

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5003
OFFERED BY MR. ROKITA OF INDIANA**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Improving Child Nutrition and Education Act of 2016”.

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

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

TITLE I—NATIONAL SCHOOL LUNCH ACT

Sec. 100. State agency.
Sec. 101. Apportionments to States.
Sec. 102. Repeal of nutrition promotion.
Sec. 103. Direct Federal expenditures.
Sec. 104. Nutritional and other program requirements.
Sec. 105. Miscellaneous provisions.
Sec. 106. Summer food service program for children.
Sec. 107. Commodity distribution program.
Sec. 108. Child and adult care food program.
Sec. 109. Demonstration projects.
Sec. 110. Fruit and vegetable program.
Sec. 111. Compliance and accountability.
Sec. 112. Repeal of State childhood hunger challenge grants.
Sec. 113. Duties of the Secretary relating to nonprocurement debarment.
Sec. 114. Improvements to school lunch facilities.
Sec. 115. Prohibitions.

TITLE II—CHILD NUTRITION ACT

Sec. 201. Special milk program authorization.
Sec. 202. School breakfast program.
Sec. 203. State administrative expenses.
Sec. 204. Regulations.
Sec. 205. Definition of State agency.

- Sec. 206. Special supplemental nutrition program for women, infants, and children.
- Sec. 207. Team nutrition network.

TITLE III—MISCELLANEOUS

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

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

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

4 **TITLE I—NATIONAL SCHOOL**
5 **LUNCH ACT**

6 **SEC. 100. STATE AGENCY.**

7 In each of the following Acts, strike “State edu-
8 cational agency” each place such term appears and insert
9 “State agency”:

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

12 (2) The Child Nutrition Act of 1966 (42 U.S.C.
13 1771 et seq.).

14 **SEC. 101. APPORTIONMENTS TO STATES.**

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

17 (1) in paragraph (3)—

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

4 (B) in subparagraph (E), by striking “Be-
5 ginning on” and all that follows through
6 “school food authorities” and inserting “School
7 food authorities”; and

8 (C) in subparagraph (F)—

9 (i) in clause (iii)(I), by inserting “(as
10 in effect on the day before the date of the
11 enactment of the Improving Child Nutri-
12 tion and Education Act of 2016)” after
13 “subparagraph (A)(i)”; and

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

16 “(III) SUNSET.—The Secretary shall
17 return to the general fund of the Treasury
18 any funds that were made available under
19 this subparagraph but not obligated by a
20 State agency as of September 30, 2016.”;
21 and

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

23 “(4) ANNOUNCEMENTS.—With respect to reim-
24 bursement rates described in this subsection, the
25 Secretary shall announce the rates and, to the max-

1 imum extent practicable, any associated guidance by
2 February 15 of the school year prior to the school
3 year for which the rates and guidance will become
4 effective.”.

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

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

8 **SEC. 103. DIRECT FEDERAL EXPENDITURES.**

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

11 (1) in subsection (c)—

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

16 “(c) CALCULATION OF TOTAL ASSISTANCE.—

17 “(1) NATIONAL AVERAGE VALUE.—

18 “(A) IN GENERAL.—Subject to subpara-
19 graphs (B) and (C), the national average value
20 of donated foods, or cash payments in lieu
21 thereof, shall be equal to the quotient obtained
22 by dividing, not later than February 15 of each
23 year for the upcoming school year—

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

4 “(ii) the number of lunches served in
5 the preceding school year in all schools
6 participating in the school lunch program
7 under this Act.

8 “(B) ADJUSTMENT.—

9 “(i) IN GENERAL.—The value deter-
10 mined under subparagraph (A) shall be ad-
11 justed by the annual percentage change in
12 a 3-month average value of the Producer
13 Price Index for Foods Used in Schools and
14 Institutions of the Bureau of Labor Statis-
15 tics (in this subparagraph referred to as
16 the ‘Index’) for the preceding September,
17 October, and November.

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

21 “(iii) INDEX.—

22 “(I) IN GENERAL.—The Index
23 shall be computed using 5 major food
24 components in the Index (cereal and
25 bakery products, meats, poultry and

1 fish, dairy products, processed fruits
2 and vegetables, 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 section 4, this
15 section, and section 11 are insufficient to meet
16 the requirements of such sections 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 such State in the most recent school year
3 for which data are available; 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. NUTRITIONAL AND OTHER PROGRAM REQUIRE-**
16 **MENTS.**

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

19 (1) by striking the section heading and designa-
20 tion and all that follows through the end of para-
21 graph (1) in subsection (a) and inserting the fol-
22 lowing:

23 **“SEC. 9. NUTRITIONAL AND OTHER PROGRAM REQUIRE-**
24 **MENTS.**

25 “(a) REQUIREMENTS.—

1 “(1) TECHNICAL ASSISTANCE AND TRAINING.—

2 The Secretary shall provide—

3 “(A) technical assistance and training to
4 schools participating in the school lunch pro-
5 gram to assist the schools in complying with the
6 nutritional requirements prescribed by the Sec-
7 retary pursuant to subsection (f) and in pro-
8 viding appropriate meals to children with medi-
9 cally certified special dietary needs, including
10 food allergies or other special dietary needs of
11 individual children, including religious dietary
12 restrictions; and

13 “(B) additional technical assistance to
14 schools that are having difficulty maintaining
15 compliance with the requirements.”;

16 (2) in subsection (a)—

17 (A) in paragraph (2), by adding at the end
18 the following:

19 “(D) FLUID MILK CONSIDERATIONS.—In
20 determining varieties of fluid milk that shall be
21 available with school meals programs under this
22 Act and section 4 of the Child Nutrition Act of
23 1966 (42 U.S.C. 1773) and outside of the
24 school meal programs, the Secretary, not later
25 than 90 days after the date of enactment of the

1 Improving Child Nutrition and Education Act
2 of 2016, shall carry out the following:

3 “(i) Consider the critical nutrient
4 needs of children who may be at risk for
5 inadequate intake of the recommended
6 daily servings of milk and dairy products
7 under the most recent Dietary Guidelines
8 described in subparagraph (A)(i) and con-
9 form the applicable regulations to such
10 guidelines.

11 “(ii) Analyze milk consumption data
12 and trends for school-aged children, and to
13 the extent practicable, increase actual milk
14 consumption in schools in a manner con-
15 sistent with the number of servings rec-
16 ommended under such Dietary Guidelines,
17 and ensure that schools may offer any type
18 of milk with fat levels that are in compli-
19 ance with such Dietary Guidelines.

20 “(E) MILK VARIETY CONSIDERATIONS.—In
21 determining milk varieties eligible for schools to
22 offer, the Secretary shall consider the most
23 commonly available types, sizes, containers, and
24 varieties of milk in local, regional, and national

1 markets to promote competition and reduce
2 milk waste.”;

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

8 “(4) PROCUREMENT AND PROCESSING OF FOOD
9 SERVICE PRODUCTS AND COMMODITIES.—The Sec-
10 retary”;

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

12 (i) by redesignating clauses (i)
13 through (iii) as subparagraphs (A) through
14 (C), respectively, and indenting appro-
15 priately; and

16 (ii) by redesignating subclauses (I)
17 and (II) as clauses (i) and (ii), respec-
18 tively, and indenting appropriately; and

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

20 “(6) EMERGENCY ACCESS TO POTABLE
21 WATER.—

22 “(A) IN GENERAL.—To ensure that chil-
23 dren have access to potable water during meal
24 service, the Secretary may award funds to State
25 agencies to assist such agencies in providing

1 bottled water for a period of not more than 90
2 days (except as otherwise provided under sub-
3 paragraph (C)) when—

4 “(i) a major disaster or emergency
5 has been declared by the President under
6 the Robert T. Stafford Disaster Relief and
7 Emergency Assistance Act (42 U.S.C.
8 5121 et seq.); and

9 “(ii) the Secretary determines that
10 there is a significant risk to the health of
11 school children posed by the public water
12 system (as defined under section 1401(4)
13 of the Safe Drinking Water Act (42 U.S.C.
14 300f)).

15 “(B) MATCHING REQUIREMENT.—To re-
16 ceive funds under this paragraph, a State agen-
17 cy shall assure the Secretary that the State will
18 utilize donated water supplies and State fund-
19 ing to supplement the funds that the State re-
20 ceives under this paragraph to provide bottled
21 water as necessary for students.

22 “(C) EXTENSION OF AUTHORITY.—If the
23 risk described in subparagraph (A)(ii) persists
24 in a State after the first 90-day period for
25 which funds under this paragraph are provided

1 to such State, funds may be provided under this
2 paragraph to such State for an additional 90-
3 day period.

4 “(D) FUNDING.—Not more than \$475,000
5 may be provided under this paragraph for a fis-
6 cal year.”;

7 (3) in subsection (b)—

8 (A) in paragraph (2)(B)—

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

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

18 (iii) in clause (iii)(I)—

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

21 (II) in item (bb), by striking the
22 period at the end and inserting “;
23 and”;

24 (III) by adding at the end the
25 following:

1 “(cc) individuals may report
2 alleged fraud to the Office of the
3 Inspector General of the Depart-
4 ment of Agriculture.”; and

5 (iv) by adding at the end the fol-
6 lowing:

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

16 “(v) APPLICATION FORMS.—Not later
17 than 120 days after the date of the enact-
18 ment of the Improving Child Nutrition and
19 Education Act of 2016, the Secretary
20 shall—

21 “(I) review a sample of applica-
22 tion forms, including paper and digital
23 forms, used to apply for participation
24 in the school lunch program author-
25 ized under this Act and the school

1 breakfast program established by sec-
2 tion 4 of the Child Nutrition Act of
3 1966 (42 U.S.C. 1773);

4 “(II) provide to States guidance
5 relating to best practices, including a
6 standard application form local edu-
7 cational agencies or schools may use;

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

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

18 “(aa) require or mandate
19 families apply for either program;

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

1 formation about the program in
2 that school year; or

3 “(cc) in the case of a family
4 that has not informed the school
5 about their choice, request more
6 than twice in that school year
7 that such family apply for the
8 program if such family has not
9 submitted an application, except
10 that providing information about
11 the application (including how
12 and when the application will be
13 sent to parents and how to fill
14 out the application) shall not
15 count as a request to apply.”;

16 (B) in paragraph (3)—

17 (i) by striking subparagraph (D) and
18 inserting the following:

19 “(D) VERIFICATION.—

20 “(i) STANDARD VERIFICATION OF AP-
21 PPLICATIONS.—

22 “(I) IN GENERAL.—Beginning
23 with the second school year that be-
24 gins after the date of the enactment
25 of the Improving Child Nutrition and

1 Education Act of 2016, each school
2 year, each local educational agency
3 shall verify the eligibility of the chil-
4 dren in a portion of the household ap-
5 plications approved for the school year
6 by the local educational agency, as of
7 November 1 of the school year, as de-
8 termined by the Secretary in accord-
9 ance with this subsection.

10 “(II) SAMPLE SIZE.—

11 “(aa) IN GENERAL.—The
12 portion for a local educational
13 agency for a school year shall
14 equal the lesser of—

15 “(AA) 10,000; or

16 “(BB) 10 percent of
17 approved household applica-
18 tions.

19 “(bb) CALCULATION.—Not
20 later than July 1 of each year,
21 the Secretary shall calculate the
22 sample size under this subpara-
23 graph for each local educational
24 agency based on data from the 2

1 most recent school years avail-
2 able.

3 “(III) SAMPLE SELECTION.—Ap-
4 plications shall be selected for
5 verification by the local educational
6 agency based on indications that in-
7 formation relevant to eligibility is in-
8 consistent with the information pro-
9 vided on the application, including at
10 a minimum the following:

11 “(aa) The household has
12 submitted information in writing
13 to the local educational agency
14 that is inconsistent with the in-
15 formation on the application.

16 “(bb) The information pro-
17 vided on the application is con-
18 sistent with a pattern of error or
19 fraud detected by the local edu-
20 cational agency, the State agen-
21 cy, or the Secretary.

22 “(cc) For not more than $\frac{1}{4}$
23 of the sample, students who are
24 directly certified or the applica-
25 tion provides a case number (in

1 lieu of income information) show-
2 ing participation in—
3 “(AA) the supplemental
4 nutrition assistance program
5 established under the Food
6 and Nutrition Act of 2008
7 (7 U.S.C. 2011 et seq.); or
8 “(BB) a State program
9 funded under the program
10 of block grants to States for
11 temporary assistance for
12 needy families established
13 under part A of title IV of
14 the Social Security Act (42
15 U.S.C. 601 et seq.) that the
16 Secretary determines com-
17 plies with standards estab-
18 lished by the Secretary that
19 ensure that the eligibility re-
20 quirements under the State
21 program are comparable to
22 the requirements for partici-
23 pation in accordance with
24 this Act and the Child Nu-

1 trition Act of 1966 (42
2 U.S.C. 1771 et seq.).

3 “(dd) For not more than $\frac{1}{4}$
4 of the sample, the income infor-
5 mation provided on the applica-
6 tion is close to the income limit
7 for free or reduced price meals,
8 as determined by the local edu-
9 cational agency each year.

10 “(ee) Such other criteria as
11 is determined by the State.

12 “(IV) ADDITIONAL VERIFICATION
13 OF APPLICATIONS.—If the number of
14 applications that match the criteria
15 described in subclause (III) is insuffi-
16 cient to meet the number of applica-
17 tions determined under subclause (II),
18 the local educational agency shall se-
19 lect additional applications at random.

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

1 application meets the criteria described in
2 item (aa), (bb), or (cc) of clause (i)(III) or
3 such other criteria as is determined by the
4 Secretary.

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

10 (ii) in subparagraph (F)—

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

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

16 “(iv) DIRECT CERTIFICATION.—If eli-
17 gibility for a household application is con-
18 firmed using direct verification, each child
19 in the household shall be considered di-
20 rectly certified.”;

21 (iii) in subparagraph (G)—

22 (I) in clause (iii), by striking “1
23 attempt” and inserting “2 attempts”;
24 and

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

3 “(v) VALIDITY OF VERIFICATION RE-
4 SULTS.—

5 “(I) DEFINITIONS.—In this
6 clause:

7 “(aa) APPROVED APPLICA-
8 TION.—The term ‘approved ap-
9 plication’ includes each student
10 on a paper or electronic applica-
11 tion approved by the local edu-
12 cational agency for free or re-
13 duced price lunches for the school
14 year.

15 “(bb) RESPONSE RATE.—
16 The term ‘response rate’ means
17 the percentage of the approved
18 household applications of the
19 local educational agency for
20 which verification information
21 was obtained after attempted
22 verification under this section.

23 “(cc) NONRESPONSE
24 RATE.—The term ‘nonresponse
25 rate’ means the percentage of the

1 approved household applications
2 of the local educational agency
3 for which verification information
4 was not obtained after attempted
5 verification under this section.

6 “(dd) CONFIRMATION
7 RATE.— The term ‘confirmation
8 rate’ means the percentage of ap-
9 proved household applications
10 and directly certified students se-
11 lected by the local educational
12 agency for verification under this
13 subparagraph that had the level
14 of benefits confirmed as a result
15 of information obtained during
16 the verification process.

17 “(II) REDUCTIONS.—

18 “(aa) IN GENERAL.—The
19 sample under subparagraph
20 (D)(i)(II) may be reduced by not
21 more than the lesser of 2,500 ap-
22 plications or 2.5 percentage
23 points for each of the criteria de-
24 scribed in subclause (III) that

1 are met by the local educational
2 agency.

3 “(bb) LIMITATION.—Reductions
4 under item (aa) may result
5 in a sample of not less than 2.5
6 percent of approved applications.

7 “(III) CRITERIA.—The criteria
8 referred to in subclause (II)(aa) are
9 as follows:

10 “(aa) RESPONSE RATE.—
11 For the preceding school year the
12 response rate was more than 85
13 percent.

14 “(bb) NONRESPONSE RATE
15 REDUCTION.—The nonresponse
16 rate was at least 15 percent
17 below the nonresponse rate for
18 the second preceding school year.

19 “(cc) CONFIRMATION
20 RATE.—The confirmation rate is
21 100 percent or has increased by
22 at least 5 percent over the two
23 most recent school years for
24 which data is available.

1 “(dd) ADMINISTRATIVE
2 BURDEN REDUCTION.—

3 “(AA) IN GENERAL.—

4 The local educational agency
5 receives a determination
6 from the Secretary that
7 compliance with subpara-
8 graph (D)(i)(II) would
9 render the local educational
10 agency unable to administer
11 the program.

12 “(BB) REQUIRE-
13 MENT.—The Secretary shall
14 develop a system by which
15 to measure cost and admin-
16 istrative burden associated
17 with compliance with sub-
18 paragraph (D)(i)(II) and
19 shall consider requests from
20 local educational agencies
21 based on that system.”;

22 (iv) in subparagraph (H)(i)—

23 (I) in subclause (I), by striking
24 “November” and inserting “Decem-
25 ber”; and

1 (II) in subclause (II), by striking
2 “December” and inserting “January”;
3 (v) in subparagraph (K)(i), in the
4 matter preceding subclause (I), by striking
5 “data mining” and inserting “analyses of
6 data”;

7 (vi) by amending subparagraph (K)(ii)
8 to read as follows:

9 “(ii) REPORT.—Not later than two
10 years after the date of the enactment of
11 the Improving Child Nutrition and Edu-
12 cation Act of 2016, the Secretary shall
13 submit to the Committee on Education and
14 the Workforce of the House of Representa-
15 tives and Committee on Agriculture, Nutri-
16 tion, and Forestry of the Senate a report
17 describing—

18 “(I) the results of the feasibility
19 study conducted under this sub-
20 section;

21 “(II) how a computer system—
22 “(aa) used to reduce
23 verification and certification er-
24 rors can be adapted to further
25 reduce errors; and

1 “(bb) using technology de-
2 scribed in clause (i) could be im-
3 plemented; and

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

6 (vii) by adding at the end the fol-
7 lowing:

8 “(L) ENHANCED VERIFICATION METH-
9 ODS.—

10 “(i) REQUIREMENTS.—

11 “(I) IN GENERAL.—The Sec-
12 retary shall help local educational
13 agencies engage in alternative and en-
14 hanced methods of certification and
15 verification to increase the effective-
16 ness of the process, reduce certifi-
17 cation errors, and produce more
18 meaningful management information
19 to facilitate local educational agency,
20 State, and Federal oversight with re-
21 spect to program integrity in the
22 school meal programs.

23 “(II) BEST PRACTICES.—The
24 Secretary shall encourage local edu-

1 educational agencies to adopt proven best
2 practices with regard to verification.

3 “(III) SELECTION FOR IMPLE-
4 MENTATION.—To the extent necessary
5 to refine alternative verification meth-
6 ods or assess the feasibility, impact,
7 or efficacy of the methods prior to
8 recommending the methods, the Sec-
9 retary shall select States and local
10 educational agencies that have re-
11 quested to participate in the develop-
12 ment of best practices to implement
13 methods subject to clause (iii).

