. 154. REQUIREMENT OF MATCHING FUNDS.**

23 The Secretary may not provide a grant under section
24 151 to an eligible entity unless such entity agrees that—

1 (1) it will make available non-Federal contribu-
2 tions toward the costs of carrying out a program
3 under section 153 in an amount that is not less than
4 \$1 for each \$1 of Federal funds provided under a
5 grant under section 151; and

6 (2) of such non-Federal contributions, not less
7 than \$1 of each such \$2 shall be from businesses
8 participating in the eligible entity.

9 **Subtitle C—General Provisions**

10 **SEC. 191. DEFINITIONS.**

11 For purposes of this title:

12 (1) CAREGIVER.—The term “caregiver” has the
13 meaning given such term in section 658P of the
14 Child Care and Development Block Grant Act of
15 1990 (42 U.S.C. 9858n).

16 (2) ELIGIBLE CHILD CARE PROVIDER.—The
17 term “eligible child care provider” has the meaning
18 given such term in section 658P of the of the Child
19 Care and Development Block Grant Act of 1990 (42
20 U.S.C. 9858n).

21 (3) LEAD AGENCY.—The term “lead agency”
22 has the meaning given such term in section 658P of
23 the Child Care and Development Block Grant Act of
24 1990 (42 U.S.C. 9858n).

1 (4) SECRETARY.—The term “Secretary” means
2 the Secretary of Health and Human Services.

3 (5) STATE.—The Term “State” has the mean-
4 ing given such term in section 658P of the of the
5 Child Care and Development Block Grant Act of
6 1990 (42 U.S.C. 9858n).

7 **SEC. 192. AUTHORIZATION OF APPROPRIATIONS.**

8 (a) AUTHORIZATION OF APPROPRIATIONS FOR SUB-
9 TITLE A.—There is authorized to be appropriated for fis-
10 cal years 1999, 2000, 2001, 2002, and 2003 to carry out
11 subtitle A \$5,000,000,000 in the aggregate.

12 (b) AUTHORIZATION OF APPROPRIATIONS FOR SUB-
13 TITLE B.—There is authorized to be appropriated for each
14 of the fiscal years 1999, 2000, 2001, 2002, and 2003 to
15 carry out subtitle B an amount equal to \$100,000,000 or
16 10 percent of the amount appropriated under subsection
17 (a) for the respective fiscal year, whichever is less.

18 **TITLE II—CHILD CARE**
19 **STANDARDS ENFORCEMENT**

20 **SEC. 201. AUTHORITY TO MAKE GRANTS FOR CHILD CARE**
21 **STANDARDS ENFORCEMENT PROGRAM.**

22 (a) ESTABLISHMENT OF PROGRAM.—Section 658G
23 of the Child Care and Development Block Grant Act of
24 1990 (42 U.S.C. 9858e) is amended—

1 (1) by inserting “(a) CONSUMER EDUCATION.—
2 ” before “A State”; and

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

4 “(b) CHILD CARE STANDARDS ENFORCEMENT.—

5 “(1) STATE PLAN REQUIREMENT.—To be eligi-
6 ble to receive payments under section 658J(b)(3), a
7 State shall include in the State plan under section
8 658E—

9 “(A) a child care standards enforcement
10 plan that describes the activities the State will
11 carry out, directly or indirectly, with funds al-
12 lotted to the State from amounts appropriated
13 under section 658C, which may include—

14 “(i) initiatives to increase the number
15 of qualified staff engaged in licensing child
16 care providers and in enforcing licensing,
17 health, safety, and other applicable stand-
18 ards;

19 “(ii) increasing monitoring and en-
20 forcement activities, including unan-
21 nounced inspections; and

22 “(iii) other activities designed to en-
23 sure that child care providers comply with
24 applicable standards;

1 “(B) an assurance that the State will not
2 reduce or remove any of such standards appli-
3 cable to child care providers under this sub-
4 chapter; and

5 “(C) assurances that payments received by
6 the State under section 658J(b)(3) will not be
7 used to supplant Federal or non-Federal funds
8 for existing services and activities which pro-
9 mote the purposes of this subsection.”.

