Public Law 105–336
105th Congress

An Act

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

Oct. 31, 1998
[H.R. 3874]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

William F. Goodling Child Nutrition Reauthorization Act of 1998.
42 USC 1751 note.

(a) SHORT TITLE.—This Act may be cited as the "William F. Goodling Child Nutrition Reauthorization Act of 1998".

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

Sec. 1. Short title; table of contents.

TITLE I—SCHOOL LUNCH AND RELATED PROGRAMS

Sec. 101. Provision of commodities.
Sec. 102. Nutritional and other program requirements.
Sec. 103. Special assistance.
Sec. 104. Miscellaneous provisions and definitions.
Sec. 105. Summer food service program for children.
Sec. 106. Commodity distribution program.
Sec. 107. Child and adult care food program.
Sec. 108. Meal supplements for children in afterschool care.
Sec. 109. Pilot projects.
Sec. 110. Training, technical assistance, and food service management institute.
Sec. 111. Compliance and accountability.
Sec. 112. Information clearinghouse.
Sec. 113. Accommodation of the special dietary needs of individuals with disabilities.

TITLE II—SCHOOL BREAKFAST AND RELATED PROGRAMS

Sec. 201. School breakfast program authorization.
Sec. 202. State administrative expenses.
Sec. 203. Special supplemental nutrition program for women, infants, and children.
Sec. 204. Nutrition education and training.

TITLE III—COMMODITY DISTRIBUTION PROGRAMS

Sec. 301. Information from recipient agencies.
Sec. 302. Food distribution.

TITLE IV—EFFECTIVE DATE

Sec. 401. Effective date.

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TITLE I—SCHOOL LUNCH AND RELATED PROGRAMS

SEC. 101. PROVISION OF COMMODITIES.

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

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

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

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

SEC. 102. NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS.

(a) TECHNICAL AMENDMENTS.—Section 9(f) of the National School Lunch Act (42 U.S.C. 1758(f)) is amended—

(1) in paragraph (2), by striking "subparagraph (A)" and inserting "paragraph (1)"; and

(2) in paragraphs (3) and (4), by striking "this paragraph" each place it appears and inserting "this subsection".

(b) WAIVER OF REQUIREMENT FOR WEIGHTED AVERAGES FOR NUTRIENT ANALYSIS.—Section 9(f) of the National School Lunch Act (42 U.S.C. 1758(f)) is amended by adding at the end the following:

"(5) WAIVER OF REQUIREMENT FOR WEIGHTED AVERAGES FOR NUTRIENT ANALYSIS.—During the period ending on September 30, 2003, the Secretary shall not require the use of weighted averages for nutrient analysis of menu items and foods offered or served as part of a meal offered or served under the school lunch program under this Act or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).".

(c) REQUIREMENT FOR FOOD SAFETY INSPECTIONS.—Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended by adding at the end the following:

"(h) FOOD SAFETY INSPECTIONS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a school participating in the school lunch program under this Act or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) shall, at least once during each school year, obtain a food safety inspection conducted by a State or local governmental agency responsible for food safety inspections.

"(2) EXCEPTION.—Paragraph (1) shall not apply to a school if a food safety inspection of the school is required by a State or local governmental agency responsible for food safety inspections.".

(d) SINGLE PERMANENT AGREEMENT BETWEEN STATE AGENCY AND SCHOOL FOOD AUTHORITY; COMMON CLAIMS FORM.—Section 9 of the National School Lunch Act (42 U.S.C. 1758), as amended by subsection (c), is further amended by adding at the end the following:

"(i) SINGLE PERMANENT AGREEMENT BETWEEN STATE AGENCY AND SCHOOL FOOD AUTHORITY; COMMON CLAIMS FORM.—

"(1) IN GENERAL.—If a single State agency administers any combination of the school lunch program under this Act, the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), the summer food service program for children under section 13 of this Act, or the child and adult care food program under section 17 of this Act, the agency shall—

"(A) require each school food authority to submit to the State agency a single agreement with respect to the operation by the authority of the programs administered by the State agency; and

"(B) use a common claims form with respect to meals and supplements served under the programs administered by the State agency.

"(2) ADDITIONAL REQUIREMENT.—The agreement described in paragraph (1)(A) shall be a permanent agreement that may be amended as necessary.".

SEC. 103. SPECIAL ASSISTANCE.

(a) SCHOOL ELIGIBILITY REQUIREMENTS FOR PAYMENTS.—Section 11(a)(1) of the National School Lunch Act (42 U.S.C. 1759a(a)(1)) is amended—

(1) in subparagraph (C)—

(A) in clause (i)(I), by striking "3 successive school years" each place it appears and inserting "4 successive school years"; and

(B) in clauses (ii) and (iii), by striking "3-school-year period" each place it appears and inserting "4-school-year period";

(2) in subparagraph (D)—

(A) in clause (i)—

(i) by striking "3-school-year period" each place it appears and inserting "4-school-year period"; and

(ii) by striking "2 school years" and inserting "4 school years";

(B) in clause (ii)—

(i) by striking the first sentence;

(ii) by striking "The school" and inserting "A school described in clause (i)"; and

(iii) by striking "5-school-year period" each place it appears and inserting "4-school-year period"; and

(C) in clause (iii), by striking "5-school-year period" and inserting "4-school-year period"; and

(3) in subparagraph (E), by striking clause (iii).

(b) ADJUSTMENTS TO PAYMENT RATES.—

(1) IN GENERAL.—Section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is amended—

(A) by striking "(B) The annual" and inserting the following:

"(B) COMPUTATION OF ADJUSTMENT.—

"(i) IN GENERAL.—The annual";

(B) by striking "Each annual" and inserting the following:

"(ii) BASIS.—Each annual";

(C) by striking "The adjustments" and inserting the following:

"(iii) ROUNDING.—

"(I) THROUGH JUNE 30, 1999.—For the period ending June 30, 1999, the adjustments"; and

(D) by adding at the end the following:

"(II) JULY 1, 1999, AND THEREAFTER.—On July 1, 1999, and on each subsequent July 1, the national average payment rates for meals and supplements shall be adjusted to the nearest lower cent increment and shall be based on the unrounded amounts for the preceding 12-month period.".

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

(A) in the second sentence of paragraph (1)(B), by striking "adjusted to the nearest one-fourth cent,"; and

(B) in paragraph (2)(B)(ii), by striking ", which shall be adjusted" and all that follows and inserting "(as adjusted pursuant to section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C 1759a(a)(3)(B))).".

(c) INFORMATION AND ASSISTANCE CONCERNING REIMBURSEMENT OPTIONS.—

(1) IN GENERAL.—Section 11 of the National School Lunch Act (42 U.S.C. 1759a) is amended by adding at the end the following:

"(f) INFORMATION AND ASSISTANCE CONCERNING REIMBURSEMENT OPTIONS.—

Grants.