14 “(ii) REQUIREMENTS.—The certifi-
15 cation and verification methods shall—

16 “(I) meet such terms and condi-
17 tions as the Secretary considers ap-
18 propriate; and

19 “(II) except as otherwise pro-
20 vided in this subparagraph, be con-
21 ducted in accordance with this sub-
22 section.

23 “(iii) SELECTION CRITERIA.—In se-
24 lecting methods, including methods for im-

1 plementation under clause (i)(III), the Sec-
2 retary shall—

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

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

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

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

22 “ (V) ensure the methods imple-
23 mented under clause (i)(III) are im-
24 plemented across a range of geo-
25 graphic areas and States, including

1 rural and urban areas, and, when con-
2 sidered as a group, allow for an as-
3 sessment of a range of strategies re-
4 garding verification sample selection,
5 obtaining eligibility documentation,
6 and the entity conducting verification,
7 including strategies that—

8 “(aa) use analyses of data,
9 particularly in large local edu-
10 cational agencies to develop algo-
11 rithms to select error-prone ap-
12 plications for verification;

13 “(bb) use third-party data
14 sources to confirm eligibility
15 prior to conducting household
16 verification under subparagraph
17 (G);

18 “(cc) rely on alternative
19 methods, including message test-
20 ing, of communicating with
21 households to assess which meth-
22 ods most effectively result in
23 household responses;

24 “(dd) rely on agencies or or-
25 ganizations other than the local

1 educational agency to conduct
2 verification, including at a min-
3 imum the State agency; and

4 “(ee) could reduce the ad-
5 ministrative burden of conducting
6 verification for a consortia of
7 local educational agencies, includ-
8 ing shared online applications
9 and shared verification proce-
10 dures.

11 “(iv) REDUCTION.—Notwithstanding
12 the limitation in subparagraph
13 (D)(v)(II)(bb), a local educational agency
14 that uses the strategies described in clause
15 (iii)(V) may qualify for a reduction of ad-
16 ditional 0.25 percentage points under such
17 subparagraph, creating a floor of 2.25 per-
18 cent for the verification sample size.”;

19 (C) in paragraph (4)—

20 (i) in subparagraph (B), by inserting
21 “, including a child enrolled in a nonpublic
22 school,” after “under which a child”;

23 (ii) by striking subparagraph (E);

- 1 (iii) by redesignating subparagraphs
2 (F) and (G) as subparagraphs (E) and
3 (F), respectively; and
4 (iv) in subparagraph (E) (as so reded-
5 igned)—
- 6 (I) in clause (i), by striking
7 “means—” and all that follows
8 through “for each school year there-
9 after” in subclause (III) and inserting
10 “means, for the school year”;
- 11 (II) in clause (ii)—
- 12 (aa) in subclause (II), by
13 striking “and” at the end;
- 14 (bb) in subclause (III), by
15 striking the period at the end
16 and inserting a semicolon; and
- 17 (cc) by adding at the end
18 the following:
- 19 “(IV) include in the report re-
20 quired under section 4301 of the
21 Food, Conservation, and Energy Act
22 of 2008 (42 U.S.C. 1758a), a descrip-
23 tion of technical assistance provided
24 to and progress of States identified
25 under subclause (I) toward imple-

1 menting the measures and meeting
2 the goals established by the State as
3 required under clause (iii)(II); and

4 “(V) provide guidance to schools
5 on providing meals and collecting pay-
6 ment for any student who is no longer
7 able to receive meals because the stu-
8 dent did not provide a response to the
9 verification request for the student’s
10 school meal application.”; and

11 (III) in clause (iii)(II)(bb), by in-
12 serting “within 3 school years” after
13 “those measures”;

14 (D) in paragraph (15)—

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

18 (ii) in subparagraphs (C)(ii) and (D),
19 by striking “paragraph (4)(G)” both places
20 it appears and inserting “paragraph
21 (4)(F)”;

22 (4) in subsection (f)—

23 (A) in paragraph (1)—

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

1 (ii) in subparagraph (B), by striking
2 the period at the end and inserting “;
3 and”; and

4 (iii) by adding at the end the fol-
5 lowing:

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

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

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

22 (B) in paragraph (3)(A)(ii), by striking
23 “paragraph (3)” and inserting “paragraph
24 (2)”;

1 (C) by striking paragraph (4) and insert-
2 ing the following:

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

4 “(A) REVIEW REGULATIONS.—The Sec-
5 retary shall, at least every 3 years—

6 “(i) review the regulations promul-
7 gated in accordance with this Act for the
8 school meal programs described in para-
9 graph (1) (in this paragraph referred to as
10 the ‘school meal programs’);

11 “(ii) with consultation from stake-
12 holders in schools (including school leaders,
13 school boards, local educational agency ad-
14 ministrators, and school food nutrition di-
15 rectors), certify that the regulations are—

16 “(I) appropriate for the age of
17 children participating in the school
18 meal programs, including for the
19 health of children;

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

1 “(III) not increasing the cost to
2 implement the requirements of the
3 school meal programs (which costs
4 shall be considered the total costs to
5 implement the regulations and not
6 limited to the cost of any changes to
7 the regulations); and

8 “(IV) not discouraging students
9 from participating in the school meal
10 programs;

11 “(iii) if necessary to meet the require-
12 ments of clause (ii), revise the regulations
13 to meet such requirements;

14 “(iv) not later than 30 days prior to
15 publication under clause (v)(II) of the re-
16 vised regulations—

17 “(I) submit the revised regula-
18 tions for comment to the Committee
19 on Education and the Workforce of
20 the House of Representatives and the
21 Committee on Agriculture, Nutrition,
22 and Forestry of the Senate;

23 “(II) review any comments pro-
24 vided under subclause (I), and further
25 revise the regulations, if necessary to

1 ensure the revised regulations are in
2 compliance with clause (i); and

3 “(III) provide a public notice and
4 comment period of not less than 60
5 days, review the public comments, and
6 further revise the regulations, if nec-
7 essary to ensure the revised regula-
8 tions are in compliance with clause
9 (i); and

10 “(v) publish in the Federal Register,
11 and submit to the Committee on Education
12 and the Workforce of the House of Rep-
13 resentatives and the Committee on Agri-
14 culture, Nutrition, and Forestry of the
15 Senate—

16 “(I) a notice that no changes to
17 the regulations are required and the
18 certification described in clause (ii); or

19 “(II) the regulations, as revised
20 under clause (iv), and the certification
21 described in clause (ii).

22 “(B) FIRST REVIEW.—The first review re-
23 quired under subparagraph (A) after the date
24 of enactment of the Improving Child Nutrition
25 and Education Act of 2016 shall—

1 “(i) be concluded not later than De-
2 cember 31, 2016;

3 “(ii) include a review of the sodium
4 and whole grain requirements under the
5 regulations for the school meal programs;
6 and

7 “(iii) ensure that such requirements—
8 “(I) allow for cultural foods to be
9 served under the school meal pro-
10 grams;

11 “(II) maintain the sodium target
12 requirements established for the
13 school lunch program and school
14 breakfast program under sections
15 210.10(f) and 220.8(f) of title 7, Code
16 of Federal Regulations, respectively
17 (as such regulations are in effect on
18 the day before the date of the enact-
19 ment of the Improving Child Nutri-
20 tion and Education Act of 2016) until
21 such requirements are revised in ac-
22 cordance with subclause (III); and

23 “(III) in a case in which the so-
24 dium target requirements are revised
25 as a result of the review described in

1 this subparagraph, ensure that such a
2 revision—

3 “(aa) is based on health re-
4 quirements for children;

5 “(bb) is supported by a ma-
6 jority of research focused on
7 school-aged children that directly
8 establishes, through well-con-
9 trolled randomized trials or well-
10 designed, long-term observational
11 studies, that sodium reductions
12 are both safe and produce bene-
13 ficial health outcomes for such
14 children;

15 “(cc) is able to support food
16 safety and be produced in a man-
17 ner that does not significantly in-
18 crease the cost of food; and

19 “(dd) does not take effect
20 until 3 years after the revision
21 has been published in the Federal
22 Register.

23 “(C) SPECIAL RULE FOR REGULATION RE-
24 LIEF FOR FAMILY MEAL DAYS.—

1 “(i) IN GENERAL.—Subject to clause
2 (ii), the Secretary shall issue guidance, or
3 promulgate new rules as necessary, to en-
4 sure each State agency provides guidance
5 to school food authorities with respect to
6 the allowance of up to 4 family meal days,
7 as designated by a school, which shall be
8 exempt from the meal pattern rules speci-
9 fied under the regulations for the school
10 meal programs, during which the school
11 may—

12 “(I) invite parents to participate
13 in special meals, such as a Thanks-
14 giving meal or a parents’ day meal;
15 and

16 “(II) provide additional nutrition
17 education, such as recipe building or
18 healthy cooking classes to parents and
19 families on making healthy meal op-
20 tions at home, which may be provided
21 by an entity or individual other than
22 a school food service director or food
23 service personnel.

24 “(ii) CLARIFICATION.—In issuing
25 guidance or promulgating rules under

1 clause (i), the Secretary shall not establish
2 any requirements or limitations for family
3 meal days, except to ensure that schools
4 have the authority to hold up to 4 family
5 meal days per school year.

6 “(D) REGULATION FLEXIBILITY.—The
7 Secretary shall provide guidance, when there is
8 difficulty in procuring food to comply with the
9 regulations, to allow a school food authority to
10 substitute food items across food groups and
11 subgroups, including in-season, locally-produced
12 fruits and vegetables, notwithstanding the food-
13 based meal patterns and menu planning re-
14 quirements of this subsection, provided that the
15 school food authority continues to meet applica-
16 ble daily and weekly nutrient and dietary re-
17 quirements under this subsection.”; and

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

19 “(5) ACCOMMODATIONS.—The accommodation
20 requirements described in paragraph (1)(C)(i) shall
21 apply to all programs under this Act and all pro-
22 grams under the Child Nutrition Act of 1966 (42
23 U.S.C. 1771 et seq.), except for section 17 of such
24 Act (42 U.S.C. 1786).”.

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

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

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

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

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

13 (1) in clause (ii)(I), in the matter preceding
14 item (aa), by inserting “(including a subset of
15 schools within the local educational agency if the re-
16 sult obtained by dividing the total number of the
17 identified students enrolled in such schools by the
18 total number of all students enrolled in such schools,
19 is above the threshold in clause (viii))” after “on be-
20 half of certain schools”; and

21 (2) by striking clause (viii) and inserting the
22 following:

23 “(viii) THRESHOLD.—

24 “(I) IN GENERAL.—For each school year
25 beginning on or after July 1, 2017, the Sec-

1 retary shall use a threshold that is not less than
2 60 percent.

3 “(II) COMMUNITY ELIGIBILITY SELECTION
4 TRANSITION.—In the case of a school that re-
5 ceived special assistance payments under this
6 subparagraph during the school year imme-
7 diately prior to the school year in which the Im-
8 proving Child Nutrition and Education Act of
9 2016 was enacted, such school shall, not later
10 than June 30, 2018—

11 “(aa) meet the threshold described in
12 subclause (I); or

13 “(bb) transition from receiving pay-
14 ments under this subparagraph in accord-
15 ance with subclause (III).

16 “(III) TECHNICAL ASSISTANCE.—In the
17 case of schools described in subclause (II)(bb),
18 the Secretary shall provide technical assistance
19 to ensure that such schools are able to effec-
20 tively and efficiently transition from receiving
21 payments under this subparagraph to receiving
22 special assistance payments otherwise made
23 available under this paragraph, including com-
24 municating the application process to families

1 in a timely manner to ensure continuity of serv-
2 ices for eligible families.”; and

3 (3) in clause (xi)—

4 (A) in subclause (II), by striking “Not
5 later than December 31, 2013” and inserting
6 “Not later than one year after the date of en-
7 actment of the Improving Child Nutrition and
8 Education Act of 2016”; and

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

20 (b) REIMBURSEMENT RATE.—Section 11(a)(3)(A) of
21 the Richard B. Russell National School Lunch Act (42
22 U.S.C. 17659a(a)(3)(A)) is amended by striking “July 1”
23 and inserting “February 15”.

24 (c) DEFINITION OF STATE AGENCY.—Paragraph (9)
25 of section 12(d) of the Richard B. Russell National School

1 Lunch Act (42 U.S.C. 1760(d)(9)) is amended to read as
2 follows:

3 “(9) STATE AGENCY.—The term ‘State agency’
4 means—

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

8 “(B) a board of education controlling the
9 State department of education;

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

13 “(D) a State official the State legislature
14 designates to administer the programs under
15 this Act.”.

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

20 (e) PRICE FOR A PAID LUNCH.—Section 12 of the
21 Richard B. Russell National School Lunch Act (42 U.S.C.
22 1760) is further amended by striking subsection (p) and
23 redesignating subsections (q) and (r) as subsections (p)
24 and (q), respectively.

1 **SEC. 106. SUMMER FOOD SERVICE PROGRAM FOR CHIL-**
2 **DREN.**

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

5 (1) in subsection (a)—

6 (A) in paragraph (4), by adding at the end
7 the following:

8 “(C) EDUCATIONAL AND ENRICHMENT AC-
9 TIVITIES.—In determining participation under
10 subparagraph (A), the State shall prioritize ap-
11 plications that include an educational or enrich-
12 ment activity, or demonstrate a partnership
13 with an entity providing such activity.”;

14 (B) by amending paragraph (8) to read as
15 follows:

16 “(8) STREAMLINING.—

17 “(A) SEAMLESS SUMMER.—Except as oth-
18 erwise determined by the Secretary, a service
19 institution that is a public or private nonprofit
20 school food authority may provide summer or
21 school vacation food service in accordance with
22 applicable provisions of law governing the
23 school lunch program established under this Act
24 or the school breakfast program established
25 under the Child Nutrition Act of 1966 (42
26 U.S.C. 1771 et seq.).

1 “(B) SUMMER AND CACFP AT-RISK
2 STREAMLINING.—

3 “(i) IN GENERAL.—Notwithstanding
4 subsections (b)(2) and (c)(1), in order for
5 States and service institutions to operate
6 more effectively through the year, a State
7 may elect to streamline and simplify pro-
8 gram operations and requirements by re-
9 ducing paperwork and other administrative
10 burdens, and consolidating training, moni-
11 toring, and other requirements, while re-
12 taining appropriate measures of program
13 integrity. Such State election may include
14 the utilization of technical assistance pro-
15 vided to the State under clause (iv) and
16 shall apply to service institutions that—

17 “(I) are described in paragraphs
18 (6) or (7);

19 “(II) provide care to at-risk
20 school children (as defined in section
21 17(r)(2)), and may be eligible child
22 care centers or homes (as defined
23 under section 17(a)(2)); and

24 “(III) are not public schools.

1 “(ii) STREAMLINED REIMBURSE-
2 MENT.—States that demonstrate stream-
3 lined and simplified program operations
4 under clause (i) for service institutions,
5 and that are selected by the Secretary
6 under clause (v), shall streamline reim-
7 bursements for such service institutions by
8 providing reimbursements for—

9 “(I) lunch and either breakfast
10 or a supplement served to at-risk
11 school children—

12 “(aa) during each day of op-
13 eration during the months of
14 May through September; and

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

24 “(II) up to 1 meal and 1 supple-
25 ment served to at-risk school children

1 during each day of operation outside
2 of school hours during the regular or
3 continuous school calendar, including
4 after school, weekends, and school
5 holidays.

6 “(iii) RATE OF REIMBURSEMENT.—
7 The State shall reimburse service institu-
8 tions seeking reimbursement under this
9 subparagraph at a rate that is consistent
10 with section 17(r)(4)(B).

11 “(iv) TECHNICAL ASSISTANCE.—

12 “(I) IN GENERAL.—Not later
13 than December 31, 2016, the Sec-
14 retary shall develop guidance and pro-
15 vide technical assistance for States
16 and service institutions to assist in
17 the implementation of this subpara-
18 graph, including by identifying areas
19 of programmatic overlap in the pro-
20 gram under this section and the child
21 and adult care food program under
22 section 17 in order for States to sim-
23 plify the administration and oversight
24 of each such program.

1 “(II) GUIDANCE.—Such guidance
2 shall include information on possible
3 ways States may ensure participation
4 under this subparagraph will lead to
5 reduced paperwork and other adminis-
6 trative burdens, including rec-
7 ommendations for streamlined pro-
8 gram applications, reporting require-
9 ments, inspections, and other areas of
10 potential duplication, while retaining
11 appropriate measures of program in-
12 tegrity.

13 “(III) OTHER STATES.—Informa-
14 tion provided under this clause shall
15 be provided in such a manner that
16 any State may identify areas of pro-
17 grammatic overlap, and reduce paper-
18 work and other burdens, even if such
19 State has not yet been selected to pro-
20 vide reimbursements to service institu-
21 tions in accordance with this subpara-
22 graph.

23 “(v) SUCCESSFUL IMPLEMENTA-
24 TION.—

1 “(I) IN GENERAL.—A State seek-
2 ing to provide reimbursements in ac-
3 cordance this subparagraph shall dem-
4 onstrate to the Secretary the ways in
5 which the State has used the election
6 under clause (i) to reduce paperwork
7 and other administrative burdens
8 while retaining appropriate measures
9 of program integrity, which may in-
10 clude the utilization of technical as-
11 sistance provided to the State under
12 clause (iv).

13 “(II) INITIAL SELECTION OF
14 STATES.—

15 “(aa) IN GENERAL.—The
16 Secretary shall select not more
17 than 5 States to provide reim-
18 bursements in accordance with
19 this subparagraph, beginning in
20 May 2017, if such States have
21 the capacity to effectively imple-
22 ment this subparagraph, as dem-
23 onstrated by streamlining and
24 simplifying program operations
25 in accordance with subclause (I).

1 “(bb) UPDATE.—When ap-
2 propriate, but not later than May
3 31, 2018, and consistent with
4 subclause (V)(bb), the Secretary
5 shall update the information
6 under clause (iv).

7 “(III) NEXT SELECTION OF
8 STATES.—

9 “(aa) IN GENERAL.—If the
10 Secretary determines that addi-
11 tional States have the capacity
12 described in subclause (I) and
13 additional best practices could be
14 provided by further implementa-
15 tion of this subparagraph, the
16 Secretary may select not more
17 than 5 such States to provide re-
18 imbursements in accordance with
19 this subparagraph beginning in
20 October 2018.

21 “(bb) UPDATE.—Not later
22 than September 30, 2019, and
23 consistent with subclause
24 (V)(bb), the Secretary shall up-
25 date the information under clause

1 (iv) to reflect the further imple-
2 mentation of this subparagraph.

3 “(IV) ADDITIONAL SELECTION
4 OF STATES.—The Secretary may se-
5 lect additional States to provide reim-
6 bursements in accordance with this
7 subparagraph beginning in May 2020,
8 and each year thereafter, if such
9 States have the capacity described in
10 subclause (I).