10 (b) AUTHORIZATION OF APPROPRIATIONS FOR
11 CHILD CARE STANDARDS ENFORCEMENT.—Section 658B
12 of the Child Care and Development Block Grant Act of
13 1990 (42 U.S.C. 9858) is amended—

14 (1) by inserting “(a) GENERAL AUTHORIZA-
15 TION OF APPROPRIATIONS.—” before “There”,

16 (2) by inserting “(other than section 658G(b))”
17 after “subchapter”, and

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

19 “(b) AUTHORIZATION OF APPROPRIATIONS FOR
20 CHILD CARE STANDARDS ENFORCEMENT.—There is au-
21 thorized to be appropriated to carry out section 658G(b)
22 \$100,000,000 for each of the fiscal years 1999, 2000,
23 2001, 2002, and 2003.”.

1 (c) PAYMENTS.—Section 658J of the Child Care and
2 Development Block Grant Act of 1990 (42 U.S.C. 9358h)
3 is amended—

4 (1) in subsection (a) by inserting “and sub-
5 section (b)(3)” after “appropriations”; and

6 (2) in (b) by adding at the end the following:

7 “(3) PAYMENTS FOR CHILD CARE STANDARDS
8 ENFORCEMENT.—If a State plan contained in an
9 application approved under section 658E includes
10 the provisions required by section 658G(b) applica-
11 ble to a fiscal year, then such State shall be entitled
12 to a payment under this section equal to the amount
13 such State expended to carry out such provisions or
14 the amount allotted to such State under section
15 658O from funds appropriated under section
16 658B(b) for such fiscal year, whichever is less.”.

17 (d) ANNUAL REPORT.—Section 658K(a)(2) of the
18 Child Care and Development Block Grant Act of 1990 (42
19 U.S.C. 9858i(a)(2)) is amended—

20 (1) in subparagraph (D) by striking “and” at
21 the end;

22 (2) in subparagraph (E) by striking the period
23 at the end and inserting “; and”; and

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

1 “(H) enforcement of child care quality and
 2 safety standards, including data, by type of pro-
 3 vider, on—

4 “(i) the number of facilities inspected
 5 (and the number of facilities receiving
 6 more than 1 inspection);

7 “(ii) the numbers and types of defi-
 8 ciencies identified (and the numbers of se-
 9 rious deficiencies presenting risks to health
 10 or safety); and

11 “(iii) such other data as the Secretary
 12 may require.”.

13 **TITLE III—LOAN DEFERRAL**

14 **SEC. 301. STUDENT LOAN DEFERRAL FOR CHILD CARE** 15 **PROVIDERS.**

16 (a) **FEDERALLY INSURED LOANS.**—Section
 17 427(a)(2)(C) of the Higher Education Act of 1965 (20
 18 U.S.C. 1077(a)(2)(C)) is amended—

19 (1) by striking “or” at the end of clause (ii);

20 (2) by inserting “or” after the semicolon at the
 21 end of clause (iii); and

22 (3) by inserting after clause (iii) the following
 23 new clause:

24 “(iv) not in excess of 2 years through-
 25 out which a borrower who holds a degree

1 in early childhood education or a related
2 discipline, and is a licensed child care pro-
3 vider, provides child care services not less
4 than 30 hours per week for compensation
5 as a child care provider or as an employee
6 of a child care provider, and for purposes
7 of this clause a borrower shall be consid-
8 ered to have a degree in early childhood
9 education or a related discipline if the de-
10 gree prepares individuals to provide care
11 and education to groups of children young-
12 er than school-age, or to groups of school
13 age children during out-of-school periods;”.

