

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: To provide a complete substitute.

**IN THE SENATE OF THE UNITED STATES—108th Cong., 2d Sess.**

**S. 2507**

To amend the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to reauthorize child nutrition programs, and for other purposes.

Referred to the Committee on \_\_\_\_\_  
and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended  
to be proposed by Mr. COCHRAN

Viz:

1 Strike all after the enacting clause and insert the fol-  
2 lowing:

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

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Child Nutrition and WIC Reauthorization Act of 2004”.

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

Sec. 1. Short title; Table of contents.

## 2

TITLE I—AMENDMENTS TO RICHARD B. RUSSELL NATIONAL  
SCHOOL LUNCH ACT

- Sec. 101. Nutrition promotion.
- Sec. 102. Nutrition requirements.
- Sec. 103. Provision of information.
- Sec. 104. Direct certification.
- Sec. 105. Household applications.
- Sec. 106. Duration of eligibility for free or reduced price meals.
- Sec. 107. Runaway, homeless, and migrant youth.
- Sec. 108. Certification by local educational agencies.
- Sec. 109. Exclusion of military housing allowances.
- Sec. 110. Waiver of requirement for weighted averages for nutrient analysis.
- Sec. 111. Food safety.
- Sec. 112. Purchases of locally produced foods.
- Sec. 113. Special assistance.
- Sec. 114. Food and nutrition projects integrated with elementary school curricula.
- Sec. 115. Procurement training.
- Sec. 116. Summer food service program for children.
- Sec. 117. Commodity distribution program.
- Sec. 118. Notice of irradiated food products.
- Sec. 119. Child and adult care food program.
- Sec. 120. Fresh fruit and vegetable program.
- Sec. 121. Summer food service residential camp eligibility.
- Sec. 122. Access to local foods and school gardens.
- Sec. 123. Year-round services for eligible entities.
- Sec. 124. Free lunch and breakfast eligibility.
- Sec. 125. Training, technical assistance, and food service management institute.
- Sec. 126. Administrative error reduction.
- Sec. 127. Compliance and accountability.
- Sec. 128. Information clearinghouse.
- Sec. 129. Program evaluation.

## TITLE II—AMENDMENTS TO CHILD NUTRITION ACT OF 1966

- Sec. 201. Severe need assistance.
- Sec. 202. State administrative expenses.
- Sec. 203. Special supplemental nutrition program for women, infants, and children.
- Sec. 204. Local wellness policy.
- Sec. 205. Team nutrition network.
- Sec. 206. Review of best practices in the breakfast program.

## TITLE III—COMMODITY DISTRIBUTION PROGRAMS

- Sec. 301. Commodity distribution programs.

## TITLE IV—MISCELLANEOUS

- Sec. 401. Sense of Congress regarding efforts to prevent and reduce childhood obesity.

## TITLE V—IMPLEMENTATION

Sec. 501. Guidance and regulations.

Sec. 502. Effective dates.

1 **TITLE I—AMENDMENTS TO**  
2 **RICHARD B. RUSSELL NA-**  
3 **TIONAL SCHOOL LUNCH ACT**

4 **SEC. 101. NUTRITION PROMOTION.**

5 The Richard B. Russell National School Lunch Act  
6 is amended by inserting after section 4 (42 U.S.C. 1753)  
7 the following:

8 **“SEC. 5. NUTRITION PROMOTION.**

9 “(a) IN GENERAL.—Subject to the availability of  
10 funds made available under subsection (g), the Secretary  
11 shall make payments to State agencies for each fiscal year,  
12 in accordance with this section, to promote nutrition in  
13 food service programs under this Act and the school  
14 breakfast program established under the Child Nutrition  
15 Act of 1966 (42 U.S.C. 1771 et seq.).

16 “(b) TOTAL AMOUNT FOR EACH FISCAL YEAR.—The  
17 total amount of funds available for a fiscal year for pay-  
18 ments under this section shall equal not more than the  
19 product obtained by multiplying—

20 “(1) ½ cent; by

21 “(2) the number of lunches reimbursed through  
22 food service programs under this Act during the sec-  
23 ond preceding fiscal year in schools, institutions, and

1 service institutions that participate in the food serv-  
2 ice programs.

3 “(c) PAYMENTS TO STATES.—

4 “(1) ALLOCATION.—Subject to paragraph (2),  
5 from the amount of funds available under subsection  
6 (g) for a fiscal year, the Secretary shall allocate to  
7 each State agency an amount equal to the greater  
8 of—

9 “(A) a uniform base amount established by  
10 the Secretary; or

11 “(B) an amount determined by the Sec-  
12 retary, based on the ratio that—

13 “(i) the number of lunches reimbursed  
14 through food service programs under this  
15 Act in schools, institutions, and service in-  
16 stitutions in the State that participate in  
17 the food service programs; bears to

18 “(ii) the number of lunches reim-  
19 bursed through the food service programs  
20 in schools, institutions, and service institu-  
21 tions in all States that participate in the  
22 food service programs.

23 “(2) REDUCTIONS.—The Secretary shall reduce  
24 allocations to State agencies qualifying for an alloca-  
25 tion under paragraph (1)(B), in a manner deter-

1       mined by the Secretary, to the extent necessary to  
2       ensure that the total amount of funds allocated  
3       under paragraph (1) is not greater than the amount  
4       appropriated under subsection (g).

5       “(d) USE OF PAYMENTS.—

6               “(1) USE BY STATE AGENCIES.—A State agen-  
7       cy may reserve, to support dissemination and use of  
8       nutrition messages and material developed by the  
9       Secretary, up to—

10               “(A) 5 percent of the payment received by  
11       the State for a fiscal year under subsection (c);  
12       or

13               “(B) in the case of a small State (as deter-  
14       mined by the Secretary), a higher percentage  
15       (as determined by the Secretary) of the pay-  
16       ment.

17               “(2) DISBURSEMENT TO SCHOOLS AND INSTI-  
18       TUTIONS.—Subject to paragraph (3), the State  
19       agency shall disburse any remaining amount of the  
20       payment to school food authorities and institutions  
21       participating in food service programs described in  
22       subsection (a) to disseminate and use nutrition mes-  
23       sages and material developed by the Secretary.

24               “(3) SUMMER FOOD SERVICE PROGRAM FOR  
25       CHILDREN.—In addition to any amounts reserved

1 under paragraph (1), in the case of the summer food  
2 service program for children established under sec-  
3 tion 13, the State agency may—

4 “(A) retain a portion of the funds made  
5 available under subsection (c) (as determined  
6 by the Secretary); and

7 “(B) use the funds, in connection with the  
8 program, to disseminate and use nutrition mes-  
9 sages and material developed by the Secretary.

10 “(e) DOCUMENTATION.—A State agency, school food  
11 authority, and institution receiving funds under this sec-  
12 tion shall maintain documentation of nutrition promotion  
13 activities conducted under this section.

14 “(f) REALLOCATION.—The Secretary may reallocate,  
15 to carry out this section, any amounts made available to  
16 carry out this section that are not obligated or expended,  
17 as determined by the Secretary.

18 “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
19 are authorized to be appropriated such sums as are nec-  
20 essary to carry out this section, to remain available until  
21 expended.”.

22 **SEC. 102. NUTRITION REQUIREMENTS.**

23 Section 9(a) of the Richard B. Russell National  
24 School Lunch Act (42 U.S.C. 1758(a)) is amended by  
25 striking paragraph (2) and inserting the following:

1           “(2) FLUID MILK.—

2                   “(A) IN GENERAL.—Lunches served by  
3 schools participating in the school lunch pro-  
4 gram under this Act—

5                           “(i) shall offer students fluid milk in  
6 a variety of fat contents;

7                           “(ii) may offer students flavored and  
8 unflavored fluid milk and lactose-free fluid  
9 milk; and

10                           “(iii) shall provide a substitute for  
11 fluid milk for students whose disability re-  
12 stricts their diet, on receipt of a written  
13 statement from a licensed physician that  
14 identifies the disability that restricts the  
15 student’s diet and that specifies the sub-  
16 stitute for fluid milk.

17           “(B) SUBSTITUTES.—

18                           “(i) STANDARDS FOR SUBSTI-  
19 TUTION.—A school may substitute for the  
20 fluid milk provided under subparagraph  
21 (A), a nondairy beverage that is nutrition-  
22 ally equivalent to fluid milk and meets nu-  
23 tritional standards established by the Sec-  
24 retary (which shall, among other require-  
25 ments to be determined by the Secretary,

1 include fortification of calcium, protein, vi-  
2 tamin A, and vitamin D to levels found in  
3 cow's milk) for students who cannot con-  
4 sume fluid milk because of a medical or  
5 other special dietary need other than a dis-  
6 ability described in subparagraph (A)(iii).

7 “(ii) NOTICE.—The substitutions may  
8 be made if the school notifies the State  
9 agency that the school is implementing a  
10 variation allowed under this subparagraph,  
11 and if the substitution is requested by  
12 written statement of a medical authority or  
13 by a student's parent or legal guardian  
14 that identifies the medical or other special  
15 dietary need that restricts the student's  
16 diet, except that the school shall not be re-  
17 quired to provide beverages other than bev-  
18 erages the school has identified as accept-  
19 able substitutes.

20 “(iii) EXCESS EXPENSES BORNE BY  
21 SCHOOL FOOD AUTHORITY.—Expenses in-  
22 curred in providing substitutions under  
23 this subparagraph that are in excess of ex-  
24 penses covered by reimbursements under

1           this Act shall be paid by the school food  
2           authority.

3           “(C) RESTRICTIONS ON SALE OF MILK  
4           PROHIBITED.—A school that participates in the  
5           school lunch program under this Act shall not  
6           directly or indirectly restrict the sale or mar-  
7           keting of fluid milk products by the school (or  
8           by a person approved by the school) at any time  
9           or any place—

10                   “(i) on the school premises; or

11                   “(ii) at any school-sponsored event.”.

12 **SEC. 103. PROVISION OF INFORMATION.**

13           Section 9(a) of the Richard B. Russell National  
14           School Lunch Act (42 U.S.C. 1758(a)) is amended by add-  
15           ing at the end the following:

16                   “(4) PROVISION OF INFORMATION.—

17                   “(A) GUIDANCE.—Prior to the beginning  
18                   of the school year beginning July 2004, the  
19                   Secretary shall issue guidance to States and  
20                   school food authorities to increase the consump-  
21                   tion of foods and food ingredients that are rec-  
22                   ommended for increased serving consumption in  
23                   the most recent Dietary Guidelines for Ameri-  
24                   cans published under section 301 of the Na-

1            tional Nutrition Monitoring and Related Re-  
2            search Act of 1990 (7 U.S.C. 5341).

3            “(B) RULES.—Not later than 2 years after  
4            the date of enactment of this paragraph, the  
5            Secretary shall promulgate rules, based on the  
6            most recent Dietary Guidelines for Americans,  
7            that reflect specific recommendations, expressed  
8            in serving recommendations, for increased con-  
9            sumption of foods and food ingredients offered  
10           in school nutrition programs under this Act and  
11           the Child Nutrition Act of 1966 (42 U.S.C.  
12           1771 et seq.).”.

13 **SEC. 104. DIRECT CERTIFICATION.**

14           (a) IN GENERAL.—Section 9(b) of the Richard B.  
15           Russell National School Lunch Act (42 U.S.C. 1758(b))  
16           is amended—

17           (1) by redesignating paragraphs (3) through  
18           (7) as paragraphs (9) through (13), respectively;

19           and

20           (2) in paragraph (2)—

21           (A) in subparagraph (B)—

22           (i) by striking “(B) Applications” and  
23           inserting the following:

24           “(B) APPLICATIONS AND DESCRIPTIVE MA-  
25           TERIAL.—

1                   “(i) IN GENERAL.—Applications”;  
2                   (ii) in the second sentence, by striking  
3                   “Such forms and descriptive material” and  
4                   inserting the following:  
5                   “(ii) INCOME ELIGIBILITY GUIDE-  
6                   LINES.—Forms and descriptive material  
7                   distributed in accordance with clause (i)”;  
8                   and  
9                   (iii) by adding at the end the fol-  
10                  lowing:  
11                  “(iii) CONTENTS OF DESCRIPTIVE MA-  
12                  TERIAL.—  
13                  “(I) IN GENERAL.—Descriptive  
14                  material distributed in accordance  
15                  with clause (i) shall contain a notifica-  
16                  tion that—  
17                  “(aa) participants in the  
18                  programs listed in subclause (II)  
19                  may be eligible for free or re-  
20                  duced price meals; and  
21                  “(bb) documentation may be  
22                  requested for verification of eligi-  
23                  bility for free or reduced price  
24                  meals.

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“(II) PROGRAMS.—The programs referred to in subclause (I)(aa) are—

“(aa) 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);

“(bb) the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

“(cc) the food distribution program on Indian reservations established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)); and

“(dd) 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.).”;

1 (B) by striking “(C)(i)” and inserting  
2 “(3)”; and

3 (C) by striking clause (ii) of subparagraph  
4 (C) (as it existed before the amendment made  
5 by subparagraph (B)) and all that follows  
6 through the end of subparagraph (D) and in-  
7 serting the following:

8 “(4) DIRECT CERTIFICATION FOR CHILDREN IN  
9 FOOD STAMP HOUSEHOLDS.—

10 “(A) IN GENERAL.—Subject to subpara-  
11 graph (D), each State agency shall enter into  
12 an agreement with the State agency conducting  
13 eligibility determinations for the food stamp  
14 program established under the Food Stamp Act  
15 of 1977 (7 U.S.C. 2011 et seq.).

16 “(B) PROCEDURES.—Subject to paragraph  
17 (6), the agreement shall establish procedures  
18 under which a child who is a member of a  
19 household receiving assistance under the food  
20 stamp program shall be certified as eligible for  
21 free lunches under this Act and free breakfasts  
22 under the Child Nutrition Act of 1966 (42  
23 U.S.C. 1771 et seq.), without further applica-  
24 tion.

1           “(C) CERTIFICATION.—Subject to para-  
2 graph (6), under the agreement, the local edu-  
3 cational agency conducting eligibility determina-  
4 tions for a school lunch program under this Act  
5 and a school breakfast program under the Child  
6 Nutrition Act of 1966 (42 U.S.C. 1771 et seq.)  
7 shall certify a child who is a member of a  
8 household receiving assistance under the food  
9 stamp program as eligible for free lunches  
10 under this Act and free breakfasts under the  
11 Child Nutrition Act of 1966 (42 U.S.C. 1771 et  
12 seq.), without further application.

13           “(D) APPLICABILITY.—This paragraph ap-  
14 plies to—

15           “(i) in the case of the school year be-  
16 ginning July 2006, a school district that  
17 had an enrollment of 25,000 students or  
18 more in the preceding school year;

19           “(ii) in the case of the school year be-  
20 ginning July 2007, a school district that  
21 had an enrollment of 10,000 students or  
22 more in the preceding school year; and

23           “(iii) in the case of the school year be-  
24 ginning July 2008 and each subsequent

1 school year, each local educational agen-  
2 cy.”.

3 (b) ADMINISTRATION.—

4 (1) IN GENERAL.—Section 9(b) of the Richard  
5 B. Russell National School Lunch Act (42 U.S.C.  
6 1758(b)) (as amended by subsection (a)) is amended  
7 by inserting after paragraph (4) the following:

8 “(5) DISCRETIONARY CERTIFICATION.—

9 “(A) IN GENERAL.—Subject to paragraph  
10 (6), any local educational agency may certify  
11 any child as eligible for free lunches or break-  
12 fasts, without further application, by directly  
13 communicating with the appropriate State or  
14 local agency to obtain documentation of the sta-  
15 tus of the child as—

16 “(i) a member of a family that is re-  
17 ceiving assistance under the temporary as-  
18 sistance for needy families program funded  
19 under part A of title IV of the Social Secu-  
20 rity Act (42 U.S.C. 601 et seq.) that the  
21 Secretary determines complies with stand-  
22 ards established by the Secretary that en-  
23 sure that the standards under the State  
24 program are comparable to or more re-

1 strictive than those in effect on June 1,  
2 1995;

3 “(ii) a homeless child or youth (de-  
4 fined as 1 of the individuals described in  
5 section 725(2) of the McKinney-Vento  
6 Homeless Assistance Act (42 U.S.C.  
7 11434a(2));

8 “(iii) served by the runaway and  
9 homeless youth grant program established  
10 under the Runaway and Homeless Youth  
11 Act (42 U.S.C. 5701 et seq.); or

12 “(iv) a migratory child (as defined in  
13 section 1309 of the Elementary and Sec-  
14 ondary Education Act of 1965 (20 U.S.C.  
15 6399)).”.

