

Calendar No. 547

114TH CONGRESS
2D SESSION**S. 3136**

To reauthorize child nutrition programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 6, 2016

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

A BILL

To reauthorize child nutrition programs, and for other
purposes.

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

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Improving Child Nutrition Integrity and Access Act of
6 2016”.

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

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

TITLE I—NATIONAL SCHOOL LUNCH PROGRAM

- Sec. 101. Apportionments to States.
- Sec. 102. Repeal of nutrition promotion.
- Sec. 103. Direct Federal expenditures.
- Sec. 104. Payments to States.
- Sec. 105. Nutritional and other program requirements.
- Sec. 106. Miscellaneous provisions.
- Sec. 107. Summer food service program for children.
- Sec. 108. Commodity distribution program.
- Sec. 109. Child and adult care food program.
- Sec. 110. Pilot projects.
- Sec. 111. Fresh fruit and vegetable program.
- Sec. 112. Training and technical assistance.
- Sec. 113. Compliance and accountability.
- Sec. 114. Repeal of State childhood hunger challenge grants.
- Sec. 115. Duties of the Secretary relating to nonprocurement debarment.
- Sec. 116. Improvements to school lunch facilities.

TITLE II—SCHOOL BREAKFAST PROGRAM

- Sec. 201. Special milk program authorization.
- Sec. 202. Nutritional and other program requirements.
- Sec. 203. State administrative expenses.
- Sec. 204. Special supplemental nutrition program for women, infants, and children.
- Sec. 205. Team nutrition network.

TITLE III—MISCELLANEOUS

- Sec. 301. Reviews.
- Sec. 302. Program delivery.
- Sec. 303. Product availability.
- Sec. 304. Procurement.
- Sec. 305. School Nutrition Advisory Committee.
- Sec. 306. Paperwork reduction.
- Sec. 307. Technology.
- Sec. 308. Program improvement.
- Sec. 309. Flexibility in school meal programs.
- Sec. 310. Technical corrections.

1 SEC. 2. DEFINITION OF SECRETARY.

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

TITLE I—NATIONAL SCHOOL LUNCH PROGRAM

SEC. 101. APPORTIONMENTS TO STATES.

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

(1) in paragraph (1), in the matter preceding subparagraph (A), by striking “to each State educational agency” and inserting “to each authorized State agency”;

(2) in paragraph (3)—

(A) by striking subparagraph (A);

(B) by redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively;

(C) in subparagraph (A) (as so redesignated)—

(i) by striking “Beginning on” and all that follows through “the Secretary” and inserting “The Secretary”; and

(ii) by striking “subparagraph (D)” and inserting “subparagraph (C)”;

(D) in clause (i) of subparagraph (B) (as so redesignated), by striking “subparagraph (D)” and inserting “subparagraph (C)”;

(E) in subparagraph (C) (as so redesignated), by striking “subparagraph (A)(ii)” and inserting “section 9(f)”;

(F) in subparagraph (D) (as so redesignated), by striking “Beginning on” and all that follows through “school food authorities” and inserting “School food authorities”; and

(G) in clause (iii) of subparagraph (E) (as so redesignated)—

(i) in subclause (I), by inserting “(as in effect on the day before the date of enactment of the Improving Child Nutrition Integrity and Access Act of 2016)” after “subparagraph (A)(ii)”;

(ii) by adding at the end the following:

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

“(aa) made available under this subparagraph; but

“(bb) not obligated by a State agency as of March 31, 2016.”; and

(3) by adding at the end the following:

1 “(4) ANNOUNCEMENTS.—With respect to reim-
 2 bursement rates described in this subsection, the
 3 Secretary shall announce the rates and, to the max-
 4 imum extent practicable, any associated guidance by
 5 the February 15 of the school year prior to the
 6 school year when the rates and guidance will become
 7 effective.”.

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

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

11 **SEC. 103. DIRECT FEDERAL EXPENDITURES.**

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

14 (1) in subsection (c)—

15 (A) by striking “(c)(1)(A) The national av-
 16 erage” and all that follows through “(D)
 17 Among those commodities” and inserting the
 18 following:

19 “(c) CALCULATION OF TOTAL ASSISTANCE.—

20 “(1) NATIONAL AVERAGE VALUE.—

21 “(A) IN GENERAL.—Subject to subpara-
 22 graphs (B) and (C), the national average value
 23 of donated foods, or cash payments in lieu
 24 thereof, shall be equal to the quotient obtained

by dividing, not later than February 15 of each year for the upcoming school year—

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

“(ii) the number of lunches served in the preceding school year.

“(B) ADJUSTMENT.—

“(i) IN GENERAL.—The value determined under subparagraph (A) shall be adjusted by the annual percentage change in a 3-month average value of the Producer Price Index for Foods Used in Schools and Institutions for the preceding September, October, and November.

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

“(iii) INDEX.—

“(I) IN GENERAL.—The Index shall be computed using 5 major food components in the Producer Price Index of the Bureau of Labor Statistics (cereal and bakery products, meats, poultry and fish, dairy prod-

1 ucts, processed fruits and vegetables,
2 and fats and oils).

3 “(II) COMPONENTS.—Each com-
4 ponent described in subclause (I) shall
5 be weighted using the same relative
6 weight as determined by the Bureau
7 of Labor Statistics.

8 “(iv) MINIMUM AMOUNT OF COM-
9 MODITY ASSISTANCE.—Not less than 12
10 percent of the value adjusted in accordance
11 with this subparagraph shall be provided in
12 the form of commodity assistance.

13 “(C) INSUFFICIENT AMOUNTS.—If
14 amounts available to carry out subparagraphs
15 (A) and (B) are insufficient to meet the re-
16 quirements of those subparagraphs for a school
17 year, the Secretary shall, to the extent nec-
18 essary, use the authority provided under section
19 14(a) to meet the requirements for the school
20 year.

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

1 “(i) the number of lunches served in
 2 the most recent school year for which data
 3 are available by February 15; by

4 “(ii) the rate determined under sub-
 5 paragraphs (A) and (B).

6 “(E) SPECIAL EMPHASIS.—Among those
 7 commodities”; and

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

10 “(F) MINIMUM QUANTITY OF DONATED
 11 FOODS.—Notwithstanding”;

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

13 (3) by redesignating subsection (f) as sub-
 14 section (e).

15 **SEC. 104. PAYMENTS TO STATES.**

16 Section 7(a)(1) of the Richard B. Russell National
 17 School Lunch Act (42 U.S.C. 1756(a)(1)) is amended in
 18 the first sentence by striking “State educational agencies”
 19 each place it appears and inserting “authorized State
 20 agencies”.

21 **SEC. 105. NUTRITIONAL AND OTHER PROGRAM REQUIRE-**
 22 **MENTS.**

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

1 (1) by striking the section designation and
 2 heading and all that follows through the end of
 3 paragraph (1) of subsection (a) and inserting the
 4 following:

5 **“SEC. 9. NUTRITIONAL AND OTHER PROGRAM REQUIRE-**
 6 **MENTS.**

7 “(a) REQUIREMENTS.—

8 “(1) TECHNICAL ASSISTANCE AND TRAINING.—

9 The Secretary shall provide—

10 “(A) technical assistance and training to
 11 schools participating in the school lunch pro-
 12 gram to assist the schools in complying with the
 13 nutritional requirements prescribed by the Sec-
 14 retary pursuant to subsection (f) and in pro-
 15 viding appropriate meals to children with medi-
 16 cally certified special dietary needs; and

17 “(B) additional technical assistance to
 18 schools that are having difficulty maintaining
 19 compliance with the requirements.”;

20 (2) in subsection (a)—

21 (A) in paragraph (2), by adding at the end
 22 the following:

23 “(D) FLUID MILK.—

24 “(i) VARIETIES AVAILABLE.—In de-
 25 termining the varieties of fluid milk made

1 available in school meals and outside of re-
2 imbursable school meals, the Secretary
3 shall—

4 “(I) consider the nutrient needs
5 of children who may be at risk for in-
6 adequate intake of the recommended
7 daily servings of milk and dairy prod-
8 ucts under the most recent Dietary
9 Guidelines for Americans published
10 under section 301 of the National Nu-
11 trition Monitoring and Related Re-
12 search Act of 1990 (7 U.S.C. 5341)
13 (referred to in this subparagraph as
14 the ‘Dietary Guidelines’); and

15 “(II) analyze milk consumption
16 data and trends for school-aged chil-
17 dren, evaluating such information in
18 comparison to the recommended
19 servings of milk and dairy under the
20 most recent Dietary Guidelines.

21 “(ii) REVIEW.—

22 “(I) IN GENERAL.—Not later
23 than 60 days after the date of enact-
24 ment of this subparagraph, the Sec-
25 retary shall begin a review to evaluate

1 whether the current varieties of fluid
2 milk made available in school meals
3 and outside of reimbursable school
4 meals—

5 “(aa) have increased actual
6 milk consumption in schools con-
7 sistent with the number of
8 servings recommended under the
9 most recent Dietary Guidelines;

10 “(bb) have led to any signifi-
11 cant decreases in consumption;

12 “(cc) align with the types,
13 containers and varieties of milk
14 most commonly available in local,
15 regional, and national markets;
16 and

17 “(dd) include all types of
18 fluid milk that are consistent
19 with the most recent Dietary
20 Guidelines.

21 “(II) REVISION.—Not later than
22 60 days after completing the review
23 described in subclause (I), the Sec-
24 retary—

1 “(aa) shall begin updating
2 any applicable regulations as nec-
3 essary; and

4 “(bb) may issue any updates
5 by means of an interim rule.”;

6 (B) by striking “(4) PROVISION OF INFOR-
7 MATION” and all that follows through “(C)
8 PROCUREMENT AND PROCESSING OF FOOD
9 SERVICE PRODUCTS AND COMMODITIES.—The
10 Secretary” and inserting the following:

11 “(4) PROCUREMENT AND PROCESSING OF FOOD
12 SERVICE PRODUCTS AND COMMODITIES.—The Sec-
13 retary”; and

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

15 (i) by redesignating clauses (i)
16 through (iii) as subparagraphs (A) through
17 (C), respectively, and indenting appro-
18 priately; and

19 (ii) in subparagraph (B) (as so redesi-
20 gnated) by redesignating subclauses (I)
21 and (II) as clauses (i) and (ii), respec-
22 tively, and indenting appropriately;

23 (3) in subsection (b)—

24 (A) in paragraph (1)(A), in the first sen-
25 tence—

1 (i) by striking “June 1” and inserting
2 “March 31”; and

3 (ii) by adding before the period at the
4 end the following: “ and, to the maximum
5 extent practicable, release any associated
6 guidance at the same time the income
7 guidelines are prescribed”;

8 (B) in paragraph (2)—

9 (i) in subparagraph (A), in the first
10 sentence, by striking “each State edu-
11 cational agency” and inserting “the au-
12 thorized State agency”; and

13 (ii) in subparagraph (B)—

14 (I) in clause (i), by striking “,
15 and shall contain only the family size
16 income levels for reduced price meal
17 eligibility with the explanation that
18 households with incomes less than or
19 equal to these values would be eligible
20 for free or reduced price lunches”;

21 (II) in clause (ii), by inserting
22 “or reduced price” after “free”; and

23 (III) in clause (iii)(I)—

24 (aa) in item (aa), by striking
25 “and” at the end;

1 (bb) in item (bb), by strik-
 2 ing the period at the end and in-
 3 serting “; and”; and

4 (cc) by adding at the end
 5 the following:

6 “(cc) individuals may report
 7 alleged fraud to a specified local
 8 or State entity, or to the Depart-
 9 ment of Agriculture in a manner
 10 determined by the Secretary.”;

11 (C) in paragraph (3)—

12 (i) by striking subparagraph (D) and
 13 inserting the following:

14 “(D) VERIFICATION.—

15 “(i) STANDARD VERIFICATION OF AP-
 16 PPLICATIONS.—

17 “(I) IN GENERAL.—Each school
 18 year, each local educational agency
 19 shall verify eligibility of the children
 20 in a portion of the household applica-
 21 tions approved for the school year by
 22 the local educational agency, as of No-
 23 vember 1 of the school year, as deter-
 24 mined by the Secretary in accordance
 25 with this subsection.

1 “(II) SAMPLE SIZE.—

2 “(aa) IN GENERAL.—Sub-
3 ject to subclause (V), the portion
4 for a local educational agency for
5 a school year shall be equal to
6 the lesser of—

7 “(AA) 10,000; or

8 “(BB) 10 percent of
9 approved household applica-
10 tions.

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

19 “(III) SAMPLE SELECTION.—Ap-
20 proved applications shall be selected
21 for verification by the local edu-
22 cational agency based on the fol-
23 lowing:

24 “(aa) The household has
25 submitted information in writing

1 to the local educational agency
2 that is inconsistent with the in-
3 formation on the household appli-
4 cation.

5 “(bb) The information pro-
6 vided on the household applica-
7 tion is consistent with a pattern
8 of error or fraud documented by
9 the local educational agency, the
10 State agency, or the Secretary.

11 “(cc) For not more than $\frac{1}{4}$
12 of the sample, the household ap-
13 plication provides a case number
14 (in lieu of income information)
15 showing participation in—

16 “(AA) the supplemental
17 nutrition assistance program
18 established under the Food
19 and Nutrition Act of 2008
20 (7 U.S.C. 2011 et seq.); or

21 “(BB) a State program
22 funded under the program
23 of block grants to States for
24 temporary assistance for
25 needy families established

1 under part A of title IV of
2 the Social Security Act (42
3 U.S.C. 601 et seq.) that the
4 Secretary determines com-
5 plies with standards estab-
6 lished by the Secretary that
7 ensure that the standards
8 under the State program are
9 comparable to or more re-
10 strictive than those in effect
11 on June 1, 1995.

12 “(dd) For not more than $\frac{1}{4}$
13 of the sample, but not less than
14 1 percent of approved household
15 applications, the income informa-
16 tion provided on the household
17 application is close to the income
18 limit for free or reduced price
19 meals, as defined by the Sec-
20 retary.

21 “(ee) Such other criteria as
22 are determined by the Secretary.

23 “(IV) ADDITIONAL VERIFICATION
24 OF APPLICATIONS.—

1 “(aa) IN GENERAL.—If after
 2 completing verification under
 3 subclause (III), the number of
 4 household applications that
 5 match the criteria described in
 6 that subclause is insufficient to
 7 meet the number of applications
 8 determined under subclause (II),
 9 the local educational agency shall
 10 select additional applications (in-
 11 cluding students directly certified
 12 as described in item (bb)) at ran-
 13 dom from all students certified
 14 for free or reduced price meals
 15 that have not been selected, as
 16 determined by the Secretary.

17 “(bb) DIRECT CERTIFI-
 18 CATION.—For purposes of this
 19 subclause, a student who is di-
 20 rectly certified shall be consid-
 21 ered 1 application.

22 “(V) REDUCTION IN SAMPLE
 23 SIZE.—

24 “(aa) DEFINITIONS.—In
 25 this subclause:

1 “(AA) CONFIRMATION
2 RATE.—The term ‘confirma-
3 tion rate’ means the per-
4 centage of approved house-
5 hold applications and di-
6 rectly certified students se-
7 lected by the local edu-
8 cational agency for
9 verification under this sub-
10 paragraph that had the level
11 of benefits confirmed as a
12 result of information ob-
13 tained during the
14 verification process, includ-
15 ing through direct
16 verification.

17 “(BB) NONRESPONSE
18 RATE.—The term ‘non-
19 response rate’ means the
20 percentage of the approved
21 household applications and
22 directly certified students se-
23 lected by the local edu-
24 cational agency for
25 verification under this sub-

1 paragraph for which
2 verification information was
3 not obtained.

4 “(CC) RESPONSE
5 RATE.—The term ‘response
6 rate’ means the percentage
7 of the approved household
8 applications and directly cer-
9 tified students selected by
10 the local educational agency
11 for verification under this
12 subparagraph for which
13 verification information was
14 obtained.

15 “(bb) REDUCTION IN CASE
16 OF HIGH PERFORMANCE.—Sub-
17 ject to the limitation described in
18 item (ee), the sample under sub-
19 clause (II) shall be reduced by
20 not more than the lesser of 4,000
21 applications or 4 percentage
22 points if—

23 “(AA) the confirmation
24 rate for the preceding school

year was more than 85 percent; or

“(BB) the State agency meets the required percentage described in paragraph (4)(E)(i).

“(cc) REDUCTION IN CASE OF IMPROVED PERFORMANCE.—

Subject to the limitation described in item (ee), the sample under subclause (II) shall be reduced by not more than the lesser of 2,000 applications or 2 percentage points for each of the following criteria that are met by the local educational agency:

“(AA) RESPONSE RATE.—For the preceding school year the response rate was more than 80 percent.

“(BB) RESPONSE RATE IMPROVEMENT.—The non-response rate was at least 10 percent below the non-

1 response rate for the second
2 preceding school year.

3 “(CC) DIRECT CERTIFI-
4 CATION RATE.—The State
5 agency achieves a combined
6 direct certification rate for
7 all methods of direct certifi-
8 cation of more than 90 per-
9 cent of the children in
10 households receiving assist-
11 ance under the supplemental
12 nutrition assistance program
13 established under the Food
14 and Nutrition Act of 2008
15 (7 U.S.C. 2011 et seq.), ex-
16 cept if the local educational
17 agency receives a reduction
18 for high performance under
19 item (bb)(BB).

20 “(DD) CONFIRMATION
21 RATE IMPROVEMENT.—The
22 confirmation rate is 100
23 percent or has increased by
24 at least 5 percent over the 2

1 most recent school years for
2 which data are available.

3 “(dd) REDUCTION IN SAM-
4 PLE IN CASE OF EMERGENCY.—
5 The Secretary shall reduce the
6 sample of approved applications
7 if the Secretary determines, after
8 a request from the local edu-
9 cational agency, that extraor-
10 dinary circumstances warrant ad-
11 ministrative relief in a manner
12 determined by the Secretary.

13 “(ee) LIMITATION.—Reduc-
14 tions under this subclause may
15 not result in a sample of less
16 than 3 percent of approved appli-
17 cations.

18 “(ii) VERIFICATION FOR CAUSE.—In
19 addition to conducting verification of a
20 sample of applications as described in
21 clause (i), a local educational agency may
22 verify any household application at any
23 point in the school year if the household
24 application meets the criteria described in
25 item (aa) or (bb) of clause (i)(III) or such

other criteria as are determined by the Secretary.

“(iii) COMPLIANCE.—In conducting verification under this subparagraph, a State agency or local educational agency shall not select applications in a manner that violates section 12(l)(4)(M).”;

(ii) in subparagraph (F)—

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

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

“(iv) DIRECT CERTIFICATION.—If eligibility for a household application is confirmed using direct verification, the children in the household shall be considered directly certified.”;

(iii) in subparagraph (G)(i), in the matter preceding subclause (I), by striking “written notice” and inserting “notice in the manner typically used by the local educational agency to communicate with families, either written or by telephone,”;

(iv) in subparagraph (H)(i)—

1 (I) in subclause (I), by striking
 2 “November” and inserting “Decem-
 3 ber”; and

4 (II) in subclause (II), by striking
 5 “December” and inserting “January”;

6 (v) in subparagraph (K)(i), in the
 7 matter preceding subclause (I), by striking
 8 “data mining” and inserting “analyses of
 9 data”; and

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

12 “(L) ENHANCED VERIFICATION METH-
 13 ODS.—

14 “(i) REQUIREMENTS.—

15 “(I) IN GENERAL.—The Sec-
 16 retary shall direct local educational
 17 agencies to engage in alternative and
 18 enhanced methods of certification and
 19 verification to increase the effective-
 20 ness of the process, reduce certifi-
 21 cation errors, and produce more
 22 meaningful management information
 23 to facilitate local educational agency,
 24 State, and Federal oversight with re-

1 spect to program integrity in the
2 school meal programs.

3 “(II) BEST PRACTICES.—The
4 Secretary shall encourage local edu-
5 cational agencies to adopt proven best
6 practices with regard to certification
7 and verification.

8 “(III) SELECTION FOR IMPLE-
9 MENTATION.—To the extent necessary
10 to refine alternative certification or
11 verification methods or assess the fea-
12 sibility, impact, or efficacy of the
13 methods prior to recommending the
14 methods, the Secretary shall select
15 local educational agencies to imple-
16 ment methods subject to clause (iii).

17 “(ii) REQUIREMENTS.—The certifi-
18 cation and verification methods shall—

19 “(I) meet such terms and condi-
20 tions as the Secretary considers ap-
21 propriate; and

22 “(II) except as otherwise pro-
23 vided in this subparagraph, be con-
24 ducted in accordance with this sub-
25 section.

1 “(iii) SELECTION CRITERIA.—In se-
2 lecting methods, including methods for im-
3 plementation under clause (i)(III), the Sec-
4 retary shall—

5 “(I) consider the degree to which
6 the method would improve certifi-
7 cation accuracy and program integrity
8 within the school meal programs;

9 “(II) consider whether there is
10 evidence that the method could be
11 replicated easily by other local edu-
12 cational agencies or political subdivi-
13 sions;

14 “(III) consider whether the meth-
15 od would increase the efficiency and
16 effectiveness of the verification proc-
17 ess;

18 “(IV) consider whether the local
19 educational agency or State agency
20 has a demonstrated capacity to under-
21 take the method and to produce the
22 data necessary to support the evalua-
23 tion; and

24 “(V) ensure the methods imple-
25 mented under clause (i)(III) are im-

plemented across a range of geographical areas and States, including rural and urban areas, and, when considered as a group, allow for an assessment of a range of strategies regarding verification sample selection, obtaining eligibility documentation, and the entity conducting verification, including strategies that—

“(aa) use analyses of data, particularly in large local educational agencies, to develop algorithms to select error-prone applications for verification;

“(bb) use third-party data sources, including governmental data and private wage data, to confirm eligibility prior to conducting household verification under subparagraph (G);

“(cc) rely on alternative methods, including message testing, of communicating with households to assess which meth-

1 ods most effectively result in
2 household responses;

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

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

16 “(iv) REPORT TO CONGRESS.—Not
17 later than 3 years after the date of enact-
18 ment of this subparagraph, the Secretary
19 shall—

20 “(I) conduct an evaluation of the
21 extent to which changes to standard
22 verification and the alternative meth-
23 ods—

24 “(aa) reduce certification
25 error;

1 “(bb) result in eligible chil-
2 dren losing free or reduced price
3 meal benefits;

4 “(cc) result in obtaining eli-
5 gibility information from a great-
6 er share of households selected
7 for verification;

8 “(dd) result in changes to
9 the administrative costs associ-
10 ated with verification; and

11 “(ee) would benefit from or
12 require Federal or State manage-
13 ment, such as contracting with
14 third-party data already obtained
15 and used by the Federal Govern-
16 ment for 1 or more other pro-
17 grams; and

18 “(II) submit to Congress a report
19 describing the progress made in im-
20 plementing this subparagraph.