"(1) IN GENERAL.—From funds made available under paragraph (3), the Secretary shall provide grants to not more than 10 State agencies in each of fiscal years 2000 and 2001 to enable the agencies, in accordance with criteria established by the Secretary, to—

"(A) identify separately in a list—

"(i) schools that are most likely to benefit from electing to receive special assistance under subparagraph (C) or (E) of subsection (a)(1); and

"(ii) schools that may benefit from electing to receive special assistance under subparagraph (C) or (E) of subsection (a)(1);

"(B) make the list of schools identified under this subsection available to each school district within the State and to the public;

"(C) provide technical assistance to schools, or school districts containing the schools, to enable the schools to evaluate and receive special assistance under subparagraph (C) or (E) of subsection (a)(1);

"(D) take any other actions the Secretary determines are consistent with receiving special assistance under subparagraph (C) or (E) of subsection (a)(1) and receiving a grant under this subsection; and

"(E) as soon as practicable after receipt of the grant, but not later than September 30, 2001, take the actions described in subparagraphs (A) through (D).

"(2) REPORT.—

Deadline.

"(A) IN GENERAL.—Not later than January 1, 2002, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of

the Senate a report on the activities of the State agencies receiving grants under this subsection.

"(B) CONTENTS.—In the report, the Secretary shall specify—

"(i) the number of schools identified as likely to benefit from electing to receive special assistance under subparagraph (C) or (E) of subsection (a)(1);

"(ii) the number of schools identified under this subsection that have elected to receive special assistance under subparagraph (C) or (E) of subsection (a)(1); and

"(iii) a description of how the funds and technical assistance made available under this subsection have been used.

"(3) FUNDING.—Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Secretary $2,250,000 for each of fiscal years 2000 and 2001 to carry out this subsection. The Secretary shall be entitled to receive the funds and shall accept the funds, without further appropriation.".

(2) TECHNICAL AMENDMENTS.—The National School Lunch Act is amended in the second sentence of each of sections 21(e)(2)(A) and 26(d) (42 U.S.C. 1769b–1(e)(2)(A), 1769g(d)) by inserting at the end before the period ", without further appropriation".

SEC. 104. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

(a) ADJUSTMENTS TO REIMBURSEMENT RATES.—Section 12(f) of the National School Lunch Act (42 U.S.C. 1760(f)) is amended—

(1) by striking "school breakfasts and lunches" and inserting "breakfasts, lunches, suppers, and supplements";

(2) by striking "sections 4 and 11" and inserting "sections 4, 11, 13, and 17"; and

(3) by striking "lunches and breakfasts" each place it appears and inserting "meals and supplements".

(b) CRIMINAL PENALTIES.—Section 12(g) of the National School Lunch Act (42 U.S.C. 1760(g)) is amended by striking "$10,000" and inserting "$25,000".

(c) FOOD AND NUTRITION PROJECTS.—Section 12(m) of the National School Lunch Act (42 U.S.C. 1760(m)) is amended by striking "1998" each place it appears and inserting "2003".

(d) BUY AMERICAN.—Section 12 of the National School Lunch Act (42 U.S.C. 1760) is amended by adding at the end the following:

"(n) BUY AMERICAN.—

"(1) DEFINITION OF DOMESTIC COMMODITY OR PRODUCT.—In this subsection, the term 'domestic commodity or product' means—

"(A) an agricultural commodity that is produced in the United States; and

"(B) a food product that is processed in the United States substantially using agricultural commodities that are produced in the United States.

"(2) REQUIREMENT.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall require that a school food authority purchase, to the maximum extent practicable, domestic commodities or products.

Applicability.

"(B) LIMITATIONS.—Subparagraph (A) shall apply only to—

"(i) a school food authority located in the contiguous United States; and

"(ii) a purchase of a domestic commodity or product for the school lunch program under this Act or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

"(3) APPLICABILITY TO HAWAII.—Paragraph (2)(A) shall apply to a school food authority in Hawaii with respect to domestic commodities or products that are produced in Hawaii in sufficient quantities to meet the needs of meals provided under the school lunch program under this Act or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).".

(e) PROCUREMENT CONTRACTS.—Section 12 of the National School Lunch Act (42 U.S.C. 1760), as amended by subsection (d), is further amended by adding at the end the following:

"(o) PROCUREMENT CONTRACTS.—In acquiring a good or service for programs under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) (other than section 17 of that Act (42 U.S.C. 1786)), a State, State agency, school, or school food authority may enter into a contract with a person that has provided specification information to the State, State agency, school, or school food authority for use in developing contract specifications for acquiring such good or service.".

SEC. 105. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

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

"(i) operate—

"(I) not more than 25 sites, with not more than 300 children being served at any one site; or

"(II) with a waiver granted by the State agency under standards developed by the Secretary, with not more than 500 children being served at any one site;".

(b) ELIMINATION OF MEAL CONTRACTING RESTRICTIONS, INDICATION OF INTEREST REQUIREMENT, AND VENDOR REGISTRATION REQUIREMENTS.—Section 13 of the National School Lunch Act (42 U.S.C. 1761) is amended—

(1) in subsection (a)(7)(B)—

(A) by striking clauses (ii) and (iii); and

(B) by redesignating clauses (iv) through (vii) as clauses (ii) through (v) respectively; and

(2) in subsection (l)—

(A) in paragraph (1)—

(i) in the first sentence—

(I) by striking "(other than private nonprofit organizations eligible under subsection (a)(7))"; and

(II) by striking "only with food service management companies registered with the State in which they operate" and inserting "with food service management companies"; and

(ii) by striking the last sentence;

(B) in paragraph (2)—

(i) in the first sentence, by striking "shall" and inserting "may"; and

(ii) by striking the second and third sentences;

(C) by striking paragraph (3); and

(D) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(c) OFFER VERSUS SERVE.—Section 13(f)(7) of the National School Lunch Act (42 U.S.C. 1761(f)(7)) is amended in the first sentence by striking "attending a site on school premises operated directly by the authority".

(d) REAUTHORIZATION OF PROGRAM.—Section 13(q) of the National School Lunch Act (42 U.S.C. 1761(q)) is amended by striking "1998" and inserting "2003".

(e) TECHNICAL AMENDMENT.—

(1) IN GENERAL.—Section 706(j)(1) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2293) is amended by striking "methods of assessing" and inserting "methods for assessing". 42 USC 1761.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on January 1, 1997. 42 USC 1761 note.

SEC. 106. COMMODITY DISTRIBUTION PROGRAM.

Section 14(a) of the National School Lunch Act (42 U.S.C. 1762a(a)) is amended in the matter preceding paragraph (1) by striking "1998" and inserting "2003".

SEC. 107. CHILD AND ADULT CARE FOOD PROGRAM.

(a) ELIGIBILITY OF INSTITUTIONS.—Section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended—

(1) in the fourth sentence, by striking "Reimbursement" and inserting "Except as provided in subsection (r), reimbursement"; and

(2) in the sixth sentence, by striking paragraph (1) and inserting the following:

"(1) an institution (except a school or family or group day care home sponsoring organization) or family or group day care home shall—

"(A)(i) be licensed, or otherwise have approval, by the appropriate Federal, State, or local licensing authority; or

"(ii) be in compliance with appropriate procedures for renewing participation in the program, as prescribed by the Secretary, and not be the subject of information possessed by the State indicating that the license of the institution or home will not be renewed;

"(B) if Federal, State, or local licensing or approval is not available—

"(i) meet any alternate approval standards established by the appropriate State or local governmental agency; or

"(ii) meet any alternate approval standards established by the Secretary after consultation with the Secretary of Health and Human Services; or

"(C) if the institution provides care to school children outside of school hours and Federal, State, or local licensing or approval is not required for the institution, meet State or local health and safety standards; and".

