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(Original Signature of Member)

114TH CONGRESS
2D SESSION

H. R.

To reauthorize child nutrition programs, and for other purposes.

Mr. ROKITA introduced the following bill; which was referred to the Committee
on _____

A BILL

To reauthorize child nutrition programs, and for other
purposes.

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

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

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

6 (b) TABLE OF CONTENTS.—The table of contents for
7 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. Authorized 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 authorized 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.

1 **TITLE I—NATIONAL SCHOOL**
2 **LUNCH ACT**

3 **SEC. 100. AUTHORIZED STATE AGENCY.**

4 In each of the following Acts, strike “State Edu-
5 cational Agency” each place such term appears and insert
6 “authorized State agency”:

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

9 (2) The Child Nutrition Act of 1966 (42 U.S.C.
10 1771 et seq.).

11 **SEC. 101. APPORTIONMENTS TO STATES.**

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

14 (1) in paragraph (3)—

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

18 (B) in subparagraph (E), by striking “Be-
19 ginning on” and all that follows through
20 “school food authorities” and inserting “School
21 food authorities”; and

22 (C) in subparagraph (F)—

23 (i) in clause (iii)(I), by inserting “(as
24 in effect on the day before the date of the
25 enactment of the Improving Child Nutri-

1 tion and Education Act of 2016)” after
2 “subparagraph (A)(i)”;

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

5 “(III) SUNSET.—The Secretary shall
6 return to the general fund of the Treasury
7 any funds that were made available under
8 this subparagraph but not obligated by a
9 State agency as of September 30, 2016.”;
10 and

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

12 “(4) ANNOUNCEMENTS.—With respect to reim-
13 bursement rates described in this subsection, the
14 Secretary shall announce the rates and, to the max-
15 imum extent practicable, any associated guidance by
16 February 15 of the school year prior to the school
17 year for which the rates and guidance will become
18 effective.”.

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

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

22 **SEC. 103. DIRECT FEDERAL EXPENDITURES.**

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

25 (1) in subsection (c)—

1 (A) by striking “(e)(1)(A) The national av-
2 erage” and all that follows through “(D)
3 Among those commodities” and inserting the
4 following:

5 “(c) CALCULATION OF TOTAL ASSISTANCE.—

6 “(1) NATIONAL AVERAGE VALUE.—

7 “(A) IN GENERAL.—Subject to subpara-
8 graphs (B) and (C), the national average value
9 of donated foods, or cash payments in lieu
10 thereof, shall be equal to the quotient obtained
11 by dividing, not later than February 15 of each
12 year for the upcoming school year—

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

16 “(ii) the number of lunches served in
17 the preceding school year in all schools
18 participating in the school lunch program
19 under this Act.

20 “(B) ADJUSTMENT.—

21 “(i) IN GENERAL.—The value deter-
22 mined under subparagraph (A) shall be ad-
23 justed by the annual percentage change in
24 a 3-month average value of the Producer
25 Price Index for Foods Used in Schools and

1 Institutions of the Bureau of Labor Statis-
2 ties (in this subparagraph referred to as
3 the ‘Index’) for the preceding September,
4 October, and November.

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

8 “(iii) INDEX.—

9 “(I) IN GENERAL.—The Index
10 shall be computed using 5 major food
11 components in the Index (cereal and
12 bakery products, meats, poultry and
13 fish, dairy products, processed fruits
14 and vegetables, and fats and oils).

15 “(II) COMPONENTS.—Each com-
16 ponent described in subclause (I) shall
17 be weighted using the same relative
18 weight as determined by the Bureau
19 of Labor Statistics.

20 “(iv) MINIMUM AMOUNT OF COM-
21 MODITY ASSISTANCE.—Not less than 12
22 percent of the value adjusted in accordance
23 with this subparagraph shall be provided in
24 the form of commodity assistance.

1 “(C) INSUFFICIENT AMOUNTS.—If
2 amounts available to carry out section 4, this
3 section, and section 11 are insufficient to meet
4 the requirements of such sections for a school
5 year, the Secretary shall, to the extent nec-
6 essary, use the authority provided under section
7 14(a) to meet the requirements for the school
8 year.

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

14 “(i) the number of lunches served in
15 such State in the most recent school year
16 for which data are available; by

17 “(ii) the rate determined under sub-
18 paragraphs (A) and (B).

19 “(E) SPECIAL EMPHASIS.—Among those
20 commodities”; and

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

23 “(F) MINIMUM QUANTITY OF DONATED
24 FOODS.—Notwithstanding”;

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

1 (3) by redesignating subsection (f) as sub-
2 section (e).

3 **SEC. 104. NUTRITIONAL AND OTHER PROGRAM REQUIRE-**
4 **MENTS.**

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

7 (1) by striking the section heading and designa-
8 tion and all that follows through the end of para-
9 graph (1) in subsection (a) and inserting the fol-
10 lowing:

11 **“SEC. 9. NUTRITIONAL AND OTHER PROGRAM REQUIRE-**
12 **MENTS.**

13 “(a) REQUIREMENTS.—

14 “(1) TECHNICAL ASSISTANCE AND TRAINING.—

15 The Secretary shall provide—

16 “(A) technical assistance and training to
17 schools participating in the school lunch pro-
18 gram to assist the schools in complying with the
19 nutritional requirements prescribed by the Sec-
20 retary pursuant to subsection (f) and in pro-
21 viding appropriate meals to children with medi-
22 cally certified special dietary needs, including
23 food allergies or other special dietary needs of
24 individual children, including religious dietary
25 restrictions; and

1 “(B) additional technical assistance to
2 schools that are having difficulty maintaining
3 compliance with the requirements.”;

4 (2) in subsection (a)—

5 (A) in paragraph (2), by adding at the end
6 the following:

7 “(D) FLUID MILK CONSIDERATIONS.—In
8 determining varieties of fluid milk that shall be
9 available with school meals programs under this
10 Act and section 4 of the Child Nutrition Act of
11 1966 (42 U.S.C. 1773) and outside of the
12 school meal programs, the Secretary, not later
13 than 90 days after the date of enactment of the
14 Improving Child Nutrition and Education Act
15 of 2016, shall carry out the following:

16 “(i) Consider the critical nutrient
17 needs of children who may be at risk for
18 inadequate intake of the recommended
19 daily servings of milk and dairy products
20 under the most recent Dietary Guidelines
21 described in subparagraph (A)(i) and con-
22 form the applicable regulations to such
23 guidelines.

24 “(ii) Analyze milk consumption data
25 and trends for school-aged children, and to

1 the extent practicable, increase actual milk
2 consumption in schools in a manner con-
3 sistent with the number of servings rec-
4 ommended under such Dietary Guidelines,
5 and ensure that schools may offer any type
6 of milk, including milk with fat levels that
7 are in compliance with such Dietary Guide-
8 lines.

9 “(E) MILK VARIETY CONSIDERATIONS.—In
10 determining milk varieties eligible for schools to
11 offer, the Secretary shall consider the most
12 commonly available types, sizes, containers, and
13 varieties of milk in local, regional, and national
14 markets to promote competition and reduce
15 milk waste.”;

16 (B) by striking “(4) PROVISION OF INFOR-
17 MATION” and all that follows through “(C)
18 PROCUREMENT AND PROCESSING OF FOOD
19 SERVICE PRODUCTS AND COMMODITIES.—The
20 Secretary” and inserting the following:

21 “(4) PROCUREMENT AND PROCESSING OF FOOD
22 SERVICE PRODUCTS AND COMMODITIES.—The Sec-
23 retary”; and

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

1 (i) by redesignating clauses (i)
2 through (iii) as subparagraphs (A) through
3 (C), respectively, and indenting appro-
4 priately; and

5 (ii) by redesignating subclauses (I)
6 and (II) as clauses (i) and (ii), respec-
7 tively, and indenting appropriately;

8 (3) in subsection (b)—

9 (A) in paragraph (2)(B)—

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

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

19 (iii) in clause (iii)(I)—

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

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

1 (III) by adding at the end the
2 following:

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

7 (iv) by adding at the end the fol-
8 lowing:

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

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

23 “(I) review the most current ap-
24 plication forms, including paper and
25 digital, used to apply for participation

1 in the school lunch program author-
2 ized under this Act and the school
3 breakfast program established by sec-
4 tion 4 of the Child Nutrition Act of
5 1966 (42 U.S.C. 1773);

6 “(II) provide to States guidance
7 relating to best practices, including at
8 a minimum a standard application
9 form for use by local educational
10 agencies or schools;

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

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

21 “(aa) require or mandate
22 families apply for either program;

23 “(bb) request that a family
24 apply for the program after the
25 parent or guardian has informed

1 the school that the family does
2 not want to participate in the
3 program or receive additional in-
4 formation about the program in
5 that school year; or

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

19 (B) in paragraph (3)—

20 (i) by striking subparagraph (D) and
21 inserting the following:

22 “(D) VERIFICATION.—

23 “(i) STANDARD VERIFICATION OF AP-
24 PPLICATIONS.—

1 “(I) IN GENERAL.—Beginning
2 with the second school year that be-
3 gins after the date of the enactment
4 of the Improving Child Nutrition and
5 Education Act of 2016, each school
6 year, each local educational agency
7 shall verify the eligibility of the chil-
8 dren in a portion of the household ap-
9 plications approved for the school year
10 by the local educational agency, as of
11 November 1 of the school year, as de-
12 termined by the Secretary in accord-
13 ance with this subsection.

14 “(II) SAMPLE SIZE.—

15 “(aa) IN GENERAL.—The
16 portion for a local educational
17 agency for a school year shall
18 equal the lesser of—

19 “(AA) 10,000; or

20 “(BB) 10 percent of
21 approved household applica-
22 tions.

23 “(bb) CALCULATION.—Not
24 later than July 1 of each year,
25 the Secretary shall calculate the

1 sample size under this subpara-
2 graph for each local educational
3 agency based on data from the 2
4 most recent school years avail-
5 able.

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

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

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

1 “(cc) For not more than $\frac{1}{4}$
2 of the sample, students who are
3 directly certified or the applica-
4 tion provides a case number (in
5 lieu of income information) show-
6 ing participation in—

7 “(AA) the supplemental
8 nutrition assistance program
9 established under the Food
10 and Nutrition Act of 2008
11 (7 U.S.C. 2011 et seq.); or

12 “(BB) a State program
13 funded under the program
14 of block grants to States for
15 temporary assistance for
16 needy families established
17 under part A of title IV of
18 the Social Security Act (42
19 U.S.C. 601 et seq.) that the
20 Secretary determines com-
21 plies with standards estab-
22 lished by the Secretary that
23 ensure that the eligibility re-
24 quirements under the State
25 program are comparable to

1 the requirements for partici-
2 pation in accordance with
3 this Act and the Child Nu-
4 trition Act of 1966 (42
5 U.S.C. 1771 et seq.).

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

13 “(ee) Such other criteria as
14 is determined by the State.

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

23 “(ii) VERIFICATION FOR CAUSE.—In
24 addition to conducting verification of a
25 sample of applications as described in

1 clause (i), a local educational agency may
2 verify any household application at any
3 point in the school year if the household
4 application meets the criteria described in
5 item (aa), (bb), or (cc) of clause (i)(III) or
6 such other criteria as is determined by the
7 Secretary.

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

13 (ii) in subparagraph (F)—

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

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

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

24 (iii) in subparagraph (G)—

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

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

6 “(v) VALIDITY OF VERIFICATION RE-
7 SULTS.—

8 “(I) DEFINITIONS.—In this
9 clause:

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

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

1 “(cc) NONRESPONSE
2 RATE.—The term ‘nonresponse
3 rate’ means the percentage of the
4 approved household applications
5 of the local educational agency
6 for which verification information
7 was not obtained after attempted
8 verification under this section.

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

20 “(II) REDUCTIONS.—

21 “(aa) IN GENERAL.—The
22 sample under subparagraph
23 (D)(i)(II) may be reduced by not
24 more than the lesser of 2,500 ap-
25 plications or 2.5 percentage

1 points for each of the criteria de-
2 scribed in subclause (III) that
3 are met by the local educational
4 agency.

5 “(bb) LIMITATION.—Reduc-
6 tions under item (aa) may result
7 in a sample of not less than 2.5
8 percent of approved applications.

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

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

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

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

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

3 “(dd) ADMINISTRATIVE
4 BURDEN REDUCTION.—

5 “(AA) IN GENERAL.—

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

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

24 (iv) in subparagraph (H)(i)—

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

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

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

10 (vi) by amending subparagraph (K)(ii)
11 to read as follows:

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

21 “(I) the results of the feasibility
22 study conducted under this sub-
23 section;

24 “(II) how a computer system—

1 “(aa) used to reduce
2 verification and certification er-
3 rors can be adapted to further
4 reduce errors; and

5 “(bb) using technology de-
6 scribed in clause (i) could be im-
7 plemented; and

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

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

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

14 “(i) REQUIREMENTS.—

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

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

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

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

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

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

23 “(II) except as otherwise pro-
24 vided in this subparagraph, be con-

1 ducted in accordance with this sub-
2 section.

