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

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Improving Child Nutrition and Education Act of 2016”.
(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

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

TITLE I—NATIONAL SCHOOL LUNCH ACT

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

TITLE II—CHILD NUTRITION ACT

Sec. 201. Special milk program authorization.
Sec. 202. School breakfast program.
Sec. 203. State administrative expenses.
Sec. 204. Regulations.
Sec. 205. Definition of State agency.
Sec. 206. Special supplemental nutrition program for women, infants, and children.
Sec. 207. Team nutrition network.

TITLE III—MISCELLANEOUS

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

SEC. 2. DEFINITION OF SECRETARY.

In this Act, the term “Secretary” means the Secretary of Agriculture.

TITLE I—NATIONAL SCHOOL LUNCH ACT

SEC. 100. STATE AGENCY.

In each of the following Acts, strike “State educational agency” each place such term appears and insert “State agency”:


SEC. 101. APPORTIONMENTS TO STATES.

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

(1) in paragraph (3)—
(A) in subparagraph (B), by striking “Beginning on” and all that follows through “the Secretary” and inserting “The Secretary”;

(B) in subparagraph (E), by striking “Beginning on” and all that follows through “school food authorities” and inserting “School food authorities”; and

(C) in subparagraph (F)—

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

(ii) by adding at the end the following:

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

and

(2) by adding at the end the following:

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

SEC. 102. REPEAL OF NUTRITION PROMOTION.

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

SEC. 103. DIRECT FEDERAL EXPENDITURES.

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

(1) in subsection (c)—

(A) by striking “(c)(1)(A) The national average” and all that follows through “(D) Among those commodities” and inserting the following:

“(c) CALCULATION OF TOTAL ASSISTANCE.—

“(1) NATIONAL AVERAGE VALUE.—

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

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

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

“(B) ADJUSTMENT.—

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

“(ii) REQUIREMENT.—An adjustment under clause (i) shall be computed to the nearest ¼ cent.

“(iii) INDEX.—

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

“(II) COMPONENTS.—Each component described in subclause (I) shall be weighted using the same relative weight as determined by the Bureau of Labor Statistics.

“(iv) MINIMUM AMOUNT OF COMMODITY ASSISTANCE.—Not less than 12 percent of the value adjusted in accordance with this subparagraph shall be provided in the form of commodity assistance.

“(C) INSUFFICIENT AMOUNTS.—If amounts available to carry out section 4, this section, and section 11 are insufficient to meet the requirements of such sections for a school year, the Secretary shall, to the extent necessary, use the authority provided under section 14(a) to meet the requirements for the school year.

“(D) AMOUNT FOR EACH STATE.—For each school year, the total commodity assistance or cash in lieu thereof available to a State for the school lunch program shall be equal to the product obtained by multiplying—
“(i) the number of lunches served in such State in the most recent school year for which data are available; by

“(ii) the rate determined under subparagraphs (A) and (B).

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

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

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

(2) by striking subsection (e); and

(3) by redesignating subsection (f) as subsection (e).

SEC. 104. NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS.

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

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

“SEC. 9. NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS.

“(a) REQUIREMENTS.—
“(1) TECHNICAL ASSISTANCE AND TRAINING.—

The Secretary shall provide—

“(A) technical assistance and training to schools participating in the school lunch program to assist the schools in complying with the nutritional requirements prescribed by the Secretary pursuant to subsection (f) and in providing appropriate meals to children with medically certified special dietary needs, including food allergies or other special dietary needs of individual children, including religious dietary restrictions; and

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

(2) in subsection (a)—

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

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

“(i) Consider the critical nutrient needs of children who may be at risk for inadequate intake of the recommended daily servings of milk and dairy products under the most recent Dietary Guidelines described in subparagraph (A)(i) and conform the applicable regulations to such guidelines.

“(ii) Analyze milk consumption data and trends for school-aged children, and to the extent practicable, increase actual milk consumption in schools in a manner consistent with the number of servings recommended under such Dietary Guidelines, and ensure that schools may offer any type of milk with fat levels that are in compliance with such Dietary Guidelines.

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

(B) by striking “(4) PROVISION OF INFORMATION” and all that follows through “(C) PROCUREMENT AND PROCESSING OF FOOD SERVICE PRODUCTS AND COMMODITIES.—The Secretary” and inserting the following:

“(4) PROCUREMENT AND PROCESSING OF FOOD SERVICE PRODUCTS AND COMMODITIES.—The Secretary”;

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

(i) by redesignating clauses (i) through (iii) as subparagraphs (A) through (C), respectively, and indenting appropriately; and

(ii) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively, and indenting appropriately; and

(D) by adding at the end the following:

“(6) EMERGENCY ACCESS TO POTABLE WATER.—

“(A) IN GENERAL.—To ensure that children have access to potable water during meal service, the Secretary may award funds to State agencies to assist such agencies in providing
bottled water for a period of not more than 90
days (except as otherwise provided under sub-
paragraph (C)) when—

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

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

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

“(C) EXTENSION OF AUTHORITY.—If the
risk described in subparagraph (A)(ii) persists
in a State after the first 90-day period for
which funds under this paragraph are provided
to such State, funds may be provided under this paragraph to such State for an additional 90-day period.

“(D) FUNDING.—Not more than $475,000 may be provided under this paragraph for a fiscal year.”;

(3) in subsection (b)—

(A) in paragraph (2)(B)—

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

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

(iii) in clause (iii)(I)—

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

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

(III) by adding at the end the following:
“(cc) individuals may report alleged fraud to the Office of the Inspector General of the Department of Agriculture.”; and (iv) by adding at the end the following:

“(iv) REPORTING OF FRAUD.—The Secretary shall ensure that the Internet website of the Department of Agriculture prominently displays a link to the Internet website of the Office of the Inspector General of the Department and the phone number of the Office of the Inspector General through which an individual may report any alleged fraud.

“(v) APPLICATION FORMS.—Not later than 120 days after the date of the enactment of the Improving Child Nutrition and Education Act of 2016, the Secretary shall—

“(I) review a sample of application forms, including paper and digital forms, used to apply for participation in the school lunch program authorized under this Act and the school
breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773);

“(II) provide to States guidance relating to best practices, including a standard application form local educational agencies or schools may use;

“(III) provide to States guidance relating to how to improve the application to ensure families understand and can enroll in the school lunch program and the school breakfast program; and

“(IV) provide to States such information as is necessary to ensure that States understand school food authorities may not—

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

“(bb) request that a family apply for the program after the parent or guardian has informed the school that the family does not want to participate in the program or receive additional in-
formation about the program in that school year; or

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

(B) in paragraph (3)—

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

“(D) VERIFICATION.—

“(i) STANDARD VERIFICATION OF APPLICATIONS.—

“(I) IN GENERAL.—Beginning with the second school year that begins after the date of the enactment of the Improving Child Nutrition and
Education Act of 2016, each school year, each local educational agency shall verify the eligibility of the children in a portion of the household applications approved for the school year by the local educational agency, as of November 1 of the school year, as determined by the Secretary in accordance with this subsection.

“(II) SAMPLE SIZE.—

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

“(AA) 10,000; or

“(BB) 10 percent of approved household applications.

“(bb) CALCULATION.—Not later than July 1 of each year, the Secretary shall calculate the sample size under this subparagraph for each local educational agency based on data from the 2
most recent school years available.

“(III) Sample Selection.—Applications shall be selected for verification by the local educational agency based on indications that information relevant to eligibility is inconsistent with the information provided on the application, including at a minimum the following:

“(aa) The household has submitted information in writing to the local educational agency that is inconsistent with the information on the application.

“(bb) The information provided on the application is consistent with a pattern of error or fraud detected by the local educational agency, the State agency, or the Secretary.

“(cc) For not more than 1⁄4 of the sample, students who are directly certified or the application provides a case number (in
lieu of income information) showing participation in—

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

“(BB) a State program funded under the program of block grants to States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the eligibility requirements under the State program are comparable to the requirements for participation in accordance with this Act and the Child Nu-
trition Act of 1966 (42
U.S.C. 1771 et seq.).

“(dd) For not more than ¼
of the sample, the income infor-
mation provided on the applica-
tion is close to the income limit
for free or reduced price meals,
as determined by the local edu-
cational agency each year.

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

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

“(ii) VERIFICATION FOR CAUSE.—In
addition to conducting verification of a
sample of applications as described in
clause (i), a local educational agency may
verify any household application at any
point in the school year if the household
application meets the criteria described in item (aa), (bb), or (cc) of clause (i)(III) or such other criteria as is determined by the Secretary.

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

(ii) in subparagraph (F)—

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

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

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

(iii) in subparagraph (G)—

(I) in clause (iii), by striking “1 attempt” and inserting “2 attempts”; and
(II) by adding at the end the follow-

ving:

“(v) VALIDITY OF VERIFICATION RE-

SULTS.—

“(I) DEFINITIONS.—In this clause:

“(aa) APPROVED APPLICATION.—The term ‘approved application’ includes each student on a paper or electronic application approved by the local educational agency for free or reduced price lunches for the school year.

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

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

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

“(II) REDUCTIONS.—

“(aa) IN GENERAL.—The
sample under subparagraph
(D)(i)(II) may be reduced by not
more than the lesser of 2,500 ap-
lications or 2.5 percentage
points for each of the criteria de-
scribed in subclause (III) that
are met by the local educational agency.

“(bb) LIMITATION.—Restrictions under item (aa) may result in a sample of not less than 2.5 percent of approved applications.

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

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

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

“(cc) CONFIRMATION RATE.—The confirmation rate is 100 percent or has increased by at least 5 percent over the two most recent school years for which data is available.
“(dd) Administrative burden reduction.—

“(AA) In general.—

The local educational agency receives a determination from the Secretary that compliance with subparagraph (D)(i)(II) would render the local educational agency unable to administer the program.

“(BB) Requirement.—The Secretary shall develop a system by which to measure cost and administrative burden associated with compliance with subparagraph (D)(i)(II) and shall consider requests from local educational agencies based on that system.”;

(iv) in subparagraph (H)(i)—

(I) in subclause (I), by striking “November” and inserting “December”; and
(II) in subclause (II), by striking “December” and inserting “January”;

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

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

“(ii) REPORT.—Not later than two years after the date of the enactment of the Improving Child Nutrition and Education Act of 2016, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing—

“(I) the results of the feasibility study conducted under this subsection;

“(II) how a computer system—

“(aa) used to reduce verification and certification errors can be adapted to further reduce errors; and
“(bb) using technology described in clause (i) could be implemented; and
“(III) a plan to adapt or implement such system.”;
(vii) by adding at the end the following:
“(L) ENHANCED VERIFICATION METHODS.—
“(i) REQUIREMENTS.—
“(I) IN GENERAL.—The Secretary shall help local educational agencies engage in alternative and enhanced methods of certification and verification to increase the effectiveness of the process, reduce certification errors, and produce more meaningful management information to facilitate local educational agency, State, and Federal oversight with respect to program integrity in the school meal programs.
“(II) BEST PRACTICES.—The Secretary shall encourage local edu-
national agencies to adopt proven best practices with regard to verification.

“(III) Selection for implementation.—To the extent necessary to refine alternative verification methods or assess the feasibility, impact, or efficacy of the methods prior to recommending the methods, the Secretary shall select States and local educational agencies that have requested to participate in the development of best practices to implement methods subject to clause (iii).

“(ii) Requirements.—The certification and verification methods shall—

“(I) meet such terms and conditions as the Secretary considers appropriate; and

“(II) except as otherwise provided in this subparagraph, be conducted in accordance with this subsection.

“(iii) Selection criteria.—In selecting methods, including methods for im-
plementation under clause (i)(III), the Secretary shall—

“(I) consider the degree to which the method would improve certification accuracy and program integrity within the school meal programs;

“(II) consider whether there is evidence that the method could be replicated easily by other local educational agencies or political subdivisions;

“(III) consider whether the method would increase the efficiency and effectiveness of the verification process;

“(IV) consider whether the local educational agency or State agency has a demonstrated capacity to undertake the method and to produce the data necessary to support the evaluation; and

“(V) ensure the methods implemented under clause (i)(III) are implemented across a range of geographic areas and States, including
rural and urban areas, and, when considered as a group, allow for an assessment of a range of strategies regarding verification sample selection, obtaining eligibility documentation, and the entity conducting verification, including strategies that—

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

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

“(cc) rely on alternative methods, including message testing, of communicating with households to assess which methods most effectively result in household responses;

“(dd) rely on agencies or organizations other than the local
educational agency to conduct verification, including at a minimum the State agency; and

“(ee) could reduce the administrative burden of conducting verification for a consortia of local educational agencies, including shared online applications and shared verification procedures.