(b) AUTOMATIC ELIGIBILITY FOR EVEN START PROGRAM PARTICIPANTS.—Section 17(c)(6) of the National School Lunch Act (42 U.S.C. 1766(c)(6)) is amended—

(1) in subparagraph (A), by striking "(A)"; and

(2) by striking subparagraph (B).

(c) PERIODIC SITE VISITS.—Section 17(d) of the National School Lunch Act (42 U.S.C. 1766(d)) is amended—

(1) in the second sentence of paragraph (1), by inserting after "if it" the following: "has been visited by a State agency prior to approval and it"; and

(2) in paragraph (2)(A)—

(A) by striking "that allows" and inserting "that—

"(i) allows";

(B) by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(ii) requires periodic site visits to private institutions that the State agency determines have a high probability of program abuse.".

(d) TAX EXEMPT STATUS AND REMOVAL OF NOTIFICATION REQUIREMENT FOR INCOMPLETE APPLICATIONS.—Section 17(d)(1) of the National School Lunch Act (42 U.S.C. 1766(d)(1)) is amended—

(1) by inserting after the third sentence the following: "An institution moving toward compliance with the requirement for tax exempt status shall be allowed to participate in the child and adult care food program for a period of not more than 180 days, except that a State agency may grant a single extension of not to exceed an additional 90 days if the institution demonstrates, to the satisfaction of the State agency, that the inability of the institution to obtain tax exempt status within the 180-day period is due to circumstances beyond the control of the institution."; and

(2) by striking the last sentence.

(e) USE OF FUNDS FOR AUDITS.—Section 17(i) of the National School Lunch Act (42 U.S.C. 1766(i)) is amended by striking "2 percent" and inserting "1.5 percent (except, in the case of each of fiscal years 2005 through 2007, 1 percent)".

(f) PERMANENT AUTHORIZATION OF DEMONSTRATION PROJECT.—Section 17(p) of the National School Lunch Act (42 U.S.C. 1766(p)) is amended by striking paragraphs (4) and (5).

(g) MANAGEMENT SUPPORT.—Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended by adding at the end the following:

"(q) MANAGEMENT SUPPORT.—

"(1) TECHNICAL AND TRAINING ASSISTANCE.—In addition to the training and technical assistance that is provided to State agencies under other provisions of this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), the Secretary shall provide training and technical assistance in order to assist the State agencies in improving their program management and oversight under this section.

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

(h) PARTICIPATION BY AT-RISK CHILD CARE PROGRAMS.—Section 17 of the National School Lunch Act (42 U.S.C. 1766), as amended

by subsection (g), is further amended by adding at the end the following:

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

"(1) DEFINITION OF AT-RISK SCHOOL CHILD.—In this subsection, the term 'at-risk school child' means a school child who—

"(A) is not more than 18 years of age, except that the age limitation provided by this subparagraph shall not apply to a child described in section 12(d)(1)(A); and

"(B) participates in a program authorized under this section operated at a site located in a geographical area served by a school in which at least 50 percent of the children enrolled are certified as eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

"(2) PARTICIPATION IN CHILD AND ADULT CARE FOOD PROGRAM.—An institution may participate in the program authorized under this section only if the institution provides supplements under a program—

"(A) organized primarily to provide care to at-risk school children during after-school hours, weekends, or holidays during the regular school year; and

"(B) with an educational or enrichment purpose.

"(3) ADMINISTRATION.—Except as otherwise provided in this subsection, the other provisions of this section apply to an institution described in paragraph (2).

"(4) SUPPLEMENT REIMBURSEMENT.—

"(A) LIMITATIONS.—An institution may claim reimbursement under this subsection only for—

"(i) a supplement served under a program organized primarily to provide care to at-risk school children during after-school hours, weekends, or holidays during the regular school year; and

"(ii) one supplement per child per day.

"(B) RATE.—A supplement shall be reimbursed under this subsection at the rate established for a free supplement under subsection (c)(3).

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

(i) WIC INFORMATION.—Section 17 of the National School Lunch Act (42 U.S.C. 1766), as amended by subsection (h), is further amended by adding at the end the following:

"(s) INFORMATION CONCERNING THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.—

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

"(2) REQUIREMENTS FOR STATE AGENCIES.—Each State agency shall ensure that each participating family and group day care home and child care center (other than an institution providing care to school children outside school hours)—

"(A) receives materials that include—

"(i) a basic explanation of the importance and benefits of the special supplemental nutrition program for women, infants, and children;

"(ii) the maximum State income eligibility standards, according to family size, for the program; and

"(iii) information concerning how benefits under the program may be obtained;

"(B) receives periodic updates of the information described in subparagraph (A); and

"(C) provides the information described in subparagraph (A) to parents of enrolled children at enrollment.".

(j) TRANSFER OF HOMELESS PROGRAMS.—

(1) IN GENERAL.—Section 17 of the National School Lunch Act (42 U.S.C. 1766), as amended by subsection (i), is further amended by adding at the end the following:

"(t) PARTICIPATION BY EMERGENCY SHELTERS.—

"(1) DEFINITION OF EMERGENCY SHELTER.—In this subsection, the term 'emergency shelter' means—

"(A) an emergency shelter (as defined in section 321 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11351)); or

"(B) a site operated by the shelter.

"(2) ADMINISTRATION.—Except as otherwise provided in this subsection, an emergency shelter shall be eligible to participate in the program authorized under this section in accordance with the terms and conditions applicable to eligible institutions described in subsection (a).

"(3) LICENSING REQUIREMENTS.—The licensing requirements contained in subsection (a)(1) shall not apply to an emergency shelter.

"(4) HEALTH AND SAFETY STANDARDS.—To be eligible to participate in the program authorized under this section, an emergency shelter shall comply with applicable State or local health and safety standards.

"(5) MEAL OR SUPPLEMENT REIMBURSEMENT.—

"(A) LIMITATIONS.—An emergency shelter may claim reimbursement under this subsection—

"(i) only for a meal or supplement served to children residing at an emergency shelter, if the children are—

"(I) not more than 12 years of age;

"(II) children of migrant workers, if the children are not more than 15 years of age; or

"(III) children with disabilities; and

"(ii) for not more than 3 meals, or 2 meals and a supplement, per child per day.

"(B) RATE.—A meal or supplement eligible for reimbursement shall be reimbursed at the rate at which free meals and supplements are reimbursed under subsection (c).

"(C) NO CHARGE.—A meal or supplement claimed for reimbursement shall be served without charge.".

(2) CONFORMING AMENDMENTS.—

(A) Section 13(a)(3)(C) of the National School Lunch Act (42 U.S.C. 1761(a)(3)(C)) is amended—

(i) in clause (i), by adding "or" at the end;

(ii) by striking clause (ii); and

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

(B) Section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended in the third sentence—

(i) by striking "and public" and inserting "public"; and

(ii) by inserting before the period at the end the following: ", and emergency shelters (as provided in subsection (t))".

(C)(i) Section 17B of the National School Lunch Act (42 U.S.C. 1766b) is repealed.

