

111TH CONGRESS
2^D SESSION

S. 3124

To amend the Richard B. Russell National School Lunch Act to improve child health and nutrition and reduce administrative burdens for child care sponsors and providers.

IN THE SENATE OF THE UNITED STATES

MARCH 16, 2010

Ms. KLOBUCHAR (for herself and Mr. HARKIN) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Richard B. Russell National School Lunch Act to improve child health and nutrition and reduce administrative burdens for child care sponsors and providers.

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 “Healthy Living Starts
5 Early Act of 2010”.

1 **TITLE I—IMPROVING CHILD**
 2 **HEALTH AND NUTRITION**

3 **SEC. 101. NUTRITION AND WELLNESS GOALS FOR MEALS**
 4 **SERVED THROUGH THE CHILD AND ADULT**
 5 **CARE FOOD PROGRAM.**

6 Section 17 of the Richard B. Russell National School
 7 Lunch Act (42 U.S.C. 1766) is amended—

8 (1) in subsection (a), by striking “(a) GRANT
 9 AUTHORITY” and all that follows through the end of
 10 paragraph (1) and inserting the following:

11 “(a) PROGRAM PURPOSE, GRANT AUTHORITY AND
 12 INSTITUTION ELIGIBILITY.—

13 “(1) IN GENERAL.—

14 “(A) PROGRAM PURPOSE.—

15 “(i) FINDINGS.—Congress finds
 16 that—

17 “(I) eating habits and other
 18 wellness-related behavior habits are
 19 established early in life; and

20 “(II) good nutrition and wellness
 21 are important contributors to the
 22 overall health of young children and
 23 essential to cognitive development.

24 “(ii) PURPOSE.—The purpose of the
 25 program authorized by this section is to

1 provide aid to child care institutions and
2 family or group day care homes for the
3 provision of nutritious foods that con-
4 tribute to the wellness, healthy growth, and
5 development of young children.

6 “(B) GRANT AUTHORITY.—The Secretary
7 may carry out a program to assist States
8 through grants-in-aid and other means to ini-
9 tiate and maintain nonprofit food service pro-
10 grams for children in institutions providing
11 child care.”;

12 (2) by striking subsection (g) and inserting the
13 following:

14 “(g) NUTRITIONAL REQUIREMENTS FOR MEALS AND
15 SNACKS SERVED IN INSTITUTIONS AND FAMILY OR
16 GROUP DAY CARE HOMES.—

17 “(1) DEFINITION OF DIETARY GUIDELINES.—

18 In this subsection, the term ‘Dietary Guidelines’
19 means the Dietary Guidelines for Americans pub-
20 lished under section 301 of the National Nutrition
21 Monitoring and Related Research Act of 1990 (7
22 U.S.C. 5341).

23 “(2) NUTRITIONAL REQUIREMENTS.—

24 “(A) IN GENERAL.—Except as provided in
25 subparagraph (C), reimbursable meals and

1 snacks served by institutions and family or
2 group day care homes participating in the pro-
3 gram under this section shall consist of a com-
4 bination of foods that meet minimum nutri-
5 tional requirements prescribed by the Secretary
6 on the basis of tested nutritional research.

7 “(B) CONFORMITY WITH THE DIETARY
8 GUIDELINES AND AUTHORITATIVE SCIENCE.—

9 “(i) IN GENERAL.—Not less fre-
10 quently than once every 10 years, the Sec-
11 retary shall review and, as appropriate, up-
12 date requirements for meals served under
13 the program under this section to ensure
14 that the meals—

15 “(I) are consistent with the goals
16 of the most recent Dietary Guidelines;
17 and

18 “(II) promote the health of the
19 population served by the program au-
20 thorized under this section, as indi-
21 cated by the most recent relevant nu-
22 trition science and appropriate au-
23 thoritative scientific agency and orga-
24 nization recommendations.

1 “(ii) COST REVIEW.—The review re-
2 quired under clause (i) shall include a re-
3 view of the cost to child care centers and
4 group or family day care homes resulting
5 from updated requirements for meals and
6 snacks served under the program under
7 this section.

8 “(iii) REGULATIONS.—Not later than
9 18 months after receipt of recommenda-
10 tions for meal pattern improvements from
11 the Food and Nutrition Board of the Na-
12 tional Research Council of the National
13 Academy of Sciences, the Secretary shall
14 promulgate proposed regulations to update
15 the meal patterns for meals and snacks
16 served under the program under this sec-
17 tion.