16 “(B) CHILDREN OF HOUSEHOLDS RECEIV-  
17 ING FOOD STAMPS.—Subject to paragraph (6),  
18 any local educational agency may certify any  
19 child as eligible for free lunches or breakfasts,  
20 without further application, by directly commu-  
21 nicating with the appropriate State or local  
22 agency to obtain documentation of the status of  
23 the child as a member of a household that is re-  
24 ceiving food stamps under the Food Stamp Act  
25 of 1977 (7 U.S.C. 2011 et seq.).

1 “(6) USE OR DISCLOSURE OF INFORMATION.—

2 “(A) IN GENERAL.—The use or disclosure  
3 of any information obtained from an application  
4 for free or reduced price meals, or from a State  
5 or local agency referred to in paragraph (3)(F),  
6 (4), or (5), shall be limited to—

7 “(i) a person directly connected with  
8 the administration or enforcement of this  
9 Act or the Child Nutrition Act of 1966 (42  
10 U.S.C. 1771 et seq.) (including a regula-  
11 tion promulgated under either Act);

12 “(ii) a person directly connected with  
13 the administration or enforcement of—

14 “(I) a Federal education pro-  
15 gram;

16 “(II) a State health or education  
17 program administered by the State or  
18 local educational agency (other than a  
19 program carried out under title XIX  
20 or XXI of the Social Security Act (42  
21 U.S.C. 1396 et seq.; 42 U.S.C.  
22 1397aa et seq.)); or

23 “(III) a Federal, State, or local  
24 means-tested nutrition program with

1 eligibility standards comparable to the  
2 school lunch program under this Act;  
3 “(iii)(I) the Comptroller General of  
4 the United States for audit and examina-  
5 tion authorized by any other provision of  
6 law; and

7 “(II) notwithstanding any other provi-  
8 sion of law, a Federal, State, or local law  
9 enforcement official for the purpose of in-  
10 vestigating an alleged violation of any pro-  
11 gram covered by this paragraph or para-  
12 graph (3)(F), (4), or (5);

13 “(iv) a person directly connected with  
14 the administration of the State medicaid  
15 program under title XIX of the Social Se-  
16 curity Act (42 U.S.C. 1396 et seq.) or the  
17 State children’s health insurance program  
18 under title XXI of that Act (42 U.S.C.  
19 1397aa et seq.) solely for the purposes  
20 of—

21 “(I) identifying children eligible  
22 for benefits under, and enrolling chil-  
23 dren in, those programs, except that  
24 this subclause shall apply only to the  
25 extent that the State and the local

1 educational agency or school food au-  
2 thority so elect; and

3 “(II) verifying the eligibility of  
4 children for programs under this Act  
5 or the Child Nutrition Act of 1966  
6 (42 U.S.C. 1771 et seq.); and

7 “(v) a third party contractor de-  
8 scribed in paragraph (3)(G)(iv).

9 “(B) LIMITATION ON INFORMATION PRO-  
10 VIDED.—Information provided under clause (ii)  
11 or (v) of subparagraph (A) shall be limited to  
12 the income eligibility status of the child for  
13 whom application for free or reduced price meal  
14 benefits is made or for whom eligibility infor-  
15 mation is provided under paragraph (3)(F), (4),  
16 or (5), unless the consent of the parent or  
17 guardian of the child for whom application for  
18 benefits was made is obtained.

19 “(C) CRIMINAL PENALTY.—A person de-  
20 scribed in subparagraph (A) who publishes, di-  
21 vulges, discloses, or makes known in any man-  
22 ner, or to any extent not authorized by Federal  
23 law (including a regulation), any information  
24 obtained under this subsection shall be fined

1 not more than \$1,000 or imprisoned not more  
2 than 1 year, or both.

3 “(D) REQUIREMENTS FOR WAIVER OF  
4 CONFIDENTIALITY.—A State that elects to exer-  
5 cise the option described in subparagraph  
6 (A)(iv)(I) shall ensure that any local edu-  
7 cational agency or school food authority acting  
8 in accordance with that option—

9 “(i) has a written agreement with 1 or  
10 more State or local agencies administering  
11 health programs for children under titles  
12 XIX and XXI of the Social Security Act  
13 (42 U.S.C. 1396 et seq. and 1397aa et  
14 seq.) that requires the health agencies to  
15 use the information obtained under sub-  
16 paragraph (A) to seek to enroll children in  
17 those health programs; and

18 “(ii)(I) notifies each household, the  
19 information of which shall be disclosed  
20 under subparagraph (A), that the informa-  
21 tion disclosed will be used only to enroll  
22 children in health programs referred to in  
23 subparagraph (A)(iv); and

24 “(II) provides each parent or guard-  
25 ian of a child in the household with an op-

1           portunity to elect not to have the informa-  
2           tion disclosed.

3           “(E) USE OF DISCLOSED INFORMATION.—

4           A person to which information is disclosed  
5           under subparagraph (A)(iv)(I) shall use or dis-  
6           close the information only as necessary for the  
7           purpose of enrolling children in health pro-  
8           grams referred to in subparagraph (A)(iv).

9           “(7) FREE AND REDUCED PRICE POLICY  
10          STATEMENT.—

11           “(A) IN GENERAL.—After the initial sub-  
12           mission, a local educational agency shall not be  
13           required to submit a free and reduced price pol-  
14           icy statement to a State educational agency  
15           under this Act unless there is a substantive  
16           change in the free and reduced price policy of  
17           the local educational agency.

18           “(B) ROUTINE CHANGE.—A routine  
19           change in the policy of a local educational agen-  
20           cy (such as an annual adjustment of the income  
21           eligibility guidelines for free and reduced price  
22           meals) shall not be sufficient cause for requir-  
23           ing the local educational agency to submit a  
24           policy statement.

25           “(8) COMMUNICATIONS.—

1           “(A) IN GENERAL.—Any communication  
2 with a household under this subsection or sub-  
3 section (d) shall be in an understandable and  
4 uniform format and, to the maximum extent  
5 practicable, in a language that parents and  
6 legal guardians can understand.

7           “(B) ELECTRONIC AVAILABILITY.—In ad-  
8 dition to the distribution of applications and de-  
9 scriptive material in paper form as provided for  
10 in this paragraph, the applications and material  
11 may be made available electronically via the  
12 Internet.”.

13           (2) AGREEMENT FOR DIRECT CERTIFICATION  
14 AND COOPERATION.—Section 11 of the Food Stamp  
15 Act of 1977 (7 U.S.C. 2020) is amended by adding  
16 at the end the following:

17           “(u) AGREEMENT FOR DIRECT CERTIFICATION AND  
18 COOPERATION.—

19           “(1) IN GENERAL.—Each State agency shall  
20 enter into an agreement with the State agency ad-  
21 ministering the school lunch program established  
22 under the Richard B. Russell National School Lunch  
23 Act (42 U.S.C. 1751 et seq.).

24           “(2) CONTENTS.—The agreement shall estab-  
25 lish procedures that ensure that—

1           “(A) any child receiving benefits under this  
2           Act shall be certified as eligible for free lunches  
3           under the Richard B. Russell National School  
4           Lunch Act (42 U.S.C. 1751 et seq.) and free  
5           breakfasts under the Child Nutrition Act of  
6           1966 (42 U.S.C. 1771 et seq.), without further  
7           application; and

8           “(B) each State agency shall cooperate in  
9           carrying out paragraphs (3)(F) and (4) of sec-  
10          tion 9(b) of the Richard B. Russell National  
11          School Lunch Act (42 U.S.C. 1758(b)).”.

12          (c) FUNDING.—

13           (1) IN GENERAL.—On October 1, 2005, out of  
14          any funds in the Treasury not otherwise appro-  
15          priated, the Secretary of the Treasury shall transfer  
16          to the Secretary of Agriculture to assist States in  
17          carrying out the amendments contained in this sec-  
18          tion and the provisions of section 9(b)(3) of the  
19          Richard B. Russell National School Lunch Act (as  
20          amended by section 105(a)) \$9,000,000, to remain  
21          available until expended.

22           (2) RECEIPT AND ACCEPTANCE.—The Sec-  
23          retary shall be entitled to receive, shall accept, and  
24          shall use to assist States in carrying out the amend-  
25          ments made by this section and the provisions of

1 section 9(b)(3) of the Richard B. Russell National  
2 School Lunch Act (as amended by section 105(a))  
3 the funds transferred under paragraph (1), without  
4 further appropriation.

5 (d) CONFORMING AMENDMENTS.—

6 (1) Effective July 1, 2008, paragraph (5) of  
7 section 9(b) of the Richard B. Russell National  
8 School Lunch Act (42 U.S.C. 1758(b)) (as added by  
9 subsection (b)(1)) is amended—

10 (A) by striking subparagraph (B);

11 (B) by striking “CERTIFICATION.—” and  
12 all that follows through “IN GENERAL.—” and  
13 inserting “CERTIFICATION.—”; and

14 (C) by redesignating clauses (i) through  
15 (iv) as subparagraphs (A) through (D), respec-  
16 tively, and indenting appropriately.

17 (2) Section 9 of the Richard B. Russell Na-  
18 tional School Lunch Act (42 U.S.C. 1758) (as  
19 amended by subsection (a)(1)) is amended—

20 (A) in subsection (b)(12)(B), by striking  
21 “paragraph (2)(C)” and inserting “this sub-  
22 section”; and

23 (B) in the second sentence of subsection  
24 (d)(1), by striking “subsection (b)(2)(C)” and  
25 inserting “subsection (b)(3)(G)”.

1           (3) Section 11(e) of the Richard B. Russell Na-  
2           tional School Lunch Act (42 U.S.C. 1759a(e)) is  
3           amended in the first sentence by striking “section  
4           9(b)(3)” and inserting “section 9(b)(9)”.

5 **SEC. 105. HOUSEHOLD APPLICATIONS.**

6           (a) IN GENERAL.—Section 9(b) of the Richard B.  
7           Russell National School Lunch Act (42 U.S.C. 1758(b))  
8           (as amended by section 104(a)(2)(B)) is amended by  
9           striking paragraph (3) and inserting the following:

10           “(3) HOUSEHOLD APPLICATIONS.—

11           “(A) DEFINITION OF HOUSEHOLD APPLI-  
12           CATION.—In this paragraph, the term ‘house-  
13           hold application’ means an application for a  
14           child of a household to receive free or reduced  
15           price school lunches under this Act, or free or  
16           reduced price school breakfasts under the Child  
17           Nutrition Act of 1966 (42 U.S.C. 1771 et seq.),  
18           for which an eligibility determination is made  
19           other than under paragraph (4) or (5).

20           “(B) ELIGIBILITY DETERMINATION.—

21           “(i) IN GENERAL.—An eligibility de-  
22           termination shall be made on the basis of  
23           a complete household application executed  
24           by an adult member of the household or in

1 accordance with guidance issued by the  
2 Secretary.

3 “(ii) ELECTRONIC SIGNATURES AND  
4 APPLICATIONS.—A household application  
5 may be executed using an electronic signa-  
6 ture if—

7 “(I) the application is submitted  
8 electronically; and

9 “(II) the electronic application  
10 filing system meets confidentiality  
11 standards established by the Sec-  
12 retary.

13 “(C) CHILDREN IN HOUSEHOLD.—

14 “(i) IN GENERAL.—The household ap-  
15 plication shall identify the names of each  
16 child in the household for whom meal ben-  
17 efits are requested.

18 “(ii) SEPARATE APPLICATIONS.—A  
19 State educational agency or local edu-  
20 cational agency may not request a separate  
21 application for each child in the household  
22 that attends schools under the same local  
23 educational agency.

24 “(D) VERIFICATION OF SAMPLE.—

1                   “(i) DEFINITIONS.—In this subpara-  
2 graph:

3                   “(I) ERROR PRONE APPLICA-  
4 TION.—The term ‘error prone applica-  
5 tion’ means an approved household  
6 application that—

7                   “(aa) indicates monthly in-  
8 come that is within \$100, or an  
9 annual income that is within  
10 \$1,200, of the income eligibility  
11 limitation for free or reduced  
12 price meals; or

13                   “(bb) in lieu of the criteria  
14 established under item (aa),  
15 meets criteria established by the  
16 Secretary.

17                   “(II) NON-RESPONSE RATE.—  
18 The term ‘non-response rate’ means  
19 (in accordance with guidelines estab-  
20 lished by the Secretary) the percent-  
21 age of approved household applica-  
22 tions for which verification informa-  
23 tion has not been obtained by a local  
24 educational agency after attempted

1 verification under subparagraphs (F)  
2 and (G).

3 “(ii) VERIFICATION OF SAMPLE.—

4 Each school year, a local educational agen-  
5 cy shall verify eligibility of the children in  
6 a sample of household applications ap-  
7 proved for the school year by the local edu-  
8 cational agency, as determined by the Sec-  
9 retary in accordance with this subsection.

10 “(iii) SAMPLE SIZE.—Except as other-  
11 wise provided in this paragraph, the sam-  
12 ple for a local educational agency for a  
13 school year shall equal the lesser of—

14 “(I) 3 percent of all applications  
15 approved by the local educational  
16 agency for the school year, as of Octo-  
17 ber 1 of the school year, selected from  
18 error prone applications; or

19 “(II) 3,000 error prone applica-  
20 tions approved by the local edu-  
21 cational agency for the school year, as  
22 of October 1 of the school year.

23 “(iv) ALTERNATIVE SAMPLE SIZE.—

24 “(I) IN GENERAL.—If the condi-  
25 tions described in subclause (IV) are

1 met, the verification sample size for a  
2 local educational agency shall be the  
3 sample size described in subclause (II)  
4 or (III), as determined by the local  
5 educational agency.

6 “(II) 3,000/3 PERCENT OP-  
7 TION.—The sample size described in  
8 this subclause shall be the lesser of  
9 3,000, or 3 percent of, applications  
10 selected at random from applications  
11 approved by the local educational  
12 agency for the school year, as of Octo-  
13 ber 1 of the school year.

14 “(III) 1,000/1 PERCENT PLUS  
15 OPTION.—

16 “(aa) IN GENERAL.—The  
17 sample size described in this sub-  
18 clause shall be the sum of—

19 “(AA) the lesser of  
20 1,000, or 1 percent of, all  
21 applications approved by the  
22 local educational agency for  
23 the school year, as of Octo-  
24 ber 1 of the school year, se-

1 lected from error prone ap-  
2 plications; and

3 “(BB) the lesser of  
4 500, or 1/2 of 1 percent of,  
5 applications approved by the  
6 local educational agency for  
7 the school year, as of Octo-  
8 ber 1 of the school year,  
9 that provide a case number  
10 (in lieu of income informa-  
11 tion) showing participation  
12 in a program described in  
13 item (bb) selected from  
14 those approved applications  
15 that provide a case number  
16 (in lieu of income informa-  
17 tion) verifying the participa-  
18 tion.

19 “(bb) PROGRAMS.—The pro-  
20 grams described in this item  
21 are—

22 “(AA) the food stamp  
23 program established under  
24 the Food Stamp Act of 1977  
25 (7 U.S.C. 2011 et seq.);

1                   “(BB) the food dis-  
2                   tribution program on Indian  
3                   reservations       established  
4                   under section 4(b) of the  
5                   Food Stamp Act of 1977 (7  
6                   U.S.C. 2013(b)); and

7                   “(CC) a State program  
8                   funded under the program  
9                   of block grants to States for  
10                  temporary assistance for  
11                  needy families established  
12                  under part A of title IV of  
13                  the Social Security Act (42  
14                  U.S.C. 601 et seq.) that the  
15                  Secretary determines com-  
16                  plies with standards estab-  
17                  lished by the Secretary that  
18                  ensure that the standards  
19                  under the State program are  
20                  comparable to or more re-  
21                  strictive than those in effect  
22                  on June 1, 1995.

23                               “(IV) CONDITIONS.—The condi-  
24                               tions referred to in subclause (I) shall

1 be met for a local educational agency  
2 for a school year if—

3 “(aa) the nonresponse rate  
4 for the local educational agency  
5 for the preceding school year is  
6 less than 20 percent; or

7 “(bb) the local educational  
8 agency has more than 20,000  
9 children approved by application  
10 by the local educational agency  
11 as eligible for free or reduced  
12 price meals for the school year,  
13 as of October 1 of the school  
14 year, and—

15 “(AA) the nonresponse  
16 rate for the preceding school  
17 year is at least 10 percent  
18 below the nonresponse rate  
19 for the second preceding  
20 school year; or

21 “(BB) in the case of  
22 the school year beginning  
23 July 2005, the local edu-  
24 cational agency attempts to  
25 verify all approved house-

1 hold applications selected for  
2 verification through use of  
3 public agency records from  
4 at least 2 of the programs  
5 or sources of information de-  
6 scribed in subparagraph  
7 (F)(i).