21 “(v) EXPANSION.—

22 “(I) IN GENERAL.—If the Sec-
23 retary determines that 1 or more
24 methods meet the criteria described in
25 subclause (II), the Secretary may re-

quire such a method to be implemented by additional States or local educational agencies.

“(II) CRITERIA.—The criteria referred to in subclause (I) are that—

“(aa) the method substantially reduces certification error without impeding access or certification of eligible children for free or reduced price meal benefits; and

“(bb) the administrative cost of the method can be absorbed within existing Federal reimbursements without compromising compliance with other Federal requirements.”;

(D) in paragraph (4)—

(i) in subparagraph (C)—

(I) by striking “Subject to paragraph (6)” and inserting the following:

“(i) IN GENERAL.—Subject to paragraph (6)”;

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

3 “(ii) DATA.—The Secretary shall, in
 4 consultation with State agencies, develop
 5 and provide a common format to be used
 6 by the State agency for any data related to
 7 direct certification.”;

8 (ii) in subparagraph (D), by striking
 9 “applies to—” and all that follows through
 10 “in the case” in clause (iii) and inserting
 11 “applies to, in the case”;

12 (iii) by striking subparagraph (E);

13 (iv) by redesignating subparagraphs
 14 (F) and (G) as subparagraphs (E) and
 15 (F), respectively; and

16 (v) in subparagraph (E) (as so reded-
 17 ignated)—

18 (I) in clause (i), by striking
 19 “means—” and all that follows
 20 through “for the school year” in sub-
 21 clause (III) and inserting “means, for
 22 the school year”;

23 (II) in clause (ii)—

24 (aa) in subclause (II), by
 25 striking “and” at the end;

1 (bb) in subclause (III), by
 2 striking the period at the end
 3 and inserting “; and” and

4 (cc) by adding at the end
 5 the following:

6 “(IV) include in the report re-
 7 quired under section 4301 of the
 8 Food, Conservation, and Energy Act
 9 of 2008 (42 U.S.C. 1758a), a descrip-
 10 tion of technical assistance provided
 11 to and progress of States identified
 12 under subclause (I) toward imple-
 13 menting the measures and meeting
 14 the goals established by the State as
 15 required under clause (iii)(II).”; and

16 (III) in clause (iii)(II)(bb), by in-
 17 serting “within 3 school years” after
 18 “those measures”;

19 (E) in paragraph (15)—

20 (i) in subparagraph (B)(i), by striking
 21 “section 9(b)(1)(A) of this Act” and in-
 22 serting “paragraph (1)(A)”; and

23 (ii) in subparagraphs (C)(ii) and (D),
 24 by striking “paragraph (4)(G)” both places

1 it appears and inserting “paragraph
2 (4)(F)”;

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

4 “(16) DATA EXCHANGE STANDARDS FOR IM-
5 PROVED INTEROPERABILITY.—

6 “(A) DESIGNATION.—The Secretary shall,
7 in consultation with an interagency work group
8 established by the Director of the Office of
9 Management and Budget, and considering
10 State government perspectives, designate data
11 exchange standards to govern, under this Act—

12 “(i) necessary categories of informa-
13 tion that State agencies operating related
14 programs are required under applicable
15 law to electronically exchange with another
16 State or local agency; and

17 “(ii) Federal reporting and data ex-
18 change required under applicable law.

19 “(B) REQUIREMENTS.—The data exchange
20 standards required by paragraph (1) shall, to
21 the maximum extent practicable—

22 “(i) incorporate a widely accepted,
23 nonproprietary, searchable, computer-read-
24 able format;

1 “(ii) contain interoperable standards
2 developed and maintained by intergovern-
3 mental partnerships, such as the National
4 Information Exchange Model;

5 “(iii) incorporate interoperable stand-
6 ards developed and maintained by Federal
7 entities with authority over contracting
8 and financial assistance;

9 “(iv) be consistent with and imple-
10 ment applicable accounting principles;

11 “(v) be implemented in a manner that
12 is cost-effective and improves program effi-
13 ciency and effectiveness; and

14 “(vi) be capable of being continually
15 upgraded as necessary.

16 “(C) RULES OF CONSTRUCTION.—Nothing
17 in this paragraph requires a change to existing
18 data exchange standards for Federal reporting
19 found to be effective and efficient.

20 “(D) APPLICATION DATE.—

21 “(i) IN GENERAL.—Not later than 2
22 years after the date of enactment of this
23 paragraph, the Secretary shall issue a pro-
24 posed rule to carry out this paragraph.

1 “(ii) REQUIREMENTS.—The rule
2 shall—

3 “(I) identify federally required
4 data exchanges;

5 “(II) include specification and
6 timing of exchanges to be standard-
7 ized;

8 “(III) address the factors used in
9 determining whether and when to
10 standardize data exchanges;

11 “(IV) specify State implementa-
12 tion options; and

13 “(V) describe future milestones.”;

14 (4) in subsection (f)—

15 (A) in paragraph (1)—

16 (i) in subparagraph (A), by striking
17 “and” at the end;

18 (ii) in subparagraph (B), by striking
19 the period at the end and inserting “;
20 and”; and

21 (iii) by adding at the end the fol-
22 lowing:

23 “(C) meet minimum nutritional require-
24 ments prescribed by the Secretary on the basis

1 of tested nutritional research, except that the
 2 minimum nutritional requirements—

3 “(i) may not prohibit the substitution
 4 of foods to accommodate the medical or
 5 other special dietary needs of individual
 6 students; and

7 “(ii) shall, at a minimum, be based on
 8 the weekly average of the nutrient content
 9 of school lunches.”;

10 (B) in paragraph (2)—

11 (i) in subparagraph (A), by redesign-
 12 ating clauses (i) and (ii) as subclauses (I)
 13 and (II), respectively, and indenting the
 14 subclauses appropriately;

15 (ii) by redesignating subparagraphs
 16 (A) and (B) as clauses (i) and (ii), respec-
 17 tively, and indenting the clauses appro-
 18 priately;

19 (iii) by striking “(2) To assist” and
 20 inserting the following:

21 “(2) PROVISION OF INFORMATION TO
 22 SCHOOLS.—

23 “(A) IN GENERAL.—In accordance with
 24 subparagraph (B), to assist”; and

(iv) by adding at the end the following:

“(B) RECOMMENDATIONS FOR INCREASED CONSUMPTION.—

“(i) GUIDANCE.—Prior to the beginning of the school year beginning July 2004, the Secretary shall issue guidance to States and school food authorities to increase the consumption of foods and food ingredients that are recommended for increased serving consumption in the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341).

“(ii) RULES.—Not later than 2 years after the date of enactment of the Child Nutrition and WIC Reauthorization Act of 2004 (Public Law 108–265), the Secretary shall promulgate rules, based on the most recent Dietary Guidelines for Americans, that reflect specific recommendations, expressed in serving recommendations, for increased consumption of foods and food ingredients offered in school nutrition pro-

grams under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).”; and

(C) by adding at the end the following:

“(5) REGULATIONS.—

“(A) PROPOSED REGULATIONS.—Not later than 18 months after the date of enactment of the Healthy, Hunger-Free Kids Act of 2010 (Public Law 111–296), the Secretary shall promulgate proposed regulations to update the meal patterns and nutrition standards for the school lunch program authorized under this Act and the school breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) based on recommendations made by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences.

“(B) INTERIM OR FINAL REGULATIONS.—

“(i) IN GENERAL.—Not later than 18 months after the date of promulgation of the proposed regulations under subparagraph (A), the Secretary shall promulgate interim or final regulations.

1 “(ii) DATE OF REQUIRED COMPLI-
2 ANCE.—The Secretary shall establish in
3 the interim or final regulations a date by
4 which all school food authorities partici-
5 pating in the school lunch program author-
6 ized under this Act and the school break-
7 fast program established by section 4 of
8 the Child Nutrition Act of 1966 (42
9 U.S.C. 1773) are required to comply with
10 the meal pattern and nutrition standards
11 established in the interim or final regula-
12 tions.

13 “(C) REPORT TO CONGRESS.—Not later
14 than 90 days after the date of enactment of the
15 Healthy, Hunger-Free Kids Act of 2010 (Public
16 Law 111–296), and every 90 days thereafter
17 until the date on which the Secretary has pro-
18 mulgated interim or final regulations under
19 subparagraph (B), the Secretary shall submit to
20 the Committee on Education and the Workforce
21 of the House of Representatives and the Com-
22 mittee on Agriculture, Nutrition, and Forestry
23 of the Senate a quarterly report on progress
24 made toward promulgation of the regulations
25 described in this paragraph.”;

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

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

5 (7) in subsection (g) (as so redesignated), by
6 striking “2015” each place it appears in paragraphs
7 (3) and (4) and inserting “2020”.

8 **SEC. 106. MISCELLANEOUS PROVISIONS.**

9 Section 12 of the Richard B. Russell National School
10 Lunch Act (42 U.S.C. 1760) is amended—

11 (1) in subsection (m)(4), by striking “2015”
12 and inserting “2020”;

13 (2) in subsection (o)—

14 (A) by striking “In acquiring” and insert-
15 ing the following:

16 “(1) IN GENERAL.—In acquiring”; and

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

18 “(2) REQUIREMENT.—A State, State agency,
19 school, or school food authority shall ensure that a
20 procurement contract described in paragraph (1)
21 and any related documents contain a Buy American
22 requirement as described in subsection (n).”;

23 (3) by striking subsection (p) and inserting the
24 following:

25 “(p) NON-FEDERAL REVENUE.—

1 “(1) DEFINITIONS.—In this subsection:

2 “(A) BASE SCHOOL YEAR.—The term
3 ‘base school year’ means the school year begin-
4 ning on July 1, 2016, or the first school year
5 in which a new local educational agency oper-
6 ates, and each fifth subsequent school year.

7 “(B) PAID.—The term ‘paid’, with respect
8 to a breakfast or lunch, means a reimbursable
9 breakfast or lunch served to a student who is
10 not certified to receive free or reduced price
11 meals.

12 “(2) ACCOUNTING REQUIRED.—Beginning on
13 July 1, 2016, each local educational agency shall
14 take the steps necessary to comply with this sub-
15 section for the applicable base school year.

16 “(3) MEETING NON-FEDERAL REVENUE TAR-
17 GET.—If the amount of non-Federal revenues con-
18 tributed to the nonprofit school food service account
19 during the base school year equaled or exceeded the
20 target amount calculated under paragraph (5), no
21 additional non-Federal revenue is required.

22 “(4) NOT MEETING NON-FEDERAL REVENUE
23 TARGET.—If the amount of non-Federal revenues
24 contributed to the nonprofit school food service ac-
25 count during the base school year was less than the

1 target amount calculated under paragraph (5), the
2 local educational agency shall contribute additional
3 non-Federal revenues to the nonprofit school food
4 service account in accordance with paragraph (8).

5 “(5) NON-FEDERAL REVENUE TARGET.—The
6 non-Federal revenue target shall be equal to the
7 product obtained by multiplying—

8 “(A) the number of paid lunches served
9 during the base school year at schools not cur-
10 rently operating a meals program under which
11 all students receive free meals, as determined
12 by the Secretary; and

13 “(B) an amount equal to the difference be-
14 tween, during the base school year—

15 “(i) the total Federal reimbursement
16 for a free lunch; and

17 “(ii) the total Federal reimbursement
18 for a paid lunch.

19 “(6) NON-FEDERAL REVENUE CRITERIA.—For
20 the purposes of this subsection, non-Federal reve-
21 nues include, as determined by the Secretary—

22 “(A) State or local funds (other than
23 unquantified in-kind contributions) contributed
24 to the nonprofit school food service account to

1 support the provision of paid lunches or break-
2 fasts;

3 “(B) State or local in-kind contributions
4 that have been converted to direct cash expendi-
5 tures;

6 “(C) funds contributed by a foundation or
7 other private entity to the nonprofit school food
8 service account to support the provision of paid
9 lunches or breakfasts;

10 “(D) the revenue provided by the sale of
11 nonprogram foods if the local educational agen-
12 cy demonstrates that the revenue exceeds the
13 costs associated with obtaining, preparing, and
14 serving nonprogram foods; and

15 “(E) fees collected from households for
16 paid lunches.

17 “(7) NON-FEDERAL REVENUE GAP.—The non-
18 Federal revenue gap equals the amount by which the
19 non-Federal revenue target exceeded the amount of
20 non-Federal revenues contributed to the nonprofit
21 school food service account during the base school
22 year.

23 “(8) ADDITIONAL NON-FEDERAL REVENUES.—
24 Local educational agencies that did not meet the
25 non-Federal revenue target in the base school year

1 shall be required to contribute additional non-Fed-
 2 eral revenues to the nonprofit school food service ac-
 3 count annually in an amount sufficient to close the
 4 non-Federal revenue gap by an annual average of 10
 5 percent over a 5-year period, as determined by the
 6 Secretary.

7 “(9) IMPLEMENTATION.—The Secretary shall
 8 establish procedures to carry out this subsection.

9 “(10) EXEMPTIONS.—A State agency may ex-
 10 empt a local educational agency from the require-
 11 ment of paragraph (4) if—

12 “(A) the local educational agency—

13 “(i) has been certified for additional
 14 reimbursement under section 4(b)(3)(B);
 15 and

16 “(ii) is able to demonstrate that a
 17 monthly share of the additional contribu-
 18 tion would cause the funds in the nonprofit
 19 school food service account to exceed 3
 20 months of operating funds; and

21 “(B) the State agency considers whether
 22 there are other necessary or appropriate uses
 23 for the funds in the nonprofit school food serv-
 24 ice account.”;

25 (4) by striking subsection (q); and

1 (5) by redesignating subsection (r) as sub-
2 section (q).

3 **SEC. 107. SUMMER FOOD SERVICE PROGRAM FOR CHIL-**
4 **DREN.**

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

7 (1) in subsection (a)—

8 (A) by striking paragraph (8) and insert-
9 ing the following:

10 “(8) STREAMLINING.—

11 “(A) SEAMLESS SUMMER OPTION.—Except
12 as otherwise determined by the Secretary, a
13 service institution that is a public or private
14 nonprofit school food authority may provide
15 summer or school vacation food service in ac-
16 cordance with applicable provisions of law gov-
17 erning the school lunch program established
18 under this Act or the school breakfast program
19 established under the Child Nutrition Act of
20 1966 (42 U.S.C. 1771 et seq.).

21 “(B) SUMMER AND AT-RISK TRANSITION
22 OPTION.—

23 “(i) IN GENERAL.—Notwithstanding
24 subsections (b)(2) and (c)(1), a service in-
25 stitution described in paragraph (6) or (7),

1 other than a public school, may be reim-
2 bursed for—

3 “(I) lunch and either breakfast
4 or a meal supplement served during
5 each day of operation during the
6 months of May through September,
7 except—

8 “(aa) in the case of a service
9 institution that operates a food
10 service program for children on
11 school vacation, at any time
12 under a continuous school cal-
13 endar; and

14 “(bb) in the case of a service
15 institution that provides meal
16 service at a non-school site to
17 children who are not in school for
18 a period during the school year
19 due to a natural disaster, build-
20 ing repair, court order, or similar
21 cause, at any time during that
22 period; and

23 “(II) up to 1 meal and 1 supple-
24 ment served during each day of oper-
25 ation outside of school hours, includ-

1 ing after school, weekends, and school
2 holidays during the regular school cal-
3 endar.

4 “(ii) REIMBURSEMENT.—

5 “(I) IN GENERAL.—The Sec-
6 retary shall reimburse service institu-
7 tions seeking reimbursement under
8 this subparagraph at a rate that is
9 consistent with subsection (b).

10 “(II) MINIMUM DAYS RE-
11 QUIRED.—To be eligible for reim-
12 bursement under this subparagraph, a
13 service institution shall be required to
14 provide meals to eligible children on—

15 “(aa) at least 20 days dur-
16 ing the months of May through
17 September; or

18 “(bb) at least 20 days dur-
19 ing school vacations in areas that
20 operate under a continuous
21 school calendar.

22 “(iii) ADMINISTRATIVE FUNDS.—Ad-
23 ministrative funds for State agencies and
24 sponsors shall be delivered in the manner
25 described in—

1 “(I) for service institutions, sub-
2 section (b)(3)(B)(ii); and

3 “(II) for State agencies, sub-
4 section (k)(1).

5 “(iv) LIMITATION.—

6 “(I) IN GENERAL.—The Sec-
7 retary shall limit reimbursement
8 under this subparagraph to meals
9 served—

10 “(aa) beginning on October
11 1, 2017, in 7 States;

12 “(bb) beginning on October
13 1, 2018, in 3 additional States;

14 “(cc) beginning on October
15 1, 2019, in 2 additional States;
16 and

17 “(dd) beginning on October
18 1, 2020, and each fiscal year
19 thereafter, in 1 additional State.

20 “(II) SELECTION.—In carrying
21 out subclause (I), the Secretary shall
22 select States that—

23 “(aa) in the case of item
24 (aa), have—

1 “(AA) the lowest rates
2 of participation in the pro-
3 gram authorized under this
4 section; and

5 “(BB) have not yet
6 completed implementation of
7 an electronic benefits trans-
8 fer system under section
9 17(h)(12) of the Child Nu-
10 trition Act of 1966 (42
11 U.S.C. 1786(h)(12)); and

12 “(bb) in the case of items
13 (bb) through (dd)—

14 “(AA) have the lowest
15 rates of participation in each
16 region in which the program
17 is authorized under this sec-
18 tion; or

19 “(BB) for which the
20 State agency administering
21 the program under this sec-
22 tion is not the same State
23 agency that administers the
24 program authorized under
25 section 17.

1 “(III) GEOGRAPHIC DISTRIBUTION.—In carrying out subclause (I),
 2 the Secretary shall, to the maximum
 3 extent practicable, ensure equitable
 4 geographic distribution of States se-
 5 lected to participate in the option au-
 6 thorized under this subparagraph.”;

8 (B) by striking paragraphs (9) and (12);

9 (C) by redesignating paragraphs (10) and
 10 (11) as paragraphs (9) and (10), respectively;
 11 and

12 (D) by adding at the end the following:

13 “(11) SPECIAL ELECTIONS.—

14 “(A) ELECTRONIC BENEFIT TRANSFER
 15 ELECTION.—

16 “(i) DEFINITION OF ELIGIBLE HOUSE-
 17 HOLD.—In this subparagraph, the term
 18 ‘eligible household’ means a household that
 19 includes 1 or more children who are eligi-
 20 ble to receive free or reduced price school
 21 meals.

22 “(ii) ELECTION.—Subject to the limit
 23 described in clause (vii), a State may elect,
 24 beginning in fiscal year 2018, to issue ben-
 25 efits to eligible households in areas de-

scribed in clause (vi) through an electronic benefit transfer card.

“(iii) PURPOSE.—The purposes of the election described in clause (ii) are—

“(I) to increase program effectiveness and efficiency;

“(II) to reduce or eliminate the food insecurity and hunger of children; and

“(III) to improve the nutritional status of children.

“(iv) AMOUNT.—

“(I) IN GENERAL.—Subject to subclauses (II) and (III), the value of an electronic benefit transfer card under this subparagraph shall be \$30 per month for each child eligible to receive free or reduced price school meals in an eligible household.

“(II) ANNUAL LIMITATION.—No child may receive more than 3 months of benefits under this subparagraph in any 12-month period.

“(III) ADJUSTMENT.—Each January 1, the Secretary shall adjust the

1 value described in subclause (I) by the
 2 same percentage as the adjustment
 3 made under subsection (b)(1)(B).

4 “(v) USE OF BENEFITS.—

5 “(I) IN GENERAL.—Benefits
 6 issued through the election described
 7 in this subparagraph may be used
 8 only for the purchase of food—

9 “(aa) consistent with section
 10 17(f)(11) of the Child Nutrition
 11 Act of 1966 (42 U.S.C.
 12 1786(f)(11)), with additions
 13 made available as determined by
 14 the Secretary in accordance with
 15 subsection (f)(1) of this section;
 16 and

17 “(bb) subject to subclause
 18 (III), from retail stores approved
 19 for participation in the special
 20 supplemental nutrition program
 21 for women, infants, and children
 22 authorized under that section.

23 “(II) TIMING.—Benefits issued
 24 through the election described in this
 25 subparagraph may be used only—

1 “(aa) when school is out of
2 session for the summer period;
3 and

4 “(bb) in the case of a local
5 educational agency operating
6 under a continuous school cal-
7 endar, during the school vaca-
8 tions occurring in the months of
9 May through September, as de-
10 fined by the Secretary.

11 “(III) PROGRAM ACCESS.—If
12 there are an insufficient number of re-
13 tail stores described in subclause
14 (I)(bb) in an area to allow for reason-
15 able access to the program, the Sec-
16 retary shall authorize other similar re-
17 tail stores that meet such criteria as
18 may be determined by the Secretary
19 for the sole purpose of redeeming ben-
20 efits through the election described in
21 this subparagraph.

22 “(vi) ADMINISTRATION.—In admin-
23 istering the election described in this sub-
24 paragraph, the Secretary shall ensure
25 that—

1 “(I) benefits are issued only to
2 eligible households that live—

3 “(aa) in areas with high
4 rates of poverty or long-term pov-
5 erty that—

6 “(AA) are rural and
7 have no congregate feeding
8 sites; or

9 “(BB) have limited ac-
10 cess to meals otherwise pro-
11 vided through the program
12 authorized under this sec-
13 tion; or

14 “(bb) outside an area in
15 which poor economic conditions
16 exist but in an area that has lim-
17 ited access to meals otherwise
18 provided through the program
19 authorized under this section;

20 “(II) benefits are issued to
21 households only after that household
22 has made an oral or written request
23 to receive benefits through an elec-
24 tronic benefit transfer;

1 “(III) each State documents how
 2 the election will be administered in
 3 the management and administration
 4 plan described in subsection (n), in-
 5 cluding—

6 “(aa) the process for identi-
 7 fying areas in which benefits will
 8 be issued; and

9 “(bb) the process for
 10 prioritizing the issuance of bene-
 11 fits within the limit described in
 12 clause (vii); and

13 “(IV) the election is made only
 14 by a State that is in compliance with
 15 section 17(h)(12)(B) of the Child Nu-
 16 trition Act of 1966 (42 U.S.C.
 17 1786(h)(12)(B)).

18 “(vii) NUMBERS OF CHILDREN
 19 SERVED.—

20 “(I) IN GENERAL.—In issuing
 21 benefits through the election described
 22 in this subparagraph, the Secretary
 23 may not serve—

24 “(aa) in fiscal year 2018,
 25 more than 235,000 children;

1 “(bb) in fiscal year 2019,
2 more than 260,000 children; and

3 “(cc) in fiscal year 2020,
4 and each fiscal year thereafter,
5 more than 285,000 children.