18 “(C) EXCEPTIONS.—

19 “(i) SPECIAL DIETARY NEEDS.—The
20 minimum nutritional requirements pre-
21 scribed under subparagraph (A) do not
22 prohibit institutions and family or group
23 day care homes from substituting foods to
24 accommodate the medical or other special
25 dietary needs of individual children.

1 “(ii) EXEMPT INSTITUTIONS.—The
2 Secretary may elect to waive all or part of
3 the requirements of this subsection for
4 emergency shelters and adult day care cen-
5 ters participating in the program under
6 this section.

7 “(3) MEAL SERVICE.—Institutions and family
8 day care homes shall ensure that reimbursable meal
9 service contributes to the development and socializa-
10 tion of enrolled children by providing that food is
11 not used as a punishment or reward.

12 “(4) FLUID MILK.—

13 “(A) IN GENERAL.—If an institution or
14 family or group day care home provides fluid
15 milk as part of a reimbursable meal or supple-
16 ment, the institution or family or group day
17 care home shall provide the milk in accordance
18 with the most recent version of the Dietary
19 Guidelines.

20 “(B) MILK SUBSTITUTES.—In the case of
21 children who cannot consume fluid milk due to
22 medical or other special dietary needs other
23 than a disability, an institution or family or
24 group day care home may substitute for the

1 fluid milk required in meals served, a nondairy
2 beverage that—

3 “(i) is nutritionally equivalent to fluid
4 milk; and

5 “(ii) meets nutritional standards es-
6 tablished by the Secretary, including,
7 among other requirements established by
8 the Secretary, fortification of calcium, pro-
9 tein, vitamin A, and vitamin D to levels
10 found in cow’s milk.

11 “(C) APPROVAL.—

12 “(i) IN GENERAL.—A substitution au-
13 thorized under subparagraph (B) may be
14 made—

15 “(I) at the discretion of and on
16 approval by the participating day care
17 institution; and

18 “(II) if the substitution is re-
19 quested by written statement of a
20 medical authority, or by the parent or
21 legal guardian of the child, that iden-
22 tifies the medical or other special die-
23 tary need that restricts the diet of the
24 child.

1 “(ii) EXCEPTION.—An institution or
 2 family or group day care home shall not be
 3 required under this paragraph to provide
 4 beverages other than beverages the State
 5 has identified as acceptable substitutes.

6 “(D) EXCESS EXPENSES BORNE BY INSTI-
 7 TUTION.—A participating institution or family
 8 or group day care home shall be responsible for
 9 any expenses that—

10 “(i) are incurred by the institution or
 11 family or group day care home to provide
 12 substitutions under this paragraph; and

13 “(ii) are in excess of expenses covered
 14 under reimbursements under this Act.

15 “(5) NONDISCRIMINATION POLICY.—No phys-
 16 ical segregation or other discrimination against any
 17 child shall be made because of the inability of the
 18 child to pay, nor shall there be any overt identifica-
 19 tion of any such child by special tokens or tickets,
 20 different meals or meal service, announced or pub-
 21 lished lists of names, or other means.

22 “(6) USE OF ABUNDANT AND DONATED
 23 FOODS.—To the maximum extent practicable, each
 24 institution shall use in its food service foods that
 25 are—

1 “(A) designated from time to time by the
2 Secretary as being in abundance, either nation-
3 ally or in the food service area; or

4 “(B) donated by the Secretary.”; and

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

6 “(u) PROMOTING HEALTH AND WELLNESS IN CHILD
7 CARE.—

8 “(1) PHYSICAL ACTIVITY AND ELECTRONIC
9 MEDIA USE.—The Secretary shall encourage partici-
10 pating child care centers and family or group day
11 care homes—

12 “(A) to provide to all children under the
13 supervision of the participating child care cen-
14 ters and family or group day care homes daily
15 opportunities for structured and unstructured
16 age-appropriate moderate-intensity to vigorous-
17 intensity physical activity; and

18 “(B) to limit among children under the su-
19 pervision of the participating child care centers
20 and family or group day care homes the use of
21 electronic media to an appropriate level.

22 “(2) WATER CONSUMPTION.—Participating
23 child care centers and family or group day care
24 homes shall make available to children, as nutrition-
25 ally appropriate, water as an acceptable fluid for

1 consumption throughout the day, including at meal
2 times.