11 “(V) BEST PRACTICES.—

12 “(aa) IN GENERAL.—As a
13 condition of being selected under
14 this clause, a State shall provide,
15 in such time and in such manner
16 as the Secretary may reasonably
17 require, information to the Sec-
18 retary regarding best practices of
19 successful implementation of this
20 subparagraph.

21 “(bb) UPDATE.—The Sec-
22 retary shall continue to periodi-
23 cally update the information
24 under clause (iv) to include the
25 best practices provided under

1 item (aa) for continued success-
2 ful implementation of this sub-
3 paragraph.”;

4 (C) by striking paragraphs (9), (10), and
5 (12); and

6 (D) by redesignating paragraph (11) as
7 paragraph (9); and

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

9 “(10) TEMPORARY ALLOWANCE FOR OFF-SITE
10 CONSUMPTION.—

11 “(A) IN GENERAL.—Beginning in May
12 2017, the Secretary shall grant requests made
13 by a State to allow children who are partici-
14 pating in the program but for whom an oper-
15 ation under paragraph (12) is not available, to
16 consume meals away from a congregate feeding
17 site when the program is available to such chil-
18 dren at the site, but—

19 “(i) the site is closed due to extreme
20 weather conditions;

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

24 or

1 “(iii) other emergency circumstances,
2 as defined by the State, prevent access to
3 the site.

4 “(B) LIMITATIONS.—In granting a request
5 under subparagraph (A), the Secretary shall en-
6 sure that—

7 “(i) allowances are issued by a State
8 only between the months of May through
9 September;

10 “(ii) allowances are granted in the
11 most efficient and effective manner to en-
12 sure programs and States can quickly re-
13 spond and adapt to the circumstances de-
14 scribed in clauses (i) through (iii) of sub-
15 paragraph (A); and

16 “(iii) once an allowance is issued, any
17 meal in which a component is offered but
18 not served is not reimbursed under sub-
19 section (b).

20 “(C) STATE PLAN.—As part of the man-
21 agement and administration plan described in
22 subsection (n), a State shall describe—

23 “(i) the approval process, including
24 the timeline, the State would undertake to
25 issue an allowance;

1 “(ii) standards for what circumstances
2 merit an allowance, how long an allowance
3 will last, and when an allowance may be
4 extended; and

5 “(iii) how the program would operate
6 once an allowance is issued.

7 “(11) OFF-SITE CONSUMPTION.—

8 “(A) IN GENERAL.—Beginning in May
9 2017, a State may elect for service institutions
10 to carry out an off-site consumption operation
11 in the State to provide summer food service
12 program meals to children eligible to participate
13 in the program that such children may consume
14 away from a congregate feeding site.

15 “(B) AVAILABILITY.—The operation de-
16 scribed in subparagraph (A) shall be available
17 to a child described in subparagraph (A) only if
18 the child lives in an area that is eligible to par-
19 ticipate in the summer food service program,
20 but that is not currently being served, and such
21 area—

22 “(i) is rural, as defined by the State;

23 or

24 “(ii) is not rural, and is an area in
25 which more than 80 percent of students

1 are certified as eligible for free or reduced
2 price meals.

3 “(C) ADMINISTRATION.—

4 “(i) IN GENERAL.—The following
5 shall apply to an operation described in
6 subparagraph (A):

7 “(I) The number of meals served
8 to each child in a single meal service
9 is limited to 2 meals, and the number
10 of meals in a seven-day period shall be
11 limited to 10 meals.

12 “(II) Any meal served shall meet
13 the same standards for nutrition,
14 safety, and quality as a meal served at
15 a congregate feeding site.

16 “(III) Any meal in which a com-
17 ponent is offered but not served shall
18 not be reimbursed under subsection
19 (b).

20 “(IV) Each State shall give pri-
21 ority to children who are living where
22 congregate feeding sites are not acces-
23 sible.

24 “(V) Nothing in this section shall
25 be construed to allow congregate feed-

1 ing sites to cease from operating in
2 order to be replaced by off-site con-
3 sumption operations under this para-
4 graph.

5 “(VI) A State shall not—

6 “(aa) operate an off-site
7 consumption operation simulta-
8 neously in the same service area
9 with a congregate feeding site;

10 “(bb) use more than 10 per-
11 cent of funds received for admin-
12 istrative expenses to carry out
13 this paragraph; or

14 “(cc) implement an off-site
15 consumption operation in all
16 service areas in the State.

17 “(ii) STATE PLAN.—Each State
18 choosing to provide summer food service
19 program meals through an off-site con-
20 sumption operation under this paragraph
21 shall describe how the State plans to im-
22 plement the operation in the management
23 and administration plan in subsection (n),
24 which shall include information on how the
25 State will—

1 “(I) document operation, includ-
2 ing implementation;

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

9 “(III) design mechanisms by
10 which households with children eligible
11 to participate in the program could in-
12 dicate a need for meal service through
13 such an operation;

14 “(IV) develop an appropriate
15 maintenance of effort requirement for
16 service institutions currently operating
17 congregate feeding sites;

18 “(V) develop requirements for
19 implementing safety and security
20 measures to ensure that safety and
21 security through such an operation is
22 equivalent to such measures at a con-
23 gregate feeding site; and

1 “(VI) periodically reevaluate the
2 potential for children to be served at
3 a congregate feeding site.”;

4 (2) in subsection (k)(3)—

5 (A) by striking “(3) To provide” and in-
6 serting the following:

7 “(3) NUTRITIONAL AND FOOD QUALITY MONI-
8 TORING.—

9 “(A) IN GENERAL.—To provide”; and

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

11 “(B) INSUFFICIENT FUNDS.—

12 “(i) IN GENERAL.—If funds provided
13 under subparagraph (A) are insufficient to
14 pay for State or local health department
15 inspections, and to reinspect facilities and
16 deliveries to test meal quality, as required
17 under this Act or the Child Nutrition Act
18 of 1966 (42 U.S.C. 1771 et seq.), State
19 agencies may elect to use funds described
20 in paragraph (1) for those activities.

21 “(ii) LIMITATION.—Funds described
22 in clause (i) shall not exceed the lesser
23 of—

24 “(I) actual costs; or

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

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

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

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

13 “(2) the State’s plans for—

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

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

22 “(C) administrative and fiscal plans for
23 using the allowance described in subsection
24 (a)(10) and, if applicable, the option described
25 in subsection (a)(11) to assist service institu-

1 tions in reaching children with the greatest
2 need;

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

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

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

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

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

18 **SEC. 107. COMMODITY DISTRIBUTION PROGRAM.**

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

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

22 (A) by striking “section 9(a) of this Act”
23 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. 108. 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 initial application or reapplication”;

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)) that is not concur-

1 rently receiving reimbursement under the school
2 lunch program under this Act or the school
3 breakfast program under the Child Nutrition
4 Act of 1966 (42 U.S.C. 1771 et seq.); and

5 “(H) any boarding school funded by the
6 Bureau of Indian Education that is not concur-
7 rently receiving reimbursements under such
8 school lunch program or school breakfast pro-
9 gram.”; and

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

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

14 “(7) DURATION OF DETERMINATION.—With re-
15 spect to an institution described in paragraph
16 (2)(B), an eligibility determination under this sub-
17 section shall remain in effect for a period of 4
18 months after the date such institution is approved
19 by the State under subsection (d).”;

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

23 (3) in subsection (d)—

24 (A) in paragraph (4)—

1 (i) by striking “In consultation” and
2 inserting the following:

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

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

6 “(B) REPORTS.—Each sponsoring organi-
7 zation shall, on an annual basis, submit to the
8 applicable State agency a report that describes,
9 with respect to the preceding fiscal year—

10 “(i) the expenditures of program
11 funds by the sponsoring organization; and

12 “(ii) the amount of meal reimburse-
13 ments retained by the sponsoring organiza-
14 tion for administrative costs, if applica-
15 ble.”; and

16 (B) in paragraph (5), by adding at the end
17 the following:

18 “(F) SERIOUS DEFICIENCY PROCESS.—

19 “(i) IN GENERAL.—Not later than 1
20 year after the date of the enactment of the
21 Improving Child Nutrition and Education
22 Act of 2016, the Secretary shall review the
23 serious deficiency process for the program
24 under this section.

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

4 “(I) a finding of serious defi-
5 ciency, including—

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

9 “(bb) how differentiation is
10 being made between—

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

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

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

22 “(III) determining the cir-
23 cumstances under which a corrective
24 action plan is acceptable;

1 “(IV) information sharing be-
2 tween Departments of Agriculture and
3 Health and Human Services; and

4 “(V) termination and disquali-
5 fication, including maintenance of the
6 list under subparagraph (E).

7 “(iii) GUIDANCE AND REGULA-
8 TIONS.—

9 “(I) IN GENERAL.—After con-
10 ducting the review under this sub-
11 paragraph, the Secretary shall use
12 findings from such review to assist
13 sponsoring organizations, State agen-
14 cies, and the Food and Nutrition
15 Service in ensuring a fair, uniform,
16 and effective administration of the se-
17 rious deficiency process, while retain-
18 ing program integrity, by issuing
19 guidance, and, as appropriate, regula-
20 tions, on the following:

21 “(aa) Clarity on the dif-
22 ferent measures for noncompli-
23 ance.

24 “(bb) Parameters for an ap-
25 peals process to review a finding

1 of serious deficiency or a deter-
2 mination that a corrective action
3 plan is inadequate.

4 “(cc) Adequate timeframes
5 under a corrective action plan for
6 compliance that are consistent
7 for all types of institutions par-
8 ticipating in the program, includ-
9 ing family or group day care
10 homes.

11 “(II) INFORMATION SHARING.—
12 Within such guidance or regulation,
13 and as soon as practicable, the Sec-
14 retary shall ensure information about
15 findings are shared with the Secretary
16 of Health and Human Services as to
17 allow for maximum health, safety,
18 oversight, and monitoring of partici-
19 pating child care and Head Start fa-
20 cilities.”;

21 (4) in subsection (f)—

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

24 “(iii) CARRYOVER FUNDS.—Not more
25 than 10 percent of the amount reserved by

1 sponsoring organizations under clause (i)
2 for administrative expenses for a fiscal
3 year may remain available for obligation or
4 expenditure in the succeeding fiscal year
5 for administrative purposes.”; and

6 (B) in paragraph (3)—

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

8 (ii) by redesignating subparagraphs

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

10 (D), respectively;

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

12 and inserting the following:

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

17 (6) in subsection (h)(1), by adding at the end

18 the following:

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

21 “(i) IN GENERAL.—Subject to clause

22 (ii), institutions participating in the pro-

23 gram under this section may engage with

24 State agencies and local educational agen-

25 cies to use existing infrastructure to en-

1 hance the use of, and increase access to,
2 donated commodities.

3 “(ii) EFFECT OF SUBPARAGRAPH.—
4 Nothing in this subparagraph shall compel
5 a local educational agency unwillingly to
6 serve any institution participating in the
7 program under this section.”;

8 (7) in subsection (i)(2)(B)(i), by striking “if the
9 State agency demonstrates” and all that follows
10 through the period at the end and inserting “if the
11 State agency demonstrates that the State agency
12 can use funds to improve program management,
13 oversight, and integrity, including by working with
14 other State agencies involved with the monitoring of
15 institutions under this section in order to streamline
16 and coordinate the efforts of such State agencies.”;

17 (8) in subsection (r), by striking paragraphs (5)
18 and (6);

19 (9) in subsection (s)(2)(C), by striking “parents
20 of enrolled children at enrollment” and inserting
21 “parents or legal guardians of enrolled children in
22 an easily accessible manner”;

23 (10) in subsection (u)(3)—

1 (A) in subparagraph (C)(i), by inserting
2 “for distribution to participants and families of
3 participants” after “nutrition education”; and

4 (B) in subparagraph (H), by adding at the
5 end the following:

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

9 “(I) made available under this
10 subparagraph; and

11 “(II) not obligated as of the date
12 of the enactment of the Improving
13 Child Nutrition and Education Act of
14 2016.”; and

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

16 “(v) PARTICIPATION BY RESIDENTIAL CHILD CARE
17 INSTITUTIONS.—

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

23 “(A) operates principally for the care of
24 children; and

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

4 “(2) ADMINISTRATION.—Except as otherwise
5 provided in this subsection, a residential child care
6 institution shall be considered eligible for reimburse-
7 ment for meals and supplements served to eligible
8 children residing at the residential child care institu-
9 tion, so long as the institution does not simulta-
10 neously participate in the school lunch program
11 under this Act or the school breakfast program
12 under the Child Nutrition Act of 1966 (42 U.S.C.
13 1771 et seq.).

14 “(3) MEAL OR SUPPLEMENT REIMBURSE-
15 MENT.—

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

19 “(i) only for a meal or supplement
20 served to children residing at the residen-
21 tial child care institution, who are—

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

24 “(II) children with disabilities;

25 and

1 “(ii) for not more than—

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

4 “(II) 1 breakfast, 1 supper, and
5 1 supplement per child per day.

6 “(B) RATE.—A meal or supplement eligi-
7 ble for reimbursement under this subsection
8 shall be reimbursed at the rate at which free,
9 reduced price, and paid meals and supplements,
10 respectively, are reimbursed under subsection
11 (c).”.

12 (b) ADVISORY COMMITTEE.—

13 (1) IN GENERAL.—Not later than 180 days
14 after the date of the enactment of this Act, the Sec-
15 retary shall establish and convene an advisory com-
16 mittee—

17 (A) to examine the feasibility of reducing
18 unnecessary or duplicative paperwork resulting
19 from regulations and recordkeeping require-
20 ments, including paperwork resulting from ad-
21 ditional State requirements, for individuals and
22 entities participating or seeking to participate
23 in the child and adult care food program under
24 section 17 of the Richard B. Russell National
25 School Lunch Act (42 U.S.C. 1766) (as amend-

1 ed by subsection (a)), including (within the
2 meaning of that Act (42 U.S.C. 1751 et
3 seq.))—

- 4 (i) State agencies;
- 5 (ii) family child care homes;
- 6 (iii) child care centers;
- 7 (iv) sponsoring organizations; and
- 8 (v) families.

9 (B) to provide recommendations to reduce
10 unnecessary or duplicative paperwork for those
11 program participants while ensuring that prop-
12 er accountability and program integrity are
13 maintained.

14 (2) REPRESENTATION.—The advisory com-
15 mittee under this subsection shall include represen-
16 tation from each of the following (within the mean-
17 ing of the Richard B. Russell National School Lunch
18 Act (42 U.S.C. 1751 et seq.), as applicable):

- 19 (A) Public and private nonprofit organiza-
20 tions.
- 21 (B) Home-based day care providers.
- 22 (C) Head Start centers.
- 23 (D) For-profit proprietary organizations.
- 24 (E) Shelters for homeless families.
- 25 (F) Adult day care centers.

1 (G) State agencies.

2 (H) Sponsor organizations that provide ad-
3 ministrative support to multiple providers.

4 (3) CONSIDERATIONS.—In developing the rec-
5 ommendations under this subsection, the advisory
6 committee shall take into consideration, as appro-
7 priate—

8 (A) any existing information, recommenda-
9 tions, and reports from the paperwork reduction
10 work group convened by the Food and Nutri-
11 tion Service in response to section 119(i) of the
12 Child Nutrition and WIC Reauthorization Act
13 of 2004 (42 U.S.C. 1766 note; 118 Stat. 755);

14 (B) the use of technology for electronic
15 recordkeeping to reduce paperwork burdens on
16 program participants and providers; and

17 (C) input from additional advocates and
18 stakeholders for a broader knowledge base, if
19 the advisory committee determines necessary.

20 (4) SECRETARIAL ACTION.—

21 (A) GUIDANCE OR REGULATIONS.—

22 (i) ISSUANCE.—Not later than 1 year
23 after the date of the enactment of this Act,
24 the Secretary shall issue guidance or regu-
25 lations, as appropriate, based on the rec-

1 ommendations of the advisory committee
2 under paragraph (1) regarding streamlined
3 and consolidated paperwork and record-
4 keeping requirements, including applica-
5 tions, monitoring and auditing require-
6 ments, and any other areas recommended
7 by the advisory committee intended to re-
8 duce administrative burden.

9 (ii) IMPLEMENTATION.—Not later
10 than 18 months after the date of the en-
11 actment of this Act, the Secretary shall im-
12 plement any changes resulting from the
13 guidance or regulations described in clause
14 (i).

15 (B) REPORT.—After issuing any guidance
16 or regulations under subparagraph (A), the
17 Secretary shall submit to the Committee on Ag-
18 riculture, Nutrition, and Forestry of the Senate
19 and the Committee on Education and the
20 Workforce of the House of Representatives a
21 report describing any recommendations for leg-
22 islative changes to further strengthen and
23 streamline the application and monitoring proc-
24 ess and reduce administrative burden on grant-

1 ees, participants, local and State governments,
2 and the Federal Government.

3 **SEC. 109. DEMONSTRATION PROJECTS.**

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

6 (1) by striking subsections (d) through (h), (j),
7 and (k);

8 (2) by redesignating subsection (i) as subsection
9 (g);

10 (3) in subsection (g)(5), as so redesignated, by
11 striking “2011through 2015” and inserting “2017
12 through 2021”;

13 (4) by inserting after subsection (c) the fol-
14 lowing:

15 “(d) ACCESS TO LOCAL FOODS: FARM TO SCHOOL
16 PROGRAM.—

17 “(1) PROGRAM.—The Secretary shall carry out
18 a program to assist eligible schools, State and local
19 agencies, Indian tribal organizations, agricultural
20 producers or groups of agricultural producers, and
21 nonprofit entities through grants, technical assist-
22 ance, and research to implement farm to school pro-
23 grams that improve access to local foods and im-
24 prove nutrition education in eligible schools.

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

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

5 “(B) ELIGIBLE SCHOOL.—The term ‘eligi-
6 ble school’ means a school or institution that
7 participates in—

8 “(i) a program under this Act, includ-
9 ing the summer food service program for
10 children under section 13 and the early
11 care and afterschool portions of the child
12 and adult care food program under section
13 17; or

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

17 “(3) GRANTS.—

18 “(A) IN GENERAL.—The Secretary shall
19 award competitive grants under this subsection
20 to be used for implementing farm to school pro-
21 grams for the purposes of improving access to
22 local foods and improving nutrition education,
23 through—

24 “(i) research, training, and technical
25 assistance;

- 1 “(ii) supporting operations;
2 “(iii) planning;
3 “(iv) purchasing equipment;
4 “(v) developing school gardens; and
5 “(vi) developing partnerships to facili-
6 tate nutrition education and healthy eat-
7 ing.

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

- 12 “(i) geographical diversity; and
13 “(ii) equitable treatment of urban,
14 rural, and tribal communities.

15 “(C) IMPROVED PROCUREMENT AND DIS-
16 TRIBUTION.—Funds provided under this sub-
17 section may be used to improve local food pro-
18 curement and distribution options between agri-
19 cultural producers and eligible schools, includ-
20 ing innovative approaches to aggregation, proc-
21 essing, transportation, and distribution.

