

Calendar No. 462

105<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**S. 2286**

[Report No. 105-243]

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## **A BILL**

To amend the National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to extend certain authorities contained in those Acts through fiscal year 2003, and for other purposes.

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JULY 10, 1998

Read twice and placed on the calendar

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**IN THE SENATE OF THE UNITED STATES**

JULY 10, 1998

Mr. LUGAR, from the Committee on Agriculture, Nutrition, and Forestry, reported the following original bill; which was read twice and placed on the calendar

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**A BILL**

To amend the National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to extend certain authorities contained in those Acts through fiscal year 2003, 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,*

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

2 (a) SHORT TITLE.—This Act may be cited as the  
 3 “Child Nutrition and WIC Reauthorization Amendments  
 4 of 1998”.

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

Sec. 1. Short title; table of contents.

TITLE I—SCHOOL LUNCH AND RELATED PROGRAMS

- Sec. 101. Technical amendments to commodity provisions.
- Sec. 102. Waiver of requirement for weighted averages for nutrient analysis.
- Sec. 103. Requirement for food safety inspections.
- Sec. 104. Elimination of administration of programs by regional offices.
- Sec. 105. Special assistance.
- Sec. 106. Adjustments to payment rates.
- Sec. 107. Adjustments to reimbursement rates.
- Sec. 108. Criminal penalties.
- Sec. 109. Food and nutrition projects.
- Sec. 110. Establishment of an adequate meal service period.
- Sec. 111. Buy American.
- Sec. 112. Procurement contracts.
- Sec. 113. Summer food service program for children.
- Sec. 114. Commodity distribution program.
- Sec. 115. Child and adult care food program.
- Sec. 116. Transfer of homeless assistance programs to child and adult care  
 food program.
- Sec. 117. Meal supplements for children in afterschool care.
- Sec. 118. Pilot projects.
- Sec. 119. Breakfast pilot projects.
- Sec. 120. Training and technical assistance.
- Sec. 121. Food service management institute.
- Sec. 122. Compliance and accountability.
- Sec. 123. Information clearinghouse.
- Sec. 124. Refocusing of effort to help accommodate the special dietary needs  
 of individuals with disabilities.

TITLE II—SCHOOL BREAKFAST AND RELATED PROGRAMS

- Sec. 201. Elimination of administration of programs by regional offices.
- Sec. 202. State administrative expenses.
- Sec. 203. Special supplemental nutrition program for women, infants, and chil-  
 dren.
- Sec. 204. Nutrition education and training.

TITLE III—COMMODITY DISTRIBUTION PROGRAMS

- Sec. 301. Commodity distribution program reforms.
- Sec. 302. Food distribution.

## TITLE IV—EFFECTIVE DATE

Sec. 401. Effective date.

1     **TITLE I—SCHOOL LUNCH AND**  
 2             **RELATED PROGRAMS**

3     **SEC. 101. TECHNICAL AMENDMENTS TO COMMODITY PRO-**  
 4             **VISIONS.**

5             (a) IN GENERAL.—Section 6 of the National School  
 6 Lunch Act (42 U.S.C. 1755) is amended—

7                 (1) by striking subsections (c) and (d); and

8                 (2) by redesignating subsections (e), (f), and  
 9             (g) as subsections (c), (d), and (e), respectively.

10            (b) CONFORMING AMENDMENTS.—The National  
 11 School Lunch Act is amended by striking “section 6(e)”  
 12 each place it appears in sections 14(f), 16(a), and  
 13 17(h)(1)(B) (42 U.S.C. 1762a(f), 1765(a),  
 14 1766(h)(1)(B)) and inserting “section 6(c)”.

15     **SEC. 102. WAIVER OF REQUIREMENT FOR WEIGHTED AVER-**  
 16             **AGES FOR NUTRIENT ANALYSIS.**

17             Section 9(f) of the National School Lunch Act (42  
 18 U.S.C. 1758(f)) is amended by adding at the end the fol-  
 19 lowing:

20                 “(5) WAIVER OF REQUIREMENT FOR WEIGHTED  
 21 AVERAGES FOR NUTRIENT ANALYSIS.—During the  
 22 period ending on September 30, 2003, the Secretary  
 23 shall not require the use of weighted averages for  
 24 nutrient analysis of menu items and foods offered or

1 served as part of a reimbursable meal under the  
2 school lunch or school breakfast program.”.

3 **SEC. 103. REQUIREMENT FOR FOOD SAFETY INSPECTIONS.**

4 Section 9 of the National School Lunch Act (42  
5 U.S.C. 1758) is amended by adding at the end the follow-  
6 ing:

7 “(h) FOOD SAFETY INSPECTIONS.—

8 “(1) IN GENERAL.—Except as provided in para-  
9 graph (2), a school participating in the school lunch  
10 program authorized under this Act or the school  
11 breakfast program authorized under section 4 of the  
12 Child Nutrition Act of 1966 (42 U.S.C. 1773) shall,  
13 at least once during each school year, obtain a food  
14 safety inspection conducted by a State or local gov-  
15 ernmental agency responsible for food safety inspec-  
16 tions.

17 “(2) EXCEPTION.—Paragraph (1) shall not  
18 apply to a school if a food safety inspection of the  
19 school is required by a State or local authority.”.

20 **SEC. 104. ELIMINATION OF ADMINISTRATION OF PRO-**  
21 **GRAMS BY REGIONAL OFFICES.**

22 (a) IN GENERAL.—Section 10 of the National School  
23 Lunch Act (42 U.S.C. 1759) is amended to read as fol-  
24 lows:

1 **“SEC. 10. DISBURSEMENT TO SCHOOLS BY THE SEC-**  
2 **RETARY.**

3 “(a) **AUTHORITY TO ADMINISTER PROGRAMS.—**

4 “(1) **IN GENERAL.—**Except as provided in para-  
5 graph (3), during the period determined under sub-  
6 section (c), the Secretary shall withhold funds pay-  
7 able to a State under this Act and disburse the  
8 funds directly to school food authorities, institutions,  
9 and service institutions within the State for the pur-  
10 poses authorized by this Act to the extent that the  
11 Secretary has so withheld and disbursed the funds  
12 continuously since October 1, 1980.

13 “(2) **USE OF FUNDS.—**Any funds withheld and  
14 disbursed by the Secretary under paragraph (1)  
15 shall be used for the same purposes and be subject  
16 to the same conditions as apply to disbursing funds  
17 made available to States under this Act.

18 “(3) **STATE ADMINISTRATION.—**If the Sec-  
19 retary is administering (in whole or in part) any  
20 program authorized under this Act in a State, the  
21 State may, on request to the Secretary, assume ad-  
22 ministrative responsibility for the program at any  
23 time during the period determined under subsection  
24 (c).

25 “(b) **PROVISION OF TRAINING AND TECHNICAL AS-**  
26 **SISTANCE.—**During the period determined under sub-

1 section (c), the Secretary shall provide a State that as-  
2 sumes administrative responsibility for a program from  
3 the Secretary with training and technical assistance to  
4 allow for an efficient and effective transfer of the respon-  
5 sibility.

6 “(c) PERIOD.—

7 “(1) IN GENERAL.—Except as provided in para-  
8 graph (2), this section shall apply during the period  
9 beginning on October 1, 1998, and ending on Sep-  
10 tember 30, 2001.

11 “(2) EXTENSION.—The Secretary may extend  
12 the period described in paragraph (1) that applies to  
13 a program administered by the Secretary for a  
14 State, for a period not to exceed 2 years, if the  
15 State—

16 “(A) demonstrates to the Secretary that  
17 the State will not be able to assume administra-  
18 tive responsibility for the program during the  
19 period described in paragraph (1); and

20 “(B) submits a plan to the Secretary that  
21 describes when and how the State will assume  
22 administrative responsibility for the program.”.

23 (b) CONFORMING AMENDMENTS.—

24 (1) Section 7(b) of the National School Lunch  
25 Act (42 U.S.C. 1756(b)) is amended in the second

1 sentence by striking “No” and inserting “During  
2 the period determined under section 10(e), no”.

3 (2) Section 11(a)(1)(A) of the National School  
4 Lunch Act (42 U.S.C. 1759a(a)(1)(A)) is amended  
5 by inserting after “section 10 of this Act” the fol-  
6 lowing: “(during the period determined under sec-  
7 tion 10(e))”.

8 **SEC. 105. SPECIAL ASSISTANCE.**

9 Section 11(a)(1) of the National School Lunch Act  
10 (42 U.S.C. 1759a(a)(1)) is amended—

11 (1) in subparagraph (C)—

12 (A) in clause (i)(I), by striking “3 succes-  
13 sive school years” each place it appears and in-  
14 serting “4 successive school years”; and

15 (B) in clauses (ii) and (iii), by striking “3-  
16 school-year period” each place it appears and  
17 inserting “4-school-year period”; and

18 (2) in subparagraph (D)—

19 (A) in clause (i)—

20 (i) by striking “3-school-year period”  
21 each place it appears and inserting “4-  
22 school-year period”; and

23 (ii) by striking “2 school years” and  
24 inserting “4 school years”;

25 (B) in clause (ii)—



1 (i) by striking the first sentence; and

2 (ii) by striking “5-school-year period”

3 each place it appears and inserting “4-

4 school-year period”; and

5 (C) in clause (iii), by striking “5-school-

6 year period” and inserting “4-school-year pe-

7 riod”.

8 **SEC. 106. ADJUSTMENTS TO PAYMENT RATES.**

9 (a) IN GENERAL.—Section 11(a)(3)(B) of the Na-  
10 tional School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is  
11 amended—

12 (1) by striking “(B) The annual” and inserting  
13 the following:

14 “(B) COMPUTATION OF ADJUSTMENT.—

15 “(i) IN GENERAL.—The annual”;

16 (2) by striking “Each annual” and inserting the  
17 following:

18 “(ii) BASIS.—Each annual”;

19 (3) by striking “The adjustments” and insert-  
20 ing the following:

21 “(iii) ROUNDING.—

22 “(I) THROUGH APRIL 30, 1999.—

23 For the period ending April 30, 1999,

24 the adjustments”; and

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

1                   “(II) MAY 1, 1999, THROUGH  
2                   JUNE 30, 1999.—For the period begin-  
3                   ning on May 1, 1999, and ending on  
4                   June 30, 1999, the national average  
5                   payment rates for meals and supple-  
6                   ments shall be adjusted to the nearest  
7                   lower cent increment and shall be  
8                   based on the unrounded amounts used  
9                   to calculate the rates in effect on July  
10                  1, 1998.