6 “(II) STATE ALLOCATIONS.—

7 When determining allocations among
8 the States of the numbers of children
9 served as described in subclause (I),
10 the Secretary shall—

11 “(aa) review the manage-
12 ment and administration plans
13 described in subsection (n); and

14 “(bb) ensure that the total
15 number of children served does
16 not exceed the levels described in
17 subclause (I).

18 “(viii) AUTHORIZATION OF APPRO-
19 PRIATIONS.—In addition to funds other-
20 wise made available and subject to the
21 availability of appropriations provided in
22 advance in an appropriations Act specifi-
23 cally for the purpose of serving additional
24 children above the limits described in
25 clause (vii)(I), there is authorized to be ap-

1 appropriated to carry out this subparagraph
 2 \$50,000,000 for each of fiscal years 2018
 3 through 2020, to remain available until ex-
 4 pended.

5 “(ix) REGULATIONS.—Not later than
 6 December 31, 2016, the Secretary shall
 7 promulgate regulations, with an oppor-
 8 tunity for notice and comment, to imple-
 9 ment this subparagraph, including criteria
 10 for States to use in prioritizing the
 11 issuance of benefits within the limit de-
 12 scribed in clause (vii).

13 “(B) OFF-SITE CONSUMPTION ELEC-
 14 TION.—

15 “(i) IN GENERAL.—Beginning in sum-
 16 mer 2017, a State may elect for service in-
 17 stitutions in the State to provide summer
 18 food service program meals for children eli-
 19 gible to participate in the program to con-
 20 sume off-site.

21 “(ii) AVAILABILITY.—The election de-
 22 scribed in clause (i) shall be available only
 23 when the children being served live in—

24 “(I) a rural area, as defined by
 25 the Secretary; or

1 “(II) an area—

2 “(aa) that is not rural; and

3 “(bb) in which more than 80
4 percent of students are certified
5 as eligible for free or reduced
6 price meals.

7 “(iii) ADMINISTRATION.—

8 “(I) IN GENERAL.—In admin-
9 istering this subparagraph, the Sec-
10 retary shall—

11 “(aa) ensure that—

12 “(AA) the number of
13 meals served to each child in
14 a single meal service is lim-
15 ited to 2 meals;

16 “(BB) any meal served
17 meets the same standards
18 for safety and quality as a
19 meal served at a congregate
20 feeding site;

21 “(CC) any meal in
22 which a component is of-
23 fered but not served is not
24 reimbursed under subsection
25 (b); and

1 “(DD) each State gives
2 priority to children who are
3 living in areas in which con-
4 gregate feeding sites are not
5 accessible, as determined by
6 the Secretary;

7 “(bb) prohibit a State from
8 making an election for off-site
9 consumption simultaneously in
10 the same area with an electronic
11 benefit transfer election described
12 in subparagraph (A) or a con-
13 gregate feeding site; and

14 “(cc) permit a State to
15 make an election for off-site con-
16 sumption in some or all eligible
17 areas in the State.

18 “(II) STATE PLAN.—Each State
19 making an election under this sub-
20 paragraph shall describe the manner
21 in which the State plans to operate
22 the program under the election in the
23 management and administration plan
24 described in subsection (n).

1 “(III) REGULATIONS.—Not later
2 than December 31, 2016, the Sec-
3 retary shall promulgate regulations,
4 with an opportunity for notice and
5 comment, to implement this subpara-
6 graph, which shall include require-
7 ments for—

8 “(aa) documentation of pro-
9 gram operation once an election
10 has been made in the State man-
11 agement and administration plan
12 described in subsection (n);

13 “(bb) selecting eligible areas
14 and eligible service institutions to
15 most effectively deliver summer
16 food service program meals under
17 the election;

18 “(cc) designing mechanisms
19 by which households with chil-
20 dren eligible to participate in the
21 program can indicate a need for
22 meals to be consumed off-site;

23 “(dd) developing an appro-
24 priate maintenance of effort re-
25 quirement for service institutions

1 currently operating feeding sites;
2 and

3 “(ee) implementing security
4 measures to ensure that when an
5 election for off-site consumption
6 is made, the safety of partici-
7 pants is equivalent to security at
8 a congregate feeding site.

9 “(12) ALLOWANCE FOR OFF-SITE CONSUMP-
10 TION.—

11 “(A) IN GENERAL.—Beginning in summer
12 2016, the Secretary shall grant a request made
13 by a State to allow children participating in the
14 program to consume meals off-site when the
15 program is available to the child at a con-
16 gregate feeding site but—

17 “(i) the site is closed due to extreme
18 weather conditions;

19 “(ii) violence or other public safety
20 concerns in the area temporarily prevent
21 children from traveling safely to the site;
22 or

23 “(iii) other emergency circumstances,
24 as defined by the Secretary, prevent access
25 to the site.

1 “(B) LIMITATIONS.—In granting a request
2 under subparagraph (A), the Secretary shall en-
3 sure that—

4 “(i) allowances are issued by a State
5 only between the months of May through
6 September; and

7 “(ii) once an allowance is issued, any
8 meal in which a component is offered but
9 not served is not reimbursed under sub-
10 section (b).

11 “(C) ADMINISTRATION.—

12 “(i) STATE PLAN.—As part of the
13 management and administration plan de-
14 scribed in subsection (n), a State shall de-
15 scribe—

16 “(I) the approval process the
17 State would undertake to issue an al-
18 lowance;

19 “(II) standards for what cir-
20 cumstances merit an allowance, the
21 duration of an allowance, and when
22 an allowance may be extended; and

23 “(III) how the program would
24 operate after an allowance is issued.

1 “(ii) GUIDANCE.—Not later than 45
 2 days after the date of enactment of this
 3 paragraph, the Secretary shall issue guid-
 4 ance for States to use in issuing allowances
 5 under this paragraph during the period be-
 6 ginning on May 1, 2016, and ending on
 7 September 30, 2016.

8 “(iii) REGULATIONS.—Not later than
 9 December 31, 2016, the Secretary shall
 10 promulgate regulations, with an oppor-
 11 tunity for notice and comment, to imple-
 12 ment this paragraph.”;

13 (2) in subsection (b)(2)—

14 (A) by striking “(A)” and inserting “(i)”;

15 (B) by striking “(B)” and inserting “(ii)”;

16 (C) by striking “(2) Any” and inserting

17 the following:

18 “(2) NUMBER OF MEALS SERVED.—

19 “(A) IN GENERAL.—Any”; and

20 (D) by adding at the end the following:

21 “(B) PILOT PROJECT.—

22 “(i) IN GENERAL.—Subject to the
 23 availability of appropriations provided in
 24 advance in an appropriations Act specifi-
 25 cally for the purpose of carrying out this

1 section, the Secretary shall award grants
2 on a competitive basis to not more than 6
3 State agencies to carry out a pilot project
4 to provide eligible service institutions pay-
5 ments under the program for serving 3
6 meals, or 2 meals and 1 supplement, dur-
7 ing each day of operation.

8 “(ii) ELIGIBLE SERVICE INSTITU-
9 TION.—A service institution is eligible to
10 participate in the pilot project under this
11 subparagraph if the service institution
12 meets the requirements of clauses (i) and
13 (ii) of subparagraph (A), but is not a camp
14 and does not serve meals primarily to mi-
15 grant children.

16 “(iii) PRIORITY.—In awarding grants
17 under this subparagraph, the Secretary
18 shall give priority to State agencies that
19 have committed resources or developed a
20 plan to effectively address childhood food
21 insecurity.

22 “(iv) AUTHORIZATION OF APPROPRIA-
23 TIONS.—There is authorized to be appro-
24 priated for additional meals and commod-
25 ities authorized under this subparagraph

1 and associated administrative costs
2 \$10,000,000 for the period of fiscal years
3 2016 through 2020.”;

4 (3) in subsection (k)(3), by striking “1 percent”
5 and inserting “2 percent”;

6 (4) by striking subsection (n) and inserting the
7 following:

8 “(n) STATE PLAN.—Each State desiring to partici-
9 pate in the program shall—

10 “(1) not later than January 1 of each year, no-
11 tify the Secretary of the intent of the State to ad-
12 minister the program; and

13 “(2) not later than February 15 of each year,
14 submit for approval a management and administra-
15 tion plan for the program for the fiscal year, which
16 shall include—

17 “(A) the administrative budget of the
18 State for the fiscal year, and the plans of the
19 State to comply with any standards prescribed
20 by the Secretary under subsection (k); and

21 “(B) the plans of the State for—

22 “(i) the use of program funds and
23 funds from within the State to the max-
24 imum extent practicable to reach needy
25 children;

1 “(ii) strengthening the congregate
 2 feeding model for program delivery, includ-
 3 ing the process for identifying gaps in
 4 service and barriers to access and plans for
 5 using the special elections and allowance
 6 described in subsection (b) to assist service
 7 institutions in reaching needy children;

8 “(iii) providing technical assistance
 9 and training eligible service institutions;

10 “(iv) monitoring and inspecting serv-
 11 ice institutions, feeding sites, and food
 12 service management companies and ensur-
 13 ing that those companies do not enter into
 14 contracts for more meals than the compa-
 15 nies can provide effectively and efficiently;

16 “(v) timely and effective action
 17 against program violators; and

18 “(vi) ensuring fiscal integrity by au-
 19 diting service institutions not subject to
 20 auditing requirements prescribed by the
 21 Secretary.”;

22 (5) in subsection (r), by striking “2015” and
 23 inserting “2020”; and

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

25 “(s) RESEARCH PROJECTS.—

1 “(1) IN GENERAL.—Subject to the availability
2 of appropriations provided in advance in an appro-
3 priations Act specifically for the purpose of carrying
4 out this subsection, the Secretary shall carry out re-
5 search projects in not more than 20 States with the
6 lowest participation rates in the program authorized
7 by this section.

8 “(2) PURPOSE.—The research projects de-
9 scribed in paragraph (1) shall be designed to gather
10 information regarding—

11 “(A) participation by low-income families
12 and children;

13 “(B) involvement by nonprofit organiza-
14 tions in the program;

15 “(C) private investment; and

16 “(D) social and behavioral change by par-
17 ticipants.

18 “(3) SCOPE.—Research projects conducted
19 under this subsection shall—

20 “(A) study barriers and factors that enable
21 participation in the program by eligible chil-
22 dren;

23 “(B) test new methods regarding program
24 participation and behavioral change by program
25 participants; and

1 “(C) measure the changes in program par-
 2 ticipation and behavior by program participants
 3 attributable to the methods described in sub-
 4 paragraph (B).

5 “(4) COOPERATIVE AGREEMENTS.—

6 “(A) IN GENERAL.—To carry out the re-
 7 search projects described in paragraph (1), the
 8 Secretary shall enter into cooperative agree-
 9 ments with food security and nutrition stake-
 10 holders, including—

11 “(i) nonprofit organizations;

12 “(ii) institutions of higher education;

13 “(iii) State agencies;

14 “(iv) Indian tribal organizations; and

15 “(v) corporations.

16 “(B) DUTIES.—Under the terms of a coop-
 17 erative agreement entered into under subpara-
 18 graph (A), a stakeholder shall agree—

19 “(i) to conduct research on barriers
 20 and factors at the local level that enable
 21 participation in the program, using a vari-
 22 ety of research methods;

23 “(ii) to disseminate findings from the
 24 research in a manner that will improve the

1 efficiency and effectiveness of the program;
 2 and

3 “(iii) if relevant, to disseminate find-
 4 ings from research in other scientific lit-
 5 erature about methods to increase program
 6 participation and change behavior by pro-
 7 gram participants.

8 “(C) PARTNERSHIPS.—The Secretary shall
 9 ensure that any cooperative agreement includes
 10 at least 4 different stakeholders described in
 11 subparagraph (A).

12 “(D) TERM.—A cooperative agreement en-
 13 tered into under this subsection shall be for a
 14 term of—

15 “(i) not less than 1 year; but

16 “(ii) not more than 3 years.

17 “(5) AUTHORIZATION OF APPROPRIATIONS.—

18 There is authorized to be appropriated to carry out
 19 this subsection \$10,000,000.”.

20 **SEC. 108. COMMODITY DISTRIBUTION PROGRAM.**

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

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

24 (A) by striking “section 9(a) of this Act”

25 and inserting “section 9(f)”; and

1 (B) by striking “represent the four basic
2 food groups, including” and inserting “in-
3 clude”; and
4 (2) by striking subsection (h).

5 **SEC. 109. CHILD AND ADULT CARE FOOD PROGRAM.**

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

9 (1) in subsection (a)—

10 (A) in paragraph (2)—

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

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

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

21 (iv) by adding at the end the fol-
22 lowing:

23 “(G) any public or licensed nonprofit pri-
24 vate residential child care institution (as de-
25 fined in subsection (v)(1)); and

1 “(H) any boarding school funded by the
2 Bureau of Indian Education.”;

3 (B) in paragraph (3), by striking “sub-
4 section (r)” and inserting “subsections (r) and
5 (v)”;

6 (C) by striking paragraph (4) and insert-
7 ing the following:

8 “(4) DURATION OF DETERMINATION.—With re-
9 spect to an institution described in paragraph
10 (2)(B), an eligibility determination under this sub-
11 section shall remain in effect for a period of, as ap-
12 plicable—

13 “(A) 60 days; or

14 “(B) for such an institution in which at
15 least 50 percent of the children served meet the
16 income eligibility criteria established under sec-
17 tion 9(b) for free or reduced price meals, 180
18 days.”;

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

22 (3) in subsection (c)—

23 (A) in paragraph (3), by adding before the
24 period at the end the following: “and those pay-
25 ment rates shall be announced by the Secretary

1 by the February 15 described in section
2 4(b)(4)”; and

3 (B) in paragraph (4), by striking “of this
4 Act” and inserting the following: “ and those
5 guidelines and, to the maximum extent prac-
6 ticable, any associated guidance shall be issued
7 by the Secretary by the February 15 described
8 in section 4(b)(4)”;
9 (4) in subsection (d)—

10 (A) in paragraph (4)—

11 (i) by striking “In consultation” and
12 inserting the following:

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

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

16 “(B) REPORTS.—Each sponsoring organi-
17 zation shall submit to the applicable State
18 agency a report, not less frequently than annu-
19 ally, that describes, with respect to the pre-
20 ceding calendar year—

21 “(i) the expenditures of program
22 funds by the sponsoring organization; and

23 “(ii) the amount of meal reimburse-
24 ments retained by the sponsoring organiza-

1 tion for administrative costs, if applica-
2 ble.”; and

3 (B) in paragraph (5), by adding at the end
4 the following:

5 “(F) SERIOUS DEFICIENCY PROCESS.—

6 “(i) IN GENERAL.—Not later than 1
7 year after the date of enactment of this
8 subparagraph, the Secretary shall review,
9 and issue guidance regarding, the serious
10 deficiency process for the program under
11 this section.

12 “(ii) REVIEW.—In carrying out clause
13 (i), the Secretary shall review the processes
14 for—

15 “(I) determining when there is a
16 serious deficiency, including—

17 “(aa) what measures auto-
18 matically result in a finding of
19 serious deficiency; and

20 “(bb) how differentiation is
21 being made between—

22 “(AA) human error and
23 intentional noncompliance;
24 and

1 “(BB) if applicable, the
2 severity of noncompliance
3 with State-specific require-
4 ments and Federal regula-
5 tions;

6 “(II) appeals and mediation in
7 any case in which there is a finding of
8 serious deficiency;

9 “(III) determining the cir-
10 cumstances under which a corrective
11 action plan is acceptable; and

12 “(IV) termination and disquali-
13 fication, including maintenance of the
14 list under subparagraph (E).

15 “(iii) GUIDANCE.—

16 “(I) IN GENERAL.—After con-
17 ducting the review under clause (ii),
18 the Secretary shall make findings
19 from the information collected and
20 issue guidance from the findings that
21 will assist sponsoring organizations,
22 State agencies, and the Food and Nu-
23 trition Service in ensuring consistency
24 and effectiveness in administration of

1 the serious deficiency process, while
 2 retaining program integrity.

3 “(II) SCOPE.—Guidance under
 4 subclause (I) shall include—

5 “(aa) clarity on the different
 6 measures for noncompliance;

7 “(bb) parameters for a con-
 8 sistent appeals process to review
 9 a finding of serious deficiency or
 10 a determination that a corrective
 11 action plan is inadequate; and

12 “(cc) adequate timeframes
 13 under a corrective action plan for
 14 compliance that are consistent
 15 for all types of institutions par-
 16 ticipating in the program.”;

17 (5) in subsection (f)—

18 (A) in paragraph (2)—

19 (i) by striking “(2)(A) Subject to sub-
 20 paragraph (B) of this paragraph” and in-
 21 serting the following:

22 “(2) DISBURSEMENTS.—

23 “(A) IN GENERAL.—Subject to subpara-
 24 graph (B)”;

1 (ii) by redesignating subparagraph
2 (C) as subparagraph (D); and

3 (iii) by striking subparagraph (B) and
4 inserting the following:

5 “(B) LIMITATION.—Except as provided in
6 subparagraph (C), no reimbursement may be
7 made to any institution under this paragraph,
8 or to family or group day care home sponsoring
9 organizations under paragraph (3), for more
10 than, as determined by the institution or orga-
11 nization—

12 “(i) 2 meals and 1 supplement per
13 day per child; or

14 “(ii) 1 meal and 2 supplements per
15 day per child.

16 “(C) OTHER.—

17 “(i) IN GENERAL.—For each child
18 that is maintained in a child care setting
19 for 9 hours or more per day, the limitation
20 described in subparagraph (B) shall be, as
21 determined by the institution or organiza-
22 tion—

23 “(I) 2 meals and 1 supplement
24 per day per child;

1 “(II) 1 meal and 2 supplements
2 per day per child;

3 “(III) 2 meals and 2 supplements
4 per day per child; or

5 “(IV) 1 meal and 3 supplements
6 per day per child.

7 “(ii) EFFECTIVE DATE.—The limita-
8 tion described in clause (i) shall be effec-
9 tive beginning on—

10 “(I) for family or group day care
11 homes, the later of—

12 “(aa) date of implementa-
13 tion of the regulations described
14 in subsection (g)(2)(B)(iii); and

15 “(bb) October 1, 2018; and

16 “(II) for child care centers, the
17 later of—

18 “(aa) the date of implemen-
19 tation of the regulations de-
20 scribed in subsection
21 (g)(2)(B)(iii); and

22 “(bb) October 1, 2020.”;

23 (B) in paragraph (3)—

24 (i) in subparagraph (A)—

1 (I) in clause (ii)(IV), in the first
 2 sentence, by striking “each July 1”
 3 and inserting “each February 15”;
 4 and

5 (II) in clause (iii)(I)(bb), in the
 6 first sentence, by striking “each July
 7 1” and inserting “each February 15”;
 8 (ii) by striking subparagraph (C); and
 9 (iii) by redesignating subparagraphs
 10 (D) and (E) as subparagraphs (C) and
 11 (D), respectively;

12 (6) in subsection (g), by striking paragraph (6)
 13 and inserting the following:

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

18 (7) in subsection (h)(1), by adding at the end
 19 the following:

20 “(E) ENGAGEMENT WITH STATE AND
 21 LOCAL AGENCIES.—

22 “(i) IN GENERAL.—Subject to clause
 23 (ii), the Secretary, as practicable, shall en-
 24 courage institutions participating in the
 25 child care food program to engage with

1 State agencies and local educational agen-
 2 cies to use existing infrastructure to en-
 3 hance the use of, and increase access to,
 4 donated commodities.

5 “(ii) EFFECT OF SUBPARAGRAPH.—
 6 Nothing in this subparagraph compels a
 7 local educational agency to engage with
 8 any institution participating in the child
 9 care food program.”;

10 (8) in subsection (o)(3)(A), in the first sen-
 11 tence, by striking “Secretary, in” and all that fol-
 12 lows through “separate guidelines” and inserting
 13 “Secretary, in consultation with the Assistant Sec-
 14 retary for Aging, shall implement separate guide-
 15 lines”;

16 (9) in subsection (r), by striking paragraph (6)
 17 and inserting the following:

18 “(6) HANDBOOK.—For each calendar year, the
 19 Secretary shall—

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

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

1 (10) in subsection (u)(3)(C)(i), by inserting
 2 “for distribution to participants and families of par-
 3 ticipants” after “nutrition education”; and

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

5 “(v) PARTICIPATION BY RESIDENTIAL CHILD CARE
 6 INSTITUTIONS.—

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

12 “(A) operates principally for the care of
 13 children; and

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

17 “(2) ADMINISTRATION.—Except as otherwise
 18 provided in this subsection, a residential child care
 19 institution shall be considered eligible for reimburse-
 20 ment for meals or supplements served to eligible
 21 children residing at the residential child care institu-
 22 tion.

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

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

“(i) only for a meal or supplement served to children residing at the residential child care institution, if the children are—

“(I) not more than 18 years of age; or

“(II) children with disabilities; and

“(ii) for not more than—

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

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

“(B) RATE.—A meal or supplement eligible for reimbursement under this subsection shall be reimbursed at the rate at which free, reduced price, and paid meals and supplements, respectively, are reimbursed under subsection (c).”.

(b) ADVISORY COMMITTEE.—

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

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

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

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

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

24 (2) REPRESENTATION.—The advisory com-
 25 mittee under this subsection shall include 1 rep-

1 representative from each of the following (within the
2 meaning of the Richard B. Russell National School
3 Lunch Act (42 U.S.C. 1751 et seq.), as applicable):

4 (A) Public and private nonprofit organiza-
5 tions.

6 (B) Home-based day care providers.

7 (C) Head Start centers.

8 (D) For-profit proprietary organizations.

9 (E) Shelters for homeless families.

10 (F) Adult day care centers.

11 (G) State agencies.

12 (H) Sponsor organizations that provide ad-
13 ministrative support to multiple providers.

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

18 (A) any existing information, recommenda-
19 tions, and reports from the paperwork reduction
20 work group convened by the Food and Nutri-
21 tion Service in response to section 119(i) of the
22 Child Nutrition and WIC Reauthorization Act
23 of 2004 (42 U.S.C. 1766 note; 118 Stat. 755);
24 and

1 (B) the use of technology for electronic
2 recordkeeping.

3 (4) SECRETARIAL ACTION.—

4 (A) GUIDANCE OR REGULATIONS.—

5 (i) ISSUANCE.—Not later than 1 year
6 after the date of enactment of this Act, the
7 Secretary shall issue guidance or regula-
8 tions, as appropriate, based on the rec-
9 ommendations of the advisory committee
10 under paragraph (1) regarding streamlined
11 and consolidated paperwork and record-
12 keeping requirements, including reducing
13 the burden for applications, monitoring
14 and auditing requirements, and any other
15 areas recommended by the advisory com-
16 mittee.