22 “(D) AWARDS.—

- 23 “(i) MAXIMUM AMOUNT.—The total
24 amount provided to a grant recipient under
25 this subsection shall not exceed \$150,000.

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

3 “(iii) LIMITATION.—The Secretary
4 shall not award any entity more than 1
5 grant at any given time.

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

12 “(E) LIMITATION.—The Secretary shall
13 not award a grant under this subsection if the
14 majority of grant funds would be used solely for
15 the purpose of carrying out a conference.

16 “(4) FEDERAL SHARE.—

17 “(A) IN GENERAL.—The Federal share of
18 costs for a project funded through a grant
19 awarded under this subsection shall not exceed
20 75 percent of the total cost of the project.

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

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

3 “(5) CRITERIA FOR SELECTION.—

4 “(A) IN GENERAL.—To the maximum ex-
5 tent practicable, in providing assistance under
6 this subsection, the Secretary shall give priority
7 to proposals to—

8 “(i) serve a high proportion of chil-
9 dren who are eligible for free or reduced
10 price meals;

11 “(ii) incorporate nutrition education
12 activities that encourage the participation
13 of school children in farm and garden-
14 based agricultural education activities;

15 “(iii) provide families the opportunity
16 to participate in educational programming,
17 including through materials and engage-
18 ment activities, to improve nutrition out-
19 side the school environment;

20 “(iv) demonstrate collaboration be-
21 tween eligible schools, nongovernmental
22 and community-based organizations, agri-
23 cultural producer groups, and other com-
24 munity partners;

1 “(v) make local food products avail-
2 able on the menu of reimbursable meals
3 under this Act at the eligible school;

4 “(vi) demonstrate the potential for
5 long-term program sustainability with non-
6 Federal funds; and

7 “(vii) expand the selection of local
8 commodities available for eligible schools.

9 “(B) TRIBAL COMMUNITY PROJECTS.—In
10 the case of projects serving tribal communities,
11 the Secretary shall, to the maximum extent
12 practicable, give highest priority to projects
13 that propose to use products from tribal agri-
14 cultural producers, in addition to the priorities
15 under subparagraph (A).

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

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

22 “(A) IN GENERAL.—The Secretary shall
23 provide technical assistance, research, and in-
24 formation through amounts reserved under this
25 subsection for such purposes, to assist schools,

1 State and local agencies, Indian tribal organiza-
2 tions, agricultural producers, and nonprofit en-
3 tities—

4 “(i) to facilitate the coordination and
5 sharing of information and resources that
6 may be applicable to the farm to school
7 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 to begin in
13 underserved areas; and

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

20 “(B) REVIEW.—Not later than 1 year
21 after the date of the enactment of the Improv-
22 ing Child Nutrition and Education Act of 2016
23 and every 3 years thereafter, the Secretary shall
24 review and submit to the Committee on Agri-
25 culture and the Committee on Education and

1 the Workforce of the House of Representatives
2 and the Committee on Agriculture, Nutrition,
3 and Forestry of the Senate a report that de-
4 scribes the regulatory and other barriers related
5 to including locally or regionally produced food
6 products in school food programs, including any
7 progress that has been made in identifying and
8 eliminating such barriers through examining—

9 “(i) barriers to the development and
10 implementation of successful farm to
11 school programs;

12 “(ii) the direct and indirect costs af-
13 fecting the production and marketing of lo-
14 cally or regionally produced agricultural
15 food products for school food programs;

16 “(iii) the costs local school food pro-
17 grams incur by acquiring such local foods
18 for school meal programs in comparison to
19 the costs for other foods in such school
20 meal programs; and

21 “(iv) local and regional market access
22 for such food products, partnerships,
23 small-scale production, and any barriers to
24 and long-term feasibility of such access.

25 “(8) FUNDING.—

1 “(A) IN GENERAL.—On October 1, 2016,
2 and each October 1 thereafter, out of any funds
3 in the Treasury not otherwise appropriated, the
4 Secretary of the Treasury shall transfer to the
5 Secretary to carry out this subsection
6 \$10,000,000, to remain available until ex-
7 pended.

8 “(B) RECEIPT AND ACCEPTANCE.—The
9 Secretary shall be entitled to receive, shall ac-
10 cept, and shall use to carry out this subsection
11 the funds transferred under subparagraph (A),
12 without further appropriation.

13 “(C) ADMINISTRATION.—Of the funds
14 made available to the Secretary under subpara-
15 graph (A), not more than 5 percent may be
16 used to pay administrative costs incurred by the
17 Secretary in carrying out this subsection and
18 evaluating the program in accordance with
19 paragraph (6).

20 “(e) SUMMER MEAL SERVICE THROUGH BUSINESS
21 PARTNERSHIP.—

22 “(1) IN GENERAL.—From the funds made
23 available under the summer food service program
24 under section 13, the Secretary shall award grants
25 on a competitive basis to not more than 4 State

1 agencies to improve delivery of such summer food
2 service program for low-income children in under-
3 served areas during the summer through sustain-
4 able, scalable, business-driven solutions.

5 “(A) DURATION.—A grant awarded under
6 this subsection shall be for a period of not more
7 than 3 years.

8 “(B) PRIORITY.—In awarding grants
9 under this subsection, the Secretary shall give
10 priority to State agencies that have met the ap-
11 plication requirements under this subsection
12 and which demonstrate a severe unmet need for
13 serving children in additional eligible areas in
14 the State through the summer food service pro-
15 gram under section 13.

16 “(C) LIMITATION.—Funds under this sub-
17 section will—

18 “(i) be awarded for the purpose of re-
19 ducing childhood hunger and allowing par-
20 ents to better participate in the labor force
21 or an education or workforce development
22 program; and

23 “(ii) not preempt or prevent operation
24 of the summer food service program under
25 section 13.

1 “(2) STATE APPLICATION.—A State seeking to
2 improve delivery of the summer food service program
3 in such State in accordance with this subsection
4 shall submit an application at such time and in such
5 manner as the Secretary may reasonably require.
6 The application shall contain—

7 “(A) State plans to implement and manage
8 the program in accordance with other applicable
9 Federal requirements under this Act;

10 “(B) a determination of the eligible areas
11 in the State in which poor economic conditions
12 exist in accordance with the program, but where
13 an eligible service institution is not currently in
14 operation, where the State may reimburse a
15 vendor;

16 “(C) identified eligible vendors which the
17 State has determined to be qualified to provide
18 meals in accordance with this subsection;

19 “(D) a proposed timeline for entering into
20 contracts with eligible vendors and strategies
21 for effective communication; and

22 “(E) an assurance that funds will be used
23 to provide meals to the most vulnerable, under-
24 served, and rural populations, as determined by
25 the State.

1 “(3) ELIGIBLE VENDOR.—For purposes of this
2 subsection, an eligible vendor is a food vendor which
3 the State determines has the administrative capacity
4 and proven operating performance to provide eligible
5 meals to children in underserved areas in accordance
6 with this subsection and the summer food service
7 program requirements on management responsibil-
8 ities of sponsors and self-preparation sites, including
9 requirements that the vendor—

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

15 “(B) has not been determined ineligible to
16 participate in any other program under this Act
17 or the Child Nutrition Act of 1966 by reason of
18 violation of the requirements of that program;

19 “(C) will provide adequate supervisory and
20 operational personnel for monitoring and man-
21 agement of a self-preparation site;

22 “(D) contracts directly with the State as a
23 sponsor;

1 “(E) ensures that meals are inspected peri-
2 odically as required under existing program reg-
3 ulations;

4 “(F) participates in applicable State and
5 Federal reporting and auditing requirements
6 under this Act as appropriate, including to pro-
7 vide other information determined relevant by
8 the Secretary in accordance with paragraph (5);

9 “(G) has State or local health certification
10 for the facilities in which meals will be prepared
11 and distributed for use in the program, and en-
12 sures that State and local health and sanitation
13 requirements are met at all times; and

14 “(H) has the organizational capacity to
15 offer meals in underserved communities, includ-
16 ing preparation and delivery logistics.

17 “(4) STATE DISBURSEMENT.—A State shall use
18 the grant awarded to the State under this subsection
19 to reimburse an eligible vendor for meals served to
20 eligible children in accordance with the summer food
21 service program under section 13 and with this sub-
22 section, as follows:

23 “(A) Reimbursements shall be available for
24 an eligible vendor operating in an eligible area
25 in which poor economic conditions exist where

1 no sponsor is currently operating the program
2 under section 13.

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

5 “(i) demonstrate partnerships with
6 entities providing summer enrichment ac-
7 tivities such as schools, local government
8 agencies, and nonprofit agencies; and

9 “(ii) provide meals at a congregate
10 site.

11 “(C) A State shall follow established proce-
12 dures in entering into contracts with a vendor,
13 such as through a Request for Proposal, Invita-
14 tion for Sealed Bid, Small Purchase Procedure,
15 or other common method.

16 “(5) AUDITING.—

17 “(A) STATE REPORTING.—Not later than
18 1 year after the end of the grant period for a
19 grant awarded to a State under this subsection,
20 the State shall submit to the Secretary a report
21 on—

22 “(i) the activities carried out with
23 such grant; and

1 “(ii) the impacts of such activities on
2 children, families, and eligible service insti-
3 tutions during the summer.

4 “(B) REPORT FROM SECRETARY.—No
5 later than 4 years after the first grant is
6 awarded under this subsection, the Secretary
7 shall provide to the Committee on Education
8 and the Workforce of the House of Representa-
9 tives and the Committee on Agriculture, Nutri-
10 tion, and Forestry of the Senate a report on the
11 grant program under this subsection, which
12 shall include—

13 “(i) a review of information submitted
14 by States under subparagraph (A); and

15 “(ii) best practices on reducing child-
16 hood hunger in the summer months.

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

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

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

23 “(C) Meals shall be provided to children el-
24 igible for the summer food service program
25 under section 13.

1 “(D) A vendor receiving reimbursements
2 shall not profit directly from such reimburse-
3 ments under this subsection.

4 “(E) The Secretary shall include payments
5 to States under this subsection in its calcula-
6 tions for administrative costs incurred by States
7 under subsection (k)(1) of section 13.

8 “(f) SUMMER ELECTRONIC BENEFIT TRANSFER FOR
9 CHILDREN.—

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

16 “(A) increase summer food service pro-
17 gram effectiveness and efficiency;

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

20 “(C) improve the nutritional status of chil-
21 dren.

22 “(2) DEMONSTRATION.—

23 “(A) ELECTION.—A State that, as of the
24 date of enactment of the Improving Child Nu-
25 trition and Education Act of 2016, is operating,

1 or has operated, a summer electronic benefit
2 transfer for children demonstration may elect to
3 continue operating such demonstration in ac-
4 cordance with the requirements of this sub-
5 section as an alternative to other delivery mod-
6 els of providing meals to children during the
7 summer months when school is not in regular
8 session.

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

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

17 “(ii) comply with the requirements
18 under this subsection; and

19 “(iii) agree to provide such informa-
20 tion the Secretary may require for the
21 evaluation of the demonstration as re-
22 quired under this subsection.

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

24 “(A) ELIGIBLE HOUSEHOLD.—The term
25 ‘eligible household’ means a household that in-

1 cludes 1 or more school-aged child determined
2 as eligible to receive free or reduced price school
3 meals during the prior school year, but such
4 child is not participating in a program that pro-
5 vides food during the summer through the sum-
6 mer food service program under section 13.

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

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

21 “(4) BENEFIT LEVELS.—

22 “(A) IN GENERAL.—The Secretary shall
23 approve States seeking to make an election
24 under paragraph (2)(A) that will evaluate the
25 impact of providing a variety of differentiated

1 benefit levels to eligible children as a way to
2 reach such children to the greatest extent prac-
3 ticable. The values of such benefits shall be de-
4 termined by the State, but shall be between \$15
5 and \$30 per month for each school-aged child
6 in an eligible household.

7 “(B) RATE DETERMINATION.—In deter-
8 mining the values under subparagraph (A), a
9 State may consider differentiating rates based
10 on the need for such benefits, which may be de-
11 termined through factors such as—

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

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

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

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

20 “(v) impact of such values at improv-
21 ing food security in children;

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

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

3 “(vii) any other information a State
4 determines is useful for determining such
5 rates.

6 “(C) LIMITATIONS.—

7 “(i) TIME.—No child may receive
8 more than 3 months of benefits under this
9 paragraph in any 12-month period.

10 “(ii) AMOUNT.—No child may receive
11 more than \$30 of benefits under this para-
12 graph per month.

13 “(D) COST SHARING.—Nothing in this
14 paragraph shall be construed to prohibit States
15 or local entities from providing additional non-
16 Federal resources for the purposes of this sub-
17 section.

18 “(5) EFFECTIVE IMPLEMENTATION.—

19 “(A) IN GENERAL.—In administering this
20 subsection and providing benefits to children in
21 accordance with this subsection, a State shall
22 consider previous State experiences and best
23 practices in implementing the summer elec-
24 tronic benefit transfer for children demonstra-
25 tion carried out before the date of enactment of

1 the Improving Child Nutrition and Education
2 Act of 2016, including information evaluating
3 findings of the demonstration (including the
4 2013 final report published by the Department
5 of Agriculture).

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

10 “(6) USE OF BENEFITS.—

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

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

20 “(7) ADMINISTRATION.—In administering this
21 subsection, the State shall—

22 “(A) ensure that benefits are issued only
23 to eligible households that live—

24 “(i) in areas with high rates of pov-
25 erty or long-term poverty that are rural

1 and have no congregate feeding sites or ac-
2 cess to meals otherwise provided through
3 the summer food service program author-
4 ized under section 13; or

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

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

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

19 “(D) ensure full compliance with section
20 17(h)(12) of the Child Nutrition Act of 1966
21 (42 U.S.C.1786(h)(12)).

22 “(8) EVALUATION.—The Secretary shall pro-
23 vide for an ongoing, independent evaluation of the
24 demonstration carried out under this subsection, in-
25 cluding quasi-experimental or other methods that

1 are capable of producing scientifically valid informa-
2 tion to determine effectiveness in achieving the pur-
3 poses described in paragraph (1), including exam-
4 ining or assessing—

5 “(A) feasibility of, or barriers to, success-
6 ful implementation of this subsection;

7 “(B) varied approaches in State implemen-
8 tation of this subsection, including different ap-
9 proaches, challenges, and lessons learned;

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

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

17 “(E) total cost (including administrative
18 cost) of implementing and operating this sub-
19 section, including in comparison to other meth-
20 ods of providing summer meal service to school-
21 aged children;

22 “(F) impacts and results of such evalua-
23 tion in comparison to evaluations of the sum-
24 mer electronic benefits transfer for children

1 demonstration published by the Secretary of
2 Agriculture; and

3 “(G) the potential for benefits provided
4 under this subsection to improve effectiveness
5 and efficiency of the summer food service pro-
6 gram in comparison to other methods of pro-
7 viding summer meal service to school-aged chil-
8 dren.

9 “(9) REPORT.—Not later than one year after
10 amounts are first appropriated under paragraph
11 (10), and each year thereafter, the Secretary shall
12 submit to Congress a report that—

13 “(A) includes the information resulting
14 from the most recent evaluation under para-
15 graph (8); and

16 “(B) takes into consideration evaluations
17 of the summer electronic benefits transfer for
18 children demonstration published by the Sec-
19 retary of Agriculture.

20 “(10) AUTHORIZATION OF APPROPRIATIONS.—

21 “(A) IN GENERAL.—There is authorized to
22 be appropriated to carry out this subsection not
23 more than \$10,000,000 for each of fiscal years
24 2018 through 2020, to remain available until
25 expended.

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

3 “(i) each State shall utilize a portion
4 for administrative funds that shall be equal
5 to the levels necessary to effectively and ef-
6 ficiently administer the State’s demonstra-
7 tion under this subsection, as determined
8 by the State;

9 “(ii) not more than 1 percent may be
10 spent on administrative funds by the Sec-
11 retary; and

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

15 “(11) GUIDANCE.—Not later than December
16 31, 2016, the Secretary shall provide guidance to
17 States to implement this subsection, including rec-
18 ommendations for States to successfully continue to
19 implement the summer electronic benefit transfer for
20 children demonstration while complying with the new
21 or additional requirements of this subsection.”; and

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

23 “(h) STATE ADMINISTRATION OF CHILD NUTRITION
24 PROGRAMS.—

1 “(1) PURPOSES.—The purposes of this sub-
2 section are to provide States flexibility to develop
3 programs and policies to best meet the nutritional
4 needs of school-aged children in the State by pro-
5 viding flexibility over school meal programs under
6 this Act and section 4 of the Child Nutrition Act of
7 1966 (42 U.S.C. 1773) and other programs to ad-
8 dress such needs more effectively and efficiently with
9 less Federal involvement, including by—

10 “(A) removing duplication, redundancies,
11 regulatory burden, and unnecessary require-
12 ments resulting from the Federal administra-
13 tion of the school meal programs;

14 “(B) more efficiently using Federal, State,
15 local, and nongovernmental resources to
16 strengthen delivery of the school meal programs
17 and other programs; and

18 “(C) supporting healthy meals through in-
19 volvement by parents, family members, and the
20 community, including nonprofit organizations,
21 health organizations, and school officials from
22 large and small urban, suburban, and rural
23 areas in the State.

24 “(2) GRANTS AUTHORIZED.—

1 “(A) IN GENERAL.—The Secretary shall
2 award grants, on a competitive basis, to up to
3 3 States to enable the States to carry out the
4 activities described in this subsection.

5 “(B) CONSIDERATIONS.—In awarding
6 grants under this subsection, the Secretary
7 shall—

8 “(i) in a case in which more than 3
9 States apply for a grant under this sub-
10 section, give priority to States by taking
11 into consideration regional diversity; and

12 “(ii) ensure each State awarded a
13 grant under this subsection meets the re-
14 quired assurances under paragraph (3)(D),
15 except that the Secretary shall not approve
16 or disapprove an application on the basis
17 of a State’s plan or proposed program.

18 “(C) DURATION OF GRANTS.—A grant to
19 a State under this subsection—

20 “(i) shall be awarded to the State for
21 a 3-year period; and

22 “(ii) may be renewed by the Secretary
23 for an additional 3-year period if the State
24 can demonstrate success in meeting the

1 nutritional needs of the school-aged chil-
2 dren in the State.

3 “(D) AMOUNT OF GRANTS.—The amount
4 of a grant awarded to a State under this sub-
5 section for each year of the grant period shall
6 be equal to the amount described in paragraph
7 (3)(C).

8 “(E) MATCHING REQUIREMENT.—Each
9 State that receives a grant under this sub-
10 section shall provide funds from non-Federal
11 sources (which may be provided in cash, com-
12 modities, or in kind) to support the activities
13 under this subsection.