11                  “(III) JULY 1, 1999, AND THERE-  
12                  AFTER.—On July 1, 1999, and on  
13                  each subsequent July 1, the national  
14                  average payment rates for meals and  
15                  supplements shall be adjusted to the  
16                  nearest lower cent increment and shall  
17                  be based on the unrounded amounts  
18                  for the preceding 12-month period.”.

19                  (b) CONFORMING AMENDMENTS.—Section 4(b) of  
20                  the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)) is  
21                  amended—

22                         (1) in the second sentence of paragraph (1)(B),  
23                         by striking “adjusted to the nearest one-fourth  
24                         cent,”; and

1           (2) in paragraph (2)(B)(ii), by striking “to the  
2           nearest one-fourth cent”.

3 **SEC. 107. ADJUSTMENTS TO REIMBURSEMENT RATES.**

4           Section 12 of the National School Lunch Act (42  
5 U.S.C. 1760) is amended by striking subsection (f) and  
6 inserting the following:

7           “(f) ADJUSTMENTS TO REIMBURSEMENT RATES.—  
8 In providing assistance for breakfasts, lunches, suppers,  
9 and supplements served in Alaska, Hawaii, Guam, Amer-  
10 ican Samoa, Puerto Rico, the Virgin Islands, and the  
11 Commonwealth of the Northern Mariana Islands, the Sec-  
12 retary may establish appropriate adjustments for each  
13 such State to the national average payment rates pre-  
14 scribed under sections 4, 11, 13 and 17 of this Act and  
15 section 4 of the Child Nutrition Act of 1966 (42 U.S.C.  
16 1773) to reflect the differences between the costs of pro-  
17 viding meals in those States and the costs of providing  
18 meals in all other States.”.

19 **SEC. 108. CRIMINAL PENALTIES.**

20           Section 12(g) of the National School Lunch Act (42  
21 U.S.C. 1760(g)) is amended by striking “\$10,000” and  
22 inserting “\$25,000”.

1 **SEC. 109. FOOD AND NUTRITION PROJECTS.**

2 Section 12(m) of the National School Lunch Act (42  
3 U.S.C. 1760(m)) is amended by striking “1998” each  
4 place it appears and inserting “2003”.

5 **SEC. 110. ESTABLISHMENT OF AN ADEQUATE MEAL SERV-**  
6 **ICE PERIOD.**

7 Section 12 of the National School Lunch Act (42  
8 U.S.C. 1760) is amended by adding at the end the follow-  
9 ing:

10 “(n) LENGTH OF MEAL SERVICE PERIOD AND FOOD  
11 SERVICE ENVIRONMENT.—A school participating in the  
12 school lunch program authorized under this Act or the  
13 school breakfast program authorized under section 4 of  
14 the Child Nutrition Act of 1966 (42 U.S.C. 1773) is en-  
15 couraged to establish meal service periods that provide  
16 children with adequate time to fully consume their meals  
17 in an environment that is conducive to eating the meals.”.

18 **SEC. 111. BUY AMERICAN.**

19 Section 12 of the National School Lunch Act (42  
20 U.S.C. 1760) (as amended by section 110) is amended by  
21 adding at the end the following:

22 “(o) BUY AMERICAN.—

23 “(1) DEFINITION OF DOMESTIC COMMODITY OR  
24 PRODUCT.—In this subsection, the term ‘domestic  
25 commodity or product’ means—

1           “(A) an agricultural commodity that is  
2           produced in the United States; and

3           “(B) a food product that is processed in  
4           the United States substantially using agricul-  
5           tural commodities that are produced in the  
6           United States.

7           “(2) REQUIREMENT.—Subject to paragraph  
8           (3), the Secretary shall require that a school pur-  
9           chase, to the maximum extent practicable, domestic  
10          commodities or products.

11          “(3) LIMITATIONS.—Paragraph (2) shall apply  
12          only to—

13                 “(A) a school located in the contiguous  
14                 United States; and

15                 “(B) a purchase of an agricultural com-  
16                 modity or product for the school lunch program  
17                 authorized under this Act or the school break-  
18                 fast program authorized under section 4 of the  
19                 Child Nutrition Act of 1966 (42 U.S.C.  
20                 1773).”.

21 **SEC. 112. PROCUREMENT CONTRACTS.**

22          Section 12 of the National School Lunch Act (42  
23          U.S.C. 1760) (as amended by section 111) is amended by  
24          adding at the end the following:

1       “(p) **PROCUREMENT CONTRACTS.**—In acquiring a  
 2 good or service using funds provided under this Act or  
 3 the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.),  
 4 a State, State agency, or school may enter into a contract  
 5 with a person that has provided assistance to the State,  
 6 State agency, or school in drafting contract specifica-  
 7 tions.”.

8 **SEC. 113. SUMMER FOOD SERVICE PROGRAM FOR CHIL-**  
 9 **DREN.**

10       (a) **ESTABLISHMENT OF SITE LIMITATION.**—Section  
 11 13(a)(7)(B) of the National School Lunch Act (42 U.S.C.  
 12 1761(a)(7)(B)) is amended by striking clause (i) and in-  
 13 serting the following:

14               “(i) operate—

15                       “(I) not more than 25 sites, with not more  
 16 than 300 children being served at any 1 site; or

17                       “(II) with a waiver granted by the State  
 18 agency under standards developed by the Sec-  
 19 retary, with not more than 500 children being  
 20 served at any 1 site;”.

21       (b) **ELIMINATION OF INDICATION OF INTEREST RE-**  
 22 **QUIREMENT, REMOVAL OF MEAL CONTRACTING RESTRIC-**  
 23 **TIONS, AND VENDOR REGISTRATION REQUIREMENTS.**—  
 24 Section 13 of the National School Lunch Act (42 U.S.C.  
 25 1761) is amended—

- 1 (1) in subsection (a)(7)(B)—
- 2 (A) by striking clauses (ii) and (iii); and
- 3 (B) by redesignating clauses (iv) through
- 4 (vii) as clauses (ii) through (v) respectively; and
- 5 (2) in subsection (l)—
- 6 (A) in paragraph (1)—
- 7 (i) in the first sentence—
- 8 (I) by striking “(other than pri-
- 9 vate nonprofit organizations eligible
- 10 under subsection (a)(7))”; and
- 11 (II) by striking “only with food
- 12 service management companies reg-
- 13 istered with the State in which they
- 14 operate” and inserting “with food
- 15 service management companies”; and
- 16 (ii) by striking the last sentence;
- 17 (B) in paragraph (2)—
- 18 (i) in the first sentence, by striking
- 19 “shall” and inserting “may”; and
- 20 (ii) by striking the second and third
- 21 sentences;
- 22 (C) by striking paragraph (3); and
- 23 (D) by redesignating paragraphs (4) and
- 24 (5) as paragraphs (3) and (4), respectively.

1 (c) REAUTHORIZATION OF SUMMER FOOD SERVICE  
2 PROGRAM.—Section 13(q) of the National School Lunch  
3 Act (42 U.S.C. 1761(q)) is amended by striking “1998”  
4 and inserting “2003”.

5 **SEC. 114. COMMODITY DISTRIBUTION PROGRAM.**

6 Section 14(a) of the National School Lunch Act (42  
7 U.S.C. 1762a(a)) is amended by striking “1998” and in-  
8 serting “2003”.

9 **SEC. 115. CHILD AND ADULT CARE FOOD PROGRAM.**

10 (a) AFTERSCHOOL CARE.—Section 17(a) of the Na-  
11 tional School Lunch Act (42 U.S.C. 1766(a)) is amended  
12 in the fourth sentence by striking “Reimbursement” and  
13 inserting “Except as provided in subsection (r), reim-  
14 bursement”.

15 (b) REVISION TO LICENSING AND ALTERNATE AP-  
16 PROVAL FOR SCHOOLS AND OUTSIDE SCHOOL HOURS  
17 CHILD CARE CENTERS.—Section 17(a) of the National  
18 School Lunch Act (42 U.S.C. 1766(a)) is amended in the  
19 sixth sentence by striking paragraph (1) and inserting the  
20 following:

21 “(1) each institution (other than a school or  
22 family or group day care home sponsoring organiza-  
23 tion) and family or group day care home shall—

24 “(A)(i) have Federal, State, or local licens-  
25 ing or approval; or



1           “(ii) be complying with appropriate re-  
2           newal procedures as prescribed by the Secretary  
3           and not be the subject of information possessed  
4           by the State indicating that the license of the  
5           institution or home will not be renewed;

6           “(B) in any case in which Federal, State,  
7           or local licensing or approval is not available—

8                   “(i) receive funds under title XX of  
9                   the Social Security Act (42 U.S.C. 1397 et  
10                  seq.);

11                  “(ii) meet any alternate approval  
12                  standards established by a State or local  
13                  government; or

14                  “(iii) meet any alternate approval  
15                  standards established by the Secretary,  
16                  after consultation with the Secretary of  
17                  Health and Human Services; or

18           “(C) in any case in which the institution  
19           provides care to school children outside school  
20           hours and Federal, State, or local licensing or  
21           approval is not required, meet State or local  
22           health and safety standards; and”.

23           (c) AUTOMATIC ELIGIBILITY.—Section 17(c) of the  
24           National School Lunch Act (42 U.S.C. 1766(c)) is amend-  
25           ed by striking paragraph (6).

1 (d) PERIODIC SITE VISITS.—Section 17(d) of the Na-  
 2 tional School Lunch Act (42 U.S.C. 1766(d)) is amend-  
 3 ed—

4 (1) in the second sentence of paragraph (1), by  
 5 inserting after “if it” the following: “has been vis-  
 6 ited by a State agency prior to approval and it”; and

7 (2) in paragraph (2)(A)—

8 (A) by striking “that allows” and inserting  
 9 “that—

10 “(i) allows”;

11 (B) by striking the period at the end and  
 12 inserting “; and”; and

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

14 “(ii) requires periodic site visits to private insti-  
 15 tutions that the State agency determines have a high  
 16 probability of program abuse.”.