“(iv) REDUCTION.—Notwithstanding the limitation in subparagraph (D)(v)(II)(bb), a local educational agency that uses the strategies described in clause (iii)(V) may qualify for a reduction of additional 0.25 percentage points under such subparagraph, creating a floor of 2.25 percent for the verification sample size.”;

(C) in paragraph (4)—

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

(ii) by striking subparagraph (E);
(iii) by redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively; and 

(iv) in subparagraph (E) (as so redesignated)—

(I) in clause (i), by striking “means—” and all that follows through “for each school year thereafter” in subclause (III) and inserting “means, for the school year”;

(II) in clause (ii)—

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

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

(cc) by adding at the end the following:

“(IV) include in the report required under section 4301 of the Food, Conservation, and Energy Act of 2008 (42 U.S.C. 1758a), a description of technical assistance provided to and progress of States identified under subclause (I) toward imple-
menting the measures and meeting the goals established by the State as required under clause (iii)(II); and

“(V) provide guidance to schools on providing meals and collecting payment for any student who is no longer able to receive meals because the student did not provide a response to the verification request for the student’s school meal application.”; and

(III) in clause (iii)(II)(bb), by inserting “within 3 school years” after “those measures”;

(D) in paragraph (15)—

(i) in subparagraph (B)(i), by striking “section 9(b)(1)(A) of this Act” and inserting “paragraph (1)(A)”; and

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

(4) in subsection (f)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking “and” at the end;
(ii) in subparagraph (B), by striking the period at the end and inserting “; and

(iii) by adding at the end the following:

“(C) meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research specifically conducted to understand the impact for children, except that the minimum nutritional requirements—

“(i) may not prohibit the substitution of foods to accommodate the medical, including allergies, or other special dietary needs of individual students, including religious dietary restrictions; and

“(ii) shall, as possible in accommodating the medical or other special dietary needs of such students, be based on the weekly average of the nutrient content of school lunches.”;

(B) in paragraph (3)(A)(ii), by striking “paragraph (3)” and inserting “paragraph (2)”;}
(C) by striking paragraph (4) and inserting the following:

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

“(A) REVIEW REGULATIONS.—The Secretary shall, at least every 3 years—

“(i) review the regulations promulgated in accordance with this Act for the school meal programs described in paragraph (1) (in this paragraph referred to as the ‘school meal programs’);

“(ii) with consultation from stakeholders in schools (including school leaders, school boards, local educational agency administrators, and school food nutrition directors), certify that the regulations are—

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

“(II) in compliance with the preponderance of the latest high-quality research based on school-aged children conducted to examine the health and safety of children participating in the school meal programs;
“(III) not increasing the cost to implement the requirements of the school meal programs (which costs shall be considered the total costs to implement the regulations and not limited to the cost of any changes to the regulations); and

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

“(iii) if necessary to meet the requirements of clause (ii), revise the regulations to meet such requirements;

“(iv) not later than 30 days prior to publication under clause (v)(II) of the revised regulations—

“(I) submit the revised regulations for comment to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate;

“(II) review any comments provided under subclause (I), and further revise the regulations, if necessary to
ensure the revised regulations are in compliance with clause (i); and

“(III) provide a public notice and comment period of not less than 60 days, review the public comments, and further revise the regulations, if necessary to ensure the revised regulations are in compliance with clause (i); and

“(v) publish in the Federal Register, and 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—

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

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

“(B) FIRST REVIEW.—The first review required under subparagraph (A) after the date of enactment of the Improving Child Nutrition and Education Act of 2016 shall—
“(i) be concluded not later than December 31, 2016;

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

“(iii) ensure that such requirements—

“(I) allow for cultural foods to be served under the school meal programs;

“(II) maintain the sodium target requirements established for the school lunch program and school breakfast program under sections 210.10(f) and 220.8(f) of title 7, Code of Federal Regulations, respectively (as such regulations are in effect on the day before the date of the enactment of the Improving Child Nutrition and Education Act of 2016) until such requirements are revised in accordance with subclause (III); and

“(III) in a case in which the sodium target requirements are revised as a result of the review described in
this subparagraph, ensure that such a
revision—

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

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

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

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

“(C) SPECIAL RULE FOR REGULATION RE-
LIEF FOR FAMILY MEAL DAYS.—
“(i) IN GENERAL.—Subject to clause (ii), the Secretary shall issue guidance, or promulgate new rules as necessary, to ensure each State agency provides guidance to school food authorities with respect to the allowance of up to 4 family meal days, as designated by a school, which shall be exempt from the meal pattern rules specified under the regulations for the school meal programs, during which the school may—

“(I) invite parents to participate in special meals, such as a Thanksgiving meal or a parents’ day meal; and

“(II) provide additional nutrition education, such as recipe building or healthy cooking classes to parents and families on making healthy meal options at home, which may be provided by an entity or individual other than a school food service director or food service personnel.

“(ii) CLARIFICATION.—In issuing guidance or promulgating rules under
clause (i), the Secretary shall not establish any requirements or limitations for family meal days, except to ensure that schools have the authority to hold up to 4 family meal days per school year.

“(D) REGULATION FLEXIBILITY.—The Secretary shall provide guidance, when there is difficulty in procuring food to comply with the regulations, to allow a school food authority to substitute food items across food groups and subgroups, including in-season, locally-produced fruits and vegetables, notwithstanding the food-based meal patterns and menu planning requirements of this subsection, provided that the school food authority continues to meet applicable daily and weekly nutrient and dietary requirements under this subsection.”; and

(D) by adding at the end the following:

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

(5) by striking subsections (g) and (k);
(6) by redesignating subsections (h), (i), (j), and (l) as subsections (g), (h), (i), and (j), respectively; and

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

SEC. 105. MISCELLANEOUS PROVISIONS.

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

(1) in clause (ii)(I), in the matter preceding item (aa), by inserting “(including a subset of schools within the local educational agency if the result obtained by dividing the total number of the identified students enrolled in such schools by the total number of all students enrolled in such schools, is above the threshold in clause (viii))” after “on behalf of certain schools”; and

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

“(viii) THRESHOLD.—

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

“(II) COMMUNITY ELIGIBILITY SELECTION TRANSITION.—In the case of a school that received special assistance payments under this subparagraph during the school year immediately prior to the school year in which the Improving Child Nutrition and Education Act of 2016 was enacted, such school shall, not later than June 30, 2018—

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

“(bb) transition from receiving payments under this subparagraph in accordance with subclause (III).

“(III) TECHNICAL ASSISTANCE.—In the case of schools described in subclause (II)(bb), the Secretary shall provide technical assistance to ensure that such schools are able to effectively and efficiently transition from receiving payments under this subparagraph to receiving special assistance payments otherwise made available under this paragraph, including communicating the application process to families
in a timely manner to ensure continuity of services for eligible families.”; and

(3) in clause (xi)—

(A) in subclause (II), by striking “Not later than December 31, 2013” and inserting “Not later than one year after the date of enactment of the Improving Child Nutrition and Education Act of 2016”; and

(B) in subclause (III), by striking “If the Secretary uses the authority provided in clause (vii)(II)(bb) to use a different multiplier for different schools or local educational agencies, for each school year beginning on or after July 1, 2014, not later than April 1, 2014” and inserting “If the Secretary uses the authority provided in clause (vii), for each school year beginning on or after July 1, 2017, not less than one year prior to the Secretary electing to use such authority,”.

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

(c) Definition of State Agency.—Paragraph (9) of section 12(d) of the Richard B. Russell National School
Lunch Act (42 U.S.C. 1760(d)(9)) is amended to read as follows:

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

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

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

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

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

(d) **PROCUREMENT TRAINING.**—Section 12(m)(4) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760) is amended by striking “2015” and inserting “2021”.

(e) **PRICE FOR A PAID LUNCH.**—Section 12 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760) is further amended by striking subsection (p) and redesignating subsections (q) and (r) as subsections (p) and (q), respectively.
SEC. 106. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

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

(1) in subsection (a)—

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

“(C) EDUCATIONAL AND ENRICHMENT ACTIVITIES.—In determining participation under subparagraph (A), the State shall prioritize applications that include an educational or enrichment activity, or demonstrate a partnership with an entity providing such activity.”;

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

“(8) STREAMLINING.—

“(A) SEAMLESS SUMMER.—Except as otherwise determined by the Secretary, a service institution that is a public or private nonprofit school food authority may provide summer or school vacation food service in accordance with applicable provisions of law governing the school lunch program established under this Act or the school breakfast program established under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).
“(B) SUMMER AND CACFP AT-RISK

STREAMLINING.—

“(i) IN GENERAL.—Notwithstanding subsections (b)(2) and (c)(1), in order for States and service institutions to operate more effectively through the year, a State may elect to streamline and simplify program operations and requirements by reducing paperwork and other administrative burdens, and consolidating training, monitoring, and other requirements, while retaining appropriate measures of program integrity. Such State election may include the utilization of technical assistance provided to the State under clause (iv) and shall apply to service institutions that—

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

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

“(III) are not public schools.
“(ii) **Streamlined Reimbursement.**—States that demonstrate streamlined and simplified program operations under clause (i) for service institutions, and that are selected by the Secretary under clause (v), shall streamline reimbursements for such service institutions by providing reimbursements for—

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

“(aa) during each day of operation during the months of May through September; and

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

“(II) up to 1 meal and 1 supplement served to at-risk school children...
during each day of operation outside of school hours during the regular or continuous school calendar, including after school, weekends, and school holidays.

“(iii) Rate of Reimbursement.—

The State shall reimburse service institutions seeking reimbursement under this subparagraph at a rate that is consistent with section 17(r)(4)(B).

“(iv) Technical Assistance.—

“(I) In general.—Not later than December 31, 2016, the Secretary shall develop guidance and provide technical assistance for States and service institutions to assist in the implementation of this subparagraph, including by identifying areas of programmatic overlap in the program under this section and the child and adult care food program under section 17 in order for States to simplify the administration and oversight of each such program.
“(II) GUIDANCE.—Such guidance shall include information on possible ways States may ensure participation under this subparagraph will lead to reduced paperwork and other administrative burdens, including recommendations for streamlined program applications, reporting requirements, inspections, and other areas of potential duplication, while retaining appropriate measures of program integrity.

“(III) OTHER STATES.—Information provided under this clause shall be provided in such a manner that any State may identify areas of programmatic overlap, and reduce paperwork and other burdens, even if such State has not yet been selected to provide reimbursements to service institutions in accordance with this subparagraph.

“(v) SUCCESSFUL IMPLEMENTATION.—
“(I) IN GENERAL.—A State seeking to provide reimbursements in accordance this subparagraph shall demonstrate to the Secretary the ways in which the State has used the election under clause (i) to reduce paperwork and other administrative burdens while retaining appropriate measures of program integrity, which may include the utilization of technical assistance provided to the State under clause (iv).

“(II) INITIAL SELECTION OF STATES.—

“(aa) IN GENERAL.—The Secretary shall select not more than 5 States to provide reimbursements in accordance with this subparagraph, beginning in May 2017, if such States have the capacity to effectively implement this subparagraph, as demonstrated by streamlining and simplifying program operations in accordance with subclause (I).
“(bb) UPDATE.—When appropriate, but not later than May 31, 2018, and consistent with subclause (V)(bb), the Secretary shall update the information under clause (iv).

“(III) NEXT SELECTION OF STATES.—

“(aa) IN GENERAL.—If the Secretary determines that additional States have the capacity described in subclause (I) and additional best practices could be provided by further implementation of this subparagraph, the Secretary may select not more than 5 such States to provide reimbursements in accordance with this subparagraph beginning in October 2018.

“(bb) UPDATE.—Not later than September 30, 2019, and consistent with subclause (V)(bb), the Secretary shall update the information under clause
(iv) to reflect the further implementation of this subparagraph.

“(IV) ADDITIONAL SELECTION OF STATES.—The Secretary may select additional States to provide reimbursements in accordance with this subparagraph beginning in May 2020, and each year thereafter, if such States have the capacity described in subclause (I).

“(V) BEST PRACTICES.—

“(aa) IN GENERAL.—As a condition of being selected under this clause, a State shall provide, in such time and in such manner as the Secretary may reasonably require, information to the Secretary regarding best practices of successful implementation of this subparagraph.

“(bb) UPDATE.—The Secretary shall continue to periodically update the information under clause (iv) to include the best practices provided under
(C) by striking paragraphs (9), (10), and (12); and

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

(E) by adding at the end the following:

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

“(A) IN GENERAL.—Beginning in May 2017, the Secretary shall grant requests made by a State to allow children who are participating in the program but for whom an operation under paragraph (12) is not available, to consume meals away from a congregate feeding site when the program is available to such children at the site, but—

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

“(ii) violence or other public safety concerns in the area temporarily prevent children from traveling safely to the site; or
“(iii) other emergency circumstances, as defined by the State, prevent access to the site.