14 “(F) LIMITATIONS.—A State that receives
15 a grant under this subsection may not, during
16 any period during which the State receives such
17 grant, receive funds under any of the following:

18 “(i) The school lunch program under
19 this Act.

20 “(ii) The school breakfast program
21 under section 4 of the Child Nutrition Act
22 of 1966 (42 U.S.C. 1773).

23 “(iii) The special milk program under
24 section 3 of the Child Nutrition Act of
25 1966 (42 U.S.C. 1772).

1 “(iv) The State administrative ex-
2 penses funding under section 7 of the
3 Child Nutrition Act of 1966 (42 U.S.C.
4 1776).

5 “(v) The team nutrition network
6 under section 19 of the Child Nutrition
7 Act of 1966 (42 U.S.C. 1788).

8 “(3) APPLICATION.—To receive a grant under
9 this subsection, a State shall submit an application
10 at such time and in such manner as the Secretary
11 may reasonably require. The application shall con-
12 tain—

13 “(A) an assurance that each school-aged
14 child in the State will have access to at least
15 one affordable meal service option during the
16 school day at the school in which the child is
17 enrolled, and a plan for how the State will carry
18 out such assurance, including—

19 “(i) the income thresholds or other
20 needs-based determinations to be used for
21 determining—

22 “(I) which students are eligible
23 for free meals;

24 “(II) which students are eligible
25 for reduced price meals; and

1 “(III) which students are re-
2 quired to pay the full price for meals;

3 “(ii) the estimated number of stu-
4 dents in the State eligible for the thresh-
5 olds for each meal category described in
6 clause (i);

7 “(iii) the price to be charged to stu-
8 dents eligible for reduced price meals and
9 the price to be charged to students re-
10 quired to pay the full price for meals;

11 “(iv) how the State will identify and
12 verify eligibility of such students, such as
13 through census data, application processes,
14 or any other State-determined method;

15 “(v) an identification of any non-Fed-
16 eral sources, including State funds, the
17 State will utilize to meet the needs of
18 school-aged children in the State if the
19 grant received under this subsection is not
20 sufficient to cover the cost of the meals to
21 be served during the period in which the
22 State receives such grant;

23 “(vi) any other factors the State will
24 use to determine distribution of funds re-
25 ceived under the grant to each elementary

1 school and secondary school in the State to
2 reimburse the schools for the cost of the
3 meals served, including how the State will
4 ensure a fair distribution of such funds to
5 address the need for such meals at each
6 such school; and

7 “(vii) the monitoring plan the State
8 will use to ensure the funding described in
9 clause (v) will be used in accordance with
10 this subsection;

11 “(B) a description of the requirements for
12 meals provided under this subsection that the
13 State will require, including requirements for
14 meal standards and pricing;

15 “(C) a request for an amount of grant
16 funds for each year that the State will receive
17 a grant under this subsection, which may not,
18 for each such year exceed the amount the State
19 received for fiscal year 2016—

20 “(i) for free and reduced price meal
21 reimbursements under the programs de-
22 scribed in clauses (i) and (ii) of paragraph
23 (2)(F), excluding any additional reimburse-
24 ments received under section 4(b)(3) of
25 this Act; and

1 “(ii) under the programs described in
2 paragraphs (iii) through (v) of paragraph
3 (2)(F); and

4 “(D) assurances that the State will—

5 “(i) provide healthy meals to school-
6 aged children in the State to ensure max-
7 imum participation of students in the
8 State;

9 “(ii) provide technical assistance to
10 local educational agencies and schools to
11 ensure maximum participation of students
12 in the State;

13 “(iii) provide an annual report to the
14 Secretary that outlines the activities and
15 progress made in providing healthy meals
16 to students in a more cost efficient manner
17 than such meals were provided prior to the
18 State receiving such grant; and

19 “(iv) work with school leaders, school
20 nutrition providers, and health profes-
21 sionals to develop and implement the plan
22 under subparagraph (A) and to ensure
23 that meals provided in schools in the State
24 using the grant will be healthy and pro-

1 vided in an efficient and cost effective
2 manner.

3 “(4) USE OF FUNDS.—

4 “(A) IN GENERAL.—A State that receives
5 a grant under this subsection shall use the
6 grant funds to—

7 “(i) provide meals to school-aged chil-
8 dren in accordance with paragraph (3);

9 “(ii) carry out the activities described
10 in subparagraph (B) of this paragraph;
11 and

12 “(iii) carry out any other activities the
13 State determines will support the goals of
14 this subsection.

15 “(B) ADDITIONAL STATE ACTIVITIES.—
16 Each State that receives a grant under this
17 subsection shall, in addition to the activities de-
18 scribed in clauses (i) and (ii) of subparagraph
19 (A), provide nutritional assistance to low-in-
20 come and vulnerable children, as determined by
21 the State, by—

22 “(i) addressing specific State and
23 community nutritional needs;

24 “(ii) engaging partners to deliver the
25 meal programs to spur innovation in such

1 delivery, including local governments and
2 school officials, businesses, non-profit and
3 faith-based organizations, and other com-
4 munity partners;

5 “(iii) developing or strengthening pri-
6 vate sector partnerships to support the
7 community and nutritional needs of school-
8 aged children; and

9 “(iv) achieving administrative and
10 other programmatic cost savings.

11 “(C) LIMITATION.—A State may use not
12 more than 10 percent of the grant received
13 under this subsection for administrative and
14 outreach expenses.

15 “(5) STATE REPORTING.—Not later than 2
16 years after receiving a grant under this subsection,
17 a State shall submit to the Secretary a report on
18 how the State was better able to operate school
19 meals and other programs to address needs more ef-
20 fectively compared to how the State addressed such
21 needs before the grant was awarded to the State.

22 The report shall include—

23 “(A) a description of how the State used
24 the grant funds, the State costs of carrying out
25 the activities under this subsection (including

1 food, administrative, labor, oversight, and any
2 other costs), and any revenue the State received
3 by carrying out such activities (including Fed-
4 eral, non-Federal, and family contributions);

5 “(B) the strategies and activities under-
6 taken at the State and, if applicable, local level
7 to meet the goals of this subsection;

8 “(C) financial efficiencies the State has
9 identified through the grant, including the ex-
10 tent to which activities under the grant have led
11 to the addition, blending, or braiding of other
12 Federal or private funding, and the specific or
13 estimated amount of cost-savings, reduced bur-
14 dens, and other efficiencies;

15 “(D) the impacts the State has made in
16 meeting the goals of this subsection;

17 “(E) any barriers the State has identified
18 in providing school meals, and ways in which to
19 overcome such barriers; and

20 “(F) other State-determined and volun-
21 tarily provided information intended to share
22 best practices for future implementation of this
23 subsection.

24 “(6) LIMITATIONS ON FEDERAL INTER-
25 FERENCE.—Nothing in this subsection shall be con-

1 strued to authorize the Secretary to establish, as a
2 condition to receive a grant under this subsection or
3 as requirement to operate such a grant, any cri-
4 terion that specifies, defines, or prescribes—

5 “(A) nutritional guidelines, standards, or
6 meal requirements, including the methods that
7 a State uses to develop, implement, or improve
8 such nutritional guidelines, standards, or meal
9 requirements;

10 “(B) specific aspects, parameters, or meas-
11 ures of programmatic quality, including meas-
12 ures of compliance or evaluation;

13 “(C) nutritional curriculum, programs of
14 instruction, or instructional content;

15 “(D) any aspect of meal provision criteria,
16 including nutritional requirements, timing, du-
17 ration, type, price, amount, or any other aspect
18 of meals or meal program operation;

19 “(E) any term under this subsection as
20 such term applies to activities carried out by a
21 State, including the terms healthy, affordable
22 meal, school day, and nutritional needs;

23 “(F) the ways in which a State identifies
24 and verifies eligibility for benefits, including
25 child, family, and provider eligibility;

1 “(G) differentiated payment rates a State
2 may use;

3 “(H) the amount or sources of non-Federal
4 funds that a State must provide;

5 “(I) the percentages or amounts of grant
6 funds to be used for specific activities within or
7 among programs;

8 “(J) the scope or structure of programs,
9 including number of meals served, timing within
10 the day, and length or time of year a program
11 operates; and

12 “(K) any aspect or parameter of pro-
13 grammatic evaluation.

14 “(7) FEDERAL REPORTING.—Not later than 4
15 years after the first grant is awarded under this sub-
16 section, the Secretary shall provide to the Committee
17 on Education and the Workforce of the House of
18 Representatives and the Committee on Agriculture,
19 Nutrition, and Forestry of the Senate, and to
20 States, a report on the feasibility of scaling the im-
21 plementation of this subsection, including the effi-
22 ciencies, cost savings, and other benefits identified
23 by State implementation of the programs described
24 in paragraph (2)(F) under this subsection. Such de-

1 termination of feasibility shall be based on informa-
2 tion including—

3 “(A) State reports submitted under para-
4 graph (5);

5 “(B) a determination of the level of Fed-
6 eral cost-savings achieved and the amount of
7 future cost-saving implications;

8 “(C) programmatic simplifications the
9 Federal Government could pursue; and

10 “(D) other information provided by States
11 or private entities that would be useful in rec-
12 ommendations to the public, States, and to
13 Congress.”.

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

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

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

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

20 (3) in subsection (i)—

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

22 (B) by redesignating paragraph (6) as
23 paragraph (5); and

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

25 “(6) CLARIFICATION.—

1 “(A) GUIDANCE.—The Secretary shall
2 issue guidance with respect to how funds under
3 the program may be used, which—

4 “(i) clarifies to States that such funds
5 may be used on all forms of fruits and
6 vegetables, provided the fruit or vegetable
7 product meets the requirements of section
8 210.11 of title 7, Code of Federal Regula-
9 tions (as in effect on the date of enactment
10 of the Improving Child Nutrition and Edu-
11 cation Act of 2016);

12 “(ii) provides the appropriate exemp-
13 tions described in such section 210.11 of
14 the Code of Federal Regulations; and

15 “(iii) encourages schools to introduce
16 fruits and vegetables to children in new
17 contexts, including by allowing schools to
18 offer combinations of fruits and vegetables
19 with tree nuts, which provide a good
20 source of protein per serving and meet the
21 nutrition standards of such section 210.11
22 of the Code of Federal Regulations, except
23 that the Secretary shall provide exemptions
24 from the total fat requirements under such
25 section 210.11 for tree nut products.

1 “(B) LOCAL DECISION.—Nothing in this
2 section shall be construed to require a school
3 participating in the program to select forms of
4 fruit or vegetables other than fresh.”.

5 **SEC. 111. COMPLIANCE AND ACCOUNTABILITY.**

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

8 (1) in subsection (a)—

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

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

14 (2) in subsection (b)—

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

17 (B) by redesignating paragraphs (4)
18 through (6) as paragraphs (5) through (7), re-
19 spectively;

20 (C) by striking paragraph (3) and insert-
21 ing the following:

22 “(3) ERROR REDUCTION PLANS.—

23 “(A) IN GENERAL.—Each State agency
24 shall work with the local educational agencies
25 that have the highest rates of certification er-

1 rors according to the verification process under
2 section 9(a)(D) to develop an error reduction
3 plan and monitor implementation of the plan
4 over the remainder of the review cycle.

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

7 “(i) specific measures that the local
8 educational agency shall take to reduce
9 certification errors, including at a min-
10 imum—

11 “(I) increasing the standard
12 verification sample size, except such
13 increase shall not result in a
14 verification sample size of more than
15 15 percent;

16 “(II) improvements in the appli-
17 cation;

18 “(III) the use of technology to
19 minimize opportunities for error; and

20 “(IV) enhanced training and
21 oversight of staff involved in the cer-
22 tification and verification process;

23 “(ii) a timeline for the local edu-
24 cational agency to implement those meas-
25 ures within the review cycle;

1 “(iii) annual goals for reductions in
2 certification errors;

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

5 “(v) working with an educational serv-
6 ice agency to help conduct the verification
7 process and other aspects of the program
8 as necessary to help reduce errors in the
9 administration of the program.

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) report annually to the Secretary
24 on the progress of the State in reducing
25 errors.

1 “(D) SELECTION OF LOCAL EDUCATIONAL
2 AGENCIES.—

3 “(i) IN GENERAL.—Each State agency
4 shall select up to 10 percent of the local
5 educational agencies in the State to de-
6 velop an error reduction plan.

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

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

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

20 “(II) the percentage of household
21 applications verified under section
22 9(b)(3)(D)(i) that had the level of
23 benefits changed as a result of infor-
24 mation obtained during the
25 verification process, excluding benefit

1 terminations resulting from not ob-
2 taining information during household
3 verification conducted under section
4 9(b)(3)(G).

5 “(4) HIGH PERFORMANCE.—

6 “(A) IN GENERAL.—If a local educational
7 agency is determined to be in the top 20 per-
8 cent of local educational agencies in the State,
9 as determined by the State under subparagraph
10 (B), the sample size under section
11 9(b)(3)(D)(i)(II) shall be a verification sample
12 size of 2.5 percent.

13 “(B) CONSIDERATIONS.—The State shall
14 determine whether a local educational agency is
15 in the top 20 percent of local educational agen-
16 cies in the State by considering error rates,
17 confirmation rates, non-response rates, response
18 rates, and other factors as necessary to make
19 such determination.”; and

20 (D) in paragraph (6) (as redesignated by
21 subparagraph (B)), in subparagraph (A), by
22 striking “paragraph (4)” each place it appears
23 and inserting “paragraph (5)”; and

24 (3) in subsection (d), by striking “2011 through
25 2015” and inserting “2017 through 2021”.

1 **SEC. 112. REPEAL OF STATE CHILDHOOD HUNGER CHAL-**
2 **LENGE GRANTS.**

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

5 **SEC. 113. DUTIES OF THE SECRETARY RELATING TO NON-**
6 **PROCUREMENT DEBARMENT.**

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

9 (1) by redesignating subsection (g) as sub-
10 section (h); and

11 (2) by inserting after subsection (f) the fol-
12 lowing:

13 “(g) FINES.—

14 “(1) IN GENERAL.—In a situation in which a
15 contractor is found guilty in any criminal proceeding
16 or found liable in any civil or administrative pro-
17 ceeding, of the activities listed in paragraph (2), in
18 connection with the supplying, providing, or selling
19 of goods or services to any local agency in connec-
20 tion with a child nutrition program, the Secretary
21 shall impose a civil penalty of not more than
22 \$100,000,000, as determined by the Secretary, to
23 provide restitution to the program for harm done to
24 the program.

25 “(2) INCLUDED ACTIVITIES.—Activities include,
26 at a minimum—

1 “(A) an anticompetitive activity, including
2 bid-rigging, price-fixing, the allocation of cus-
3 tomers between competitors, or other violation
4 of Federal or State antitrust laws;

5 “(B) fraud, bribery, theft, forgery, or em-
6 bezzlement;

7 “(C) knowingly receiving stolen property;

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

9 “(E) any other obstruction of justice.

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

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

14 The Richard B. Russell National School Lunch Act
15 is amended by inserting after section 26 (42 U.S.C.
16 1769g) the following:

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

18 “(a) DEFINITIONS.—In this section:

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

23 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
24 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 8101 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 2017 and each fis-
23 cal year thereafter.

24 “(c) GRANTS.—

1 “(1) AUTHORITY.—Beginning in fiscal year
2 2017 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 \$25,000,000 to carry out this
19 subsection for fiscal year 2017 through fiscal
20 year 2019.

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.

1 “(d) SALAD BARS.—Not later than 180 days after
2 the date of the enactment of the Improving Child Nutri-
3 tion and Education Act of 2016, the Secretary shall review
4 or revise any guidance in existence on that date of enact-
5 ment so as to ensure that school food authorities have
6 flexibility in the establishment and implementation of
7 salad bars.”.

8 **SEC. 115. PROHIBITIONS.**

9 The Richard B. Russell National School Lunch Act
10 (42 U.S.C. 1751 et seq.) is further amended by adding
11 at the end the following:

12 **“SEC. 30. PROHIBITIONS.**

13 “Nothing in this Act, the Child Nutrition Act of 1966
14 (42 U.S.C. 1771 et seq.), the Healthy, Hunger-Free Kids
15 Act of 2010, or the Improving Child Nutrition and Edu-
16 cation Act of 2016 shall—

17 “(1) authorize the Secretary to issue or estab-
18 lish any regulations or requirements not explicitly
19 authorized under any such Act; or

20 “(2) authorize the Secretary to require, as a
21 condition of participation in any program under any
22 such Act—

23 “(A) any curriculum or education require-
24 ments for participating schools or child care
25 providers; or

1 “(B) the adoption of any specific education
2 standards for nutrition education.”.

3 **TITLE II—CHILD NUTRITION ACT**

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

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

9 **SEC. 202. SCHOOL BREAKFAST PROGRAM.**

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

12 (1) in subsection (b)(1), by adding at the end
13 the following:

14 “(F) **INCREASED REIMBURSEMENT.**—(i)
15 For school year 2018–2019, the Secretary shall
16 increase by 2 cents the annually adjusted pay-
17 ment for each breakfast (free, reduced price,
18 and paid) described in subparagraph (B).

19 “(ii) For school year 2019–2020, the na-
20 tional average payment for each breakfast re-
21 ferred to in clause (i) of this subparagraph shall
22 equal the result obtained under such clause (i)
23 applicable to such breakfast, as annually ad-
24 justed for the school year in accordance with
25 subparagraph (B).

1 “(iii) For school year 2020–2021, the na-
2 tional average payment for each breakfast re-
3 ferred to in clause (i) of this subparagraph shall
4 equal the annually adjusted payment for such
5 breakfast, as determined under clause (ii) of
6 this subparagraph, plus 1 cent.

7 “(iv) For school year 2021–2022, and each
8 succeeding school year, the national average
9 payment for each breakfast referred to in clause
10 (i) of this subparagraph shall equal the result
11 obtained under clause (iii) of this subparagraph
12 applicable to such breakfast, as annually ad-
13 justed for the school year in accordance with
14 subparagraph (B).”.