17 (e) TAX EXEMPT STATUS AND REMOVAL OF NOTIFI-  
 18 CATION REQUIREMENT FOR INCOMPLETE APPLICA-  
 19 TIONS.—Section 17(d)(1) of the National School Lunch  
 20 Act (42 U.S.C. 1766(d)(1)) is amended—

21 (1) by inserting after the third sentence the fol-  
 22 lowing: “An institution moving toward compliance  
 23 with the requirement for tax exempt status shall be  
 24 allowed to participate in the child and adult care  
 25 food program for a period of not more than 180

1 days, except that a State agency may grant a single  
2 extension of not to exceed an additional 90 days if  
3 the institution demonstrates, to the satisfaction of  
4 the State agency, that the inability of the institution  
5 to obtain tax exempt status within the 180-day pe-  
6 riod is due to circumstances beyond the control of  
7 the institution.”; and

8 (2) by striking the last sentence.

9 (f) DEMONSTRATION PROJECTS.—Section 17(p) of  
10 the National School Lunch Act (42 U.S.C. 1766(p)) is  
11 amended—

12 (1) in paragraph (1), by striking “appropriated  
13 or otherwise made available for purposes of carrying  
14 out this section” and inserting “made available  
15 under paragraph (4)”;

16 (2) by striking paragraphs (4) and (5); and

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

18 “(4) FUNDING.—Out of any moneys in the  
19 Treasury not otherwise appropriated, the Secretary  
20 of the Treasury shall provide to the Secretary such  
21 sums as are necessary to carry out this subsection  
22 for each of fiscal years 1999 through 2003. The Sec-  
23 retary shall be entitled to receive the funds and shall  
24 accept the funds.”.

1 (g) MANAGEMENT SUPPORT, PARTICIPATION BY AT-  
 2 RISK CHILD CARE PROGRAMS, AND WIC OUTREACH.—  
 3 Section 17 of the National School Lunch Act (42 U.S.C.  
 4 1766) is amended by adding at the end the following:

5 “(q) MANAGEMENT SUPPORT.—

6 “(1) TECHNICAL AND TRAINING ASSISTANCE.—

7 In addition to the training and technical assistance  
 8 that is provided to State agencies under other provi-  
 9 sions of this Act and the Child Nutrition Act of  
 10 1966 (42 U.S.C. 1771 et seq.), the Secretary shall  
 11 provide training and technical assistance in order to  
 12 assist the State agencies in improving their program  
 13 management and oversight under this section.

14 “(2) FUNDING.—For each of fiscal years 1999  
 15 through 2003, the Secretary shall reserve to carry  
 16 out paragraph (1) \$1,000,000 of the amounts made  
 17 available to carry out this section.

18 “(r) PROGRAM FOR AT-RISK SCHOOL CHILDREN.—

19 “(1) DEFINITION OF AT-RISK SCHOOL CHILD.—

20 In this subsection, the term ‘at-risk school child’  
 21 means a school child who—

22 “(A) is not more than 18 years of age; and

23 “(B) lives in a geographical area served by  
 24 a school enrolling elementary students in which  
 25 at least 50 percent of the total number of chil-

1           dren enrolled are certified as eligible to receive  
2           free or reduced price school meals under this  
3           Act or the Child Nutrition Act of 1966 (42  
4           U.S.C. 1771 et seq.).

5           “(2) PARTICIPATION IN CHILD AND ADULT  
6           CARE FOOD PROGRAM.—Subject to the other provi-  
7           sions of this subsection, an institution that provides  
8           supplements under a program organized primarily to  
9           provide care to at-risk school children during after-  
10          school hours, weekends, or holidays during the regu-  
11          lar school year may participate in the program au-  
12          thorized under this section.

13          “(3) ADMINISTRATION.—Except as otherwise  
14          provided in this subsection, the other provisions of  
15          this section apply to an institution described in para-  
16          graph (2).

17          “(4) SUPPLEMENT REIMBURSEMENT.—

18                  “(A) LIMITATIONS.—An institution may  
19                  claim reimbursement under this subsection only  
20                  for—

21                          “(i) a supplement served under a pro-  
22                          gram organized primarily to provide care  
23                          to at-risk school children during after-  
24                          school hours, weekends, or holidays during  
25                          the regular school year; and

1                   “(ii) 1 supplement per child per day.

2                   “(B) RATE.—Supplements shall be reim-  
3                   bursed under this subsection at the rate estab-  
4                   lished for free supplements under subsection  
5                   (c)(3).

6                   “(C) NO CHARGE.—A supplement claimed  
7                   for reimbursement under this subsection shall  
8                   be served without charge.

9                   “(s) INFORMATION CONCERNING THE SPECIAL SUP-  
10                  PLEMENTAL NUTRITION PROGRAM FOR WOMEN, IN-  
11                  FANTS, AND CHILDREN.—

12                  “(1) IN GENERAL.—The Secretary shall provide  
13                  each State agency administering a child and adult  
14                  care food program under this section with informa-  
15                  tion concerning the special supplemental nutrition  
16                  program for women, infants, and children authorized  
17                  under section 17 of the Child Nutrition Act of 1966  
18                  (42 U.S.C. 1786).

19                  “(2) REQUIREMENTS FOR STATE AGENCIES.—A  
20                  State agency shall ensure that each participating  
21                  family and group day care home and child care cen-  
22                  ter (other than an institution providing care to  
23                  school children outside school hours)—

24                  “(A) receives materials that include—

1                   “(i) a basic explanation of the impor-  
2                   tance and benefits of the special supple-  
3                   mental nutrition program for women, in-  
4                   fants, and children;

5                   “(ii) the maximum State income eligi-  
6                   bility standards, according to family size,  
7                   for the program; and

8                   “(iii) information concerning how ben-  
9                   efits under the program may be obtained;

10                   “(B) is provided periodic updates of the in-  
11                   formation described in subparagraph (A); and

12                   “(C) provides the information described in  
13                   subparagraph (A) to parents of enrolled chil-  
14                   dren at enrollment.”.

15 **SEC. 116. TRANSFER OF HOMELESS ASSISTANCE PRO-**  
16 **GRAMS TO CHILD AND ADULT CARE FOOD**  
17 **PROGRAM.**

18                   (a) SUMMER FOOD SERVICE PROGRAM FOR CHIL-  
19 DREN.—Section 13(a)(3)(C) of the National School Lunch  
20 Act (42 U.S.C. 1761(a)(3)(C)) is amended—

21                   (1) in clause (i), by inserting “or” after the  
22                   semicolon;

23                   (2) by striking clause (ii); and

24                   (3) by redesignating clause (iii) as clause (ii).

1 (b) CHILD AND ADULT CARE FOOD PROGRAM.—Sec-  
2 tion 17 of the National School Lunch Act (as amended  
3 by section 115(g)) is amended—

4 (1) in the third sentence of subsection (a)—

5 (A) by striking “and public” and inserting  
6 “public”; and

7 (B) by inserting before the period at the  
8 following: “, and emergency shelters described  
9 in subsection (t)”;

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

11 “(t) PARTICIPATION BY EMERGENCY SHELTERS.—

12 “(1) DEFINITION OF EMERGENCY SHELTER.—

13 In this subsection, the term ‘emergency shelter’  
14 means a public or private nonprofit emergency shel-  
15 ter (as defined in section 321 of the Stewart B.  
16 McKinney Homeless Assistance Act (42 U.S.C.  
17 11351)), or a site operated by the shelter, that pro-  
18 vides food service to homeless children and their par-  
19 ents or guardians.

20 “(2) ADMINISTRATION.—Except as otherwise  
21 provided in this subsection, the other provisions of  
22 this section shall apply to an emergency shelter that  
23 is participating in the program authorized under this  
24 section.



1           “(3) INSTITUTION AND SITE LICENSING.—Sub-  
2           section (a)(1) shall not apply to an emergency shel-  
3           ter.

4           “(4) HEALTH AND SAFETY STANDARDS.—To be  
5           eligible to participate in the program authorized  
6           under this section, an emergency shelter shall com-  
7           ply with applicable State and local health and safety  
8           standards.

9           “(5) MEAL OR SUPPLEMENT REIMBURSE-  
10          MENT.—

11           “(A) LIMITATIONS.—An emergency shelter  
12           may claim reimbursement under this subsection  
13           only for—

14                   “(i) a meal or supplement served to  
15                   children who are not more than 12 years  
16                   of age residing at the emergency shelter;  
17                   and

18                   “(ii) not more than 3 meals, or 2  
19                   meals and 1 supplement, per child per day.

20           “(B) RATE.—A meal or supplement shall  
21           be reimbursed under this subsection at the rate  
22           established for a free meal or supplement under  
23           subsection (c).

1                   “(C) NO CHARGE.—A meal or supplement  
2                   claimed for reimbursement under this sub-  
3                   section shall be served without charge.”.

4           (c) HOMELESS CHILDREN NUTRITION PROGRAM.—  
5 Section 17B of the National School Lunch Act (42 U.S.C.  
6 1766b) is repealed.

7 **SEC. 117. MEAL SUPPLEMENTS FOR CHILDREN IN AFTER-**  
8 **SCHOOL CARE.**

9           (a) GENERAL AUTHORITY.—Section 17A(a) of the  
10 National School Lunch Act (42 U.S.C. 1766a(a)) is  
11 amended—

12                   (1) in paragraph (1), by striking “supplements  
13                   to” and inserting “supplements under a program or-  
14                   ganized primarily to provide care for”; and

15                   (2) in paragraph (2), by striking subparagraph  
16                   (C) and inserting the following:

17                                 “(C) operate afterschool programs with an  
18                                 educational or enrichment purpose.”.