“(B) LIMITATIONS.—In granting a request under subparagraph (A), the Secretary shall ensure that—

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

“(ii) allowances are granted in the most efficient and effective manner to ensure programs and States can quickly respond and adapt to the circumstances described in clauses (i) through (iii) of subparagraph (A); and

“(iii) once an allowance is issued, any meal in which a component is offered but not served is not reimbursed under subsection (b).

“(C) STATE PLAN.—As part of the management and administration plan described in subsection (n), a State shall describe—

“(i) the approval process, including the timeline, the State would undertake to issue an allowance;
“(ii) standards for what circumstances merit an allowance, how long an allowance will last, and when an allowance may be extended; and

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

“(11) Off-site consumption.—

“(A) In general.—Beginning in May 2017, a State may elect for service institutions to carry out an off-site consumption operation in the State to provide summer food service program meals to children eligible to participate in the program that such children may consume away from a congregate feeding site.

“(B) Availability.—The operation described in subparagraph (A) shall be available to a child described in subparagraph (A) only if the child lives in an area that is eligible to participate in the summer food service program, but that is not currently being served, and such area—

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

or

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

“(C) ADMINISTRATION.—

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

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

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

“(III) Any meal in which a component is offered but not served shall not be reimbursed under subsection (b).

“(IV) Each State shall give priority to children who are living where congregate feeding sites are not accessible.

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

“(VI) A State shall not—

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

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

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

“(ii) STATE PLAN.—Each State choosing to provide summer food service program meals through an off-site con-
sumption operation under this paragraph shall describe how the State plans to im-
plement the operation in the management and administration plan in subsection (n), which shall include information on how the State will—
“(I) document operation, including implementation;

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

“(III) design mechanisms by which households with children eligible to participate in the program could indicate a need for meal service through such an operation;

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

“(V) develop requirements for implementing safety and security measures to ensure that safety and security through such an operation is equivalent to such measures at a congregate feeding site; and
“(VI) periodically reevaluate the potential for children to be served at a congregate feeding site.”;

(2) in subsection (k)(3)—

(A) by striking “(3) To provide” and inserting the following:

“(3) NUTRITIONAL AND FOOD QUALITY MONITORING.—

“(A) IN GENERAL.—To provide”; and

(B) by adding at the end the following:

“(B) INSUFFICIENT FUNDS.—

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

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

“(I) actual costs; or
“(II) 1 percent of program funds.”;

(3) by amending subsection (n) to read as follows:

“(n) STATE PLAN.—Each State desiring to participate in the program shall notify the Secretary by January 1 of each year of its intent to administer the program and shall submit, by February 15, a management and administration plan for the program for the fiscal year, which shall include, at a minimum—

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

“(2) the State’s plans for—

“(A) use of program funds and additional State or private funds to reach children with the greatest need, to the maximum extent practicable;

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

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

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

“(E) monitoring and inspecting service institutions, feeding sites, and food service management companies and ensuring that such companies do not enter into contracts for more meals than they can provide effectively and efficiently, and in compliance with the program;

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

“(G) ensuring fiscal integrity by auditing service institutions not subject to auditing requirements prescribed by the Secretary.”; and

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

SEC. 107. COMMODITY DISTRIBUTION PROGRAM.

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

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

(A) by striking “section 9(a) of this Act” and inserting “section 9(f)”; and
(B) by striking “represent the four basic food groups, including” and inserting “include”; and

(2) by striking subsection (h).

SEC. 108. CHILD AND ADULT CARE FOOD PROGRAM.

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

(1) in subsection (a)—

(A) in paragraph (2)—

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

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

(iii) in subparagraph (F), by striking the period at the end and inserting a semicolon; and

(iv) by adding at the end the following:

“(G) any public or licensed nonprofit private residential child care institution (as defined in subsection (v)(1)) that is not concur-
rently receiving reimbursement under the school
lunch program under this Act or the school
breakfast program under the Child Nutrition
Act of 1966 (42 U.S.C. 1771 et seq.); and

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

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

(C) by adding at the end the following:

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

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

(3) in subsection (d)—

(A) in paragraph (4)—
(i) by striking “In consultation” and inserting the following:

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

(ii) by adding at the end the following:

“(B) REPORTS.—Each sponsoring organization shall, on an annual basis, submit to the applicable State agency a report that describes, with respect to the preceding fiscal year—

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

“(ii) the amount of meal reimbursements retained by the sponsoring organization for administrative costs, if applicable.”; and

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

“(F) SERIOUS DEFICIENCY PROCESS.—

“(i) IN GENERAL.—Not later than 1 year after the date of the enactment of the Improving Child Nutrition and Education Act of 2016, the Secretary shall review the serious deficiency process for the program under this section.
“(ii) REVIEW.—In carrying out clause (i), the Secretary shall review the processes for, and those involved in—

“(I) a finding of serious deficiency, including—

“(aa) what measures automatically result in a finding of serious deficiency; and

“(bb) how differentiation is being made between—

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

“(BB) State-specific requirements and Federal law and regulations, if applicable;

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

“(III) determining the circumstances under which a corrective action plan is acceptable;
“(IV) information sharing between Departments of Agriculture and Health and Human Services; and

“(V) termination and disqualification, including maintenance of the list under subparagraph (E).

“(iii) GUIDANCE AND REGULATIONS.—

“(I) IN GENERAL.—After conducting the review under this subparagraph, the Secretary shall use findings from such review to assist sponsoring organizations, State agencies, and the Food and Nutrition Service in ensuring a fair, uniform, and effective administration of the serious deficiency process, while retaining program integrity, by issuing guidance, and, as appropriate, regulations, on the following:

“(aa) Clarity on the different measures for noncompliance.

“(bb) Parameters for an appeals process to review a finding
of serious deficiency or a determination that a corrective action plan is inadequate.

“(cc) Adequate timeframes under a corrective action plan for compliance that are consistent for all types of institutions participating in the program, including family or group day care homes.

“(II) INFORMATION SHARING.—Within such guidance or regulation, and as soon as practicable, the Secretary shall ensure information about findings are shared with the Secretary of Health and Human Services as to allow for maximum health, safety, oversight, and monitoring of participating child care and Head Start facilities.”;

(4) in subsection (f)—

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

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

(B) in paragraph (3)—

(i) by striking subparagraph (C); and

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

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

“(6) USE OF DONATED FOODS.—To the maximum extent practicable, each institution shall use in its food service foods that are donated by the Secretary.”;

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

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

“(i) IN GENERAL.—Subject to clause (ii), institutions participating in the program under this section may engage with State agencies and local educational agencies to use existing infrastructure to en-
hance the use of, and increase access to, donated commodities.

“(ii) **Effect of subparagraph.**—
Nothing in this subparagraph shall compel a local educational agency unwillingly to serve any institution participating in the program under this section.”;

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

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

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

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

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

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

“(I) made available under this subparagraph; and

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

(11) by adding at the end the following:

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

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

“(A) operates principally for the care of children; and
“(B) if private, is licensed to provide residential child care services under the appropriate licensing code by the State or local agency.

“(2) ADMINISTRATION.—Except as otherwise provided in this subsection, a residential child care institution shall be considered eligible for reimbursement for meals and supplements served to eligible children residing at the residential child care institution, so long as the institution does not simultaneously participate in the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

“(3) MEAL OR SUPPLEMENT REIMBURSEMENT.—

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

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

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

“(II) children with disabilities; and
“(ii) for not more than—

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

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

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

(b) ADVISORY COMMITTEE.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall establish and convene an advisory committee—

(A) to examine the feasibility of reducing unnecessary or duplicative paperwork resulting from regulations and recordkeeping requirements, including paperwork resulting from additional State requirements, for individuals and entities participating or seeking to participate in the child and adult care food program under section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766) (as amend-
ed by subsection (a)), including (within the meaning of that Act (42 U.S.C. 1751 et seq.))—

(i) State agencies;

(ii) family child care homes;

(iii) child care centers;

(iv) sponsoring organizations; and

(v) families.

(B) to provide recommendations to reduce unnecessary or duplicative paperwork for those program participants while ensuring that proper accountability and program integrity are maintained.

(2) REPRESENTATION.—The advisory committee under this subsection shall include representation from each of the following (within the meaning of the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.), as applicable):

(A) Public and private nonprofit organizations.

(B) Home-based day care providers.

(C) Head Start centers.

(D) For-profit proprietary organizations.

(E) Shelters for homeless families.

(F) Adult day care centers.
(G) State agencies.

(H) Sponsor organizations that provide administrative support to multiple providers.

(3) CONSIDERATIONS.—In developing the recommendations under this subsection, the advisory committee shall take into consideration, as appropriate—

(A) any existing information, recommendations, and reports from the paperwork reduction work group convened by the Food and Nutrition Service in response to section 119(i) of the Child Nutrition and WIC Reauthorization Act of 2004 (42 U.S.C. 1766 note; 118 Stat. 755);

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

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

(4) SECRETARIAL ACTION.—

(A) GUIDANCE OR REGULATIONS.—

(i) ISSUANCE.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall issue guidance or regulations, as appropriate, based on the rec-
ommendations of the advisory committee under paragraph (1) regarding streamlined and consolidated paperwork and record-keeping requirements, including applications, monitoring and auditing requirements, and any other areas recommended by the advisory committee intended to reduce administrative burden.

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

(B) REPORT.—After issuing any guidance or regulations under subparagraph (A), the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Education and the Workforce of the House of Representatives a report describing any recommendations for legislative changes to further strengthen and streamline the application and monitoring process and reduce administrative burden on grant-
ees, participants, local and State governments, and the Federal Government.

SEC. 109. DEMONSTRATION PROJECTS.

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

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

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

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

(4) by inserting after subsection (c) the following:

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

“(1) PROGRAM.—The Secretary shall carry out a program to assist eligible schools, State and local agencies, Indian tribal organizations, agricultural producers or groups of agricultural producers, and nonprofit entities through grants, technical assistance, and research to implement farm to school programs that improve access to local foods and improve nutrition education in eligible schools.

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

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

“(i) a program under this Act, including the summer food service program for children under section 13 and the early care and afterschool portions of the child and adult care food program under section 17; or

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

“(3) GRANTS.—

“(A) IN GENERAL.—The Secretary shall award competitive grants under this subsection to be used for implementing farm to school programs for the purposes of improving access to local foods and improving nutrition education, through—

“(i) research, training, and technical assistance;
“(ii) supporting operations;
“(iii) planning;
“(iv) purchasing equipment;
“(v) developing school gardens; and
“(vi) developing partnerships to facilitate nutrition education and healthy eating.

“(B) REGIONAL BALANCE.—In making awards under this subsection, the Secretary shall, to the maximum extent practicable, ensure—

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

“(C) IMPROVED PROCUREMENT AND DISTRIBUTION.—Funds provided under this subsection may be used to improve local food procurement and distribution options between agricultural producers and eligible schools, including innovative approaches to aggregation, processing, transportation, and distribution.

“(D) AWARDS.—

“(i) MAXIMUM AMOUNT.—The total amount provided to a grant recipient under this subsection shall not exceed $150,000.
“(ii) TERM.—The term of an award shall not exceed 3 years.

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

“(iv) PURPOSE AND SCOPE.—In carrying out this subsection, the Secretary shall make awards of diverse amounts and duration so as to best match a variety of purposes, scopes, and needs of the project proposals.

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

“(4) FEDERAL SHARE.—

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

“(B) FEDERAL MATCHING.—As a condition of receiving a grant under this subsection, a grant recipient shall provide matching support in the form of cash or in-kind contributions, including facilities, equipment, or services
provided by State and local governments, non-profit organizations, and private sources.

“(5) CRITERIA FOR SELECTION.—

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

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

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

“(iii) provide families the opportunity to participate in educational programming, including through materials and engagement activities, to improve nutrition outside the school environment;

“(iv) demonstrate collaboration between eligible schools, nongovernmental and community-based organizations, agricultural producer groups, and other community partners;
“(v) make local food products available on the menu of reimbursable meals under this Act at the eligible school;

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

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

“(B) TRIBAL COMMUNITY PROJECTS.—In the case of projects serving tribal communities, the Secretary shall, to the maximum extent practicable, give highest priority to projects that propose to use products from tribal agricultural producers, in addition to the priorities under subparagraph (A).