3 “(3) TECHNICAL ASSISTANCE AND GUID-
4 ANCE.—

5 “(A) IN GENERAL.—The Secretary shall
6 provide technical assistance to institutions par-
7 ticipating in the program under this section to
8 assist participating child care centers and fam-
9 ily or group day care homes in complying with
10 the nutritional and wellness requirements pre-
11 scribed by the Secretary in accordance with this
12 subsection and subsection (g).

13 “(B) GUIDANCE.—Not later than January
14 1, 2011, the Secretary shall issue guidance to
15 States and institutions to encourage partici-
16 pating child care centers and family or group
17 day care homes serving meals and snacks under
18 this section to—

19 “(i) include foods that are rec-
20 ommended for increased serving consump-
21 tion in amounts recommended by the most
22 recent Dietary Guidelines for Americans
23 published under section 301 of the Na-
24 tional Nutrition Monitoring and Related
25 Research Act of 1990 (7 U.S.C. 5341), in-

1 cluding fresh, canned, frozen, or dried
2 whole fruits and vegetables, whole grain
3 products, lean meat products, and low-fat
4 and non-fat dairy products; and

5 “(ii) reduce sedentary activities and
6 provide opportunities for regular physical
7 activity in quantities recommended by the
8 most recent Dietary Guidelines for Ameri-
9 cans described in clause (i).

10 “(C) NUTRITION.—Technical assistance
11 relating to the nutritional requirements of this
12 subsection and subsection (g) shall include—

13 “(i) nutrition education, including
14 education that emphasizes the relationship
15 between nutrition, physical activity, and
16 health;

17 “(ii) menu planning;

18 “(iii) interpretation of nutrition labels;

19 and

20 “(iv) food preparation and purchasing
21 guidance to produce meals and snacks that
22 are—

23 “(I) consistent with the goals of
24 the most recent Dietary Guidelines;

25 and

1 “(II) promote the health of the
2 population served by the program
3 under this section, as recommended
4 by authoritative scientific organiza-
5 tions.

6 “(D) PHYSICAL ACTIVITY.—Technical as-
7 sistance relating to the physical activity require-
8 ments of this subsection shall include—

9 “(i) education on the importance of
10 regular physical activity to overall health
11 and well being; and

12 “(ii) sharing of best practices for
13 physical activity plans in child care centers
14 and homes as recommended by authori-
15 tative scientific organizations.

16 “(E) ELECTRONIC MEDIA USE.—Technical
17 assistance relating to the electronic media use
18 requirements of this subsection shall include—

19 “(i) education on the health impacts
20 of overuse of and overexposure to elec-
21 tronic media by children; and

22 “(ii) sharing of best practices for the
23 development of daily activity plans that
24 limit use of electronic media.

1 “(F) MINIMUM ASSISTANCE.—At a min-
2 imum, the technical assistance required under
3 this paragraph shall include a handbook, devel-
4 oped by the Secretary in coordination with the
5 Secretary for Health and Human Services, that
6 includes recommendations, guidelines, and best
7 practices for participating institutions and fam-
8 ily or group day care homes that are consistent
9 with the nutrition, physical activity, and
10 wellness requirements and recommendations of
11 this subsection.

12 “(G) ADDITIONAL ASSISTANCE.—In addi-
13 tion to the requirements of this paragraph, the
14 Secretary shall develop and provide such appro-
15 priate training and education materials, guid-
16 ance, and technical assistance as the Secretary
17 considers to be necessary to comply with the
18 nutritional and wellness requirements of this
19 subsection and subsection (g).

20 “(H) FUNDING.—

21 “(i) IN GENERAL.—On October 1,
22 2009, and on each October 1 thereafter
23 through October 1, 2013, out of any funds
24 in the Treasury not otherwise appro-
25 priated, the Secretary of the Treasury

1 shall transfer to the Secretary to provide
 2 technical assistance under this subsection
 3 \$3,000,000, to remain available until ex-
 4 pended.

5 “(ii) RECEIPT AND ACCEPTANCE.—
 6 The Secretary shall be entitled to receive,
 7 shall accept, and shall use to carry out this
 8 subsection the funds transferred under
 9 clause (i), without further appropriation.”.