19           (b) ELIGIBLE CHILDREN.—Section 17A(b) of the  
20 National School Lunch Act (42 U.S.C. 1766a(b)) is  
21 amended—

22                   (1) in paragraph (1), by striking “or” at the  
23                   end;

24                   (2) in paragraph (2), by striking the period at  
25                   the end and inserting “; or”; and

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

2 “(3) in the case of children who live in a geo-  
3 graphical area served by a school enrolling elemen-  
4 tary students in which at least 50 percent of the  
5 total number of children enrolled are certified as eli-  
6 gible to receive free or reduced price school meals  
7 under this Act or the Child Nutrition Act of 1966  
8 (42 U.S.C. 1771 et seq.), who are not more than 18  
9 years of age.”.

10 (c) REIMBURSEMENT.—Section 17A(c) of the Na-  
11 tional School Lunch Act (42 U.S.C. 1766a(c)) is amend-  
12 ed—

13 (1) by striking “(c) REIMBURSEMENT.—For”  
14 and inserting the following:

15 “(c) REIMBURSEMENT.—

16 “(1) IN GENERAL.—Except as provided in para-  
17 graph (2), for”; and

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

19 “(2) LOW-INCOME AREAS.—A supplement pro-  
20 vided under this section to a child described in sub-  
21 section (b)(3) shall be—

22 “(A) reimbursed at the rate at which free  
23 supplements are reimbursed under section  
24 17(c); and

25 “(B) served without charge.”.

1 **SEC. 118. PILOT PROJECTS.**

2 Section 18 of the National School Lunch Act (42  
3 U.S.C. 1769) is amended—

4 (1) in subsection (c)—

5 (A) in paragraphs (1) and (7)(A), by strik-  
6 ing “1998” each place it appears and inserting  
7 “2003”; and

8 (B) in paragraph (7)—

9 (i) by striking “(A)”; and

10 (ii) by striking subparagraph (B); and

11 (2) by striking subsections (e), (g), (h), and (i).

12 **SEC. 119. BREAKFAST PILOT PROJECTS.**

13 Section 18 of the National School Lunch Act (42  
14 U.S.C. 1769) (as amended by section 118(2)) is amended  
15 by inserting after subsection (d) the following:

16 “(e) BREAKFAST PILOT PROJECTS.—

17 “(1) IN GENERAL.—During each of the school  
18 years beginning July 1, 1999, July 1, 2000, and  
19 July 1, 2001, the Secretary shall make grants to  
20 State agencies to conduct pilot projects in elemen-  
21 tary schools under the jurisdiction of not more than  
22 6 school food authorities approved by the Sec-  
23 retary—

24 “(A) to reduce paperwork and simplify  
25 meal counting requirements; and

1           “(B) to evaluate the effect of providing  
2           free breakfasts to elementary school children,  
3           without regard to family income, on participa-  
4           tion, academic achievement, attendance and tar-  
5           diness, and dietary intake over the course of a  
6           day.

7           “(2) NOMINATIONS.—A State agency that de-  
8           sires to receive a grant under this subsection shall  
9           submit to the Secretary nominations of school food  
10          authorities to participate in a pilot project under  
11          this subsection

12          “(3) APPROVAL.—The Secretary shall approve  
13          for participation in pilot projects under this sub-  
14          section elementary schools under the jurisdiction of  
15          not more than 6 school food authorities selected so  
16          as to—

17                 “(A) provide for an equitable distribution  
18                 of pilot projects among urban and rural elemen-  
19                 tary schools;

20                 “(B) provide for an equitable distribution  
21                 of pilot projects among elementary schools of  
22                 varying family income levels; and

23                 “(C) permit the evaluation of pilot projects  
24                 to distinguish the effects of the pilot projects

1 from other factors, such as changes or dif-  
2 ferences in educational policies or program.

3 “(4) GRANTS TO SCHOOL FOOD AUTHORI-  
4 TIES.—A State receiving a grant under paragraph  
5 (1) shall make grants to school food authorities to  
6 conduct the pilot projects described in paragraph  
7 (1).

8 “(5) DURATION OF PILOT PROJECTS.—A school  
9 food authority receiving amounts under a grant to  
10 conduct a pilot project described in paragraph (1)  
11 shall conduct the project for the 3-year period begin-  
12 ning July 1, 1999.

13 “(6) WAIVER AUTHORITY.—The Secretary may  
14 waive the requirements of this Act and the Child  
15 Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) re-  
16 lating to counting of meals, applications for eligi-  
17 bility, and other requirements that would preclude  
18 the Secretary from making a grant to conduct a  
19 pilot project under paragraph (1).

20 “(7) REQUIREMENTS FOR PARTICIPATION IN  
21 PILOT PROJECT.—To be eligible to participate in a  
22 pilot project under this subsection—

23 “(A) a State—

24 “(i) shall submit an application to the  
25 Secretary at such time and in such manner

1 as the Secretary shall establish to meet cri-  
2 teria the Secretary has established to en-  
3 able a valid evaluation to be conducted;  
4 and

5 “(ii) shall provide such information  
6 relating to the operation and results of the  
7 pilot project as the Secretary may reason-  
8 ably require; and

9 “(B) a school food authority—

10 “(i) shall agree to serve all breakfasts  
11 at no charge to all children in participating  
12 elementary schools;

13 “(ii) shall not have a history of viola-  
14 tions of this Act or the Child Nutrition Act  
15 of 1966 (42 U.S.C. 1771 et seq.);

16 “(iii) shall have, under the jurisdiction  
17 of the school food authority, a sufficient  
18 number of elementary schools that are not  
19 participating in the pilot projects to permit  
20 an evaluation of the effects of the pilot  
21 projects; and

22 “(iv) shall meet all other requirements  
23 that the Secretary may reasonably require.

24 “(8) REIMBURSEMENT RATES.—A school food  
25 authority conducting a pilot project under this sub-

1 section shall receive reimbursement for each break-  
2 fast served under the pilot project in an amount that  
3 is equal to—

4 “(A) in the case of a school food authority  
5 that is determined by the Secretary not to be  
6 in severe need, the rate for free breakfasts es-  
7 tablished under section 4(b)(1)(B) of the Child  
8 Nutrition Act of 1966 (42 U.S.C.  
9 1773(b)(1)(B)); and

10 “(B) in the case of a school food authority  
11 that is determined by the Secretary to be in se-  
12 vere need, the rate for free breakfasts estab-  
13 lished under section 4(b)(2)(B) of the Child  
14 Nutrition Act of 1966 (42 U.S.C.  
15 1773(b)(2)(B)).

16 “(9) EVALUATION OF PILOT PROJECTS.—

17 “(A) IN GENERAL.—The Secretary, acting  
18 through the Administrator of the Food and Nu-  
19 trition Service, shall conduct an evaluation of  
20 the pilot projects conducted by the school food  
21 authorities selected for participation.

22 “(B) CONTENT.—The evaluation shall in-  
23 clude—

24 “(i) a determination of the effect of  
25 participation in the pilot project on the



1 academic achievement, attendance and tar-  
2 diness, and dietary intake over the course  
3 of a day of participating children that is  
4 not attributable to changes in educational  
5 policies and practices; and

6 “(ii) a determination of the effect that  
7 participation by elementary schools in the  
8 pilot project has on the proportion of stu-  
9 dents who eat breakfast and on the paper-  
10 work required to be completed by the  
11 schools.

12 “(C) REPORT.—On completion of the pilot  
13 projects and the evaluation, the Secretary shall  
14 submit to the Committee on Education and the  
15 Workforce of the House of Representatives and  
16 the Committee on Agriculture, Nutrition, and  
17 Forestry of the Senate a report containing the  
18 results of the evaluation of the pilot projects re-  
19 quired under subparagraph (A).

20 “(10) FEDERAL REIMBURSEMENT.—

21 “(A) IN GENERAL.—Except as provided in  
22 subparagraph (B), a school conducting a pilot  
23 project under this subsection shall receive a  
24 total Federal reimbursement under the school  
25 breakfast program in an amount that is equal

1 to the total Federal reimbursement for the  
2 school for the prior year under the program  
3 (adjusted for inflation and fluctuations in en-  
4 rollment).

5 “(B) EXCESS NEEDS.—Funds required for  
6 the pilot project in excess of the level of reim-  
7 bursement received by the school for the prior  
8 year (adjusted for inflation and fluctuations in  
9 enrollment) may be taken from any non-Federal  
10 source or from amounts provided under this  
11 subsection.

12 “(11) FUNDING.—

13 “(A) IN GENERAL.—Out of any moneys in  
14 the Treasury not otherwise appropriated, the  
15 Secretary of the Treasury shall provide to the  
16 Secretary such sums as are necessary to carry  
17 out this subsection, but not more than  
18 \$20,000,000. The Secretary shall be entitled to  
19 receive the funds and shall accept the funds.

20 “(B) EVALUATION.—Of the amounts made  
21 available under subparagraph (A), not more  
22 than \$12,000,000 shall be made available to  
23 carry out paragraph (9).”.

1 **SEC. 120. TRAINING AND TECHNICAL ASSISTANCE.**

2 Section 21(e)(1) of the National School Lunch Act  
3 (42 U.S.C. 1769b-1(e)(1)) is amended by striking “1998”  
4 and inserting “2003”.

5 **SEC. 121. FOOD SERVICE MANAGEMENT INSTITUTE.**

6 Section 21(e)(2)(A) of the National School Lunch  
7 Act (42 U.S.C. 1769b-1(e)(2)(A)) is amended by striking  
8 “and \$2,000,000 for fiscal year 1996 and each subsequent  
9 fiscal year,” and inserting “\$2,000,000 for each of fiscal  
10 years 1996 through 1998, and \$3,000,000 for fiscal year  
11 1999 and each subsequent fiscal year”.

12 **SEC. 122. COMPLIANCE AND ACCOUNTABILITY.**

13 Section 22(d) of the National School Lunch Act (42  
14 U.S.C. 1769c(d)) is amended by striking “1996” and in-  
15 serting “2003”.

16 **SEC. 123. INFORMATION CLEARINGHOUSE.**

17 Section 26(d) of the National School Lunch Act (42  
18 U.S.C. 1769g(d)) is amended in the first sentence by  
19 striking “and \$100,000 for fiscal year 1998” and insert-  
20 ing “\$100,000 for fiscal year 1998, and \$166,000 for each  
21 of fiscal years 1999 through 2003”.