(ii) Section 25(b)(1) of the National School Lunch Act (42 U.S.C. 1769f(b)(1) is amended—

(I) by striking subparagraph (D); and

(II) by redesignating subparagraphs (E) through (G) as subparagraphs (D) through (F), respectively.

(3) TECHNICAL AMENDMENTS.—

(A) Section 12(d) of the National School Lunch Act (42 U.S.C. 1760(d)) is amended—

(i) in paragraph (1)(A), by striking "mental or physical" each place it appears; and

(ii) by adding at the end the following:

"(8) DISABILITY.—The term 'disability' has the meaning given the term in the Rehabilitation Act of 1973 for purposes of title II of that Act (29 U.S.C 760 et seq.).".

(B) Section 13(a)(1) of the National School Lunch Act (42 U.S.C. 1761(a)(1)) is amended in subparagraph (D) of the second sentence—

(i) in clause (i), by striking "to be mentally or physically handicapped" and inserting "to have a disability"; and

(ii) in clause (ii), by striking "the mentally or physically handicapped" and inserting "individuals who have a disability".

(C) Section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended by striking "handicaps" each place it appears and inserting "disabilities".

(D) Section 15 of the Child Nutrition Act of 1966 (42 U.S.C. 1784) is amended—

(i) in paragraph (6), by striking "mental or physical handicaps" each place it appears and inserting "disabilities"; and

(ii) by adding at the end the following:

"(7) DISABILITY.—The term 'disability' has the meaning given the term in the Rehabilitation Act of 1973 for purposes of title II of that Act (29 U.S.C 760 et seq.).".

(4) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) take effect on July 1, 1999. 42 USC 1761 note.

SEC. 108. MEAL SUPPLEMENTS FOR CHILDREN IN AFTERSCHOOL CARE.

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

(1) in paragraph (1), by striking "supplements to" and inserting "supplements under a program organized primarily to provide care for"; and

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

"(C) operate afterschool programs with an educational or enrichment purpose.".

(b) ELIGIBLE CHILDREN.—Section 17A(b) of the National School Lunch Act (42 U.S.C. 1766a(b)) is amended by striking "served to children" and all that follows and inserting "served to school children who are not more than 18 years of age, except that the age limitation provided by this subsection shall not apply to a child described in section 12(d)(1)(A).".

(c) REIMBURSEMENT.—Section 17A(c) of the National School Lunch Act (42 U.S.C. 1766a(c)) is amended by striking "(c) REIMBURSEMENT.—For" and inserting the following:

"(c) REIMBURSEMENT.—

"(1) AT-RISK SCHOOL CHILDREN.—In the case of an eligible child who is participating in a program authorized under this section operated at a site located in a geographical area served by a school in which at least 50 percent of the children enrolled are certified as eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), a supplement provided under this section to the child shall be—

"(A) reimbursed at the rate at which free supplements are reimbursed under section 17(c)(3); and

"(B) served without charge.

"(2) OTHER SCHOOL CHILDREN.—In the case of an eligible child who is participating in a program authorized under this section at a site that is not described in paragraph (1), for".

SEC. 109. PILOT PROJECTS.

(a) IN GENERAL.—Section 18 of the National School Lunch Act (42 U.S.C. 1769) is amended by striking subsections (c), (e), (g), and (h).

(b) BREAKFAST PILOT PROJECTS.—Section 18(i) of the National School Lunch Act (42 U.S.C. 1769(i)) is amended to read as follows:

"(i) BREAKFAST PILOT PROJECTS.—

Grants.

"(1) IN GENERAL.—Subject to the availability of funds made available under paragraph (10), for a period of 3 successive school years, the Secretary shall make grants to State agencies to conduct pilot projects in elementary schools under the jurisdiction of not more than 6 school food authorities approved by the Secretary to—

"(A) reduce paperwork, simplify meal counting requirements, and make changes that will increase participation in the school breakfast program; and

"(B) evaluate the effect of providing free breakfasts to elementary school children, without regard to family income, on participation, academic achievement, attendance and tardiness, and dietary intake over the course of a day.

"(2) NOMINATIONS.—A State agency that seeks a grant under this subsection shall submit to the Secretary nominations of school food authorities to participate in a pilot project under this subsection

"(3) APPROVAL.—The Secretary shall approve for participation in pilot projects under this subsection elementary schools under the jurisdiction of not more than 6 nominated school food authorities selected so as to—

"(A) provide for an equitable distribution of pilot projects among urban and rural elementary schools;

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

"(C) permit the evaluation of pilot projects to distinguish the effects of the pilot projects from other factors, such as changes or differences in educational policies or programs.

"(4) GRANTS TO SCHOOL FOOD AUTHORITIES.—A State agency receiving a grant under paragraph (1) shall make grants to school food authorities to conduct the pilot projects described in paragraph (1).

"(5) DURATION OF PILOT PROJECTS.—Subject to the availability of funds made available to carry out this subsection, a school food authority receiving amounts under a grant to conduct a pilot project described in paragraph (1) shall conduct the project during a period of 3 successive school years.

"(6) WAIVER AUTHORITY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary may waive the requirements of this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) relating to counting of meals, applications for eligibility, and related requirements that would preclude the Secretary from making a grant to conduct a pilot project under paragraph (1).

"(B) NONWAIVABLE REQUIREMENTS.—The Secretary may not waive a requirement under subparagraph (A) if the waiver would prevent a program participant, a potential program participant, or a school from receiving all of the benefits and protections of this Act, the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), or a Federal law (including a regulation) that protects an individual constitutional right or a statutory civil right.

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

"(A) a State agency—

"(i) shall submit an application to the Secretary at such time and in such manner as the Secretary shall establish to meet criteria the Secretary has established to enable a valid evaluation to be conducted; and

"(ii) shall provide such information relating to the operation and results of the pilot project as the Secretary may reasonably require; and

"(B) a school food authority—

"(i) shall agree to serve all breakfasts at no charge to all children enrolled in participating elementary schools;

"(ii) shall not have a history of violations of this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

"(iii) shall have, under the jurisdiction of the school food authority, a sufficient number of elementary schools that are not participating in the pilot projects

to permit a valid evaluation of the effects of the pilot projects; and

"(iv) shall meet all other requirements that the Secretary may reasonably require.

"(8) EVALUATION OF PILOT PROJECTS.—

"(A) IN GENERAL.—The Secretary, acting through the Administrator of the Food and Nutrition Service, shall conduct an evaluation of the pilot projects conducted by the school food authorities selected for participation.

"(B) CONTENT.—The evaluation shall include—

"(i) a determination of the effect of participation in the pilot project on the academic achievement, attendance and tardiness, and dietary intake over the course of a day of participating children that is not attributable to changes in educational policies and practices; and

"(ii) a determination of the effect that participation by elementary schools in the pilot project has on the proportion of students who eat breakfast and on the paperwork required to be completed by the schools.

"(C) REPORT.—On completion of the pilot projects and the evaluation, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the results of the evaluation of the pilot projects required under subparagraph (A).

"(9) REIMBURSEMENT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a school conducting a pilot project under this subsection shall receive a total Federal reimbursement under the school breakfast program in an amount that is equal to the total Federal reimbursement for the school for the prior year under the program (adjusted to reflect changes in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor and adjusted for fluctuations in enrollment).