8 “(v) ADDITIONAL SELECTED APPLICA-  
9 TIONS.—A sample for a local educational  
10 agency for a school year under clauses (iii)  
11 and (iv)(III)(AA) shall include the number  
12 of additional randomly selected approved  
13 household applications that are required to  
14 comply with the sample size requirements  
15 in those clauses.

16 “(E) PRELIMINARY REVIEW.—

17 “(i) REVIEW FOR ACCURACY.—

18 “(I) IN GENERAL.—Prior to con-  
19 ducting any other verification activity  
20 for approved household applications  
21 selected for verification, the local edu-  
22 cational agency shall ensure that the  
23 initial eligibility determination for  
24 each approved household application  
25 is reviewed for accuracy by an indi-

1                   vidual other than the individual mak-  
2                   ing the initial eligibility determination,  
3                   unless otherwise determined by the  
4                   Secretary.

5                   “(II) WAIVER.—The require-  
6                   ments of subclause (I) shall be waived  
7                   for a local educational agency if the  
8                   local educational agency is using a  
9                   technology-based solution that dem-  
10                  onstrates a high level of accuracy, to  
11                  the satisfaction of the Secretary, in  
12                  processing an initial eligibility deter-  
13                  mination in accordance with the in-  
14                  come eligibility guidelines of the  
15                  school lunch program.

16                  “(ii) CORRECT ELIGIBILITY DETER-  
17                  MINATION.—If the review indicates that  
18                  the initial eligibility determination is cor-  
19                  rect, the local educational agency shall  
20                  verify the approved household application.

21                  “(iii) INCORRECT ELIGIBILITY DETER-  
22                  MINATION.—If the review indicates that  
23                  the initial eligibility determination is incor-  
24                  rect, the local educational agency shall (as  
25                  determined by the Secretary)—

1                   “(I) correct the eligibility status  
2                   of the household;

3                   “(II) notify the household of the  
4                   change;

5                   “(III) in any case in which the  
6                   review indicates that the household is  
7                   not eligible for free or reduced-price  
8                   meals, notify the household of the rea-  
9                   son for the ineligibility and that the  
10                  household may reapply with income  
11                  documentation for free or reduced-  
12                  price meals; and

13                  “(IV) in any case in which the  
14                  review indicates that the household is  
15                  eligible for free or reduced-price  
16                  meals, verify the approved household  
17                  application.

18                  “(F) DIRECT VERIFICATION.—

19                  “(i) IN GENERAL.—Subject to clauses  
20                  (ii) and (iii), to verify eligibility for free or  
21                  reduced price meals for approved house-  
22                  hold applications selected for verification,  
23                  the local educational agency may (in ac-  
24                  cordance with criteria established by the  
25                  Secretary) first obtain and use income and

1 program participation information from a  
2 public agency administering—

3 “(I) the food stamp program es-  
4 tablished under the Food Stamp Act  
5 of 1977 (7 U.S.C. 2011 et seq.);

6 “(II) the food distribution pro-  
7 gram on Indian reservations estab-  
8 lished under section 4(b) of the Food  
9 Stamp Act of 1977 (7 U.S.C.  
10 2013(b));

11 “(III) the temporary assistance  
12 for needy families program funded  
13 under part A of title IV of the Social  
14 Security Act (42 U.S.C. 601 et seq.);

15 “(IV) the State medicaid pro-  
16 gram under title XIX of the Social  
17 Security Act (42 U.S.C. 1396 et seq.);  
18 or

19 “(V) a similar income-tested pro-  
20 gram or other source of information,  
21 as determined by the Secretary.

22 “(ii) FREE MEALS.—Public agency  
23 records that may be obtained and used  
24 under clause (i) to verify eligibility for free  
25 meals for approved household applications

1 selected for verification shall include the  
2 most recent available information (other  
3 than information reflecting program par-  
4 ticipation or income before the 180-day pe-  
5 riod ending on the date of application for  
6 free meals) that is relied on to  
7 administer—

8 “(I) a program or source of in-  
9 formation described in clause (i)  
10 (other than clause (i)(IV)); or

11 “(II) the State plan for medical  
12 assistance under title XIX of the So-  
13 cial Security Act (42 U.S.C. 1396 et  
14 seq.) in—

15 “(aa) a State in which the  
16 income eligibility limit applied  
17 under section 1902(l)(2)(C) of  
18 that Act (42 U.S.C.  
19 1396a(l)(2)(C)) is not more than  
20 133 percent of the official pov-  
21 erty line described in section  
22 1902(l)(2)(A) of that Act (42  
23 U.S.C. 1396a(l)(2)(A)); or

24 “(bb) a State that otherwise  
25 identifies households that have

1 income that is not more than 133  
2 percent of the official poverty line  
3 described in section  
4 1902(l)(2)(A) of that Act (42  
5 U.S.C. 1396a(l)(2)(A)).

6 “(iii) REDUCED PRICE MEALS.—Pub-  
7 lic agency records that may be obtained  
8 and used under clause (i) to verify eligi-  
9 bility for reduced price meals for approved  
10 household applications selected for  
11 verification shall include the most recent  
12 available information (other than informa-  
13 tion reflecting program participation or in-  
14 come before the 180-day period ending on  
15 the date of application for reduced price  
16 meals) that is relied on to administer—

17 “(I) a program or source of in-  
18 formation described in clause (i)  
19 (other than clause (i)(IV)); or

20 “(II) the State plan for medical  
21 assistance under title XIX of the So-  
22 cial Security Act (42 U.S.C. 1396 et  
23 seq.) in—

24 “(aa) a State in which the  
25 income eligibility limit applied

1 under section 1902(l)(2)(C) of  
2 that Act (42 U.S.C.  
3 1396a(l)(2)(C)) is not more than  
4 185 percent of the official pov-  
5 erty line described in section  
6 1902(l)(2)(A) of that Act (42  
7 U.S.C. 1396a(l)(2)(A)); or

8 “(bb) a State that otherwise  
9 identifies households that have  
10 income that is not more than 185  
11 percent of the official poverty line  
12 described in section  
13 1902(l)(2)(A) of that Act (42  
14 U.S.C. 1396a(l)(2)(A)).

15 “(iv) EVALUATION.—Not later than 3  
16 years after the date of enactment of this  
17 subparagraph, the Secretary shall complete  
18 an evaluation of—

19 “(I) the effectiveness of direct  
20 verification carried out under this  
21 subparagraph in decreasing the por-  
22 tion of the verification sample that  
23 must be verified under subparagraph  
24 (G) while ensuring that adequate

1 verification information is obtained;  
2 and

3 “(II) the feasibility of direct  
4 verification by State agencies and  
5 local educational agencies.

6 “(v) EXPANDED USE OF DIRECT  
7 VERIFICATION.—If the Secretary deter-  
8 mines that direct verification significantly  
9 decreases the portion of the verification  
10 sample that must be verified under sub-  
11 paragraph (G), while ensuring that ade-  
12 quate verification information is obtained,  
13 and can be conducted by most State agen-  
14 cies and local educational agencies, the  
15 Secretary may require a State agency or  
16 local educational agency to implement di-  
17 rect verification through 1 or more of the  
18 programs described in clause (i), as deter-  
19 mined by the Secretary, unless the State  
20 agency or local educational agency dem-  
21 onstrates (under criteria established by the  
22 Secretary) that the State agency or local  
23 educational agency lacks the capacity to  
24 conduct, or is unable to implement, direct  
25 verification.

1 “(G) HOUSEHOLD VERIFICATION.—

2 “(i) IN GENERAL.—If an approved  
3 household application is not verified  
4 through the use of public agency records,  
5 a local educational agency shall provide to  
6 the household written notice that—

7 “(I) the approved household ap-  
8 plication has been selected for  
9 verification; and

10 “(II) the household is required to  
11 submit verification information to con-  
12 firm eligibility for free or reduced  
13 price meals.

14 “(ii) PHONE NUMBER.—The written  
15 notice in clause (i) shall include a toll-free  
16 phone number that parents and legal  
17 guardians in households selected for  
18 verification can call for assistance with the  
19 verification process.

20 “(iii) FOLLOWUP ACTIVITIES.—If a  
21 household does not respond to a  
22 verification request, a local educational  
23 agency shall make at least 1 attempt to ob-  
24 tain the necessary verification from the  
25 household in accordance with guidelines

1 and regulations promulgated by the Sec-  
2 retary.

3 “(iv) CONTRACT AUTHORITY FOR  
4 SCHOOL FOOD AUTHORITIES.—A local edu-  
5 cational agency may contract (under stand-  
6 ards established by the Secretary) with a  
7 third party to assist the local educational  
8 agency in carrying out clause (iii).

9 “(H) VERIFICATION DEADLINE.—

10 “(i) GENERAL DEADLINE.—

11 “(I) IN GENERAL.—Subject to  
12 subclause (II), not later than Novem-  
13 ber 15 of each school year, a local  
14 educational agency shall complete the  
15 verification activities required for the  
16 school year (including followup activi-  
17 ties).

18 “(II) EXTENSION.—Under cri-  
19 teria established by the Secretary, a  
20 State may extend the deadline estab-  
21 lished under subelause (I) for a school  
22 year for a local educational agency to  
23 December 15 of the school year.

24 “(ii) ELIGIBILITY CHANGES.—Based  
25 on the verification activities, the local edu-

1           cational agency shall make appropriate  
2           modifications to the eligibility determina-  
3           tions made for household applications in  
4           accordance with criteria established by the  
5           Secretary.

6           “(I) LOCAL CONDITIONS.—In the case of a  
7           natural disaster, civil disorder, strike, or other  
8           local condition (as determined by the Sec-  
9           retary), the Secretary may substitute alter-  
10          natives for—

11                   “(i) the sample size and sample selec-  
12                   tion criteria established under subpara-  
13                   graph (D); and

14                   “(ii) the verification deadline estab-  
15                   lished under subparagraph (H).

16          “(J) INDIVIDUAL REVIEW.—In accordance  
17          with criteria established by the Secretary, the  
18          local educational agency may, on individual  
19          review—

20                   “(i) decline to verify no more than 5  
21                   percent of approved household applications  
22                   selected under subparagraph (D); and

23                   “(ii) replace the approved household  
24                   applications with other approved household  
25                   applications to be verified.

1 “(K) FEASIBILITY STUDY.—

2 “(i) IN GENERAL.—The Secretary  
3 shall conduct a study of the feasibility of  
4 using computer technology (including data  
5 mining) to reduce—

6 “(I) overcertification errors in  
7 the school lunch program under this  
8 Act;

9 “(II) waste, fraud, and abuse in  
10 connection with this paragraph; and

11 “(III) errors, waste, fraud, and  
12 abuse in other nutrition programs, as  
13 determined to be appropriate by the  
14 Secretary.

15 “(ii) REPORT.—Not later than 180  
16 days after the date of enactment of this  
17 paragraph, the Secretary shall submit to  
18 the Committee on Education and the  
19 Workforce of the House of Representatives  
20 and the Committee on Agriculture, Nutri-  
21 tion, and Forestry of the Senate a report  
22 describing—

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

1                   “(II) how a computer system  
2                   using technology described in clause  
3                   (i) could be implemented;

4                   “(III) a plan for implementation;  
5                   and

6                   “(IV) proposed legislation, if nec-  
7                   essary, to implement the system.”.

8           (b)       CONFORMING        AMENDMENTS.—Section  
9   1902(a)(7) of the Social Security Act (42 U.S.C.  
10 1396a(a)(7)) is amended—

11           (1) by striking “connected with the” and insert-  
12           ing “connected with—

13                   “(A) the”;

14           (2) by adding “and” after the semicolon; and

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

16                   “(B) at State option, the exchange of in-  
17                   formation necessary to verify the certification of  
18                   eligibility of children for free or reduced price  
19                   breakfasts under the Child Nutrition Act of  
20                   1966 and free or reduced price lunches under  
21                   the Richard B. Russell National School Lunch  
22                   Act, in accordance with section 9(b) of that  
23                   Act, using data standards and formats estab-  
24                   lished by the State agency;”.

25           (c) EVALUATION FUNDING.—



1 “(B) REDUCED PRICE LUNCHES.—

2 “(i) IN GENERAL.—Any”;

3 (3) by striking “The” in the last sentence and  
4 inserting the following:

5 “(ii) MAXIMUM PRICE.—The”; and

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

7 “(C) DURATION.—Except as otherwise  
8 specified in paragraph (3)(E), (3)(H)(ii), and  
9 section 11(a), eligibility for free or reduced  
10 price meals for any school year shall remain in  
11 effect—

12 “(i) beginning on the date of eligi-  
13 bility approval for the current school year;  
14 and

15 “(ii) ending on a date during the sub-  
16 sequent school year determined by the Sec-  
17 retary.”.

18 **SEC. 107. RUNAWAY, HOMELESS, AND MIGRANT YOUTH.**

19 (a) CATEGORICAL ELIGIBILITY FOR FREE LUNCHES  
20 AND BREAKFASTS.—Section 9(b)(12)(A) of the Richard  
21 B. Russell National School Lunch Act (as redesignated  
22 by section 104(a)(1) of this Act) is amended—

23 (1) in clause (ii), by striking “or” at the end;

24 (2) in clause (iii), by striking the period at the  
25 end and inserting a semicolon; and

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

2 “(iv) a homeless child or youth (defined as  
3 1 of the individuals described in section 725(2)  
4 of the McKinney-Vento Homeless Assistance  
5 Act (42 U.S.C. 11434a(2));

6 “(v) served by the runaway and homeless  
7 youth grant program established under the  
8 Runaway and Homeless Youth Act (42 U.S.C.  
9 5701 et seq.); or

10 “(vi) a migratory child (as defined in sec-  
11 tion 1309 of the Elementary and Secondary  
12 Education Act of 1965 (20 U.S.C. 6399)).”.

13 (b) DOCUMENTATION.—Section 9(d)(2) of the Rich-  
14 ard B. Russell National School Lunch Act (42 U.S.C.  
15 1758(d)(2)) is amended—

16 (1) in subparagraph (B), by striking “or”;

17 (2) in subparagraph (C), by striking the period  
18 at the end and inserting a semicolon; and

19 (3) by inserting after subparagraph (C) the fol-  
20 lowing:

21 “(D) documentation has been provided to the  
22 appropriate local educational agency showing that  
23 the child meets the criteria specified in clauses (iv)  
24 or (v) of subsection (b)(12)(A); or



1           (1) by redesignating paragraph (8) as para-  
2           graph (3) and moving the paragraph to appear after  
3           paragraph (2);

4           (2) by redesignating paragraphs (3) through  
5           (7) (as those paragraphs existed before the amend-  
6           ment made by paragraph (1)) as paragraphs (5)  
7           through (9), respectively; and

8           (3) by inserting after paragraph (3) (as redesign-  
9           ated by paragraph (1)) the following:

10           “(4) LOCAL EDUCATIONAL AGENCY.—

11                   “(A) IN GENERAL.—The term ‘local edu-  
12                   cational agency’ has the meaning given the  
13                   term in section 9101 of the Elementary and  
14                   Secondary Education Act of 1965 (20 U.S.C.  
15                   7801).

16                   “(B) INCLUSION.—The term ‘local edu-  
17                   cational agency’ includes, in the case of a pri-  
18                   vate nonprofit school, an appropriate entity de-  
19                   termined by the Secretary.”.

20           (c) SCHOOL BREAKFAST PROGRAM.—Section  
21           4(b)(1)(E)) of the Child Nutrition Act of 1966 (42 U.S.C.  
22           1773(b)(1)(E)) is amended by striking “school food au-  
23           thority” each place it appears and inserting “local edu-  
24           cational agency”.

1 **SEC. 109. EXCLUSION OF MILITARY HOUSING ALLOW-**  
2 **ANCES.**

3 Section 9(b) of the Richard B. Russell National  
4 School Lunch Act (42 U.S.C. 1758(b)) (as amended by  
5 section 104(a)(1)) is amended in paragraph (13) by strik-  
6 ing “For each of fiscal years 2002 and 2003 and through  
7 June 30, 2004, the” and inserting “The”.

8 **SEC. 110. WAIVER OF REQUIREMENT FOR WEIGHTED AVER-**  
9 **AGES FOR NUTRIENT ANALYSIS.**

10 Section 9(f)(5) of the Richard B. Russell National  
11 School Lunch Act (42 U.S.C. 1758(f)(5)) is amended by  
12 striking “September 30, 2003” and inserting “September  
13 30, 2009”.