22 **SEC. 124. REFOCUSING OF EFFORT TO HELP ACCOMMO-**  
23 **DATE THE SPECIAL DIETARY NEEDS OF INDI-**  
24 **VIDUALS WITH DISABILITIES.**

25 Section 27 of the National School Lunch Act (42  
26 U.S.C. 1769h) is amended to read as follows:

1 **“SEC. 27. ACCOMMODATION OF SPECIAL DIETARY NEEDS**  
2 **OF INDIVIDUALS WITH DISABILITIES.**

3 “(a) DEFINITIONS.—In this section:

4 “(1) COVERED PROGRAM.—The term ‘covered  
5 program’ means—

6 “(A) the school lunch program authorized  
7 under this Act;

8 “(B) the school breakfast program author-  
9 ized under section 4 of the Child Nutrition Act  
10 of 1966 (42 U.S.C. 1773); and

11 “(C) any other program authorized under  
12 this Act or the Child Nutrition Act of 1966  
13 that the Secretary determines is appropriate.

14 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-  
15 tity’ means a school food authority, institution, or  
16 service institution that participates in a covered pro-  
17 gram.

18 “(3) INDIVIDUALS WITH DISABILITIES.—The  
19 term ‘individual with disabilities’ has the meaning  
20 given the term in section 7 of the Rehabilitation Act  
21 of 1973 (29 U.S.C. 706) for purposes of title VII of  
22 that Act (29 U.S.C. 796 et seq.).

23 “(b) ACTIVITIES.—The Secretary may carry out ac-  
24 tivities to help accommodate the special dietary needs of  
25 individuals with disabilities who are participating in a cov-  
26 ered program, including—

1           “(1) developing and disseminating to State  
2 agencies guidance and technical assistance materials;

3           “(2) conducting training of State agencies and  
4 eligible entities; and

5           “(3) issuing grants to State agencies and eligi-  
6 ble entities.”.

7           **TITLE II—SCHOOL BREAKFAST**  
8           **AND RELATED PROGRAMS**

9           **SEC. 201. ELIMINATION OF ADMINISTRATION OF PRO-**  
10           **GRAMS BY REGIONAL OFFICES.**

11           Section 5 of the Child Nutrition Act of 1966 (42  
12 U.S.C. 1774) is amended to read as follows:

13           **“SEC. 5. DISBURSEMENT TO SCHOOLS BY THE SECRETARY.**

14           **“(a) AUTHORITY TO ADMINISTER PROGRAMS.—**

15           **“(1) IN GENERAL.—**Except as provided in para-  
16 graph (3), during the period determined under sub-  
17 section (c), the Secretary shall withhold funds pay-  
18 able to a State under this Act and disburse the  
19 funds directly to school food authorities, institutions,  
20 and service institutions within the State for the pur-  
21 poses authorized by this Act to the extent that the  
22 Secretary has so withheld and disbursed the funds  
23 continuously since October 1, 1980.

24           **“(2) USE OF FUNDS.—**Any funds withheld and  
25 disbursed by the Secretary under paragraph (1)

1 shall be used for the same purposes and be subject  
2 to the same conditions as apply to disbursing funds  
3 made available to States under this Act.

4 “(3) STATE ADMINISTRATION.—If the Sec-  
5 retary is administering (in whole or in part) any  
6 program authorized under this Act in a State, the  
7 State may, on request to the Secretary, assume ad-  
8 ministrative responsibility for the program at any  
9 time during the period determined under subsection  
10 (c).

11 “(b) PROVISION OF TRAINING AND TECHNICAL AS-  
12 SISTANCE.—During the period determined under sub-  
13 section (c), the Secretary shall provide a State that as-  
14 sumes administrative responsibility for a program from  
15 the Secretary with training and technical assistance to  
16 allow for an efficient and effective transfer of administra-  
17 tive responsibility.

18 “(c) PERIOD.—

19 “(1) IN GENERAL.—Except as provided in para-  
20 graph (2), this section shall apply during the period  
21 beginning on October 1, 1998, and ending on Sep-  
22 tember 30, 2001.

23 “(2) EXTENSION.—The Secretary may extend  
24 the period described in paragraph (1) that applies to  
25 a program administered by the Secretary for a

1 State, for a period not to exceed 2 years, if the  
2 State—

3 “(A) demonstrates to the Secretary that  
4 the State will not be able to assume administra-  
5 tive responsibility for the program during the  
6 period described in paragraph (1); and

7 “(B) submits a plan to the Secretary that  
8 describes when and how the State will assume  
9 administrative responsibility for the program.”.

10 **SEC. 202. STATE ADMINISTRATIVE EXPENSES.**

11 (a) HOMELESS SHELTERS.—Section 7(a)(5) of the  
12 Child Nutrition Act of 1966 (42 U.S.C. 1776(a)(5)) is  
13 amended by striking subparagraph (B) and inserting the  
14 following:

15 “(B) REALLOCATION OF FUNDS.—

16 “(i) RETURN TO SECRETARY.—For  
17 each fiscal year, any amounts appropriated  
18 that are not obligated or expended during  
19 the fiscal year and are not carried over for  
20 the succeeding fiscal year under subpara-  
21 graph (A) shall be returned to the Sec-  
22 retary.

23 “(ii) REALLOCATION BY SEC-  
24 RETARY.—The Secretary shall allocate, for  
25 purposes of administrative costs, any re-

1                   maintaining amounts among States that dem-  
2                   onstrate a need for the amounts.”.

3           (b) **ELIMINATION OF TRANSFER LIMITATION.**—Sec-  
4 tion 7(a) of the Child Nutrition Act of 1966 (42 U.S.C.  
5 1776(a)) is amended by striking paragraph (6) and insert-  
6 ing the following:

7                   “(6) **USE OF ADMINISTRATIVE FUNDS.**—Funds  
8           available to a State under this subsection and under  
9           section 13(k)(1) of the National School Lunch Act  
10          (42 U.S.C. 1761(k)(1)) may be used by the State  
11          for the costs of administration of the programs au-  
12          thorized under the National School Lunch Act (42  
13          U.S.C. 1751 et seq.) or this Act (except for the pro-  
14          grams authorized under sections 17 and 21 of this  
15          Act) without regard to the basis on which the funds  
16          were earned and allocated.”.

17          (c) **REAUTHORIZATION OF PROGRAM.**—Section 7(g)  
18 of the Child Nutrition Act of 1966 (42 U.S.C. 1776(g))  
19 is amended by striking “1998” and inserting “2003”.

20 **SEC. 203. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM**  
21 **FOR WOMEN, INFANTS, AND CHILDREN.**

22          (a) **CERTIFICATION PERIOD FOR INFANTS.**—Section  
23 17(d)(3) of the Child Nutrition Act of 1966 (42 U.S.C.  
24 1786(d)(3)) is amended by adding at the end the follow-  
25 ing:



1                   “(C) CERTIFICATION PERIOD FOR IN-  
2 FANTS.—

3                   “(i) IN GENERAL.—Except as pro-  
4                   vided in clause (ii), the procedures pre-  
5                   scribed under subparagraph (A) shall in-  
6                   clude a requirement that a family that in-  
7                   cludes an infant shall not be certified to  
8                   meet income eligibility criteria for the pro-  
9                   gram for more than 180 days after the  
10                  date of any certification.

11                  “(ii) PRESUMPTIVELY ELIGIBLE FAMI-  
12                  LIES.—Clause (i) shall not apply to a fam-  
13                  ily with a member who is an individual de-  
14                  scribed in clause (ii) or (iii) of paragraph  
15                  (2)(A).”.

16                  (b) ADDITIONAL REQUIREMENTS FOR APPLI-  
17 CANTS.—Section 17(d)(3) of the Child Nutrition Act of  
18 1966 (42 U.S.C. 1786(d)(3)) (as amended by subsection  
19 (a)) is amended by adding at the end the following:

20                  “(D) PHYSICAL PRESENCE.—

21                  “(i) IN GENERAL.—Except as pro-  
22                  vided in clause (ii), each applicant to the  
23                  program shall be physically present at each  
24                  certification determination to determine  
25                  eligibility under the program.

1           “(ii) WAIVERS.—A local agency may  
2 waive the requirement of clause (i) with re-  
3 spect to an applicant if the agency deter-  
4 mines that the requirement, as applied to  
5 the applicant, would—

6                   “(I) conflict with the Americans  
7 with Disabilities Act of 1990 (42  
8 U.S.C. 12101 et seq.);

9                   “(II) present a barrier to partici-  
10 pation of a child (including an infant)  
11 who—

12                           “(aa) was present at the ini-  
13 tial certification visit; and

14                           “(bb) is receiving ongoing  
15 health care from a provider other  
16 than the local agency; or

17                   “(III) present a barrier to par-  
18 ticipation of a child (including an in-  
19 fant) who—

20                           “(aa) was present at the ini-  
21 tial certification visit;

22                           “(bb) was present at a cer-  
23 tification determination within  
24 the 1-year period ending on the  
25 date of the certification deter-

1 mination described in clause (i);  
2 and

3 “(cc) has 1 or more parents  
4 who work.

5 “(E) INCOME DOCUMENTATION.—

6 “(i) IN GENERAL.—Except as pro-  
7 vided in clause (ii), to be eligible for the  
8 program, each applicant to the program  
9 shall provide—

10 “(I) documentation of household  
11 income; or

12 “(II) documentation of participa-  
13 tion in a program described in clause  
14 (ii) or (iii) of paragraph (2)(A).

15 “(ii) WAIVERS.—A State agency may  
16 waive the requirement of clause (i) with re-  
17 spect to—

18 “(I) an applicant for whom the  
19 necessary documentation is not avail-  
20 able; or

21 “(II) an applicant, such as a  
22 homeless woman or child, for whom  
23 the agency determines the require-  
24 ment of clause (i) would present a  
25 barrier to participation.

1                   “(iii) REGULATIONS.—The Secretary  
2                   shall prescribe regulations to carry out  
3                   clause (ii)(I).

4                   “(F) VERIFICATION.—The Secretary shall  
5                   issue regulations under this paragraph prescrib-  
6                   ing when and how verification of income shall  
7                   be required.”.