"(B) EXCESS NEEDS.—Funds required for the pilot project in excess of the level of reimbursement received by the school for the prior year (adjusted to reflect changes described in subparagraph (A) and adjusted for fluctuations in enrollment) may be taken from any non-Federal source or from amounts provided under this subsection.

"(10) AUTHORIZATION OF APPROPRIATIONS.—

"(A) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.

"(B) REQUIREMENT.—No amounts may be provided under this subsection unless specifically provided in appropriations Acts.".

(c) CONFORMING AMENDMENTS.—

(1) Section 18 of the National School Lunch Act (42 U.S.C. 1769), as amended by subsections (a) and (b), is further amended by redesignating subsections (d), (f), and (i) as subsections (c), (d), and (e), respectively.

(2) Section 101(b) of the Child Nutrition Amendments of 1992 (42 U.S.C. 1769 note; Public Law 102–342) is amended—

(A) in paragraph (1)—

(i) by striking "(1)"; and

(ii) by striking "other than those required under section 18(c) of the National School Lunch Act (42 U.S.C. 1769(c)) to identify other" and inserting "to identify"; and

(B) by striking paragraph (2).

SEC. 110. TRAINING, TECHNICAL ASSISTANCE, AND FOOD SERVICE MANAGEMENT INSTITUTE.

(a) TECHNICAL AMENDMENTS.—Section 21(c)(2) of the National School Lunch Act (42 U.S.C. 1769b–1(c)(2)) is amended by striking "of section 24" each place it appears in subparagraphs (F) and (H) and inserting "established by the Secretary".

(b) TRAINING AND TECHNICAL ASSISTANCE.—Section 21(e)(1) of the National School Lunch Act (42 U.S.C. 1769b–1(e)(1)) is amended by striking "1998" and inserting "2003".

(c) FOOD SERVICE MANAGEMENT INSTITUTE.—Section 21(e)(2)(A) of the National School Lunch Act (42 U.S.C. 1769b–1(e)(2)(A)) is amended in the first sentence by striking "and $2,000,000 for fiscal year 1996 and each subsequent fiscal year," and inserting "$2,000,000 for each of fiscal years 1996 through 1998, and $3,000,000 for fiscal year 1999 and each subsequent fiscal year,".

SEC. 111. COMPLIANCE AND ACCOUNTABILITY.

Section 22(d) of the National School Lunch Act (42 U.S.C. 1769c(d)) is amended by striking "1996" and inserting "2003".

SEC. 112. INFORMATION CLEARINGHOUSE.

Section 26(d) of the National School Lunch Act (42 U.S.C. 1769g(d)) is amended in the first sentence by striking "and $100,000 for fiscal year 1998" and inserting "$100,000 for fiscal year 1998, and $166,000 for each of fiscal years 1999 through 2003".

SEC. 113. ACCOMMODATION OF THE SPECIAL DIETARY NEEDS OF INDIVIDUALS WITH DISABILITIES.

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

"SEC. 27. ACCOMMODATION OF THE SPECIAL DIETARY NEEDS OF INDIVIDUALS WITH DISABILITIES.

"(a) DEFINITIONS.—In this section:

"(1) COVERED PROGRAM.—The term 'covered program' means—

"(A) the school lunch program authorized under this Act;

"(B) the school breakfast program authorized under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773); and

"(C) any other program authorized under this Act or the Child Nutrition Act of 1966 (except for section 17) that the Secretary determines is appropriate.

"(2) ELIGIBLE ENTITY.—The term 'eligible entity' means a school food authority, institution, or service institution that participates in a covered program.

"(b) ACTIVITIES.—The Secretary may carry out activities to help accommodate the special dietary needs of individuals with disabilities who are participating in a covered program. The activities may include—

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

"(2) conducting training of State agencies and eligible entities; and

"(3) providing grants to State agencies and eligible entities.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1999 through 2003.".

TITLE II—SCHOOL BREAKFAST AND RELATED PROGRAMS

SEC. 201. SCHOOL BREAKFAST PROGRAM AUTHORIZATION.

Section 4(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(a)) is amended in the first sentence by striking "and to carry out the provisions of subsection (g)".

SEC. 202. STATE ADMINISTRATIVE EXPENSES.

(a) HOMELESS SHELTERS.—Section 7(a)(5)(B) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(a)(5)(B)) is amended to read as follows:

"(B) REALLOCATION OF FUNDS.—

"(i) RETURN TO SECRETARY.—For each fiscal year, any amounts appropriated that are not obligated or expended during the fiscal year and are not carried over for the succeeding fiscal year under subparagraph (A) shall be returned to the Secretary.

"(ii) REALLOCATION BY SECRETARY.—The Secretary shall allocate, for purposes of administrative costs, any remaining amounts among States that demonstrate a need for the amounts.".

(b) ELIMINATION OF 10 PERCENT TRANSFER LIMITATION.—Section 7(a)(6) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(a)(6)) is amended to read as follows:

"(6) USE OF ADMINISTRATIVE FUNDS.—Funds available to a State under this subsection and under section 13(k)(1) of the National School Lunch Act (42 U.S.C. 1761(k)(1)) may be used by the State for the costs of administration of the programs authorized under this Act (except for the programs authorized under sections 17 and 21) and the National School Lunch Act (42 U.S.C. 1751 et seq.) without regard to the basis on which the funds were earned and allocated.".

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

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

(a) ADDITIONAL REQUIREMENTS FOR APPLICANTS.—

(1) PHYSICAL PRESENCE REQUIREMENT.—Section 17(d)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(3)) is amended by adding at the end the following:

"(C) PHYSICAL PRESENCE.—

"(i) IN GENERAL.—Except as provided in clause (ii) and subject to the requirements of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), each individual seeking certification or recertification for participation in the program shall be physically present at each certification or recertification determination in order to determine eligibility under the program.

"(ii) WAIVERS.—If the agency determines that the requirement of clause (i) would present an unreasonable barrier to participation, a local agency may waive the requirement of clause (i) with respect to—

"(I) an infant or child who—

"(aa) was present at the initial certification visit; and

"(bb) is receiving ongoing health care from a provider other than the local agency; or

"(II) an infant or child who—

"(aa) was present at the initial certification visit;

"(bb) was present at a certification or recertification determination within the 1-year period ending on the date of the certification or recertification determination described in clause (i); and

"(cc) has one or more parents who work.".

(2) INCOME DOCUMENTATION REQUIREMENT.—Section 17(d)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(3)), as amended by paragraph (1), is further amended by adding at the end the following:

"(D) INCOME DOCUMENTATION.—

"(i) IN GENERAL.—Except as provided in clause (ii), in order to participate in the program pursuant to clause (i) of paragraph (2)(A), an individual seeking certification or recertification for participation in the program shall provide documentation of family income.

"(ii) WAIVERS.—A State agency may waive the documentation requirement of clause (i), in accordance with criteria established by the Secretary, with respect to—

"(I) an individual for whom the necessary documentation is not available; or

"(II) an individual, such as a homeless woman or child, for whom the agency determines the requirement of clause (i) would present an unreasonable barrier to participation.".