14 **SEC. 111. FOOD SAFETY.**

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

17 (1) in the subsection heading, by striking “IN-  
18 SPECTIONS”;

19 (2) in paragraph (1)—

20 (A) by striking “Except as provided in  
21 paragraph (2), a” and inserting “A”;

22 (B) by striking “shall, at least once” and  
23 inserting: “shall—

24 “(A) at least twice”;

25 (C) by striking the period at the end and  
26 inserting a semicolon; and

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

2 “(B) post in a publicly visible location a  
3 report on the most recent inspection conducted  
4 under subparagraph (A); and

5 “(C) on request, provide a copy of the re-  
6 port to a member of the public.”; and

7 (3) by striking paragraph (2) and inserting the  
8 following:

9 “(2) STATE AND LOCAL GOVERNMENT INSPEC-  
10 TIONS.—Nothing in paragraph (1) prevents any  
11 State or local government from adopting or enforce-  
12 ing any requirement for more frequent food safety  
13 inspections of schools.

14 “(3) AUDITS AND REPORTS BY STATES.—For  
15 each of fiscal years 2006 through 2009, each State  
16 shall annually—

17 “(A) audit food safety inspections of  
18 schools conducted under paragraphs (1) and  
19 (2); and

20 “(B) submit to the Secretary a report of  
21 the results of the audit.

22 “(4) AUDIT BY THE SECRETARY.—For each of  
23 fiscal years 2006 through 2009, the Secretary shall  
24 annually audit State reports of food safety inspec-  
25 tions of schools submitted under paragraph (3).

1           “(5) SCHOOL FOOD SAFETY PROGRAM.—Each  
2 school food authority shall implement a school food  
3 safety program, in the preparation and service of  
4 each meal served to children, that complies with any  
5 hazard analysis and critical control point system es-  
6 tablished by the Secretary.”.

7 **SEC. 112. PURCHASES OF LOCALLY PRODUCED FOODS.**

8           Section 9(j)(2)(A) of the Richard B. Russell National  
9 School Lunch Act (42 U.S.C. 1758(j)(2)(A)) is amended  
10 by striking “2007” and inserting “2009”.

11 **SEC. 113. SPECIAL ASSISTANCE.**

12           Section 11(a)(1) of the Richard B. Russell National  
13 School Lunch Act (42 U.S.C. 1759a(a)(1)) is amended by  
14 inserting “or school district” after “school” each place it  
15 appears in subparagraphs (C) through (E) (other than as  
16 part of “school year”, “school years”, “school lunch”,  
17 “school breakfast”, and “4-school-year period”).

18 **SEC. 114. FOOD AND NUTRITION PROJECTS INTEGRATED**  
19 **WITH ELEMENTARY SCHOOL CURRICULA.**

20           Section 12 of the Richard B. Russell National School  
21 Lunch Act (42 U.S.C. 1760) is amended by striking sub-  
22 section (m).

1 **SEC. 115. PROCUREMENT TRAINING.**

2 Section 12 of the Richard B. Russell National School  
3 Lunch Act (42 U.S.C. 1760) (as amended by section 114)  
4 is amended by inserting after subsection (l) the following:

5 “(m) PROCUREMENT TRAINING.—

6 “(1) IN GENERAL.—Subject to the availability  
7 of funds made available under paragraph (4), the  
8 Secretary shall provide technical assistance and  
9 training to States, State agencies, schools, and  
10 school food authorities in the procurement of goods  
11 and services for programs under this Act or the  
12 Child Nutrition Act of 1966 (42 U.S.C. 1771 et  
13 seq.) (other than section 17 of that Act (42 U.S.C.  
14 1786)).

15 “(2) BUY AMERICAN TRAINING.—Activities car-  
16 ried out under paragraph (1) shall include technical  
17 assistance and training to ensure compliance with  
18 subsection (n).

19 “(3) PROCURING SAFE FOODS.—Activities car-  
20 ried out under paragraph (1) shall include technical  
21 assistance and training on procuring safe foods, in-  
22 cluding the use of model specifications for procuring  
23 safe foods.

24 “(4) AUTHORIZATION OF APPROPRIATIONS.—  
25 There is authorized to be appropriated to carry out  
26 this subsection \$1,000,000 for each of fiscal years

1 2005 through 2009, to remain available until ex-  
2 pended.”.

3 **SEC. 116. SUMMER FOOD SERVICE PROGRAM FOR CHIL-**  
4 **DREN.**

5 (a) SEAMLESS SUMMER OPTION.—Section 13(a) of  
6 the Richard B. Russell National School Lunch Act (42  
7 U.S.C. 1761(a)) is amended by adding at the end the fol-  
8 lowing:

9 “(8) SEAMLESS SUMMER OPTION.—Except as  
10 otherwise determined by the Secretary, a service in-  
11 stitution that is a public or private nonprofit school  
12 food authority may provide summer or school vaca-  
13 tion food service in accordance with applicable provi-  
14 sions of law governing the school lunch program es-  
15 tablished under this Act or the school breakfast pro-  
16 gram established under the Child Nutrition Act of  
17 1966 (42 U.S.C. 1771 et seq.).”.

18 (b) SEAMLESS SUMMER REIMBURSEMENTS.—Sec-  
19 tion 13(b)(1) of the Richard B. Russell National School  
20 Lunch Act (42 U.S.C. 1761(b)(1)) is amended by adding  
21 at the end the following:

22 “(D) SEAMLESS SUMMER REIMBURSE-  
23 MENTS.—A service institution described in sub-  
24 section (a)(8) shall be reimbursed for meals and  
25 meal supplements in accordance with the appli-

1 cable provisions under this Act (other than sub-  
2 paragraphs (A), (B), and (C) of this paragraph  
3 and paragraph (4)) and the Child Nutrition Act  
4 of 1966 (42 U.S.C. 1771 et seq.), as deter-  
5 mined by the Secretary.”.

6 (c) SUMMER FOOD SERVICE ELIGIBILITY CRI-  
7 TERIA.—Section 13(a) of the Richard B. Russell National  
8 School Lunch Act (42 U.S.C. 1761(a)) (as amended by  
9 subsection (a)) is amended by adding at the end the  
10 following—

11 “(9) EXEMPTION.—

12 “(A) IN GENERAL.—For each of calendar  
13 years 2005 and 2006 in rural areas of the State  
14 of Pennsylvania (as determined by the Sec-  
15 retary), the threshold for determining ‘areas in  
16 which poor economic conditions exist’ under  
17 paragraph (1)(C) shall be 40 percent.

18 “(B) EVALUATION.—

19 “(i) IN GENERAL.—The Secretary,  
20 acting through the Administrator of the  
21 Food and Nutrition Service, shall evaluate  
22 the impact of the eligibility criteria de-  
23 scribed in subparagraph (A) as compared  
24 to the eligibility criteria described in para-  
25 graph (1)(C).

1                   “(ii) IMPACT.—The evaluation shall  
2 assess the impact of the threshold in sub-  
3 paragraph (A) on—

4                   “(I) the number of sponsors of-  
5 fering meals through the summer food  
6 service program;

7                   “(II) the number of sites offering  
8 meals through the summer food serv-  
9 ice program;

10                  “(III) the geographic location of  
11 the sites;

12                  “(IV) services provided to eligible  
13 children; and

14                  “(V) other factors determined by  
15 the Secretary.

16                  “(iii) REPORT.—Not later than Janu-  
17 ary 1, 2008, the Secretary shall submit to  
18 the Committee on Education and the  
19 Workforce of the House of Representatives  
20 and the Committee on Agriculture, Nutri-  
21 tion, and Forestry of the Senate a report  
22 describing the results of the evaluation  
23 under this subparagraph.

24                  “(iv) FUNDING.—

1                   “(I) IN GENERAL.—On January  
2                   1, 2005, out of any funds in the  
3                   Treasury not otherwise appropriated,  
4                   the Secretary of the Treasury shall  
5                   transfer to the Secretary of Agri-  
6                   culture to carry out this subparagraph  
7                   \$400,000, to remain available until  
8                   expended.

9                   “(II) RECEIPT AND ACCEPT-  
10                  ANCE.—The Secretary shall be enti-  
11                  tled to receive, shall accept, and shall  
12                  use to carry out this subparagraph  
13                  the funds transferred under subclause  
14                  (I), without further appropriation.”.

15           (d) SUMMER FOOD SERVICE RURAL TRANSPOR-  
16           TATION.—Section 13(a) of the Richard B. Russell Na-  
17           tional School Lunch Act (42 U.S.C. 1761(a)) (as amended  
18           by subsection (c)) is amended by adding at the end the  
19           following:

20                   “(10) SUMMER FOOD SERVICE RURAL TRANS-  
21           PORTATION.—

22                   “(A) IN GENERAL.—The Secretary shall  
23                   provide grants, through not more than 5 eligible  
24                   State agencies selected by the Secretary, to not  
25                   more than 60 eligible service institutions se-

1 lected by the Secretary to increase participation  
2 at congregate feeding sites in the summer food  
3 service program for children authorized by this  
4 section through innovative approaches to lim-  
5 ited transportation in rural areas.

6 “(B) ELIGIBILITY.—To be eligible to re-  
7 ceive a grant under this paragraph—

8 “(i) a State agency shall submit an  
9 application to the Secretary, in such man-  
10 ner as the Secretary shall establish, and  
11 meet criteria established by the Secretary;  
12 and

13 “(ii) a service institution shall agree  
14 to the terms and conditions of the grant,  
15 as established by the Secretary.

16 “(C) DURATION.—A service institution  
17 that receives a grant under this paragraph may  
18 use the grant funds during the 3-fiscal year pe-  
19 riod beginning in fiscal year 2005.

20 “(D) REPORTS.—The Secretary shall sub-  
21 mit to the Committee on Education and the  
22 Workforce of the House of Representatives and  
23 the Committee on Agriculture, Nutrition, and  
24 Forestry of the Senate—

1                   “(i) not later than January 1, 2007,  
2                   an interim report that describes—

3                               “(I) the use of funds made avail-  
4                               able under this paragraph; and

5                               “(II) any progress made by using  
6                               funds from each grant provided under  
7                               this paragraph; and

8                   “(ii) not later than January 1, 2008,  
9                   a final report that describes—

10                               “(I) the use of funds made avail-  
11                               able under this paragraph;

12                               “(II) any progress made by using  
13                               funds from each grant provided under  
14                               this paragraph;

15                               “(III) the impact of this para-  
16                               graph on participation in the summer  
17                               food service program for children au-  
18                               thorized by this section; and

19                               “(IV) any recommendations by  
20                               the Secretary concerning the activities  
21                               of the service institutions receiving  
22                               grants under this paragraph.

23                   “(E) FUNDING.—

24                               “(i) IN GENERAL.—Out of any funds  
25                               in the Treasury not otherwise appro-

1           appropriated, the Secretary of the Treasury  
2           shall transfer to the Secretary of Agri-  
3           culture to carry out this paragraph—

4                       “(I) on October 1, 2005,  
5                       \$2,000,000; and

6                       “(II) on October 1, 2006, and  
7                       October 1, 2007, \$1,000,000.

8                       “(ii) RECEIPT AND ACCEPTANCE.—  
9           The Secretary shall be entitled to receive,  
10          shall accept, and shall use to carry out this  
11          paragraph the funds transferred under  
12          clause (i), without further appropriation.

13                      “(iii) AVAILABILITY OF FUNDS.—  
14          Funds transferred under clause (i) shall  
15          remain available until expended.

16                      “(iv) REALLOCATION.—The Secretary  
17          may reallocate any amounts made available  
18          to carry out this paragraph that are not  
19          obligated or expended, as determined by  
20          the Secretary.”.

21          (e) REAUTHORIZATION.—Section 13(q) of the Rich-  
22          ard B. Russell National School Lunch Act (42 U.S.C.  
23          1761(q)) is amended by striking “June 30, 2004” and in-  
24          serting “September 30, 2009”.

25          (f) SIMPLIFIED SUMMER FOOD PROGRAMS.—

1           (1) DEFINITION OF ELIGIBLE STATE.—Section  
2           18(f) of the Richard B. Russell National School  
3           Lunch Act (42 U.S.C. 1769(f)) is amended by strik-  
4           ing paragraph (1) and inserting the following:

5           “(1) DEFINITION OF ELIGIBLE STATE.—In this  
6           subsection, the term ‘eligible State’ means—

7           “(A) a State participating in the program  
8           under this subsection as of May 1, 2004; and

9           “(B) a State in which (based on data  
10          available in April 2004)—

11          “(i) the percentage obtained by  
12          dividing—

13                 “(I) the sum of—

14                         “(aa) the average daily num-  
15                         ber of children attending the  
16                         summer food service program in  
17                         the State in July 2003; and

18                         “(bb) the average daily  
19                         number of children receiving free  
20                         or reduced price meals under the  
21                         school lunch program in the  
22                         State in July 2003; by

23                 “(II) the average daily number of  
24                         children receiving free or reduced  
25                         price meals under the school lunch

1 program in the State in March 2003;

2 is less than

3 “(ii) 66.67 percent of the percentage

4 obtained by dividing—

5 “(I) the sum of—

6 “(aa) the average daily num-

7 ber of children attending the

8 summer food service program in

9 all States in July 2003; and

10 “(bb) the average daily

11 number of children receiving free

12 or reduced price meals under the

13 school lunch program in all

14 States in July 2003; by

15 “(II) the average daily number of

16 children receiving free or reduced

17 price meals under the school lunch

18 program in all States in March

19 2003.”.

20 (2) DURATION.—Section 18(f)(2) of the Rich-

21 ard B. Russell National School Lunch Act (42

22 U.S.C. 1769(f)(2)) is amended by striking “During

23 the period beginning October 1, 2000, and ending

24 June 30, 2004, the” and inserting “The”.

1           (3) PRIVATE NONPROFIT ORGANIZATIONS.—  
2           Section 18(f)(3) of the Richard B. Russell National  
3           School Lunch Act (42 U.S.C. 1769(f)(3)) is amend-  
4           ed in subparagraphs (A) and (B) by striking “(other  
5           than a service institution described in section  
6           13(a)(7))” both places it appears.

7           (4) REPORT.—Section 18(f) of the Richard B.  
8           Russell National School Lunch Act (42 U.S.C.  
9           1769(f)) is amended by striking paragraph (6) and  
10          inserting the following:

11           “(6) REPORT.—Not later than April 30, 2007,  
12          the Secretary shall submit to the Committee on  
13          Education and the Workforce of the House of Rep-  
14          resentatives and the Committee on Agriculture, Nu-  
15          trition, and Forestry of the Senate a report that  
16          includes—

17           “(A) the evaluations completed by the Sec-  
18          retary under paragraph (5); and

19           “(B) any recommendations of the Sec-  
20          retary concerning the programs.”.

21          (5) CONFORMING AMENDMENTS.—Section 18(f)  
22          of the Richard B. Russell National School Lunch  
23          Act (42 U.S.C. 1769(f)) is amended—

24           (A) by striking the subsection heading and  
25          inserting the following:

1 “(f) SIMPLIFIED SUMMER FOOD PROGRAMS.—”;  
2 (B) in paragraph (2)—  
3 (i) by striking the paragraph heading  
4 and inserting the following:  
5 “(2) PROGRAMS.—”; and  
6 (ii) by striking “pilot project” and in-  
7 serting “program”;  
8 (C) in subparagraph (A) and (B) of para-  
9 graph (3), by striking “pilot project” both  
10 places it appears and inserting “program”; and  
11 (D) in paragraph (5)—  
12 (i) in the paragraph heading by strik-  
13 ing “PILOT PROJECTS” and inserting  
14 “PROGRAMS”; and  
15 (ii) by striking “pilot project” each  
16 place it appears and inserting “program”.

17 **SEC. 117. COMMODITY DISTRIBUTION PROGRAM.**

18 Section 14(a) of the Richard B. Russell National  
19 School Lunch Act (42 U.S.C. 1762a(a)) is amended by  
20 striking “, during the period beginning July 1, 1974, and  
21 ending June 30, 2004,”.

22 **SEC. 118. NOTICE OF IRRADIATED FOOD PRODUCTS.**

23 Section 14 of the Richard B. Russell National School  
24 Lunch Act (42 U.S.C. 1762a) is amended by adding at  
25 the end the following:

1 “(h) NOTICE OF IRRADIATED FOOD PRODUCTS.—

2 “(1) IN GENERAL.—The Secretary shall develop  
3 a policy and establish procedures for the purchase  
4 and distribution of irradiated food products in school  
5 meals programs under this Act and the Child Nutri-  
6 tion Act of 1966 (42 U.S.C. 1771 et seq.).