8           (e) DISTRIBUTION OF NUTRITION EDUCATION MA-  
9   TERIALS.—Section 17(e)(3) of the Child Nutrition Act of  
10 1966 (42 U.S.C. 1786(e)(3)) is amended—

11           (1) by striking “(3) The” and inserting the fol-  
12           lowing:

13                   “(3) NUTRITION EDUCATION MATERIALS.—

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

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

16                   “(B) SHARING OF MATERIALS WITH  
17                   CSFP.—The Secretary may provide, in bulk  
18                   quantity, nutrition education materials (includ-  
19                   ing materials promoting breastfeeding) devel-  
20                   oped with funds made available for the program  
21                   authorized under this section to State agencies  
22                   administering the commodity supplemental food  
23                   program authorized under sections 4(a) and 5  
24                   of the Agriculture and Consumer Protection

1 Act of 1973 (Public Law 93–86; 7 U.S.C. 612c  
2 note) at no cost to that program.”.

3 (d) VARIETY OF FOODS.—Section 17(f)(1)(C) of the  
4 Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(1)(C)) is  
5 amended—

6 (1) by redesignating clauses (ii) through (x) as  
7 clauses (iii) through (xi), respectively; and

8 (2) by inserting after clause (i) the following:

9 “(ii) in the case of any State that provides for  
10 the purchase of foods under the program at retail  
11 grocery stores, a plan to limit participation by the  
12 stores to stores that offer a variety of foods, as de-  
13 termined by the Secretary;”.

14 (e) USE OF CLAIMS FOR VENDORS AND PARTICI-  
15 PANTS.—Section 17(f) of the Child Nutrition Act of 1966  
16 (42 U.S.C. 1786(f)) is amended by striking paragraph  
17 (21) and inserting the following:

18 “(21) USE OF CLAIMS FROM VENDORS AND  
19 PARTICIPANTS.—A State agency may use funds re-  
20 covered from vendors and participants, as a result of  
21 a claim arising under the program, to carry out the  
22 program during—

23 “(A) the fiscal year in which the claim  
24 arises;

1           “(B) the fiscal year in which the funds are  
2           collected; or

3           “(C) the fiscal year following the fiscal  
4           year in which the funds are collected.”.

5           (f) RECIPIENTS PARTICIPATING AT MORE THAN 1  
6 SITE.—Section 17(f) of the Child Nutrition Act of 1966  
7 (42 U.S.C. 1786(f)) is amended by adding at the end the  
8 following:

9           “(23) RECIPIENTS PARTICIPATING AT MORE  
10          THAN 1 SITE.—Each State agency shall implement  
11          a system designed by the State agency to identify re-  
12          cipients who are participating at more than 1 site  
13          under the program.”.

14          (g) HIGH RISK VENDORS.—Section 17(f) of the  
15 Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) (as  
16 amended by subsection (f)) is amended by adding at the  
17 end the following:

18           “(24) HIGH RISK VENDORS.—Each State agen-  
19          cy shall—

20           “(A) identify vendors that have a high  
21           probability of program abuse; and

22           “(B) conduct compliance investigations of  
23           the vendors.”.

24          (h) REAUTHORIZATION OF PROGRAM.—Section 17 of  
25 the Child Nutrition Act of 1966 (42 U.S.C. 1786) is

1 amended in subsections (g)(1) and (h)(2)(A) by striking  
2 “1998” each place it appears and inserting “2003”.

3 (i) PURCHASE OF BREAST PUMPS.—Section  
4 17(h)(1)(C) of the Child Nutrition Act of 1966 (42 U.S.C.  
5 1786(h)(1)(C)) is amended—

6 (1) by striking “(C) In” and inserting the fol-  
7 lowing:

8 “(C) REMAINING AMOUNTS.—

9 “(i) IN GENERAL.—Except as pro-  
10 vided in clause (ii), in”; and

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

12 “(ii) BREAST PUMPS.—

13 “(I) IN GENERAL.—Beginning  
14 with fiscal year 2000, a State agency  
15 may use amounts made available  
16 under clause (i) for the purchase of  
17 breast pumps.

18 “(II) MAINTENANCE OF EF-  
19 FORT.—From amounts allocated for  
20 nutrition services and administration  
21 to amounts allocated for supplemental  
22 foods, a State agency that exercises  
23 the authority of subclause (I) shall  
24 transfer an amount equal to the  
25 amount expended for the purchase of

1 breast pumps, or transferred under  
 2 this subclause, from amounts allo-  
 3 cated for nutrition services and ad-  
 4 ministration for the preceding fiscal  
 5 year.”.

6 (j) TECHNICAL AMENDMENT.—Section  
 7 17(h)(2)(A)(iv) of the Child Nutrition Act of 1966 (42  
 8 U.S.C. 1786(h)(2)(A)(iv)) is amended by striking “, to the  
 9 extent funds are not already provided under subparagraph  
 10 (I)(v) for the same purpose,”.

11 (k) LEVEL OF PER-PARTICIPANT EXPENDITURE FOR  
 12 NUTRITION SERVICES AND ADMINISTRATION.—Section  
 13 17(h)(2)(B)(ii) of the Child Nutrition Act of 1966 (42  
 14 U.S.C. 1786(h)(2)(B)(ii)) is amended by striking “15 per-  
 15 cent” and inserting “10 percent (except that the Secretary  
 16 may establish a higher percentage for State agencies that  
 17 are small)”.

18 (l) TECHNICAL AMENDMENTS.—Section 17(h)(3) of  
 19 the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(3))  
 20 is amended—

21 (1) in subparagraph (E), by striking “(except  
 22 as provided in subparagraph (G))”; and

23 (2) by striking subparagraphs (F) and (G).

24 (m) CONVERSION OF AMOUNTS FOR SUPPLEMENTAL  
 25 FOODS TO AMOUNTS FOR NUTRITION SERVICES AND AD-



1 MINISTRATION.—Section 17(h)(5)(A) of the Child Nutri-  
2 tion Act of 1966 (42 U.S.C. 1786(h)(5)(A)) is amended  
3 in the matter preceding clause (i) by striking “achieves”  
4 and all that follows through “such State agency may” and  
5 inserting “submits a plan to reduce average food costs per  
6 participant and to increase participation above the level  
7 estimated for the State agency, the State agency may,  
8 with the approval of the Secretary,”.

9 (n) INFANT FORMULA PROCUREMENT.—

10 (1) COMPETITIVE BIDDING SYSTEM.—Section  
11 17(h)(8)(A) of the Child Nutrition Act of 1966 (42  
12 U.S.C. 1786(h)(8)(A)) is amended by adding at the  
13 end the following:

14 “(iii) COMPETITIVE BIDDING SYS-  
15 TEM.—A State agency using a competitive  
16 bidding system for infant formula shall  
17 award a contract to the bidder offering the  
18 lowest net price unless the State agency  
19 demonstrates to the satisfaction of the Sec-  
20 retary that the weighted average retail  
21 price for different brands of infant formula  
22 in the State does not vary by more than 5  
23 percent.”.

24 (2) REVIEW AND APPROVAL OF SOLICITA-  
25 TIONS.—Section 17(h)(8) of the Child Nutrition Act

1 of 1966 (42 U.S.C. 1786(h)(8)) is amended by add-  
 2 ing at the end the following:

3 “(K) REVIEW AND APPROVAL OF SOLICITATIONS.—The Secretary shall—

4 “(i) prior to the issuance of an infant  
 5 formula cost containment contract sollicita-  
 6 tion under this paragraph, review the sollicita-  
 7 tion to ensure that the solicitation does  
 8 not contain any anticompetitive provisions;  
 9 and  
 10

11 “(ii) approve the solicitation only if  
 12 the solicitation does not contain any anti-  
 13 competitive provisions.”.

14 (o) INFRASTRUCTURE AND BREASTFEEDING SUP-  
 15 PORT AND PROMOTION.—Section 17(h)(10)(A) of the  
 16 Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(10)(A))  
 17 is amended by striking “1998” and inserting “2003”.

18 (p) MANAGEMENT INFORMATION SYSTEM PLAN.—  
 19 Section 17(h) of the Child Nutrition Act of 1966 (42  
 20 U.S.C. 1786(h)) is amended by adding at the end the fol-  
 21 lowing:

22 “(11) MANAGEMENT INFORMATION SYSTEM  
 23 PLAN.—

24 “(A) IN GENERAL.—In consultation with  
 25 State agencies, retailers, and other interested

1 persons, the Secretary shall establish a long-  
2 range plan for the development and implemen-  
3 tation of management information systems (in-  
4 cluding electronic benefit transfers) to be used  
5 in carrying out the program.

6 “(B) REPORT.—Not later than 2 years  
7 after the date of enactment of this paragraph,  
8 the Secretary shall submit to the Committee on  
9 Education and the Workforce of the House of  
10 Representatives and the Committee on Agri-  
11 culture, Nutrition, and Forestry of the Senate  
12 a report on actions taken to carry out subpara-  
13 graph (A).

14 “(C) INTERIM PERIOD.—Prior to the date  
15 of submission of the report of the Secretary re-  
16 quired under subparagraph (B), the cost of sys-  
17 tems or equipment that may be required to test  
18 management information systems (including  
19 electronic benefit transfers) for the program  
20 may not be imposed on a retail food store.”.

21 (q) USE OF FUNDS IN PRECEDING AND SUBSE-  
22 QUENT FISCAL YEARS.—

23 (1) IN GENERAL.—Section 17(i)(3)(A) of the  
24 Child Nutrition Act of 1966 (42 U.S.C.  
25 1786(i)(3)(A)) is amended—

1 (A) by striking “subparagraphs (B) and  
2 (C)” and inserting “subparagraph (B)”; and

3 (B) by striking clauses (i) and (ii) and in-  
4 serting the following:

5 “(i)(I) not more than 1 percent (except as pro-  
6 vided in subparagraph (C)) of the amount of funds  
7 allocated to a State agency under this section for  
8 supplemental foods for a fiscal year may be ex-  
9 pended by the State agency for allowable expenses  
10 incurred under this section for supplemental foods  
11 during the preceding fiscal year; and

12 “(II) not more than 1 percent of the amount of  
13 funds allocated to a State agency under this section  
14 for nutrition services and administration for a fiscal  
15 year may be expended by the State agency for allow-  
16 able expenses incurred under this section for supple-  
17 mental foods and nutrition services and administra-  
18 tion during the preceding fiscal year; and

19 “(ii)(I) for each fiscal year, of the amounts allo-  
20 cated to a State agency for nutrition services and  
21 administration, an amount equal to not more than  
22 1 percent of the amount allocated to the State agen-  
23 cy under this section for the fiscal year may be ex-  
24 pended by the State agency for allowable expenses  
25 incurred under this section for nutrition services and

1 administration during the subsequent fiscal year;  
2 and

3 “(II) for each fiscal year, of the amounts allo-  
4 cated to a State agency for nutrition services and  
5 administration, an amount equal to not more than  
6  $\frac{1}{2}$  of 1 percent of the amount allocated to the State  
7 agency under this section for the fiscal year may be  
8 expended by the State agency, with the prior ap-  
9 proval of the Secretary, for the development of a  
10 management information system, including an elec-  
11 tronic benefit transfer system, during the subsequent  
12 fiscal year.”.