(3) ADJUNCT DOCUMENTATION REQUIREMENT.—Section 17(d)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(3)), as amended by paragraph (2), is further amended by adding at the end the following:

"(E) ADJUNCT DOCUMENTATION.—In order to participate in the program pursuant to clause (ii) or (iii) of paragraph (2)(A), an individual seeking certification or recertification for participation in the program shall provide documentation of receipt of assistance described in that clause.".

(b) EDUCATION AND EDUCATIONAL MATERIALS RELATING TO EFFECTS OF DRUG AND ALCOHOL USE.—Section 17(e)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(e)(1)) is amended by adding at the end the following: "A local agency participating in the program shall provide education or educational materials relating to the effects of drug and alcohol use by a pregnant, postpartum, or breastfeeding woman on the developing child of the woman.".

(c) DISTRIBUTION OF NUTRITION EDUCATION MATERIALS.—Section 17(e)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(e)(3)) is amended—

(1) by striking "(3) The" and inserting the following:

"(3) NUTRITION EDUCATION MATERIALS.—

"(A) IN GENERAL.—The"; and

(2) by adding at the end the following:

"(B) SHARING OF MATERIALS.—The Secretary may provide, in bulk quantity, nutrition education materials (including materials promoting breastfeeding) developed with funds made available for the program authorized under this section to State agencies administering the commodity supplemental food program authorized under sections 4(a) and 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) at no cost to that program.".

(d) USE OF CLAIMS FROM VENDORS AND PARTICIPANTS.—Section 17(f)(21) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(21)) is amended to read as follows:

"(21) USE OF CLAIMS FROM VENDORS AND PARTICIPANTS.—A State agency may use funds recovered from vendors and participants, as a result of a claim arising under the program, to carry out the program during—

"(A) the fiscal year in which the claim arises;

"(B) the fiscal year in which the funds are collected; and

"(C) the fiscal year following the fiscal year in which the funds are collected.".

(e) INDIVIDUALS PARTICIPATING AT MORE THAN ONE SITE.—Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended by adding at the end the following:

"(23) INDIVIDUALS PARTICIPATING AT MORE THAN ONE SITE.—Each State agency shall implement a system designed by the State agency to identify individuals who are participating at more than one site under the program.".

(f) IDENTIFICATION OF HIGH RISK VENDORS; COMPLIANCE INVESTIGATIONS.—

(1) IN GENERAL.—Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)), as amended by subsection (e), is further amended by adding at the end the following:

"(24) HIGH RISK VENDORS.—Each State agency shall—

"(A) identify vendors that have a high probability of program abuse; and

"(B) conduct compliance investigations of the vendors.".

Deadlines. 42 USC 1786 note.

(2) REGULATIONS.—The Secretary of Agriculture shall promulgate—

(A) not later than March 1, 1999, proposed regulations to carry out section 17(f)(24) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(24)), as added by paragraph (1); and

(B) not later than March 1, 2000, final regulations to carry out section 17(f)(24) of that Act.

(g) REAUTHORIZATION OF PROGRAM.—Section 17(g)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)(1)) is amended in the first sentence by striking "1998" and inserting "2003".

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

(1) by striking "(C) In" and inserting the following:

"(C) REMAINING AMOUNTS.—

"(i) IN GENERAL.—Except as provided in clause (ii), in"; and

(2) by adding at the end the following:

"(ii) BREAST PUMPS.—A State agency may use amounts made available under clause (i) for the purchase of breast pumps.".

(i) NUTRITION SERVICES AND ADMINISTRATION.—

(1) ALLOCATION OF AMOUNTS.—Section 17(h)(2)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(2)(A)) is amended in the first sentence by striking "1998" and inserting "2003".

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

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

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

(A) in subparagraph (E), by striking "In the case" and all that follows through "subsequent fiscal year," and inserting "For each fiscal year,"; and

(B) by striking subparagraphs (F) and (G).

(5) CONVERSION OF AMOUNTS FOR SUPPLEMENTAL FOODS TO AMOUNTS FOR NUTRITION SERVICES AND ADMINISTRATION.—Section 17(h)(5)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(5)(A)) is amended in the matter preceding clause (i) by striking "achieves" and all that follows through "such State agency may" and inserting "submits a plan to reduce average food costs per participant and to increase participation above the level estimated for the State agency, the State agency may, with the approval of the Secretary,".

(j) INFANT FORMULA PROCUREMENT.—Section 17(h)(8)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(8)(A)) is amended by adding at the end the following:

"(iii) COMPETITIVE BIDDING SYSTEM.—A State agency using a competitive bidding system for infant formula shall award contracts to bidders offering the lowest net price unless the State agency demonstrates to the satisfaction of the Secretary that the weighted average retail price for different brands of infant formula in the State does not vary by more than 5 percent.".

(k) INFRASTRUCTURE AND BREASTFEEDING PROMOTION AND SUPPORT ACTIVITIES.—Section 17(h)(10)(A) of the Child Nutrition Act

of 1966 (42 U.S.C. 1786(h)(10)(A)) is amended by striking "1998" and inserting "2003".

(l) CONSIDERATION OF PRICE LEVELS OF RETAIL STORES FOR PARTICIPATION IN PROGRAM.—

(1) IN GENERAL.—Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) is amended by adding at the end the following:

"(11) CONSIDERATION OF PRICE LEVELS OF RETAIL STORES FOR PARTICIPATION IN PROGRAM.—

"(A) IN GENERAL.—For the purpose of promoting efficiency and to contain costs under the program, a State agency shall, in selecting a retail store for participation in the program, take into consideration the prices that the store charges for foods under the program as compared to the prices that other stores charge for the foods.

Procedures.

"(B) SUBSEQUENT PRICE INCREASES.—The State agency shall establish procedures to ensure that a retail store selected for participation in the program does not subsequently raise prices to levels that would otherwise make the store ineligible for participation in the program.".

Deadlines.
42 USC 1786 note.

(2) REGULATIONS.—The Secretary of Agriculture shall promulgate—

(A) not later than March 1, 1999, proposed regulations to carry out section 17(h)(11) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(11)), as added by paragraph (1); and

(B) not later than March 1, 2000, final regulations to carry out section 17(h)(11) of that Act.

(m) MANAGEMENT INFORMATION SYSTEM PLAN.—Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)), as amended by subsection (l)(1), is further amended by adding at the end the following:

"(12) MANAGEMENT INFORMATION SYSTEM PLAN.—

"(A) IN GENERAL.—In consultation with State agencies, vendors, and other interested persons, the Secretary shall establish a long-range plan for the development and implementation of management information systems (including electronic benefit transfers) to be used in carrying out the program.

Deadline.

"(B) REPORT.—Not later than 2 years after the date of enactment of this paragraph, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on actions taken to carry out subparagraph (A).

"(C) INTERIM PERIOD.—Prior to the date of submission of the report of the Secretary required under subparagraph (B), a State agency may not require retail stores to pay the cost of systems or equipment that may be required to test electronic benefit transfer systems.".