7 “(2) MINIMUM REQUIREMENTS.—The policy  
8 and procedures shall ensure, at a minimum, that—

9 “(A) irradiated food products are made  
10 available only at the request of States and  
11 school food authorities;

12 “(B) reimbursements to schools for irradi-  
13 ated food products are equal to reimbursements  
14 to schools for food products that are not irradi-  
15 ated;

16 “(C) States and school food authorities are  
17 provided factual information on the science and  
18 evidence regarding irradiation technology,  
19 including—

20 “(i) notice that irradiation is not a  
21 substitute for safe food handling tech-  
22 niques; and

23 “(ii) any other similar information de-  
24 termined by the Secretary to be necessary

1 to promote food safety in school meals pro-  
2 grams;

3 “(D) States and school food authorities are  
4 provided model procedures for providing to  
5 school food authorities, parents, and students—

6 “(i) factual information on the science  
7 and evidence regarding irradiation tech-  
8 nology; and

9 “(ii) any other similar information de-  
10 termined by the Secretary to be necessary  
11 to promote food safety in school meals;

12 “(E) irradiated food products distributed  
13 to the Federal school meals program under this  
14 Act and the Child Nutrition Act of 1966 (42  
15 U.S.C. 1771 et seq.) are labeled with a symbol  
16 or other printed notice that—

17 “(i) indicates that the product was ir-  
18 radiated; and

19 “(ii) is prominently displayed in a  
20 clear and understandable format on the  
21 container;

22 “(F) irradiated food products are not com-  
23 mingled in containers with food products that  
24 are not irradiated; and

1           “(G) schools that offer irradiated food  
2           products are encouraged to offer alternatives to  
3           irradiated food products as part of the meal  
4           plan used by the schools.”.

5 **SEC. 119. CHILD AND ADULT CARE FOOD PROGRAM.**

6           (a) DEFINITION OF INSTITUTION.—

7           (1) IN GENERAL.—Section 17(a)(2)(B)(i) of the  
8           Richard B. Russell National School Lunch Act (42  
9           U.S.C. 1766(a)(2)(B)(i)) is amended by striking  
10          “during” and all that follows through “2004,”.

11          (2) CONFORMING AMENDMENT.—Section 17 of  
12          the Richard B. Russell National School Lunch Act  
13          (42 U.S.C. 1766) is amended by striking subsection  
14          (p).

15          (b) DURATION OF DETERMINATION AS TIER I FAM-  
16          ILY OR GROUP DAY CARE HOME.—Section  
17          17(f)(3)(E)(iii) of the Richard B. Russell National School  
18          Lunch Act (42 U.S.C. 1766(f)(3)(E)(iii)) is amended by  
19          striking “3 years” and inserting “5 years”.

20          (c) AUDITS.—Section 17(i) of the Richard B. Russell  
21          National School Lunch Act (42 U.S.C. 1766(i)) is amend-  
22          ed by striking “(i) The” and inserting the following:

23          “(i) AUDITS.—

24                  “(1) DISREGARDS.—

1           “(A) IN GENERAL.—Subject to subpara-  
2 graph (B), in conducting management evalua-  
3 tions, reviews, or audits under this section, the  
4 Secretary or a State agency may disregard any  
5 overpayment to an institution for a fiscal year  
6 if the total overpayment to the institution for  
7 the fiscal year does not exceed an amount that  
8 is consistent with the disregards allowed in  
9 other programs under this Act and recognizes  
10 the cost of collecting small claims, as deter-  
11 mined by the Secretary.

12           “(B) CRIMINAL OR FRAUD VIOLATIONS.—  
13 In carrying out this paragraph, the Secretary  
14 and a State agency shall not disregard any  
15 overpayment for which there is evidence of a  
16 violation of a criminal law or civil fraud law.

17           “(2) FUNDING.—The”.

18           (d) DURATION OF AGREEMENTS.—Section 17(j) of  
19 the Richard B. Russell National School Lunch Act (42  
20 U.S.C. 1766(j)) is amended—

21           (1) by striking “(j) The” and inserting the fol-  
22 lowing:

23           “(j) AGREEMENTS.—

24           “(1) IN GENERAL.—The”; and

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

1           “(2) DURATION.—An agreement under para-  
2           graph (1) shall remain in effect until terminated by  
3           either party to the agreement.”.

4           (e) RURAL AREA ELIGIBILITY DETERMINATION FOR  
5 DAY CARE HOMES.—Section 17 of the Richard B. Russell  
6 National School Lunch Act (42 U.S.C. 1766) (as amended  
7 by subsection (a)(2)) is amended by inserting after sub-  
8 section (o) the following:

9           “(p) RURAL AREA ELIGIBILITY DETERMINATION  
10 FOR DAY CARE HOMES.—

11           “(1) DEFINITION OF SELECTED TIER I FAMILY  
12 OR GROUP DAY CARE HOME.—In this subsection, the  
13 term ‘selected tier I family or group day care home’  
14 means a family or group day home that meets the  
15 definition of tier I family or group day care home  
16 under subclause (I) of subsection (f)(3)(A)(ii) except  
17 that items (aa) and (bb) of that subclause shall be  
18 applied by substituting ‘40 percent’ for ‘50 percent’.

19           “(2) ELIGIBILITY.—For each of fiscal years  
20 2006 and 2007, in rural areas of the State of Ne-  
21 braska (as determined by the Secretary), the Sec-  
22 retary shall provide reimbursement to selected tier I  
23 family or group day care homes (as defined in para-  
24 graph (1)) under subsection (f)(3) in the same man-

1           ner as tier I family or group day care homes (as de-  
2           fined in subsection (f)(3)(A)(ii)(I)).

3           “(3) EVALUATION.—

4                   “(A) IN GENERAL.—The Secretary, acting  
5           through the Administrator of the Food and Nu-  
6           trition Service, shall evaluate the impact of the  
7           eligibility criteria described in paragraph (2) as  
8           compared to the eligibility criteria described in  
9           subsection (f)(3)(A)(ii)(I).

10                   “(B) IMPACT.—The evaluation shall assess  
11           the impact of the change in eligibility require-  
12           ments on—

13                           “(i) the number of family or group  
14                           day care homes offering meals under this  
15                           section;

16                           “(ii) the number of family or group  
17                           day care homes offering meals under this  
18                           section that are defined as tier I family or  
19                           group day care homes as a result of para-  
20                           graph (1) that otherwise would be defined  
21                           as tier II family or group day care homes  
22                           under subsection (f)(3)(A)(iii);

23                           “(iii) the geographic location of the  
24                           family or group day care homes;

1                   “(iv) services provided to eligible chil-  
2                   dren; and

3                   “(v) other factors determined by the  
4                   Secretary.

5                   “(C) REPORT.—Not later than March 31,  
6                   2008, the Secretary shall submit to the Com-  
7                   mittee on Education and the Workforce of the  
8                   House of Representatives and the Committee  
9                   on Agriculture, Nutrition, and Forestry of the  
10                  Senate a report describing the results of the  
11                  evaluation under this subsection.

12                  “(D) FUNDING.—

13                         “(i) IN GENERAL.—On October 1,  
14                         2005, out of any funds in the Treasury not  
15                         otherwise appropriated, the Secretary of  
16                         the Treasury shall transfer to the Sec-  
17                         retary of Agriculture to carry out this  
18                         paragraph \$400,000, to remain available  
19                         until expended.

20                         “(ii) RECEIPT AND ACCEPTANCE.—  
21                         The Secretary shall be entitled to receive,  
22                         shall accept, and shall use to carry out this  
23                         paragraph the funds transferred under  
24                         clause (i), without further appropriation.”.

1 (f) MANAGEMENT SUPPORT.—Section 17(q)(3) of the  
2 Richard B. Russell National School Lunch Act (42 U.S.C.  
3 1766(q)(3)) is amended by striking “1999 through 2003”  
4 and inserting “2005 and 2006”.

5 (g) AGE LIMITS.—Section 17(t)(5)(A)(i) of the Rich-  
6 ard B. Russell National School Lunch Act (42 U.S.C.  
7 1766(t)(5)(A)(i) is amended—

8 (1) in subclause (I)—

9 (A) by striking “12” and inserting “18”;

10 and

11 (B) by inserting “or” after the semicolon;

12 (2) by striking subclause (II); and

13 (3) by redesignating subclause (III) as sub-  
14 clause (II).

15 (h) TECHNICAL AMENDMENTS.—Section 17 of the  
16 Richard B. Russell National School Lunch Act (42 U.S.C.  
17 1766) is amended—

18 (1) in subsection (a)(6)(B), by inserting “and  
19 adult” after “child”; and

20 (2) in subsection (t)(3), by striking “subsection  
21 (a)(1)” and inserting “subsection (a)(5)”.

22 (i) PAPERWORK REDUCTION.—The Secretary of Ag-  
23 riculture, in conjunction with States and participating in-  
24 stitutions, shall examine the feasibility of reducing paper-  
25 work resulting from regulations and recordkeeping re-

1 quirements for State agencies, family child care homes,  
2 child care centers, and sponsoring organizations partici-  
3 pating in the child and adult care food program estab-  
4 lished under section 17 of the Richard B. Russell National  
5 School Lunch Act (42 U.S.C. 1766).

6 (j) EARLY CHILD NUTRITION EDUCATION.—

7 (1) IN GENERAL.—Subject to the availability of  
8 funds made available under paragraph (6), for a pe-  
9 riod of 4 successive years, the Secretary of Agri-  
10 culture shall award to 1 or more entities with exper-  
11 tise in designing and implementing health education  
12 programs for limited-English-proficient individuals 1  
13 or more grants to enhance obesity prevention activi-  
14 ties for child care centers and sponsoring organiza-  
15 tions providing services to limited-English-proficient  
16 individuals through the child and adult care food  
17 program under section 17 of the Richard B. Russell  
18 National School Lunch Act (42 U.S.C. 1766) in  
19 each of 4 States selected by the Secretary in accord-  
20 ance with paragraph (2).

21 (2) STATES.—The Secretary shall provide  
22 grants under this subsection in States that have ex-  
23 perience a growth in the limited-English-proficient  
24 population of the States of at least 100 percent be-

1           tween the years 1990 and 2000, as measured by the  
2           census.

3           (3) REQUIRED ACTIVITIES.—Activities carried  
4           out under paragraph (1) shall include—

5                   (A) developing an interactive and com-  
6                   prehensive tool kit for use by lay health edu-  
7                   cators and training activities;

8                   (B) conducting training and providing on-  
9                   going technical assistance for lay health edu-  
10                  cators; and

11                  (C) establishing collaborations with child  
12                  care centers and sponsoring organizations par-  
13                  ticipating in the child and adult care food pro-  
14                  gram under section 17 of the Richard B. Rus-  
15                  sell National School Lunch Act (42 U.S.C.  
16                  1766) to—

17                          (i) identify limited-English-proficient  
18                          children and families; and

19                          (ii) enhance the capacity of the child  
20                          care centers and sponsoring organizations  
21                          to use appropriate obesity prevention strat-  
22                          egies.

23           (4) EVALUATION.—Each grant recipient shall  
24           identify an institution of higher education to conduct

1 an independent evaluation of the effectiveness of the  
2 grant.

3 (5) REPORT.—The Secretary shall submit to  
4 the Committee on Education and the Workforce of  
5 the House of Representatives, and the Committee on  
6 Agriculture, Nutrition, and Forestry and the Com-  
7 mittee on Health, Education, Labor, and Pensions,  
8 of the Senate a report that includes—

9 (A) the evaluation completed by the insti-  
10 tution of higher education under paragraph (4);

11 (B) the effectiveness of lay health edu-  
12 cators in reducing childhood obesity; and

13 (C) any recommendations of the Secretary  
14 concerning the grants.

15 (6) AUTHORIZATION OF APPROPRIATIONS.—  
16 There are authorized to be appropriated to carry out  
17 this subsection \$250,000 for each of fiscal years  
18 2005 through 2009.

19 **SEC. 120. FRESH FRUIT AND VEGETABLE PROGRAM.**

20 Section 18 of the Richard B. Russell National School  
21 Lunch Act (42 U.S.C. 1769) is amended by striking sub-  
22 section (g) and inserting the following:

23 “(g) FRESH FRUIT AND VEGETABLE PROGRAM.—

24 “(1) IN GENERAL.—For the school year begin-  
25 ning July 2004 and each subsequent school year, the

1 Secretary shall carry out a program to make free  
2 fresh fruits and vegetables available, to the max-  
3 imum extent practicable, to—

4 “(A) 25 elementary or secondary schools in  
5 each of the 4 States authorized to participate in  
6 the program under this subsection on May 1,  
7 2004;

8 “(B) 25 elementary or secondary schools  
9 (as selected by the Secretary in accordance with  
10 paragraph (3)) in each of 4 States (including a  
11 State for which funds were allocated under the  
12 program described in paragraph (3)(B)(ii)) that  
13 are not participating in the program under this  
14 subsection on May 1, 2004; and

15 “(C) 25 elementary or secondary schools  
16 operated on 3 Indian reservations (including the  
17 reservation authorized to participate in the pro-  
18 gram under this subsection on May 1, 2004), as  
19 selected by the Secretary.

20 “(2) PROGRAM.—A school participating in the  
21 program shall make free fresh fruits and vegetables  
22 available to students throughout the school day in 1  
23 or more areas designated by the school.

24 “(3) SELECTION OF SCHOOLS.—

1           “(A) IN GENERAL.—Except as provided in  
2           subparagraph (B), in selecting additional  
3           schools to participate in the program under  
4           paragraph (1)(B), the Secretary shall—

5                   “(i) to the maximum extent prac-  
6                   ticable, ensure that the majority of schools  
7                   selected are those in which not less than  
8                   50 percent of students are eligible for free  
9                   or reduced price meals under this Act;

10                   “(ii) solicit applications from inter-  
11                   ested schools that include—

12                           “(I) information pertaining to  
13                           the percentage of students enrolled in  
14                           the school submitting the application  
15                           who are eligible for free or reduced  
16                           price school lunches under this Act;

17                           “(II) a certification of support  
18                           for participation in the program  
19                           signed by the school food manager,  
20                           the school principal, and the district  
21                           superintendent (or equivalent posi-  
22                           tions, as determined by the school);  
23                           and

24                           “(III) such other information as  
25                           may be requested by the Secretary;

1                   “(iii) for each application received, de-  
2                   termine whether the application is from a  
3                   school in which not less than 50 percent of  
4                   students are eligible for free or reduced  
5                   price meals under this Act; and

6                   “(iv) give priority to schools that sub-  
7                   mit a plan for implementation of the pro-  
8                   gram that includes a partnership with 1 or  
9                   more entities that provide non-Federal re-  
10                  sources (including entities representing the  
11                  fruit and vegetable industry) for—

12                   “(I) the acquisition, handling,  
13                   promotion, or distribution of fresh  
14                   and dried fruits and fresh vegetables;  
15                   or

16                   “(II) other support that contrib-  
17                   utes to the purposes of the program.

18                   “(B) NONAPPLICABILITY TO EXISTING  
19                   PARTICIPANTS.—Subparagraph (A) shall not  
20                   apply to a school, State, or Indian reservation  
21                   authorized—

22                   “(i) to participate in the program on  
23                   May 1, 2004; or

24                   “(ii) to receive funding for free fruits  
25                   and vegetables under funds provided for

1 public health improvement under the head-  
2 ing ‘DISEASE CONTROL, RESEARCH, AND  
3 TRAINING’ under the heading ‘CENTERS  
4 FOR DISEASE CONTROL AND PREVENTION’  
5 in title II of the Departments of Labor,  
6 Health and Human Services, and Edu-  
7 cation, and Related Agencies Appropria-  
8 tions Act, 2004 (Division E of Public Law  
9 108–199; 118 Stat. 238).

10 “(4) NOTICE OF AVAILABILITY.—To be eligible  
11 to participate in the program under this subsection,  
12 a school shall widely publicize within the school the  
13 availability of free fresh fruits and vegetables under  
14 the program.

15 “(5) REPORTS.—

16 “(A) INTERIM REPORTS.—Not later than  
17 September 30 of each of fiscal years 2005  
18 through 2008, the Secretary, acting through  
19 the Administrator of the Food and Nutrition  
20 Service, shall submit to the Committee on Edu-  
21 cation and the Workforce of the House of Rep-  
22 resentatives and the Committee on Agriculture,  
23 Nutrition, and Forestry of the Senate an in-  
24 terim report that describes the activities carried

1 out under this subsection during the fiscal year  
2 covered by the report.

3 “(B) FINAL REPORT.—Not later than De-  
4 cember 31, 2008, the Secretary, acting through  
5 the Administrator of the Food and Nutrition  
6 Service, shall submit to the Committee on Edu-  
7 cation and the Workforce of the House of Rep-  
8 resentatives and the Committee on Agriculture,  
9 Nutrition, and Forestry of the Senate a final  
10 report that describes the results of the program  
11 under this subsection.