13 (2) CONFORMING AMENDMENTS.—Section 17 of  
14 the Child Nutrition Act of 1966 (42 U.S.C. 1786)  
15 is amended—

16 (A) in subsection (h)(10)(A), by inserting  
17 after “nutrition services and administration  
18 funds” the following: “and supplemental foods  
19 funds”; and

20 (B) in subsection (i)(3)—

21 (i) by striking subparagraphs (C)  
22 through (G); and

23 (ii) by redesignating subparagraph  
24 (H) as subparagraph (C).

1 (r) FARMERS MARKET NUTRITION PROGRAM.—Sec-  
2 tion 17(m) of the Child Nutrition Act of 1966 (42 U.S.C.  
3 1786(m)) is amended—

4 (1) in the first sentence of paragraph (3), by  
5 inserting “or from program income” before the pe-  
6 riod at the end;

7 (2) in paragraph (6)—

8 (A) in subparagraph (C)—

9 (i) by striking “serve additional recipi-  
10 ents in”;

11 (ii) by striking clause (ii) and insert-  
12 ing the following:

13 “(ii) documentation that demonstrates that—

14 “(I) there is a need for an increase in  
15 funds; and

16 “(II) the use of the increased funding will  
17 be consistent with serving nutritionally at-risk  
18 persons and expanding the awareness and use  
19 of farmers’ markets;”;

20 (iii) in clause (iii), by striking the pe-  
21 riod at the end and inserting “; and”; and

22 (iv) by adding at the end the follow-  
23 ing:

24 “(iv) whether, in the case of a State that in-  
25 tends to use any funding provided under subpara-

1 graph (G)(i) to increase the value of the Federal  
 2 share of the benefits received by a recipient, the  
 3 funding provided under subparagraph (G)(i) will in-  
 4 crease the rate of coupon redemption.”;

5 (B) by striking subparagraph (F);

6 (C) in subparagraph (G)—

7 (i) in clause (i)—

8 (I) in the first sentence, by strik-  
 9 ing “that wish” and all follows  
 10 through “to do so” and inserting  
 11 “whose State plan”; and

12 (II) in the second sentence, by  
 13 striking “for additional recipients”;  
 14 and

15 (ii) in the second sentence of clause  
 16 (ii), by striking “that desire to serve addi-  
 17 tional recipients, and”; and

18 (D) by redesignating subparagraph (G) as  
 19 subparagraph (F); and

20 (3) in paragraph (9)(A), by striking “1998”  
 21 and inserting “2003”.

22 (s) DISQUALIFICATION OF CERTAIN VENDORS.—

23 (1) IN GENERAL.—Section 17 of the Child Nu-  
 24 trition Act of 1966 (42 U.S.C. 1786) is amended by  
 25 adding at the end the following:

1       “(o) DISQUALIFICATION OF VENDORS CONVICTED OF  
2 TRAFFICKING OR ILLEGAL SALES.—

3           “(1) IN GENERAL.—Except as provided in para-  
4 graph (4), a State agency shall permanently dis-  
5 qualify from participation in the program authorized  
6 under this section a vendor convicted of—

7           “(A) trafficking in food instruments (in-  
8 cluding any voucher, draft, check, or access de-  
9 vice (including an electronic benefit transfer  
10 card or personal identification number) issued  
11 in lieu of a food instrument under this section);  
12 or

13           “(B) selling firearms, ammunition, explo-  
14 sives, or controlled substances (as defined in  
15 section 102 of the Controlled Substances Act  
16 (21 U.S.C. 802)) in exchange for food instru-  
17 ments.

18       “(2) NOTICE OF DISQUALIFICATION.—The  
19 State agency shall—

20           “(A) provide the vendor with notification  
21 of the disqualification; and

22           “(B) make the disqualification effective on  
23 the date of receipt of the notice of disqualifica-  
24 tion.



1           “(3) PROHIBITION OF RECEIPT OF LOST REVE-  
2           NUES.—A vendor shall not be entitled to receive any  
3           compensation for revenues lost as a result of dis-  
4           qualification under this subsection.

5           “(4) EXCEPTIONS IN LIEU OF DISQUALIFICA-  
6           TION.—

7           “(A) IN GENERAL.—A State agency may  
8           permit a vendor that, but for this paragraph,  
9           would be disqualified under paragraph (1), to  
10          continue to redeem food instruments or other-  
11          wise provide supplemental foods to participants  
12          if the State agency determines, in its sole dis-  
13          cretion according to criteria established by the  
14          Secretary, that—

15                 “(i) disqualification of the vendor  
16                 would cause hardship to participants in the  
17                 program authorized under this section; or

18                 “(ii)(I) the vendor had, at the time of  
19                 the conviction under paragraph (1), an ef-  
20                 fective policy and program in effect to pre-  
21                 vent violations of this section; and

22                 “(II) the ownership of the vendor was  
23                 not aware of, did not approve of, did not  
24                 benefit from, and was not involved in the  
25                 conduct of the violation.

1           “(B) CIVIL PENALTY.—If a State agency  
2 authorizes a vendor that, but for this para-  
3 graph, would be disqualified under paragraph  
4 (1) to redeem food instruments or provide sup-  
5 plemental foods under subparagraph (A), in lieu  
6 of disqualification, the State agency shall assess  
7 the vendor a civil penalty in an amount deter-  
8 mined by the State agency, except that—

9                   “(i) the amount of the civil penalty  
10 shall not exceed \$20,000; and

11                   “(ii) the amount of civil penalties im-  
12 posed for violations investigated as part of  
13 a single investigation may not exceed  
14 \$40,000.”.

15           (2) REGULATIONS.—The amendment made by  
16 paragraph (1) shall take effect on the date on which  
17 the Secretary of Agriculture issues a final regulation  
18 that includes the criteria for—

19                   (A) making hardship determinations; and

20                   (B) determining the amount of a civil  
21 money penalty in lieu of disqualification.

22           (t) CRIMINAL FORFEITURE.—Section 17 of the Child  
23 Nutrition Act of 1966 (42 U.S.C. 1786) (as amended by  
24 subsection (s)(1)) is amended by adding at the end the  
25 following:

1 “(p) CRIMINAL FORFEITURE.—

2 “(1) IN GENERAL.—In addition to any other  
3 penalty or sentence, a court may order that a person  
4 forfeit to the United States all property described in  
5 paragraph (2), in imposing a sentence on a person  
6 convicted of a violation of this section (including a  
7 regulation) under—

8 “(A) section 12(g) of the National School  
9 Lunch Act (42 U.S.C. 1760(g)); or

10 “(B) any other Federal law imposing a  
11 penalty for embezzlement, willful  
12 misapplication, stealing, obtaining by fraud, or  
13 trafficking in food instruments, funds, assets,  
14 or property, that have a value of \$100 or more.

15 “(2) PROPERTY SUBJECT TO FORFEITURE.—All  
16 property, real and personal, used in a transaction or  
17 attempted transaction, to commit, or to facilitate the  
18 commission of, a violation (other than a mis-  
19 demeanor) of any provision of this section (including  
20 a regulation), or proceeds traceable to a violation of  
21 any provision of this section (including a regulation),  
22 shall be subject to forfeiture to the United States  
23 under paragraph (1).

24 “(3) INTEREST OF OWNER.—No interest in  
25 property shall be forfeited under this subsection as

1 the result of any act or omission established by the  
2 owner of the interest to have been committed or  
3 omitted without the knowledge or consent of the  
4 owner.

5 “(4) PROCEEDS.—The proceeds from any sale  
6 of forfeited property and any amounts forfeited  
7 under this subsection shall be used—

8 “(A) first, to reimburse the Department of  
9 Justice, the Department of the Treasury, and  
10 the United States Postal Service for the costs  
11 incurred by the Departments or Service to initi-  
12 ate and complete the forfeiture proceeding;

13 “(B) second, to reimburse the Office of In-  
14 spector General of the Department of Agri-  
15 culture for any costs incurred by the Office in  
16 the law enforcement effort resulting in the for-  
17 feiture;

18 “(C) third, to reimburse any Federal,  
19 State, or local law enforcement agency for any  
20 costs incurred in the law enforcement effort re-  
21 sulting in the forfeiture; and

22 “(D) fourth, by the State agency to carry  
23 out approval, reauthorization, and compliance  
24 investigations of vendors.”.

1 (u) STUDY AND REPORT ON COST CONTAINMENT  
2 PRACTICES.—

3 (1) STUDY.—The Comptroller General of the  
4 United States shall conduct a study on the effect of  
5 cost containment practices of States under the spe-  
6 cial supplemental nutrition program for women, in-  
7 fants, and children authorized under section 17 of  
8 the Child Nutrition Act of 1966 (42 U.S.C. 1786)  
9 for the selection of vendors and approved food items  
10 (other than infant formula) on—

11 (A) program participation;

12 (B) access and availability of prescribed  
13 foods;

14 (C) voucher redemption rates and actual  
15 food selections by participants;

16 (D) participants on special diets or with  
17 specific food allergies;

18 (E) participant consumption of, and satis-  
19 faction with, prescribed foods;

20 (F) achievement of positive health out-  
21 comes; and

22 (G) program costs.