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

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

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

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

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

1 “(V) ensure the methods imple-
2 mented under clause (i)(III) are im-
3 plemented across a range of geo-
4 graphic areas and States, including
5 rural and urban areas, and, when con-
6 sidered as a group, allow for an as-
7 sessment of a range of strategies re-
8 garding verification sample selection,
9 obtaining eligibility documentation,
10 and the entity conducting verification,
11 including strategies that—

12 “(aa) use analyses of data,
13 particularly in large local edu-
14 cational agencies to develop algo-
15 rithms to select error-prone ap-
16 plications for verification;

17 “(bb) use third-party data
18 sources to confirm eligibility
19 prior to conducting household
20 verification under subparagraph
21 (G);

22 “(cc) rely on alternative
23 methods, including message test-
24 ing, of communicating with
25 households to assess which meth-

1 ods most effectively result in
2 household responses;

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

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

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

25 (C) in paragraph (4)—

1 (i) by striking subparagraph (E);

2 (ii) by redesignating subparagraphs
3 (F) and (G) as subparagraphs (E) and
4 (F), respectively; and

5 (iii) in subparagraph (E) (as so reded-
6 igned)—

7 (I) in clause (i), by striking
8 “means—” and all that follows
9 through “for each school year there-
10 after” in subclause (III) and inserting
11 “means, for the school year”;

12 (II) in clause (ii)—

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

15 (bb) in subclause (III), by
16 striking the period at the end
17 and inserting a semicolon; and

18 (cc) by adding at the end
19 the following:

20 “(IV) include in the report re-
21 quired under section 4301 of the
22 Food, Conservation, and Energy Act
23 of 2008 (42 U.S.C. 1758a), a descrip-
24 tion of technical assistance provided
25 to and progress of States identified

1 under subclause (I) toward imple-
2 menting the measures and meeting
3 the goals established by the State as
4 required under clause (iii)(II); and

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

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

15 (D) in paragraph (15)—

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

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

23 (4) in subsection (f)—

24 (A) in paragraph (1)—

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

3 (ii) in subparagraph (B), 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 “(C) meet minimum nutritional require-
9 ments prescribed by the Secretary on the basis
10 of tested nutritional research specifically con-
11 ducted to understand the impact for children,
12 except that the minimum nutritional require-
13 ments—

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

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

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

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

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

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

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

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

19 “(I) appropriate for the age of
20 children participating in the school
21 meal programs, including for the
22 health of children;

23 “(II) in compliance with the pre-
24 ponderance of the latest high-quality
25 research based on school-aged children

1 conducted to examine the health and
2 safety of children participating in the
3 school meal programs;

4 “(III) not increasing the cost to
5 implement the requirements of the
6 school meal programs; and

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

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

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

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

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

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

3 “(v) publish in the Federal Register,
4 and submit to the Committee on Education
5 and the Workforce of the House of Rep-
6 resentatives and the Committee on Agri-
7 culture, Nutrition, and Forestry of the
8 Senate—

9 “(I) a notice that no changes to
10 the regulations are required with the
11 certification described in clause (ii); or

12 “(II) the revised regulations de-
13 scribed in clause (iv) with the certifi-
14 cation described in clause (ii).

15 “(B) FIRST REVIEW.—The first review re-
16 quired under subparagraph (A) after the date
17 of enactment of the Improving Child Nutrition
18 and Education Act of 2016 shall—

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

21 “(ii) include a review of the sodium
22 and whole grain requirements under the
23 regulations for the school meal programs;
24 and

25 “(iii) ensure that such requirements—

1 “(I) allow for cultural foods to be
2 served under the school meal pro-
3 grams;

4 “(II) maintain the sodium target
5 requirements established for the
6 school lunch program and school
7 breakfast program under sections
8 210.10(f) and 220.8(f) of title 7, Code
9 of Federal Regulations, respectively
10 (as such regulations are in effect on
11 the day before the date of the enact-
12 ment of the Improving Child Nutri-
13 tion and Education Act of 2016) until
14 such requirements are revised in ac-
15 cordance with subclause (III); and

16 “(III) in a case in which the so-
17 dium target requirements are revised
18 as a result of the review described in
19 this subparagraph, ensure that such a
20 revision—

21 “(aa) is based on health re-
22 quirements for children;

23 “(bb) is supported by a ma-
24 jority of research focused on
25 school-aged children that directly

1 establishes, through well-con-
2 trolled randomized trials or well-
3 designed, long-term observational
4 studies, that sodium reductions
5 are both safe and produce bene-
6 ficial health outcomes for such
7 children;

8 “(cc) is able to support food
9 safety and be produced in a man-
10 ner that does not significantly in-
11 crease the cost of food; and

12 “(dd) does not take effect
13 until 3 years after the revision
14 has been published in the Federal
15 Register.

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

18 “(i) IN GENERAL.—Subject to clause
19 (ii), the Secretary shall issue guidance, or
20 promulgate new rules as necessary, to en-
21 sure each State agency provides guidance
22 to school food authorities with respect to
23 the allowance of up to 4 family meal days,
24 as designated by a school, which shall be
25 exempt from the meal pattern rules speci-

1 fied under the regulations for the school
2 meal programs, during which the school
3 may—

4 “(I) invite parents to participate
5 in special meals, such as a Thanks-
6 giving meal or a parents’ day meal;
7 and

8 “(II) provide additional nutrition
9 education, such as recipe building or
10 healthy cooking classes to parents and
11 families on making healthy meal op-
12 tions at home, which may be provided
13 by an entity or individual other than
14 a school food service director or food
15 service personnel.

16 “(ii) CLARIFICATION.—In issuing
17 guidance or promulgating rules under
18 clause (i), the Secretary shall not establish
19 requirements for family meal days, other
20 than to ensure that schools have the au-
21 thority to hold up to 4 family meal days
22 per school year.

23 “(D) REGULATION FLEXIBILITY.—The
24 Secretary shall provide guidance, when there is
25 difficulty in procuring food to comply with the

1 regulations, to allow a school food authority to
2 substitute food items across food groups and
3 subgroups, including in-season, locally-produced
4 fruits and vegetables, notwithstanding the food-
5 based meal patterns and menu planning re-
6 quirements of this subsection, provided that the
7 school food authority continues to meet applica-
8 ble daily and weekly nutrient and dietary re-
9 quirements under this subsection.”;

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

11 (6) by redesignating subsections (h), (i), (j),
12 and (l) as subsections (g), (h), (i), and (j), respec-
13 tively; and

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

18 **SEC. 105. MISCELLANEOUS PROVISIONS.**

19 (a) UNIVERSAL MEAL SERVICE IN HIGH POVERTY
20 AREAS THRESHOLD.—Section 11(a)(1)(F) of the Richard
21 B. Russell National School Lunch Act (42 U.S.C.
22 17659a(a)(1)(F)) is amended—

23 (1) in clause (ii)(I), in the matter preceding
24 item (aa), by inserting “(including a subset of
25 schools within the local educational agency if the re-

1 sult obtained by dividing the total number of the
2 identified students enrolled in such schools by the
3 total number of all students enrolled in such schools,
4 is above the threshold in clause (viii))” after “on be-
5 half of certain schools”;

6 (2) in clause (vi), by inserting “(except in the
7 case of a nonpublic school that has requested infor-
8 mation for the sole purpose of verifying eligibility of
9 students for free or reduced price lunch)” after this
10 “subparagraph”;

11 (3) by striking clause (viii) and inserting the
12 following:

13 “(viii) THRESHOLD.—

14 “(I) IN GENERAL.—For each school year
15 beginning on or after July 1, 2017, the Sec-
16 retary shall use a threshold that is not less than
17 60 percent.

18 “(II) COMMUNITY ELIGIBILITY SELECTION
19 TRANSITION.—In the case of a school that re-
20 ceived special assistance payments under this
21 subparagraph during the school year imme-
22 diately prior to the school year in which the Im-
23 proving Child Nutrition and Education Act of
24 2016 was enacted, such school shall, not later
25 than June 30, 2018—

1 “(aa) meet the threshold described in
2 subclause (I); or

3 “(bb) transition from receiving pay-
4 ments under this subparagraph in accord-
5 ance with subclause (III).

6 “(III) TECHNICAL ASSISTANCE.—In the
7 case of schools described in subclause (II)(bb),
8 the Secretary shall provide technical assistance
9 to ensure that such schools are able to effec-
10 tively and efficiently transition from receiving
11 payments under this subparagraph to receiving
12 special assistance payments otherwise made
13 available under this paragraph, including com-
14 municating the application process to families
15 in a timely manner to ensure continuity of serv-
16 ices for eligible families.”; and

17 (4) in clause (xi)—

18 (A) in subclause (II), by striking “Not
19 later than December 31, 2013” and inserting
20 “Not later than one year after the date of en-
21 actment of the Improving Child Nutrition and
22 Education Act of 2016”; and

23 (B) in subclause (III), by striking “If the
24 Secretary uses the authority provided in clause
25 (vii)(II)(bb) to use a different multiplier for dif-

1 ferent schools or local educational agencies, for
2 each school year beginning on or after July 1,
3 2014, not later than April 1, 2014” and insert-
4 ing “If the Secretary uses the authority pro-
5 vided in clause (vii), for each school year begin-
6 ning on or after July 1, 2017, not less than one
7 year prior to the Secretary electing to use such
8 authority,”.

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

13 (c) DEFINITION OF AUTHORIZED STATE AGENCY.—
14 Paragraph (9) of section 12(d) of the Richard B. Russell
15 National School Lunch Act (42 U.S.C. 1760(d)(9)) is
16 amended to read as follows:

17 “(9) AUTHORIZED STATE AGENCY.—The term
18 ‘authorized State agency’ means—

19 “(A) the chief State school officer (such as
20 the State superintendent of public instruction,
21 commissioner of education, or similar officer);

22 “(B) a board of education controlling the
23 State department of education;

1 plications that include an educational or enrich-
2 ment activity, or demonstrate a partnership
3 with an entity providing such activity.”;

4 (B) by amending paragraph (8) to read as
5 follows:

6 “(8) STREAMLINING.—

7 “(A) SEAMLESS SUMMER.—Except as oth-
8 erwise determined by the Secretary, a service
9 institution that is a public or private nonprofit
10 school food authority may provide summer or
11 school vacation food service in accordance with
12 applicable provisions of law governing the
13 school lunch program established under this Act
14 or the school breakfast program established
15 under the Child Nutrition Act of 1966 (42
16 U.S.C. 1771 et seq.).

17 “(B) SUMMER AND CACFP AT-RISK
18 STREAMLINING.—

19 “(i) IN GENERAL.—Notwithstanding
20 subsections (b)(2) and (c)(1), a State may
21 elect to streamline and simplify program
22 operations by reducing paperwork and
23 other administrative burdens while retain-
24 ing appropriate measures of program in-
25 tegrity, which may include the utilization

1 of technical assistance provided to the
2 State under clause (iv) for service institu-
3 tions that—

4 “(I) are described in paragraphs
5 (6) or (7);

6 “(II) provide care to at-risk
7 school children (as defined in section
8 17(r)(2)), and may be eligible child
9 care centers or homes (as defined
10 under section 17(a)(2))

11 “(III) are not public schools.

12 “(ii) STREAMLINED REIMBURSE-
13 MENT.—States that demonstrate stream-
14 lined and simplified program operations
15 under clause (i) for service institutions,
16 and that are selected by the Secretary
17 under clause (v), shall streamline reim-
18 bursement for such service institutions by
19 providing reimbursement for—

20 “(I) lunch and either breakfast
21 or a supplement served to at-risk
22 school children—

23 “(aa) during each day of op-
24 eration during the months of
25 May through September; and

1 “(bb) in the case of a service
2 institution that provides meal
3 service to such children who are
4 not in school for a period during
5 the school year due to a natural
6 disaster, building repair, court
7 order, or similar cause, at any
8 time during such period in that
9 school year; and

10 “(II) up to 1 meal and 1 supple-
11 ment served to children during each
12 day of operation outside of school
13 hours during the regular school cal-
14 endar, including after school, week-
15 ends, and school holidays.

16 “(iii) RATE OF REIMBURSEMENT.—
17 The State shall reimburse service institu-
18 tions seeking reimbursement under this
19 subparagraph at a rate that is consistent
20 with section 17(r)(4)(B).

21 “(iv) TECHNICAL ASSISTANCE.—

22 “(I) IN GENERAL.—Not later
23 than December 31, 2016, the Sec-
24 retary shall develop guidance and pro-
25 vide technical assistance for States

1 and service institutions to assist in
2 the implementation of this subpara-
3 graph, including by identifying areas
4 of programmatic overlap in the pro-
5 gram under this section and the child
6 and adult care food program under
7 section 17 so that States may simplify
8 the administration of each such pro-
9 gram.

10 “(II) GUIDANCE.—Such guidance
11 shall include information on possible
12 ways States may ensure participation
13 under this subparagraph will lead to
14 reduced paperwork and other adminis-
15 trative burdens, including rec-
16 ommendations for streamlined pro-
17 gram applications, reporting require-
18 ments, inspections, and other areas of
19 potential duplication, while retaining
20 appropriate measures of program in-
21 tegrity.

22 “(III) OTHER STATES.—Informa-
23 tion provided under this clause shall
24 be provided in such a manner that
25 any State may identify areas of pro-

1 grammatic overlap, and reduce paper-
2 work and other burdens, even if such
3 State has not yet been selected to pro-
4 vide reimbursements to service institu-
5 tions in accordance with this subpara-
6 graph.

7 “(v) SUCCESSFUL IMPLEMENTA-
8 TION.—

9 “(I) IN GENERAL.—A State seek-
10 ing to provide reimbursements in ac-
11 cordance this subparagraph shall dem-
12 onstrate to the Secretary the ways in
13 which the State has used the election
14 under clause (i) to reduce paperwork
15 and other administrative burdens
16 while retaining appropriate measures
17 of program integrity, which may in-
18 clude the utilization of technical as-
19 sistance provided to the State under
20 clause (iv).

21 “(II) INITIAL SELECTION OF
22 STATES.—

23 “(aa) IN GENERAL.—The
24 Secretary shall select not more
25 than 5 States to provide reim-

1 bursements in accordance with
2 this subparagraph, beginning in
3 May 2017, if such States have
4 the capacity to effectively imple-
5 ment this subparagraph, as dem-
6 onstrated by streamlining and
7 simplifying program operations
8 in accordance with subclause (I).