(n) USE OF FUNDS IN PRECEDING AND SUBSEQUENT FISCAL YEARS.—

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

(A) by striking "subparagraphs (B) and (C)" and inserting "subparagraph (B)"; and

(B) by striking clauses (i) and (ii) and inserting the following:

"(i)(I) not more than 1 percent (except as provided in subparagraph (C)) of the amount of funds allocated to a State agency under this section for supplemental foods for a fiscal year may be expended by the State agency for allowable expenses incurred under this section for supplemental foods during the preceding fiscal year; and

"(II) not more than 1 percent of the amount of funds allocated to a State agency under this section for nutrition services and administration for a fiscal year may be expended by the State agency for allowable expenses incurred under this section for supplemental foods and nutrition services and administration during the preceding fiscal year; and

"(ii)(I) for each fiscal year, of the amounts allocated to a State agency for nutrition services and administration, an amour.t equal to not more than 1 percent of the amount allocated to the State agency under this section for the fiscal year may be expended by the State agency for allowable expenses incurred under this section for nutrition services and administration during the subsequent fiscal year; and

"(II) for each fiscal year, of the amounts allocated to a State agency for nutrition services and administration, an amount equal to not more than ½ of 1 percent of the amount allocated to the State agency under this section for the fiscal year may be expended by the State agency, with the prior approval of the Secretary, for the development of a management information system, including an electronic benefit transfer system, during the subsequent fiscal year.".

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

(A) in subsection (h)(10)(A), by inserting after "nutrition services and administration funds" the following: "and supplemental foods funds"; and

(B) in subsection (i)(3)—

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

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

(o) FARMERS' MARKET NUTRITION PROGRAM.—

(1) MATCHING REQUIREMENT.—Section 17(m)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(3)) is amended in the first sentence by inserting "program income or" after "satisfied from".

(2) CRITERIA FOR ADDITIONAL FUNDS.—Section 17(m)(6)(C) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(6)(C)) is amended—

(A) by striking "serve additional recipients in";

(B) by striking clause (ii) and inserting the following: "(ii) documentation that demonstrates that—

"(I) there is a need for an increase in funds; and

"(II) the use of the increased funding will be consistent with serving nutritionally at-risk persons and expanding the awareness and use of farmers' markets;";

(C) in clause (iii), by striking the period at the end and inserting "; and"; and

(D) by adding at the end the following:

"(iv) whether, in the case of a State that intends to use any funding provided under subparagraph (G)(i) to increase the value of the Federal share of the benefits received by a recipient, the funding provided under subparagraph (G)(i) will increase the rate of coupon redemption.".

(3) RANKING CRITERIA FOR STATE PLANS.—Section 17(m)(6) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(6)) is amended—

(A) by striking subparagraph (F); and

(B) by redesignating subparagraph (G) as subparagraph (F).

(4) FUNDING FOR CURRENT AND NEW STATES.—Section 17(m)(6)(F) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(6)(F)), as redesignated by paragraph (3)(B), is amended—

(A) in clause (i)—

(i) in the first sentence, by striking "that wish" and all follows through "to do so" and inserting "whose State plan"; and

(ii) in the second sentence, by striking "for additional recipients"; and

(B) in the second sentence of clause (ii), by striking "that desire to serve additional recipients, and".

(5) REAUTHORIZATION OF PROGRAM.—Section 17(m)(9)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(9)(A)) is amended by striking "1998" and inserting "2003".

(p) DISQUALIFICATION OF CERTAIN VENDORS.—

(1) IN GENERAL.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended by adding at the end the following:

"(o) DISQUALIFICATION OF VENDORS CONVICTED OF TRAFFICKING OR ILLEGAL SALES.—

"(1) IN GENERAL.—Except as provided in paragraph (4), a State agency shall permanently disqualify from participation in the program authorized under this section a vendor convicted of—

"(A) trafficking in food instruments (including any voucher, draft, check, or access device (including an electronic benefit transfer card or personal identification number) issued in lieu of a food instrument under this section); or

"(B) selling firearms, ammunition, explosives, or controlled substances (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) in exchange for food instruments (including any item described in subparagraph (A) issued in lieu of a food instrument under this section).

"(2) NOTICE OF DISQUALIFICATION.—The State agency shall—

"(A) provide the vendor with notification of the disqualification; and

"(B) make the disqualification effective on the date of receipt of the notice of disqualification.

"(3) PROHIBITION OF RECEIPT OF LOST REVENUES.—A vendor shall not be entitled to receive any compensation for revenues lost as a result of disqualification under this subsection.

"(4) EXCEPTIONS IN LIEU OF DISQUALIFICATION.—

"(A) IN GENERAL.—A State agency may permit a vendor that, but for this paragraph, would be disqualified under paragraph (1), to continue to participate in the program if the State agency determines, in its sole discretion according to criteria established by the Secretary, that—

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

"(ii)(I) the vendor had, at the time of the violation under paragraph (1), an effective policy and program in effect to prevent violations described in paragraph (1); and

"(II) the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation.

"(B) CIVIL PENALTY.—If a State agency under subparagraph (A) permits a vendor to continue to participate in the program in lieu of disqualification, the State agency shall assess the vendor a civil penalty in an amount determined by the State agency, in accordance with criteria established by the Secretary, except that—

"(i) the amount of the civil penalty shall not exceed $10,000 for each violation; and

"(ii) the amount of civil penalties imposed for violations investigated as part of a single investigation may not exceed $40,000.".

(2) REGULATIONS.—The Secretary of Agriculture shall promulgate—

Deadlines. 42 USC 1786 note.

(A) not later than March 1, 1999, proposed regulations to carry out section 17(o) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(o)), as added by paragraph (1); and

(B) not later than March 1, 2000, final regulations to carry out section 17(o) of that Act.

(q) CRIMINAL FORFEITURE.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), as amended by subsection (p)(1), is amended by adding at the end the following:

"(p) CRIMINAL FORFEITURE.—

"(1) IN GENERAL.—Notwithstanding any provision of State law and in addition to any other penalty authorized by law, a court may order a person that is convicted of a violation of a provision of law described in paragraph (2), with respect to food instruments (including any item described in subsection (o)(1)(A) issued in lieu of a food instrument under this section), funds, assets, or property that have a value of $100 or more and that are the subject of a grant or other form of assistance under this section, to forfeit to the United States all property described in paragraph (3).

"(2) APPLICABLE LAWS.—A provision of law described in this paragraph is—

"(A) section 12(g) of the National School Lunch Act (42 U.S.C. 1760(g)); and

"(B) any other Federal law imposing a penalty for embezzlement, willful misapplication, stealing, obtaining by fraud, or trafficking in food instruments (including any item described in subsection (o)(1)(A) issued in lieu of a food instrument under this section), funds, assets, or property.

"(3) PROPERTY SUBJECT TO FORFEITURE.—The following property shall be subject to forfeiture under paragraph (1):

"(A) All property, real and personal, used in a transaction or attempted transaction, to commit, or to facilitate the commission of, a violation described in paragraph (1).

"(B) All property, real and personal, constituting, derived from, or traceable to any proceeds a person obtained directly or indirectly as a result of a violation described in paragraph (1).

"(4) PROCEDURES; INTEREST OF OWNER.—Except as provided in paragraph (5), all property subject to forfeiture under this subsection, any seizure or disposition of the property, and any proceeding relating to the forfeiture, seizure, or disposition shall be subject to section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), other than subsection (d) of that section.