15 (2) in subsection (e)(1)(B), by striking “, in-
16 cluding technical” and all that follows through “es-
17 tablished 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”; and

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 (g)(2)(B), by amending clause
17 (iii) to read as follows:

18 “(iii) MINIMIZING DISRUPTIONS.—The
19 Secretary shall encourage school food au-
20 thorities to consider—

21 “(I) providing the training re-
22 quired under this subparagraph to
23 local food service personnel during
24 paid, regular hours; and

1 “(II) that to the extent that
2 training must occur during nonwork
3 hours, it is minimally disruptive to
4 employees’ other work obligations if
5 employees are provided with sufficient
6 notice of training.”;

7 (4) in subsection (i)—

8 (A) in paragraph (3)—

9 (i) in subparagraph (A), by inserting
10 before the period at the end the following:
11 “and for the purposes described in section
12 749(h) of the Agriculture, Rural Develop-
13 ment, Food and Drug Administration, and
14 Related Agencies Appropriations Act, 2010
15 (Public Law 111–80; 123 Stat. 2133)”;
16 and

17 (ii) by adding at the end the fol-
18 lowing:

19 “(C) PRIORITY.—In awarding funds to
20 States under this paragraph, the Secretary
21 shall give priority to States in which local edu-
22 cational agencies, school food authorities, or
23 schools submit a plan under subparagraph (B)
24 that includes the use of technology or informa-
25 tion management systems to provide assistance

1 to tribal organizations administering the food
2 distribution program on Indian reservations es-
3 tablished under section 4(b) of the Food and
4 Nutrition Act of 2008 (7 U.S.C. 2013(b)) for
5 purposes of improving the rate of direct certifi-
6 cation of children in households participating in
7 that program.”; and

8 (B) in paragraph (4), by striking “2015”
9 and inserting “2021”;

10 (5) in subsection (j), by striking “2015” and
11 inserting “2021”;

12 (6) by redesignating subsection (j) as sub-
13 section (k); and

14 (7) by inserting after subsection (i) the fol-
15 lowing:

16 “(j) CENTRALIZED EXCHANGE NETWORK.—

17 “(1) ESTABLISHMENT.—The Secretary shall es-
18 tablish a centralized exchange network to facilitate
19 State exchange of information and best practices, for
20 programs authorized under this Act or the Richard
21 B. Russell National School Lunch Act (42 U.S.C.
22 1751 et seq.).

23 “(2) NETWORK TOPICS.—State exchanges of in-
24 formation and best practices described in paragraph

1 (1) may include, at a minimum, research methods
2 and data related to—

3 “(A) improved efficiency in the delivery of
4 benefits;

5 “(B) improved compliance in the pro-
6 grams; and

7 “(C) reduction of fraud, waste, and abuse
8 in the programs.

9 “(3) ADMINISTRATIVE FUNDS.—The Secretary
10 shall not use more than \$450,000 for such net-
11 work.”.

12 **SEC. 204. REGULATIONS.**

13 Section 10(b)(1)(C) of the Child Nutrition Act of
14 1966 (42 U.S.C. 1779(b)(1)(C)) is amended—

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

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

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

19 “(iii) ensure that the nutrition stand-
20 ards under this paragraph do not apply to
21 fundraisers held by student groups or or-
22 ganizations, and that the school and appli-
23 cable State agency are not prohibited from
24 determining which such fundraisers may be
25 held; and

1 “(iv) ensure that the nutrition stand-
2 ards under this paragraph allow any foods
3 that may be served as part of a reimburs-
4 able meal served under the school meal
5 programs to be sold in schools as described
6 in subparagraph (B).”.

7 **SEC. 205. DEFINITION OF STATE AGENCY.**

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

11 “(2) STATE AGENCY.—The term ‘State agency’
12 means—

13 “(A) the chief State school officer (such as
14 the State superintendent of public instruction,
15 commissioner of education, or similar officer);

16 “(B) a board of education controlling the
17 State department of education;

18 “(C) the State Commissioner or individual
19 who administers agricultural programs in the
20 State; or

21 “(D) a State official the State legislature
22 designates to administer the programs under
23 this Act.”.

1 **SEC. 206. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM**
2 **FOR WOMEN, INFANTS, AND CHILDREN.**

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

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

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

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

12 (3) in subsection (d)—

13 (A) in paragraph (2)—

14 (i) in subparagraph (B)—

15 (I) in the matter preceding clause
16 (i), by striking “may choose to” and
17 inserting “shall”;

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

20 (III) in clause (ii), by striking
21 the period at the end and inserting “;
22 and”;

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

25 “(iii) any basic allowance for subsist-
26 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.”; and

11 (B) in paragraph (3), by adding at the end
12 the following:

13 “(G) DATA EXCHANGE STANDARDS FOR
14 IMPROVED INTEROPERABILITY.—

15 “(i) DESIGNATION.—The Secretary,
16 in consultation with an interagency work
17 group established by the Office of Manage-
18 ment and Budget, and taking into consid-
19 eration State government perspectives,
20 shall designate data exchange standards to
21 govern, under this section—

22 “(I) necessary categories of infor-
23 mation that State agencies operating
24 related programs are required under
25 applicable law to electronically ex-

1 change with another State agency;
2 and

3 “(II) Federal reporting and data
4 exchange required under applicable
5 law.

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

9 “(I) incorporate a widely accept-
10 ed, nonproprietary, searchable, com-
11 puter-readable format;

12 “(II) contain interoperable stand-
13 ards developed and maintained by
14 intergovernmental partnerships, such
15 as the National Information Exchange
16 Model;

17 “(III) incorporate interoperable
18 standards developed and maintained
19 by Federal entities with authority re-
20 garding contracting and financial as-
21 sistance;

22 “(IV) be consistent with, and im-
23 plement, applicable accounting prin-
24 ciples;

1 “(V) be implemented in a man-
2 ner that—

3 “(aa) is cost effective; and

4 “(bb) improves program effi-
5 ciency and effectiveness;

6 “(VI) be capable of being up-
7 graded as necessary; and

8 “(VII) protects the privacy of
9 any personally identifiable information
10 from being accessed by individuals
11 who do not need access to such infor-
12 mation.

13 “(iii) EFFECT OF SUBPARAGRAPH.—
14 Nothing in this subparagraph requires any
15 change to an existing data exchange stand-
16 ard for Federal reporting that is deter-
17 mined to be effective and efficient.

18 “(iv) IMPLEMENTATION.—

19 “(I) IN GENERAL.—Not later
20 than 2 years after the date of the en-
21 actment of the Improving Child Nutri-
22 tion and Education Act of 2016, the
23 Secretary shall issue a proposed rule
24 to implement this subparagraph.

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

3 “(aa) identify all federally
4 required data exchanges;

5 “(bb) include specification
6 and timing for the exchanges to
7 be standardized;

8 “(cc) address the factors
9 used in determining whether and
10 when to standardize data ex-
11 changes;

12 “(dd) specify State imple-
13 mentation options; and

14 “(ee) describe future mile-
15 stones.”;

16 (4) in subsection (e)—

17 (A) by striking the subsection designation
18 and all that follows through “The State agency
19 shall” in the first sentence of paragraph (1)
20 and inserting the following:

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

22 “(1) EDUCATION.—

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

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

4 “(B) DISPOSAL OF CERTAIN INFANT FOR-
5 MULA.—

6 “(i) IN GENERAL.—The State agency
7 shall ensure that all pregnant, postpartum,
8 and breastfeeding participants in the pro-
9 gram, and parents or caretakers of infant
10 and child participants in the program, are
11 provided education regarding proper dis-
12 posal of unused or excess infant formula
13 obtained with food instruments issued
14 under the program under this section.

15 “(ii) INCLUSIONS.—The education
16 under this subparagraph shall include in-
17 formation regarding—

18 “(I) the safety hazards of pur-
19 chasing infant formula from an unau-
20 thorized vendor; and

21 “(II) the penalties associated
22 with the gifting, trading, sale, or re-
23 sale of infant formula or other supple-
24 mental foods obtained with food in-
25 struments issued under the program

1 under this section, in accordance with
2 subsection (o).”; and

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

5 “(3) NUTRITION EDUCATION MATERIALS.—

6 “(A) IN GENERAL.—The Secretary, after
7 submitting proposed nutrition education mate-
8 rials to the Secretary of Health and Human
9 Services for comment, shall issue the materials
10 for use in the program under this section.

11 “(B) SHARING OF MATERIALS WITH CHILD
12 AND ADULT CARE FOOD PROGRAM.—A State
13 agency may allow the local agencies or clinics
14 operating under the State agency to share nu-
15 trition educational materials with institutions
16 participating in the Child and Adult Care Food
17 Program established under section 17 of the
18 Richard B. Russell National School Lunch Act
19 (42 U.S.C. 1766) at no cost to that program,
20 if a written materials-sharing agreement exists
21 between the relevant agencies.”;

22 (5) in subsection (f)—

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

1 “(f) PLAN OF OPERATION AND ADMINISTRATION BY
2 STATE AGENCY.—

3 “(1) REQUIREMENTS.—

4 “(A) SUBMISSION.—

5 “(i) IN GENERAL.—Each State agency
6 shall submit to the Secretary a plan of op-
7 eration and administration of the program
8 authorized under this section.

9 “(ii) DEADLINES.—Each State agency
10 shall submit—

11 “(I) an initial plan not later than
12 such date as is specified by the Sec-
13 retary; and

14 “(II) an update to the plan every
15 3 years thereafter or, if the require-
16 ments of this section continue to be
17 met by current plan, an assurance
18 that the current plan continues to
19 meet such requirements.”;

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

22 (C) in paragraph (1)(C)—

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

1 (ii) by redesignating clause (xi) as
2 clause (xiii); and

3 (iii) by inserting after clause (x) the
4 following:

5 “(xi) a plan to allow, during an emer-
6 gency or disaster period, for different foods
7 to be obtained with program benefits in
8 lieu of, or in addition to, the supplemental
9 foods available to be obtained with such
10 benefits;

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

14 (D) in paragraph (5)—

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

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

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

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

21 “(B) REVIEW.—The Secretary shall peri-
22 odically review State and local agency compli-
23 ance with the approved plan of operation and
24 administration of the applicable State.”;

25 (E) in paragraph (10)—

1 (i) by striking “(10) The Secretary”
2 and inserting the following:

3 “(10) STANDARDS FOR ADMINISTRATION.—

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

5 (ii) by adding at the end the fol-
6 lowing:

7 “(B) NOTIFICATION TO STATE AUTHOR-
8 ITY.—If, on reviewing the administration by a
9 State of the program, the Secretary determines
10 there is a need to temporarily halt the State
11 from approving new vendors to address defi-
12 ciencies in proper administration, the Secretary
13 may issue a moratorium on the authority of the
14 State to approve new vendors, subject to the
15 condition that the Secretary shall provide the
16 State with reasoning behind such determination
17 and shall establish—

18 “(i) a timeframe under which the
19 moratorium will be issued, including any
20 renewal or lifting of the moratorium;

21 “(ii) a process to approve vendors for
22 the State in a manner that does not im-
23 pede—

24 “(I) the sale of a business; or

1 “(II) the establishment of any
2 new business; and

3 “(iii) a review process to be conducted
4 by the Secretary to ensure that partici-
5 pants, nonparticipants, and vendors are
6 not adversely impacted by the implementa-
7 tion of the moratorium.”;

8 (F) in paragraph (11)—

9 (i) in subparagraph (C)—

10 (I) in clause (i)—

11 (aa) by inserting before the
12 semicolon at the end the fol-
13 lowing: “which, beginning not
14 later than 60 days after the date
15 of enactment of the Improving
16 Child Nutrition and Education
17 Act of 2016, shall include an ex-
18 amination of criteria relating to
19 fluid milk (in consideration of the
20 most recent Dietary Guidelines
21 for Americans published under
22 section 301 of the National Nu-
23 trition Monitoring and Related
24 Research Act of 1990 (719
25 U.S.C. 5341)), and an examina-

1 tion of the consumption and re-
2 demption rates of milk beginning
3 on May 5, 2014”; and

4 (bb) by striking “and” at
5 the end;

6 (II) in clause (ii)—

7 (aa) by striking “and cul-
8 tural eating patterns” and insert-
9 ing “cultural eating patterns,
10 commercial availability, and par-
11 ticipant demand, except that any
12 changes made under this clause
13 shall not limit the overall fruit
14 intake of children”; and

15 (bb) by striking the period
16 at the end and inserting “; and”;
17 and

18 (III) by adding at the end the
19 following:

20 “(iii) consider accommodations for
21 medical, including food allergies, or other
22 special dietary needs of individuals, includ-
23 ing religious dietary restrictions.”;

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

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

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

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

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

19 “(A) AUTHORIZATION.—There are author-
20 ized to be appropriated to carry out this section
21 \$6,350,000,000 for each of fiscal years 2017
22 through 2021.”; and

23 (7) in subsection (h)—

24 (A) in paragraph (8)(A)—

25 (i) in clause (vi)—

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

3 “(I) IN GENERAL.—Effective be-
4 ginning”; and

5 (II) by adding at the end the fol-
6 lowing:

7 “(II) INFANT FORMULA.—Effec-
8 tive beginning on the date of the en-
9 actment of the Improving Child Nutri-
10 tion and Education Act of 2016, a
11 State agency that has fully imple-
12 mented electronic benefits transfer
13 systems throughout the State shall
14 have in effect a system to ensure that
15 infant formula rebate invoices, under
16 competitive bidding, provide an actual
17 count of the number of units sold to
18 participants in the program under this
19 section.”; and

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

22 “(xi) CONTRACT DURATION.—The
23 contracts awarded under clause (iii) shall
24 specify that—

1 “(I) if the income eligibility limit
2 under title XIX of the Social Security
3 Act (42 U.S.C. 1396 et seq.) for preg-
4 nant women or infants is substantially
5 increased, the contractor may termi-
6 nate the existing contract effective on
7 the later of—

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

13 “(AA) adopting State
14 legislation;

15 “(BB) issuing a State
16 executive order or adminis-
17 trative rule; or

18 “(CC) any other appli-
19 cable State process, as de-
20 termined by the Secretary;
21 and

22 “(bb) the first day of the
23 month during which the increase
24 takes effect; and

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

7 (B) in paragraph (9)—

8 (i) in subparagraph (B)—

9 (I) in clause (i)—

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

12 (bb) by adding at the end
13 the following:

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

21 “(IV) agree to provide, by not
22 later than 180 days before exercising
23 any termination for convenience
24 clause, a written notice to each af-
25 fected contractor;

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

1 fer systems throughout the State, have a
2 system to ensure that rebate invoices
3 under competitive bidding provide an ac-
4 tual count of the number of units lawfully
5 sold to participants in the program under
6 this section;” and

7 (VI) by adding at the end the fol-
8 lowing:

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

16 “(vii) open bids and enter into a con-
17 tract under paragraph (8)(A)(iii) only after
18 making a reasonable effort to confirm in
19 writing, via email or other means, that the
20 manufacturers on the list the State agency
21 maintains under paragraph (8)(A)(ix) re-
22 ceived the initial request for proposals or
23 other bid solicitation document by not later
24 than the date that is 45 days before the
25 date on which the bids are due;

1 “(viii) agree to provide to contractors
2 supporting documentation for monthly in-
3 voices, subject to the participant and ven-
4 dor confidentiality protections under pro-
5 gram rules; and

6 “(ix) not later than the date that is
7 90 days after the date for opening bids,
8 submit to the Secretary a copy of the bid
9 solicitation and any other contract docu-
10 ments.”; and

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

13 “(D) CERTAIN FOOD FOR INFANTS.—Be-
14 fore any State agency solicits bids for a con-
15 tract for infant fruits, vegetables, cereal, or
16 meat under a competitive bidding system, the
17 State agency shall—

18 “(i) consider—

19 “(I) the impact of the contract
20 on—

21 “(aa) participation or re-
22 demption rates;

23 “(bb) costs to the State
24 agency for infant fruits, vegeta-
25 bles, cereal, or meat, including

1 product, administrative, and pro-
2 curement costs; and
3 “(cc) the ability of the State
4 agency—
5 “(AA) to achieve the
6 purpose described in sub-
7 section (a);
8 “(BB) to provide in-
9 fants with a variety of devel-
10 opmentally appropriate in-
11 fant fruits, vegetables, ce-
12 real, or meat; and
13 “(CC) to serve the nu-
14 tritional needs of program
15 participants; and
16 “(dd) consumers who are
17 not participants, including the
18 availability of alternate brands
19 and potential effects on retail
20 pricing of infant fruits, vegeta-
21 bles, cereal, or meat; and
22 “(II) whether the contract is
23 compatible with—

1 “(aa) the management infor-
2 mation and food instrument sys-
3 tem of the State agency;

4 “(bb) eligible vendors; and

5 “(cc) the capacity of the
6 manufacturer to meet technical
7 specifications; and

8 “(ii) provide to the Secretary—

9 “(I) a written explanation of how
10 the considerations described in clause
11 (i) affected the decision of the State
12 agency to solicit bids for a contract;
13 and

14 “(II) not later than 15 months
15 after the start of such contract, a re-
16 port that shall include—

17 “(aa) the net savings to date
18 from the contract;

19 “(bb) an assessment of the
20 impact on eligible stores, non-
21 participants, and retail prices for
22 infant fruits, vegetables, cereal,
23 and meat; and

24 “(cc) an analysis of the
25 costs and benefits of the con-

1 tract, including an examination
2 of retail prices of infant fruits,
3 vegetables, cereal, and meat.”;

4 (C) in paragraph (11)(E)—

5 (i) by striking “If a State” and insert-
6 ing the following:

7 “(i) IN GENERAL.—If a State”; and

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

10 “(ii) REQUIREMENT.—Effective not
11 later than 120 days after the date of the
12 enactment the Improving Child Nutrition
13 and Education Act of 2016, in calculating
14 average payments per voucher under clause
15 (i), a State agency shall exclude food in-
16 struments not fully redeemed, based on an
17 actual count or a reasonable estimate.”;

18 (D) in paragraph (12)—

19 (i) in subparagraph (A)(i), by striking
20 “food delivery system that provides” and
21 inserting “method to deliver”; and

22 (ii) by adding at the end the fol-
23 lowing:

24 “(H) REGULATIONS.—As State agencies
25 transition to electronic benefit transfer for the

1 program, the Secretary shall update regulations
2 to account for the fact that State agencies—

3 “(i) are receiving transaction pricing
4 more frequently than twice a year from
5 vendors; and

6 “(ii) should adjust vendor reimburse-
7 ment levels more frequently to reflect pro-
8 gram food price changes in the market-
9 place.

10 “(I) AUTHORIZATION OF APPROPRIA-
11 TIONS.—

12 “(i) IN GENERAL.—There is author-
13 ized to be appropriated to carry out this
14 paragraph \$25,000,000 for each of fiscal
15 years 2017 through 2019.

16 “(ii) USE.—The Secretary shall allo-
17 cate the funds made available under this
18 subparagraph to States for purposes of en-
19 hancing and accelerating the implementa-
20 tion of electronic benefit transfer systems.