9 “(bb) UPDATE.—When ap-
10 propriate, but not later than May
11 31, 2018, and consistent with
12 subclause (V)(bb), the Secretary
13 shall update the information
14 under clause (iv).

15 “(III) NEXT SELECTION OF
16 STATES.—

17 “(aa) IN GENERAL.—If the
18 Secretary determines that addi-
19 tional States have the capacity
20 described in subclause (I) and
21 additional best practices could be
22 provided, the Secretary may se-
23 lect not more than 5 such States
24 to provide reimbursements in ac-

1 cordance with this subparagraph
2 beginning in October 2018.

3 “(bb) UPDATE.—Not later
4 than September 30, 2019, and
5 consistent with subclause
6 (V)(bb), the Secretary shall up-
7 date the information under clause
8 (iv).

9 “(IV) ADDITIONAL SELECTION
10 OF STATES.—The Secretary may se-
11 lect additional States to provide reim-
12 bursements in accordance with this
13 subparagraph beginning in May 2020,
14 and each year thereafter, if such
15 States have the capacity described in
16 subclause (I).

17 “(V) BEST PRACTICES.—

18 “(aa) IN GENERAL.—As a
19 condition of being selected under
20 this clause, a State shall provide,
21 in such time and in such manner
22 as the Secretary may reasonably
23 require, information to the Sec-
24 retary regarding best practices of

1 successful implementation of this
2 subparagraph.

3 “(bb) UPDATE.—The Sec-
4 retary shall continue to periodi-
5 cally update the information
6 under clause (iv) to include the
7 best practices provided under
8 item (aa) for continued success-
9 ful implementation of this sub-
10 paragraph.”;

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

13 (D) by redesignating paragraph (11) as
14 paragraph (9); and

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

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

18 “(A) IN GENERAL.—Beginning in May
19 2017, the Secretary shall grant requests made
20 by a State to allow children who are partici-
21 pating in the program but for whom an oper-
22 ation under paragraph (12) is not available, to
23 consume meals away from a congregate feeding
24 site when the program is available to such chil-
25 dren at the site, but—

1 “(i) the site is closed due to extreme
2 weather conditions;

3 “(ii) violence or other public safety
4 concerns in the area temporarily prevent
5 children from traveling safely to the site;
6 or

7 “(iii) other emergency circumstances,
8 as defined by the State, prevent access to
9 the site.

10 “(B) LIMITATIONS.—In granting a request
11 under subparagraph (A), the Secretary shall en-
12 sure that—

13 “(i) allowances are issued by a State
14 only between the months of May through
15 September;

16 “(ii) allowances are granted in the
17 most efficient and effective manner to en-
18 sure programs and States can quickly re-
19 spond and adapt to the circumstances de-
20 scribed in clauses (i) through (iii) of sub-
21 paragraph (A); and

22 “(iii) once an allowance is issued, any
23 meal in which a component is offered but
24 not served is not reimbursed under sub-
25 section (b).

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

4 “(i) the approval process, including
5 the timeline, the State would undertake to
6 issue an allowance;

7 “(ii) standards for what circumstances
8 merit an allowance, how long an allowance
9 will last, and when an allowance may be
10 extended; and

11 “(iii) how the program would operate
12 once an allowance is issued.

13 “(11) OFF-SITE CONSUMPTION.—

14 “(A) IN GENERAL.—Beginning in May of
15 2017, a State may elect for service institutions
16 to carry out an off-site consumption operation
17 in the State to provide summer food service
18 program meals to children eligible to participate
19 in the program that such children may consume
20 away from a congregate feeding site.

21 “(B) AVAILABILITY.—The operation de-
22 scribed in subparagraph (A) shall be available
23 to a child described in subparagraph (A) only if
24 the child lives in an area that is eligible to par-
25 ticipate in the summer food service program,

1 but that is not currently being served, and such
2 area—

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

4 or

5 “(ii) is not rural, and is an area in
6 which more than 80 percent of students
7 are certified as eligible for free or reduced
8 price meals.

9 “(C) ADMINISTRATION.—

10 “(i) IN GENERAL.—The following
11 shall apply to an operation described in
12 subparagraph (A):

13 “(I) The number of meals served
14 to each child in a single meal service
15 is limited to 2 meals, and the number
16 of meals in a seven-day period shall be
17 limited to 10 meals.

18 “(II) Any meal served shall meet
19 the same standards for nutrition,
20 safety, and quality as a meal served at
21 a congregate feeding site.

22 “(III) Any meal in which a com-
23 ponent is offered but not served shall
24 not be reimbursed under subsection
25 (b).

1 “(IV) Each State shall give pri-
2 ority to children who are living where
3 congregate feeding sites are not acces-
4 sible.

5 “(V) Nothing in this section shall
6 be construed to allow congregate feed-
7 ing sites to cease from operating in
8 order to be replaced by off-site con-
9 sumption operations under this para-
10 graph.

11 “(VI) A State shall not—

12 “(aa) operate an off-site
13 consumption operation simulta-
14 neously in the same service area
15 with a congregate feeding site;

16 “(bb) use more than 10 per-
17 cent of funds received for admin-
18 istrative expenses to carry out
19 this paragraph; or

20 “(cc) implement an off-site
21 consumption operation in all
22 service areas in the State.

23 “(ii) STATE PLAN.—Each State
24 choosing to provide summer food service
25 program meals through an off-site con-

1 sumption operation under this paragraph
2 shall describe how the State plans to im-
3 plement the operation in the management
4 and administration plan in subsection (n),
5 which shall include information on how the
6 State will—

7 “(I) document operation, includ-
8 ing implementation;

9 “(II) determine the method for
10 selecting eligible areas and eligible
11 service institutions to most effectively
12 deliver summer food service program
13 meals in the manner described in this
14 paragraph;

15 “(III) design mechanisms by
16 which households with children eligible
17 to participate in the program could in-
18 dicate a need for meal service through
19 such an operation;

20 “(IV) develop an appropriate
21 maintenance of effort requirement for
22 service institutions currently operating
23 congregate feeding sites;

24 “(V) develop requirements for
25 implementing safety and security

1 measures to ensure that safety and
2 security through such an operation is
3 equivalent to such measures at a con-
4 gregate feeding site; and

5 “(VI) periodically reevaluate the
6 potential for children to be served at
7 a congregate feeding site.”;

8 (2) in subsection (f)(2), by inserting before the
9 period at the end the following: “and in providing
10 appropriate meals to children with medically cer-
11 tified special dietary needs, including food allergies
12 or other special dietary needs of individual children,
13 including religious dietary restrictions”;

14 (3) in subsection (k)(3)—

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

17 “(3) NUTRITIONAL AND FOOD QUALITY MONI-
18 TORING.—

19 “(A) IN GENERAL.—To provide”; and

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

21 “(B) INSUFFICIENT FUNDS.—

22 “(i) IN GENERAL.—If funds provided
23 under subparagraph (A) are insufficient to
24 pay for State or local health department
25 inspections, and to reinspect facilities and

1 deliveries to test meal quality, as required
2 under this Act or the Child Nutrition Act
3 of 1966 (42 U.S.C. 1771 et seq.), State
4 agencies may elect to use funds described
5 in paragraph (1) for those activities.

6 “(ii) LIMITATION.—Funds described
7 in clause (i) shall not exceed the lesser
8 of—

9 “(I) actual costs; or

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

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

14 “(n) STATE PLAN.—Each State desiring to partici-
15 pate in the program shall notify the Secretary by January
16 1 of each year of its intent to administer the program and
17 shall submit, by February 15, a management and adminis-
18 tration plan for the program for the fiscal year, which
19 shall include, at a minimum—

20 “(1) the State’s administrative budget for the
21 fiscal year; and

22 “(2) the State’s plans for—

23 “(A) use of program funds and additional
24 State or private funds to reach children with

1 the greatest need, to the maximum extent prac-
2 ticable;

3 “(B) strengthening the congregate feeding
4 model for program delivery, including a process
5 for identifying gaps in service and barriers to
6 access;

7 “(C) administrative and fiscal plans for
8 using the allowance described in subsection
9 (a)(11) and, if applicable, the option described
10 in subsection (a)(12) to assist service institu-
11 tions in reaching children with the greatest
12 need;

13 “(D) providing technical assistance and
14 training for eligible service institutions;

15 “(E) monitoring and inspecting service in-
16 stitutions, feeding sites, and food service man-
17 agement companies and ensuring that such
18 companies do not enter into contracts for more
19 meals than they can provide effectively and effi-
20 ciently, and in compliance with the program;

21 “(F) timely and effective action against
22 program violators; and

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

1 (5) in subsection (r), by striking “2015” and
2 inserting “2021”.

3 **SEC. 107. COMMODITY DISTRIBUTION PROGRAM.**

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

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

7 (A) by striking “section 9(a) of this Act”
8 and inserting “section 9(f)”; and

9 (B) by striking “represent the four basic
10 food groups, including” and inserting “in-
11 clude”; and

12 (2) by striking subsection (h).

13 **SEC. 108. CHILD AND ADULT CARE FOOD PROGRAM.**

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

17 (1) in subsection (a)—

18 (A) in paragraph (2)—

19 (i) in subparagraph (B), in the matter
20 preceding clause (i), by striking “if” and
21 inserting “if, during the month preceding
22 the date of submission of the applicable
23 initial application or reapplication”;

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

1 (iii) in subparagraph (F), by striking
2 the period at the end and inserting a semi-
3 colon; and

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

6 “(G) any public or licensed nonprofit pri-
7 vate residential child care institution (as de-
8 fined in subsection (v)(1)) that is not concu-
9 rrently receiving reimbursement under the school
10 lunch program under this Act or the school
11 breakfast program under the Child Nutrition
12 Act of 1966 (42 U.S.C. 1771 et seq.); and

13 “(H) any boarding school funded by the
14 Bureau of Indian Education that is not concu-
15 rrently receiving reimbursement under the school
16 lunch or the school breakfast program.”; and

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

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

21 “(7) DURATION OF DETERMINATION.—With re-
22 spect to an institution described in paragraph
23 (2)(B), an eligibility determination under this sub-
24 section shall remain in effect for a period of 4

1 months after the date such institution is approved
2 by the State under subsection (d).”;

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

6 (3) in subsection (d)—

7 (A) in paragraph (4)—

8 (i) by striking “In consultation” and
9 inserting the following:

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

11 (ii) by adding at the end the fol-
12 lowing:

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

17 “(i) the expenditures of program
18 funds by the sponsoring organization; and

19 “(ii) the amount of meal reimburse-
20 ments retained by the sponsoring organiza-
21 tion for administrative costs, if applica-
22 ble.”; and

23 (B) in paragraph (5), by adding at the end
24 the following:

25 “(F) SERIOUS DEFICIENCY PROCESS.—

1 “(i) IN GENERAL.—Not later than 1
2 year after the date of the enactment of the
3 Improving Child Nutrition and Education
4 Act of 2016, the Secretary shall review the
5 serious deficiency process for the program
6 under this section.

7 “(ii) REVIEW.—In carrying out clause
8 (i), the Secretary shall review the processes
9 for, and those involved in—

10 “(I) a finding of serious defi-
11 ciency, including—

12 “(aa) what measures auto-
13 matically result in a finding of
14 serious deficiency; and

15 “(bb) how differentiation is
16 being made between—

17 “(AA) a reasonable
18 margin of human error and
19 systematic or intentional
20 noncompliance; and

21 “(BB) State-specific re-
22 quirements and Federal law
23 and regulations, if applica-
24 ble;

1 “(II) appeals and mediation in
2 any case in which there is a finding of
3 serious deficiency;

4 “(III) determining the cir-
5 cumstances under which a corrective
6 action plan is acceptable;

7 “(IV) information sharing be-
8 tween Departments of Agriculture and
9 Health and Human Services; and

10 “(V) termination and disquali-
11 fication, including maintenance of the
12 list under subparagraph (E).

13 “(iii) GUIDANCE AND REGULA-
14 TIONS.—

15 “(I) IN GENERAL.—After con-
16 ducting the review under this sub-
17 paragraph, the Secretary shall use
18 findings from the information col-
19 lected to issue guidance, and, as ap-
20 propriate, regulations, from such find-
21 ings that will assist sponsoring orga-
22 nizations, State agencies, and the
23 Food and Nutrition Service in ensur-
24 ing a fair, uniform, and effective ad-
25 ministration of the serious deficiency

1 process, while retaining program in-
2 tegrity.

3 “(II) SCOPE.—Such guidance
4 shall include—

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

7 “(bb) parameters for an ap-
8 peals process to review a finding
9 of serious deficiency or a deter-
10 mination that a corrective action
11 plan is inadequate; and

12 “(cc) adequate timeframes
13 under a corrective action plan for
14 compliance that are consistent
15 for all types of institutions par-
16 ticipating in the program, includ-
17 ing family or group day care
18 homes.