10 **SEC. 102. INTERAGENCY COORDINATION TO PROMOTE**
 11 **HEALTH AND WELLNESS IN CHILD CARE LI-**
 12 **CENSING.**

13 The Secretary of Agriculture shall coordinate with
 14 the Secretary of Health and Human Services to encourage
 15 State licensing agencies to include nutrition and wellness
 16 standards within State licensing standards that ensure, to
 17 the maximum extent practicable, that licensed child care
 18 centers and family or group day care homes—

19 (1) provide to all children under the supervision
 20 of the child care centers and family or group day
 21 care homes daily opportunities for age-appropriate
 22 moderate-intensity to vigorous-intensity physical ac-
 23 tivity;

24 (2) limit among children under the supervision
 25 of the child care centers and family or group day

1 care homes the use of electronic media and the
2 quantity of time spent in sedentary activity to an ap-
3 propriate level;

4 (3) serve meals and snacks that are consistent
5 with the child and adult care food program estab-
6 lished under section 17 of the Richard B. Russell
7 National School Lunch Act (42 U.S.C. 1766); and

8 (4) promote such other nutrition and wellness
9 goals as the Secretaries determine to be necessary.

10 **SEC. 103. STUDY ON NUTRITION AND WELLNESS QUALITY**
11 **OF CHILD CARE SETTINGS.**

12 (a) IN GENERAL.—Not less than 4 years after the
13 date of enactment of this Act, and not less frequently than
14 once every 5 years thereafter, the Secretary of Agriculture
15 shall submit to Congress a report based on—

16 (1) a nationally representative study of child
17 care centers and family or group day care homes
18 that—

19 (A) is designed in consultation with the
20 Secretary of Health and Human Services; and

21 (B) includes an assessment of—

22 (i) the nutritional quality of all foods
23 provided to children in child care settings
24 as compared to the recommendations in
25 most recent Dietary Guidelines for Ameri-

1 cans published under section 301 of the
2 National Nutrition Monitoring and Related
3 Research Act of 1990 (7 U.S.C. 5341);

4 (ii) the quantity and type of opportu-
5 nities for physical activity provided to chil-
6 dren in child care settings; and

7 (iii) the quantity of time spent by chil-
8 dren in child care settings in sedentary ac-
9 tivities; and

10 (2) an assessment of the barriers to and
11 facilitators for—

12 (A) providing foods to children in child
13 care settings that meet the recommendations in
14 the most recent Dietary Guidelines for Ameri-
15 cans published under section 301 of the Na-
16 tional Nutrition Monitoring and Related Re-
17 search Act of 1990 (7 U.S.C. 5341);

18 (B) providing the appropriate quantity and
19 type of opportunities for physical activity for
20 children in child care settings; and

21 (C) participation by child care centers and
22 family or group day care homes in the child and
23 adult care food program established under sec-
24 tion 17 of the Richard B. Russell National
25 School Lunch Act (42 U.S.C. 1766).

1 (b) FUNDING.—

2 (1) IN GENERAL.—On October 1, 2010, out of
3 any funds in the Treasury not otherwise appro-
4 priated, the Secretary of the Treasury shall transfer
5 to the Secretary of Agriculture to carry out this sec-
6 tion \$5,000,000, to remain available until expended.

7 (2) RECEIPT AND ACCEPTANCE.—The Sec-
8 retary of Agriculture shall be entitled to receive,
9 shall accept, and shall use to carry out this section
10 the funds transferred under paragraph (1), without
11 further appropriation.

12 **TITLE II—REDUCING ADMINIS-**
13 **TRATIVE BURDENS FOR**
14 **CHILD CARE SPONSORS AND**
15 **PROVIDERS**

16 **SEC. 201. WORKING GROUP TO REDUCE PAPERWORK AND**
17 **IMPROVE PROGRAM ADMINISTRATION.**

18 (a) DEFINITIONS.—In this section:

19 (1) PROGRAM.—The term “program” means
20 the child and adult care food program established
21 under section 17 of the Richard B. Russell National
22 School Lunch Act (42 U.S.C. 1766).

23 (2) SECRETARY.—The term “Secretary” means
24 the Secretary of Agriculture.

1 (b) ESTABLISHMENT.—The Secretary, in conjunction
2 with States and participating institutions, shall reconvene
3 a working group to continue to examine the feasibility of
4 reducing unnecessary or duplicative paperwork resulting
5 from regulations and recordkeeping requirements for
6 State agencies, institutions, family and group day care
7 homes, and sponsored centers participating in the pro-
8 gram.