12 “(6) FUNDING.—

13 “(A) EXISTING FUNDS.—The Secretary  
14 shall use to carry out this subsection any funds  
15 that remain under this subsection on the day  
16 before the date of enactment of this subpara-  
17 graph.

18 “(B) MANDATORY FUNDS.—

19 “(i) IN GENERAL.—On October 1,  
20 2004, and on each October 1 thereafter,  
21 out of any funds in the Treasury not oth-  
22 erwise appropriated, the Secretary of the  
23 Treasury shall transfer to the Secretary of  
24 Agriculture to carry out this subsection

1                   \$9,000,000, to remain available until ex-  
2                   pended.

3                   “(ii) RECEIPT AND ACCEPTANCE.—  
4                   The Secretary shall be entitled to receive,  
5                   shall accept, and shall use to carry out this  
6                   subsection the funds made available under  
7                   this subparagraph, without further appro-  
8                   priation.

9                   “(C) AUTHORIZATION OF APPROPRIA-  
10                  TIONS.—In addition to any amounts made  
11                  available under subparagraphs (A) and (B),  
12                  there are authorized to be appropriated such  
13                  sums as are necessary to expand the program  
14                  carried out under this subsection.

15                  “(D) REALLOCATION.—The Secretary may  
16                  reallocate any amounts made available to carry  
17                  out this subsection that are not obligated or ex-  
18                  pended, as determined by the Secretary.”.

19   **SEC. 121. SUMMER FOOD SERVICE RESIDENTIAL CAMP ELI-**  
20                   **GIBILITY.**

21                  Section 18 of the Richard B. Russell National School  
22   Lunch Act (42 U.S.C. 1769) is amended by adding at the  
23   end the following:

24                  “(h) SUMMER FOOD SERVICE RESIDENTIAL CAMP  
25   ELIGIBILITY.—

1           “(1) IN GENERAL.—During the month after the  
2           date of enactment of this subsection through Sep-  
3           tember, 2004, and the months of May through Sep-  
4           tember, 2005, the Secretary shall modify eligibility  
5           criteria, at not more than 1 private nonprofit resi-  
6           dential camp in each of not more than 2 States, as  
7           determined by the Secretary, for the purpose of  
8           identifying and evaluating alternative methods of de-  
9           termining the eligibility of residential private non-  
10          profit camps to participate in the summer food serv-  
11          ice program for children established under section  
12          13.

13           “(2) ELIGIBILITY.—To be eligible for the cri-  
14          teria modified under paragraph (1), a residential  
15          camp—

16                   “(A) shall be a service institution (as de-  
17                   fined in section 13(a)(1));

18                   “(B) may not charge a fee to any child in  
19                   residence at the camp; and

20                   “(C) shall serve children who reside in an  
21                   area in which poor economic conditions exist (as  
22                   defined in section 13(a)(1)).

23           “(3) PAYMENTS.—

24                   “(A) IN GENERAL.—Under this subsection,  
25                   the Secretary shall provide reimbursement for

1 meals served to all children at a residential  
2 camp at the payment rates specified in section  
3 13(b)(1).

4 “(B) REIMBURSABLE MEALS.—A residen-  
5 tial camp selected by the Secretary may receive  
6 reimbursement for not more than 3 meals, or 2  
7 meals and 1 supplement, during each day of op-  
8 eration.

9 “(4) EVALUATION.—

10 “(A) INFORMATION FROM RESIDENTIAL  
11 CAMPS.—Not later than December 31, 2005, a  
12 residential camp selected under paragraph (1)  
13 shall report to the Secretary such information  
14 as is required by the Secretary concerning the  
15 requirements of this subsection.

16 “(B) REPORT TO CONGRESS.—Not later  
17 than March 31, 2006, the Secretary shall sub-  
18 mit to the Committee on Education and the  
19 Workforce of the House of Representatives and  
20 the Committee on Agriculture, Nutrition, and  
21 Forestry of the Senate a report that evaluates  
22 the effect of this subsection on program partici-  
23 pation and other factors, as determined by the  
24 Secretary.”.

1 **SEC. 122. ACCESS TO LOCAL FOODS AND SCHOOL GAR-**  
2 **DENS.**

3 Section 18 of the Richard B. Russell National School  
4 Lunch Act (42 U.S.C. 1769) (as amended by section 121)  
5 is amended by adding at the end the following:

6 “(i) ACCESS TO LOCAL FOODS AND SCHOOL GAR-  
7 DENS.—

8 “(1) IN GENERAL.—The Secretary may provide  
9 assistance, through competitive matching grants and  
10 technical assistance, to schools and nonprofit entities  
11 for projects that—

12 “(A) improve access to local foods in  
13 schools and institutions participating in pro-  
14 grams under this Act and section 4 of the Child  
15 Nutrition Act of 1966 (42 U.S.C. 1773)  
16 through farm-to-cafeteria activities, including  
17 school gardens, that may include the acquisition  
18 of food and appropriate equipment and the pro-  
19 vision of training and education;

20 “(B) are, at a minimum, designed to—

21 “(i) procure local foods from small-  
22 and medium-sized farms for school meals;  
23 and

24 “(ii) support school garden programs;

25 “(C) support nutrition education activities  
26 or curriculum planning that incorporates the

1 participation of school children in farm-based  
2 agricultural education activities, that may in-  
3 clude school gardens;

4 “(D) develop a sustained commitment to  
5 farm-to-cafeteria projects in the community by  
6 linking schools, State departments of agri-  
7 culture, agricultural producers, parents, and  
8 other community stakeholders;

9 “(E) require \$100,000 or less in Federal  
10 contributions;

11 “(F) require a Federal share of costs not  
12 to exceed 75 percent;

13 “(G) provide matching support in the form  
14 of cash or in-kind contributions (including fa-  
15 cilities, equipment, or services provided by State  
16 and local governments and private sources); and

17 “(H) cooperate in an evaluation carried  
18 out by the Secretary.

19 “(2) AUTHORIZATION OF APPROPRIATIONS.—

20 There are authorized to be appropriated such sums  
21 as are necessary to carry out this subsection for  
22 each of fiscal years 2004 through 2009.”.

1 **SEC. 123. YEAR-ROUND SERVICES FOR ELIGIBLE ENTITIES.**

2 Section 18 of the Richard B. Russell National School  
3 Lunch Act (42 U.S.C. 1769) (as amended by section 122)  
4 is amended by adding at the end the following:

5 “(j) YEAR-ROUND SERVICES FOR ELIGIBLE ENTI-  
6 TIES.—

7 “(1) IN GENERAL.—A service institution that is  
8 described in section 13(a)(6) (excluding a public  
9 school), or a private nonprofit organization described  
10 in section 13(a)(7), and that is located in the State  
11 of California may be reimbursed—

12 “(A) for up to 2 meals during each day of  
13 operation served—

14 “(i) during the months of May  
15 through September;

16 “(ii) in the case of a service institu-  
17 tion that operates a food service program  
18 for children on school vacation, at anytime  
19 under a continuous school calendar; and

20 “(iii) in the case of a service institu-  
21 tion that provides meal service at a non-  
22 school site to children who are not in  
23 school for a period during the school year  
24 due to a natural disaster, building repair,  
25 court order, or similar case, at anytime  
26 during such a period; and

1           “(B) for a snack served during each day of  
2           operation after school hours, weekends, and  
3           school holidays during the regular school cal-  
4           endar.

5           “(2) PAYMENTS.—The service institution shall  
6           be reimbursed consistent with section 13(b)(1).

7           “(3) ADMINISTRATION.—To receive reimburse-  
8           ment under this subsection, a service institution  
9           shall comply with section 13, other than subsections  
10          (b)(2) and (c)(1) of that section.

11          “(4) EVALUATION.—Not later than September  
12          30, 2007, the State agency shall submit to the Sec-  
13          retary a report on the effect of this subsection on  
14          participation in the summer food service program  
15          for children established under section 13.

16          “(5) FUNDING.—The Secretary shall provide to  
17          the State of California such sums as are necessary  
18          to carry out this subsection for each of fiscal years  
19          2005 through 2009.”.

20   **SEC. 124. FREE LUNCH AND BREAKFAST ELIGIBILITY.**

21          Section 18 of the Richard B. Russell National School  
22   Lunch Act (42 U.S.C. 1769) (as amended by section 123)  
23   is amended by adding at the end the following:

24          “(k) FREE LUNCH AND BREAKFAST ELIGIBILITY.—

1           “(1) IN GENERAL.—Subject to the availability  
2 of funds under paragraph (4), the Secretary shall  
3 expand the service of free lunches and breakfasts  
4 provided at schools participating in the school lunch  
5 program under this Act or the school breakfast pro-  
6 gram under section 4 of the Child Nutrition Act of  
7 1966 (42 U.S.C. 1773) in all or part of 5 States se-  
8 lected by the Secretary (of which at least 1 shall be  
9 a largely rural State with a significant Native Amer-  
10 ican population).

11           “(2) INCOME ELIGIBILITY.—The income guide-  
12 lines for determining eligibility for free lunches or  
13 breakfasts under this subsection shall be 185 per-  
14 cent of the applicable family size income levels con-  
15 tained in the nonfarm income poverty guidelines pre-  
16 scribed by the Office of Management and Budget, as  
17 adjusted annually in accordance with section  
18 9(b)(1)(B).

19           “(3) EVALUATION.—

20           “(A) IN GENERAL.—Not later than 3 years  
21 after the implementation of this subsection, the  
22 Secretary shall conduct an evaluation to assess  
23 the impact of the changed income eligibility  
24 guidelines by comparing the school food au-  
25 thorities operating under this subsection to

1 school food authorities not operating under this  
2 subsection.

3 “(B) IMPACT ASSESSMENT.—

4 “(i) CHILDREN.—The evaluation shall  
5 assess the impact of this subsection sepa-  
6 rately on—

7 “(I) children in households with  
8 incomes less than 130 percent of the  
9 applicable family income levels con-  
10 tained in the nonfarm poverty income  
11 guidelines prescribed by the Office of  
12 Management and Budget, as adjusted  
13 annually in accordance with section  
14 9(b)(1)(B); and

15 “(II) children in households with  
16 incomes greater than 130 percent and  
17 not greater than 185 percent of the  
18 applicable family income levels con-  
19 tained in the nonfarm poverty income  
20 guidelines prescribed by the Office of  
21 Management and Budget, as adjusted  
22 annually in accordance with section  
23 9(b)(1)(B).

24 “(ii) FACTORS.—The evaluation shall  
25 assess the impact of this subsection on—

1                   “(I) certification and participa-  
2                   tion rates in the school lunch and  
3                   breakfast programs;

4                   “(II) rates of lunch- and break-  
5                   fast-skipping;

6                   “(III) academic achievement;

7                   “(IV) the allocation of funds au-  
8                   thorized in title I of the Elementary  
9                   and Secondary Education Act (20  
10                  U.S.C. 6301) to local educational  
11                  agencies and public schools; and

12                  “(V) other factors determined by  
13                  the Secretary.

14                  “(C) COST ASSESSMENT.—The evaluation  
15                  shall assess the increased costs associated with  
16                  providing additional free, reduced price, or paid  
17                  meals in the school food authorities operating  
18                  under this subsection.

19                  “(D) REPORT.—On completion of the eval-  
20                  uation, the Secretary shall submit to the Com-  
21                  mittee on Education and the Workforce of the  
22                  House of Representatives and the Committee  
23                  on Agriculture, Nutrition, and Forestry of the  
24                  Senate a report describing the results of the  
25                  evaluation under this paragraph.



1 and school food authorities with at least 50 per-  
2 cent of enrolled children certified to receive free  
3 or reduced price meals (and, if there are any re-  
4 maining funds, other schools and school food  
5 authorities) in meeting the cost of acquiring or  
6 upgrading technology and information manage-  
7 ment systems for use in food service programs  
8 carried out under this Act and section 4 of the  
9 Child Nutrition Act of 1966 (42 U.S.C. 1773),  
10 if the school or school food authority submits to  
11 the State agency an infrastructure development  
12 plan that—

13 “(i) addresses the cost savings and  
14 improvements in program integrity and op-  
15 erations that would result from the use of  
16 new or upgraded technology;

17 “(ii) ensures that there is not any  
18 overt identification of any child by special  
19 tokens or tickets, announced or published  
20 list of names, or by any other means;

21 “(iii) provides for processing and  
22 verifying applications for free and reduced  
23 price school meals;

1                   “(iv) integrates menu planning, pro-  
2                   duction, and serving data to monitor com-  
3                   pliance with section 9(f)(1); and

4                   “(v) establishes compatibility with  
5                   statewide reporting systems;

6                   “(C) assistance, on a competitive basis, to  
7                   State agencies with low proportions of schools  
8                   or students that—

9                   “(i) participate in the school breakfast  
10                  program under section 4 of the Child Nu-  
11                  trition Act of 1966 (42 U.S.C. 1773); and

12                  “(ii) demonstrate the greatest need,  
13                  for the purpose of aiding schools in meet-  
14                  ing costs associated with initiating or ex-  
15                  panding a school breakfast program under  
16                  section 4 of the Child Nutrition Act of  
17                  1966 (42 U.S.C. 1773), including outreach  
18                  and informational activities; and”.

19                  (b) DUTIES OF FOOD SERVICE MANAGEMENT INSTI-  
20                  TUTE.—Section 21(c)(2)(B) of the Richard B. Russell Na-  
21                  tional School Lunch Act (42 U.S.C. 1769b–1(c)(2)(B)) is  
22                  amended—

23                  (1) by striking clauses (vi) and (vii) and insert-  
24                  ing the following:

1                   “(vi) safety, including food handling,  
2                   hazard analysis and critical control point  
3                   plan implementation, emergency readiness,  
4                   responding to a food recall, and food bio-  
5                   security training;” and

6                   (2) by redesignating clauses (viii) through (x)  
7                   as clauses (vii) through (ix), respectively.

8                   (c) AUTHORIZATION OF APPROPRIATIONS.—

9                   (1) TRAINING ACTIVITIES AND TECHNICAL AS-  
10                  SISTANCE.—Section 21(e)(1) of the Richard B. Rus-  
11                  sell National School Lunch Act (42 U.S.C. 1769b-  
12                  1(e)(1)) is amended by striking “2003” and insert-  
13                  ing “2009”.

14                  (2) FOOD SERVICE MANAGEMENT INSTITUTE.—  
15                  Section 21(e)(2)(A) of the Richard B. Russell Na-  
16                  tional School Lunch Act (42 U.S.C. 1769b-  
17                  1(e)(2)(A) is amended in the first sentence—

18                         (A) by striking “provide to the Secretary”  
19                         and all that follows through “1998, and” and  
20                         inserting “provide to the Secretary”; and

21                         (B) by striking “1999 and” and inserting  
22                         “2004 and \$4,000,000 for fiscal year 2005”.

23                   **SEC. 126. ADMINISTRATIVE ERROR REDUCTION.**

24                   (a) FEDERAL SUPPORT FOR TRAINING AND TECH-  
25                   NICAL ASSISTANCE.—Section 21 of the Richard B. Russell

1 National School Lunch Act (42 U.S.C. 1769b-1) is  
2 amended by adding at the end the following:

3 “(f) ADMINISTRATIVE TRAINING AND TECHNICAL  
4 ASSISTANCE MATERIAL.—In collaboration with State edu-  
5 cational agencies, local educational agencies, and school  
6 food authorities of varying sizes, the Secretary shall de-  
7 velop and distribute training and technical assistance ma-  
8 terial relating to the administration of school meals pro-  
9 grams that are representative of the best management and  
10 administrative practices.

11 “(g) FEDERAL ADMINISTRATIVE SUPPORT.—

12 “(1) FUNDING.—

13 “(A) IN GENERAL.—Out of any funds in  
14 the Treasury not otherwise appropriated, the  
15 Secretary of the Treasury shall transfer to the  
16 Secretary of Agriculture to carry out this  
17 subsection—

18 “(i) on October 1, 2004, and October  
19 1, 2005, \$3,000,000; and

20 “(ii) on October 1, 2006, October 1,  
21 2007, and October 1, 2008, \$2,000,000.

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

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

3 “(C) AVAILABILITY OF FUNDS.—Funds  
4 transferred under subparagraph (A) shall re-  
5 main available until expended.

6 “(2) USE OF FUNDS.—The Secretary may use  
7 funds provided under this subsection—

8 “(A) to provide training and technical as-  
9 sistance and material related to improving pro-  
10 gram integrity and administrative accuracy in  
11 school meals programs; and

12 “(B) to assist State educational agencies  
13 in reviewing the administrative practices of  
14 local educational agencies, to the extent deter-  
15 mined by the Secretary.”.