17 (ii) IMPLEMENTATION.—Not later
18 than 2 years after the date of enactment
19 of this Act, the Secretary shall implement
20 any changes resulting from the guidance or
21 regulations described in clause (i).

22 (B) REPORT.—After issuing any guidance
23 or regulations under subparagraph (A), the
24 Secretary shall submit to the Committee on Ag-
25 riculture, Nutrition, and Forestry of the Senate

and the Committee on Education and the Workforce of the House of Representatives a report describing any recommendations for legislative changes to strengthen and streamline the application and monitoring process and reduce administrative burden on grantees, participants, local and State governments, and the Federal Government.

SEC. 110. PILOT PROJECTS.

Section 18 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769) is amended—

(1) by striking subsection (g) and inserting the following:

“(g) ACCESS TO LOCAL FOODS: FARM TO SCHOOL PROGRAM.—

“(1) DEFINITIONS.—In this subsection:

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

“(B) ELIGIBLE SCHOOL.—The term ‘eligible school’ means a school or institution that participates in—

“(i) a program under this Act, including the summer food service program for

1 children under section 13 and the early
 2 care and afterschool portions of the child
 3 and adult care food program under section
 4 17; or

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

8 “(2) PROGRAM.—The Secretary shall carry out
 9 a program to assist eligible schools, State and local
 10 agencies, Indian tribal organizations, agricultural
 11 producers or groups of agricultural producers, land-
 12 grant colleges and universities, and nonprofit entities
 13 through grants, technical assistance, and research to
 14 implement farm to school programs that improve ac-
 15 cess to local foods in eligible schools.

16 “(3) GRANTS.—

17 “(A) IN GENERAL.—The Secretary shall
 18 award competitive grants under this subsection
 19 to be used for—

20 “(i) training and technical assistance;

21 “(ii) supporting operations;

22 “(iii) planning;

23 “(iv) purchasing equipment;

24 “(v) developing school gardens;

1 “(vi) implementing agricultural lit-
 2 eracy and nutrition education;

3 “(vii) developing partnerships; and

4 “(viii) implementing farm to school
 5 programs.

6 “(B) REGIONAL BALANCE.—In making
 7 awards under this subsection, the Secretary
 8 shall, to the maximum extent practicable, en-
 9 sure—

10 “(i) geographical diversity; and

11 “(ii) equitable treatment of urban,
 12 rural, and tribal communities.

13 “(C) IMPROVED PROCUREMENT AND DIS-
 14 TRIBUTION.—

15 “(i) IN GENERAL.—In awarding
 16 grants under this subsection, the Secretary
 17 shall seek to improve local food procure-
 18 ment and distribution options for agricul-
 19 tural producers and eligible schools.

20 “(ii) AGGREGATION, PROCESSING,
 21 TRANSPORTATION, AND DISTRIBUTION.—

22 In advancing local food procurement op-
 23 tions and other farm to school objectives,
 24 the Secretary may provide funding for
 25 projects that include innovative approaches

1 to aggregation, processing, transportation,
2 and distribution.

3 “(D) AWARDS.—

4 “(i) MAXIMUM AMOUNT.—The total
5 amount provided to a grant recipient under
6 this subsection shall not exceed \$200,000.

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

9 “(iii) PURPOSE AND SCOPE.—In car-
10 rying out this subsection, the Secretary
11 shall seek to make awards of diverse
12 amounts and duration so as to best match
13 a variety of purposes, scopes, and needs of
14 the project proposals.

15 “(4) FEDERAL SHARE.—

16 “(A) IN GENERAL.—The Federal share of
17 costs for a project funded through a grant
18 awarded under this subsection shall not exceed
19 75 percent of the total cost of the project.

20 “(B) FEDERAL MATCHING.—As a condi-
21 tion of receiving a grant under this subsection,
22 a grant recipient shall provide matching sup-
23 port in the form of cash or in-kind contribu-
24 tions, including facilities, equipment, or services

provided by State and local governments, non-profit organizations, and private sources.

“(5) CRITERIA FOR SELECTION.—

“(A) IN GENERAL.—To the maximum extent practicable, in providing assistance under this subsection, the Secretary shall give the highest priority to funding projects that—

“(i) make local food products available on the menu of the eligible school;

“(ii) serve a high proportion of children who are eligible for free or reduced price meals;

“(iii) incorporate experiential nutrition education activities in curriculum planning that encourage the participation of school children in farm- and garden-based agricultural education activities;

“(iv) demonstrate collaboration between eligible schools, nongovernmental and community-based organizations, agricultural producer groups, and other community partners;

“(v) include adequate and participatory evaluation plans;

1 “(vi) demonstrate the potential for
2 long-term program sustainability;

3 “(vii) expand the selection of local
4 commodities for eligible schools;

5 “(viii) implement nutrition education
6 and agricultural literacy programming in
7 addition to those activities provided under
8 clause (iii); and

9 “(ix) meet any other criteria that the
10 Secretary determines appropriate.

11 “(B) TRIBAL COMMUNITY PROJECTS.—In
12 the case of projects serving tribal communities,
13 the Secretary shall, to the maximum extent
14 practicable, give highest priority to projects
15 that best use products from tribal agricultural
16 producers, as determined by the Secretary.

17 “(6) EVALUATION.—As a condition of receiving
18 a grant under this subsection, each grant recipient
19 shall agree to cooperate in an evaluation by the Sec-
20 retary of the program carried out using grant funds.

21 “(7) TECHNICAL ASSISTANCE AND RE-
22 SEARCH.—

23 “(A) IN GENERAL.—The Secretary shall
24 provide technical assistance, research, and in-
25 formation to assist eligible schools, State and

1 local agencies, Indian tribal organizations, agri-
2 cultural producers or agricultural producer
3 groups, and nonprofit entities—

4 “(i) to facilitate the coordination and
5 sharing of information and resources in
6 the Department of Agriculture that may be
7 applicable to the farm to school program;

8 “(ii) to collect and share information
9 on best practices;

10 “(iii) to disseminate research and
11 data on existing farm to school programs
12 and the potential for programs in under-
13 served areas; and

14 “(iv) to increase awareness of, and
15 participation in, farm to school programs
16 among agricultural and aquaculture pro-
17 ducers or agricultural producer groups, in-
18 cluding beginning, veteran, and socially
19 disadvantaged farmers and ranchers.

20 “(B) REVIEW.—

21 “(i) IN GENERAL.—Not later than 1
22 year after the date of enactment of the Im-
23 proving Child Nutrition Integrity and Ac-
24 cess Act of 2016 and every 3 years there-
25 after, the Secretary shall review and sub-

mit to the Committee on Agriculture and the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the progress that has been made in identifying and eliminating regulatory and other barriers related to developing farm to school programs.

“(ii) REQUIREMENTS.—In preparing the report, the Secretary shall examine—

“(I) the direct and indirect regulatory compliance costs affecting the production and marketing of locally or regionally produced agricultural food products to school food programs; and

“(II) the barriers to local and regional market access for small-scale production.

“(8) FUNDING.—

“(A) IN GENERAL.—On October 1, 2016, and each October 1 thereafter, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this subsection

1 \$10,000,000, to remain available until ex-
2 pended.

3 “(B) RECEIPT AND ACCEPTANCE.—The
4 Secretary shall be entitled to receive, shall ac-
5 cept, and shall use to carry out this subsection
6 the funds transferred under subparagraph (A),
7 without further appropriation.

8 “(C) ADMINISTRATION.—In addition to
9 other available funds, of the funds made avail-
10 able to the Secretary under subparagraph (A),
11 not more than 5 percent may be used to pay
12 administrative costs incurred by the Secretary
13 in carrying out this subsection.

14 “(9) AUTHORIZATION OF APPROPRIATIONS.—In
15 addition to the amounts made available under para-
16 graph (8) and subject to the availability of appro-
17 priations provided in advance in an appropriations
18 Act specifically for the purpose of carrying out this
19 subsection, there is authorized to be appropriated to
20 carry out this subsection \$10,000,000 for each of
21 fiscal years 2016 through 2021.”;

22 (2) by striking subsections (h), (j), and (k);

23 (3) by redesignating subsection (i) as subsection
24 (h); and

1 (4) in paragraph (5) of subsection (h) (as so re-
 2 designated), by striking “2011 through 2015” and
 3 inserting “2016 through 2020”.

4 **SEC. 111. FRESH FRUIT AND VEGETABLE PROGRAM.**

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

7 (1) by redesignating subsections (e) through (i)
 8 as subsections (f) through (j), respectively;

9 (2) by inserting after subsection (d) the fol-
 10 lowing:

11 “(e) **HARDSHIP EXEMPTION.**—

12 “(1) **IN GENERAL.**—The Secretary shall estab-
 13 lish criteria and a process under which a State agen-
 14 cy may grant a hardship exemption to allow schools
 15 seeking to participate in the program after the date
 16 of enactment of the Improving Child Nutrition In-
 17 tegrity and Access Act of 2016 to serve all forms of
 18 fruits and vegetables.

19 “(2) **HARDSHIP.**—

20 “(A) **IN GENERAL.**—To be eligible for an
 21 exemption under this subsection, a school shall
 22 demonstrate to the State agency that the school
 23 has—

24 “(i) limited access to quality fresh
 25 fruits and vegetables year-round; or

1 “(ii) limited space, cold storage, other
2 facilities, or food service personnel nec-
3 essary to store, prepare, or serve fresh
4 fruits and vegetables.

5 “(B) CRITERIA.—The Secretary shall es-
6 tablish criteria for State agencies to use in de-
7 termining whether a school meets the hardship
8 parameters described in subparagraph (A).

9 “(3) TRANSITION TO FRESH FRUITS AND VEGE-
10 TABLES.—

11 “(A) IN GENERAL.—When applying for an
12 exemption under this subsection, a school shall
13 submit a transition plan to the State agency
14 under which the school agrees to meet specific
15 transition benchmarks as described in subpara-
16 graph (B).

17 “(B) BENCHMARKS.—For a school that is
18 granted an exemption under this subsection—

19 “(i) in the first year of participation
20 in the program, up to 100 percent of the
21 fruit and vegetable snacks served by the
22 school may be frozen, dried, or canned
23 fruits and vegetables;

24 “(ii) in the second year of participa-
25 tion in the program—

1 “(I) not more than 60 percent of
2 the fruit and vegetable snacks served
3 by the school may be frozen, dried, or
4 canned fruits and vegetables; and

5 “(II) not less than 40 percent of
6 the fruit and vegetable snacks served
7 shall be fresh fruits and vegetables;

8 “(iii) in the third year of participation
9 in the program—

10 “(I) not more than 20 percent of
11 the fruit and vegetable snacks served
12 by the school may be frozen, dried, or
13 canned fruits and vegetables; and

14 “(II) not less than 80 percent of
15 the fruit and vegetable snacks served
16 shall be fresh fruits and vegetables;
17 and

18 “(iv) in the fourth year of participa-
19 tion in the program and every year there-
20 after, 100 percent of the fruit and vege-
21 table snacks served by the school shall be
22 fresh fruits and vegetables.

23 “(C) COMPLIANCE.—

24 “(i) BENCHMARK MEASUREMENT.—In
25 measuring compliance with the bench-

marks described in subparagraph (B), the State agency shall evaluate the percentage of fruits and vegetables served in either form based on the total number of days that a snack is served.

“(ii) DOCUMENTATION.—A school that is granted an exemption under this subsection shall document compliance with the benchmarks described in subparagraph (B) through reporting, as determined by the Secretary.

“(D) TECHNICAL ASSISTANCE.—A State agency granting an exemption under this subsection shall provide technical assistance to the school receiving an exemption to assist the school with transitioning to serving fresh fruits and vegetables.

“(4) ADMINISTRATION.—

“(A) SCHOOLS NOT ELIGIBLE.—A State agency may not grant or maintain an exemption under this subsection to any school that—

“(i) is participating or has participated in the program before the date of enactment of the Improving Child Nutri-

tion Integrity and Access Act of 2016 and
is serving fresh fruits and vegetables;

“(ii) is granted an exemption but then
fails to meet a transition benchmark as de-
scribed in paragraph (3); or

“(iii) has been previously granted an
exemption under this subsection.

“(B) APPLICATION SELECTION.—For pur-
poses of this subsection, in selecting applica-
tions for participation in the program, a State
agency shall—

“(i) ensure that a school applying for
an exemption under this subsection does
not displace a school that is reapplying or
participating in the program before the
date of enactment of the Improving Child
Nutrition Integrity and Access Act of 2016
and serving fresh fruits and vegetables;

“(ii) give priority to a school applying
to participate in the program and serving
fresh fruits and vegetables that has rates
of free and reduced price meal participa-
tion that are equal to a school applying to
participate and seeking an exemption
under this subsection; and

1 “(iii) subject to clauses (i) and (ii),
2 apply the priority described in subsection
3 (d)(1)(B).

4 “(C) GUIDANCE.—Not later than 180 days
5 after the date of enactment of the Improving
6 Child Nutrition Integrity and Access Act of
7 2016, the Secretary shall issue guidance to im-
8 plement this subsection, including the method
9 for schools to use in documenting and reporting
10 compliance with the transition benchmarks de-
11 scribed in paragraph (3).

12 “(D) REPORT.—Not later than January 1,
13 2019 and each year thereafter, the Secretary
14 shall submit to the Committee on Education
15 and the Workforce of the House of Representa-
16 tives and the Committee on Agriculture, Nutri-
17 tion, and Forestry of the Senate a report that
18 evaluates the impacts of the exemption under
19 this subsection, including the methods for
20 schools to use in documenting and reporting
21 compliance with the transition benchmarks de-
22 scribed in paragraph (3).”;

23 (3) in subsection (c)(1), by striking “subsection
24 (i)(2)” and inserting “subsection (j)(2)”; and

1 (4) in paragraph (3) of subsection (j) (as reded-
 2 ignated by paragraph (1)), by striking “subsection
 3 (h)” and inserting “subsection (i)”.

4 **SEC. 112. TRAINING AND TECHNICAL ASSISTANCE.**

5 Section 21 of the Richard B. Russell National School
 6 Lunch Act (42 U.S.C. 1769b–1) is amended—

7 (1) by redesignating subsection (g) as sub-
 8 section (i); and

9 (2) by striking subsection (f) and inserting the
 10 following:

11 “(f) ADMINISTRATIVE TRAINING AND TECHNICAL
 12 ASSISTANCE.—

13 “(1) BEST PRACTICES.—The Secretary shall
 14 provide training and technical assistance material
 15 that is representative of the best management and
 16 administrative practices for administration of school
 17 meals authorized under this Act and the Child Nu-
 18 trition Act of 1966 (42 U.S.C. 1771 et seq.).

19 “(2) SUPPORT FOR SCHOOL FOOD AUTHORI-
 20 TIES.—

21 “(A) SCHOOL MEALS.—The Secretary shall
 22 provide technical assistance for school food au-
 23 thorities to promote meals that meet nutritional
 24 requirements and student acceptability.

1 “(B) COMMUNICATION.—The Secretary
 2 shall ensure that State agencies contact local
 3 educational agencies in the intervening years
 4 between the years in which audits or reviews
 5 are required under section 22(b).

6 “(3) COLLABORATION.—In carrying out this
 7 subsection, the Secretary shall collaborate with—

8 “(A) State agencies;

9 “(B) local educational agencies;

10 “(C) school food authorities of varying
 11 sizes;

12 “(D) the food service management insti-
 13 tute authorized under subsection (a)(2); and

14 “(E) other related entities, as determined
 15 by the Secretary.

16 “(g) TRAINING AND TECHNICAL ASSISTANCE
 17 GRANTS.—

18 “(1) IN GENERAL.—The Secretary shall award
 19 grants, on a competitive basis, to eligible entities de-
 20 scribed in paragraph (3) to develop and administer
 21 training and technical assistance for school food
 22 service personnel.

23 “(2) PURPOSE.—The purpose of a grant award-
 24 ed under paragraph (1) shall be—

1 “(A) to support school food service per-
2 sonnel in meeting nutrition standards under
3 section 9(f)(5); and

4 “(B) to improve efficacy and efficiency of
5 the school lunch program under this Act and
6 the school breakfast program established by
7 section 4 of the Child Nutrition Act of 1966
8 (42 U.S.C. 1773).

9 “(3) ELIGIBILITY.—To be eligible to receive a
10 grant under this subsection, an entity shall meet eli-
11 gibility criteria to be established by the Secretary,
12 including—

13 “(A) demonstrated capacity to administer
14 effective and cost-efficient training and tech-
15 nical assistance programming for school food
16 service personnel; and

17 “(B) experience in—

18 “(i) training and technical assistance
19 programming or applied research activities
20 involving school food service administrators
21 or directors; and

22 “(ii) developing relevant training tools
23 or course materials, including curricula on
24 school nutrition.

25 “(4) ADMINISTRATION.—

1 “(A) REQUIREMENT.—The Secretary shall
2 ensure that any training or technical assistance
3 funded through a grant awarded under this
4 subsection is—

5 “(i) conducted—

6 “(I) at 1 or more training sites
7 located within a proximate geo-
8 graphical distance to a school, central
9 kitchen, or other worksite; or

10 “(II) through an online applica-
11 tion that does not require in-person
12 attendance; and

13 “(ii) provided free or at minimal cost
14 for school food service personnel.

15 “(B) GRANTEE ASSISTANCE.—To the max-
16 imum extent practicable, the Secretary shall as-
17 sist an entity receiving a grant under this sub-
18 section in disseminating any materials and tools
19 created through funds provided by the grant.

20 “(C) OVERSIGHT.—The Secretary shall es-
21 tablish procedures—

22 “(i) to oversee the administration of
23 training and technical assistance funded
24 through grants awarded under this sub-
25 section; and

1 “(ii) to ensure that any activities
2 funded through the grants are consistent
3 with the goals and requirements of this
4 Act.

5 “(5) REPORT.—Not later than 18 months after
6 the date of enactment of the Improving Child Nutri-
7 tion Integrity and Access Act of 2016, and each year
8 thereafter, the Secretary shall submit to the Com-
9 mittee on Education and the Workforce of the
10 House of Representatives and the Committee on Ag-
11 riculture, Nutrition, and Forestry of the Senate a
12 report on the status of training and technical assist-
13 ance funded under this subsection, including—

14 “(A) funding awarded;

15 “(B) project results; and

16 “(C) dissemination of any materials and
17 tools.

18 “(6) AUTHORIZATION OF APPROPRIATIONS.—

19 “(A) IN GENERAL.—Subject to the avail-
20 ability of appropriations provided in advance in
21 an appropriations Act specifically for the pur-
22 pose of carrying out this subsection, there is
23 authorized to be appropriated \$5,000,000 to
24 carry out this subsection for fiscal year 2016
25 and each subsequent fiscal year.

1 “(B) TECHNICAL ASSISTANCE.—The Sec-
 2 retary may use not more than 5 percent of the
 3 amount made available under subparagraph (A)
 4 for each fiscal year to provide technical assist-
 5 ance.

6 “(h) STUDY.—

7 “(1) IN GENERAL.—The Secretary shall con-
 8 duct a study on the use of State administrative ex-
 9 pense funds by State agencies, including—

10 “(A) the manner in which State adminis-
 11 trative expense funds are being used effectively
 12 for school nutrition workforce training and
 13 technical assistance, with particular emphasis
 14 on—

15 “(i) training and technical assistance
 16 for the administration of school meals au-
 17 thorized under this Act and the Child Nu-
 18 trition Act of 1966 (42 U.S.C. 1771 et
 19 seq.); and

20 “(ii) any related provisions, as deter-
 21 mined by the Secretary; and

22 “(B) any factors that limit the ability of a
 23 State agency to use State administrative ex-
 24 pense funds effectively.

1 “(2) BEST PRACTICES.—In conducting the
 2 study under paragraph (1), the Secretary shall iden-
 3 tify and document best practices from State agencies
 4 that are using State administrative expense funds to
 5 implement innovative, effective, and replicable poli-
 6 cies, training, and technical assistance methods.

7 “(3) REPORT.—Not later than 18 months after
 8 the date of enactment of the Improving Child Nutri-
 9 tion Integrity and Access Act of 2016, the Secretary
 10 shall submit to the Committee on Education and the
 11 Workforce of the House of Representatives and the
 12 Committee on Agriculture, Nutrition, and Forestry
 13 of the Senate a report that describes—

14 “(A) a summary of the study under para-
 15 graph (1), including any findings and rec-
 16 ommendations made; and

17 “(B) a plan for disseminating the best
 18 practices identified pursuant to paragraph
 19 (2).”.

20 **SEC. 113. COMPLIANCE AND ACCOUNTABILITY.**

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

23 (1) in subsection (a)—

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

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

4 (C) in paragraph (1) (as so redesignated),
 5 by striking “and” at the end;

6 (D) in paragraph (2) (as so redesignated),
 7 by striking the period at the end and inserting
 8 “; and”; and

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

10 “(3) the Buy American requirement described
 11 in section 12(n).”;

12 (2) in subsection (b)—

13 (A) in paragraph (1)—

14 (i) in subparagraph (A), by striking
 15 “nutritional” and all that follows through
 16 “paragraph (1)” and inserting “require-
 17 ments described in subsection (a)”;

18 (ii) in subparagraph (C)(i), by strik-
 19 ing “3-year cycle” and inserting “5-year
 20 cycle”; and

21 (B) by striking paragraph (3) and insert-
 22 ing the following:

23 “(3) ERROR REDUCTION PLANS.—

24 “(A) IN GENERAL.—Each State agency
 25 shall work with the local educational agencies

1 that have the highest national rates of certifi-
2 cation errors to develop an error reduction plan
3 and monitor implementation of the plan over
4 the remainder of the review cycle.

5 “(B) PLAN COMPONENTS.—Each error re-
6 duction plan may include—

7 “(i) specific measures that the local
8 educational agency shall take to reduce
9 certification errors, including—

10 “(I) improving the application;

11 “(II) using technology to mini-
12 mize opportunities for error;

13 “(III) enhancing training and
14 oversight of staff involved in the cer-
15 tification and verification process;

16 “(IV) conducting a preliminary
17 review of denied applications to cor-
18 rect erroneous denials; and

19 “(V) for not more than 50 per-
20 cent of the local educational agencies
21 with error reduction plans, increasing
22 the standard verification sample size
23 to an amount that is not more than
24 50 percent more than the number of

1 applications described in section
2 9(b)(3)(D)(i)(II)(aa);

3 “(ii) a timeline for the local edu-
4 cational agency to implement those meas-
5 ures within the review cycle;

6 “(iii) annual goals for reductions in
7 certification errors; and

8 “(iv) technical assistance to be pro-
9 vided by the State agency.