19 “(III) INFORMATION SHARING.—
20 Within such guidance or regulation,
21 and as soon as practicable, the Sec-
22 retary shall ensure information about
23 findings are shared with the Secretary
24 of Health and Human Services as to
25 allow for maximum health, safety,

1 oversight, and monitoring of child
2 care and Head Start facilities.”;

3 (4) in subsection (f)—

4 (A) in paragraph (2)(C), by adding at the
5 end the following:

6 “(iii) CARRYOVER FUNDS.—Not more
7 than 10 percent of the amount reserved by
8 sponsoring organizations under clause (i)
9 for administrative expenses for a fiscal
10 year may remain available for obligation or
11 expenditure in the succeeding fiscal year
12 for administrative purposes.”; and

13 (B) in paragraph (3)—

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

15 (ii) by redesignating subparagraphs
16 (D) and (E) as subparagraphs (C) and
17 (D), respectively;

18 (5) in subsection (g), by striking paragraph (6)
19 and inserting the following:

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

24 (6) in subsection (h)(1), by adding at the end
25 the following:

1 “(E) ENGAGEMENT WITH STATE AND
2 LOCAL AGENCIES.—

3 “(i) IN GENERAL.—Subject to clause
4 (ii), institutions participating in the pro-
5 gram under this section may engage with
6 authorized State agencies and local edu-
7 cational agencies to use existing infrastruc-
8 ture to enhance the use of, and increase
9 access to, donated commodities.

10 “(ii) EFFECT OF SUBPARAGRAPH.—
11 Nothing in this subparagraph shall compel
12 a local educational agency unwillingly to
13 serve any institution participating in the
14 program under this section.”;

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

24 (8) in subsection (r), by striking paragraphs (5)
25 and (6);

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

5 (10) in subsection (u)(3)—

6 (A) in subparagraph (A), by inserting be-
7 fore the period at the end the following: “and
8 in providing appropriate meals to children with
9 medically certified special dietary needs, includ-
10 ing food allergies or other special dietary needs
11 of individual students, including religious die-
12 tary restrictions”;

13 (B) in subparagraph (C)(i), by inserting
14 “for distribution to participants and families of
15 participants” after “nutrition education”; and

16 (C) in subparagraph (H), by adding at the
17 end the following:

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

21 “(I) made available under this
22 subparagraph; and

23 “(II) not obligated as of the date
24 of the enactment of the Improving

1 Child Nutrition and Education Act of
2 2016.”; and

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

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

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

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

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

16 “(2) ADMINISTRATION.—Except as otherwise
17 provided in this subsection, a residential child care
18 institution shall be considered eligible for reimburse-
19 ment for meals or supplements served to eligible
20 children residing at the residential child care institu-
21 tion, so long as the institution does not simulta-
22 neously participate in the school lunch program
23 under this Act or the school breakfast program
24 under the Child Nutrition Act of 1966 (42 U.S.C.
25 1771 et seq.).

1 “(3) MEAL OR SUPPLEMENT REIMBURSE-
2 MENT.—

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

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

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

11 “(II) children with disabilities;
12 and

13 “(ii) for not more than—

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

16 “(II) 1 breakfast, 1 supper, and
17 1 supplement per child per day.

18 “(B) RATE.—A meal or supplement eligi-
19 ble for reimbursement under this subsection
20 shall be reimbursed at the rate at which free,
21 reduced price, and paid meals and supplements,
22 respectively, are reimbursed under subsection
23 (c).”.

24 (b) ADVISORY COMMITTEE.—

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

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

- 17 (i) State agencies;
18 (ii) family child care homes;
19 (iii) child care centers;
20 (iv) sponsoring organizations; and
21 (v) families.

22 (B) to provide recommendations to reduce
23 unnecessary or duplicative paperwork for those
24 program participants while ensuring that prop-

1 er accountability and program integrity are
2 maintained.

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

8 (A) Public and private nonprofit organiza-
9 tions.

10 (B) Home-based day care providers.

11 (C) Head Start centers.

12 (D) For-profit proprietary organizations.

13 (E) Shelters for homeless families.

14 (F) Adult day care centers.

15 (G) State agencies.

16 (H) Sponsor organizations that provide ad-
17 ministrative support to multiple providers.

18 (3) CONSIDERATIONS.—In developing the rec-
19 ommendations under this subsection, the advisory
20 committee shall take into consideration, as appro-
21 priate—

22 (A) any existing information, recommenda-
23 tions, and reports from the paperwork reduction
24 work group convened by the Food and Nutri-
25 tion Service in response to section 119(i) of the

1 Child Nutrition and WIC Reauthorization Act
2 of 2004 (42 U.S.C. 1766 note; 118 Stat. 755);

3 (B) the use of technology for electronic
4 recordkeeping to reduce paperwork burdens on
5 program participants and providers; and

6 (C) input from additional advocates and
7 stakeholders for a broader knowledge base, if
8 the advisory committee determines necessary.

9 (4) SECRETARIAL ACTION.—

10 (A) GUIDANCE OR REGULATIONS.—

11 (i) ISSUANCE.—Not later than 1 year
12 after the date of the enactment of this Act,
13 the Secretary shall issue guidance or regu-
14 lations, as appropriate, based on the rec-
15 ommendations of the advisory committee
16 under paragraph (1) regarding streamlined
17 and consolidated paperwork and record-
18 keeping requirements, including applica-
19 tions, monitoring and auditing require-
20 ments, and any other areas recommended
21 by the advisory committee intended to re-
22 duce administrative burden.

23 (ii) IMPLEMENTATION.—Not later
24 than 18 months after the date of the en-
25 actment of this Act, the Secretary shall im-

1 plement any changes resulting from the
2 guidance or regulations described in clause
3 (i).

4 (B) REPORT.—After issuing any guidance
5 or regulations under subparagraph (A), the
6 Secretary shall submit to the Committee on Ag-
7 riculture, Nutrition, and Forestry of the Senate
8 and the Committee on Education and the
9 Workforce of the House of Representatives a
10 report describing any recommendations for leg-
11 islative changes to further strengthen and
12 streamline the application and monitoring proc-
13 ess and reduce administrative burden on grant-
14 ees, participants, local and State governments,
15 and the Federal Government.

16 **SEC. 109. DEMONSTRATION PROJECTS.**

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

19 (1) by striking subsections (d) through (h), (j),
20 and (k);

21 (2) by redesignating subsection (i) as subsection
22 (g);

23 (3) in subsection (g)(5), as so redesignated, by
24 striking “2011through 2015” and inserting “2017
25 through 2021”; and

1 (4) by inserting after subsection (c) the fol-
2 lowing:

3 “(d) ACCESS TO LOCAL FOODS: FARM TO SCHOOL
4 PROGRAM.—

5 “(1) PROGRAM.—The Secretary shall carry out
6 a program to assist eligible schools, State and local
7 agencies, Indian tribal organizations, agricultural
8 producers or groups of agricultural producers, and
9 nonprofit entities through grants, technical assist-
10 ance, and research to implement farm to school pro-
11 grams that improve access to local foods and im-
12 prove nutrition education in eligible schools.

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

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

18 “(B) ELIGIBLE SCHOOL.—The term ‘eligi-
19 ble school’ means a school or institution that
20 participates in—

21 “(i) a program under this Act, includ-
22 ing the summer food service program for
23 children under section 13 and the early
24 care and afterschool portions of the child

1 and adult care food program under section
2 17; or

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

6 “(3) GRANTS.—

7 “(A) IN GENERAL.—The Secretary shall
8 award competitive grants under this subsection
9 to be used for implementing farm to school pro-
10 grams for the purposes of improving access to
11 local foods and improving nutrition education,
12 through—

13 “(i) research, training, and technical
14 assistance;

15 “(ii) supporting operations;

16 “(iii) planning;

17 “(iv) purchasing equipment;

18 “(v) developing school gardens; and

19 “(vi) developing partnerships to facili-
20 tate nutrition education and healthy eat-
21 ing.

22 “(B) REGIONAL BALANCE.—In making
23 awards under this subsection, the Secretary
24 shall, to the maximum extent practicable, en-
25 sure—

1 “(i) geographical diversity; and

2 “(ii) equitable treatment of urban,
3 rural, and tribal communities.

4 “(C) IMPROVED PROCUREMENT AND DIS-
5 TRIBUTION.—Funds provided under this sub-
6 section may be used to improve local food pro-
7 curement and distribution options between agri-
8 cultural producers and eligible schools, includ-
9 ing innovative approaches to aggregation, proc-
10 essing, transportation, and distribution.

11 “(D) AWARDS.—

12 “(i) MAXIMUM AMOUNT.—The total
13 amount provided to a grant recipient under
14 this subsection shall not exceed \$150,000.

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

17 “(iii) LIMITATION.—The Secretary
18 shall not award any entity more than 1
19 grant at any given time.

20 “(iv) PURPOSE AND SCOPE.—In car-
21 rying out this subsection, the Secretary
22 shall make awards of diverse amounts and
23 duration so as to best match a variety of
24 purposes, scopes, and needs of the project
25 proposals.

1 “(E) LIMITATION.—The Secretary shall
2 not award a grant under this subsection if the
3 majority of grant funds would be used solely for
4 the purpose of carrying out a conference.

5 “(4) FEDERAL SHARE.—

6 “(A) IN GENERAL.—The Federal share of
7 costs for a project funded through a grant
8 awarded under this subsection shall not exceed
9 75 percent of the total cost of the project.

10 “(B) FEDERAL MATCHING.—As a condi-
11 tion of receiving a grant under this subsection,
12 a grant recipient shall provide matching sup-
13 port in the form of cash or in-kind contribu-
14 tions, including facilities, equipment, or services
15 provided by State and local governments, non-
16 profit organizations, and private sources.

17 “(5) CRITERIA FOR SELECTION.—

18 “(A) IN GENERAL.—To the maximum ex-
19 tent practicable, in providing assistance under
20 this subsection, the Secretary shall give priority
21 to proposals to—

22 “(i) serve a high proportion of chil-
23 dren who are eligible for free or reduced
24 price meals;

1 “(ii) incorporate nutrition education
2 activities that encourage the participation
3 of school children in farm and garden-
4 based agricultural education activities;

5 “(iii) provide families the opportunity
6 to participate in educational programming,
7 including through materials and engage-
8 ment activities, to improve nutrition out-
9 side the school environment;

10 “(iv) demonstrate collaboration be-
11 tween eligible schools, nongovernmental
12 and community-based organizations, agri-
13 cultural producer groups, and other com-
14 munity partners;

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

18 “(vi) demonstrate the potential for
19 long-term program sustainability with non-
20 Federal funds; and

21 “(vii) expand the selection of local
22 commodities available for eligible schools.

23 “(B) TRIBAL COMMUNITY PROJECTS.—In
24 the case of projects serving tribal communities,
25 the Secretary shall, to the maximum extent

1 practicable, give highest priority to projects
2 that propose to use products from tribal agri-
3 cultural producers, in addition to the priorities
4 under subparagraph (A).

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

9 “(7) TECHNICAL ASSISTANCE AND RE-
10 SEARCH.—

11 “(A) IN GENERAL.—The Secretary shall
12 provide technical assistance, research, and in-
13 formation through amounts reserved under this
14 subsection for such purposes, to assist schools,
15 State and local agencies, Indian tribal organiza-
16 tions, agricultural producers, and nonprofit en-
17 tities—

18 “(i) to facilitate the coordination and
19 sharing of information and resources that
20 may be applicable to the farm to school
21 program;

22 “(ii) to collect and share information
23 on best practices;

24 “(iii) to disseminate research and
25 data on existing farm to school programs

1 and the potential for programs to begin in
2 underserved areas; and

3 “(iv) to increase awareness of, and
4 participation in, farm to school programs
5 among agricultural and aquiculture pro-
6 ducers or agricultural producer groups, in-
7 cluding beginning, veteran, and socially
8 disadvantaged farmers and ranchers.

9 “(B) REVIEW.—Not later than 1 year
10 after the date of the enactment of the Improv-
11 ing Child Nutrition and Education Act of 2016
12 and every 3 years thereafter, the Secretary shall
13 review and submit to the Committee on Agri-
14 culture and the Committee on Education and
15 the Workforce of the House of Representatives
16 and the Committee on Agriculture, Nutrition,
17 and Forestry of the Senate a report that de-
18 scribes the regulatory and other barriers related
19 to including locally or regionally produced food
20 products in school food programs, including any
21 progress that has been made in identifying and
22 eliminating such barriers through examining—

23 “(i) barriers to the development and
24 implementation of successful farm to
25 school programs;

1 “(ii) the direct and indirect costs af-
2 fecting the production and marketing of lo-
3 cally or regionally produced agricultural
4 food products for school food programs;

5 “(iii) the costs local school food pro-
6 grams incur by acquiring such local foods
7 for school meal programs in comparison to
8 the costs for other foods in such school
9 meal programs; and

10 “(iv) local and regional market access
11 for such food products, partnerships,
12 small-scale production, and any barriers to
13 and long-term feasibility of such access.

14 “(8) FUNDING.—

15 “(A) IN GENERAL.—On October 1, 2016,
16 and each October 1 thereafter, out of any funds
17 in the Treasury not otherwise appropriated, the
18 Secretary of the Treasury shall transfer to the
19 Secretary to carry out this subsection
20 \$10,000,000, to remain available until ex-
21 pended.

22 “(B) RECEIPT AND ACCEPTANCE.—The
23 Secretary shall be entitled to receive, shall ac-
24 cept, and shall use to carry out this subsection

1 the funds transferred under subparagraph (A),
2 without further appropriation.

3 “(C) ADMINISTRATION.—Of the funds
4 made available to the Secretary under subpara-
5 graph (A), not more than 5 percent may be
6 used to pay administrative costs incurred by the
7 Secretary in carrying out this subsection and
8 evaluating the program in accordance with
9 paragraph (6).

10 “(e) SUMMER MEAL SERVICE THROUGH BUSINESS
11 PARTNERSHIP.—

12 “(1) IN GENERAL.—From the funds made
13 available under the summer food service program
14 under section 13, the Secretary shall award grants
15 on a competitive basis to not more than 4 State
16 agencies to improve delivery of such summer food
17 service program for low-income children in under-
18 served areas during summer through sustainable,
19 scalable, business-driven solutions.