9 (c) DUTIES.—At a minimum, the working group
10 shall—

11 (1) review and evaluate the recommendations,
12 guidance, and regulatory priorities developed and
13 issued to comply with section 119(i) of the Child
14 Nutrition and WIC Reauthorization Act of 2004 (42
15 U.S.C. 1766 note; Public Law 108–265); and

16 (2) examine additional paperwork and adminis-
17 trative requirements that have been established since
18 February 23, 2007, that could be reduced or sim-
19 plified.

20 (d) ADDITIONAL DUTIES.—In addition to, or oper-
21 ating concurrently with, the working group described in
22 subsection (b), the Secretary may, if determined necessary
23 by the Secretary and in conjunction with States and insti-
24 tutions participating in the program, establish 1 or more

1 working groups to examine any aspect of administration
2 of the program.

3 (e) REPORT.—Not later than 4 years after the date
4 of enactment of this Act, the Secretary shall submit to
5 Congress a report that describes the actions that have
6 been taken to carry out this section, including—

7 (1) actions taken to address administrative and
8 paperwork burdens identified as a result of compli-
9 ance with section 119(i) of the Child Nutrition and
10 WIC Reauthorization Act of 2004 (42 U.S.C. 1766
11 note; Public Law 108–265);

12 (2) administrative and paperwork burdens iden-
13 tified as a result of compliance with section 119(i)
14 of that Act for which no regulatory action or policy
15 guidance has been taken;

16 (3) additional steps that the Secretary is taking
17 or plans to take to address any administrative and
18 paperwork burdens identified under subsection (c)(2)
19 and paragraph (2), including—

20 (A) new or updated regulations, policy,
21 guidance, or technical assistance; and

22 (B) a timeframe for the completion of
23 those steps; and

24 (4) recommendations to Congress for modifica-
25 tions to existing statutory authorities needed to ad-

1 dress identified administrative and paperwork bur-
 2 dens.

3 **SEC. 202. RENEWAL OF APPLICATION MATERIALS AND PER-**
 4 **MANENT OPERATING AGREEMENTS.**

5 (a) PERMANENT OPERATING AGREEMENTS.—Sec-
 6 tion 17(d)(1) of the Richard B. Russell National School
 7 Lunch Act (42 U.S.C. 1766(d)(1)) is amended by adding
 8 at the end the following:

9 “(E) PERMANENT OPERATING AGREE-
 10 MENTS.—

11 “(i) IN GENERAL.—Subject to clauses
 12 (ii) and (iii), to participate in the child and
 13 adult care food program, an institution
 14 that meets the conditions of eligibility de-
 15 scribed in this subsection shall be required
 16 to enter into a permanent agreement with
 17 the applicable State agency.

18 “(ii) AMENDMENTS.—A permanent
 19 agreement described in clause (i) may be
 20 amended as necessary to ensure that the
 21 institution is in compliance with all re-
 22 quirements established in this section or by
 23 the Secretary.

24 “(iii) TERMINATION.—A permanent
 25 agreement described in clause (i)—

1 “(I) may be terminated for con-
2 venience by the institution and State
3 agency that is a party to the perma-
4 nent agreement; and

5 “(II) shall be terminated—

6 “(aa) for cause by the appli-
7 cable State agency in accordance
8 with paragraph (5); or

9 “(bb) on termination of par-
10 ticipation of the institution in the
11 child and adult care food pro-
12 gram.”.

13 (b) APPLICATIONS.—Section 17(d) of the Richard B.
14 Russell National School Lunch Act (42 U.S.C. 1766(d))
15 is amended by striking paragraph (2) and inserting the
16 following:

17 “(2) PROGRAM APPLICATIONS.—

18 “(A) IN GENERAL.—The Secretary shall
19 develop a policy under which each institution
20 providing child care that participates in the
21 program under this section shall—

22 “(i) submit to the State agency an ini-
23 tial application to participate in the pro-
24 gram that meets all requirements estab-
25 lished by the Secretary by regulation;

1 “(ii) annually confirm to the State
2 agency that the institution, and any facili-
3 ties of the institution in which the program
4 is operated by a sponsoring organization, is
5 in compliance with subsection (a)(5); and

6 “(iii) annually submit to the State
7 agency any additional information nec-
8 essary to confirm that the institution is in
9 compliance with all other requirements to
10 participate in the program, as established
11 by the Secretary by regulation.