23 (2) REPORT.—Not later than 2 years after the  
24 date of enactment of this Act, the Comptroller Gen-  
25 eral shall submit to the Secretary of Agriculture, the

1 Committee on Education and the Workforce of the  
2 House of Representatives, and the Committee on  
3 Agriculture, Nutrition, and Forestry of the Senate  
4 a report containing the results of the study con-  
5 ducted under paragraph (1).

6 (v) STUDY AND REPORT ON WIC SERVICES.—

7 (1) STUDY.—The Comptroller General of the  
8 United States shall conduct a study that assesses—

9 (A) the cost of delivering services under  
10 the special supplemental nutrition program for  
11 women, infants, and children authorized under  
12 section 17 of the Child Nutrition Act of 1966  
13 (42 U.S.C. 1786), including the costs of imple-  
14 menting and administering cost containment ef-  
15 forts;

16 (B) the fixed and variable costs incurred  
17 by State and local governments for delivering  
18 the services;

19 (C) the quality of the services delivered,  
20 taking into account the effect of the services on  
21 the health of participants; and

22 (D) the costs incurred for personnel, auto-  
23 mation, central support, and other activities to  
24 deliver the services and whether the costs meet

1 Federal audit standards for allowable costs  
2 under the program.

3 (2) REPORT.—Not later than 3 years after the  
4 date of enactment of this Act, the Comptroller Gen-  
5 eral shall submit to the Secretary of Agriculture, the  
6 Committee on Education and the Workforce of the  
7 House of Representatives, and the Committee on  
8 Agriculture, Nutrition, and Forestry of the Senate a  
9 report containing the results of the study conducted  
10 under paragraph (1).

11 **SEC. 204. NUTRITION EDUCATION AND TRAINING.**

12 Section 19(i) of the Child Nutrition Act of 1966 (42  
13 U.S.C. 1788(i)) is amended—

14 (1) by striking the subsection heading and all  
15 that follows through paragraph (3)(A) and inserting  
16 the following:

17 “(i) AUTHORIZATION OF APPROPRIATIONS.—

18 “(1) IN GENERAL.—

19 “(A) FUNDING.—There are authorized to  
20 be appropriated such sums as are necessary to  
21 carry out this section for each of fiscal years  
22 1997 through 2003.”; and

23 (2) by redesignating paragraphs (4) and (5) as  
24 paragraphs (2) and (3), respectively.

1                   **TITLE III—COMMODITY**  
2                   **DISTRIBUTION PROGRAMS**

3   **SEC. 301. COMMODITY DISTRIBUTION PROGRAM REFORMS.**

4           (a) **COMMODITY SPECIFICATIONS.**—Section 3(a) of  
5 the Commodity Distribution Reform Act and WIC Amend-  
6 ments of 1987 (Public Law 100–237; 7 U.S.C. 612c note)  
7 is amended by striking paragraph (2) and inserting the  
8 following:

9                   “(2) **APPLICABILITY.**—Paragraph (1) shall  
10           apply to—

11                           “(A) the commodity supplemental food  
12                           program authorized under sections 4(a) and 5  
13                           of the Agriculture and Consumer Protection  
14                           Act of 1973 (Public Law 93–86; 7 U.S.C. 612c  
15                           note);

16                           “(B) the food distribution program on In-  
17                           dian reservations authorized under section 4(b)  
18                           of the Food Stamp Act of 1977 (7 U.S.C.  
19                           2013(b)); and

20                           “(C) the school lunch program authorized  
21                           under the National School Lunch Act (42  
22                           U.S.C. 1751 et seq.).”.

23           (b) **CUSTOMER ACCEPTABILITY INFORMATION.**—Sec-  
24 tion 3(f) of the Commodity Distribution Reform Act and  
25 WIC Amendments of 1987 (Public Law 100–237; 7



1 U.S.C. 612c note) is amended by striking paragraph (2)  
2 and inserting the following:

3 “(2) CUSTOMER ACCEPTABILITY INFORMA-  
4 TION.—

5 “(A) IN GENERAL.—The Secretary shall  
6 ensure that information with respect to the  
7 types and forms of commodities that are most  
8 useful is collected from recipient agencies par-  
9 ticipating in programs described in subsection  
10 (a)(2).

11 “(B) FREQUENCY.—The information shall  
12 be collected at least once every 2 years.

13 “(C) ADDITIONAL SUBMISSIONS.—The  
14 Secretary—

15 “(i) may require submission of infor-  
16 mation described in subparagraph (A)  
17 from recipient agencies participating in  
18 other domestic food assistance programs  
19 administered by the Secretary; and

20 “(ii) shall provide the recipient agen-  
21 cies a means for voluntarily submitting  
22 customer acceptability information.”.

23 **SEC. 302. FOOD DISTRIBUTION.**

24 (a) IN GENERAL.—Sections 8 through 12 of the  
25 Commodity Distribution Reform Act and WIC Amend-

1 ments of 1987 (Public Law 100–237; 7 U.S.C. 612c note)  
2 are amended to read as follows:

3 **“SEC. 8. AUTHORITY TO TRANSFER COMMODITIES BE-**  
4 **TWEEN PROGRAMS.**

5 “(a) TRANSFER.—Subject to subsection (b), the Sec-  
6 retary may transfer any commodities purchased for a do-  
7 mestic food assistance program administered by the Sec-  
8 retary to any other domestic food assistance program ad-  
9 ministered by the Secretary if the transfer is necessary  
10 to ensure that the commodities will be used while the com-  
11 modities are still suitable for human consumption.

12 “(b) REIMBURSEMENT.—The Secretary shall, to the  
13 maximum extent practicable, provide reimbursement for  
14 the value of the commodities transferred under subsection  
15 (a) from accounts available for the purchase of commod-  
16 ities under the program receiving the commodities.

17 “(c) CREDITING.—Any reimbursement made under  
18 subsection (b) shall—

19 “(1) be credited to the accounts that incurred  
20 the costs when the transferred commodities were  
21 originally purchased; and

22 “(2) be available for the purchase of commod-  
23 ities with the same limitations as are provided for  
24 appropriated funds for the reimbursed accounts for  
25 the fiscal year in which the transfer takes place.

1 **“SEC. 9. AUTHORITY TO RESOLVE CLAIMS.**

2 “(a) IN GENERAL.—The Secretary may determine  
3 the amount of, settle, and adjust all or part of a claim  
4 arising under a domestic food assistance program adminis-  
5 tered by the Secretary.

6 “(b) WAIVERS.—The Secretary may waive a claim  
7 described in subsection (a) if the Secretary determines  
8 that a waiver would serve the purposes of the program.

9 “(c) AUTHORITY OF THE ATTORNEY GENERAL.—  
10 Nothing in this section diminishes the authority of the At-  
11 torney General under section 516 of title 28, United  
12 States Code, or any other provision of law, to supervise  
13 and conduct litigation on behalf of the United States.

14 **“SEC. 10. PAYMENT OF COSTS ASSOCIATED WITH REMOVAL**  
15 **OF COMMODITIES THAT POSE A HEALTH OR**  
16 **SAFETY HAZARD.**

17 “(a) IN GENERAL.—The Secretary may use funds  
18 available to carry out section 32 of the Act of August 24,  
19 1935 (49 Stat. 774, chapter 641; 7 U.S.C. 612c), that  
20 are not otherwise committed, for the purpose of reimburs-  
21 ing States for State and local costs associated with the  
22 removal of commodities distributed under any domestic  
23 food assistance program administered by the Secretary if  
24 the Secretary determines that the commodities pose a  
25 health or safety hazard.

26 “(b) ALLOWABLE COSTS.—The costs—

1           “(1) may include costs for storage, transpor-  
2           tation, processing, and destruction of the hazardous  
3           commodities; and

4           “(2) shall be subject to the approval of the Sec-  
5           retary.

6           “(c) REPLACEMENT COMMODITIES.—

7           “(1) IN GENERAL.—The Secretary may use  
8           funds described in subsection (a) for the purpose of  
9           purchasing additional commodities if the purchase  
10          will expedite replacement of the hazardous commod-  
11          ities.

12          “(2) RECOVERY.—Use of funds under para-  
13          graph (1) shall not restrict the Secretary from recov-  
14          ering funds or services from a supplier or other en-  
15          tity regarding the hazardous commodities.

16          “(d) CREDITING OF RECOVERED FUNDS.—Funds re-  
17          covered from a supplier or other entity regarding the haz-  
18          ardous commodities shall—

19                 “(1) be credited to the account available to  
20                 carry out section 32 of the Act of August 24, 1935  
21                 (49 Stat. 774, chapter 641; 7 U.S.C. 612c), to the  
22                 extent the funds represent expenditures from that  
23                 account under subsections (a) and (c); and

24                 “(2) remain available to carry out the purposes  
25                 of section 32 of that Act until expended.

1 **“SEC. 11. AUTHORITY TO ACCEPT COMMODITIES DONATED**  
2 **BY FEDERAL SOURCES.**

3 “(a) IN GENERAL.—The Secretary may accept dona-  
4 tions of commodities from any Federal agency, including  
5 commodities of another Federal agency determined to be  
6 excess personal property pursuant to section 202(d) of the  
7 Federal Property and Administrative Services Act of 1949  
8 (40 U.S.C. 483(d)).

9 “(b) USE.—The Secretary may donate the commod-  
10 ities received under subsection (a) to States for distribu-  
11 tion through any domestic food assistance program admin-  
12 istered by the Secretary.

13 “(c) PAYMENT.—Notwithstanding section 202(d) of  
14 the Federal Property and Administrative Services Act of  
15 1949 (40 U.S.C. 483(d)), the Secretary shall not be re-  
16 quired to make any payment in connection with the com-  
17 modities received under subsection (a).”.

18 (b) EFFECT ON PRIOR AMENDMENTS.—The amend-  
19 ment made by subsection (a) does not affect the amend-  
20 ments made by sections 8 through 12 of the Commodity  
21 Distribution Reform Act and WIC Amendments of 1987  
22 (Public Law 100–237; 7 U.S.C. 612c note), as in effect  
23 on September 30, 1998.

1       **TITLE IV—EFFECTIVE DATE**

2   **SEC. 401. EFFECTIVE DATE.**

3       Except as otherwise provided in this Act, this Act and  
4 the amendments made by this Act take effect on October  
5 1, 1998.