20 “(A) DURATION.—A grant awarded under
21 this section shall be for a period of not more
22 than 3 years.

23 “(B) PRIORITY.—In awarding grants
24 under this section, the Secretary shall give pri-
25 ority to State agencies that have met the appli-

1 cation requirements under this subsection and
2 which demonstrate a severe unmet need for
3 serving children in additional eligible areas in
4 the State through the summer food service pro-
5 gram under section 13.

6 “(C) LIMITATION.—Funds under this sec-
7 tion will—

8 “(i) be intended to reduce childhood
9 hunger and allow parents to better partici-
10 pate in the labor force or an education or
11 workforce development program; and

12 “(ii) not preempt or prevent operation
13 of the summer food service program as it
14 operates through requirements of section
15 13.

16 “(2) STATE APPLICATION.—A State seeking to
17 operate a demonstration award under this subsection
18 shall submit an application at such time and in such
19 manner as the Secretary may reasonably require.
20 The application shall contain—

21 “(A) State plans to implement and manage
22 the program in accordance with other applicable
23 Federal requirements under this Act;

24 “(B) a determination of the eligible areas
25 in the State in which poor economic conditions

1 exist in accordance with the program, but where
2 an eligible service institution is not currently in
3 operation, where the State may reimburse a
4 vendor;

5 “(C) identified eligible vendors which the
6 State has determined to be qualified to provide
7 meals in accordance with this section;

8 “(D) a proposed timeline for entering into
9 contracts with eligible vendors and strategies
10 for effective communication; and

11 “(E) an assurance that funds will be used
12 to provide meals to the most vulnerable, under-
13 served, and rural populations, as determined by
14 the State.

15 “(3) ELIGIBLE VENDOR.—Under this section,
16 an eligible vendor is a food vendor which the State
17 determines has the administrative capacity and prov-
18 en operating performance to provide eligible meals to
19 children in underserved areas in accordance with
20 this subsection and with the limitations and require-
21 ments set forth in the summer food service program
22 regulations regarding management responsibilities of
23 sponsors and self-preparation sites, including the
24 vendor—

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

6 “(B) has not been determined ineligible to
7 participate in any other program under this Act
8 or the Child Nutrition Act of 1966 by reason of
9 violation of the requirements of that program;

10 “(C) will provide adequate supervisory and
11 operational personnel for monitoring and man-
12 agement of a self-preparation site;

13 “(D) contracts directly with the State as a
14 sponsor;

15 “(E) ensures that meals are inspected peri-
16 odically as required under existing program reg-
17 ulations;

18 “(F) participates in applicable State and
19 Federal reporting and auditing requirements
20 under this Act as appropriate, including to pro-
21 vide other information determined relevant by
22 the Comptroller General in accordance with
23 paragraph (5);

24 “(G) has State or local health certification
25 for the facilities in which meals will be prepared

1 and distributed for use in the program, and en-
2 sures that State and local health and sanitation
3 requirements are met at all times; and

4 “(H) has the organizational capacity to
5 offer meals in underserved communities, includ-
6 ing preparation and delivery logistics.

7 “(4) STATE DISBURSEMENT.—A State shall re-
8 imburse an eligible vendor for meals served to eligi-
9 ble children in accordance with the summer food
10 service program under section 13 and with this sub-
11 section, as follows:

12 “(A) Reimbursements shall be available for
13 an eligible vendor operating in an eligible area
14 in which poor economic conditions exist where
15 no sponsor is currently operating the program
16 under section 13.

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

19 “(i) demonstrate partnerships with
20 entities providing summer enrichment ac-
21 tivities such as schools, local government
22 agencies, and nonprofit agencies; and

23 “(ii) provide meals at a congregate
24 site, although such vendor shall not be re-
25 quired to do so.

1 “(C) A State shall follow established proce-
2 dures in entering into contracts with a vendor,
3 such as through a Request for Proposal, Invita-
4 tion for Sealed Bid, Small Purchase Procedure,
5 or other common method.

6 “(5) AUDITING.—Not later than 1 year after
7 the end of each grant period for each grant under
8 awarded under this subsection, the Comptroller Gen-
9 eral of the United States shall provide a report to
10 Congress, including information about the impacts
11 on children, families, and eligible service institutions
12 during the summer in each State receiving such
13 grant, including—

14 “(A) the impact on parents’ abilities to
15 participate in the labor force or an education or
16 workforce development program;

17 “(B) the reduction of childhood hunger
18 and food insecurity;

19 “(C) the ability for such business-driven
20 models to be sustainable and scalable, including
21 the costs associated in doing so; and

22 “(D) the extent to which such funds under
23 this section encouraged partnerships with
24 schools, local government agencies, and non-
25 profit agencies.

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

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

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

7 “(C) Meals shall be provided to children el-
8 igible for the summer food service program
9 under section 13.

10 “(D) A vendor receiving reimbursements
11 shall not profit directly from such reimburse-
12 ments under this subsection.

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

17 “(f) SUMMER ELECTRONIC BENEFIT TRANSFER FOR
18 CHILDREN.—

19 “(1) PURPOSE.—The purposes of the provision
20 of electronic benefits provided through this sub-
21 section are to assess the use of alternate methods of
22 providing access to food for children during the sum-
23 mer months when school is not in regular session
24 that are intended to—

1 “(A) increase summer food service pro-
2 gram effectiveness and efficiency;

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

5 “(C) improve the nutritional status of chil-
6 dren.

7 “(2) DEMONSTRATION.—

8 “(A) ELECTION.—A State that, as of the
9 date of enactment of the Improving Child Nu-
10 trition and Education Act of 2016, is operating,
11 or has operated, a summer electronic benefit
12 transfer for children demonstration may elect to
13 continue operating such demonstration in ac-
14 cordance with the requirements of this sub-
15 section as an alternative to other delivery mod-
16 els of providing meals to children during the
17 summer months when school is not in regular
18 session.

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

22 “(i) be in full compliance with the
23 electronic benefit transfer systems require-
24 ments of section 17(g)(12) of the Child

1 Nutrition Act of 1966 (42 U.S.C.
2 1786(g)(12));

3 “(ii) comply with the requirements
4 under this subsection; and

5 “(iii) agree to provide such informa-
6 tion the Comptroller General of the United
7 States may require for the evaluation of
8 the demonstration as required under this
9 subsection.

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

11 “(A) ELIGIBLE HOUSEHOLD.—The term
12 ‘eligible household’ means a household that in-
13 cludes 1 or more school-aged child determined
14 as eligible to receive free or reduced price school
15 meals during the prior school year, but such
16 child is not participating in a program that pro-
17 vides food during the summer through the sum-
18 mer food service program under section 13.

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

21 “(C) SUMMER ELECTRONIC BENEFIT
22 TRANSFER FOR CHILDREN DEMONSTRATION.—
23 The term ‘summer electronic benefit transfer
24 for children demonstration’ means an electronic
25 benefit transfer demonstration project under

1 section 748(g)(1) of the Agriculture, Rural De-
2 velopment, Food and Drug Administration, and
3 Related Appropriations Act, 2010 (Public Law
4 111–80; 123 Stat. 2132) that uses the elec-
5 tronic benefit systems implemented in a State
6 under section 17(g)(12) of the Child Nutrition
7 Act of 1966 (42 U.S.C. 1786(g)(12)).

8 “(4) BENEFIT LEVELS.—

9 “(A) IN GENERAL.—The Secretary shall
10 approve States seeking to make an election
11 under paragraph (2)(A) that will evaluate the
12 impact of providing a variety of differentiated
13 benefit levels to eligible children as a way to
14 reach such children to the greatest extent prac-
15 ticable. The values of such benefits shall be de-
16 termined by the State, but shall be between \$15
17 and \$30 per month for each school-aged child
18 in an eligible household.

19 “(B) RATE DETERMINATION.—In deter-
20 mining the values under subparagraph (A), a
21 State may consider differentiating rates based
22 on the need for such benefits, which may be de-
23 termined through factors such as—

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

1 “(ii) total number of households and
2 children seeking to participate;

3 “(iii) food security in children across
4 communities in such State;

5 “(iv) average redemption rates of ben-
6 efits;

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

9 “(vi) availability of other community
10 programs that provide meals to children
11 during the summer months when school is
12 not in regular session where children might
13 otherwise receive nutrition assistance; and

14 “(vii) any other information a state
15 sees useful at determining such rates.

16 “(C) LIMITATIONS.—

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

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

23 “(D) COST SHARING.—Nothing in this
24 paragraph shall be construed to prohibit States
25 or local entities from providing additional non-

1 Federal resources for the purposes of this sub-
2 section.

3 “(5) EFFECTIVE IMPLEMENTATION.—

4 “(A) IN GENERAL.—In administering this
5 subsection and providing benefits to children in
6 accordance with this subsection, a State shall
7 consider previous State experiences and best
8 practices in implementing the summer elec-
9 tronic benefit transfer for children demonstra-
10 tion carried out before the date of enactment of
11 the Improving Child Nutrition and Education
12 Act of 2016, including information evaluating
13 findings of the demonstration (including the
14 2013 final report published by the Department
15 of Agriculture).

16 “(B) TECHNICAL ASSISTANCE.—The Sec-
17 retary shall provide, and periodically update,
18 technical assistance to States for purposes of
19 this paragraph.

20 “(6) USE OF BENEFITS.—

21 “(A) IN GENERAL.—Benefits issued to
22 families through the election under paragraph
23 (2)(A) may be used only for the purchase of
24 food for consumption by school-aged children in
25 such family.

1 “(B) TIMING.—Benefits issued through
2 the election described in this subparagraph may
3 be redeemed only when school is out of session
4 for the summer period.

5 “(7) ADMINISTRATION.—In administering this
6 subsection, the State shall—

7 “(A) ensure that benefits are issued only
8 to eligible households that live—

9 “(i) in areas with high rates of pov-
10 erty or long-term poverty that are rural
11 and have no congregate feeding sites or ac-
12 cess to meals otherwise provided through
13 the summer food service program author-
14 ized under section 13; or

15 “(ii) outside an area in which poor
16 economic conditions exist but in an area
17 with no access to meals otherwise provided
18 through the summer food service program
19 authorized under section 13;

20 “(B) issue benefits to eligible households
21 only after such household has made an oral or
22 written request to receive electronic benefit
23 transfer benefits under this subsection;

24 “(C) document how the election will be ad-
25 ministered in the management and administra-

1 tion plan described in subsection (n), including
2 the process for identifying areas in which bene-
3 fits will be issued; and

4 “(D) ensure full compliance with section
5 17(h)(12)(13) of the Child Nutrition Act of
6 1966 (42 U.S.C.1786(h)(12)(13)).

7 “(8) EVALUATION.—The Secretary shall pro-
8 vide for an ongoing, independent evaluation of the
9 demonstration carried out under this subsection, in-
10 cluding quasi-experimental or other methods that
11 are capable of producing scientifically valid informa-
12 tion to determine effectiveness in achieving the pur-
13 poses described in paragraph (1), including exam-
14 ining or assessing—

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

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

20 “(C) specific levels of use and receipt of
21 benefits;

22 “(D) impact on children’s food security
23 and nutritional impacts, including by the dif-
24 ferent impacts on children in a variety of geo-

1 graphical areas such as rural, urban, and sub-
2 urban areas, localities, and States;

3 “(E) total cost (including administrative
4 cost) of implementing and operating this sub-
5 section, including in comparison to other meth-
6 ods of providing summer meal service to school-
7 aged children;

8 “(F) impacts and results of such evalua-
9 tion in comparison to evaluations of the sum-
10 mer electronic benefits transfer for children
11 demonstration published by the Secretary of
12 Agriculture; and

13 “(G) the potential for benefits provided
14 under this subsection to improve effectiveness
15 and efficiency of the summer food service pro-
16 gram in comparison to other methods of pro-
17 viding summer meal service to school-aged chil-
18 dren.

19 “(9) REPORT.—Not later than one year after
20 amounts are first appropriated under paragraph
21 (10), and each year thereafter, the Comptroller Gen-
22 eral of the United States shall submit to Congress
23 a report that—

1 “(A) includes the information resulting
2 from the most recent evaluation under para-
3 graph (8); and

4 “(B) takes into consideration evaluations
5 of the summer electronic benefits transfer for
6 children demonstration published by the Sec-
7 retary of Agriculture.

8 “(10) AUTHORIZATION OF APPROPRIATIONS.—

9 “(A) IN GENERAL.—There is authorized to
10 be appropriated to carry out this subsection not
11 more than \$10,000,000 for each of fiscal years
12 2018 through 2020, to remain available until
13 expended.

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

16 “(i) each State shall utilize a portion
17 for administrative funds that shall be equal
18 to the levels necessary to effectively and ef-
19 ficiently administer the State’s demonstra-
20 tion under this subsection, as determined
21 by the State;

22 “(ii) not more than 1 percent may be
23 spent on administrative funds by the Sec-
24 retary; and

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

4 “(11) GUIDANCE.—Not later than December
5 31, 2016, the Secretary shall provide guidance to
6 States to implement this subsection, including rec-
7 ommendations for States to successfully continue to
8 implement the summer electronic benefit transfer for
9 children demonstration while complying with the new
10 or additional requirements of this subsection.”.

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

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

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

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

17 (3) in subsection (i)—

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

19 (B) by redesignating paragraph (6) as
20 paragraph (5); and

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

22 “(6) CLARIFICATION.—The Secretary shall
23 issue guidance that clarifies to States that funds
24 under this program may be used on all forms of

1 fruits and vegetables and is no longer limited to only
2 fresh fruits and vegetables.”.