10 “(C) STATE AGENCY RESPONSIBILITIES.—

11 Each State agency shall—

12 “(i) assist the local educational agen-
13 cies identified under subparagraph (D)
14 with developing an error reduction plan
15 that complies with subparagraph (B);

16 “(ii) provide technical assistance as
17 described in the error reduction plan under
18 subparagraph (B)(iv);

19 “(iii) conduct annual reviews focused
20 on the direct certification, application, cer-
21 tification, verification, meal counting, and
22 meal claiming processes; and

23 “(iv) submit to the Secretary annually
24 reports on the progress of local educational
25 agencies with error reduction plans toward

1 implementing the measures and achieving
2 the goals identified under subparagraph
3 (B).

4 “(D) SELECTION OF LOCAL EDUCATIONAL
5 AGENCIES.—

6 “(i) IN GENERAL.—Each State agency
7 shall identify the local educational agencies
8 that meet criteria determined by the Sec-
9 retary to develop an error reduction plan.

10 “(ii) LIMITATIONS.—

11 “(I) SMALL AGENCIES.—Small
12 local educational agencies, as deter-
13 mined by the Secretary, shall make up
14 not more than $\frac{1}{2}$ of the selected agen-
15 cies.

16 “(II) SMALL SAMPLE SIZE.—
17 Local educational agencies with small
18 sample sizes, as determined by the
19 Secretary, shall be exempt from devel-
20 oping an error reduction plan under
21 this paragraph.

22 “(iii) ASSESSMENT OF CERTIFICATION
23 ERROR.—In selecting local educational
24 agencies under this subparagraph, certifi-
25 cation error shall be assessed based on a

measure determined by the Secretary that,
to the maximum extent practicable, applies
to 10 percent of local educational agencies
at any 1 time and considers—

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

“(II) the percentage of household
applications verified under section
9(b)(3)(D)(i) that had the level of
benefits changed as a result of infor-
mation obtained during the
verification process, excluding benefit
terminations resulting from not ob-
taining information during household
verification conducted under section
9(b)(3)(G).”; and

(3) in subsection (d), by striking “2015” and
inserting “2020”.

**SEC. 114. REPEAL OF STATE CHILDHOOD HUNGER CHAL-
LENGE GRANTS.**

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

1 **SEC. 115. DUTIES OF THE SECRETARY RELATING TO NON-**
2 **PROCUREMENT DEBARMENT.**

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

5 (1) by redesignating subsection (g) as sub-
6 section (h); and

7 (2) by inserting after subsection (f) the fol-
8 lowing:

9 “(g) FINES.—

10 “(1) IN GENERAL.—In a situation in which a
11 contractor is found guilty in any criminal proceeding
12 or found liable in any civil or administrative pro-
13 ceeding, of any activity described in paragraph (2),
14 in connection with the supplying, providing, or sell-
15 ing of goods or services to any local agency in con-
16 nection with a child nutrition program, the Secretary
17 shall impose a civil penalty of not more than
18 \$100,000,000, as the Secretary determines to be ap-
19 propriate, to be used by the Secretary to provide res-
20 titution to the program for harm done to the pro-
21 gram.

22 “(2) INCLUDED ACTIVITIES.—The activities re-
23 ferred to in paragraph (1) shall include—

24 “(A) an anticompetitive activity, including
25 bid-rigging, price-fixing, the allocation of cus-

1 tomers between competitors, or another viola-
2 tion of Federal or State antitrust laws;

3 “(B) fraud, bribery, theft, forgery, or em-
4 bezzlement;

5 “(C) knowingly receiving stolen property;

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

7 “(E) any other obstruction of justice.

8 “(3) USE OF FUNDS.—Any funds collected
9 under this subsection shall be credited to the child
10 nutrition programs appropriations account for the
11 fiscal year in which the collection occurs.”.

12 **SEC. 116. IMPROVEMENTS TO SCHOOL LUNCH FACILITIES.**

13 The Richard B. Russell National School Lunch Act
14 is amended by inserting after section 26 (42 U.S.C.
15 1769g) the following:

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

17 “(a) DEFINITIONS.—In this section:

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

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

1 “(A) a local educational agency or a school
2 food authority administering or operating a
3 school lunch program under this Act;

4 “(B) a tribal organization; or

5 “(C) a consortium that includes a local
6 educational agency or school food authority de-
7 scribed in subparagraph (A), a tribal organiza-
8 tion, or both.

9 “(3) INFRASTRUCTURE.—The term ‘infrastruc-
10 ture’ means a food storage facility, kitchen, food
11 service facility, cafeteria, dining room, or food prepa-
12 ration facility.

13 “(4) LOCAL EDUCATIONAL AGENCY.—The term
14 ‘local educational agency’ has the meaning given the
15 term in section 9101 of the Elementary and Sec-
16 ondary Education Act of 1965 (20 U.S.C. 7801).

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

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

25 “(b) LOAN GUARANTEES.—

1 “(1) AUTHORITY.—The Secretary shall issue a
 2 loan guarantee to an eligible lender for purposes of
 3 financing the construction, remodeling, or expansion
 4 of infrastructure or the purchase of durable equip-
 5 ment that will assist the eligible entity in providing
 6 healthy meals through the school lunch program au-
 7 thorized under this Act.

8 “(2) PREFERENCE.—In issuing a loan guar-
 9 antee under this subsection, the Secretary shall give
 10 a preference to an eligible entity that, as compared
 11 with other eligible entities seeking a loan guarantee
 12 under this subsection, demonstrates substantial or
 13 disproportionate—

14 “(A) need for infrastructure improvement
 15 or durable equipment; or

16 “(B) impairment in durable equipment.

17 “(3) OVERSIGHT.—The Secretary, acting
 18 through the Under Secretary for Rural Develop-
 19 ment, shall establish procedures to oversee any
 20 project or purchase for which a loan guarantee is
 21 issued under this subsection.

22 “(4) GUARANTEE AMOUNT.—A loan guarantee
 23 issued under this subsection may not guarantee
 24 more than 80 percent of the principal amount of the
 25 loan.

1 “(5) FEES AND COSTS.—

2 “(A) IN GENERAL.—The Secretary shall
3 establish fees for loan guarantees under this
4 subsection that are, to the maximum extent
5 practicable, equal to all costs of the loan guar-
6 antees as determined under the Federal Credit
7 Reform Act of 1990 (2 U.S.C. 661 et. seq.), as
8 determined by the Secretary.

9 “(B) FEE SHORTFALL.—To the extent
10 that the Secretary determines that fees de-
11 scribed in subparagraph (A) are not sufficient
12 to pay for all of the costs for the loan guaran-
13 tees pursuant to the Federal Credit Reform Act
14 of 1990 (2 U.S.C. 661 et. seq.), the Secretary
15 may use funds described in paragraph (6) to
16 pay for the costs of loan guarantees not paid
17 for by the fees.

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

24 “(c) GRANTS.—

1 “(1) AUTHORITY.—Beginning in fiscal year
2 2016 and subject to the availability of appropria-
3 tions provided in advance in an appropriations Act
4 specifically for the purpose of carrying out this sub-
5 section, the Secretary shall make grants, on a com-
6 petitive basis, to eligible entities for the purchase of
7 durable equipment and infrastructure needed to
8 serve healthier meals and improve food safety.

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

12 “(A) are located in States that have en-
13 acted comparable statutory grant funding
14 mechanisms or that have otherwise appro-
15 priated funds for the purpose described in para-
16 graph (1); and

17 “(B) have identified and are reasonably ex-
18 pected to meet an unmet local or community
19 need—

20 “(i) through a public-private partner-
21 ship or partnership with a food pantry or
22 other low-income assistance agency; or

23 “(ii) by allowing related community
24 organizations to use kitchen or cafeteria
25 space.

1 “(3) FEDERAL SHARE.—

2 “(A) IN GENERAL.—The Federal share of
3 costs for assistance funded through a grant
4 awarded under this subsection shall not exceed
5 80 percent of the total cost of the durable
6 equipment or infrastructure.

7 “(B) MATCHING.—To receive a grant
8 under this subsection, an eligible entity shall
9 provide matching support in the form of cash or
10 in-kind contributions.

11 “(C) WAIVER.—The Secretary may waive
12 or vary the requirements of subparagraphs (A)
13 and (B) if the Secretary determines that undue
14 hardship or effective exclusion from participa-
15 tion would otherwise result.

16 “(4) AUTHORIZATION OF APPROPRIATIONS.—

17 “(A) IN GENERAL.—There is authorized to
18 be appropriated \$30,000,000 to carry out this
19 subsection for fiscal year 2016 and each fiscal
20 year thereafter.

21 “(B) LIMIT.—The Secretary may use not
22 more than 5 percent of the funds made avail-
23 able under subparagraph (A) to provide tech-
24 nical assistance.

25 “(d) SALAD BARS.—

1 “(1) IN GENERAL.—Not later than 90 days
2 after the date of enactment of the Improving Child
3 Nutrition Integrity and Access Act of 2016, the Sec-
4 retary shall review or revise any guidance in exist-
5 ence on that date of enactment so as to ensure that
6 school food authorities have flexibility in the estab-
7 lishment and implementation of salad bars.

8 “(2) PLANNING.—The Secretary shall develop
9 and implement a plan to encourage the use of salad
10 bars in schools participating in the school lunch pro-
11 gram authorized under this Act.

12 “(3) TRAINING AND TECHNICAL ASSISTANCE.—
13 In carrying out the plan described in paragraph (2),
14 the Secretary shall provide training and technical as-
15 sistance to eligible entities to assist in establishing
16 salad bars in schools.

17 “(e) REPORT.—Not later than 1 year after the date
18 on which funds are made available to carry out this sec-
19 tion, and annually thereafter, the Secretary shall submit
20 to the Committee on Education and the Workforce of the
21 House of Representatives and the Committee on Agri-
22 culture, Nutrition, and Forestry of the Senate a report
23 that describes—

24 “(1) the implementation of this section; and

1 “(2) the impact the purchase of new equipment
 2 is having on the ability of school food authorities to
 3 meet the purposes of the school lunch program au-
 4 thorized under this Act.”.

5 **TITLE II—SCHOOL BREAKFAST** 6 **PROGRAM**

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

8 Section 3(a)(7) of the Child Nutrition Act of 1966
 9 (42 U.S.C. 1772(a)(7)) is amended by striking “on an an-
 10 nual basis each” and inserting “annually by February 15
 11 for the upcoming”.

12 **SEC. 202. NUTRITIONAL AND OTHER PROGRAM REQUIRE-** 13 **MENTS.**

14 Section 4(e)(1)(B) of the Child Nutrition Act of 1966
 15 (42 U.S.C. 1773(e)(1)(B)) is amended by striking “, in-
 16 cluding technical” and all that follows through “estab-
 17 lished under this section,”.

18 **SEC. 203. STATE ADMINISTRATIVE EXPENSES.**

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

21 (1) in subsection (a)—

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

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

1 (C) by redesignating paragraphs (6)
 2 through (9) as paragraphs (5) through (8), re-
 3 spectively;
 4 (2) in subsection (b)—

5 (A) by striking “expenses, for administra-
 6 tive” and inserting the following: “expenses,
 7 for—
 8 “(1) administrative”;

9 (B) by striking “for support” and all that
 10 follows through “for staff” and inserting the
 11 following:

12 “(2) support services;

13 “(3) office equipment;

14 “(4) State-operated purchasing programs; and

15 “(5) staff”;

16 (3) in subsection (e)(2), by adding at the end
 17 the following:

18 “(C) STATE ADMINISTRATIVE EXPENSES

19 FORMULA.—

20 “(i) STUDY.—The Secretary shall con-
 21 duct a study to evaluate the effectiveness
 22 of the amount and allocation of State ad-
 23 ministrative expenses determined pursuant
 24 to the formula established under this sub-
 25 section.

1 “(ii) REPORT TO CONGRESS.—Not
2 later than September 30, 2019, the Sec-
3 retary shall submit to the appropriate com-
4 mittees of Congress a report describing the
5 results of the study under clause (i).”;

6 (4) in subsection (g)(2)(B)—

7 (A) in clause (iii), by striking subclause (I)
8 and inserting the following:

9 “(I) basic nutrition education,
10 and the knowledge and skills needed
11 for local food service personnel to per-
12 form their duties more effectively, in-
13 cluding—

14 “(aa) cooking from scratch
15 using raw, unprocessed, or mini-
16 mally processed ingredients;

17 “(bb) using software pro-
18 grams including nutrient analysis
19 and point of sale programs;

20 “(cc) marketing of school
21 meal programs to increase par-
22 ticipation and satisfaction;

23 “(dd) incorporating farm-to-
24 school programs in the State into
25 the school meal programs; and

1 “(ee) planning and pre-
 2 paring meals that meet meal pat-
 3 tern requirements for the school
 4 meal programs;”; and

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

6 “(iv) AVAILABILITY AND FORM OF
 7 TRAINING.—To the maximum extent prac-
 8 ticable, a training program carried out
 9 under this subparagraph shall—

10 “(I) be provided at no cost to
 11 local food service personnel;

12 “(II) be scheduled—

13 “(aa) during regular, paid
 14 working hours; or

15 “(bb) if scheduled outside of
 16 regular, paid working hours, at a
 17 time that is minimally disruptive
 18 to the local food service per-
 19 sonnel; and

20 “(III) incorporate hands on
 21 training techniques;

22 “(v) RELATIONSHIP TO OTHER
 23 LAWS.—Nothing in this subparagraph su-
 24 persedes or otherwise modifies any Fed-
 25 eral, State, or local law or legal obligation

governing the relationship between an employee and employer.”;

(5) in subsection (i)—

(A) in paragraph (3)—

(i) in subparagraph (A), by inserting “and for the purposes described in section 749(h) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (Public Law 111–80; 123 Stat. 2133)” before the period at the end; and

(ii) by adding at the end the following:

“(C) REQUIREMENT.—The Secretary shall ensure that any technology or information management system purchased or developed by a State using funds received under subparagraph (A) is compatible with systems already being used by local educational agencies, school food authorities, and schools in that State.

“(D) REPORT.—

“(i) IN GENERAL.—Not later than 180 days after the date of enactment of this subparagraph, the Secretary shall submit to the Committee on Education and

the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes ways in which the Secretary is improving the rate of direct certification of children in households participating in the program established pursuant to section 4(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b)).

“(ii) REQUIREMENTS.—The report described in clause (i) shall include ways in which the Secretary uses technology or information management systems to provide assistance to tribal organizations administering the food distribution program on Indian reservations.”; and

(B) in paragraph (4), by striking “2015”

and inserting “2020”;

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

(7) by redesignating subsection (j) as subsection (k); and

(8) by inserting after subsection (i) the following:

“(j) CENTRALIZED EXCHANGE NETWORK.—

1 “(1) ESTABLISHMENT.—The Secretary shall es-
 2 tablish a centralized exchange network to facilitate
 3 State exchange of information and best practices, for
 4 programs authorized under this Act or the Richard
 5 B. Russell National School Lunch Act (42 U.S.C.
 6 1751 et seq.).

7 “(2) NETWORK TOPICS.—State exchanges of in-
 8 formation and best practices described in paragraph
 9 (1) may include research methods and data related
 10 to—

11 “(A) improved efficiency in the delivery of
 12 benefits;

13 “(B) improved compliance in the pro-
 14 grams; and

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

17 **SEC. 204. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM**
 18 **FOR WOMEN, INFANTS, AND CHILDREN.**

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

21 (1) in subsection (a), in the second sentence, by
 22 striking “breastfeeding promotion” and inserting
 23 “breastfeeding counseling, promotion,”;

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

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

6 (3) in subsection (d)—

7 (A) in paragraph (2)—

8 (i) in subparagraph (B)—

9 (I) in the matter preceding clause
 10 (i), by striking “may choose to” and
 11 inserting “shall”;

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

14 (III) in clause (ii)—

15 (aa) by striking “section
 16 405 of title 37” and inserting
 17 “section 475 of title 37”; and

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

21 (IV) by adding at the end the fol-
 22 lowing:

23 “(iii) any basic allowance for subsist-
 24 ence provided under section 402 of title

1 37, United States Code, to a member of a
2 uniformed service.”; and

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

5 “(E) CHILD SUPPORT PAYMENTS.—For
6 the purpose of determining income eligibility
7 under this section, a State agency shall exclude
8 from income any child support payment for an
9 applicant who is legally obligated to pay child
10 support for any noncustodial child, as deter-
11 mined by the Secretary.”; and

12 (B) in paragraph (3)—

13 (i) in subparagraph (A)—

14 (I) in clause (iii)—

15 (aa) by striking “A State”
16 and inserting the following:

17 “(I) IN GENERAL.—A State”;

18 and

19 (bb) by adding at the end
20 the following:

21 “(II) 5-YEAR-OLD CHILDREN.—

22 “(aa) IN GENERAL.—A
23 State may elect to certify partici-
24 pant children who have had their
25 fifth birthday but have not yet

1 attained their sixth birthday,
 2 during a period that ends on the
 3 earlier of—

4 “(AA) the sixth birth-
 5 day of the children; or

6 “(BB) when the chil-
 7 dren attend full day kinder-
 8 garten.

9 “(bb) REQUIREMENTS.—
 10 Each State that elects to certify
 11 children under item (aa) shall—

12 “(AA) ensure that par-
 13 ticipant children receive re-
 14 quired health and nutrition
 15 assessments; and

16 “(BB) establish a sys-
 17 tem to determine when a
 18 participant child attends full
 19 day kindergarten.”; and

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

22 “(iv) INFANTS.—A State may elect to
 23 certify infants for a period of not more
 24 than 2 years, subject to the conditions
 25 that—

1 “(I) the State shall ensure that
 2 the participant infants receive all re-
 3 quired health and nutrition assess-
 4 ments; and

5 “(II) the local agency shall have
 6 at least 1 contact with each certified
 7 household every 12 months to confirm
 8 income eligibility.”; and

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

11 “(G) DATA EXCHANGE STANDARDS FOR
 12 IMPROVED INTEROPERABILITY.—

13 “(i) DESIGNATION.—The Secretary,
 14 in consultation with an interagency work
 15 group established by the Office of Manage-
 16 ment and Budget, and taking into consid-
 17 eration State government perspectives,
 18 shall designate data exchange standards to
 19 govern, under this Act—

20 “(I) necessary categories of infor-
 21 mation that State agencies in a State
 22 operating related programs are re-
 23 quired under applicable law to elec-
 24 tronically exchange with another State
 25 agency; and

1 “(II) Federal reporting and data
2 exchange required under applicable
3 law.

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

7 “(I) incorporate a widely accept-
8 ed, nonproprietary, searchable, com-
9 puter-readable format;

10 “(II) contain interoperable stand-
11 ards developed and maintained by
12 intergovernmental partnerships, such
13 as the National Information Exchange
14 Model;

15 “(III) incorporate interoperable
16 standards developed and maintained
17 by Federal entities with authority re-
18 garding contracting and financial as-
19 sistance;

20 “(IV) be consistent with, and im-
21 plement, applicable accounting prin-
22 ciples;

23 “(V) be implemented in a man-
24 ner that—

25 “(aa) is cost-effective; and

1 “(bb) improves program effi-
2 ciency and effectiveness; and

3 “(VI) be capable of being contin-
4 ually upgraded as necessary.

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

10 “(iv) IMPLEMENTATION.—

11 “(I) IN GENERAL.—Not later
12 than 2 years after the date of enact-
13 ment of this subparagraph, the Sec-
14 retary shall issue a proposed rule to
15 implement this subparagraph.

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

18 “(aa) identify all federally
19 required data exchanges;

20 “(bb) include specification
21 and timing for the exchanges to
22 be standardized;

23 “(cc) address the factors
24 used in determining whether and

1 when to standardize data ex-
 2 changes;

3 “(dd) specify State imple-
 4 mentation options; and

5 “(ee) describe future mile-
 6 stones.”;

7 (4) in subsection (e)—

8 (A) by striking the subsection designation
 9 and all that follows through “The State agency
 10 shall” in the first sentence of paragraph (1)
 11 and inserting the following:

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

13 “(1) EDUCATION.—

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

15 (B) in paragraph (1) (as amended by sub-
 16 paragraph (A)), by adding at the end the fol-
 17 lowing:

18 “(B) DISPOSAL OF CERTAIN INFANT FOR-
 19 MULA.—

20 “(i) IN GENERAL.—The State agency,
 21 in conjunction with the Food and Drug
 22 Administration, shall ensure that all par-
 23 ticipants in the program receiving infant
 24 formula under this section (including par-
 25 ents or caretakers of infant participants in

the program) are provided education regarding proper disposal of unused or excess infant formula purchased with WIC food instruments.

“(ii) INCLUSIONS.—The education under this subparagraph shall include information regarding—

“(I) the safety hazards of purchasing infant formula outside normal commercial channels; and

“(II) the penalties associated with the gifting, trading, sale, or resale of infant formula or other supplemental foods purchased with WIC food instruments, in accordance with subsection (o).”; and

(C) by striking paragraph (3) and inserting the following:

“(3) NUTRITION EDUCATION MATERIALS.—

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

1 “(B) SHARING OF MATERIALS WITH CHILD
 2 AND ADULT CARE FOOD PROGRAM.—A State
 3 agency may allow the local agencies or clinics
 4 operating under the State agency to share nu-
 5 trition educational materials with institutions
 6 participating in the child and adult care food
 7 program established under section 17 of the
 8 Richard B. Russell National School Lunch Act
 9 (42 U.S.C. 1766) at no cost to that program,
 10 if a written materials-sharing agreement exists
 11 between the relevant agencies.”;

12 (5) in subsection (f)—

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

16 “(f) PLAN OF OPERATION AND ADMINISTRATION BY
 17 STATE AGENCY.—

18 “(1) REQUIREMENTS.—

19 “(A) SUBMISSION.—

20 “(i) IN GENERAL.—Each State agency
 21 shall submit to the Secretary a plan of op-
 22 eration and administration of the program
 23 authorized under this section.

24 “(ii) DEADLINES.—Each State agency
 25 shall submit—

1 “(I) an initial plan not later than
 2 such date as is specified by the Sec-
 3 retary; and

4 “(II) a subsequent plan every 3
 5 years thereafter or whenever the State
 6 agency seeks approval of a substantive
 7 change to the plan.”;

8 (B) in paragraph (1)—

9 (i) in subparagraph (B), by striking
 10 “plan submitted for” and inserting “plan
 11 submitted covering”; and

12 (ii) in subparagraph (C)—

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

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

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

19 “(xi) a plan to allow for the substi-
 20 tution of products approved for redemption
 21 with benefits in times of emergency and
 22 disaster;

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

1 (C) in paragraph (5)—

2 (i) by striking “(5) State and local”

3 and inserting the following:

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

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

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

7 lowing:

8 “(B) REVIEW.—The Secretary shall peri-

9 odically review State and local agency compli-

10 ance with the approved plan of operation and

11 administration of the applicable State.”;

12 (D) in paragraph (10)—

13 (i) by striking “(10) The Secretary”

14 and inserting the following:

15 “(10) STANDARDS FOR ADMINISTRATION.—

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

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

18 lowing:

19 “(B) NOTIFICATION.—

20 “(i) IN GENERAL.—If a State agency

21 determines there is a need to temporarily

22 halt approving new vendors to address de-

23 ficiencies or changes in program adminis-

24 tration, the State agency shall notify the

Secretary not later than 45 days prior to
the implementation date.