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

“(7) TECHNICAL ASSISTANCE AND RESEARCH.—

“(A) IN GENERAL.—The Secretary shall provide technical assistance, research, and information through amounts reserved under this subsection for such purposes, to assist schools,
State and local agencies, Indian tribal organizations, agricultural producers, and nonprofit entities—

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

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

“(iii) to disseminate research and data on existing farm to school programs and the potential for programs to begin in underserved areas; and

“(iv) to increase awareness of, and participation in, farm to school programs among agricultural and aquaculture producers or agricultural producer groups, including beginning, veteran, and socially disadvantaged farmers and ranchers.

“(B) REVIEW.—Not later than 1 year after the date of the enactment of the Improving Child Nutrition and Education Act of 2016 and every 3 years thereafter, the Secretary shall review and submit to the Committee on Agriculture and the Committee on Education and
the Workforce of the House of Representatives
and the Committee on Agriculture, Nutrition,
and Forestry of the Senate a report that de-
scribes the regulatory and other barriers related
to including locally or regionally produced food
products in school food programs, including any
progress that has been made in identifying and
eliminating such barriers through examining—

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

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

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

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

“(8) FUNDING.—
“(A) IN GENERAL.—On October 1, 2016, and each October 1 thereafter, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this subsection $10,000,000, to remain available until expended.

“(B) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this subsection the funds transferred under subparagraph (A), without further appropriation.

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

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

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

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

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

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

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

“(ii) not preempt or prevent operation
of the summer food service program under
section 13.
“(2) STATE APPLICATION.—A State seeking to improve delivery of the summer food service program in such State in accordance with this subsection shall submit an application at such time and in such manner as the Secretary may reasonably require. The application shall contain—

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

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

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

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

“(E) an assurance that funds will be used to provide meals to the most vulnerable, underserved, and rural populations, as determined by the State.
“(3) ELIGIBLE VENDOR.—For purposes of this subsection, an eligible vendor is a food vendor which the State determines has the administrative capacity and proven operating performance to provide eligible meals to children in underserved areas in accordance with this subsection and the summer food service program requirements on management responsibilities of sponsors and self-preparation sites, including requirements that the vendor—

“(A) accepts final administrative and financial responsibility for management of an effective food service, including auditing and reporting responsibilities, but will not receive administrative funding from the State to do so;

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

“(C) will provide adequate supervisory and operational personnel for monitoring and management of a self-preparation site;

“(D) contracts directly with the State as a sponsor;
“(E) ensures that meals are inspected periodically as required under existing program regulations;

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

“(G) has State or local health certification for the facilities in which meals will be prepared and distributed for use in the program, and ensures that State and local health and sanitation requirements are met at all times; and

“(H) has the organizational capacity to offer meals in underserved communities, including preparation and delivery logistics.

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

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

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

“(i) demonstrate partnerships with entities providing summer enrichment activities such as schools, local government agencies, and nonprofit agencies; and

“(ii) provide meals at a congregate site.

“(C) A State shall follow established procedures in entering into contracts with a vendor, such as through a Request for Proposal, Invitation for Sealed Bid, Small Purchase Procedure, or other common method.

“(5) AUDITING.—

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

“(i) the activities carried out with such grant; and
“(ii) the impacts of such activities on children, families, and eligible service institutions during the summer.

“(B) REPORT FROM SECRETARY.—No later than 4 years after the first grant is awarded under this subsection, the Secretary shall provide 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 grant program under this subsection, which shall include—

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

“(ii) best practices on reducing childhood hunger in the summer months.

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

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

“(B) Vendors shall assume all administrative costs under this subsection.

“(C) Meals shall be provided to children eligible for the summer food service program under section 13.
“(D) A vendor receiving reimbursements shall not profit directly from such reimbursements under this subsection.

“(E) The Secretary shall include payments to States under this subsection in its calculations for administrative costs incurred by States under subsection (k)(1) of section 13.

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

“(1) PURPOSE.—The purposes of the provision of electronic benefits provided through this subsection are to assess the use of alternate methods of providing access to food for children during the summer months when school is not in regular session that are intended to—

“(A) increase summer food service program effectiveness and efficiency;

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

“(C) improve the nutritional status of children.

“(2) DEMONSTRATION.—

“(A) ELECTION.—A State that, as of the date of enactment of the Improving Child Nutrition and Education Act of 2016, is operating,
or has operated, a summer electronic benefit transfer for children demonstration may elect to continue operating such demonstration in accordance with the requirements of this subsection as an alternative to other delivery models of providing meals to children during the summer months when school is not in regular session.

“(B) State requirements.—As a condition of participating in the demonstration under this subsection, a State shall—

“(i) be in full compliance with the electronic benefit transfer systems requirements of section 17(g)(12) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)(12));

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

“(iii) agree to provide such information the Secretary may require for the evaluation of the demonstration as required under this subsection.

“(3) Definitions.—In this subsection:

“(A) Eligible household.—The term ‘eligible household’ means a household that in-
cludes 1 or more school-aged child determined as eligible to receive free or reduced price school meals during the prior school year, but such child is not participating in a program that provides food during the summer through the summer food service program under section 13.

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

“(C) Summer electronic benefit transfer for children demonstration.—The term ‘summer electronic benefit transfer for children demonstration’ means an electronic benefit transfer demonstration project under section 748(g)(1) of the Agriculture, Rural Development, Food and Drug Administration, and Related Appropriations Act, 2010 (Public Law 111–80; 123 Stat. 2132) that uses the electronic benefit systems implemented in a State under section 17(g)(12) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)(12)).

“(4) Benefit levels.—

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

“(B) RATE DETERMINATION.—In determining the values under subparagraph (A), a State may consider differentiating rates based on the need for such benefits, which may be determined through factors such as—

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

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

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

“(iv) average redemption rates of benefits;

“(v) impact of such values at improving food security in children;

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

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

“(C) LIMITATIONS.—

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

“(ii) AMOUNT.—No child may receive more than $30 of benefits under this paragraph per month.

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

“(5) EFFECTIVE IMPLEMENTATION.—

“(A) IN GENERAL.—In administering this subsection and providing benefits to children in accordance with this subsection, a State shall consider previous State experiences and best practices in implementing the summer electronic benefit transfer for children demonstration carried out before the date of enactment of
the Improving Child Nutrition and Education Act of 2016, including information evaluating findings of the demonstration (including the 2013 final report published by the Department of Agriculture).

“(B) Technical assistance.—The Secretary shall provide, and periodically update, technical assistance to States for purposes of this paragraph.

“(6) Use of benefits.—

“(A) In general.—Benefits issued to families through the election under paragraph (2)(A) may be used only for the purchase of food for consumption by school-aged children in such family.

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

“(7) Administration.—In administering this subsection, the State shall—

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

“(i) in areas with high rates of poverty or long-term poverty that are rural
and have no congregate feeding sites or access to meals otherwise provided through the summer food service program authorized under section 13; or

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

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

“(C) document how the election will be administered in the management and administration plan described in subsection (n), including the process for identifying areas in which benefits will be issued; and

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

“(8) EVALUATION.—The Secretary shall provide for an ongoing, independent evaluation of the demonstration carried out under this subsection, including quasi-experimental or other methods that
are capable of producing scientifically valid information to determine effectiveness in achieving the purposes described in paragraph (1), including examining or assessing—

“(A) feasibility of, or barriers to, successful implementation of this subsection;

“(B) varied approaches in State implementation of this subsection, including different approaches, challenges, and lessons learned;

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

“(D) impact on children’s food security and nutritional impacts, including by the different impacts on children in a variety of geographical areas such as rural, urban, and suburban areas, localities, and States;

“(E) total cost (including administrative cost) of implementing and operating this subsection, including in comparison to other methods of providing summer meal service to school-aged children;

“(F) impacts and results of such evaluation in comparison to evaluations of the summer electronic benefits transfer for children
demonstration published by the Secretary of Agriculture; and

“(G) the potential for benefits provided under this subsection to improve effectiveness and efficiency of the summer food service program in comparison to other methods of providing summer meal service to school-aged children.

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

“(A) includes the information resulting from the most recent evaluation under paragraph (8); and

“(B) takes into consideration evaluations of the summer electronic benefits transfer for children demonstration published by the Secretary of Agriculture.

“(10) AUTHORIZATION OF APPROPRIATIONS.—

“(A) IN GENERAL.—There is authorized to be appropriated to carry out this subsection not more than $10,000,000 for each of fiscal years 2018 through 2020, to remain available until expended.
“(B) LIMITATIONS.—Of such appropriations, for each fiscal year—

“(i) each State shall utilize a portion for administrative funds that shall be equal to the levels necessary to effectively and efficiently administer the State’s demonstration under this subsection, as determined by the State;

“(ii) not more than 1 percent may be spent on administrative funds by the Secretary; and

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

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

(5) by adding at the end the following:

“(h) STATE ADMINISTRATION OF CHILD NUTRITION PROGRAMS.—
“(1) PURPOSES.—The purposes of this subsection are to provide States flexibility to develop programs and policies to best meet the nutritional needs of school-aged children in the State by providing flexibility over school meal programs under this Act and section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) and other programs to address such needs more effectively and efficiently with less Federal involvement, including by—

“(A) removing duplication, redundancies, regulatory burden, and unnecessary requirements resulting from the Federal administration of the school meal programs;

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

“(C) supporting healthy meals through involvement by parents, family members, and the community, including nonprofit organizations, health organizations, and school officials from large and small urban, suburban, and rural areas in the State.

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

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

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

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

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

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

“(ii) may be renewed by the Secretary
for an additional 3-year period if the State
can demonstrate success in meeting the
nutritional needs of the school-aged children in the State.

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

“(E) MATCHING REQUIREMENT.—Each State that receives a grant under this subsection shall provide funds from non-Federal sources (which may be provided in cash, commodities, or in kind) to support the activities under this subsection.

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

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


“(3) APPLICATION.—To receive a grant under this subsection, a State shall submit an application at such time and in such manner as the Secretary may reasonably require. The application shall contain—

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

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

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

“(II) which students are eligible for reduced price meals; and
“(III) which students are required to pay the full price for meals;

“(ii) the estimated number of students in the State eligible for the thresholds for each meal category described in clause (i);

“(iii) the price to be charged to students eligible for reduced price meals and the price to be charged to students required to pay the full price for meals;

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

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

“(vi) any other factors the State will use to determine distribution of funds received under the grant to each elementary
school and secondary school in the State to reimburse the schools for the cost of the meals served, including how the State will ensure a fair distribution of such funds to address the need for such meals at each such school; and

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

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

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

“(i) for free and reduced price meal reimbursements under the programs described in clauses (i) and (ii) of paragraph (2)(F), excluding any additional reimbursements received under section 4(b)(3) of this Act; and
“(ii) under the programs described in paragraphs (iii) through (v) of paragraph (2)(F); and

“(D) assurances that the State will—

“(i) provide healthy meals to school-aged children in the State to ensure maximum participation of students in the State;

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

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

“(iv) work with school leaders, school nutrition providers, and health professionals to develop and implement the plan under subparagraph (A) and to ensure that meals provided in schools in the State using the grant will be healthy and pro-
vided in an efficient and cost effective manner.

“(4) USE OF FUNDS.—

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

“(i) provide meals to school-aged children in accordance with paragraph (3);

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

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

“(B) ADDITIONAL STATE ACTIVITIES.—

Each State that receives a grant under this subsection shall, in addition to the activities described in clauses (i) and (ii) of subparagraph (A), provide nutritional assistance to low-income and vulnerable children, as determined by the State, by—

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

“(ii) engaging partners to deliver the meal programs to spur innovation in such
delivery, including local governments and
school officials, businesses, non-profit and
faith-based organizations, and other com-
munity partners;

“(iii) developing or strengthening pri-

tate sector partnerships to support the
community and nutritional needs of school-
aged children; and

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

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

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

“(A) a description of how the State used
the grant funds, the State costs of carrying out
the activities under this subsection (including
food, administrative, labor, oversight, and any other costs), and any revenue the State received by carrying out such activities (including Federal, non-Federal, and family contributions);

“(B) the strategies and activities undertaken at the State and, if applicable, local level to meet the goals of this subsection;

“(C) financial efficiencies the State has identified through the grant, including the extent to which activities under the grant have led to the addition, blending, or braiding of other Federal or private funding, and the specific or estimated amount of cost-savings, reduced burdens, and other efficiencies;

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

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

“(F) other State-determined and voluntarily provided information intended to share best practices for future implementation of this subsection.

“(6) LIMITATIONS ON FEDERAL INTERFERENCE.—Nothing in this subsection shall be con-
strued to authorize the Secretary to establish, as a condition to receive a grant under this subsection or as requirement to operate such a grant, any criterion that specifies, defines, or prescribes—

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

“(B) specific aspects, parameters, or measures of programmatic quality, including measures of compliance or evaluation;

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

“(D) any aspect of meal provision criteria, including nutritional requirements, timing, duration, type, price, amount, or any other aspect of meals or meal program operation;

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

“(F) the ways in which a State identifies and verifies eligibility for benefits, including child, family, and provider eligibility;
“(G) differentiated payment rates a State may use;

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

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

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

“(K) any aspect or parameter of programmatic evaluation.