3 **SEC. 111. COMPLIANCE AND ACCOUNTABILITY.**

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

6 (1) in subsection (a)—

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

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

12 (2) in subsection (b)—

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

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

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

20 “(3) ERROR REDUCTION PLANS.—

21 “(A) IN GENERAL.—Each State agency
22 shall work with the local educational agencies
23 that have the highest rates of certification er-
24 rors according to the verification process under
25 section 9(a)(D) to develop an error reduction

1 plan and monitor implementation of the plan
2 over the remainder of the review cycle.

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

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

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

14 “(II) improvements in the appli-
15 cation;

16 “(III) the use of technology to
17 minimize opportunities for error; and

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

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

24 “(iii) annual goals for reductions in
25 certification errors;

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

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

8 “(C) STATE AGENCY RESPONSIBILITIES.—
9 Each State agency shall—

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

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

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

21 “(iv) report annually to the Secretary
22 on the progress of the State in reducing
23 errors.

24 “(D) SELECTION OF LOCAL EDUCATIONAL
25 AGENCIES.—

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

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

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

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

18 “(II) the percentage of household
19 applications verified under section
20 9(b)(3)(D)(i) that had the level of
21 benefits changed as a result of infor-
22 mation obtained during the
23 verification process, excluding benefit
24 terminations resulting from not ob-
25 taining information during household

1 verification conducted under section
2 9(b)(3)(G).

3 “(4) HIGH PERFORMANCE.—

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

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

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

22 (3) in subsection (d), by striking “2011 through
23 2015” and inserting “2017 through 2021”.

1 **SEC. 112. REPEAL OF STATE CHILDHOOD HUNGER CHAL-**
2 **LENCE 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 2016 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 Health, 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 “2020”;

10 (5) in subsection (j), by striking “2015” and
11 inserting “2020”;

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) ensuring that the nutrition
20 standards under this paragraph do not
21 apply to fundraisers held by student
22 groups or organizations; and

23 “(iv) ensure that the nutrition stand-
24 ards under this paragraph allow any foods
25 that may be served as part of a reimburs-

1 able meal served under the school meal
2 programs to be sold in schools as described
3 in subparagraph (B).”.

4 **SEC. 205. DEFINITION OF AUTHORIZED STATE AGENCY.**

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

8 “(2) AUTHORIZED STATE AGENCY.—The term
9 ‘authorized State agency’ means—

10 “(A) the chief State school officer (such as
11 the State superintendent of public instruction,
12 commissioner of education, or similar officer);

13 “(B) a board of education controlling the
14 State department of education;

15 “(C) the State Commissioner or individual
16 who administers agricultural programs in the
17 State; or

18 “(D) a State official the State legislature
19 designates to administer the programs under
20 this Act.”.

21 **SEC. 206. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM**
22 **FOR WOMEN, INFANTS, AND CHILDREN.**

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

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

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

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

8 (3) in subsection (d)—

9 (A) in paragraph (2)—

10 (i) in subparagraph (B)—

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

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

16 (III) in clause (ii), by striking
17 the period at the end and inserting “;
18 and”;

19 (IV) by adding at the end the fol-
20 lowing:

21 “(iii) any basic allowance for subsist-
22 ence provided under section 402 of title
23 37, United States Code, to a member of a
24 uniformed service.”; and

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

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

9 (B) in paragraph (3), by adding at the end
10 the following:

11 “(G) DATA EXCHANGE STANDARDS FOR
12 IMPROVED INTEROPERABILITY.—

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

20 “(I) necessary categories of infor-
21 mation that State agencies operating
22 related programs are required under
23 applicable law to electronically ex-
24 change with another State agency;
25 and

1 “(II) Federal reporting and data
2 exchange required under applicable
3 law.

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

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

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

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

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

23 “(V) be implemented in a man-
24 ner that—

25 “(aa) is cost effective; and

1 “(bb) improves program effi-
2 ciency and effectiveness;

3 “(VI) be capable of being up-
4 graded as necessary; and

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

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

15 “(iv) IMPLEMENTATION.—

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

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

24 “(aa) identify all federally
25 required data exchanges;

1 “(bb) include specification
2 and timing for the exchanges to
3 be standardized;

4 “(cc) address the factors
5 used in determining whether and
6 when to standardize data ex-
7 changes;

8 “(dd) specify State imple-
9 mentation options; and

10 “(ee) describe future mile-
11 stones.”;

12 (4) in subsection (e)—

13 (A) by striking the subsection designation
14 and all that follows through “The State agency
15 shall” in the first sentence of paragraph (1)
16 and inserting the following:

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

18 “(1) EDUCATION.—

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

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

23 “(B) DISPOSAL OF CERTAIN INFANT FOR-
24 MULA.—

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

10 “(ii) INCLUSIONS.—The education
11 under this subparagraph shall include in-
12 formation regarding—

13 “(I) the safety hazards of pur-
14 chasing infant formula from an unau-
15 thorized vendor; and

16 “(II) the penalties associated
17 with the gifting, trading, sale, or re-
18 sale of infant formula or other supple-
19 mental foods obtained with food in-
20 struments issued under the program
21 under this section, in accordance with
22 subsection (o).”; and

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

25 “(3) NUTRITION EDUCATION MATERIALS.—

1 “(A) IN GENERAL.—The Secretary, after
2 submitting proposed nutrition education mate-
3 rials to the Secretary of Health and Human
4 Services for comment, shall issue the materials
5 for use in the program under this section.

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

17 (5) in subsection (f)—

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

21 “(f) PLAN OF OPERATION AND ADMINISTRATION BY
22 STATE AGENCY.—

23 “(1) REQUIREMENTS.—

24 “(A) SUBMISSION.—

1 “(i) IN GENERAL.—Each State agency
2 shall submit to the Secretary a plan of op-
3 eration and administration of the program
4 authorized under this section.

5 “(ii) DEADLINES.—Each State agency
6 shall submit—

7 “(I) an initial plan not later than
8 such date as is specified by the Sec-
9 retary; and

10 “(II) an update to the plan every
11 3 years thereafter or, if the require-
12 ments of this section continue to be
13 met by current plan, an assurance
14 that the current plan continues to
15 meet such requirements.”;

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

18 (C) in paragraph (1)(C)—

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

21 (ii) by redesignating clause (xi) as
22 clause (xiii); and

23 (iii) by inserting after clause (x) the
24 following:

1 “(xi) a plan to allow, during an emer-
2 gency or disaster period, for different foods
3 to be obtained with program benefits in
4 lieu of, or in addition to, the supplemental
5 foods available to be obtained with such
6 benefits;

7 “(xii) a plan detailing the methods to
8 be used by all local agencies to ensure
9 compliance with subsection (d)(2); and”;
10 (D) in paragraph (5)—

11 (i) by striking “(5) State and local”
12 and inserting the following:

13 “(5) ACCOUNTS, RECORDS, AND REVIEW.—

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

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

17 “(B) REVIEW.—The Secretary shall peri-
18 odically review State and local agency compli-
19 ance with the approved plan of operation and
20 administration of the applicable State.”;

21 (E) in paragraph (10)—

22 (i) by striking “(10) The Secretary”
23 and inserting the following:

24 “(10) STANDARDS FOR ADMINISTRATION.—

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

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

3 “(B) NOTIFICATION TO STATE AUTHOR-
4 ITY.—If, on reviewing the administration by a
5 State of the program, the Secretary determines
6 there is a need to temporarily halt the State
7 from approving new vendors to address defi-
8 ciencies in proper administration, the Secretary
9 may issue a moratorium on the authority of the
10 State to approve new vendors, subject to the
11 condition that the Secretary shall provide the
12 State with reasoning behind such determination
13 and shall establish—

14 “(i) a timeframe under which the
15 moratorium will be issued, including any
16 renewal or lifting of the moratorium;

17 “(ii) a process to approve vendors for
18 the State in a manner that does not im-
19 pede—

20 “(I) the sale of a business; or

21 “(II) the establishment of any
22 new business; and

23 “(iii) a review process to be conducted
24 by the Secretary to ensure that partici-
25 pants, nonparticipants, and vendors are

1 not adversely impacted by the implementa-
2 tion of the moratorium.”;

3 (F) in paragraph (11)—

4 (i) in subparagraph (C)—

5 (I) in clause (i), by inserting be-
6 fore the semicolon at the end the fol-
7 lowing: “which, beginning not later
8 than 60 days after the date of enact-
9 ment of the Improving Child Nutri-
10 tion and Education Act of 2016, shall
11 include an examination of criteria re-
12 lating to fluid milk (in consideration
13 of the most recent Dietary Guidelines
14 for Americans published under section
15 301 of the National Nutrition Moni-
16 toring and Related Research Act of
17 1990 (719 U.S.C. 5341)), and an ex-
18 amination of the consumption and re-
19 demption rates of milk beginning on
20 May 5, 2014”; and

21 (II) in clause (ii), by striking
22 “and cultural eating patterns” and in-
23 sserting “cultural eating patterns, com-
24 mercial availability, and participant
25 demand”; and

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

3 “(D) PRODUCT PACKAGE SIZES.—In pro-
4 mulgating or revising regulations under this
5 paragraph, the Secretary shall allow a range of
6 product package sizes to be selected by partici-
7 pants.

8 “(E) CASH VALUE VOUCHERS.—In adjust-
9 ing annually for food cost inflation in the food
10 package under this paragraph, the Secretary
11 shall round to the nearest dollar increment.

12 “(F) PARTICIPANT CHOICE OPTIONS.—The
13 Secretary shall maximize opportunities for
14 State agency flexibility to ensure adequate and
15 appropriate participant choice to meet partici-
16 pant needs and cultural preferences in supple-
17 mental foods made available under this sec-
18 tion.”;

19 (6) in subsection (g), by striking paragraph
20 (1)(A) and inserting the following:

21 “(A) AUTHORIZATION.—There are author-
22 ized to be appropriated to carry out this section
23 \$6,350,000,000 for each of fiscal years 2017
24 through 2021.”; and

25 (7) in subsection (h)—

- 1 (A) in paragraph (8)(A)—
- 2 (i) in clause (vi)—
- 3 (I) by striking “Effective begin-
- 4 ning” and inserting the following:
- 5 “(I) IN GENERAL.—Effective be-
- 6 ginning”; and
- 7 (II) by adding at the end the fol-
- 8 lowing:
- 9 “(II) INFANT FORMULA.—Effec-
- 10 tive beginning on the date of the en-
- 11 actment of the Improving Child Nutri-
- 12 tion and Education Act of 2016, a
- 13 State agency that has fully imple-
- 14 mented electronic benefits transfer
- 15 systems throughout the State shall
- 16 have in effect a system to ensure that
- 17 infant formula rebate invoices, under
- 18 competitive bidding, provide an actual
- 19 count of the number of units sold to
- 20 participants in the program under this
- 21 section.”; and
- 22 (ii) by adding at the end the fol-
- 23 lowing:

1 “(xi) CONTRACT DURATION.—The
2 contracts awarded under clause (iii) shall
3 specify that—

4 “(I) if the income eligibility limit
5 under title XIX of the Social Security
6 Act (42 U.S.C. 1396 et seq.) for preg-
7 nant women or infants is substantially
8 increased, the contractor may termi-
9 nate the existing contract effective on
10 the later of—

11 “(aa) the date that is 1 year
12 after the date on which the State
13 decision to increase the eligibility
14 limit by amending the State plan
15 is made by—

16 “(AA) adopting State
17 legislation;

18 “(BB) issuing a State
19 executive order or adminis-
20 trative rule; or

21 “(CC) any other appli-
22 cable State process, as de-
23 termined by the Secretary;
24 and

1 “(bb) the first day of the
2 month during which the increase
3 takes effect; and

4 “(II) if a contractor elects to ter-
5 minate a contract pursuant to sub-
6 clause (I), the contractor shall notify
7 the State agency by not later than the
8 date that is 1 year before the pro-
9 posed date of termination.”;

10 (B) in paragraph (9)—

11 (i) in subparagraph (B)—

12 (I) in clause (i)—

13 (aa) in subclause (I), by
14 striking “and” at the end; and

15 (bb) by adding at the end
16 the following:

17 “(III) limit the term of any con-
18 tract (including any extension or re-
19 newal period) to a maximum of 5
20 years, subject to the condition that
21 any such extension or renewal shall be
22 approved only on mutual consent of
23 the contractor and the State agency;

24 “(IV) agree to provide, by not
25 later than 180 days before exercising

1 any termination for convenience
2 clause, a written notice to each af-
3 fected contractor;
4 “(V) agree—
5 “(aa) to receive an annual
6 audit of infant formula rebate in-
7 voices by a contractor; and
8 “(bb) to provide to each con-
9 tractor accurate monthly redemp-
10 tion files; and
11 “(VI) agree not to provide any
12 State preference to any bidder in eval-
13 uating bids;”;
14 (II) in clause (iii), by striking
15 “and” at the end;
16 (III) in clause (iv)—
17 (aa) by striking “30” and
18 inserting “45”; and
19 (bb) by striking the period
20 at the end and inserting a semi-
21 colon;
22 (IV) by redesignating clauses (iii)
23 and (iv) as clauses (iv) and (v), re-
24 spectively;

1 (V) by inserting after clause (ii)
2 the following:

3 “(iii) for any State agency that has
4 fully implemented electronic benefits trans-
5 fer systems throughout the State, have a
6 system to ensure that rebate invoices
7 under competitive bidding provide an ac-
8 tual count of the number of units lawfully
9 sold to participants in the program under
10 this section;” and

11 (VI) by adding at the end the fol-
12 lowing:

13 “(vi) provide a process to negotiate
14 the amount of funds to be returned to the
15 bidder by the State agency, and the meth-
16 od of return, on determining and verifying
17 that rebates were paid on any food, includ-
18 ing infant formula, sold under fraudulent
19 means;