21 “(J) PENALTY FOR NONCOMPLIANCE.—
22 For any State agency that fails to comply with
23 subparagraph (B), including a State agency re-
24 ceiving an exemption under subparagraph (C),
25 the Secretary shall—

1 “(i) withhold such amounts otherwise
2 required to be allocated to the State agen-
3 cy for nutrition services and administration
4 as the Secretary determines to be appro-
5 priate; and

6 “(ii) direct the amounts withheld for
7 use by the State agency solely for achiev-
8 ing compliance with subparagraph (B).”;
9 and

10 (E) in paragraph (13), by adding at the
11 end the following:

12 “(C) ACCESS.—The Secretary shall make
13 available upon request the national universal
14 product code database to vendors approved for
15 participation in the special supplemental food
16 program established under this section.”;

17 (8) by striking subsection (k);

18 (9) by redesignating subsections (l) through (q)
19 as subsections (k) through (p), respectively;

20 (10) in subsection (o) (as so redesignated)—

21 (A) in paragraphs (1) and (2)(B), by strik-
22 ing “subsection (o)(1)(A)” each place it appears
23 and inserting “subsection (n)(1)(A)”;

24 (B) in paragraph (5)—

1 (i) in striking subparagraph (C), by
2 striking “and” at the end;

3 (ii) in subparagraph (D), by striking
4 the period at the end and inserting “;
5 and”; and

6 (iii) by adding at the end the fol-
7 lowing:

8 “(E) fifth, to reimburse any WIC infant
9 formula manufacturer for any rebate provided
10 to the State agency on WIC infant formula un-
11 lawfully trafficked under a provision of law de-
12 scribed in paragraph (2).”; and

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

14 “(6) NOTICE OF INVESTIGATION.—

15 “(A) IN GENERAL.—For any investigation
16 into the trafficking of WIC infant formula pur-
17 suant to this subsection, the Secretary shall
18 provide notice of resolution of the disposition of
19 an unlawful action resulting from the investiga-
20 tion to all contracted manufacturers of the traf-
21 ficked infant formula.

22 “(B) ESTIMATES.—Not later than 60 days
23 after the date on which notice is provided under
24 subparagraph (A), the State shall submit to the
25 contracted manufacturer an estimate of—

1 “(i) the number of units, if any, for
2 which rebates may have been issued as a
3 result of the violation; and

4 “(ii) the total dollar amount of the re-
5 bates.”; and

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

7 “(q) FRAUD AND SAFETY REVIEW.—

8 “(1) IN GENERAL.—Not later than 180 days
9 after the date of the enactment of the Improving
10 Child Nutrition and Education Act of 2016, the Sec-
11 retary shall review current guidance, regulations,
12 and practices regarding fraud and safety for pur-
13 poses of this section.

14 “(2) INCLUSIONS.—The review under para-
15 graph (1) shall include a review of issues relating
16 to—

17 “(A) excess and unused infant formula;

18 “(B) invoices pertaining to products sub-
19 ject to rebate;

20 “(C) the sale of infant formula by unau-
21 thorized entities; and

22 “(D) the purchase of infant formula from
23 unauthorized entities.

24 “(3) UPDATES.—Based on the findings of the
25 review under paragraph (1), the Secretary shall up-

1 date current regulations and guidance and issue ad-
2 ditional regulations and guidance, as necessary—

3 “(A) to minimize fraud; and

4 “(B) to ensure the safety of participants.

5 “(r) COOPERATION WITH LAW ENFORCEMENT
6 AGENCIES.—Notwithstanding any other provision of law,
7 State agencies and law enforcement agencies shall share
8 WIC vendor information relating to investigations or pros-
9 ecutions under the program under this section, as deter-
10 mined by the Secretary.

11 “(s) PILOT PROJECTS.—

12 “(1) IN GENERAL.—Subject to paragraph (2),
13 the Secretary may conduct pilot projects to test al-
14 ternative certification and food delivery procedures
15 under this section.

16 “(2) PROHIBITION.—In conducting pilot
17 projects under paragraph (1), the Secretary may not
18 waive or modify the application of program eligi-
19 bility, supplemental foods, or cost containment re-
20 quirements.

21 “(3) EVALUATION.—The Secretary shall evalu-
22 ate each pilot project carried out under this sub-
23 section after the pilot project has been in operation
24 for 3 years.”.

1 (b) WIC FARMER'S MARKET.—Section 17(m)(9)(A)
2 of the Child Nutrition Act of 1966 (42 U.S.C.
3 1786(m)(9)(A)) is amended to read as follows:

4 “(A) AUTHORIZATION OF APPROPRIA-
5 TIONS.—There are authorized to be appro-
6 priated to carry out this subsection
7 \$18,548,000 for each of fiscal years 2017
8 through 2021.

9 (c) REVIEW OF ADJUNCTIVE ELIGIBILITY FOR
10 WIC.—

11 (1) DEFINITIONS.—In this subsection:

12 (A) ADJUNCTIVELY ELIGIBLE.—The term
13 “adjunctively eligible” with respect to an indi-
14 vidual, means an individual who is eligible for
15 WIC under section 17(d)(2)(A)(iii) of the Child
16 Nutrition Act of 1966 (42 U.S.C.
17 1786(d)(2)(A)(iii)).

18 (B) COMPTROLLER GENERAL.—The term
19 “Comptroller General” means the Comptroller
20 General of the United States.

21 (C) MEDICAID.—The term “Medicaid”
22 means the Medicaid program under title XIX of
23 the Social Security Act (42 U.S.C. 1396 et
24 seq.).

1 (D) POVERTY LINE.—The term “poverty
2 line” means the most recent annual Federal
3 Poverty Income Guidelines published by the De-
4 partment of Health and Human Services.

5 (E) WIC.—The term “WIC” means the
6 special supplemental nutrition program for
7 women, infants, and children established by sec-
8 tion 17 of the Child Nutrition Act of 1966 (42
9 U.S.C. 1786).

10 (2) STUDY.—The Comptroller General shall
11 conduct a study to examine the impact of adjunctive
12 eligibility on WIC participation, including the admin-
13 istrative burden, number of participants in WIC,
14 and other impacts on the participants.

15 (3) ADJUNCTIVE ELIGIBILITY AND INCOME OF
16 WIC PARTICIPANTS.—

17 (A) IN GENERAL.—In conducting the
18 study described in paragraph (2), the Comp-
19 troller General shall examine the extent to
20 which individuals certified as adjunctively eligi-
21 ble to receive supplemental foods and services
22 through WIC have income above 185 percent of
23 the poverty line.

24 (B) DATA.—

1 (i) DATA COLLECTION.—The Comp-
2 troller General shall collect data to deter-
3 mine—

4 (I) the total number of pregnant
5 women, postpartum women,
6 breastfeeding women, infants, and
7 children participating in WIC;

8 (II) an estimate of the share of
9 individuals described in subclause (I)
10 who are certified as adjunctively eligi-
11 ble under section 17(d)(2)(A)(iii) of
12 the Child Nutrition Act of 1966 (42
13 U.S.C. 1786(d)(2)(A)(iii)); and

14 (III) an estimate of the share of
15 individuals described in subclause (II)
16 for whom income (for purposes of
17 Medicaid eligibility) is above 185 per-
18 cent of the poverty line, above 250
19 percent of the poverty line, above 300
20 percent of the poverty line, and above
21 any other demarcation thresholds as
22 determined by the Comptroller Gen-
23 eral.

1 (ii) SOURCES.—The Comptroller Gen-
2 eral shall collect the information described
3 in clause (i) from—

4 (I) WIC program data for sub-
5 clauses (I) and (II) of that clause;
6 and

7 (II) a review of the income of a
8 representative sample of WIC partici-
9 pants (for purposes of Medicaid eligi-
10 bility) at the time of WIC certification
11 (for subclause (III) of that clause).

12 (iii) OTHER.—The estimate developed
13 under clause (i)(III) shall be based on data
14 collected in selected States in which the in-
15 come eligibility limit for infants under 1
16 year of age for Medicaid is at or above 185
17 percent of the poverty line.

18 (4) USE OF INCOME DATA TO INFORM MED-
19 ICAID ADJUNCTIVE ELIGIBILITY DETERMINA-
20 TIONS.—

21 (A) IN GENERAL.—Following collection of
22 the data described in paragraph (3), the Comp-
23 troller General shall assess the feasibility, bene-
24 fits, and costs of requiring that WIC use an
25 automated process to document that only appli-

1 cants with income below a specified threshold
2 may be certified as adjunctively eligible based
3 solely on Medicaid receipt.

4 (B) SCOPE.—The assessment described in
5 subparagraph (A) shall include an evaluation of
6 the capacity of the management information
7 systems for both WIC and Medicaid, including
8 the ability of the systems to exchange data.

9 (C) WIC MANAGEMENT INFORMATION SYS-
10 TEMS.—The Comptroller General shall assess—

11 (i) which State agencies and tribal or-
12 ganizations operating WIC use manage-
13 ment information systems with the capac-
14 ity, via an automated process, for local
15 WIC clinics to document—

16 (I) income as a share of the pov-
17 erty level for purposes of Medicaid eli-
18 gibility; or

19 (II) Medicaid enrollment and in-
20 come below a specified level;

21 (ii) the steps necessary to prepare all
22 local WIC clinics to obtain and to access
23 that income information as a part of the
24 WIC application process as well as part of

1 the associated costs of modifying WIC
2 automated systems and training staff; and
3 (iii) other information determined rel-
4 evant by the Comptroller General, such as
5 the impact of the identified steps on ad-
6 ministrative costs, clinical services, and
7 waiting times for appointments.

8 (D) MEDICAID MANAGEMENT INFORMA-
9 TION SYSTEMS.—The Comptroller General shall
10 assess—

11 (i) whether State’s mechanized claims
12 processing and information retrieval sys-
13 tems under section 1903(a)(3)(A)(i) of the
14 Social Security Act (42 U.S.C.
15 1396b(a)(3)(A)(i)) have the capacity to
16 provide, at the time of WIC certification
17 and via an automated process, data to an
18 agency or tribal organization operating
19 WIC regarding—

20 (I) income as a share of the pov-
21 erty level for purposes of Medicaid eli-
22 gibility; or

23 (II) whether a Medicaid recipient
24 has income below a specified level;

1 (ii) the steps necessary to ensure that
2 mechanized claims processing and informa-
3 tion retrieval systems in States for which
4 the income eligibility limit for infants
5 under 1 year of age under Medicaid is
6 above 185 percent of the poverty line have
7 the capacity to provide the information de-
8 scribed in clause (i) to local WIC clinics
9 for the purpose of documenting adjunctive
10 eligibility under an option that would limit
11 that eligibility to individuals with income
12 below a specific threshold; and

13 (iii) other information determined rel-
14 evant by the Comptroller General and the
15 Secretary of Health and Human Services,
16 including the impact of the identified steps
17 on administrative costs.

18 (5) REPORT.—Not later than 18 months after
19 the date of the enactment of this Act, the Comp-
20 troller General 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 a report describ-
24 ing—

- 1 (A) the data collected under paragraph
2 (3);
- 3 (B) the assessments made under para-
4 graph (4); and
- 5 (C) the feasibility, costs, and benefits of a
6 new requirement that would only permit ad-
7 junctive eligibility for individuals with house-
8 hold income below a specified level.

9 **SEC. 207. TEAM NUTRITION NETWORK.**

10 Section 19 of the Child Nutrition Act of 1966 (42
11 U.S.C. 1788) is amended—

12 (1) in subsection (a)—

13 (A) in paragraph (1)—

14 (i) by inserting “evidence-based” be-
15 fore “team nutrition messages”; and

16 (ii) by striking “developed by the Sec-
17 retary”;

18 (B) in paragraph (2), by inserting “under
19 this Act and the Richard B. Russell National
20 School Lunch Act (42 U.S.C. 1751 et seq.)” be-
21 fore the period at the end;

22 (C) in paragraph (4), by striking “pur-
23 poses; and” and inserting the following: “pur-
24 poses, including if appropriate—

1 “(A) State and local nutrition education
2 programs, health and wellness policies, nutrition
3 and health education resources, and other State
4 resources; and

5 “(B) Federal nutrition education efforts,
6 including those programs under this Act and
7 the Richard B. Russell National School Lunch
8 Act (42 U.S.C. 1751 et seq.);” and

9 (D) in paragraph (5)—

10 (i) by striking “helping children to
11 maintain a healthy weight by”; and

12 (ii) by inserting “in and out of
13 school” before the period at the end;

14 (2) in subsection (b), by striking “(b)” and all
15 that follows through “In this section, the term” and
16 inserting the following:

17 “(b) DEFINITIONS.—In this section:

18 “(1) NUTRITION EDUCATION.—The term ‘nutri-
19 tion education’ means the provision of individual or
20 group learning opportunities and materials for chil-
21 dren and families that—

22 “(A) emphasize the relationship between
23 nutrition, physical activity, and health with a
24 goal of improving long-term dietary and phys-
25 ical health and increasing food security; and

1 “(B) include learning about food prepara-
2 tion.

3 “(2) TEAM NUTRITION NETWORK.—The term”;
4 (3) in subsection (c)—

5 (A) by striking the subsection heading and
6 inserting “STATE NETWORK GRANTS.—”; and

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

8 “(4) ALLOCATION.—Subject to the availability
9 of funds for use in carrying out this subsection, the
10 total amount of funds made available for a fiscal
11 year for grants under this subsection shall equal not
12 more than the sum of—

13 “(A) the product obtained by multiplying
14 ½ cent by the number of lunches reimbursed
15 through food service programs under the Rich-
16 ard B. Russell National School Lunch Act (42
17 U.S.C. 1751 et seq.) during the second pre-
18 ceding fiscal year in schools, institutions, and
19 service institutions that participate in the food
20 service programs; and

21 “(B) the total value of funds received by
22 the Secretary in support of this subsection from
23 nongovernmental sources.

24 “(5) REQUIREMENTS FOR STATE PARTICIPA-
25 TION.—To be eligible to receive a grant under this

1 subsection, a State agency shall submit to the Sec-
2 retary a plan, at such time and in such manner as
3 the Secretary may require, including—

4 “(A) a description of the goals and pro-
5 posed State plan for addressing the nutrition of
6 children;

7 “(B) a description of the means by which
8 the State agency will use and disseminate the
9 team nutrition messages and material to chil-
10 dren and, if appropriate, families of such chil-
11 dren;

12 “(C) an explanation of the ways in which
13 the State agency will use the funds from the
14 grant to work toward the goals required under
15 clause (i), and to promote healthy eating in
16 schools throughout the State;

17 “(D) a description of the ways in which
18 the State team nutrition network messages and
19 activities will be coordinated at the State and
20 local level with other community health pro-
21 motion and education activities;

22 “(E) an annual summary of the team nu-
23 trition network activities and their effectiveness;

1 “(F) a description of the ways in which
2 school environments might support healthy eat-
3 ing and physical activity; and

4 “(G) a description of how all communica-
5 tions to parents and legal guardians of students
6 who are members of a household receiving in-
7 formation under the program shall be in an un-
8 derstandable and uniform format and, to the
9 maximum extent practicable, in a language that
10 parents and legal guardians can understand.

11 “(6) STATE COORDINATOR.—Each State that
12 receives a grant under this subsection may appoint
13 a team nutrition network coordinator. Such coordi-
14 nator shall implement comprehensive, coordinated
15 nutrition education programming through the team
16 nutrition network, including to assist schools, school
17 food authorities, and other child nutrition program
18 providers in the State to administer and coordinate
19 the team nutrition network activities.

20 “(7) AUTHORIZED ACTIVITIES.—A State agency
21 that receives a grant under this section may use
22 funds from the grant to—

23 “(A) identify the programs and services
24 available to meet the health and nutritional
25 needs of children and families in the State;

1 “(B) disseminate team nutrition network
2 messages and material that provide comprehen-
3 sive, coordinated nutrition and physical fitness
4 awareness and obesity prevention education;

5 “(C) implement demonstration projects in
6 schools to promote physical activity and to en-
7 hance the nutrition education provided to stu-
8 dents;

9 “(D) improve access to local foods through
10 coordinating with farm-to-school grant activities
11 that include the provision of nutrition edu-
12 cation;

13 “(E) encourage schools to develop healthy
14 eating and lifestyle policies;

15 “(F) provide training and technical assist-
16 ance to teachers and school food service profes-
17 sionals consistent with the purposes of this sub-
18 section; and

19 “(G) collaborate with public and private
20 and faith-based organizations, including com-
21 munity-based organizations, State medical asso-
22 ciations, and public health groups, to provide
23 nutrition and physical education targeting lower
24 income children, ethnic minorities, and youth at
25 a greater risk for obesity or malnourishment.”;

1 (4) by striking subsections (d) through (g) and
2 (k);

3 (5) by redesignating subsections (h) through (j)
4 as subsections (d) through (f), respectively;

5 (6) by redesignating subsection (l) as subsection
6 (g);

7 (7) in subsection (d) (as so redesignated)—

8 (A) in the subsection heading, by inserting
9 “EDUCATION” after “NUTRITION”;

10 (B) in paragraph (5)—

11 (i) in subparagraph (A)—

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

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

16 “(iii) incorporate nutrition education
17 into physical and health education, and, if
18 appropriate, afterschool programs, includ-
19 ing athletics; 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, in-

1 including through initiatives to cre-
2 atively 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 (8) 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 (9) in subsection (g) (as so redesignated) by
14 striking “such sums” and all that follows through
15 the period at the end and inserting “to carry out
16 this section \$17,000,000 for each fiscal year.”.

17 **TITLE III—MISCELLANEOUS**

18 **SEC. 301. REVIEWS.**

19 (a) TRIBAL FOODS.—

20 (1) IN GENERAL.—Not later than 1 year after
21 the date of the enactment of this Act, the Secretary
22 shall review—

23 (A) the barriers to including tribally pro-
24 duced, traditional, and culturally appropriate
25 foods in child nutrition programs (as defined in

1 section 25(b) of the Richard B. Russell Na-
2 tional School Lunch Act (42 U.S.C. 1769f (b))
3 within tribal schools; and

4 (B) the means of encouraging and assist-
5 ing enhanced inclusion of foods described in
6 subparagraph (A) in child nutrition programs.

7 (2) SCOPE.—In carrying out the review de-
8 scribed in paragraph (1), the Secretary shall—

9 (A) survey and compile resources of the
10 Department of Agriculture on the issue de-
11 scribed in paragraph (1)(A);

12 (B) if necessary, clarify relevant Federal
13 regulations governing schools and tribal pro-
14 ducers, including regulations relating to pro-
15 curement, reimbursement, and food safety;

16 (C) involve all relevant agencies, including
17 the Food and Nutrition Service and Office of
18 Tribal Relations of the Department of Agri-
19 culture; and

20 (D) submit to Congress a report describing
21 the results of the review.

22 (b) USE OF PROGRAM DATA.—

23 (1) IN GENERAL.—The Secretary, jointly with
24 the Secretary of Education, shall—

1 (A) review information regarding available
2 alternative data sets for use in programs that
3 are using free and reduced price meals data;
4 and

5 (B) determine the appropriateness of using
6 such alternative data sets in place of free and
7 reduced price meal program data by other pro-
8 grams to reduce the burden on local school food
9 authorities.

10 (2) REPORT TO CONGRESS.—Not later than 1
11 year after the date of the enactment of this Act, the
12 Secretaries shall submit to the Committee on Edu-
13 cation and the Workforce of the House of Rep-
14 resentatives and the Committee on Agriculture, Nu-
15 trition, and Forestry of the Senate a report that de-
16 scribes the results of the review and any rec-
17 ommendations of the Secretaries.