“(ii) REQUIREMENTS.—Notification
under clause (i) shall include—

“(I) a justification for the moratorium;

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

“(III) a process to approve vendors
needed for participant access (as
defined by the State agency) to supplemental
foods.”; and

(E) in paragraph (11)—

(i) in subparagraph (C)(ii), by striking
“and cultural eating patterns” and inserting
“cultural eating patterns, commercial
availability, and participant demand”;
and

(ii) by adding at the end the following:

“(D) CASH VALUE VOUCHERS.—In adjusting
cash value vouchers annually for food cost
inflation in the food package under this para-

1 graph, the Secretary shall round to the nearest
2 dollar increment.”;

3 (6) in subsection (g)(1)(A), by striking “2015”
4 and inserting “2020”;

5 (7) in subsection (h)—

6 (A) in paragraph (8)(A)—

7 (i) in clause (vi)—

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

10 “(I) IN GENERAL.—Effective be-
11 ginning”; and

12 (II) by adding at the end the fol-
13 lowing:

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

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

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

6 “(I) if the income eligibility limit
7 under title XIX of the Social Security
8 Act (42 U.S.C. 1396 et seq.) for preg-
9 nant women or infants is increased,
10 which the Secretary determines will
11 increase the demand for infant for-
12 mula under the contract by a substan-
13 tial amount, as determined by the
14 Secretary, the contractor may termi-
15 nate the existing contract effective on
16 the later of—

17 “(aa) the date that is 1 year
18 after the date on which the State
19 decision to increase the eligibility
20 limit by amending the State plan
21 is made by—

22 “(AA) adopting State
23 legislation;

1 “(BB) issuing a State
2 executive order or adminis-
3 trative rule; or

4 “(CC) any other appli-
5 cable State process, as de-
6 termined by the Secretary;
7 and

8 “(bb) the first day of the
9 month during which the increase
10 takes effect; and

11 “(II) if a contractor elects to ter-
12minate a contract pursuant to sub-
13clause (I), the contractor shall notify
14the State agency by not later than the
15date that is 1 year before the pro-
16posed date of termination.”;

17 (B) in paragraph (9)—

18 (i) in subparagraph (B)—

19 (I) in clause (i)—

20 (aa) in subclause (I), by
21striking “and” at the end; and

22 (bb) by adding at the end
23the following:

24 “(III) limit the total term of any
25contract (including any extension or

1 renewal period) to a maximum of 5
2 years, and require that any additional
3 extensions shall be approved only on
4 mutual consent of the contractor and
5 the State agency;

6 “(IV) agree to provide, by not
7 later than 180 days before exercising
8 any termination for convenience
9 clause, a written notice to each con-
10 tractor;

11 “(V) agree—

12 “(aa) to receive an annual
13 audit of infant formula rebate in-
14 voices by a contractor; and

15 “(bb) to provide to each con-
16 tractor accurate monthly redemp-
17 tion files; and

18 “(VI) agree, in evaluating bids,
19 not to provide any State preference
20 based on the connection the bidder
21 has to a State;”;

22 (II) in clause (iii), by striking
23 “and” at the end;

24 (III) in clause (iv)—

1 (aa) by striking “30” and
2 inserting “45”; and

3 (bb) by striking the period
4 at the end and inserting a semi-
5 colon;

6 (IV) by redesignating clauses (iii)
7 and (iv) as clauses (iv) and (v), re-
8 spectively;

9 (V) by inserting after clause (ii)
10 the following:

11 “(iii) for any State agency that has
12 fully implemented electronic benefits trans-
13 fer systems throughout the State, have a
14 system to ensure that rebate invoices
15 under competitive bidding provide an ac-
16 tual count of the number of units sold to
17 participants in the program under this sec-
18 tion;” and

19 (VI) by adding at the end the fol-
20 lowing:

21 “(vi) provide an opportunity to nego-
22 tiate the amount of funds to be returned to
23 the contractor by the State agency, and
24 the method of return, on determining and
25 verifying that rebates were paid on any

1 food, including infant formula, sold under
2 fraudulent means;

3 “(vii) open bids and enter into a con-
4 tract under paragraph (8)(A)(iii) only after
5 making a reasonable effort to confirm in
6 writing, via email or other means, that the
7 manufacturers on the list the State agency
8 maintains under paragraph (8)(A)(ix) re-
9 ceived the initial request for proposals or
10 other bid solicitation document by not later
11 than the date that is 45 days before the
12 date on which the bids are due;

13 “(viii) agree to provide to contractors
14 supporting documentation for monthly in-
15 voices, subject to the participant and ven-
16 dor confidentiality protections under pro-
17 gram rules; and

18 “(ix) not later than the date that is
19 90 days after the date for opening bids,
20 submit to the Secretary a copy of the bid
21 solicitation and any other contract docu-
22 ments.”; and

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

1 “(D) CERTAIN FOOD FOR INFANTS.—Be-
2 fore any State agency enters into a contract for
3 infant fruits, vegetables, or meat under a com-
4 petitive bidding system, the State agency
5 shall—

6 “(i) consider—

7 “(I) the impact of the contract
8 on—

9 “(aa) participation or re-
10 demption rates;

11 “(bb) costs to the State
12 agency for infant fruits, vegeta-
13 bles, or meat, including product,
14 administrative, and procurement
15 costs; and

16 “(cc) the ability of the State
17 agency—

18 “(AA) to achieve the
19 purpose described in sub-
20 section (a);

21 “(BB) to provide in-
22 fants with a variety of devel-
23 opmentally appropriate in-
24 fant fruits, vegetables, or
25 meat; and

1 “(CC) to serve the nu-
 2 tritional needs of program
 3 participants;

4 “(II) whether the contract is
 5 compatible with—

6 “(aa) the management infor-
 7 mation and food instrument sys-
 8 tem of the State agency; and

9 “(bb) the capacity of the
 10 manufacturer to meet technical
 11 specifications; and

12 “(ii) provide to the Secretary a writ-
 13 ten explanation of how the considerations
 14 described in clause (i) affected the decision
 15 of the State agency to enter into the con-
 16 tract.”;

17 (C) in paragraph (10)(A), by striking
 18 “2015” and inserting “2020”;

19 (D) by striking paragraph (11) and insert-
 20 ing the following:

21 “(11) **VENDOR MANAGEMENT.**—

22 “(A) **COST CONTAINMENT.**—

23 “(i) **PEER GROUPS.**—

24 “(I) **IN GENERAL.**—The State
 25 agency shall—

1 “(aa) establish a vendor
2 peer group system;

3 “(bb) in accordance with
4 clauses (ii) and (iii), establish
5 competitive price criteria and al-
6 lowable reimbursement levels for
7 each vendor peer group; and

8 “(cc) if the State agency
9 elects to authorize any types of
10 vendors described in clause
11 (iv)(II)(aa)—

12 “(AA) distinguish be-
13 tween vendors described in
14 clause (iv)(II)(aa) and other
15 vendors by establishing sep-
16 arate peer groups for ven-
17 dors described in clause
18 (iv)(II)(aa) or by estab-
19 lishing distinct competitive
20 price criteria and allowable
21 reimbursement levels for
22 vendors described in clause
23 (iv)(II)(aa) within a peer
24 group that contains both
25 vendors described in clause

1 (iv)(II)(aa) and other ven-
 2 dors; and

3 “(BB) establish com-
 4 petitive price criteria and al-
 5 lowable reimbursement levels
 6 that comply with clauses (ii)
 7 and (iii), respectively, and
 8 that do not result in higher
 9 food costs if program par-
 10 ticipants redeem supple-
 11 mental food vouchers at ven-
 12 dors described in clause
 13 (iv)(II)(aa) rather than at
 14 vendors other than vendors
 15 described in clause
 16 (iv)(II)(aa).

17 “(II) EXEMPTIONS.—The Sec-
 18 retary may exempt from the require-
 19 ments of subclause (I)—

20 “(aa) a State agency that
 21 elects not to authorize any types
 22 of vendors described in clause
 23 (iv)(II)(aa) and that dem-
 24 onstrates to the Secretary that—

1 “(AA) compliance with
2 subclause (I) would be in-
3 consistent with efficient and
4 effective operation of the
5 program administered by the
6 State under this section; or

7 “(BB) an alternative
8 cost-containment system
9 would be as effective as a
10 vendor peer group system;
11 or

12 “(bb) a State agency—

13 “(AA) in which the sale
14 of supplemental foods that
15 are obtained with food in-
16 struments from vendors de-
17 scribed in clause (iv)(II)(aa)
18 constituted less than 5 per-
19 cent of total sales of supple-
20 mental foods that were ob-
21 tained with food instruments
22 in the State in the year pre-
23 ceding a year in which the
24 exemption is effective; and

1 “(BB) that dem-
 2 onstrates to the Secretary
 3 that an alternative cost-con-
 4 tainment system would be as
 5 effective as the vendor peer
 6 group system and would not
 7 result in higher food costs if
 8 program participants redeem
 9 supplemental food vouchers
 10 at vendors described in
 11 clause (iv)(II)(aa) rather
 12 than at vendors other than
 13 vendors described in clause
 14 (iv)(II)(aa).

15 “(ii) COMPETITIVE PRICING.—

16 “(I) IN GENERAL.—The State
 17 agency shall establish competitive
 18 price criteria for each peer group for
 19 the selection of vendors for participa-
 20 tion in the program that—

21 “(aa) ensure that the retail
 22 prices charged by vendor appli-
 23 cants for the program are com-
 24 petitive with the prices charged
 25 by other vendors; and

1 “(bb) consider—

2 “(AA) the shelf prices
3 of the vendor for all buyers;
4 or

5 “(BB) the prices that
6 the vendor bid for supple-
7 mental foods, which shall
8 not exceed the shelf prices of
9 the vendor for all buyers.

10 “(II) PARTICIPANT ACCESS.—In
11 establishing competitive price criteria,
12 the State agency shall consider partic-
13 ipant access by geographical area.

14 “(III) SUBSEQUENT PRICE IN-
15 CREASES.—The State agency shall es-
16 tablish procedures to ensure that a re-
17 tail store selected for participation in
18 the program does not, subsequent to
19 selection, increase prices to levels that
20 would make the store ineligible for se-
21 lection to participate in the program.

22 “(iii) ALLOWABLE REIMBURSEMENT
23 LEVELS.—

24 “(I) IN GENERAL.—The State
25 agency shall establish allowable reim-

1 bursement levels for supplemental
2 foods for each vendor peer group that
3 ensure that—

4 “(aa) payments to vendors
5 in the vendor peer group reflect
6 competitive retail prices; and

7 “(bb) the State agency does
8 not reimburse a vendor for sup-
9 plemental foods at a level that
10 would make the vendor ineligible
11 for authorization under the cri-
12 teria established under clause
13 (ii).

14 “(II) PRICE FLUCTUATIONS.—
15 The allowable reimbursement levels
16 may include a factor to reflect fluc-
17 tuations in wholesale prices.

18 “(III) PARTICIPANT ACCESS.—In
19 establishing allowable reimbursement
20 levels, the State agency shall consider
21 participant access in a geographical
22 area.

23 “(iv) EXEMPTIONS.—The State agen-
24 cy may exempt from competitive price cri-

1 teria and allowable reimbursement levels
2 established under this subparagraph—

3 “(I) pharmacy vendors that sup-
4 ply only exempt infant formula or
5 medical foods that are eligible under
6 the program; and

7 “(II) vendors—

8 “(aa)(AA) for which more
9 than 50 percent of the annual
10 revenue of the vendor from the
11 sale of food items consists of rev-
12 enue from the sale of supple-
13 mental foods that are obtained
14 with food instruments; or

15 “(BB) who are new appli-
16 cants likely to meet the criteria
17 of subitem (AA) under criteria
18 approved by the Secretary; and

19 “(bb) that are nonprofit.

20 “(v) COST NEUTRALITY.—

21 “(I) IN GENERAL.—If a State
22 agency elects to authorize any types of
23 vendors described in clause
24 (iv)(II)(aa), the State agency shall
25 demonstrate to the Secretary, and the

1 Secretary shall certify, that the com-
2 petitive price criteria and allowable re-
3 imbursement levels established under
4 this paragraph for vendors described
5 in clause (iv)(II)(aa) do not result in
6 average payments per voucher to ven-
7 dors described in clause (iv)(II)(aa)
8 that are higher than average pay-
9 ments per voucher to comparable ven-
10 dors other than vendors described in
11 clause (iv)(II)(aa).

12 “(II) REQUIREMENT.—Effective
13 on the date that is 120 days after the
14 date of enactment of this subclause, in
15 calculating the allowable reimburse-
16 ment levels established under this
17 paragraph for vendors described in
18 clause (iv)(II)(aa), a State agency
19 that does not use electronic benefit
20 transfer shall exclude food instru-
21 ments not fully redeemed, based on a
22 calculation of the minimum full re-
23 demption value for each food instru-
24 ment type or food item, by individual
25 vendor.

1 “(vi) LIMITATION ON PRIVATE RIGHTS
2 OF ACTION.—Nothing in this paragraph
3 creates a private right of action.

4 “(vii) LIMITATION REGARDING FOOD
5 COSTS.—Nothing in this subparagraph
6 compels a State agency to achieve lower
7 food costs if program participants redeem
8 supplemental food vouchers at vendors de-
9 scribed in clause (iv)(II)(aa) rather than at
10 vendors other than vendors described in
11 clause (iv)(II)(aa).

12 “(viii) IMPLEMENTATION.—A State
13 agency shall comply with this subpara-
14 graph not later than 18 months after the
15 date of enactment of this clause.

16 “(B) APPLICATION REVIEW.—

17 “(i) REVIEW AND REGULATIONS.—

18 “(I) IN GENERAL.—Not later
19 than 180 days after the date of enact-
20 ment of the Improving Child Nutri-
21 tion Integrity and Access Act of 2016,
22 the Secretary shall review the current
23 processes used by State agencies to
24 approve vendors for the program au-
25 thorized under this section.

1 “(II) OBJECTIVE.—In conducting
2 the review described in subclause (I),
3 the Secretary shall examine ways to
4 reduce duplication in site visit require-
5 ments and application paperwork
6 while preserving the unique aspects of
7 vendor participation in the program
8 authorized under this section.

9 “(III) REGULATIONS.—Not later
10 than 180 days after completing the
11 review described in subclause (I), the
12 Secretary shall update regulations as
13 necessary to revise the current appli-
14 cation process—

15 “(aa) to coordinate vendor
16 authorization, where applicable,
17 for the program authorized under
18 this section and the supplemental
19 nutrition assistance program au-
20 thorized under the Food and Nu-
21 trition Act of 2008 (7 U.S.C.
22 2011 et seq.); and

23 “(bb) to consolidate, to the
24 maximum extent practicable—

1 “(AA) applications to
 2 reduce duplicative reporting
 3 of information; and

4 “(BB) on-site review
 5 requirements.

6 “(ii) SELECTION CRITERIA.—

7 “(I) IN GENERAL.—Subject to
 8 subclause (II), each State agency shall
 9 establish a requirement that, prior to
 10 authorization or reauthorization for
 11 purposes of the program authorized
 12 under this section, a vendor shall be
 13 an authorized retailer under the sup-
 14 plemental nutrition assistance pro-
 15 gram under the Food and Nutrition
 16 Act of 2008 (7 U.S.C. 2011 et seq.).

17 “(II) CERTAIN VENDORS.—A
 18 State agency shall have discretion re-
 19 garding whether subclause (I) shall
 20 apply to a vendor described in sub-
 21 paragraph (A)(iv)(II)(aa)(AA) that
 22 sells only WIC-eligible foods (as de-
 23 fined by the State agency).

24 “(III) TIMING.—A State agency
 25 shall permit a vendor to apply simul-

1 taneously for approval to participate
 2 in the program authorized under this
 3 section and the supplemental nutrition
 4 assistance program authorized under
 5 the Food and Nutrition Act of 2008
 6 (7 U.S.C. 2011 et seq.).”;

7 (E) in paragraph (12)—

8 (i) in subparagraph (A)(i), by striking
 9 “food delivery system that provides” and
 10 inserting “method to deliver”; and

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

13 “(H) REGULATIONS.—As State agencies
 14 transition to electronic benefit transfer for the
 15 program, the Secretary shall update regulations
 16 to account for the fact that State agencies—

17 “(i) are receiving transaction pricing
 18 more frequently than twice a year from
 19 vendors; and

20 “(ii) should adjust vendor reimburse-
 21 ment levels more frequently to reflect pro-
 22 gram food price changes in the market-
 23 place.

24 “(I) AUTHORIZATION OF APPROPRIA-
 25 TIONS.—

1 “(i) IN GENERAL.—There is author-
 2 ized to be appropriated to carry out this
 3 paragraph \$25,000,000 for each of fiscal
 4 years 2016 through 2020.

5 “(ii) USE.—The Secretary shall allo-
 6 cate the funds made available under this
 7 subparagraph to States for purposes of en-
 8 hancing and accelerating the implementa-
 9 tion of electronic benefit transfer systems.

10 “(J) PENALTY FOR NONCOMPLIANCE.—
 11 For any State agency that fails to comply with
 12 subparagraph (B), including a State agency re-
 13 ceiving an exemption under subparagraph (C),
 14 the Secretary shall—

15 “(i) withhold such amounts otherwise
 16 required to be allocated to the State agen-
 17 cy for nutrition services and administration
 18 as the Secretary determines to be appro-
 19 priate; and

20 “(ii) direct the amounts withheld for
 21 use by the State agency solely for achiev-
 22 ing compliance with subparagraph (B).”;
 23 and

24 (F) in paragraph (13), by adding at the
 25 end the following:

1 “(C) ACCESS.—The Secretary shall make
 2 available on request the national universal prod-
 3 uct code database information to vendors ap-
 4 proved for participation in the special supple-
 5 mental food program established under this sec-
 6 tion.”;

7 (8) by striking subsection (k);

8 (9) by redesignating subsections (l) through (q)
 9 as subsections (k) through (p), respectively;

10 (10) in subsection (l)(9)(A) (as so redesign-
 11 nated), by striking “2015” and inserting “2020”;

12 (11) in subsection (o) (as so redesignated)—

13 (A) in paragraphs (1) and (2)(B), by strik-
 14 ing “subsection (o)(1)(A)” each place it appears
 15 and inserting “subsection (n)(1)(A)”;

16 (B) in paragraph (5)—

17 (i) in subparagraph (C), by striking
 18 “and” at the end;

19 (ii) in subparagraph (D), by striking
 20 the period at the end and inserting “;
 21 and”; and

22 (iii) by adding at the end the fol-
 23 lowing:

24 “(E) fifth, to reimburse any WIC infant
 25 formula manufacturer for any rebate provided

1 to the State agency on WIC infant formula un-
2 lawfully trafficked under a provision of law de-
3 scribed in paragraph (2), subject to the condi-
4 tion that the funds are recovered by the
5 State.”; and

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

7 “(6) NOTICE OF INVESTIGATION.—

8 “(A) IN GENERAL.—For any investigation
9 into the trafficking of WIC infant formula pur-
10 suant to this subsection, to the maximum ex-
11 tent practicable, the Secretary shall provide no-
12 tice of resolution of the disposition of an unlaw-
13 ful action resulting from the investigation to all
14 contracted manufacturers of the trafficked in-
15 fant formula.

16 “(B) ESTIMATES.—Not later than 90 days
17 after the date on which notice is provided under
18 subparagraph (A), the State shall submit to the
19 contracted manufacturer an estimate of—

20 “(i) the number of units, if any, for
21 which rebates may have been issued as a
22 result of the violation; and

23 “(ii) the total dollar amount of the re-
24 bates.”; and

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

1 “(q) STATE ADVISORY COUNCILS AND BOARDS.—

2 “(1) IN GENERAL.—The Secretary shall encour-
3 age any advisory council or board operated by a
4 State agency to include adequate representation of
5 all appropriate program stakeholders, including—

6 “(A) vendors approved for participation in
7 the special supplemental food program estab-
8 lished under this section;

9 “(B) program beneficiaries;

10 “(C) community representatives; and

11 “(D) representatives of organizations in-
12 tended to reduce hunger and improve the health
13 and well-being of program participants.

14 “(2) MEETINGS.—The Secretary shall encour-
15 age the meetings of an advisory council or board de-
16 scribed in paragraph (1) to provide for—

17 “(A) participation by means other than in-
18 person; and

19 “(B) public availability or dissemination of
20 a description of—

21 “(i) the activities of the advisory
22 council or board;

23 “(ii) the proceedings of the advisory
24 council or board; and

1 “(iii) the meeting minutes of the advi-
 2 sory council or board.

3 “(r) FRAUD AND SAFETY REVIEW.—

4 “(1) IN GENERAL.—Not later than 180 days
 5 after the date of enactment of this subsection, the
 6 Secretary shall review current guidance, regulations,
 7 and practices regarding fraud and safety for pur-
 8 poses of this section.

9 “(2) INCLUSIONS.—The review under para-
 10 graph (1) shall include a review of issues relating
 11 to—

12 “(A) excess and unused infant formula;

13 “(B) invoices pertaining to products sub-
 14 ject to rebate;

15 “(C) the sale of infant formula by unau-
 16 thorized entities; and

17 “(D) the purchase of infant formula from
 18 unauthorized entities.

19 “(3) UPDATES.—Based on the findings of the
 20 review under paragraph (1), the Secretary shall up-
 21 date current regulations and guidance and issue ad-
 22 ditional regulations and guidance, as necessary—

23 “(A) to minimize fraud; and

24 “(B) to ensure the safety of participants.

1 “(s) COOPERATION WITH LAW ENFORCEMENT
 2 AGENCIES.—Notwithstanding any other provision of law,
 3 State agencies and law enforcement agencies shall share
 4 WIC vendor information relating to investigations or pros-
 5 ecutions under the program under this section, as deter-
 6 mined by the Secretary.

7 “(t) PILOT PROJECTS.—

8 “(1) IN GENERAL.—Subject to paragraph (2),
 9 the Secretary may conduct pilot projects to test al-
 10 ternative certification, food delivery procedures, serv-
 11 ice delivery methods, and mechanisms for providing
 12 additional food assistance under this section.

13 “(2) PROHIBITION.—In conducting pilot
 14 projects under paragraph (1), the Secretary may not
 15 waive or modify the application of program eligi-
 16 bility, supplemental foods, or cost containment re-
 17 quirements.

18 “(3) EVALUATION.—The Secretary shall evalu-
 19 ate each pilot project carried out under this sub-
 20 section after the pilot project has been in operation
 21 for 3 years.”.