16 (b) SELECTED ADMINISTRATIVE REVIEWS.—

17 (1) IN GENERAL.—Section 22(b) of the Richard  
18 B. Russell National School Lunch Act (42 U.S.C.  
19 1769c(b)) is amended by adding at the end the fol-  
20 lowing:

21 “(3) ADDITIONAL REVIEW REQUIREMENT FOR  
22 SELECTED LOCAL EDUCATIONAL AGENCIES.—

23 “(A) DEFINITION OF SELECTED LOCAL  
24 EDUCATIONAL AGENCIES.—In this paragraph,  
25 the term ‘selected local educational agency’

1 means a local educational agency that has a  
2 demonstrated high level of, or a high risk for,  
3 administrative error, as determined by the Sec-  
4 retary.

5 “(B) ADDITIONAL ADMINISTRATIVE RE-  
6 VIEW.—In addition to any review required by  
7 subsection (a) or paragraph (1), each State  
8 educational agency shall conduct an administra-  
9 tive review of each selected local educational  
10 agency during the review cycle established  
11 under subsection (a).

12 “(C) SCOPE OF REVIEW.—In carrying out  
13 a review under subparagraph (B), a State edu-  
14 cational agency shall only review the adminis-  
15 trative processes of a selected local educational  
16 agency, including application, certification,  
17 verification, meal counting, and meal claiming  
18 procedures.

19 “(D) RESULTS OF REVIEW.—If the State  
20 educational agency determines (on the basis of  
21 a review conducted under subparagraph (B))  
22 that a selected local educational agency fails to  
23 meet performance criteria established by the  
24 Secretary, the State educational agency shall—

1                   “(i) require the selected local edu-  
2                   cational agency to develop and carry out  
3                   an approved plan of corrective action;

4                   “(ii) except to the extent technical as-  
5                   sistance is provided directly by the Sec-  
6                   retary, provide technical assistance to as-  
7                   sist the selected local educational agency in  
8                   carrying out the corrective action plan; and

9                   “(iii) conduct a followup review of the  
10                  selected local educational agency under  
11                  standards established by the Secretary.

12                  “(4) RETAINING FUNDS AFTER ADMINISTRA-  
13                  TIVE REVIEWS.—

14                  “(A) IN GENERAL.—Subject to subpara-  
15                  graphs (B) and (C), if the local educational  
16                  agency fails to meet administrative performance  
17                  criteria established by the Secretary in both an  
18                  initial review and a followup review under para-  
19                  graph (1) or (3) or subsection (a), the Sec-  
20                  retary may require the State educational agency  
21                  to retain funds that would otherwise be paid to  
22                  the local educational agency for school meals  
23                  programs under procedures prescribed by the  
24                  Secretary.

1           “(B) AMOUNT.—The amount of funds re-  
2           tained under subparagraph (A) shall equal the  
3           value of any overpayment made to the local  
4           educational agency or school food authority as  
5           a result of an erroneous claim during the time  
6           period described in subparagraph (C).

7           “(C) TIME PERIOD.—The period for deter-  
8           mining the value of any overpayment under  
9           subparagraph (B) shall be the period—

10                   “(i) beginning on the date the erro-  
11                   neous claim was made; and

12                   “(ii) ending on the earlier of the date  
13                   the erroneous claim is corrected or—

14                           “(I) in the case of the first fol-  
15                           lowup review conducted by the State  
16                           educational agency of the local edu-  
17                           cational agency under this section  
18                           after July 1, 2005, the date that is 60  
19                           days after the beginning of the period  
20                           under clause (i); or

21                           “(II) in the case of any subse-  
22                           quent followup review conducted by  
23                           the State educational agency of the  
24                           local educational agency under this  
25                           section, the date that is 90 days after

1 the beginning of the period under  
2 clause (i).

3 “(5) USE OF RETAINED FUNDS.—

4 “(A) IN GENERAL.—Subject to subpara-  
5 graph (B), funds retained under paragraph (4)  
6 shall—

7 “(i) be returned to the Secretary, and  
8 may be used—

9 “(I) to provide training and tech-  
10 nical assistance related to administra-  
11 tive practices designed to improve pro-  
12 gram integrity and administrative ac-  
13 curacy in school meals programs to  
14 State educational agencies and, to the  
15 extent determined by the Secretary, to  
16 local educational agencies and school  
17 food authorities;

18 “(II) to assist State educational  
19 agencies in reviewing the administra-  
20 tive practices of local educational  
21 agencies in carrying out school meals  
22 programs; and

23 “(III) to carry out section 21(f);  
24 or

1                   “(ii) be credited to the child nutrition  
2                   programs appropriation account.

3                   “(B) STATE SHARE.—A State educational  
4                   agency may retain not more than 25 percent of  
5                   an amount recovered under paragraph (4), to  
6                   carry out school meals program integrity initia-  
7                   tives to assist local educational agencies and  
8                   school food authorities that have repeatedly  
9                   failed, as determined by the Secretary, to meet  
10                  administrative performance criteria.

11                  “(C) REQUIREMENT.—To be eligible to re-  
12                  tain funds under subparagraph (B), a State  
13                  educational agency shall—

14                         “(i) submit to the Secretary a plan  
15                         describing how the State educational agen-  
16                         cy will use the funds to improve school  
17                         meals program integrity, including meas-  
18                         ures to give priority to local educational  
19                         agencies from which funds were retained  
20                         under paragraph (4);

21                         “(ii) consider using individuals who  
22                         administer exemplary local food service  
23                         programs in the provision of training and  
24                         technical assistance; and

1                   “(iii) obtain the approval of the Sec-  
2                   retary for the plan.”.

3                   (2) INTERPRETATION.—Nothing in the amend-  
4                   ment made by paragraph (1) affects the require-  
5                   ments for fiscal actions as described in the regula-  
6                   tions issued pursuant to section 22(a) of the Richard  
7                   B. Russell National School Lunch Act (42 U.S.C.  
8                   1769c(a)).

9                   (c) TRAINING AND TECHNICAL ASSISTANCE.—Sec-  
10                  tion 7 of the Child Nutrition Act of 1966 (42 U.S.C.  
11                  1776) is amended—

12                   (1) in subsection (e)—

13                   (A) by striking “(e) Each” and inserting  
14                   the following:

15                   “(e) PLANS FOR USE OF ADMINISTRATIVE EXPENSE  
16                  FUNDS.—

17                   “(1) IN GENERAL.—Each”; and

18                   (B) by striking “After submitting” and all  
19                   that follows through “change in the plan.” and  
20                   inserting the following:

21                   “(2) UPDATES AND INFORMATION MANAGE-  
22                  MENT SYSTEMS.—

23                   “(A) IN GENERAL.—After submitting the  
24                   initial plan, a State shall be required to submit

1 to the Secretary for approval only a substantive  
2 change in the plan.

3 “(B) PLAN CONTENTS.—Each State plan  
4 shall, at a minimum, include a description of  
5 how technology and information management  
6 systems will be used to improve program integ-  
7 rity by—

8 “(i) monitoring the nutrient content  
9 of meals served;

10 “(ii) training local educational agen-  
11 cies, school food authorities, and schools in  
12 how to use technology and information  
13 management systems (including verifying  
14 eligibility for free or reduced price meals  
15 using program participation or income  
16 data gathered by State or local agencies);  
17 and

18 “(iii) using electronic data to establish  
19 benchmarks to compare and monitor pro-  
20 gram integrity, program participation, and  
21 financial data.

22 “(3) TRAINING AND TECHNICAL ASSISTANCE.—  
23 Each State shall submit to the Secretary for ap-  
24 proval a plan describing the manner in which the  
25 State intends to implement subsection (g) and sec-

1       tion 22(b)(3) of the Richard B. Russell National  
2       School Lunch Act.”;

3             (2) by redesignating subsection (g) as sub-  
4       section (j); and

5             (3) by inserting after subsection (f) the fol-  
6       lowing:

7       “(g) STATE TRAINING.—

8             “(1) IN GENERAL.—At least annually, each  
9       State shall provide training in administrative prac-  
10      tices (including training in application, certification,  
11      verification, meal counting, and meal claiming proce-  
12      dures) to local educational agency and school food  
13      authority administrative personnel and other appro-  
14      priate personnel, with emphasis on the requirements  
15      established by the Child Nutrition and WIC Reau-  
16      thorization Act of 2004 and the amendments made  
17      by that Act.

18             “(2) FEDERAL ROLE.—The Secretary shall—

19               “(A) provide training and technical assist-  
20      ance to a State; or

21               “(B) at the option of the Secretary, di-  
22      rectly provide training and technical assistance  
23      described in paragraph (1).

24             “(3) REQUIRED PARTICIPATION.—In accord-  
25      ance with procedures established by the Secretary,

1 each local educational agency or school food author-  
2 ity shall ensure that an individual conducting or  
3 overseeing administrative procedures described in  
4 paragraph (1) receives training at least annually,  
5 unless determined otherwise by the Secretary.

6 “(h) FUNDING FOR TRAINING AND ADMINISTRATIVE  
7 REVIEWS.—

8 “(1) FUNDING.—

9 “(A) IN GENERAL.—On October 1, 2004,  
10 and on each October 1 thereafter, out of any  
11 funds in the Treasury not otherwise appro-  
12 priated, the Secretary of the Treasury shall  
13 transfer to the Secretary of Agriculture to carry  
14 out this subsection \$4,000,000, to remain avail-  
15 able until expended.

16 “(B) RECEIPT AND ACCEPTANCE.—The  
17 Secretary shall be entitled to receive, shall ac-  
18 cept, and shall use to carry out this subsection  
19 the funds transferred under subparagraph (A),  
20 without further appropriation.

21 “(2) USE OF FUNDS.—

22 “(A) IN GENERAL.—Except as provided in  
23 subparagraph (B), the Secretary shall use  
24 funds provided under this subsection to assist  
25 States in carrying out subsection (g) and ad-

1           ministrative reviews of selected local educational  
2           agencies carried out under section 22 of the  
3           Richard B. Russell National School Lunch Act  
4           (42 U.S.C. 1769c).

5           “(B) EXCEPTION.—The Secretary may re-  
6           tain a portion of the amount provided to cover  
7           costs of activities carried out by the Secretary  
8           in lieu of the State.

9           “(3) ALLOCATION.—The Secretary shall allo-  
10          cate funds provided under this subsection to States  
11          based on the number of local educational agencies  
12          that have demonstrated a high level of, or a high  
13          risk for, administrative error, as determined by the  
14          Secretary, taking into account the requirements es-  
15          tablished by the Child Nutrition and WIC Reauthor-  
16          ization Act of 2004 and the amendments made by  
17          that Act.

18          “(4) REALLOCATION.—The Secretary may re-  
19          allocate, to carry out this section, any amounts made  
20          available to carry out this subsection that are not  
21          obligated or expended, as determined by the Sec-  
22          retary.”.

23 **SEC. 127. COMPLIANCE AND ACCOUNTABILITY.**

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

1 striking “\$3,000,000 for each of the fiscal years 1994  
2 through 2003” and inserting “\$6,000,000 for each of fis-  
3 cal years 2004 through 2009”.

4 **SEC. 128. INFORMATION CLEARINGHOUSE.**

5 Section 26(d) of the Richard B. Russell National  
6 School Lunch Act (42 U.S.C. 1769g(d)) is amended in  
7 the first sentence—

8 (1) by striking “1998, and” and inserting  
9 “1998,”; and

10 (2) by striking “through 2003” and inserting  
11 “through 2004, and \$250,000 for each of fiscal  
12 years 2005 through 2009”.

13 **SEC. 129. PROGRAM EVALUATION.**

14 The Richard B. Russell National School Lunch Act  
15 (42 U.S.C. 1751 et seq.) is amended by adding at the end  
16 the following:

17 **“SEC. 28. PROGRAM EVALUATION.**

18 “(a) PERFORMANCE ASSESSMENTS.—

19 “(1) IN GENERAL.—Subject to the availability  
20 of funds made available under paragraph (3), the  
21 Secretary, acting through the Administrator of the  
22 Food and Nutrition Service, may conduct annual na-  
23 tional performance assessments of the meal pro-  
24 grams under this Act and the Child Nutrition Act  
25 of 1966 (42 U.S.C. 1771 et seq.).

1           “(2) COMPONENTS.—In conducting an assess-  
2           ment, the Secretary may assess—

3                   “(A) the cost of producing meals and meal  
4                   supplements under the programs described in  
5                   paragraph (1); and

6                   “(B) the nutrient profile of meals, and sta-  
7                   tus of menu planning practices, under the pro-  
8                   grams.

9           “(3) AUTHORIZATION OF APPROPRIATIONS.—  
10           There is authorized to be appropriated to carry out  
11           this subsection \$5,000,000 for fiscal year 2004 and  
12           each subsequent fiscal year.

13           “(b) CERTIFICATION IMPROVEMENTS.—

14                   “(1) IN GENERAL.—Subject to the availability  
15                   of funds made available under paragraph (5), the  
16                   Secretary, acting through the Administrator of the  
17                   Food and Nutrition Service, shall conduct a study of  
18                   the feasibility of improving the certification process  
19                   used for the school lunch program established under  
20                   this Act.

21                   “(2) PILOT PROJECTS.—In carrying out this  
22                   subsection, the Secretary may conduct pilot projects  
23                   to improve the certification process used for the  
24                   school lunch program.

1           “(3) COMPONENTS.—In carrying out this sub-  
2 section, the Secretary shall examine the use of—

3           “(A) other income reporting systems;

4           “(B) an integrated benefit eligibility deter-  
5 mination process managed by a single agency;

6           “(C) income or program participation data  
7 gathered by State or local agencies; and

8           “(D) other options determined by the Sec-  
9 retary.

10          “(4) WAIVERS.—

11           “(A) IN GENERAL.—Subject to subpara-  
12 graph (B), the Secretary may waive such provi-  
13 sions of this Act and the Child Nutrition Act of  
14 1966 (42 U.S.C. 1771 et seq.) as are necessary  
15 to carry out this subsection.

16           “(B) PROVISIONS.—The protections of sec-  
17 tion 9(b)(6) shall apply to any study or pilot  
18 project carried out under this subsection.

19          “(5) AUTHORIZATION OF APPROPRIATIONS.—  
20 There is authorized to be appropriated to carry out  
21 this subsection such sums as are necessary.”.

1           **TITLE II—AMENDMENTS TO**  
2           **CHILD NUTRITION ACT OF 1966**

3   **SEC. 201. SEVERE NEED ASSISTANCE.**

4           Section 4 of the Child Nutrition Act of 1966 (42  
5 U.S.C. 1773) is amended by striking subsection (d) and  
6 inserting the following:

7           “(d) SEVERE NEED ASSISTANCE.—

8                   “(1) IN GENERAL.—Each State educational  
9           agency shall provide additional assistance to schools  
10          in severe need, which shall include only those schools  
11          (having a breakfast program or desiring to initiate  
12          a breakfast program) in which—

13                           “(A) during the most recent second pre-  
14           ceding school year for which lunches were  
15           served, 40 percent or more of the lunches  
16           served to students at the school were served  
17           free or at a reduced price; or

18                           “(B) in the case of a school in which  
19           lunches were not served during the most recent  
20           second preceding school year, the Secretary oth-  
21           erwise determines that the requirements of sub-  
22           paragraph (A) would have been met.

23                           “(2) ADDITIONAL ASSISTANCE.—A school, on  
24           the submission of appropriate documentation about  
25           the need circumstances in that school and the eligi-

1 bility of the school for additional assistance, shall be  
2 entitled to receive the meal reimbursement rate spec-  
3 ified in subsection (b)(2).”.