12 “(B) REVIEWS.—The Secretary shall de-
13 velop a policy under which each sponsoring or-
14 ganization participating in the program shall
15 conduct—

16 “(i) periodic unannounced site visits
17 at not less than 3-year intervals to spon-
18 sored child care centers and family or
19 group day care homes to identify and pre-
20 vent management deficiencies and fraud
21 and abuse under the program;

22 “(ii) at least 1 scheduled site visit at
23 not less than 3-year intervals to sponsoring
24 organizations and nonsponsored child care
25 centers to identify and prevent manage-

1 ment deficiencies and fraud and abuse
 2 under the program and to improve pro-
 3 gram operations; and

4 “(iii) periodic site visits to private in-
 5 stitutions that the State agency determines
 6 have a high probability of program
 7 abuse.”.

8 (c) AGREEMENTS.—Section 17(j)(1) of the Richard
 9 B. Russell National School Lunch Act (42 U.S.C.
 10 1766(j)(1)) is amended—

11 (1) by striking “may” and inserting “shall”;

12 (2) by striking “family or group day care” the
 13 first place it appears; and

14 (3) by inserting “or sponsored day care cen-
 15 ters” before “participating”.

16 **SEC. 203. TRANSMISSION OF INCOME INFORMATION BY**
 17 **SPONSORED FAMILY OR GROUP DAY CARE**
 18 **HOMES.**

19 Section 17(f)(3)(A)(iii)(III) of the Richard B. Russell
 20 National School Lunch Act (42 U.S.C.
 21 1766(f)(3)(A)(iii)(III)) is amended by adding at the end
 22 the following:

23 “(dd) TRANSMISSION OF IN-
 24 COME INFORMATION BY SPON-
 25 SORED FAMILY OR GROUP DAY

1 CARE HOMES.—If a family or
2 group day care home elects to be
3 provided reimbursement factors
4 described in subclause (II), the
5 family or group day care home
6 may assist in the transmission of
7 necessary household income in-
8 formation to the family or group
9 day care home sponsoring organi-
10 zation in accordance with the pol-
11 icy described in item (ee).

12 “(ee) POLICY.—The Sec-
13 retary shall develop a policy
14 under which a sponsored family
15 or group day care home described
16 in item (dd) may, under terms
17 and conditions specified by the
18 Secretary and with the written
19 consent of the parents or guard-
20 ians of a child in a family or
21 group day care home partici-
22 pating in the program, assist in
23 the transmission of the income
24 information of the family to the

1 family or group day care home
 2 sponsoring organization.”.

3 **SEC. 204. SIMPLIFYING AND ENHANCING ADMINISTRATIVE**
 4 **PAYMENTS TO SPONSORING ORGANIZATIONS.**

5 Section 17(f)(3) of the Richard B. Russell National
 6 School Lunch Act (42 U.S.C. 1766(f)(3)) is amended by
 7 striking subparagraph (B) and inserting the following:

8 “(B) ADMINISTRATIVE FUNDS.—

9 “(i) IN GENERAL.—In addition to re-
 10 imbursement factors described in subpara-
 11 graph (A), a family or group day care
 12 home sponsoring organization shall receive
 13 reimbursement for the administrative ex-
 14 penses of the sponsoring organization in an
 15 amount that is not less than the product
 16 obtained each month by multiplying—

17 “(I) the number of family and
 18 group day care homes of the spon-
 19 soring organization submitting a claim
 20 for reimbursement during the month;
 21 by

22 “(II) the appropriate administra-
 23 tive rate determined by the Secretary.

24 “(ii) ANNUAL ADJUSTMENT.—The ad-
 25 ministrative reimbursement levels specified

1 in clause (i) shall be adjusted July 1 of
2 each year to reflect changes in the Con-
3 sumer Price Index for All Urban Con-
4 sumers published by the Bureau of Labor
5 Statistics of the Department of Labor for
6 the most recent 12-month period for which
7 such data are available.

8 “(iii) CARRYOVER FUNDS.—The Sec-
9 retary shall develop procedures under
10 which not more than 10 percent of the
11 amount made available to sponsoring orga-
12 nizations under this section for administra-
13 tive expenses for a fiscal year may remain
14 available for obligation or expenditure in
15 the succeeding fiscal year.

16 “(iv) RETURN TO SECRETARY.—Any
17 amounts appropriated that are not obli-
18 gated or expended during a fiscal year and
19 are not carried over for the succeeding fis-
20 cal year under clause (iii) shall be returned
21 to the Secretary.”.

○