“(7) FEDERAL REPORTING.—Not later than 4 years after the first grant is awarded under this subsection, the Secretary shall provide to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and to States, a report on the feasibility of scaling the implementation of this subsection, including the efficiencies, cost savings, and other benefits identified by State implementation of the programs described in paragraph (2)(F) under this subsection. Such de-
termination of feasibility shall be based on information including—

“(A) State reports submitted under paragraph (5);

“(B) a determination of the level of Federal cost-savings achieved and the amount of future cost-saving implications;

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

“(D) other information provided by States or private entities that would be useful in recommendations to the public, States, and to Congress.”.

SEC. 110. FRUIT AND VEGETABLE PROGRAM.

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

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

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

(3) in subsection (i)—

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

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

(C) by adding at the end the following:

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

“(i) clarifies to States that such funds may be used on all forms of fruits and vegetables, provided the fruit or vegetable product meets the requirements of section 210.11 of title 7, Code of Federal Regulations (as in effect on the date of enactment of the Improving Child Nutrition and Education Act of 2016);

“(ii) provides the appropriate exemptions described in such section 210.11 of the Code of Federal Regulations; and

“(iii) encourages schools to introduce fruits and vegetables to children in new contexts, including by allowing schools to offer combinations of fruits and vegetables with tree nuts, which provide a good source of protein per serving and meet the nutrition standards of such section 210.11 of the Code of Federal Regulations, except that the Secretary shall provide exemptions from the total fat requirements under such section 210.11 for tree nut products.
“(B) LOCAL DECISION.—Nothing in this section shall be construed to require a school participating in the program to select forms of fruit or vegetables other than fresh.’’.

SEC. 111. COMPLIANCE AND ACCOUNTABILITY.

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

(1) in subsection (a)—

(A) by striking ‘‘(1) IN GENERAL.—There shall be’’ and inserting ‘‘There shall be’’; and

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

(2) in subsection (b)—

(A) in paragraph (1)(C)(i), by striking ‘‘3-year cycle’’ and inserting ‘‘5-year cycle’’;

(B) by redesignating paragraphs (4) through (6) as paragraphs (5) through (7), respectively;

(C) by striking paragraph (3) and inserting the following:

“(3) ERROR REDUCTION PLANS.—

“(A) IN GENERAL.—Each State agency shall work with the local educational agencies that have the highest rates of certification er-
rors according to the verification process under section 9(a)(D) to develop an error reduction plan and monitor implementation of the plan over the remainder of the review cycle.

“(B) PLAN COMPONENTS.—Each error reduction plan shall include—

“(i) specific measures that the local educational agency shall take to reduce certification errors, including at a minimum—

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

“(II) improvements in the application;

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

“(IV) enhanced training and oversight of staff involved in the certification and verification process;

“(ii) a timeline for the local educational agency to implement those measures within the review cycle;
“(iii) annual goals for reductions in certification errors;

“(iv) technical assistance to be provided by the State agency; and

“(v) working with an educational service agency to help conduct the verification process and other aspects of the program as necessary to help reduce errors in the administration of the program.

“(C) State agency responsibilities.—

Each State agency shall—

“(i) assist the local educational agencies identified under subparagraph (D) with developing an error reduction plan that complies with subparagraph (B);

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

“(iii) conduct annual reviews focused on the direct certification, application, certification, verification, meal counting, and meal claiming processes; and

“(iv) report annually to the Secretary on the progress of the State in reducing errors.
“(D) SELECTION OF LOCAL EDUCATIONAL AGENCIES.—

“(i) IN GENERAL.—Each State agency shall select up to 10 percent of the local educational agencies in the State to develop an error reduction plan.

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

“(iii) ASSESSMENT OF CERTIFICATION ERROR.—In selecting local educational agencies under this paragraph, certification error shall be assessed based on a measure determined by the Secretary that considers—

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

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

“(4) HIGH PERFORMANCE.—

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

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

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

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

SEC. 112. REPEAL OF STATE CHILDHOOD HUNGER CHALLENGE GRANTS.

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

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

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

(1) by redesignating subsection (g) as subsection (h); and

(2) by inserting after subsection (f) the following:

“(g) FINES.—

“(1) In general.—In a situation in which a contractor is found guilty in any criminal proceeding or found liable in any civil or administrative proceeding, of the activities listed in paragraph (2), in connection with the supplying, providing, or selling of goods or services to any local agency in connection with a child nutrition program, the Secretary shall impose a civil penalty of not more than $100,000,000, as determined by the Secretary, to provide restitution to the program for harm done to the program.

“(2) Included activities.—Activities include, at a minimum—
“(A) an anticompetitive activity, including bid-rigging, price-fixing, the allocation of customers between competitors, or other violation of Federal or State antitrust laws;

“(B) fraud, bribery, theft, forgery, or embezzlement;

“(C) knowingly receiving stolen property;

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

“(E) any other obstruction of justice.

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

SEC. 114. IMPROVEMENTS TO SCHOOL LUNCH FACILITIES.

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

“SEC. 27. IMPROVEMENTS TO SCHOOL LUNCH FACILITIES.

“(a) DEFINITIONS.—In this section:

“(1) DURABLE EQUIPMENT.—The term ‘durable equipment’ means durable food preparation, handling, cooking, serving, and storage equipment greater than $500 in value.

“(2) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—
“(A) a local educational agency or a school food authority administering or operating a school lunch program under this Act;

“(B) a tribal organization; or

“(C) a consortium that includes a local educational agency or school food authority described in subparagraph (A), a tribal organization, or both.

“(3) INFRASTRUCTURE.—The term ‘infrastructure’ means a food storage facility, kitchen, food service facility, cafeteria, dining room, or food preparation facility.

“(4) LOCAL EDUCATIONAL AGENCY.—The term ‘local educational agency’ has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

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

“(6) TRIBAL ORGANIZATION.—The term ‘tribal organization’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

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

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

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

“(B) impairment in durable equipment.

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

“(4) GUARANTEE AMOUNT.—A loan guarantee
issued under this subsection may not guarantee
more than 80 percent of the principal amount of the
loan.
(5) FEES AND COSTS.—

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

(B) FEE SHORTFALL.—To the extent that the Secretary determines that fees described in subparagraph (A) are not sufficient to pay for all of the costs for the loan guarantees pursuant to the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et. seq.), the Secretary may use funds described in paragraph (6) to pay for the costs of loan guarantees not paid for by the fees.

(6) FUNDING.—Subject to the availability of appropriations provided in advance in an appropriations Act specifically for the purpose of carrying out this subsection, there is authorized to be appropriated $5,000,000 for fiscal year 2017 and each fiscal year thereafter.

(c) GRANTS.—
“(1) Authority.—Beginning in fiscal year 2017 and subject to the availability of appropriations provided in advance in an appropriations Act specifically for the purpose of carrying out this subsection, the Secretary shall make grants, on a competitive basis, to eligible entities for the purchase of durable equipment and infrastructure needed to serve healthier meals and improve food safety.

“(2) Priority.—In awarding grants under this subsection, the Secretary shall give priority to eligible entities that—

“(A) are located in States that have enacted comparable statutory grant funding mechanisms or that have otherwise appropriated funds for the purpose described in paragraph (1); and

“(B) have identified and are reasonably expected to meet an unmet local or community need—

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

“(ii) by allowing related community organizations to use kitchen or cafeteria space.
“(3) FEDERAL SHARE.—

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

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

“(C) WAIVER.—The Secretary may waive or vary the requirements of subparagraphs (A) and (B) if the Secretary determines that undue hardship or effective exclusion from participation would otherwise result.

“(4) AUTHORIZATION OF APPROPRIATIONS.—

“(A) IN GENERAL.—There is authorized to be appropriated $25,000,000 to carry out this subsection for fiscal year 2017 through fiscal year 2019.

“(B) LIMIT.—The Secretary may use not more than 5 percent of the funds made available under subparagraph (A) to provide technical assistance.
“(d) SALAD BARS.—Not later than 180 days after the date of the enactment of the Improving Child Nutrition and Education Act of 2016, the Secretary shall review or revise any guidance in existence on that date of enactment so as to ensure that school food authorities have flexibility in the establishment and implementation of salad bars.”.

SEC. 115. PROHIBITIONS.

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

“SEC. 30. PROHIBITIONS.


“(1) authorize the Secretary to issue or establish any regulations or requirements not explicitly authorized under any such Act; or

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

“(A) any curriculum or education requirements for participating schools or child care providers; or
“(B) the adoption of any specific education standards for nutrition education.”.

TITLE II—CHILD NUTRITION ACT

SEC. 201. SPECIAL MILK PROGRAM AUTHORIZATION.

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

SEC. 202. SCHOOL BREAKFAST PROGRAM.

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

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

“(F) INCREASED REIMBURSEMENT.—(i) For school year 2018–2019, the Secretary shall increase by 2 cents the annually adjusted payment for each breakfast (free, reduced price, and paid) described in subparagraph (B).

“(ii) For school year 2019–2020, the national average payment for each breakfast referred to in clause (i) of this subparagraph shall equal the result obtained under such clause (i) applicable to such breakfast, as annually adjusted for the school year in accordance with subparagraph (B).
“(iii) For school year 2020–2021, the national average payment for each breakfast referred to in clause (i) of this subparagraph shall equal the annually adjusted payment for such breakfast, as determined under clause (ii) of this subparagraph, plus 1 cent.

“(iv) For school year 2021–2022, and each succeeding school year, the national average payment for each breakfast referred to in clause (i) of this subparagraph shall equal the result obtained under clause (iii) of this subparagraph applicable to such breakfast, as annually adjusted for the school year in accordance with subparagraph (B).”.

(2) in subsection (e)(1)(B), by striking “, including technical” and all that follows through “established under this section,”.

SEC. 203. STATE ADMINISTRATIVE EXPENSES.

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

(1) in subsection (a)—

(A) in paragraph (3), in the second sentence, by striking “, except as provided in paragraph (5)”;

(B) by striking paragraph (5); and
(C) by redesignating paragraphs (6) through (9) as paragraphs (5) through (8), respectively;

(2) in subsection (b)—

(A) by striking “expenses, for administrative” and inserting the following: “expenses for—”

“(1) administrative”; and

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

“(2) support services;

“(3) office equipment;

“(4) State-operated purchasing programs; and

“(5) staff”;

(3) in subsection (g)(2)(B), by amending clause (iii) to read as follows:

“(iii) MINIMIZING DISRUPTIONS.—The Secretary shall encourage school food authorities to consider—

“(I) providing the training required under this subparagraph to local food service personnel during paid, regular hours; and
“(II) that to the extent that training must occur during nonwork hours, it is minimally disruptive to employees’ other work obligations if employees are provided with sufficient notice of training.”;

(4) in subsection (i)—

(A) in paragraph (3)—

(i) in subparagraph (A), by inserting before the period at the end the following:

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

and

(ii) by adding at the end the following:

“(C) PRIORITY.—In awarding funds to States under this paragraph, the Secretary shall give priority to States in which local educational agencies, school food authorities, or schools submit a plan under subparagraph (B) that includes the use of technology or information management systems to provide assistance
to tribal organizations administering the food
distribution program on Indian reservations es-
established under section 4(b) of the Food and
Nutrition Act of 2008 (7 U.S.C. 2013(b)) for
purposes of improving the rate of direct certifi-
cation of children in households participating in
that program.”; and
(B) in paragraph (4), by striking “2015”
and inserting “2021”;
(5) in subsection (j), by striking “2015” and
inserting “2021”;
(6) by redesignating subsection (j) as sub-
section (k); and
(7) by inserting after subsection (i) the fol-
lowing:
“(j) CENTRALIZED EXCHANGE NETWORK.—
“(1) ESTABLISHMENT.—The Secretary shall es-

tablish a centralized exchange network to facilitate
State exchange of information and best practices, for
programs authorized under this Act or the Richard
B. Russell National School Lunch Act (42 U.S.C.
1751 et seq.).
“(2) NETWORK TOPICS.—State exchanges of in-
formation and best practices described in paragraph
(1) may include, at a minimum, research methods and data related to—

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

“(B) improved compliance in the programs; and

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

“(3) Administrative Funds.—The Secretary shall not use more than $450,000 for such network.”.

SEC. 204. REGULATIONS.