20 “(vii) open bids and enter into a con-
21 tract under paragraph (8)(A)(iii) only after
22 making a reasonable effort to confirm in
23 writing, via email or other means, that the
24 manufacturers on the list the State agency
25 maintains under paragraph (8)(A)(ix) re-

1 ceived the initial request for proposals or
2 other bid solicitation document by not later
3 than the date that is 45 days before the
4 date on which the bids are due;

5 “(viii) agree to provide to contractors
6 supporting documentation for monthly in-
7 voices, subject to the participant and ven-
8 dor confidentiality protections under pro-
9 gram rules; and

10 “(ix) not later than the date that is
11 90 days after the date for opening bids,
12 submit to the Secretary a copy of the bid
13 solicitation and any other contract docu-
14 ments.”; and

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

17 “(D) CERTAIN FOOD FOR INFANTS.—Be-
18 fore any State agency solicits bids for a con-
19 tract for infant fruits, vegetables, cereal, or
20 meat under a competitive bidding system, the
21 State agency shall—

22 “(i) consider—

23 “(I) the impact of the contract
24 on—

1 “(aa) participation or re-
2 demption rates;
3 “(bb) costs to the State
4 agency for infant fruits, vegeta-
5 bles, cereal, or meat, including
6 product, administrative, and pro-
7 curement costs; and
8 “(cc) the ability of the State
9 agency—
10 “(AA) to achieve the
11 purpose described in sub-
12 section (a);
13 “(BB) to provide in-
14 fants with a variety of devel-
15 opmentally appropriate in-
16 fant fruits, vegetables, ce-
17 real, or meat; and
18 “(CC) to serve the nu-
19 tritional needs of program
20 participants; and
21 “(dd) consumers who are
22 not participants, including the
23 availability of alternate brands
24 and potential effects on retail

1 pricing of infant fruits, vegeta-
2 bles, cereal, or meat; and

3 “(II) whether the contract is
4 compatible with—

5 “(aa) the management infor-
6 mation and food instrument sys-
7 tem of the State agency;

8 “(bb) eligible vendors; and

9 “(cc) the capacity of the
10 manufacturer to meet technical
11 specifications; and

12 “(ii) provide to the Secretary—

13 “(I) a written explanation of how
14 the considerations described in clause
15 (i) affected the decision of the State
16 agency to solicit bids for a contract;
17 and

18 “(II) not later than 15 months
19 after the start of such contract, a re-
20 port that shall include—

21 “(aa) the net savings to date
22 from the contract;

23 “(bb) an assessment of the
24 impact on eligible stores, non-
25 participants, and retail prices for

1 infant fruits, vegetables, cereal,
2 and meat; and

3 “(cc) an analysis of the
4 costs and benefits of the con-
5 tract, including an examination
6 of retail prices of infant fruits,
7 vegetables, cereal, and meat.”;

8 (C) in paragraph (11)(E)—

9 (i) by striking “If a State” and insert-
10 ing the following:

11 “(i) IN GENERAL.—If a State”; and

12 (ii) by adding at the end the fol-
13 lowing:

14 “(ii) REQUIREMENT.—Effective not
15 later than 120 days after the date of the
16 enactment the Improving Child Nutrition
17 and Education Act of 2016, in calculating
18 average payments per voucher under clause
19 (i), a State agency shall exclude food in-
20 struments not fully redeemed, based on an
21 actual count or a reasonable estimate.”;

22 (D) in paragraph (12)—

23 (i) in subparagraph (A)(i), by striking
24 “food delivery system that provides” and
25 inserting “method to deliver”; and

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

3 “(H) REGULATIONS.—As State agencies
4 transition to electronic benefit transfer for the
5 program, the Secretary shall update regulations
6 to account for the fact that State agencies—

7 “(i) are receiving transaction pricing
8 more frequently than twice a year from
9 vendors; and

10 “(ii) should adjust vendor reimburse-
11 ment levels more frequently to reflect pro-
12 gram food price changes in the market-
13 place.

14 “(I) AUTHORIZATION OF APPROPRIA-
15 TIONS.—

16 “(i) IN GENERAL.—There is author-
17 ized to be appropriated to carry out this
18 paragraph \$25,000,000 for each of fiscal
19 years 2017 through 2019.

20 “(ii) USE.—The Secretary shall allo-
21 cate the funds made available under this
22 subparagraph to States for purposes of en-
23 hancing and accelerating the implementa-
24 tion of electronic benefit transfer systems.

1 “(J) PENALTY FOR NONCOMPLIANCE.—
2 For any State agency that fails to comply with
3 subparagraph (B), including a State agency re-
4 ceiving an exemption under subparagraph (C),
5 the Secretary shall—

6 “(i) withhold such amounts otherwise
7 required to be allocated to the State agen-
8 cy for nutrition services and administration
9 as the Secretary determines to be appro-
10 prium; and

11 “(ii) direct the amounts withheld for
12 use by the State agency solely for achiev-
13 ing compliance with subparagraph (B).”;
14 and

15 (E) in paragraph (13), by adding at the
16 end the following:

17 “(C) ACCESS.—The Secretary shall make
18 available upon request the national universal
19 product code database to vendors approved for
20 participation in the special supplemental food
21 program established under this section.”;

22 (8) by striking subsection (k);

23 (9) by redesignating subsections (l) through (q)
24 as subsections (k) through (p), respectively;

25 (10) in subsection (o) (as so redesignated)—

1 (A) in paragraphs (1) and (2)(B), by strik-
2 ing “subsection (o)(1)(A)” each place it appears
3 and inserting “subsection (n)(1)(A)”;

4 (B) in paragraph (5)—

5 (i) in striking subparagraph (C), by
6 striking “and” at the end;

7 (ii) in subparagraph (D), by striking
8 the period at the end and inserting “;
9 and”; and

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

12 “(E) fifth, to reimburse any WIC infant
13 formula manufacturer for any rebate provided
14 to the State agency on WIC infant formula un-
15 lawfully trafficked under a provision of law de-
16 scribed in paragraph (2).”; and

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

18 “(6) NOTICE OF INVESTIGATION.—

19 “(A) IN GENERAL.—For any investigation
20 into the trafficking of WIC infant formula pur-
21 suant to this subsection, the Secretary shall
22 provide notice of resolution of the disposition of
23 an unlawful action resulting from the investiga-
24 tion to all contracted manufacturers of the traf-
25 ficked infant formula.

1 “(B) ESTIMATES.—Not later than 60 days
2 after the date on which notice is provided under
3 subparagraph (A), the State shall submit to the
4 contracted manufacturer an estimate of—

5 “(i) the number of units, if any, for
6 which rebates may have been issued as a
7 result of the violation; and

8 “(ii) the total dollar amount of the re-
9 bates.”; and

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

11 “(q) FRAUD AND SAFETY REVIEW.—

12 “(1) IN GENERAL.—Not later than 180 days
13 after the date of the enactment of the Improving
14 Child Nutrition and Education Act of 2016, the Sec-
15 retary shall review current guidance, regulations,
16 and practices regarding fraud and safety for pur-
17 poses of this section.

18 “(2) INCLUSIONS.—The review under para-
19 graph (1) shall include a review of issues relating
20 to—

21 “(A) excess and unused infant formula;

22 “(B) invoices pertaining to products sub-
23 ject to rebate;

24 “(C) the sale of infant formula by unau-
25 thorized entities; and

1 “(D) the purchase of infant formula from
2 unauthorized entities.

3 “(3) UPDATES.—Based on the findings of the
4 review under paragraph (1), the Secretary shall up-
5 date current regulations and guidance and issue ad-
6 ditional regulations and guidance, as necessary—

7 “(A) to minimize fraud; and

8 “(B) to ensure the safety of participants.

9 “(r) COOPERATION WITH LAW ENFORCEMENT
10 AGENCIES.—Notwithstanding any other provision of law,
11 State agencies and law enforcement agencies shall share
12 WIC vendor information relating to investigations or pros-
13 ecutions under the program under this section, as deter-
14 mined by the Secretary.

15 “(s) PILOT PROJECTS.—

16 “(1) IN GENERAL.—Subject to paragraph (2),
17 the Secretary may conduct pilot projects to test al-
18 ternative certification and food delivery procedures
19 under this section.

20 “(2) PROHIBITION.—In conducting pilot
21 projects under paragraph (1), the Secretary may not
22 waive or modify the application of program eligi-
23 bility, supplemental foods, or cost containment re-
24 quirements.

1 “(3) EVALUATION.—The Secretary shall evalu-
2 ate each pilot project carried out under this sub-
3 section after the pilot project has been in operation
4 for 3 years.”.

5 (b) WIC FARMER’S MARKET.—Section 17(m)(9)(A)
6 of the Child Nutrition Act of 1966 (42 U.S.C.
7 1786(m)(9)(A)) is amended to read as follows:

8 “(A) AUTHORIZATION OF APPROPRIA-
9 TIONS.—There are authorized to be appro-
10 priated to carry out this subsection
11 \$18,548,000 for each of fiscal years 2017
12 through 2021.

13 (c) REVIEW OF ADJUNCTIVE ELIGIBILITY FOR
14 WIC.—

15 (1) DEFINITIONS.—In this subsection:

16 (A) ADJUNCTIVELY ELIGIBLE.—The term
17 “adjunctively eligible” with respect to an indi-
18 vidual, means an individual who is eligible for
19 WIC under section 17(d)(2)(A)(iii) of the Child
20 Nutrition Act of 1966 (42 U.S.C.
21 1786(d)(2)(A)(iii)).

22 (B) COMPTROLLER GENERAL.—The term
23 “Comptroller General” means the Comptroller
24 General of the United States.

1 (C) MEDICAID.—The term “Medicaid”
2 means the Medicaid program under title XIX of
3 the Social Security Act (42 U.S.C. 1396 et
4 seq.).

5 (D) POVERTY LINE.—The term “poverty
6 line” means the most recent annual Federal
7 Poverty Income Guidelines published by the De-
8 partment of Health and Human Services.

9 (E) WIC.—The term “WIC” means the
10 special supplemental nutrition program for
11 women, infants, and children established by sec-
12 tion 17 of the Child Nutrition Act of 1966 (42
13 U.S.C. 1786).

14 (2) STUDY.—The Comptroller General shall
15 conduct a study to examine the impact of adjunctive
16 eligibility on WIC participation, including the admin-
17 istrative burden, number of participants in WIC,
18 and other impacts on the participants.

19 (3) ADJUNCTIVE ELIGIBILITY AND INCOME OF
20 WIC PARTICIPANTS.—

21 (A) IN GENERAL.—In conducting the
22 study described in paragraph (2), the Comp-
23 troller General shall examine the extent to
24 which individuals certified as adjunctively eligi-
25 ble to receive supplemental foods and services

1 through WIC have income above 185 percent of
2 the poverty line.

3 (B) DATA.—

4 (i) DATA COLLECTION.—The Comp-
5 troller General shall collect data to deter-
6 mine—

7 (I) the total number of pregnant
8 women, postpartum women,
9 breastfeeding women, infants, and
10 children participating in WIC;

11 (II) an estimate of the share of
12 individuals described in subclause (I)
13 who are certified as adjunctively eligi-
14 ble under section 17(d)(2)(A)(iii) of
15 the Child Nutrition Act of 1966 (42
16 U.S.C. 1786(d)(2)(A)(iii)); and

17 (III) an estimate of the share of
18 individuals described in subclause (II)
19 for whom income (for purposes of
20 Medicaid eligibility) is above 185 per-
21 cent of the poverty line, above 250
22 percent of the poverty line, above 300
23 percent of the poverty line, and above
24 any other demarcation thresholds as

1 determined by the Comptroller Gen-
2 eral.

3 (ii) SOURCES.—The Comptroller Gen-
4 eral shall collect the information described
5 in clause (i) from—

6 (I) WIC program data for sub-
7 clauses (I) and (II) of that clause;
8 and

9 (II) a review of the income of a
10 representative sample of WIC partici-
11 pants (for purposes of Medicaid eligi-
12 bility) at the time of WIC certification
13 (for subclause (III) of that clause).

14 (iii) OTHER.—The estimate developed
15 under clause (i)(III) shall be based on data
16 collected in selected States in which the in-
17 come eligibility limit for infants under 1
18 year of age for Medicaid is at or above 185
19 percent of the poverty line.

20 (4) USE OF INCOME DATA TO INFORM MED-
21 ICAID ADJUNCTIVE ELIGIBILITY DETERMINA-
22 TIONS.—

23 (A) IN GENERAL.—Following collection of
24 the data described in paragraph (3), the Comp-
25 troller General shall assess the feasibility, bene-

1 fits, and costs of requiring that WIC use an
2 automated process to document that only appli-
3 cants with income below a specified threshold
4 may be certified as adjunctively eligible based
5 solely on Medicaid receipt.

6 (B) SCOPE.—The assessment described in
7 subparagraph (A) shall include an evaluation of
8 the capacity of the management information
9 systems for both WIC and Medicaid, including
10 the ability of the systems to exchange data.

11 (C) WIC MANAGEMENT INFORMATION SYS-
12 TEMS.—The Comptroller General shall assess—

13 (i) which State agencies and tribal or-
14 ganizations operating WIC use manage-
15 ment information systems with the capac-
16 ity, via an automated process, for local
17 WIC clinics to document—

18 (I) income as a share of the pov-
19 erty level for purposes of Medicaid eli-
20 gibility; or

21 (II) Medicaid enrollment and in-
22 come below a specified level;

23 (ii) the steps necessary to prepare all
24 local WIC clinics to obtain and to access
25 that income information as a part of the

1 WIC application process as well as part of
2 the associated costs of modifying WIC
3 automated systems and training staff; and

4 (iii) other information determined rel-
5 evant by the Comptroller General, such as
6 the impact of the identified steps on ad-
7 ministrative costs, clinical services, and
8 waiting times for appointments.