14 (b) **FEDERALLY GUARANTEED LOANS.**—Section
15 428(b)(1)(M) of the Higher Education Act of 1965 (20
16 U.S.C. 1078(b)(1)(M)) is amended—

17 (1) by striking “or” at the end of clause (ii);

18 (2) by inserting “or” after the semicolon at the
19 end of clause (iii); and

20 (3) by inserting after clause (iii) the following
21 new clause:

22 “(iv) not in excess of 2 years through-
23 out which a borrower who holds a degree
24 in early childhood education or a related
25 discipline, and is a licensed child care pro-

1 vider, provides child care services not less
2 than 30 hours per week for compensation
3 as a child care provider or as an employee
4 of a child care provider, and for purposes
5 of this clause a borrower shall be consid-
6 ered to have a degree in early childhood
7 education or a related discipline if the de-
8 gree prepares individuals to provide care
9 and education to groups of children young-
10 er than school-age, or to groups of school
11 age children during out-of-school periods;”.

12 (c) FEDERAL DIRECT STUDENT LOANS.—Section
13 455(f)(2) of the Higher Education Act of 1965 (20 U.S.C.
14 1087e(f)(1)) is amended—

15 (1) by redesignating subparagraph (C) as sub-
16 paragraph (D); and

17 (2) by inserting after subparagraph (B) the fol-
18 lowing new subparagraph:

19 “(C) not in excess of 2 years throughout
20 which a borrower who holds a degree in early
21 childhood education or a related discipline, and
22 is a licensed child care provider, provides child
23 care services not less than 30 hours per week
24 for compensation as a child care provider or as
25 an employee of a child care provider, and for

1 purposes of this subparagraph, a borrower shall
 2 be considered to have a degree in early child-
 3 hood education or a related discipline if the de-
 4 gree prepares individuals to provide care and
 5 education to groups of children younger than
 6 school-age, or to groups of school age children
 7 during out-of-school periods;”.

8 **TITLE IV—RESEARCH AND** 9 **DEMONSTRATIONS**

10 **SEC. 401. AUTHORITY TO MAKE GRANTS FOR RESEARCH** 11 **AND DEMONSTRATIONS.**

12 (a) **AUTHORITY.**—The Child Care and Development
 13 Block Grant Act of 1990 (42 U.S.C. 9858b et seq.) is
 14 amended by adding at the end the following:

15 **“SEC. 658T. RESEARCH AND DEMONSTRATIONS.**

16 “(a) **IN GENERAL.**—The Secretary may, either di-
 17 rectly or through grants, contracts, or other arrange-
 18 ments, carry out research, demonstration projects, and
 19 other activities relating to child care services, including ac-
 20 tivities designed to improve the quality and increase the
 21 availability of child care services.

22 “(b) **ALLOWABLE ACTIVITIES.**—Activities referred to
 23 in subsection (a) may include the following:

24 “(1) **RESEARCH ON CHILD CARE NEEDS OF**
 25 **LOW-INCOME FAMILIES.**—Research designed to iden-

1 tify and overcome barriers restricting availability, af-
2 fordability, and quality of child care for low-income
3 families.

4 “(2) DEMONSTRATIONS OF TECHNOLOGY-
5 BASED EDUCATION AND TRAINING.—Demonstration
6 projects testing use of remote site and interactive
7 computer technology to provide education and train-
8 ing to child care providers and parents.

9 “(3) DEMONSTRATION PROJECTS FOR NEW
10 METHODS.—Demonstration projects addressing the
11 particular child care needs of certain parents, such
12 as stay-at-home parents of newborns or newly adopt-
13 ed children, low-income families, single parents, and
14 parents of children with special needs.

15 “(4) NATIONAL CENTER ON CHILD CARE STA-
16 TISTICS.—Establishment and operation of a Na-
17 tional Center on Child Care Statistics for the collec-
18 tion and dissemination of data and information on
19 child care.

20 “(5) HOTLINE AND CONSUMER EDUCATION.—
21 Establishment and operation of a hotline to assist
22 parents to locate their local child care resource and
23 referral agency and public education activities to as-
24 sist parents in becoming informed consumers of
25 quality child care.”.

1 (b) AUTHORIZATION OF APPROPRIATIONS FOR RE-
2 SEARCH AND DEMONSTRATIONS.—

3 (1) AUTHORIZATION.—Section 658B of the
4 Child Care and Development Block Grant Act of
5 1990 (42 U.S.C. 9858), as amended by section 201,
6 is amended by adding at the end the following:

7 “(c) AUTHORIZATION OF APPROPRIATIONS FOR RE-
8 SEARCH AND DEMONSTRATIONS.—There is authorized to
9 be appropriated to carry out section 658T \$30,000,000
10 for each of the fiscal years 1999, 2000, 2001, 2002, and
11 2003.”.