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

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

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

(3) by adding at the end the following:

“(iii) ensure that the nutrition standards under this paragraph do not apply to fundraisers held by student groups or organizations, and that the school and applicable State agency are not prohibited from determining which such fundraisers may be held; and
“(iv) ensure that the nutrition standards under this paragraph allow any foods that may be served as part of a reimbursable meal served under the school meal programs to be sold in schools as described in subparagraph (B).”.

SEC. 205. DEFINITION OF STATE AGENCY.

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

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

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

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

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

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

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

(a) In General.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended—

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

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

“(14) Supplemental Food.—The term ‘supplemental food’ means any food”;

(3) in subsection (d)—

(A) in paragraph (2)—

(i) in subparagraph (B)—

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

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

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

(IV) by adding at the end the following:

“(iii) any basic allowance for subsistence provided under section 402 of title...
37, United States Code, to a member of a uniformed service.”; and

(ii) by adding at the end the following:

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

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

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

“(i) DESIGNATION.—The Secretary, in consultation with an interagency work group established by the Office of Management and Budget, and taking into consideration State government perspectives, shall designate data exchange standards to govern, under this section—

“(I) necessary categories of information that State agencies operating related programs are required under applicable law to electronically ex-
change with another State agency; and

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

“(ii) REQUIREMENTS.—The data exchange standards required by clause (i) shall, to the maximum extent practicable—

“(I) incorporate a widely accepted, nonproprietary, searchable, computer-readable format;

“(II) contain interoperable standards developed and maintained by intergovernmental partnerships, such as the National Information Exchange Model;

“(III) incorporate interoperable standards developed and maintained by Federal entities with authority regarding contracting and financial assistance;

“(IV) be consistent with, and implement, applicable accounting principles;
“(V) be implemented in a manner that—

“(aa) is cost effective; and

“(bb) improves program efficiency and effectiveness;

“(VI) be capable of being upgraded as necessary; and

“(VII) protects the privacy of any personally identifiable information from being accessed by individuals who do not need access to such information.

“(iii) Effect of Subparagraph.—Nothing in this subparagraph requires any change to an existing data exchange standard for Federal reporting that is determined to be effective and efficient.

“(iv) Implementation.—

“(I) In General.—Not later than 2 years after the date of the enactment of the Improving Child Nutrition and Education Act of 2016, the Secretary shall issue a proposed rule to implement this subparagraph.
“(II) Requirements.—The proposed rule under this clause shall—

“(aa) identify all federally required data exchanges;

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

“(cc) address the factors used in determining whether and when to standardize data exchanges;

“(dd) specify State implementation options; and

“(ee) describe future milestones.”;

(4) in subsection (e)—

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

“(e) Nutrition and Drug Abuse Education.—

“(1) Education.—

“(A) In general.—A State agency shall”;}
(B) in paragraph (1) (as amended by subparagraph (A)), by adding at the end the following:

“(B) DISPOSAL OF CERTAIN INFANT FORMULA.—

“(i) IN GENERAL.—The State agency shall ensure that all pregnant, postpartum, and breastfeeding participants in the program, and parents or caretakers of infant and child participants in the program, are provided education regarding proper disposal of unused or excess infant formula obtained with food instruments issued under the program under this section.

“(ii) INCLUSIONS.—The education under this subparagraph shall include information regarding—

“(I) the safety hazards of purchasing infant formula from an unauthorized vendor; and

“(II) the penalties associated with the gifting, trading, sale, or resale of infant formula or other supplemental foods obtained with food instruments issued under the program
under this section, in accordance with subsection (o).”; and

(C) by striking paragraph (3) and inserting the following:

“(3) NUTRITION EDUCATION MATERIALS.—

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

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

(5) in subsection (f)—

(A) by striking “(f)(1)(A) Each State agency” and all that follows through the end of paragraph (1)(A) and inserting the following:
“(f) Plan of Operation and Administration by State Agency.—

“(1) Requirements.—

“(A) Submission.—

“(i) In general.—Each State agency shall submit to the Secretary a plan of operation and administration of the program authorized under this section.

“(ii) Deadlines.—Each State agency shall submit—

“(I) an initial plan not later than such date as is specified by the Secretary; and

“(II) an update to the plan every 3 years thereafter or, if the requirements of this section continue to be met by current plan, an assurance that the current plan continues to meet such requirements.”;

(B) in paragraph (1)(B), by striking “submitted for” and inserting “submitted covering”;

(C) in paragraph (1)(C)—

(i) in clause (x), by striking “and” at the end;
(ii) by redesignating clause (xi) as clause (xiii); and

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

“(xi) a plan to allow, during an emergency or disaster period, for different foods to be obtained with program benefits in lieu of, or in addition to, the supplemental foods available to be obtained with such benefits;

“(xii) a plan detailing the methods to be used by all local agencies to ensure compliance with subsection (d)(2); and”;

(D) in paragraph (5)—

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

“(5) ACCOUNTS, RECORDS, AND REVIEW.—

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

(ii) by adding at the end the following:

“(B) REVIEW.—The Secretary shall periodically review State and local agency compliance with the approved plan of operation and administration of the applicable State.”;

(E) in paragraph (10)—
(i) by striking “(10) The Secretary” and inserting the following:

“(10) STANDARDS FOR ADMINISTRATION.—

“(A) IN GENERAL.—The Secretary”; and

(ii) by adding at the end the following:

“(B) NOTIFICATION TO STATE AUTHORITY.—If, on reviewing the administration by a State of the program, the Secretary determines there is a need to temporarily halt the State from approving new vendors to address deficiencies in proper administration, the Secretary may issue a moratorium on the authority of the State to approve new vendors, subject to the condition that the Secretary shall provide the State with reasoning behind such determination and shall establish—

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

“(ii) a process to approve vendors for the State in a manner that does not impede—

“(I) the sale of a business; or
“(II) the establishment of any new business; and
“(iii) a review process to be conducted by the Secretary to ensure that participants, nonparticipants, and vendors are not adversely impacted by the implementation of the moratorium.”;
(F) in paragraph (11)—
(i) in subparagraph (C)—
(I) in clause (i)—
(aa) by inserting before the semicolon at the end the following: “which, beginning not later than 60 days after the date of enactment of the Improving Child Nutrition and Education Act of 2016, shall include an examination of criteria relating to fluid milk (in consideration of the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (719 U.S.C. 5341)), and an examina-
tion of the consumption and redemption rates of milk beginning on May 5, 2014”; and

(bb) by striking “and” at the end;

(II) in clause (ii)—

(aa) by striking “and cultural eating patterns” and inserting “cultural eating patterns, commercial availability, and participant demand, except that any changes made under this clause shall not limit the overall fruit intake of children”; and

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

and

(III) by adding at the end the following:

“(iii) consider accommodations for medical, including food allergies, or other special dietary needs of individuals, including religious dietary restrictions.”;

(ii) by adding at the end the following:
“(D) PRODUCT PACKAGE SIZES.—In pro-
mulgating or revising regulations under this
paragraph, the Secretary shall allow a range of
product package sizes to be selected by partici-
pants.

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

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

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

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

(7) in subsection (h)—

(A) in paragraph (8)(A)—

(i) in clause (vi)—
(I) by striking “Effective beginning” and inserting the following:

“(I) IN GENERAL.—Effective beginning”; and

(II) by adding at the end the following:

“(II) INFANT FORMULA.—Effective beginning on the date of the enactment of the Improving Child Nutrition and Education Act of 2016, a State agency that has fully implemented electronic benefits transfer systems throughout the State shall have in effect a system to ensure that infant formula rebate invoices, under competitive bidding, provide an actual count of the number of units sold to participants in the program under this section.”; and

(ii) by adding at the end the following:

“(xi) CONTRACT DURATION.—The contracts awarded under clause (iii) shall specify that—
“(I) if the income eligibility limit under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) for pregnant women or infants is substantially increased, the contractor may terminate the existing contract effective on the later of—

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

“(AA) adopting State legislation;

“(BB) issuing a State executive order or administrative rule; or

“(CC) any other applicable State process, as determined by the Secretary; and

“(bb) the first day of the month during which the increase takes effect; and
“(II) if a contractor elects to terminate a contract pursuant to sub-
clause (I), the contractor shall notify the State agency by not later than the date that is 1 year before the proposed date of termination.”;

(B) in paragraph (9)—

(i) in subparagraph (B)—

(I) in clause (i)—

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

(bb) by adding at the end the following:

“(III) limit the term of any contract (including any extension or renewal period) to a maximum of 5 years, subject to the condition that any such extension or renewal shall be approved only on mutual consent of the contractor and the State agency;

“(IV) agree to provide, by not later than 180 days before exercising any termination for convenience clause, a written notice to each affected contractor;
“(V) agree—

“(aa) to receive an annual audit of infant formula rebate invoices by a contractor; and

“(bb) to provide to each contractor accurate monthly redemption files; and

“(VI) agree not to provide any State preference to any bidder in evaluating bids;”;

(II) in clause (iii), by striking “and” at the end;

(III) in clause (iv)—

(aa) by striking “30” and inserting “45”; and

(bb) by striking the period at the end and inserting a semicolon;

(IV) by redesignating clauses (iii) and (iv) as clauses (iv) and (v), respectively;

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

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

(VI) by adding at the end the following:

“(vi) provide a process to negotiate the amount of funds to be returned to the bidder by the State agency, and the method of return, on determining and verifying that rebates were paid on any food, including infant formula, sold under fraudulent means;

“(vii) open bids and enter into a contract under paragraph (8)(A)(iii) only after making a reasonable effort to confirm in writing, via email or other means, that the manufacturers on the list the State agency maintains under paragraph (8)(A)(ix) received the initial request for proposals or other bid solicitation document by not later than the date that is 45 days before the date on which the bids are due;
“(viii) agree to provide to contractors supporting documentation for monthly invoices, subject to the participant and vendor confidentiality protections under program rules; and

“(ix) not later than the date that is 90 days after the date for opening bids, submit to the Secretary a copy of the bid solicitation and any other contract documents.”; and

(ii) by adding at the end the following:

“(D) Certain food for infants.—Before any State agency solicits bids for a contract for infant fruits, vegetables, cereal, or meat under a competitive bidding system, the State agency shall—

“(i) consider—

“(I) the impact of the contract on—

“(aa) participation or redemption rates;

“(bb) costs to the State agency for infant fruits, vegetables, cereal, or meat, including
product, administrative, and procurement costs; and

“(cc) the ability of the State agency—

“(AA) to achieve the purpose described in subsection (a);

“(BB) to provide infants with a variety of developmentally appropriate infant fruits, vegetables, cereal, or meat; and

“(CC) to serve the nutritional needs of program participants; and

“(dd) consumers who are not participants, including the availability of alternate brands and potential effects on retail pricing of infant fruits, vegetables, cereal, or meat; and

“(II) whether the contract is compatible with—
“(aa) the management information and food instrument system of the State agency;

“(bb) eligible vendors; and

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

“(ii) provide to the Secretary—

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

“(II) not later than 15 months after the start of such contract, a report that shall include—

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

“(bb) an assessment of the impact on eligible stores, non-participants, and retail prices for infant fruits, vegetables, cereal, and meat; and

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

(C) in paragraph (11)(E)—

(i) by striking “If a State” and inserting the following:

“(i) IN GENERAL.—If a State”; and

(ii) by adding at the end the following:

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

(D) in paragraph (12)—

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

(ii) by adding at the end the following:

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

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

“(ii) should adjust vendor reimbursement levels more frequently to reflect program food price changes in the marketplace.

“(I) Authorization of Appropriations.—

“(i) In general.—There is authorized to be appropriated to carry out this paragraph $25,000,000 for each of fiscal years 2017 through 2019.

“(ii) Use.—The Secretary shall allocate the funds made available under this subparagraph to States for purposes of enhancing and accelerating the implementation of electronic benefit transfer systems.

“(J) Penalty for Noncompliance.—

For any State agency that fails to comply with subparagraph (B), including a State agency receiving an exemption under subparagraph (C), the Secretary shall—
“(i) withhold such amounts otherwise required to be allocated to the State agency for nutrition services and administration as the Secretary determines to be appropriate; and

“(ii) direct the amounts withheld for use by the State agency solely for achieving compliance with subparagraph (B).”;

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

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

(8) by striking subsection (k);

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

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

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

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

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

(iii) by adding at the end the following:

“(E) fifth, to reimburse any WIC infant formula manufacturer for any rebate provided to the State agency on WIC infant formula unlawfully trafficked under a provision of law described in paragraph (2).”; and

(C) by adding at the end the following:

“(6) NOTICE OF INVESTIGATION.—

“(A) IN GENERAL.—For any investigation into the trafficking of WIC infant formula pursuant to this subsection, the Secretary shall provide notice of resolution of the disposition of an unlawful action resulting from the investigation to all contracted manufacturers of the trafficked infant formula.