18 (c) CREDITING AND LABELING PROGRAM.—

19 (1) IN GENERAL.—The Secretary shall review
20 and update the system of crediting and the vol-
21 untary child nutrition labeling program used in ad-
22 ministering—

23 (A) the school lunch program established
24 under the Richard B. Russell National School
25 Lunch Act (42 U.S.C. 1751 et seq.); and

1 (B) the school breakfast program estab-
2 lished by section 4 of the Child Nutrition Act
3 of 1966 (42 U.S.C. 1773).

4 (2) SCOPE.—The review described in paragraph
5 (1) shall include, at a minimum—

6 (A) the treatment of food products within
7 previously established food categories and new
8 products that have entered the commercial mar-
9 ketplace since the system of crediting and the
10 voluntary child nutrition labeling program were
11 developed; and

12 (B) the timeliness in which applications for
13 labels under the voluntary child nutrition label-
14 ing program are reviewed and are granted or
15 denied.

16 (3) REPORT TO CONGRESS.—Not later than 1
17 year after the date of the enactment of this Act, the
18 Secretary shall submit to the Committee on Edu-
19 cation and the Workforce of the House of Rep-
20 resentatives and the Committee on Agriculture, Nu-
21 trition, and Forestry of the Senate a report that de-
22 scribes the results of the review and any rec-
23 ommendations of the Secretary.

24 (d) NUTRITIONAL ANALYSIS.—The Secretary shall—

25 (1) review the practicability and feasibility of—

1 (A) conducting a nutritional analysis,
2 using publicly and commercially available nutri-
3 tional information, of food products that are
4 voluntarily submitted for use in child nutrition
5 programs, outside of the reimbursable school
6 meal; and

7 (B) aggregating and making the informa-
8 tion obtained through that nutritional analysis
9 publicly available for use by school food authori-
10 ties, food manufacturers, and other interested
11 parties; and

12 (2) if found practicable and feasible, proceed
13 with the analysis, aggregation, and public avail-
14 ability.

15 (e) OTHER.—

16 (1) IN GENERAL.—The Secretary shall review—

17 (A) the cost differences between—

18 (i) providing meals and supplements
19 under the Richard B. Russell National
20 School Act (42 U.S.C. 1751 et seq.) and
21 section 4 of the Child Nutrition Act of
22 1966 (42 U.S.C. 1773) in Palau, Guam,
23 American Samoa, the Commonwealth of
24 Puerto Rico, the United States Virgin Is-
25 lands, and the Commonwealth of the

1 Northern Mariana Islands, respectively;
2 and

3 (ii) the average cost of providing
4 meals and supplements under those provi-
5 sions of law in the 50 States and the Dis-
6 trict of Columbia; and

7 (B) the relation of the cost differences de-
8 termined under subparagraph (A) to the na-
9 tional average payment rates for meals and
10 supplements prescribed under sections 4, 11,
11 13, and 17 of the Richard B. Russell National
12 School Lunch Act (42 U.S.C. 1753, 1759a,
13 1761, 1766) and section 4(b) of the Child Nu-
14 trition Act of 1966 (42 U.S.C. 1773(b)).

15 (2) REPORT TO CONGRESS.—Not later than 1
16 year after the date of the enactment of this Act, the
17 Secretary shall submit to the Committee on Edu-
18 cation and the Workforce of the House of Rep-
19 resentatives and the Committee on Agriculture, Nu-
20 trition, and Forestry of the Senate a report that de-
21 scribes the results of the review and any rec-
22 ommendations of the Secretary.

23 (f) UNLAWFUL ACTIVITY.—

1 (1) IN GENERAL.—Not later than 1 year after
2 the date of the enactment of this Act, the Secretary
3 shall review—

4 (A) the number of instances and types of
5 unlawful activity that occurred in the preceding
6 3 years, including, at a minimum, instances of
7 fraud, bid-rigging, and any other anticompeti-
8 tive activities carried out in connection with
9 supplying, providing, or selling goods or services
10 for a program under the Richard B. Russell
11 National School Lunch Act (42 U.S.C. 1751 et
12 seq.) or the Child Nutrition Act of 1966 (42
13 U.S.C. 1771 et seq.); and

14 (B) the practices and procedures currently
15 used by the Department of Agriculture to pre-
16 vent unlawful activity described in subpara-
17 graph (A).

18 (2) SECRETARIAL RESPONSE.—Following com-
19 pletion of the review described in paragraph (1), the
20 Secretary shall respond, if appropriate, by taking ac-
21 tion to reduce such unlawful activity, including, at a
22 minimum—

23 (A) revising any relevant guidance and reg-
24 ulations;

1 (B) issuing fines authorized under sub-
2 section (g) of section 25 of the Richard B. Rus-
3 sell National School Lunch Act (42 U.S.C.
4 1769f) (as amended by section 115); and

5 (C) submitting to the appropriate commit-
6 tees of Congress recommendations for any legis-
7 lative changes needed to enhance program over-
8 sight.

9 (3) SCOPE.—The actions described in para-
10 graph (2) shall be designed to reduce—

11 (A) anticompetitive activities, including
12 bid-rigging, price-fixing, the allocation of cus-
13 tomers between competitors, or other violation
14 of Federal or State antitrust laws;

15 (B) fraud, bribery, theft, forgery, or em-
16 bezzlement;

17 (C) knowingly receiving stolen property;

18 (D) making a false claim or statement; or

19 (E) any other obstruction of justice.

20 (g) INFANT FORMULA.—Not later than 180 days
21 after the date of enactment of this Act, the Secretary
22 shall—

23 (1) review the current regulations regarding ca-
24 loric density standards for infant formula made
25 available in the special supplemental nutrition pro-

1 gram for women, infants, and children established
2 by section 17 of the Child Nutrition Act of 1966 (42
3 U.S.C. 1786); and

4 (2) as appropriate, update the regulations based
5 on the most recent scientific knowledge available.

6 **SEC. 302. PROGRAM DELIVERY.**

7 The Secretary shall work with States participating in
8 programs authorized under the Richard B. Russell Na-
9 tional School Lunch Act (42 U.S.C. 1751 et seq.) and the
10 Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) to
11 encourage—

12 (1) streamlining of program administration, in-
13 cluding data collection and reporting requirements,
14 at the State level;

15 (2) communication among State agencies ad-
16 ministering the programs;

17 (3) coordination of administration of Federal
18 benefits at the State level to ensure efficiency of pro-
19 gram delivery and improved access to participants,
20 including efficiencies for operation between the spe-
21 cial supplemental nutrition program for women, in-
22 fants, and children under section 17 of the Child
23 Nutrition Act of 1966 (42 U.S.C. 1786) and the
24 program under subsection (m) of such section (42
25 U.S.C. 1786); and

1 (4) consolidation and elimination of duplicative
2 or unnecessary Federal and State reporting require-
3 ments.

4 **SEC. 303. PRODUCT AVAILABILITY.**

5 (a) IN GENERAL.—The Secretary shall, to the extent
6 practicable, make available lactose-free milk with an ex-
7 tended shelf life for use in the commodity distribution pro-
8 gram authorized under section 14 of the Richard B. Rus-
9 sell National School Lunch Act (42 U.S.C. 1762a).

10 (b) SIZE AND FORM.—The milk described in sub-
11 section (a) shall, to the extent practicable, be made avail-
12 able in a size and form acceptable for and conducive to
13 consumption by school-aged children.

14 **SEC. 304. PROCUREMENT.**

15 In administering the summer food service program
16 for children established under section 13 of the Richard
17 B. Russell National School Lunch Act (42 U.S.C. 1761)
18 and the child and adult care food program established
19 under section 17 of such Act (42 U.S.C. 1766), the Sec-
20 retary shall ensure that—

21 (1) service institutions participating in the pro-
22 grams have flexibility in determining the frequency
23 of procurement and food items included in each so-
24 licitation; and

1 (2) any procurement procedure implemented by
2 a State agency is cost effective and efficient in meet-
3 ing the relevant meal pattern requirements.

4 **SEC. 305. SCHOOL NUTRITION ADVISORY COMMITTEE.**

5 (a) ESTABLISHMENT.—Not later than 120 days after
6 the date of the enactment of this Act, the Secretary shall
7 establish a School Nutrition Advisory Committee (referred
8 to in this section as the “Committee”) to provide input
9 in the administration of the school lunch program author-
10 ized under the Richard B. Russell National School Lunch
11 Act (42 U.S.C. 1751 et seq.) and the school breakfast pro-
12 gram established by section 4 of the Child Nutrition Act
13 of 1966 (42 U.S.C. 1773) (referred to in this section as
14 “child nutrition programs”).

15 (b) MEMBERSHIP.—

16 (1) COMPOSITION.—Members of the Committee
17 shall be appointed by the Secretary from rec-
18 ommendations made by the chair and ranking mem-
19 ber of the Committee on Education and the Work-
20 force of the House of Representatives and the Com-
21 mittee on Agriculture, Nutrition, and Forestry of
22 the Senate. Membership on the Committee shall rep-
23 resent the following stakeholders:

1 (A) An organization that conducts research
2 and advocates on issues relating to child nutri-
3 tion.

4 (B) An organization that advocates for
5 cardiac health.

6 (C) A professional organization rep-
7 resenting dietitians.

8 (D) A trade association representing fruit
9 and vegetable growers.

10 (E) A coalition of large urban school food
11 authorities.

12 (F) 2 representatives from State agencies
13 that administer the child nutrition programs.

14 (G) A professional organization rep-
15 resenting school food employees.

16 (H) A professional organization rep-
17 resenting school board members.

18 (I) A council representing large school dis-
19 tricts.

20 (J) A professional association representing
21 school administrators.

22 (K) An entity that processes and manufac-
23 tures meat products.

24 (L) An entity that processes and manufac-
25 tures dairy products.

1 (M) An entity that processes and manufac-
2 tures grain products.

3 (N) An entity that assists suppliers and
4 school food authorities in selling and obtaining
5 food products.

6 (O) A school food authority located in each
7 of the 7 regions established for activities of the
8 Food and Nutrition Service, including—

9 (i) 3 representatives from districts lo-
10 cated in rural areas;

11 (ii) 2 representatives from districts lo-
12 cated in urban areas; and

13 (iii) 2 representatives from districts
14 located in urban cluster areas as defined
15 by census tract data.

16 (P) A council that represents public offi-
17 cials who head departments of elementary and
18 secondary education.

19 (Q) A professional organization rep-
20 resenting pediatricians.

21 (2) TERMS.—The members will serve on the
22 Committee for a 3-year term. The chairmen of each
23 congressional committee, under paragraph (1) shall
24 alternate in appointing a chair and vice chair of the
25 committee.

1 (c) FUNCTION.—The Committee shall—

2 (1) provide a venue for communication between
3 stakeholders and the Department of Agriculture re-
4 garding child nutrition programs;

5 (2) give insight into child nutrition program im-
6 plementation;

7 (3) review and make recommendations to the
8 Secretary on policy development involving child nu-
9 trition programs; and

10 (4) evaluate methods for programmatic and ad-
11 ministrative improvement of child nutrition pro-
12 grams.

13 (d) MEETINGS.—The Committee shall meet quar-
14 terly.

15 (e) STAFFING.—The Secretary shall provide such
16 staff personnel as may be required to assist the Committee
17 in carrying out the duties of the Committee, but such staff
18 shall not interfere in the discussions or conclusions
19 reached by the Committee.

20 (f) TERMINATION.—The authority of the Committee
21 shall terminate on September 30, 2025.

22 **SEC. 306. PAPERWORK REDUCTION.**

23 (a) IN GENERAL.—For any program authorized
24 under the Richard B. Russell National School Lunch Act

1 (42 U.S.C. 1751 et seq.) or the Child Nutrition Act of
2 1966 (42 U.S.C. 1771 et seq.), the Secretary shall—

3 (1) periodically review regulations, guidance,
4 and other requirements to evaluate the volume of in-
5 formation required to be reported to the Department
6 of Agriculture by program participants; and

7 (2) if appropriate, streamline or otherwise re-
8 duce any unnecessary or duplicative paperwork, re-
9 porting requirements, and other administrative bur-
10 dens while maintaining program integrity.

11 (b) REPORT.—Not later than 2 years after the date
12 of the enactment of this Act and every 3 years thereafter,
13 and upon any publishing of guidance or updated Federal
14 requirements the Secretary shall submit to the Committee
15 on Education and the Workforce of the House of Rep-
16 resentatives and the Committee on Agriculture, Nutrition,
17 and Forestry of the Senate a report that describes any
18 action the Secretary has taken under subsection (a) dur-
19 ing the preceding 3 calendar years, or in the case of a
20 report submitted based on publishing updated guidance or
21 requirements, a report on such action, including a deter-
22 mination of appropriateness under subsection (a)(2).

1 **SEC. 307. TECHNOLOGY.**

2 (a) USE OF TECHNOLOGY.—Not later than 180 days
3 after the date of the enactment of this Act, the Secretary
4 shall—

5 (1) review the current use of technology in the
6 school lunch program established under the Richard
7 B. Russell National School Lunch Act (42 U.S.C.
8 1751 et seq.) and the school breakfast program es-
9 tablished by section 4 of the Child Nutrition Act of
10 1966 (42 U.S.C. 1773);

11 (2) identify opportunities in which enhanced use
12 of technology would reduce the rate of errors in ad-
13 ministration of the programs by State agencies and
14 local educational agencies; and

15 (3) encourage State agencies and local edu-
16 cational agencies to use technology in the areas iden-
17 tified under paragraph (2).

18 (b) IDENTIFICATION.—Not later than 180 days after
19 the date of the enactment of this Act, the Secretary
20 shall—

21 (1) review the feasibility and evaluate the bene-
22 fits of using a unique student identifier in the school
23 lunch program established under the Richard B.
24 Russell National School Lunch Act (42 U.S.C. 1751
25 et seq.) and the school breakfast program estab-

1 lished by section 4 of the Child Nutrition Act of
2 1966 (42 U.S.C. 1773);

3 (2) submit to the Committee on Education and
4 the Workforce of the House of Representatives and
5 the Committee on Agriculture, Nutrition, and For-
6 estry of the Senate a report describing the results of
7 the review under paragraph (1); and

8 (3) initiate implementation of a system for
9 using a unique student identifier, unless implemen-
10 tation is not in the best interest of the programs de-
11 scribed in paragraph (1), or does not adequately
12 protect student privacy.

13 **SEC. 308. TECHNICAL CORRECTIONS.**

14 (a) RICHARD B. RUSSELL NATIONAL SCHOOL
15 LUNCH ACT.—

16 (1) The Richard B. Russell National School
17 Lunch Act is amended in each of sections 4, 9, 9A,
18 12, 19, 23, 24, and 25 (42 U.S.C. 1753,
19 1758,1758b, 1760, 1796a, 1769d, 1769e, 1769f) by
20 striking “Committee on Education and Labor” each
21 place it appears and inserting “Committee on Edu-
22 cation and the Workforce”.

23 (2) Section 9 of the Richard B. Russell Na-
24 tional School Lunch Act (42 U.S.C. 1758) is amend-
25 ed—

1 (A) by striking “foster child” each place it
2 appears and inserting “foster youth”; and

3 (B) in subsection (b)(5)(B), by striking
4 “(42 U.S.C. 11434a(2))” and inserting “(42
5 U.S.C. 11434a(2))”.

6 (3) Section 12 of the Richard B. Russell Na-
7 tional School Lunch Act (42 U.S.C. 1760) is amend-
8 ed—

9 (A) in subsection (d)(3), by striking
10 “U.S.C” and inserting “U.S.C.”;

11 (B) in subsection (m)(2), in the paragraph
12 heading, by striking “AMERICAN” and inserting
13 “AMERICAN”; and

14 (C) in subsection (n)—

15 (i) in paragraph (3), in the paragraph
16 heading, by striking “HAWAII” and insert-
17 ing “HAWAII”; and

18 (ii) in paragraph (4), in the para-
19 graph heading, by striking “PUERTO RICO”
20 and inserting “PUERTO RICO”.

21 (4) Section 14(c) of the Richard B. Russell Na-
22 tional School Lunch Act (42 U.S.C. 1762a(c)) is
23 amended—

24 (A) by striking “section 311(a)(4) of the
25 Older Americans Act of 1965 (42 U.S.C.

1 3030(a)(4))” and inserting “section 311(c)(4)
2 of the Older Americans Act of 1965 (42 U.S.C.
3 3030a(c)(4))”; and

4 (B) by striking “(42 U.S.C. 3030(b)(1))”
5 and inserting “(42 U.S.C. 3030a(b)(1))”.

6 (b) CHILD NUTRITION ACT OF 1966.—

7 (1) The Child Nutrition Act of 1966 is amend-
8 ed in each of sections 10 and 17 (42 U.S.C. 1779,
9 1786) by striking “Committee on Education and
10 Labor” each place it appears and inserting “Com-
11 mittee on Education and the Workforce”.

12 (2) Section 7(a)(2)(B)(i) of the Child Nutrition
13 Act of 1966 (42 U.S.C. 1776(a)(2)(B)(i)) is amend-
14 ed by striking “clause (ii)” and inserting “clause
15 (ii)”.

16 (3) Section 17 of the Child Nutrition Act of
17 1966 (42 U.S.C. 1786) is amended—

18 (A) in subsection (b)(21), in the paragraph
19 heading, by striking “INDIAN OR NATIVE” and
20 inserting “INDIAN OR NATIVE”;

21 (B) in subsection (h)—

22 (i) in paragraph (4)—

23 (I) in subparagraph (A)(vi), by
24 striking “and” at the end; and

1 (II) in subparagraph (C)(iv), by
2 striking “; and” at the end and in-
3 serting a period;

4 (ii) in paragraph (5)(D), in the sub-
5 paragraph heading, by striking “INDIAN
6 OR NATIVE” and inserting “INDIAN OR NA-
7 TIVE”; and

8 (iii) in paragraph (8)(A)(iv)—

9 (I) in the clause heading, by
10 striking “STATE” and inserting
11 “STATE”; and

12 (II) in subclause (III), in the
13 subclause heading, by striking “STATE
14 AGENCIES AND INDIAN STATE AGEN-
15 CIES” and inserting “STATE AGEN-
16 CIES AND INDIAN STATE AGENCIES”;
17 and

18 (C) in subsection (m)(6)(C)(iv), by striking
19 “(G)(i)” each place it appears and inserting
20 “(F)(i)”.

21 **SEC. 309. BUDGETARY EFFECTS.**

22 The budgetary effects of this Act, for the purpose of
23 complying with the Statutory Pay-As-You-Go Act of 2010,
24 shall be determined by reference to the latest statement
25 titled “Budgetary Effects of PAYGO Legislation” for this

1 Act, submitted for printing in the Congressional Record
2 by the chair of the Committee on the Budget of the House
3 of Representatives, provided that such statement has been
4 submitted prior to the vote on passage.

5 **SEC. 310. EFFECTIVE DATE.**

6 Except as otherwise specifically provided in this Act
7 or any of the amendments made by this Act, this Act and
8 the amendments made by this Act take effect on October
9 1, 2016.