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

"(A) first, to reimburse the Department of Justice, the Department of the Treasury, and the United States Postal Service for the costs incurred by the Departments or Service to initiate and complete the forfeiture proceeding;

"(B) second, to reimburse the Office of Inspector General of the Department of Agriculture for any costs incurred by the Office in the law enforcement effort resulting in the forfeiture;

"(C) third, to reimburse any Federal, State, or local law enforcement agency for any costs incurred in the law enforcement effort resulting in the forfeiture; and

"(D) fourth, by the State agency to carry out approval, reauthorization, and compliance investigations of vendors.".

42 USC 1786 note.

(r) STUDY OF COST CONTAINMENT PRACTICES.—

(1) IN GENERAL.—The Secretary of Agriculture shall conduct a study on the effect of cost containment practices established by States under the special supplemental nutrition program for women, infants, and children authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) for the selection of vendors and approved food items (other than infant formula) on—

(A) program participation;

(B) access and availability of prescribed foods;

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

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

(E) participant use and satisfaction of prescribed foods;

(F) achievement of positive health outcomes; and

(G) program costs.

Deadlines.

(2) REPORT.—The Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate—

(A) not later than 2 years after the date of enactment of this Act, an interim report describing the results of the study conducted under paragraph (1); and

(B) not later than 3 years after the date of enactment of this Act, a final report describing the results of the study conducted under paragraph (1).

(s) STUDY OF WIC SERVICES.— 42 USC 1786 note.

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study that assesses—

(A) the cost of delivering services under the special supplemental nutrition program for women, infants, and children authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), including the costs of implementing and administering cost containment efforts;

(B) the fixed and variable costs incurred by State and local governments for delivering the services and the extent to which those costs are charged to State agencies;

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

(D) the costs incurred for personnel, automation, central support, and other activities to deliver the services and whether the costs meet Federal audit standards for allowable costs under the program.

(2) REPORT.—Not later than 3 years after the date of enactment of this Act, the Comptroller General shall submit to the Secretary of Agriculture, the Committee on Education and the Workforce of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of the study conducted under paragraph (1). Deadline.

SEC. 204. NUTRITION EDUCATION AND TRAINING.

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

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

"(i) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—

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

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

TITLE III—COMMODITY DISTRIBUTION PROGRAMS

SEC. 301. INFORMATION FROM RECIPIENT AGENCIES.

Section 3(f)(2) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237) is amended to read as follows:

"(2) INFORMATION FROM RECIPIENT AGENCIES.—

"(A) IN GENERAL.—The Secretary shall ensure that information with respect to the types and forms of commodities that are most useful to persons participating in programs described in subsection (a)(2) is collected from recipient agencies operating the programs.

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

"(C) ADDITIONAL SUBMISSIONS.—The Secretary shall provide the recipient agencies a means for voluntarily submitting customer acceptability information.".

SEC. 302. FOOD DISTRIBUTION.

The Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237) is amended—

(1) by redesignating sections 13 and 14 as sections 17 and 18, respectively; and

(2) by inserting after section 12 the following:

"SEC. 13. AUTHORITY TO TRANSFER COMMODITIES BETWEEN PROGRAMS.

"(a) TRANSFER.—Subject to subsection (b), the Secretary may transfer any commodities purchased with appropriated funds for a domestic food assistance program administered by the Secretary to any other domestic food assistance program administered by the Secretary if the transfer is necessary to ensure that the commodities will be used while the commodities are still suitable for human consumption.

"(b) REIMBURSEMENT.—The Secretary shall, to the maximum extent practicable, provide reimbursement for the value of the commodities transferred under subsection (a) from accounts available for the purchase of commodities under the program receiving the commodities.

"(c) CREDITING.—Any reimbursement made under subsection (b) shall—

"(1) be credited to the accounts that incurred the costs when the transferred commodities were originally purchased; and

"(2) be available for the purchase of commodities with the same limitations as are provided for appropriated funds for the reimbursed accounts for the fiscal year in which the transfer takes place.

"SEC. 14. AUTHORITY TO RESOLVE CLAIMS.

"(a) IN GENERAL.—The Secretary may determine the amount of, settle, and adjust all or part of a claim arising under a domestic food assistance program administered by the Secretary.

"(b) WAIVER.—The Secretary may waive a claim described in subsection (a) if the Secretary determines that a waiver would serve the purposes of the program.

"(c) AUTHORITY OF THE ATTORNEY GENERAL.—Nothing in this section diminishes the authority of the Attorney General under section 516 of title 28, United States Code, or any other provision of law, to supervise and conduct litigation on behalf of the United States.

"SEC. 15. PAYMENT OF COSTS ASSOCIATED WITH REMOVAL OF COMMODITIES THAT POSE A HEALTH OR SAFETY RISK.

"(a) IN GENERAL.—The Secretary may use funds available to carry out section 32 of the Act of August 24, 1935 (49 Stat. 774, chapter 641; 7 U.S.C. 612c), that are not otherwise committed, for the purpose of reimbursing States for State and local costs associated with the removal of commodities distributed under any domestic food assistance program administered by the Secretary

if the Secretary determines that the commodities pose a health or safety risk.

"(b) ALLOWABLE COSTS.—The costs—

"(1) may include costs for storage, transportation, processing, and destruction of the commodities described in subsection (a); and

"(2) shall be subject to the approval of the Secretary.

"(c) REPLACEMENT COMMODITIES.—

"(1) IN GENERAL.—The Secretary may use funds described in subsection (a) for the purpose of purchasing additional commodities if the purchase will expedite replacement of the commodities described in subsection (a).

"(2) RECOVERY.—Use of funds under paragraph (1) shall not restrict the Secretary from recovering funds or services from a supplier or other entity regarding the commodities described in subsection (a).

"(d) CREDITING OF RECOVERED FUNDS.—Funds recovered from a supplier or other entity regarding the commodities described in subsection (a) shall—

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

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

"(e) TERMINATION DATE.—The authority provided by this section terminates effective October 1, 2000.

"SEC. 16. AUTHORITY TO ACCEPT COMMODITIES DONATED BY FEDERAL SOURCES.

"(a) IN GENERAL.—The Secretary may accept donations of commodities from any Federal agency, including commodities of another Federal agency determined to be excess personal property pursuant to section 202(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483(d)).

"(b) USE.—The Secretary may donate the commodities received under subsection (a) to States for distribution through any domestic food assistance program administered by the Secretary.

"(c) PAYMENT.—Notwithstanding section 202(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483(d)), the Secretary shall not be required to make any payment in connection with the commodities received under subsection (a).".

TITLE IV—EFFECTIVE DATE

42 USC 1755 note.

SEC. 401. EFFECTIVE DATE.

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

Approved October 31, 1998.

LEGISLATIVE HISTORY—H.R. 3874 (S. 2286):

HOUSE REPORTS: Nos. 105–633 (Comm. on Education and the Workforce) and 105–786 (Comm. of Conference).

SENATE REPORTS: No. 105–243 accompanying S. 2286 (Comm. on Agriculture, Nutrition, and Forestry).

CONGRESSIONAL RECORD, Vol. 144 (1998):

July 20, considered and passed House.

Sept. 17, considered and passed Senate, amended, in lieu of S. 2286.

Oct. 7, Senate agreed to conference report.

Oct. 9, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 34 (1998):

Oct. 31, Presidential statement.