“(B) ESTIMATES.—Not later than 60 days after the date on which notice is provided under subparagraph (A), the State shall submit to the contracted manufacturer an estimate of—
“(i) the number of units, if any, for which rebates may have been issued as a result of the violation; and

“(ii) the total dollar amount of the rebates.”; and

(11) by adding at the end the following:

“(q) **Fraud and Safety Review.**—

“(1) **In General.**—Not later than 180 days after the date of the enactment of the Improving Child Nutrition and Education Act of 2016, the Secretary shall review current guidance, regulations, and practices regarding fraud and safety for purposes of this section.

“(2) **Inclusions.**—The review under paragraph (1) shall include a review of issues relating to—

“(A) excess and unused infant formula;

“(B) invoices pertaining to products subject to rebate;

“(C) the sale of infant formula by unauthorized entities; and

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

“(3) **Updates.**—Based on the findings of the review under paragraph (1), the Secretary shall up-
date current regulations and guidance and issue ad-
ditional regulations and guidance, as necessary—
“(A) to minimize fraud; and
“(B) to ensure the safety of participants.
“(r) COOPERATION WITH LAW ENFORCEMENT
AGENCIES.—Notwithstanding any other provision of law,
State agencies and law enforcement agencies shall share
WIC vendor information relating to investigations or pros-
ecutions under the program under this section, as deter-
mined by the Secretary.
“(s) PILOT PROJECTS.—
“(1) IN GENERAL.—Subject to paragraph (2),
the Secretary may conduct pilot projects to test al-
ternative certification and food delivery procedures
under this section.
“(2) PROHIBITION.—In conducting pilot
projects under paragraph (1), the Secretary may not
waive or modify the application of program eligi-
ability, supplemental foods, or cost containment re-
quirements.
“(3) EVALUATION.—The Secretary shall evalu-
ate each pilot project carried out under this sub-
section after the pilot project has been in operation
for 3 years.”.
(b) WIC FARMER’S MARKET.—Section 17(m)(9)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(9)(A)) is amended to read as follows:

“(A) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $18,548,000 for each of fiscal years 2017 through 2021.

(e) REVIEW OF ADJUNCTIVE ELIGIBILITY FOR WIC.—

(1) DEFINITIONS.—In this subsection:

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

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

(C) MEDICAID.—The term “Medicaid” means the Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).
(D) POVERTY LINE.—The term “poverty line” means the most recent annual Federal Poverty Income Guidelines published by the Department of Health and Human Services.

(E) WIC.—The term “WIC” means the special supplemental nutrition program for women, infants, and children established by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).

(2) STUDY.—The Comptroller General shall conduct a study to examine the impact of adjunctive eligibility on WIC participation, including the administrative burden, number of participants in WIC, and other impacts on the participants.

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

(A) IN GENERAL.—In conducting the study described in paragraph (2), the Comptroller General shall examine the extent to which individuals certified as adjunctively eligible to receive supplemental foods and services through WIC have income above 185 percent of the poverty line.

(B) DATA.—
(i) DATA COLLECTION.—The Comptroller General shall collect data to determine—

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

(II) an estimate of the share of individuals described in subclause (I) who are certified as adjunctively eligible under section 17(d)(2)(A)(iii) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(A)(iii)); and

(III) an estimate of the share of individuals described in subclause (II) for whom income (for purposes of Medicaid eligibility) is above 185 percent of the poverty line, above 250 percent of the poverty line, above 300 percent of the poverty line, and above any other demarcation thresholds as determined by the Comptroller General.
(ii) SOURCES.—The Comptroller General shall collect the information described in clause (i) from—

(I) WIC program data for subclauses (I) and (II) of that clause; and

(II) a review of the income of a representative sample of WIC participants (for purposes of Medicaid eligibility) at the time of WIC certification (for subclause (III) of that clause).

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

(4) USE OF INCOME DATA TO INFORM MEDICAID ADJUNCTIVE ELIGIBILITY DETERMINATIONS.—

(A) IN GENERAL.—Following collection of the data described in paragraph (3), the Comptroller General shall assess the feasibility, benefits, and costs of requiring that WIC use an automated process to document that only appli-
cants with income below a specified threshold
may be certified as adjunctively eligible based
solely on Medicaid receipt.

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

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

(i) which State agencies and tribal or-

ganizations operating WIC use manage-

tment information systems with the capac-

ity, via an automated process, for local

WIC clinics to document—

(I) income as a share of the pov-

ty level for purposes of Medicaid eli-

gibility; or

(II) Medicaid enrollment and in-

come below a specified level;

(ii) the steps necessary to prepare all

local WIC clinics to obtain and to access

that income information as a part of the

WIC application process as well as part of
the associated costs of modifying WIC
automated systems and training staff; and

(iii) other information determined rele-
vant by the Comptroller General, such as
the impact of the identified steps on ad-
ministrative costs, clinical services, and
waiting times for appointments.

(D) MEDICAID MANAGEMENT INFORMA-
tion systems.—The Comptroller General shall
assess—

(i) whether State’s mechanized claims
processing and information retrieval sys-
tems under section 1903(a)(3)(A)(i) of the
Social Security Act (42 U.S.C.
1396b(a)(3)(A)(i)) have the capacity to
provide, at the time of WIC certification
and via an automated process, data to an
agency or tribal organization operating
WIC regarding—

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

(II) whether a Medicaid recipient
has income below a specified level;
(ii) the steps necessary to ensure that mechanized claims processing and information retrieval systems in States for which the income eligibility limit for infants under 1 year of age under Medicaid is above 185 percent of the poverty line have the capacity to provide the information described in clause (i) to local WIC clinics for the purpose of documenting adjunctive eligibility under an option that would limit that eligibility to individuals with income below a specific threshold; and

(iii) other information determined relevant by the Comptroller General and the Secretary of Health and Human Services, including the impact of the identified steps on administrative costs.

(5) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Comptroller General 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—
(A) the data collected under paragraph (3); 

(B) the assessments made under paragraph (4); and 

(C) the feasibility, costs, and benefits of a new requirement that would only permit adjunctive eligibility for individuals with household income below a specified level.

SEC. 207. TEAM NUTRITION NETWORK.

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

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by inserting “evidence-based” before “team nutrition messages”; and

(ii) by striking “developed by the Secretary”; 

(B) in paragraph (2), by inserting “under this Act and the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.)” before the period at the end; 

(C) in paragraph (4), by striking “purposes; and” and inserting the following: “purposes, including if appropriate—
“(A) State and local nutrition education programs, health and wellness policies, nutrition and health education resources, and other State resources; and

“(B) Federal nutrition education efforts, including those programs under this Act and the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);”;

(D) in paragraph (5)—

(i) by striking “helping children to maintain a healthy weight by”;

(ii) by inserting “in and out of school” before the period at the end;

(2) in subsection (b), by striking “(b)” and all that follows through “In this section, the term” and inserting the following:

“(b) DEFINITIONS.—In this section:

“(1) NUTRITION EDUCATION.—The term ‘nutrition education’ means the provision of individual or group learning opportunities and materials for children and families that—

“(A) emphasize the relationship between nutrition, physical activity, and health with a goal of improving long-term dietary and physical health and increasing food security; and
“(B) include learning about food preparation.

“(2) TEAM NUTRITION NETWORK.—The term”;

(3) in subsection (c)—

(A) by striking the subsection heading and inserting “STATE NETWORK GRANTS.—”; and

(B) by adding at the end the following:

“(4) ALLOCATION.—Subject to the availability of funds for use in carrying out this subsection, the total amount of funds made available for a fiscal year for grants under this subsection shall equal not more than the sum of—

“(A) the product obtained by multiplying ½ cent by the number of lunches reimbursed through food service programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) during the second preceding fiscal year in schools, institutions, and service institutions that participate in the food service programs; and

“(B) the total value of funds received by the Secretary in support of this subsection from nongovernmental sources.

“(5) REQUIREMENTS FOR STATE PARTICIPATION.—To be eligible to receive a grant under this
subsection, a State agency shall submit to the Secretary a plan, at such time and in such manner as the Secretary may require, including—

“(A) a description of the goals and proposed State plan for addressing the nutrition of children;

“(B) a description of the means by which the State agency will use and disseminate the team nutrition messages and material to children and, if appropriate, families of such children;

“(C) an explanation of the ways in which the State agency will use the funds from the grant to work toward the goals required under clause (i), and to promote healthy eating in schools throughout the State;

“(D) a description of the ways in which the State team nutrition network messages and activities will be coordinated at the State and local level with other community health promotion and education activities;

“(E) an annual summary of the team nutrition network activities and their effectiveness;
“(F) a description of the ways in which school environments might support healthy eating and physical activity; and

“(G) a description of how all communications to parents and legal guardians of students who are members of a household receiving information under the program shall be in an understandable and uniform format and, to the maximum extent practicable, in a language that parents and legal guardians can understand.

“(6) STATE COORDINATOR.—Each State that receives a grant under this subsection may appoint a team nutrition network coordinator. Such coordinator shall implement comprehensive, coordinated nutrition education programming through the team nutrition network, including to assist schools, school food authorities, and other child nutrition program providers in the State to administer and coordinate the team nutrition network activities.

“(7) AUTHORIZED ACTIVITIES.—A State agency that receives a grant under this section may use funds from the grant to—

“(A) identify the programs and services available to meet the health and nutritional needs of children and families in the State;
“(B) disseminate team nutrition network messages and material that provide comprehensive, coordinated nutrition and physical fitness awareness and obesity prevention education;

“(C) implement demonstration projects in schools to promote physical activity and to enhance the nutrition education provided to students;

“(D) improve access to local foods through coordinating with farm-to-school grant activities that include the provision of nutrition education;

“(E) encourage schools to develop healthy eating and lifestyle policies;

“(F) provide training and technical assistance to teachers and school food service professionals consistent with the purposes of this subsection; and

“(G) collaborate with public and private and faith-based organizations, including community-based organizations, State medical associations, and public health groups, to provide nutrition and physical education targeting lower income children, ethnic minorities, and youth at a greater risk for obesity or malnourishment.”;
(4) by striking subsections (d) through (g) and (k);

(5) by redesignating subsections (h) through (j) as subsections (d) through (f), respectively;

(6) by redesignating subsection (l) as subsection (g);

(7) in subsection (d) (as so redesignated)—

(A) in the subsection heading, by inserting “EDUCATION” after “NUTRITION”;

(B) in paragraph (5)—

(i) in subparagraph (A)—

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

(II) by adding at the end the following:

“(iii) incorporate nutrition education into physical and health education, and, if appropriate, afterschool programs, including athletics; and”; and

(ii) in subparagraph (B)—

(I) by striking clause (iv);

(II) in clause (vii), by striking “a variety of healthy foods” and all that follows through “fruit bars” and inserting “a variety of healthy foods, in-
cluding through initiatives to creatively market such foods’’;

(III) in clause (viii), by striking “low-fat and nutrient dense” and inserting “healthy”; and

(IV) by redesignating clauses (v) through (ix) as clauses (iv) through (viii), respectively;

(8) in subsection (e) (as so redesignated), by striking “may provide for technical assistance and grants” and inserting “shall provide for technical assistance”; and

(9) in subsection (g) (as so redesignated) by striking “such sums” and all that follows through the period at the end and inserting “to carry out this section $17,000,000 for each fiscal year.”.

TITLE III—MISCELLANEOUS

SEC. 301. REVIEWS.

(a) TRIBAL FOODS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall review—

(A) the barriers to including tribally produced, traditional, and culturally appropriate foods in child nutrition programs (as defined in
section 25(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769f (b)) within tribal schools; and

(B) the means of encouraging and assisting enhanced inclusion of foods described in subparagraph (A) in child nutrition programs.

(2) SCOPE.—In carrying out the review described in paragraph (1), the Secretary shall—

(A) survey and compile resources of the Department of Agriculture on the issue described in paragraph (1)(A);

(B) if necessary, clarify relevant Federal regulations governing schools and tribal producers, including regulations relating to procurement, reimbursement, and food safety;

(C) involve all relevant agencies, including the Food and Nutrition Service and Office of Tribal Relations of the Department of Agriculture; and

(D) submit to Congress a report describing the results of the review.

(b) USE OF PROGRAM DATA.—

(1) IN GENERAL.—The Secretary, jointly with the Secretary of Education, shall—
(A) review information regarding available
alternative data sets for use in programs that
are using free and reduced price meals data;
and
(B) determine the appropriateness of using
such alternative data sets in place of free and
reduced price meal program data by other pro-
grams to reduce the burden on local school food
authorities.