12 (2) TECHNICAL AMENDMENTS.—Section 658O
13 of the Child Care and Development Block Grant Act
14 of 1990 (42 U.S.C. 9858m) is amended—

15 (A) in subsection (a)—

16 (i) in paragraph (1) by inserting
17 “(other than funds appropriated under sec-
18 tion 658B(c))” after “subchapter”, and

19 (ii) in paragraph (2) by inserting
20 “(other than subsection (c) of such sec-
21 tion)” after “section 658(B)”, and

22 (B) in subsection (b) by inserting “(other
23 than subsection (c) of such section)” after “sec-
24 tion 658(B)”.

1 (c) REPORT TO CONGRESS.—Section 658L of the
2 Child Care and Development Block Grant Act of 1990 (42
3 U.S.C. 9858j) is amended by inserting “and progress on
4 development of research and demonstration projects car-
5 ried out under section 658T” after “section 658K”.

6 **TITLE V—AMENDMENTS TO THE**
7 **CHILD CARE AND DEVELOP-**
8 **MENT BLOCK GRANT ACT OF**
9 **1990**

10 **SEC. 501. CERTIFICATION RELATING TO PAYMENT RATES.**

11 (a) AMENDMENT.—Section 658E(c)(4)(A) of the
12 Child Care and Development Block Grant Act of 1990 (42
13 U.S.C. 9858c(c)(4)(A)) is amended by inserting “(based
14 on a survey of the cost of child care services in local mar-
15 kets throughout the State, conducted not more than 2
16 years before the date the application is submitted under
17 subsection (a))” after “sufficient”.

18 (b) APPLICATION OF AMENDMENT.—The amendment
19 made by subsection (a) shall not apply with respect to ap-
20 plications submitted for fiscal years beginning before the
21 date of the enactment of this Act.

22 **SEC. 502. AUTHORIZATION OF APPROPRIATIONS.**

23 Section 658B of the Child Care and Development
24 Block Grant Act of 1990 (42 U.S.C. 9858) is amended
25 by striking “2002” and inserting “1998, and

1 \$2,000,000,000 for each of the fiscal years 1999, 2000,
2 2001, 2002, and 2003”.

3 **TITLE VI—CHILD AND ADULT**
4 **FOOD PROGRAM**

5 **SEC. 601. REVISION OF REIMBURSEMENT RATES FOR FAM-**
6 **ILY OR GROUP DAY CARE HOMES UNDER THE**
7 **CHILD AND ADULT CARE FOOD PROGRAM**
8 **UNDER THE NATIONAL SCHOOL LUNCH ACT.**

9 (a) IN GENERAL.—Section 17(f)(3) of the National
10 School Lunch Act (42 U.S.C. 1766(f)(3)) is amended—

11 (1) in subparagraph (A)(iii)(I)—

12 (A) in division (aa), by striking “95 cents
13 for lunches and suppers, 27 cents for break-
14 fasts, and 13 cents for supplements” and in-
15 serting “\$1.03 for lunches and suppers, 38
16 cents for breakfasts, and 18 cents for supple-
17 ments”; and

18 (B) in division (bb), by striking “1997”
19 and inserting “1998”; and

20 (2) in the second sentence of subparagraph (B),
21 by inserting after “Such levels” the following: “shall
22 be those levels in effect on June 30, 1998, increased
23 by \$2.00 per home and”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall take effect on June 30, 1998, or the
3 date of the enactment of this Act, whichever is later.

4 **TITLE VII—SENSE OF THE**
5 **CONGRESS**

6 **SEC. 701. SENSE OF THE CONGRESS.**

7 It is the sense of the Congress that funds should be
8 appropriated under the amendments made by this Act to
9 the maximum extent authorized and consistently with
10 achieving a balanced Federal budget.

○