22 (b) REVIEW OF ADJUNCTIVE ELIGIBILITY FOR
 23 WIC.—

24 (1) DEFINITIONS.—In this subsection:

1 (A) ADJUNCTIVELY ELIGIBLE.—The term
2 “adjunctively eligible”, with respect to an indi-
3 vidual, means an individual who is eligible for
4 WIC under section 17(d)(2)(A)(iii) of the Child
5 Nutrition Act of 1966 (42 U.S.C.
6 1786(d)(2)(A)(iii).

7 (B) COMPTROLLER GENERAL.—The term
8 “Comptroller General” means the Comptroller
9 General of the United States.

10 (C) MEDICAID.—The term “Medicaid”
11 means the Medicaid program under title XIX of
12 the Social Security Act (42 U.S.C. 1396 et
13 seq.).

14 (D) POVERTY LINE.—The term “poverty
15 line” means the most recent annual Federal
16 Poverty Income Guidelines published by the De-
17 partment of Health and Human Services.

18 (E) WIC.—The term “WIC” means the
19 special supplemental nutrition program for
20 women, infants, and children established by sec-
21 tion 17 of the Child Nutrition Act of 1966 (42
22 U.S.C. 1786).

23 (2) STUDY.—The Comptroller General shall
24 conduct a study to examine the impact of adjunctive
25 eligibility on WIC participation, including the admin-

1 istrative burden, number of participants in WIC,
2 and other impacts on the participants.

3 (3) ADJUNCTIVE ELIGIBILITY AND INCOME OF
4 WIC PARTICIPANTS.—

5 (A) IN GENERAL.—In conducting the
6 study described in paragraph (2), the Comp-
7 troller General shall examine the extent to
8 which individuals certified as adjunctively eligi-
9 ble to receive supplemental foods and services
10 through WIC have incomes above 185 percent
11 of the poverty line.

12 (B) DATA.—

13 (i) DATA COLLECTION.—The Comp-
14 troller General shall collect data to deter-
15 mine—

16 (I) the total number of pregnant
17 women, postpartum women,
18 breastfeeding women, infants, and
19 children participating in WIC;

20 (II) an estimate of the share of
21 individuals described in subclause (I)
22 who are certified as adjunctively eligi-
23 ble; and

24 (III) an estimate of the share of
25 individuals described in subclause (II)

1 for whom income (for purposes of
2 Medicaid eligibility) is above 185 per-
3 cent of the poverty line, above 250
4 percent of the poverty line, above 300
5 percent of the poverty line, and above
6 any other demarcation thresholds as
7 determined by the Comptroller Gen-
8 eral.

9 (ii) SOURCES.—The Comptroller Gen-
10 eral shall collect the information described
11 in clause (i) from—

12 (I) for subclause (I) and (II) of
13 that clause, WIC program data; and

14 (II) for subclause (III) of that
15 clause, a review of the income of a
16 representative sample of WIC partici-
17 pants (for purposes of Medicaid eligi-
18 bility) at the time of WIC certifi-
19 cation.

20 (iii) OTHER.—The estimate developed
21 under clause (i)(III) shall be based on data
22 collected in selected States in which the in-
23 come eligibility limit for infants under 1
24 year of age for Medicaid is at or above 185
25 percent of the poverty line.

1 (4) USE OF INCOME DATA TO INFORM MED-
2 ICAID ADJUNCTIVE ELIGIBILITY DETERMINA-
3 TIONS.—

4 (A) IN GENERAL.—Following collection of
5 the data described in paragraph (3), the Comp-
6 troller General shall assess the feasibility, bene-
7 fits, and costs of requiring that WIC use an
8 automated process to document that only appli-
9 cants with income below a specified threshold
10 may be certified as adjunctively eligible based
11 solely on Medicaid receipt.

12 (B) SCOPE.—The assessment described in
13 subparagraph (A) shall include an evaluation of
14 the capacity of the management information
15 systems for both WIC and Medicaid, including
16 the ability of the systems to exchange data.

17 (C) WIC MANAGEMENT INFORMATION SYS-
18 TEMS.—The Comptroller General shall assess—

19 (i) which State agencies and tribal or-
20 ganizations operating WIC use manage-
21 ment information systems with the capac-
22 ity, via an automated process, for local
23 WIC clinics to document—

1 (I) income as a share of the pov-
 2 erty level for purposes of Medicaid eli-
 3 gibility; or

4 (II) Medicaid enrollment and in-
 5 come below a specified level;

6 (ii) the steps necessary to prepare all
 7 local WIC clinics to obtain and to access
 8 that income information as a part of the
 9 WIC application process as well as part of
 10 the associated costs of modifying WIC
 11 automated systems and training staff; and

12 (iii) other information determined rel-
 13 evant by the Comptroller General, such as
 14 the impact of the identified steps on ad-
 15 ministrative costs, clinical services, and
 16 waiting times for appointments.

17 (D) MEDICAID MANAGEMENT INFORMA-
 18 TION SYSTEMS.—The Comptroller General shall
 19 assess—

20 (i) whether the mechanized claims
 21 processing and information retrieval sys-
 22 tems of States under section
 23 1903(a)(3)(A)(i) of the Social Security Act
 24 (42 U.S.C. 1396b(a)(3)(A)(i)) have the ca-
 25 pacity to provide, at the time of WIC cer-

1 tification and via an automated process,
2 data to an agency or tribal organization
3 operating WIC regarding—

4 (I) income as a share of the pov-
5 erty level for purposes of Medicaid eli-
6 gibility; or

7 (II) whether a Medicaid recipient
8 has income below a specified level;

9 (ii) the steps necessary to ensure that
10 mechanized claims processing and informa-
11 tion retrieval systems in States for which
12 the income eligibility limit for infants
13 under 1 year of age under Medicaid is
14 above 185 percent of the poverty line have
15 the capacity to provide the information de-
16 scribed in clause (i) to local WIC clinics
17 for the purpose of documenting adjunctive
18 eligibility under an option that would limit
19 that eligibility to individuals with income
20 below a specific threshold; and

21 (iii) other information determined rel-
22 evant by the Comptroller General and the
23 Secretary of Health and Human Services,
24 including the impact of the identified steps
25 on administrative costs.

1 (5) REPORT.—Not later than 3 years after the
 2 date of enactment of this Act, the Comptroller Gen-
 3 eral shall submit to the Committee on Education
 4 and the Workforce of the House of Representatives
 5 and the Committee on Agriculture, Nutrition, and
 6 Forestry of the Senate a report describing—

7 (A) the data collected under paragraph
 8 (3);

9 (B) the assessments made under para-
 10 graph (4); and

11 (C) the feasibility, costs, benefits, and ef-
 12 fects on participants of a new requirement that
 13 would only permit adjunctive eligibility for indi-
 14 viduals with household income below a specified
 15 level.

16 **SEC. 205. TEAM NUTRITION NETWORK.**

17 Section 19 of the Child Nutrition Act of 1966 (42
 18 U.S.C. 1788) is amended—

19 (1) in subsection (a)—

20 (A) in paragraph (1)—

21 (i) by inserting “evidence-based” be-
 22 fore “team nutrition messages”; and

23 (ii) by striking “developed by the Sec-
 24 retary”;

1 (B) in paragraph (2), by inserting “under
 2 this Act and the Richard B. Russell National
 3 School Lunch Act (42 U.S.C. 1751 et seq.)” be-
 4 fore the semicolon at the end;

5 (C) in paragraph (4), by striking “pur-
 6 poses; and” and inserting the following: “pur-
 7 poses, including if appropriate—

8 “(A) State and local nutrition education
 9 programs, health and wellness policies, nutrition
 10 education or curriculum content, and other
 11 State resources; and

12 “(B) Federal nutrition education efforts,
 13 including those programs under this Act and
 14 the Richard B. Russell National School Lunch
 15 Act (42 U.S.C. 1751 et seq.); and”;

16 (D) in paragraph (5)—

17 (i) by striking “helping children to
 18 maintain a healthy weight by”; and

19 (ii) by inserting “in and out of
 20 school” before the period at the end;

21 (2) in subsection (b), by striking “(b)” and all
 22 that follows through “In this section, the term” and
 23 inserting the following:

24 “(b) DEFINITIONS.—In this section:

1 “(1) NUTRITION EDUCATION.—The term ‘nutri-
 2 tion education’ means the provision of individual or
 3 group learning opportunities and materials that em-
 4 phasize the relationship among nutrition, physical
 5 activity, and health with a goal of improving long-
 6 term dietary and physical health and increasing food
 7 security.

8 “(2) TEAM NUTRITION NETWORK.—The term”;
 9 (3) in subsection (c)—

10 (A) by striking the subsection designation
 11 and heading and inserting the following:

12 “(c) STATE NETWORK GRANTS.—”; and

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

14 “(4) ALLOCATION.—Subject to the availability
 15 of funds for use in carrying out this subsection, the
 16 total amount of funds made available for a fiscal
 17 year for grants under this subsection shall be in an
 18 amount equal to not more than the sum of—

19 “(A) the product obtained by multi-
 20 plying—

21 “(i) ½ cent; by

22 “(ii) the number of lunches reim-
 23 bursed through food service programs
 24 under the Richard B. Russell National
 25 School Lunch Act (42 U.S.C. 1751 et seq.)

1 during the second preceding fiscal year in
2 schools, institutions, and service institu-
3 tions that participate in the food service
4 programs; and

5 “(B) the total value of funds received by
6 the Secretary in support of this subsection from
7 nongovernmental sources.

8 “(5) REQUIREMENTS FOR STATE PARTICIPA-
9 TION.—To be eligible to receive a grant under this
10 subsection, a State agency shall submit to the Sec-
11 retary a plan that—

12 “(A) is subject to approval by the Sec-
13 retary; and

14 “(B) is submitted at such time and in such
15 manner, and contains such information, as the
16 Secretary may require, including—

17 “(i) a description of the goals and
18 proposed State plan for addressing the
19 health and other consequences of children
20 who are at risk of becoming overweight or
21 obese;

22 “(ii) an analysis of the means by
23 which the State agency will use and dis-
24 seminate the team nutrition messages and

1 material to children and, if appropriate,
2 the families of the children;

3 “(iii) an explanation of the ways in
4 which the State agency will use the funds
5 from the grant—

6 “(I) to work toward the goals re-
7 quired under clause (i); and

8 “(II) to promote healthy eating
9 and physical activity and fitness in
10 schools throughout the State;

11 “(iv) a description of the ways in
12 which the State team nutrition network
13 messages and activities will be coordinated
14 at the State level with other health pro-
15 motion and education activities;

16 “(v) a description of the consultative
17 process that the State agency employed in
18 the development of the model nutrition and
19 physical activity programs, including con-
20 sultations with individuals and organiza-
21 tions with expertise in promoting public
22 health, nutrition, or physical activity;

23 “(vi) a description of how the State
24 agency will evaluate the effectiveness of

1 each program developed by the State agen-
2 cy;

3 “(vii) an annual summary of the team
4 nutrition network activities;

5 “(viii) a description of the ways in
6 which the total school environment will
7 support healthy eating and physical activ-
8 ity; and

9 “(ix) a description of how all commu-
10 nications to parents and legal guardians of
11 students who are members of a household
12 receiving information under the program
13 shall be made—

14 “(I) in an understandable and
15 uniform format; and

16 “(II) to the maximum extent
17 practicable, in a language that par-
18 ents and legal guardians can under-
19 stand.

20 “(6) STATE COORDINATOR.—Each State that
21 receives a grant under this subsection shall appoint
22 a team nutrition network coordinator, who shall—

23 “(A) administer and coordinate the team
24 nutrition network within and across schools,

1 school food authorities, families, and other child
2 nutrition program providers in the State; and

3 “(B) coordinate activities of the Secretary,
4 acting through the Food and Nutrition Service,
5 and State agencies responsible for other chil-
6 dren’s health, education, and wellness programs
7 to implement a comprehensive, coordinated
8 team nutrition network program and edu-
9 cational programming.

10 “(7) AUTHORIZED ACTIVITIES.—A State agency
11 that receives a grant under this section may use
12 funds from the grant—

13 “(A) to identify the programs and services
14 available to meet the needs of children and
15 youth in the State who are overweight, phys-
16 ically inactive, or otherwise suffering from nu-
17 trition-related deficiencies or disease conditions;

18 “(B) to implement model elementary and
19 secondary education curricula using team nutri-
20 tion network messages and material to create a
21 comprehensive, coordinated nutrition and phys-
22 ical fitness awareness and obesity prevention
23 program;

1 “(C) to implement pilot projects in schools
2 to promote physical activity and to enhance the
3 nutritional status of students;

4 “(D) to improve access to local foods
5 through coordinating with farm to school grant
6 activities that include the provision of nutrition
7 education;

8 “(E) to implement State guidelines in
9 health (including nutrition education and phys-
10 ical education guidelines) and to emphasize reg-
11 ular physical activity during school hours;

12 “(F) to establish healthy eating and life-
13 style policies in schools;

14 “(G) to provide training and technical as-
15 sistance to teachers and school food service pro-
16 fessionals consistent with the purposes of this
17 subsection; or

18 “(H) to collaborate with public and private
19 organizations, including community-based orga-
20 nizations, State medical, pediatric, and dietetic
21 associations, and public health groups, to de-
22 velop and implement nutrition and physical
23 education programs targeting lower-income chil-
24 dren, ethnic minorities, and youth at a greater
25 risk for obesity.”;

1 (4) by striking subsections (d) through (g) and
 2 (k);

3 (5) by redesignating subsections (h) through (j)
 4 and (l) as subsections (d) through (f) and (g), re-
 5 spectively;

6 (6) in subsection (d) (as so redesignated)—

7 (A) in the subsection heading, by inserting
 8 “EDUCATION” after “NUTRITION”; and

9 (B) in paragraph (5)—

10 (i) in subparagraph (A)—

11 (I) in clause (i), by striking
 12 “and” at the end; and

13 (II) by adding at the end the fol-
 14 lowing:

15 “(iii) incorporate nutrition education
 16 into academic instruction (including
 17 science, English, and math), physical and
 18 health education, and afterschool pro-
 19 grams, including athletics; and”; and

20 (ii) in subparagraph (B)—

21 (I) by striking clause (iv);

22 (II) in clause (vii), by striking “a
 23 variety of healthy foods” and all that
 24 follows through “fruit bars” and in-
 25 serting “a variety of healthy foods

1 through new initiatives to creatively
2 market such foods”;

3 (III) in clause (viii), by striking
4 “low-fat and nutrient dense” and in-
5 serting “healthy”; and

6 (IV) by redesignating clauses (v)
7 through (ix) as clauses (iv) through
8 (viii), respectively;

9 (7) in subsection (e) (as so redesignated), by
10 striking “may provide for technical assistance and
11 grants” and inserting “shall provide for technical as-
12 sistance”; and

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

14 “(h) REVIEW.—

15 “(1) STUDY.—The Secretary shall select,
16 through a competitive process, and offer to enter
17 into an agreement with an independent entity in the
18 private sector that has recognized credentials and
19 expertise in nutrition education—

20 “(A) to conduct a study on the effective-
21 ness and level of coordination between nutrition
22 education in the child nutrition programs and
23 other programs implemented by the Federal
24 Government that include nutrition education;
25 and

1 “(B) to develop recommendations to en-
2 courage innovative partnerships and community
3 initiatives to identify creative ways to deliver
4 nutrition education in Federal nutrition assist-
5 ance programs in order to enhance the impact
6 of the programs.

7 “(2) REPORT TO CONGRESS.—Not later than 2
8 years after the date of enactment of the Improving
9 Child Nutrition Integrity and Access Act of 2016,
10 the Secretary shall submit to the Committee on
11 Education and the Workforce of the House of Rep-
12 resentatives and the Committee on Agriculture, Nu-
13 trition, and Forestry of the Senate a report that de-
14 scribes—

15 “(A) a summary of the study conducted
16 under paragraph (1);

17 “(B) any findings and recommendations
18 made as part of the study;

19 “(C) a plan for disseminating best prac-
20 tices for nutrition education delivery to State
21 agencies; and

22 “(D) any policy recommendations, and cor-
23 responding legislative recommendations if need-
24 ed, to maximize the coordination and effective-

1 ness of Federal programs that include nutrition
2 education.”.

3 **TITLE III—MISCELLANEOUS**

4 **SEC. 301. REVIEWS.**

5 (a) TRIBAL FOODS.—

6 (1) IN GENERAL.—Not later than 1 year after
7 the date of enactment of this Act, the Secretary
8 shall review—

9 (A) the barriers to including tribally pro-
10 duced, traditional, and culturally appropriate
11 foods in child nutrition programs (as defined in
12 subparagraphs (A) through (E) of section
13 25(b)(1) of the Richard B. Russell National
14 School Lunch Act (42 U.S.C. 1769f(b)(1))
15 within all forms of tribal schools; and

16 (B) the means of encouraging and assist-
17 ing enhanced inclusion of foods described in
18 subparagraph (A) in child nutrition programs.

19 (2) SCOPE.—In carrying out the review de-
20 scribed in paragraph (1), the Secretary shall—

21 (A) survey and compile resources of the
22 Department of Agriculture on the issue de-
23 scribed in paragraph (1)(A);

24 (B) clarify relevant Federal regulations
25 governing schools and tribal producers, includ-

1 ing regulations relating to procurement, reim-
2 bursement, and food safety;

3 (C) involve all relevant agencies, including
4 the Food and Nutrition Service and Office of
5 Tribal Relations of the Department of Agri-
6 culture; and

7 (D) submit to Congress a report describing
8 the results of the review.

9 (b) USE OF PROGRAM DATA.—

10 (1) IN GENERAL.—The Secretary, jointly with
11 the Secretary of Education, shall—

12 (A) review information regarding available
13 alternative data sets for use in programs that
14 are using free and reduced price meals data;
15 and

16 (B) determine the appropriateness of using
17 such alternative data sets in place of free and
18 reduced price meal program data by other pro-
19 grams to reduce the burden on local school food
20 authorities.

21 (2) REPORT TO CONGRESS.—Not later than 1
22 year after the date of enactment of this Act, the
23 Secretaries shall submit to the Committee on Edu-
24 cation and the Workforce of the House of Rep-
25 resentatives and the Committee on Agriculture, Nu-

1 trition, and Forestry of the Senate a report that de-
 2 scribes the results of the review and any rec-
 3 ommendations of the Secretaries.

4 (c) CREDITING AND LABELING PROGRAM.—

5 (1) IN GENERAL.—The Secretary shall review
 6 and update the system of crediting and the vol-
 7 untary child nutrition labeling program used in ad-
 8 ministering—

9 (A) the school lunch program established
 10 under the Richard B. Russell National School
 11 Lunch Act (42 U.S.C. 1751 et seq.); and

12 (B) the school breakfast program estab-
 13 lished by section 4 of the Child Nutrition Act
 14 of 1966 (42 U.S.C. 1773).

15 (2) SCOPE.—The review described in paragraph
 16 (1) shall include—

17 (A) the treatment of food products within
 18 previously established food categories and new
 19 products that have entered the commercial mar-
 20 ketplace since the system of crediting and the
 21 voluntary child nutrition labeling program were
 22 developed; and

23 (B) the timeliness in which applications for
 24 labels under the voluntary child nutrition label-

1 ing program are reviewed and are granted or
2 denied.

3 (3) REPORT TO CONGRESS.—Not later than 1
4 year after the date of enactment of this Act, the
5 Secretary shall submit to the Committee on Edu-
6 cation and the Workforce of the House of Rep-
7 resentatives and the Committee on Agriculture, Nu-
8 trition, and Forestry of the Senate a report that de-
9 scribes the results of the review and any rec-
10 ommendations of the Secretary.

11 (d) NUTRITIONAL ANALYSIS.—The Secretary shall—

12 (1) review the practicability and feasibility of—

13 (A) conducting a nutritional analysis,
14 using publicly and commercially available nutri-
15 tional information, of food products that are
16 voluntarily submitted for use in child nutrition
17 programs, outside of the reimbursable school
18 meal; and

19 (B) aggregating and making publicly avail-
20 able the information obtained through that nu-
21 tritional analysis for use by school food authori-
22 ties, food manufacturers, and other interested
23 parties; and

1 (2) if found practicable and feasible, proceed
2 with the analysis, aggregation, and public avail-
3 ability.

4 (e) UNLAWFUL ACTIVITY.—

5 (1) IN GENERAL.—Not later than 1 year after
6 the date of enactment of this Act, the Secretary
7 shall review—

8 (A) the number of instances and types of
9 unlawful activity that have occurred in the past
10 3 years, including instances of fraud, bid-rig-
11 ging, and any other anticompetitive activities
12 carried out in connection with supplying, pro-
13 viding, or selling goods or services for a pro-
14 gram under the Richard B. Russell National
15 School Lunch Act (42 U.S.C. 1751 et seq.) or
16 the Child Nutrition Act of 1966 (42 U.S.C.
17 1771 et seq.); and

18 (B) the practices and procedures currently
19 used by the Department of Agriculture to pre-
20 vent unlawful activity described in subpara-
21 graph (A).

22 (2) SECRETARIAL RESPONSE.—Following com-
23 pletion of the review described in paragraph (1), the
24 Secretary shall respond, if appropriate, by taking ac-
25 tion to reduce such unlawful activity, including—

1 (A) revising any relevant guidance and reg-
 2 ulations;

3 (B) issuing fines authorized under sub-
 4 section (g) of section 25 of the Richard B. Rus-
 5 sell National School Lunch Act (42 U.S.C.
 6 1769f) (as amended by section 115); and

7 (C) submitting to the Committee on Edu-
 8 cation and the Workforce of the House of Rep-
 9 resentatives and the Committee on Agriculture,
 10 Nutrition, and Forestry of the Senate rec-
 11 ommendations for any legislative changes need-
 12 ed to enhance program oversight.

13 (3) SCOPE.—The actions described in para-
 14 graph (2) shall be designed to reduce—

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

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

21 (C) knowingly receiving stolen property;

22 (D) making a false claim or statement; or

23 (E) any other obstruction of justice.

24 (f) REVIEW OF EXISTING RESEARCH AND REC-
 25 OMMENDATION FOR FUTURE PROGRAM EVALUATION.—

1 (1) IN GENERAL.—Not later than 18 months
2 after the date of enactment of this Act, the Sec-
3 retary shall collect and review any existing research
4 and scientific literature that provides an assessment
5 of the effects that the school lunch program estab-
6 lished under the Richard B. Russell National School
7 Lunch Act (42 U.S.C. 1751 et seq.) and the school
8 breakfast program established by section 4 of the
9 Child Nutrition Act of 1966 (42 U.S.C. 1773) are
10 having on reducing food insecurity and increasing
11 positive health outcomes.

12 (2) PURPOSE.—The purpose of the review de-
13 scribed in paragraph (1) shall be to evaluate the cur-
14 rent state of credible information and accompanying
15 data regarding the collective impact that the pro-
16 grams described in that paragraph are having on the
17 food security and health of program participants.