(2) REPORT TO CONGRESS.—Not later than 1
year after the date of the enactment of this Act, the
Secretaries shall submit to the Committee on Edu-
cation and the Workforce of the House of Rep-
resentatives and the Committee on Agriculture, Nu-
trition, and Forestry of the Senate a report that de-
scribes the results of the review and any rec-
ommendations of the Secretaries.

(c) CREDITING AND LABELING PROGRAM.—

(1) IN GENERAL.—The Secretary shall review
and update the system of crediting and the vol-
untary child nutrition labeling program used in ad-
ministering—

(A) the school lunch program established
under the Richard B. Russell National School
Lunch Act (42 U.S.C. 1751 et seq.); and
(B) the school breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

(2) **SCOPE.**—The review described in paragraph (1) shall include, at a minimum—

(A) the treatment of food products within previously established food categories and new products that have entered the commercial marketplace since the system of crediting and the voluntary child nutrition labeling program were developed; and

(B) the timeliness in which applications for labels under the voluntary child nutrition labeling program are reviewed and are granted or denied.

(3) **REPORT TO CONGRESS.**—Not later than 1 year after the date of the enactment of this Act, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the review and any recommendations of the Secretary.

(d) **NUTRITIONAL ANALYSIS.**—The Secretary shall—

(1) review the practicability and feasibility of—
(A) conducting a nutritional analysis, using publicly and commercially available nutritional information, of food products that are voluntarily submitted for use in child nutrition programs, outside of the reimbursable school meal; and

(B) aggregating and making the information obtained through that nutritional analysis publicly available for use by school food authorities, food manufacturers, and other interested parties; and

(2) if found practicable and feasible, proceed with the analysis, aggregation, and public availability.

(e) OTHER.—

(1) IN GENERAL.—The Secretary shall review—

(A) the cost differences between—

(i) providing meals and supplements under the Richard B. Russell National School Act (42 U.S.C. 1751 et seq.) and section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) in Palau, Guam, American Samoa, the Commonwealth of Puerto Rico, the United States Virgin Islands, and the Commonwealth of the
Northern Mariana Islands, respectively; and

(ii) the average cost of providing meals and supplements under those provisions of law in the 50 States and the District of Columbia; and

(B) the relation of the cost differences determined under subparagraph (A) to the national average payment rates for meals and supplements prescribed under sections 4, 11, 13, and 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1753, 1759a, 1761, 1766) and section 4(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)).

(2) Report to Congress.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the review and any recommendations of the Secretary.

(f) Unlawful Activity.—
(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall review—

(A) the number of instances and types of unlawful activity that occurred in the preceding 3 years, including, at a minimum, instances of fraud, bid-rigging, and any other anticompetitive activities carried out in connection with supplying, providing, or selling goods or services for a program under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); and

(B) the practices and procedures currently used by the Department of Agriculture to prevent unlawful activity described in subparagraph (A).

(2) SECRETARIAL RESPONSE.—Following completion of the review described in paragraph (1), the Secretary shall respond, if appropriate, by taking action to reduce such unlawful activity, including, at a minimum—

(A) revising any relevant guidance and regulations;
(B) issuing fines authorized under subsection (g) of section 25 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769f) (as amended by section 115); and

(C) submitting to the appropriate committees of Congress recommendations for any legislative changes needed to enhance program oversight.

(3) SCOPE.—The actions described in paragraph (2) shall be designed to reduce—

(A) anticompetitive activities, including bid-rigging, price-fixing, the allocation of customers between competitors, or other violation of Federal or State antitrust laws;

(B) fraud, bribery, theft, forgery, or embezzlement;

(C) knowingly receiving stolen property;

(D) making a false claim or statement; or

(E) any other obstruction of justice.

(g) INFANT FORMULA.—Not later than 180 days after the date of enactment of this Act, the Secretary shall—

(1) review the current regulations regarding caloric density standards for infant formula made available in the special supplemental nutrition pro-
gram for women, infants, and children established by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786); and

(2) as appropriate, update the regulations based on the most recent scientific knowledge available.

SEC. 302. PROGRAM DELIVERY.

The Secretary shall work with States participating in programs authorized under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) to encourage—

(1) streamlining of program administration, including data collection and reporting requirements, at the State level;

(2) communication among State agencies administering the programs;

(3) coordination of administration of Federal benefits at the State level to ensure efficiency of program delivery and improved access to participants, including efficiencies for operation between the special supplemental nutrition program for women, infants, and children under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) and the program under subsection (m) of such section (42 U.S.C. 1786); and
(4) consolidation and elimination of duplicative or unnecessary Federal and State reporting requirements.

SEC. 303. PRODUCT AVAILABILITY.

(a) IN GENERAL.—The Secretary shall, to the extent practicable, make available lactose-free milk with an extended shelf life for use in the commodity distribution program authorized under section 14 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1762a).

(b) SIZE AND FORM.—The milk described in subsection (a) shall, to the extent practicable, be made available in a size and form acceptable for and conducive to consumption by school-aged children.

SEC. 304. PROCUREMENT.

In administering the summer food service program for children established under section 13 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761) and the child and adult care food program established under section 17 of such Act (42 U.S.C. 1766), the Secretary shall ensure that—

(1) service institutions participating in the programs have flexibility in determining the frequency of procurement and food items included in each solicitation; and
(2) any procurement procedure implemented by a State agency is cost effective and efficient in meeting the relevant meal pattern requirements.

SEC. 305. SCHOOL NUTRITION ADVISORY COMMITTEE.

(a) ESTABLISHMENT.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall establish a School Nutrition Advisory Committee (referred to in this section as the “Committee”) to provide input in the administration of the school lunch program authorized under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the school breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) (referred to in this section as “child nutrition programs”).

(b) MEMBERSHIP.—

(1) COMPOSITION.—Members of the Committee shall be appointed by the Secretary from recommendations made by the chair and ranking member of the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. Membership on the Committee shall represent the following stakeholders:
(A) An organization that conducts research and advocates on issues relating to child nutrition.

(B) An organization that advocates for cardiac health.

(C) A professional organization representing dietitians.

(D) A trade association representing fruit and vegetable growers.

(E) A coalition of large urban school food authorities.

(F) 2 representatives from State agencies that administer the child nutrition programs.

(G) A professional organization representing school food employees.

(H) A professional organization representing school board members.

(I) A council representing large school districts.

(J) A professional association representing school administrators.

(K) An entity that processes and manufactures meat products.

(L) An entity that processes and manufactures dairy products.
(M) An entity that processes and manufactures grain products.

(N) An entity that assists suppliers and school food authorities in selling and obtaining food products.

(O) A school food authority located in each of the 7 regions established for activities of the Food and Nutrition Service, including—

(i) 3 representatives from districts located in rural areas;

(ii) 2 representatives from districts located in urban areas; and

(iii) 2 representatives from districts located in urban cluster areas as defined by census tract data.

(P) A council that represents public officials who head departments of elementary and secondary education.

(Q) A professional organization representing pediatricians.

(2) TERMS.—The members will serve on the Committee for a 3-year term. The chairmen of each congressional committee, under paragraph (1) shall alternate in appointing a chair and vice chair of the committee.
(c) **FUNCTION.**—The Committee shall—

1. provide a venue for communication between stakeholders and the Department of Agriculture regarding child nutrition programs;
2. give insight into child nutrition program implementation;
3. review and make recommendations to the Secretary on policy development involving child nutrition programs; and
4. evaluate methods for programmatic and administrative improvement of child nutrition programs.

(d) **MEETINGS.**—The Committee shall meet quarterly.

(e) **STAFFING.**—The Secretary shall provide such staff personnel as may be required to assist the Committee in carrying out the duties of the Committee, but such staff shall not interfere in the discussions or conclusions reached by the Committee.

(f) **TERMINATION.**—The authority of the Committee shall terminate on September 30, 2025.

**SEC. 306. PAPERWORK REDUCTION.**

(a) **IN GENERAL.**—For any program authorized under the Richard B. Russell National School Lunch Act
1. (42 U.S.C. 1751 et seq.) or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), the Secretary shall—

   (1) periodically review regulations, guidance, and other requirements to evaluate the volume of information required to be reported to the Department of Agriculture by program participants; and

   (2) if appropriate, streamline or otherwise reduce any unnecessary or duplicative paperwork, reporting requirements, and other administrative burdens while maintaining program integrity.

(b) Report.—Not later than 2 years after the date of the enactment of this Act and every 3 years thereafter, and upon any publishing of guidance or updated Federal requirements the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes any action the Secretary has taken under subsection (a) during the preceding 3 calendar years, or in the case of a report submitted based on publishing updated guidance or requirements, a report on such action, including a determination of appropriateness under subsection (a)(2).
SEC. 307. TECHNOLOGY.

(a) USE OF TECHNOLOGY.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall—

(1) review the current use of technology in the school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the school breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773);

(2) identify opportunities in which enhanced use of technology would reduce the rate of errors in administration of the programs by State agencies and local educational agencies; and

(3) encourage State agencies and local educational agencies to use technology in the areas identified under paragraph (2).

(b) IDENTIFICATION.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall—

(1) review the feasibility and evaluate the benefits of using a unique student identifier in the school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the school breakfast program estab-
lished by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773);

(2) 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 review under paragraph (1); and

(3) initiate implementation of a system for using a unique student identifier, unless implementation is not in the best interest of the programs described in paragraph (1), or does not adequately protect student privacy.

SEC. 308. TECHNICAL CORRECTIONS.

(a) RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT.—

(1) The Richard B. Russell National School Lunch Act is amended in each of sections 4, 9, 9A, 12, 19, 23, 24, and 25 (42 U.S.C. 1753, 1758, 1758b, 1760, 1796a, 1769d, 1769e, 1769f) by striking “Committee on Education and Labor” each place it appears and inserting “Committee on Education and the Workforce”.

(2) Section 9 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758) is amended—
(A) by striking “foster child” each place it appears and inserting “foster youth”; and

(B) in subsection (b)(5)(B), by striking “(42 U.S.C. 11434a(2))” and inserting “(42 U.S.C. 11434a(2)))”.

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

(A) in subsection (d)(3), by striking “U.S.C.” and inserting “U.S.C.”;

(B) in subsection (m)(2), in the paragraph heading, by striking “AMERICAN” and inserting “AMERICAN”; and

(C) in subsection (n)—

(i) in paragraph (3), in the paragraph heading, by striking “HAWAII” and inserting “HAWAII”; and

(ii) in paragraph (4), in the paragraph heading, by striking “PUERTO RICO” and inserting “PUERTO RICO”.

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

(A) by striking “section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C.
3030(a)(4))'' and inserting “section 311(c)(4)
of the Older Americans Act of 1965 (42 U.S.C.
3030a(c)(4))''; and

(B) by striking “(42 U.S.C. 3030(b)(1))”
and inserting “(42 U.S.C. 3030a(b)(1))”.

(b) CHILD NUTRITION ACT OF 1966.—

(1) The Child Nutrition Act of 1966 is amend-
ed in each of sections 10 and 17 (42 U.S.C. 1779,
1786) by striking “Committee on Education and
Labor” each place it appears and inserting “Com-
mittee on Education and the Workforce”.

(2) Section 7(a)(2)(B)(i) of the Child Nutrition
Act of 1966 (42 U.S.C. 1776(a)(2)(B)(i)) is amend-
ed by striking “clause (ii)” and inserting “clause
(ii))”.

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

(A) in subsection (b)(21), in the paragraph
heading, by striking “INDIAN OR NATIVE” and
inserting “INDIAN OR NATIVE”;

(B) in subsection (h)—

(i) in paragraph (4)—

(I) in subparagraph (A)(vi), by
striking “and” at the end; and
(II) in subparagraph (C)(iv), by striking “; and” at the end and inserting a period;

(ii) in paragraph (5)(D), in the subparagraph heading, by striking “INDIAN OR NATIVE” and inserting “INDIAN OR NATIVE”; and

(iii) in paragraph (8)(A)(iv)—

(I) in the clause heading, by striking “STATE” and inserting “STATE”; and

(II) in subclause (III), in the subclause heading, by striking “STATE AGENCIES AND INDIAN STATE AGENCIES” and inserting “STATE AGENCIES AND INDIAN STATE AGENCIES”; and

(C) in subsection (m)(6)(C)(iv), by striking “(G)(i)” each place it appears and inserting “(F)(i)”.

SEC. 309. BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this
Act, submitted for printing in the Congressional Record by the chair of the Committee on the Budget of the House of Representatives, provided that such statement has been submitted prior to the vote on passage.

SEC. 310. EFFECTIVE DATE.

Except as otherwise specifically provided in this Act or any of the amendments made by this Act, this Act and the amendments made by this Act take effect on October 1, 2016.