9 (D) MEDICAID MANAGEMENT INFORMA-
10 TION SYSTEMS.—The Comptroller General shall
11 assess—

12 (i) whether State’s mechanized claims
13 processing and information retrieval sys-
14 tems under section 1903(a)(3)(A)(i) of the
15 Social Security Act (42 U.S.C.
16 1396b(a)(3)(A)(i)) have the capacity to
17 provide, at the time of WIC certification
18 and via an automated process, data to an
19 agency or tribal organization operating
20 WIC regarding—

21 (I) income as a share of the pov-
22 erty level for purposes of Medicaid eli-
23 gibility; or

24 (II) whether a Medicaid recipient
25 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 $\frac{1}{2}$ 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 nutritional 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 (e) through (g) and
2 (k);

3 (5) by redesignating subsections (h) through (j)
4 as subsections (e) through (f), respectively;

5 (6) by redesignating subsection (l) as subsection
6 (g);

7 (7) in subsection (e) (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 and

21 (4) consolidation and elimination of duplicative
22 or unnecessary Federal and State reporting require-
23 ments.

1 **SEC. 303. PRODUCT AVAILABILITY.**

2 (a) IN GENERAL.—The Secretary shall, to the extent
3 practicable, make available lactose-free milk with an ex-
4 tended shelf life for use in the commodity distribution pro-
5 gram authorized under section 14 of the Richard B. Rus-
6 sell National School Lunch Act (42 U.S.C. 1762a).

7 (b) SIZE AND FORM.—The milk described in sub-
8 section (a) shall, to the extent practicable, be made avail-
9 able in a size and form acceptable for and conducive to
10 consumption by school-aged children.

11 **SEC. 304. PROCUREMENT.**

12 In administering the summer food service program
13 for children established under section 13 of the Richard
14 B. Russell National School Lunch Act (42 U.S.C. 1761)
15 and the child and adult care food program established
16 under section 17 of such Act (42 U.S.C. 1766), the Sec-
17 retary shall ensure that—

18 (1) service institutions participating in the pro-
19 grams have flexibility in determining the frequency
20 of procurement and food items included in each so-
21 licitation; and

22 (2) any procurement procedure implemented by
23 a State agency is cost effective and efficient in meet-
24 ing the relevant meal pattern requirements.

1 **SEC. 305. SCHOOL NUTRITION ADVISORY COMMITTEE.**

2 (a) ESTABLISHMENT.—Not later than 120 days after
3 the date of the enactment of this Act, the Secretary shall
4 establish a School Nutrition Advisory Committee (referred
5 to in this section as the “Committee”) to provide input
6 in the administration of the school lunch program author-
7 ized under the Richard B. Russell National School Lunch
8 Act (42 U.S.C. 1751 et seq.) and the school breakfast pro-
9 gram established by section 4 of the Child Nutrition Act
10 of 1966 (42 U.S.C. 1773) (referred to in this section as
11 “child nutrition programs”).

12 (b) MEMBERSHIP.—

13 (1) COMPOSITION.—Members of the Committee
14 shall be appointed by the Secretary from rec-
15 ommendations made by the chair and ranking mem-
16 ber of the Committee on Education and the Work-
17 force of the House of Representatives and the Com-
18 mittee on Agriculture, Nutrition, and Forestry of
19 the Senate. Membership on the committee shall rep-
20 resent the following stakeholders:

21 (A) An organization that conducts research
22 and advocates on issues relating to child nutri-
23 tion.

24 (B) An organization that advocates for
25 cardiac health.

1 (C) A professional organization rep-
2 resenting dietitians.

3 (D) A trade association representing fruit
4 and vegetable growers.

5 (E) A coalition of large urban school food
6 authorities.

7 (F) 2 representatives from State agencies
8 that administer the child nutrition programs.

9 (G) A professional organization rep-
10 resenting school food employees.

11 (H) A professional organization rep-
12 resenting school board members.

13 (I) A council representing large school dis-
14 tricts.

15 (J) A professional association representing
16 school administrators.

17 (K) An entity that processes and manufac-
18 tures meat products.

19 (L) An entity that processes and manufac-
20 tures dairy products.

21 (M) An entity that processes and manufac-
22 tures grain products.

23 (N) An entity that assists suppliers and
24 school food authorities in selling and obtaining
25 food products.

1 (O) A school food authority located in each
2 of the 7 regions established for activities of the
3 Food and Nutrition Service, including—

4 (i) 3 representatives from districts lo-
5 cated in rural areas;

6 (ii) 2 representatives from districts lo-
7 cated in urban areas; and

8 (iii) 2 representatives from districts
9 located in urban cluster areas as defined
10 by census tract data.

11 (P) A council that represents public offi-
12 cials who head departments of elementary and
13 secondary education.

14 (Q) A professional organization rep-
15 resenting pediatricians.

16 (2) TERMS.—The members will serve on the
17 Committee for a 3-year term. The chairmen of each
18 congressional committee, under paragraph (1) shall
19 alternate in appointing a chair and vice chair of the
20 committee.

21 (c) FUNCTION.—The Committee shall—

22 (1) provide a venue for communication between
23 stakeholders and the Department of Agriculture re-
24 garding child nutrition programs;

1 (2) give insight into child nutrition program im-
2 plementation;

3 (3) review and make recommendations to the
4 Secretary on policy development involving child nu-
5 trition programs; and

6 (4) evaluate methods for programmatic and ad-
7 ministrative improvement of child nutrition pro-
8 grams.

9 (d) MEETINGS.—The Committee shall meet quar-
10 terly.

11 (e) STAFFING.—The Secretary shall provide such
12 staff personnel as may be required to assist the Committee
13 in carrying out the duties of the Committee, but such staff
14 shall not interfere in the discussions or conclusions
15 reached by the Committee.

16 (f) TERMINATION.—The authority of the Committee
17 shall terminate on September 30, 2025.

18 **SEC. 306. PAPERWORK REDUCTION.**

19 (a) IN GENERAL.—For any program authorized
20 under the Richard B. Russell National School Lunch Act
21 (42 U.S.C. 1751 et seq.) or the Child Nutrition Act of
22 1966 (42 U.S.C. 1771 et seq.), the Secretary shall—

23 (1) periodically review regulations, guidance,
24 and other requirements to evaluate the volume of in-

1 formation required to be reported to the Department
2 of Agriculture by program participants; and

3 (2) if appropriate, streamline or otherwise re-
4 duce any unnecessary or duplicative paperwork, re-
5 porting requirements, and other administrative bur-
6 dens while maintaining program integrity.

7 (b) REPORT.—Not later than 2 years after the date
8 of the enactment of this Act and every 3 years thereafter,
9 and upon any publishing of guidance or updated Federal
10 requirements the Secretary shall submit to the Committee
11 on Education and the Workforce of the House of Rep-
12 resentatives and the Committee on Agriculture, Nutrition,
13 and Forestry of the Senate a report that describes any
14 action the Secretary has taken under subsection (a) dur-
15 ing the preceding 3 calendar years, or in the case of a
16 report submitted based on publishing updated guidance or
17 requirements, a report on such action, including a deter-
18 mination of appropriateness under subsection (a)(2).

19 **SEC. 307. TECHNOLOGY.**

20 (a) USE OF TECHNOLOGY.—Not later than 180 days
21 after the date of the enactment of this Act, the Secretary
22 shall—

23 (1) review the current use of technology in the
24 school lunch program established under the Richard
25 B. Russell National School Lunch Act (42 U.S.C.

1 1751 et seq.) and the school breakfast program es-
2 tablished by section 4 of the Child Nutrition Act of
3 1966 (42 U.S.C. 1773);

4 (2) identify opportunities in which enhanced use
5 of technology would reduce the rate of errors in ad-
6 ministration of the programs by State agencies and
7 local educational agencies; and

8 (3) encourage State agencies and local edu-
9 cational agencies to use technology in the areas iden-
10 tified under paragraph (2).

11 (b) IDENTIFICATION.—Not later than 180 days after
12 the date of the enactment of this Act, the Secretary
13 shall—

14 (1) review the feasibility and evaluate the bene-
15 fits of using a unique student identifier in the school
16 lunch program established under the Richard B.
17 Russell National School Lunch Act (42 U.S.C. 1751
18 et seq.) and the school breakfast program estab-
19 lished by section 4 of the Child Nutrition Act of
20 1966 (42 U.S.C. 1773);

21 (2) submit to the Committee on Education and
22 the Workforce of the House of Representatives and
23 the Committee on Agriculture, Nutrition, and For-
24 estry of the Senate a report describing the results of
25 the review under paragraph (1); and

1 (3) initiate implementation of a system for
2 using a unique student identifier, unless implemen-
3 tation is not in the best interest of the programs de-
4 scribed in paragraph (1), or does not adequately
5 protect student privacy.

6 **SEC. 308. TECHNICAL CORRECTIONS.**

7 (a) RICHARD B. RUSSELL NATIONAL SCHOOL
8 LUNCH ACT.—

9 (1) The Richard B. Russell National School
10 Lunch Act is amended in each of sections 4, 9, 9A,
11 12, 19, 23, 24, and 25 (42 U.S.C. 1753,
12 1758,1758b, 1760, 1796a, 1769d, 1769e, 1769f) by
13 striking “Committee on Education and Labor” each
14 place it appears and inserting “Committee on Edu-
15 cation and the Workforce”.

16 (2) Section 9 of the Richard B. Russell Na-
17 tional School Lunch Act (42 U.S.C. 1758) is amend-
18 ed—

19 (A) by striking “foster child” each place it
20 appears and inserting “foster youth”; and

21 (B) in subsection (b)(5)(B), by striking
22 “(42 U.S.C. 11434a(2))” and inserting “(42
23 U.S.C. 11434a(2))”.

1 (3) Section 12 of the Richard B. Russell Na-
2 tional School Lunch Act (42 U.S.C. 1760) is amend-
3 ed—

4 (A) in subsection (d)(3), by striking
5 “U.S.C” and inserting “U.S.C.”;

6 (B) in subsection (m)(2), in the paragraph
7 heading, by striking “AMERICAN” and inserting
8 “AMERICAN”; and

9 (C) in subsection (n)—

10 (i) in paragraph (3), in the paragraph
11 heading, by striking “HAWAII” and insert-
12 ing “HAWAII”; and

13 (ii) in paragraph (4), in the para-
14 graph heading, by striking “PUERTO RICO”
15 and inserting “PUERTO RICO”.

16 (4) Section 14(c) of the Richard B. Russell Na-
17 tional School Lunch Act (42 U.S.C. 1762a(c)) is
18 amended—

19 (A) by striking “section 311(a)(4) of the
20 Older Americans Act of 1965 (42 U.S.C.
21 3030(a)(4))” and inserting “section 311(c)(4)
22 of the Older Americans Act of 1965 (42 U.S.C.
23 3030a(c)(4))”; and

24 (B) by striking “(42 U.S.C. 3030(b)(1))”
25 and inserting “(42 U.S.C. 3030a(b)(1))”.

1 (b) CHILD NUTRITION ACT OF 1966.—

2 (1) The Child Nutrition Act of 1966 is amend-
3 ed in each of sections 10 and 17 (42 U.S.C. 1779,
4 1786) by striking “Committee on Education and
5 Labor” each place it appears and inserting “Com-
6 mittee on Education and the Workforce”.

7 (2) Section 7(a)(2)(B)(i) of the Child Nutrition
8 Act of 1966 (42 U.S.C. 1776(a)(2)(B)(i)) is amend-
9 ed by striking “clause (ii)” and inserting “clause
10 (ii)”.

11 (3) Section 17 of the Child Nutrition Act of
12 1966 (42 U.S.C. 1786) is amended—

13 (A) in subsection (b)(21), in the paragraph
14 heading, by striking “INDIAN OR NATIVE” and
15 inserting “INDIAN OR NATIVE”;

16 (B) in subsection (h)—

17 (i) in paragraph (4)—

18 (I) in subparagraph (A)(vi), by
19 striking “and” at the end; and

20 (II) in subparagraph (C)(iv), by
21 striking “; and” at the end and in-
22 serting a period;

23 (ii) in paragraph (5)(D), in the sub-
24 paragraph heading, by striking “INDIAN

1 OR NATIVE” and inserting “INDIAN OR NA-
2 TIVE”; and

3 (iii) in paragraph (8)(A)(iv)—

4 (I) in the clause heading, by
5 striking “STATE” and inserting
6 “STATE”; and

7 (II) in subclause (III), in the
8 subclause heading, by striking “STATE
9 AGENCIES AND INDIAN STATE AGEN-
10 CIES” and inserting “STATE AGEN-
11 CIES AND INDIAN STATE AGENCIES”;
12 and

13 (C) in subsection (m)(6)(C)(iv), by striking
14 “(G)(i)” each place it appears and inserting
15 “(F)(i)”.

16 **SEC. 309. BUDGETARY EFFECTS.**

17 The budgetary effects of this Act, for the purpose of
18 complying with the Statutory Pay-As-You-Go Act of 2010,
19 shall be determined by reference to the latest statement
20 titled “Budgetary Effects of PAYGO Legislation” for this
21 Act, submitted for printing in the Congressional Record
22 by the chairman of the Senate Committee on the Budget,
23 provided that such statement has been submitted prior to
24 the vote on passage.

1 **SEC. 310. EFFECTIVE DATE.**

2 Except as otherwise specifically provided in this Act
3 or any of the amendments made by this Act, this Act and
4 the amendments made by this Act take effect on October
5 1, 2016.