18 (3) REPORT.—Not later than 60 days after
19 completing the review described in paragraph (1),
20 the Secretary shall submit to the Committee on
21 Education and the Workforce of the House of Rep-
22 resentatives and the Committee on Agriculture, Nu-
23 trition, and Forestry of the Senate—

24 (A) a report that describes the results of
25 the review, including any gaps in research; and

1 (B) after consulting with stakeholders, a
2 recommendation for what legislative action and
3 additional resources are necessary for a com-
4 prehensive evaluation of—

5 (i) whether the programs described in
6 paragraph (1) are reducing food insecurity
7 and increasing positive health outcomes;
8 and

9 (ii) what research is needed to make
10 policy recommendations that will enable
11 the programs to better meet the stated
12 purpose of the programs.

13 (g) LACTATION RESOURCES.—To the extent prac-
14 ticable, the Secretary shall—

15 (1) review the current use of certified lactation
16 consultants in local agencies operating the special
17 supplemental nutrition program for women, infants,
18 and children established by section 17 of the Child
19 Nutrition Act of 1966 (42 U.S.C. 1786); and

20 (2) encourage the additional use of certified lac-
21 tation consultants in local agencies wherever pos-
22 sible.

23 (h) INFANT FORMULA.—Not later than 180 days
24 after the date of enactment of this Act, the Secretary
25 shall—

1 (1) review the current regulations regarding ca-
2 loric density standards for infant formula made
3 available in the special supplemental nutrition pro-
4 gram for women, infants, and children established
5 by section 17 of the Child Nutrition Act of 1966 (42
6 U.S.C. 1786); and

7 (2) as appropriate, update the regulations based
8 on the most recent scientific knowledge available.

9 (i) FLUID MILK.—

10 (1) IN GENERAL.—Not later than 60 days after
11 the date of enactment of this Act, the Secretary
12 shall incorporate into the review conducted under
13 section 17(f)(11)(C) of the Child Nutrition Act of
14 1966 (42 U.S.C. 1786(f)(11)(C)), an examination of
15 criteria relating to fluid milk, in consideration of the
16 most recent Dietary Guidelines for Americans pub-
17 lished under section 301 of the National Nutrition
18 Monitoring and Related Research Act of 1990 (7
19 U.S.C. 5341).

20 (2) RATES.—The review shall include examina-
21 tion of the consumption and redemption rates since
22 May 5, 2014.

23 **SEC. 302. PROGRAM DELIVERY.**

24 (a) PROGRAM ADMINISTRATION.—The Secretary
25 shall work with States participating in programs author-

1 ized under the Richard B. Russell National School Lunch
2 Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act
3 of 1966 (42 U.S.C. 1771 et seq.) to encourage—

4 (1) streamlining of program administration at
5 the State level;

6 (2) communication among State agencies ad-
7 ministering the programs; and

8 (3) coordination of administration of Federal
9 benefits at the State level to ensure efficiency and
10 improved access to participants.

11 (b) SCHOOL FOOD AUTHORITIES.—Nothing in this
12 Act, the Richard B. Russell National School Lunch Act
13 (42 U.S.C. 1751 et seq.), or the Child Nutrition Act of
14 1966 (42 U.S.C. 1771 et seq.) precludes the ability of a
15 State agency to approve an otherwise eligible and partici-
16 pating charter school or a group of charter schools as a
17 school food authority.

18 **SEC. 303. PRODUCT AVAILABILITY.**

19 (a) IN GENERAL.—The Secretary shall, to the extent
20 practicable, make available lactose-free milk with an ex-
21 tended shelf life for use in the commodity distribution pro-
22 gram authorized under section 14 of the Richard B. Rus-
23 sell National School Lunch Act (42 U.S.C. 1762a).

24 (b) SIZE AND FORM.—The milk described in sub-
25 section (a) shall, to the extent practicable, be made avail-

1 able in a size and form acceptable for and conducive to
2 consumption by school-aged children.

3 **SEC. 304. PROCUREMENT.**

4 In administering the summer food service program
5 for children established under section 13 of the Richard
6 B. Russell National School Lunch Act (42 U.S.C. 1761)
7 and the child and adult care food program established
8 under section 17 of the Richard B. Russell National
9 School Lunch Act (42 U.S.C. 1766), the Secretary shall
10 ensure that—

11 (1) service institutions participating in the pro-
12 grams have flexibility in determining the frequency
13 of procurement and food items included in each so-
14 licitation; and

15 (2) any procurement procedure implemented by
16 a State agency is cost effective and efficient in meet-
17 ing the relevant meal pattern requirements.

18 **SEC. 305. SCHOOL NUTRITION ADVISORY COMMITTEE.**

19 (a) ESTABLISHMENT.—Not later than 120 days after
20 the date of enactment of this Act, the Secretary shall es-
21 tablish a School Nutrition Advisory Committee (referred
22 to in this section as the “Committee”) to provide input
23 in administration of the school lunch program authorized
24 under the Richard B. Russell National School Lunch Act
25 (42 U.S.C. 1751 et seq.) and the school breakfast program

1 established by section 4 of the Child Nutrition Act of 1966
2 (42 U.S.C. 1773) (referred to in this section as “child nu-
3 trition programs”).

4 (b) MEMBERSHIP.—

5 (1) COMPOSITION.—The Committee shall in-
6 clude members appointed by the Secretary from each
7 of the following stakeholder interests:

8 (A) An organization that advocates for
9 consumers on issues relating to health and nu-
10 trition.

11 (B) An organization that conducts re-
12 search and advocates on issues relating to child
13 nutrition.

14 (C) An organization that advocates for car-
15 diac health.

16 (D) A professional organization rep-
17 resenting pediatricians.

18 (E) A professional organization rep-
19 resenting dietitians.

20 (F) A trade association representing fruit
21 and vegetable growers.

22 (G) A coalition of large urban school food
23 authorities.

24 (H) 2 representatives from State agencies
25 that administer the child nutrition programs.

1 (I) A professional organization rep-
2 resenting school food service directors.

3 (J) A professional organization rep-
4 resenting school board members.

5 (K) A council representing large school
6 districts.

7 (L) A professional association representing
8 school administrators.

9 (M) An entity that processes and manufac-
10 tures meat products.

11 (N) An entity that processes and manufac-
12 tures dairy products.

13 (O) An entity that processes and manufac-
14 tures grain products.

15 (P) An entity that assists suppliers and
16 school food authorities in selling and obtaining
17 food products.

18 (Q) A school food authority located in each
19 of the 7 regions established for activities of the
20 Food and Nutrition Service, including—

21 (i) 3 representatives from districts lo-
22 cated in rural areas;

23 (ii) 2 representatives from districts lo-
24 cated in urban areas; and

1 (iii) 2 representatives from districts
2 located in urban cluster areas, as defined
3 by census tract data.

4 (R) A council representing public officials
5 who head departments of elementary and sec-
6 ondary education.

7 (S) 2 representatives from the technology
8 sector.

9 (2) TERMS.—The Secretary shall appoint mem-
10 bers to serve on the Committee for staggered terms,
11 each of 4 years duration.

12 (c) FUNCTION.—

13 (1) IN GENERAL.—The Committee shall—

14 (A) provide a venue for communication be-
15 tween stakeholders and the Department of Ag-
16 riculture regarding child nutrition programs;

17 (B) give insight into child nutrition pro-
18 gram implementation;

19 (C) review and make recommendations to
20 the Secretary on proposed regulations, guid-
21 ance, and policy development involving child nu-
22 trition programs; and

23 (D) evaluate methods for program and ad-
24 ministration improvement of child nutrition pro-
25 grams.

1 (2) REPORT.—The Committee shall submit to
2 the Secretary, the Committee on Education and the
3 Workforce of the House of Representatives, and the
4 Committee on Agriculture, Nutrition, and Forestry
5 of the Senate, an annual report that describes the
6 activities of the Committee during the previous year.

7 (d) MEETINGS.—The Committee shall meet quar-
8 terly.

9 (e) STAFFING.—The Secretary shall provide such
10 personnel as may be required to assist the Committee in
11 carrying out the duties of the Committee.

12 (f) TERMINATION.—The authority of the Committee
13 shall terminate on September 30, 2025.

14 **SEC. 306. PAPERWORK REDUCTION.**

15 (a) IN GENERAL.—For any program authorized
16 under the Richard B. Russell National School Lunch Act
17 (42 U.S.C. 1751 et seq.) or the Child Nutrition Act of
18 1966 (42 U.S.C. 1771 et seq.), the Secretary shall—

19 (1) periodically review regulations, guidance,
20 and other requirements to evaluate the volume of in-
21 formation required to be reported to the Department
22 of Agriculture by program participants; and

23 (2) if appropriate, streamline or otherwise re-
24 duce any unnecessary or duplicative paperwork, re-

1 reporting requirements, and other administrative bur-
2 dens while maintaining program integrity.

3 (b) REPORT.—Not later than 3 years after the date
4 of enactment of this Act, and every 3 years thereafter,
5 the Secretary shall submit to the Committee on Education
6 and the Workforce of the House of Representatives and
7 the Committee on Agriculture, Nutrition, and Forestry of
8 the Senate a report that describes any action the Sec-
9 retary has taken under subsection (a) during the pre-
10 ceding 3 calendar years.

11 **SEC. 307. TECHNOLOGY.**

12 (a) USE OF TECHNOLOGY.—Not later than 180 days
13 after the date of enactment of this Act, the Secretary
14 shall—

15 (1) review the current use of technology in the
16 school lunch program established under the Richard
17 B. Russell National School Lunch Act (42 U.S.C.
18 1751 et seq.) and the school breakfast program es-
19 tablished by section 4 of the Child Nutrition Act of
20 1966 (42 U.S.C. 1773);

21 (2) identify opportunities in which enhanced use
22 of technology would reduce the rate of errors in ad-
23 ministration of the programs by State agencies and
24 local educational agencies; and

1 (3) encourage State agencies and local edu-
2 cational agencies to use technology in the areas iden-
3 tified under paragraph (2).

4 (b) IDENTIFICATION.—Not later than 180 days after
5 the date of enactment of this Act, the Secretary shall—

6 (1) review the feasibility and evaluate the bene-
7 fits of using a unique student identifier in the school
8 lunch program established under the Richard B.
9 Russell National School Lunch Act (42 U.S.C. 1751
10 et seq.) and the school breakfast program estab-
11 lished by section 4 of the Child Nutrition Act of
12 1966 (42 U.S.C. 1773);

13 (2) submit to the Committee on Education and
14 the Workforce of the House of Representatives and
15 the Committee on Agriculture, Nutrition, and For-
16 estry of the Senate a report describing the results of
17 the review under paragraph (1); and

18 (3) initiate implementation of a system for
19 using a unique student identifier, unless implemen-
20 tation is not in the best interest of the programs de-
21 scribed in paragraph (1).

22 **SEC. 308. PROGRAM IMPROVEMENT.**

23 (a) STANDARDIZATION.—

24 (1) IN GENERAL.—Not later than 1 year after
25 the date of enactment of this Act, the Secretary

1 shall review current practice and standardize the
2 process (including forms) for administrative reviews,
3 applications (including online applications), and
4 claim reimbursement for the school lunch program
5 established under the Richard B. Russell National
6 School Lunch Act (42 U.S.C. 1751 et seq.) and the
7 school breakfast program established by section 4 of
8 the Child Nutrition Act of 1966 (42 U.S.C. 1773).

9 (2) APPLICATION FORMS.—In carrying out
10 paragraph (1), the Secretary shall—

11 (A) review the most current application
12 forms, including paper and online forms, used
13 to apply for participation in the school lunch
14 program and school breakfast program;

15 (B) provide guidance to States relating to
16 best practices, including a standard paper and
17 online application form for use by local edu-
18 cational agencies; and

19 (C) provide guidance to States relating to
20 how to improve applications to ensure families
21 understand the process for enrollment in the
22 school lunch program and the school breakfast
23 program.

24 (b) SOFTWARE APPROVAL.—

1 (1) IN GENERAL.—Not later than 18 months
2 after the date of enactment of this Act, the Sec-
3 retary shall develop a process to review and approve
4 software used by local educational agencies relating
5 to free and reduced price meal applications and
6 claim reimbursement for the school lunch program
7 established under the Richard B. Russell National
8 School Lunch Act (42 U.S.C. 1751 et seq.) and the
9 school breakfast program established by section 4 of
10 the Child Nutrition Act of 1966 (42 U.S.C. 1773).

11 (2) SCOPE.—In carrying out the process de-
12 scribed in paragraph (1), the Secretary shall—

13 (A) develop and publish standards that
14 software must meet to gain the approval of the
15 Secretary, taking into consideration existing
16 software being used by States and local edu-
17 cational agencies; and

18 (B) ensure that any standards developed
19 will promote—

20 (i) consistency in reporting processes;

21 and

22 (ii) data compatibility and transfer-
23 ability between States and local edu-
24 cational agencies.

1 **SEC. 309. FLEXIBILITY IN SCHOOL MEAL PROGRAMS.**

2 (a) REVIEW.—

3 (1) IN GENERAL.—Not later than July 1, 2019,
4 the Secretary shall contract with a qualified inde-
5 pendent entity to conduct a review of the nutrition
6 standards for sodium in the final rule of the Sec-
7 retary entitled “Nutrition Standards in the National
8 School Lunch and School Breakfast Programs” (77
9 Fed. Reg. 4088 (January 26, 2012)).

10 (2) SCOPE.—The review described in paragraph
11 (1) shall include an assessment of—

12 (A) the impact of the rule on—

13 (i) student participation rates in the
14 school lunch program established under the
15 Richard B. Russell National School Lunch
16 Act (42 U.S.C. 1751 et seq.) and the
17 school breakfast program established by
18 section 4 of the Child Nutrition Act of
19 1966 (42 U.S.C. 1773);

20 (ii) food costs;

21 (iii) food safety;

22 (iv) food service operations; and

23 (v) marketplace availability of prod-
24 ucts that meet the nutrition standards
25 specified in the rule; and

1 (B) whether the latest scientific research
2 indicates that further reduction in sodium is
3 necessary to safeguard the health of children.

4 (3) COMPLETION DATE.—The Secretary shall
5 ensure that the review described in paragraph (1) is
6 completed not later than July 1, 2020.

7 (4) PROGRESS REPORT.—Not later than Janu-
8 ary 1, 2020, the Secretary shall submit to the Com-
9 mittee on Education and the Workforce of the
10 House of Representatives and the Committee on Ag-
11 riculture, Nutrition, and Forestry of the Senate a
12 report on the status of the review described in para-
13 graph (1), including preliminary results from the re-
14 view.

15 (b) REGULATIONS.—

16 (1) IN GENERAL.—Not later than 90 days after
17 the date of enactment of this Act, the Secretary
18 shall update regulations regarding nutrition stand-
19 ards for whole grains and sodium in the school lunch
20 program established under the Richard B. Russell
21 National School Lunch Act (42 U.S.C. 1751 et seq.)
22 and the school breakfast program established by sec-
23 tion 4 of the Child Nutrition Act of 1966 (42 U.S.C.
24 1773) to improve program administration.

1 (2) PROCEDURE.—The update described in
2 paragraph (1) shall be made without regard to—

3 (A) the notice and comment provisions of
4 section 553 of title 5, United States Code; and

5 (B) chapter 35 of title 44, United States
6 Code (commonly known as the “Paperwork Re-
7 duction Act”).

8 (c) INTERAGENCY COOPERATION.—

9 (1) IN GENERAL.—Not later than 60 days after
10 the date of enactment of this Act, the Secretary
11 shall establish an interagency working group to issue
12 guidance regarding the safe and effective provision
13 of fruits and vegetables in the school meal programs
14 authorized under the Richard B. Russell National
15 School Lunch Act (42 U.S.C. 1751 et seq.) and the
16 Child Nutrition Act of 1966 (42 U.S.C. 1771 et
17 seq.).

18 (2) MEMBERSHIP.—The interagency working
19 group described in paragraph (1) shall include rep-
20 resentatives of—

21 (A) the Department of Agriculture; and

22 (B) the Centers for Disease Control and
23 Prevention.

24 (d) ADVISORY PANEL.—

1 (1) IN GENERAL.—Not later than 60 days after
2 the date of enactment of this Act, the Secretary
3 shall establish an advisory panel to consider issues
4 and develop policy recommendations for the sale of
5 foods outside of the reimbursable meals in the school
6 meal programs authorized under the Richard B.
7 Russell National School Lunch Act (42 U.S.C. 1751
8 et seq.) and the Child Nutrition Act of 1966 (42
9 U.S.C. 1771 et seq.).

10 (2) MEMBERSHIP.—The advisory panel de-
11 scribed in paragraph (1) shall include representation
12 from—

13 (A) an organization that conducts advocacy
14 on issues relating to health and nutrition;

15 (B) a professional organization that rep-
16 resents school food service directors;

17 (C) entities that process or manufacture
18 products for use in the school meal programs;
19 and

20 (D) an organization that conducts research
21 and advocacy on issues related to child nutri-
22 tion.

23 (3) NONAPPLICABILITY.—The Federal Advisory
24 Committee Act (5 U.S.C. App.) shall not apply to
25 the panel described in paragraph (1).

1 (4) REPORT.—Not later than 30 days after the
2 date on which members are appointed to the panel,
3 the panel shall submit to the Secretary, the Com-
4 mittee on Education and the Workforce of the
5 House of Representatives, and the Committee on
6 Agriculture, Nutrition, and Forestry of the Senate a
7 report describing the recommendations described in
8 paragraph (1).

9 **SEC. 310. TECHNICAL CORRECTIONS.**

10 (a) RICHARD B. RUSSELL NATIONAL SCHOOL
11 LUNCH ACT.—

12 (1) The Richard B. Russell National School
13 Lunch Act is amended in sections 4, 9, 9A, 12, 19,
14 23, 24, and 25 (42 U.S.C. 1753, 1758, 1758b, 1760,
15 1796a, 1769d, 1769e, 1769f) by striking “Com-
16 mittee on Education and Labor” each place it ap-
17 pears and inserting “Committee on Education and
18 the Workforce”.

19 (2) Section 9 of the Richard B. Russell Na-
20 tional School Lunch Act (42 U.S.C. 1758) is amend-
21 ed—

22 (A) by striking “foster child” each place it
23 appears and inserting “foster youth”; and

1 (B) in subsection (b)(5)(B), by striking
 2 “(42 U.S.C. 11434a(2))” and inserting “(42
 3 U.S.C. 11434a(2)))”.

4 (3) Section 11(a)(3) of the Richard B. Russell
 5 National School Lunch Act (42 U.S.C. 1759a(a)(3))
 6 is amended—

7 (A) in subparagraph (A), in the matter
 8 preceding clause (i) by striking “July 1, 1982,
 9 and on each subsequent July 1” and inserting
 10 “February 15 of the prior school year”; and

11 (B) in subparagraph (B)(iii), by striking
 12 “each subsequent July 1” and inserting “each
 13 subsequent February 15”.

14 (4) Section 12 of the Richard B. Russell Na-
 15 tional School Lunch Act (42 U.S.C. 1760) is amend-
 16 ed—

17 (A) in subsection (d)(3), by striking
 18 “U.S.C” and inserting “U.S.C.”;

19 (B) in subsection (m)(2), in the paragraph
 20 heading, by striking “AMERICAN” and inserting
 21 “AMERICAN”; and

22 (C) in subsection (n)—

23 (i) in paragraph (3), in the paragraph
 24 heading, by striking “HAWAII” and insert-
 25 ing “HAWAII”; and

1 (ii) in paragraph (4), in the para-
 2 graph heading, by striking “PUERTO RICO”
 3 and inserting “PUERTO RICO”.

4 (5) Section 14(c) of the Richard B. Russell Na-
 5 tional School Lunch Act (42 U.S.C. 1762a(c)) is
 6 amended—

7 (A) by striking “section 311(a)(4) of the
 8 Older Americans Act of 1965 (42 U.S.C.
 9 3030(a)(4))” and inserting “section 311(c)(4)
 10 of the Older Americans Act of 1965 (42 U.S.C.
 11 3030a(c)(4))”; and

12 (B) by striking “(42 U.S.C. 3030(b)(1))”
 13 and inserting “(42 U.S.C. 3030a(b)(1))”.

14 (6) Section 17(f)(3)(A)(ii) of the Richard B.
 15 Russell National School Lunch Act (42 U.S.C.
 16 1766(f)(3)(A)(ii)) is amended—

17 (A) in the clause heading, by striking
 18 “TIER I” and inserting “TIER I”; and

19 (B) in subclause (I), in the subclause head-
 20 ing, by striking “TIER I” and inserting “TIER
 21 I”.

22 (b) CHILD NUTRITION ACT OF 1966.—

23 (1) The Child Nutrition Act of 1966 is amend-
 24 ed in sections 10 and 17 (42 U.S.C. 1779, 1786) by
 25 striking “Committee on Education and Labor” each

1 place it appears and inserting “Committee on Edu-
2 cation and the Workforce”.

3 (2) Section 7(a)(2)(B)(i) of the Child Nutrition
4 Act of 1966 (42 U.S.C. 1776(a)(2)(B)(i)) is amend-
5 ed by striking “clause (ii)” and inserting “clause
6 (ii)”.

7 (3) Section 17 of the Child Nutrition Act of
8 1966 (42 U.S.C. 1786) is amended—

9 (A) in subsection (b)(21), in the paragraph
10 heading, by striking “INDIAN OR NATIVE” and
11 inserting “INDIAN OR NATIVE”;

12 (B) in subsection (h)—

13 (i) in paragraph (4)—

14 (I) in subparagraph (A)(vi), by
15 striking “and” at the end; and

16 (II) in subparagraph (C)(iv), by
17 striking “; and” at the end and in-
18 serting a period;

19 (ii) in paragraph (5)(D), in the sub-
20 paragraph heading, by striking “INDIAN
21 OR NATIVE” and inserting “INDIAN OR NA-
22 TIVE”; and

23 (iii) in paragraph (8)(A)(iv)—

1 (I) in the clause heading, by
2 striking “STATE” and inserting
3 “STATE”; and

4 (II) in subclause (III), in the
5 subclause heading, by striking “STATE
6 AGENCIES AND INDIAN STATE AGEN-
7 CIES” and inserting “STATE AGEN-
8 CIES AND INDIAN STATE AGENCIES”;
9 and

10 (C) in paragraph (6)(C)(iv) of subsection
11 (l) (as redesignated by section 204(a)(9)), by
12 striking “(G)(i)” each place it appears and in-
13 serting “(F)(i)”.

Calendar No. 547

114TH CONGRESS
2^D Session

S. 3136

A BILL

To reauthorize child nutrition programs, and for
other purposes.

JULY 6, 2016

Read twice and placed on the calendar