4 **SEC. 202. STATE ADMINISTRATIVE EXPENSES.**

5 (a) MINIMUM STATE ADMINISTRATIVE EXPENSE  
6 GRANTS.—Section 7 of the Child Nutrition Act of 1966  
7 (42 U.S.C. 1776) is amended—

8 (1) by striking the section heading and all that  
9 follows through “(a)(1) Each” and inserting the fol-  
10 lowing:

11 **“SEC. 7. STATE ADMINISTRATIVE EXPENSES.**

12 **“(a) AMOUNT AND ALLOCATION OF FUNDS.—**

13 **“(1) AMOUNT AVAILABLE.—**

14 **“(A) IN GENERAL.—**Except as provided in  
15 subparagraph (B), each”;

16 **(2) in subsection (a)—**

17 **(A) in paragraph (1)—**

18 **(i) by inserting after the first sentence**  
19 **the following:**

20 **“(B) MINIMUM AMOUNT.—**In the case of  
21 each of fiscal years 2005 through 2007, the  
22 Secretary shall make available to each State for  
23 administrative costs not less than the initial al-  
24 location made to the State under this sub-  
25 section for fiscal year 2004.”;

1 (ii) by striking “The Secretary” and  
2 inserting the following:

3 “(C) ALLOCATION.—The Secretary”; and

4 (iii) by striking the last sentence; and  
5 (B) in paragraph (2)—

6 (i) by striking “(2) The” and insert-  
7 ing the following:

8 “(2) EXPENSE GRANTS.—

9 “(A) IN GENERAL.—Subject to subpara-  
10 graph (B), the”;

11 (ii) in the second sentence—

12 (I) by striking “In no case” and  
13 inserting the following:

14 “(B) MINIMUM AMOUNT.—

15 “(i) IN GENERAL.—In no case”;

16 (II) by striking “this subsection”  
17 and inserting “this paragraph”; and

18 (III) by striking “\$100,000” and  
19 inserting “\$200,000 (as adjusted  
20 under clause (ii)”; and

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

23 “(ii) ADJUSTMENT.—On October 1,  
24 2008, and each October 1 thereafter, the  
25 minimum dollar amount for a fiscal year

1 specified in clause (i) shall be adjusted to  
2 reflect the percentage change between—

3 “(I) the value of the index for  
4 State and local government purchases,  
5 as published by the Bureau of Eco-  
6 nomic Analysis of the Department of  
7 Commerce, for the 12-month period  
8 ending June 30 of the second pre-  
9 ceding fiscal year; and

10 “(II) the value of that index for  
11 the 12-month period ending June 30  
12 of the preceding fiscal year.”.

13 (b) TECHNOLOGY INFRASTRUCTURE IMPROVE-  
14 MENT.—Section 7 of the Child Nutrition Act of 1966 (42  
15 U.S.C. 1776) is amended by inserting after subsection (h)  
16 (as added by section 126(e)(3)) the following:

17 “(i) TECHNOLOGY INFRASTRUCTURE IMPROVE-  
18 MENT.—

19 “(1) IN GENERAL.—Each State shall submit to  
20 the Secretary, for approval by the Secretary, an  
21 amendment to the plan required by subsection (e)  
22 that describes the manner in which funds provided  
23 under this section will be used for technology and in-  
24 formation management systems.

1           “(2) REQUIREMENTS.—The amendment shall,  
2           at a minimum, describe the manner in which the  
3           State will improve program integrity by—

4                   “(A) monitoring the nutrient content of  
5                   meals served;

6                   “(B) providing training to local edu-  
7                   cational agencies, school food authorities, and  
8                   schools on the use of technology and informa-  
9                   tion management systems for activities  
10                  including—

11                           “(i) menu planning;

12                           “(ii) collection of point-of-sale data;

13                           and

14                           “(iii) the processing of applications  
15                           for free and reduced price meals; and

16                   “(C) using electronic data to establish  
17                   benchmarks to compare and monitor program  
18                   integrity, program participation, and financial  
19                   data across schools and school food authorities.

20           “(3)        TECHNOLOGY        INFRASTRUCTURE  
21           GRANTS.—

22                   “(A) IN GENERAL.—Subject to the avail-  
23                   ability of funds made available under paragraph  
24                   (4) to carry out this paragraph, the Secretary  
25                   shall, on a competitive basis, provide funds to

1 States to be used to provide grants to local edu-  
2 cational agencies, school food authorities, and  
3 schools to defray the cost of purchasing or up-  
4 grading technology and information manage-  
5 ment systems for use in programs authorized  
6 by this Act (other than section 17) and the  
7 Richard B. Russell National School Lunch Act  
8 (42 U.S.C. 1751 et seq.).

9 “(B) INFRASTRUCTURE DEVELOPMENT  
10 PLAN.—To be eligible to receive a grant under  
11 this paragraph, a school or school food author-  
12 ity shall submit to the State a plan to purchase  
13 or upgrade technology and information manage-  
14 ment systems that addresses potential cost sav-  
15 ings and methods to improve program integrity,  
16 including—

17 “(i) processing and verification of ap-  
18 plications for free and reduced price meals;

19 “(ii) integration of menu planning,  
20 production, and serving data to monitor  
21 compliance with section 9(f)(1) of the  
22 Richard B. Russell National School Lunch  
23 Act (42 U.S.C. 1758(f)(1)); and

24 “(iii) compatibility with statewide re-  
25 porting systems.

1           “(4) AUTHORIZATION OF APPROPRIATIONS.—  
2           There are authorized to be appropriated to carry out  
3           this subsection such sums as are necessary for each  
4           of fiscal years 2005 through 2009, to remain avail-  
5           able until expended.”.

6           (c) REAUTHORIZATION.—Subsection (j) of section 7  
7           of the Child Nutrition Act of 1966 (42 U.S.C. 1776) (as  
8           redesignated by section 126(c)(2)) is amended by striking  
9           “2003” and inserting “2009”.

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

12           (a) DEFINITIONS.—

13           (1) NUTRITION EDUCATION.—Section 17(b) of  
14           the Child Nutrition Act of 1966 (42 U.S.C. 1786(b))  
15           is amended by striking paragraph (7) and inserting  
16           the following:

17           “(7) NUTRITION EDUCATION.—The term ‘nutri-  
18           tion education’ means individual and group sessions  
19           and the provision of material that are designed to  
20           improve health status and achieve positive change in  
21           dietary and physical activity habits, and that empha-  
22           size the relationship between nutrition, physical ac-  
23           tivity, and health, all in keeping with the personal  
24           and cultural preferences of the individual.”.

1           (2) SUPPLEMENTAL FOODS.—Section 17(b)(14)  
2 of the Child Nutrition Act of 1966 (42 U.S.C.  
3 1786(b)(14)) is amended in the first sentence by in-  
4 serting after “children” the following: “and foods  
5 that promote the health of the population served by  
6 the program authorized by this section, as indicated  
7 by relevant nutrition science, public health concerns,  
8 and cultural eating patterns”.

9           (3) OTHER TERMS.—Section 17(b) of the Child  
10 Nutrition Act of 1966 (42 U.S.C. 1786(b)) is  
11 amended by adding at the end the following:

12           “(22) PRIMARY CONTRACT INFANT FORMULA.—  
13 The term ‘primary contract infant formula’ means  
14 the specific infant formula for which manufacturers  
15 submit a bid to a State agency in response to a re-  
16 bate solicitation under this section and for which a  
17 contract is awarded by the State agency as a result  
18 of that bid.

19           “(23) STATE ALLIANCE.—The term ‘State alli-  
20 ance’ means 2 or more State agencies that join to-  
21 gether for the purpose of procuring infant formula  
22 under the program by soliciting competitive bids for  
23 infant formula.”.

24           (b) ELIGIBILITY.—

1           (1) CERTIFICATION PERIOD.—Section 17(d)(3)  
2 of the Child Nutrition Act of 1966 (42 U.S.C.  
3 1786(d)(3)) is amended—

4           (A) by striking “(3)(A) Persons” and in-  
5 sserting the following:

6           “(3) CERTIFICATION.—

7           “(A) PROCEDURES.—

8           “(i) IN GENERAL.—Subject to clause  
9 (ii), a person”; and

10           (B) by adding at the end of subparagraph  
11 (A) the following:

12           “(ii) BREASTFEEDING WOMEN.—A  
13 State may elect to certify a breastfeeding  
14 woman for a period of 1 year postpartum  
15 or until a woman discontinues  
16 breastfeeding, whichever is earlier.”.

17           (2) PHYSICAL PRESENCE.—Section  
18 17(d)(3)(C)(ii) of the Child Nutrition Act of 1966  
19 (42 U.S.C. 1786(d)(3)(C)(ii)) is amended—

20           (A) in subclause (I)(bb), by striking “from  
21 a provider other than the local agency; or” and  
22 inserting a semicolon;

23           (B) in subclause (II), by striking the pe-  
24 riod at the end and inserting “; and”; and

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

1                   “(III) an infant under 8 weeks of  
2                   age—

3                   “(aa) who cannot be present  
4                   at certification for a reason de-  
5                   termined appropriate by the local  
6                   agency; and

7                   “(bb) for whom all necessary  
8                   certification information is pro-  
9                   vided.”.

10           (c) ADMINISTRATION.—

11                   (1) PROCESSING VENDOR APPLICATIONS; PAR-  
12                   TICIPANT ACCESS.—Section 17(f)(1)(C) of the Child  
13                   Nutrition Act of 1966 (42 U.S.C. 1786(f)(1)(C)) is  
14                   amended—

15                   (A) in clause (i) by inserting “at any of  
16                   the authorized retail stores under the program”  
17                   after “the program”;

18                   (B) by redesignating clauses (ii) through  
19                   (x) as clauses (iii) through (xi), respectively;  
20                   and

21                   (C) by inserting after clause (i) the fol-  
22                   lowing:

23                   “(ii) procedures for accepting and processing  
24                   vendor applications outside of the established time-  
25                   frames if the State agency determines there will be

1 inadequate access to the program, including in a  
2 case in which a previously authorized vendor sells a  
3 store under circumstances that do not permit timely  
4 notification to the State agency of the change in  
5 ownership;”.

6 (2) ALLOWABLE USE OF FUNDS.—

7 (A) IN GENERAL.—Section 17(f)(11) of  
8 the Child Nutrition Act of 1966 (42 U.S.C.  
9 1786(f)(11) is amended—

10 (i) by striking “(11) The Secretary”  
11 and inserting the following:

12 “(11) SUPPLEMENTAL FOODS.—

13 “(A) IN GENERAL.—The Secretary”;

14 (ii) in the second sentence, by striking  
15 “To the degree” and inserting the fol-  
16 lowing:

17 “(B) APPROPRIATE CONTENT.—To the de-  
18 gree”; and

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

21 “(C) ALLOWABLE USE OF FUNDS.—Sub-  
22 ject to the availability of funds, the Secretary  
23 shall award grants to not more than 10 local  
24 sites determined by the Secretary to be geo-  
25 graphically and culturally representative of

1 State, local, and Indian agencies, to evaluate  
2 the feasibility of including fresh, frozen, or  
3 canned fruits and vegetables (to be made avail-  
4 able through private funds) as an addition to  
5 the supplemental foods prescribed under this  
6 section.

7 “(D) REVIEW OF AVAILABLE SUPPLE-  
8 MENTAL FOODS.—As frequently as determined  
9 by the Secretary to be necessary to reflect the  
10 most recent scientific knowledge, the Secretary  
11 shall—

12 “(i) conduct a scientific review of the  
13 supplemental foods available under the  
14 program; and

15 “(ii) amend the supplemental foods  
16 available, as necessary, to reflect nutrition  
17 science, public health concerns, and cul-  
18 tural eating patterns.”.

19 (B) RULEMAKING.—Not later than 18  
20 months after the date of receiving the review  
21 initiated by the National Academy of Sciences,  
22 Institute of Medicine in September 2003 of the  
23 supplemental foods available for the special sup-  
24 plemental nutrition program for women, in-  
25 fants, and children authorized under section 17

1 of the Child Nutrition Act of 1966 (42 U.S.C.  
2 1786), the Secretary shall promulgate a final  
3 rule updating the prescribed supplemental foods  
4 available through the program.

5 (3) USE OF CLAIMS FROM LOCAL AGENCIES.—  
6 Section 17(f)(21) of the Child Nutrition Act of 1966  
7 (42 U.S.C. 1786(f)(21)) is amended—

8 (A) in the paragraph heading, by striking  
9 “VENDORS” and inserting “LOCAL AGENCIES,  
10 VENDORS,”; and

11 (B) by striking “vendors” and inserting  
12 “local agencies, vendors,”.

13 (4) INFANT FORMULA BENEFITS.—

14 (A) IN GENERAL.—Section 17(f) of the  
15 Child Nutrition Act of 1966 (42 U.S.C.  
16 1786(f)) is amended by adding at the end the  
17 following:

18 “(25) INFANT FORMULA BENEFITS.—A State  
19 agency may round up to the next whole can of infant  
20 formula to allow all participants under the program  
21 to receive the full-authorized nutritional benefit  
22 specified by regulation.”.

23 (B) APPLICABILITY.—The amendment  
24 made by subparagraph (A) applies to infant  
25 formula provided under a contract resulting

1 from a bid solicitation issued on or after Octo-  
2 ber 1, 2004.

3 (5) NOTIFICATION OF VIOLATIONS.—Section  
4 17(f) of the Child Nutrition Act of 1966 (42 U.S.C.  
5 1786(f)) (as amended by paragraph (4)) is amended  
6 by adding at the end the following:

7 “(26) NOTIFICATION OF VIOLATIONS.—If a  
8 State agency finds that a vendor has committed a  
9 violation that requires a pattern of occurrences in  
10 order to impose a penalty or sanction, the State  
11 agency shall notify the vendor of the initial violation  
12 in writing prior to documentation of another viola-  
13 tion, unless the State agency determines that noti-  
14 fying the vendor would compromise an investiga-  
15 tion.”.

16 (d) REAUTHORIZATION OF WIC PROGRAM.—Section  
17 17(g) of the Child Nutrition Act of 1966 (42 U.S.C.  
18 1786(g)) is amended by striking “(g)(1)” and all that fol-  
19 lows through “As authorized” in paragraph (1) and insert-  
20 ing the following:

21 “(g) AUTHORIZATION OF APPROPRIATIONS.—

22 “(1) IN GENERAL.—

23 “(A) AUTHORIZATION.—There are author-  
24 ized to be appropriated to carry out this section

1 such sums as are necessary for each of fiscal  
2 years 2004 through 2009.

3 “(B) ADVANCE APPROPRIATIONS; AVAIL-  
4 ABILITY.—As authorized”.

5 (e) NUTRITION SERVICES AND ADMINISTRATION  
6 FUNDS; COMPETITIVE BIDDING; RETAILERS.—

7 (1) IN GENERAL.—Section 17(h)(2)(A) of the  
8 Child Nutrition Act of 1966 (42 U.S.C.  
9 1786(h)(2)(A)) is amended by striking “For each of  
10 the fiscal years 1995 through 2003, the” and insert-  
11 ing “The”.

12 (2) HEALTHY PEOPLE 2010 INITIATIVE.—Sec-  
13 tion 17(h)(4) of the Child Nutrition Act of 1966 (42  
14 U.S.C. 1786(h)(4)) is amended—

15 (A) in subparagraph (D), by striking “;  
16 and” and inserting a semicolon;

17 (B) in subparagraph (E), by striking the  
18 period at the end and inserting “; and”; and

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

20 “(F) partner with communities, State and  
21 local agencies, employers, health care profes-  
22 sionals, and other entities in the private sector  
23 to build a supportive breastfeeding environment  
24 for women participating in the program under

1           this section to support the breastfeeding goals  
2           of the Healthy People 2010 initiative.”.

3           (3) SIZE OF STATE ALLIANCES.—Section  
4           17(h)(8)(A) of the Child Nutrition Act of 1966 (42  
5           U.S.C. 1786(h)(8)(A)) is amended by adding at the  
6           end the following:

7                           “(iv) SIZE OF STATE ALLIANCES.—

8   “(I) IN GENERAL.—Except as  
9   provided in subclauses (II) through  
10    (IV), no State alliance may exist  
11    among States if the total number of  
12    infants served by States participating  
13    in the alliance as of October 1, 2003,  
14    or such subsequent date determined  
15    by the Secretary for which data is  
16    available, would exceed 100,000.

17    “(II) ADDITION OF INFANT PAR-  
18    TICIPANTS.—In the case of a State al-  
19    liance that exists on the date of enact-  
20    ment of this clause, the alliance may  
21    continue and may expand to serve  
22    more than 100,000 infants but, except  
23    as provided in subclause (III), may  
24    not expand to include any additional  
25    State agency.

1                   “(III) ADDITION OF SMALL  
2 STATE AGENCIES AND INDIAN STATE  
3 AGENCIES.—Any State alliance may  
4 expand to include any State agency  
5 that served less than 5,000 infant  
6 participants as of October 1, 2003, or  
7 such subsequent date determined by  
8 the Secretary for which data is avail-  
9 able, or any Indian State agency, if  
10 the State agency or Indian State  
11 agency requests to join the State alli-  
12 ance.

13                   “(IV) SECRETARIAL WAIVER.—  
14 The Secretary may waive the require-  
15 ments of this clause not earlier than  
16 30 days after submitting to the Com-  
17 mittee on Education and the Work-  
18 force of the House of Representatives  
19 and the Committee on Agriculture,  
20 Nutrition, and Forestry of the Senate  
21 a written report that describes the  
22 cost-containment and competitive ben-  
23 efits of the proposed waiver.”.

24                   (4) PRIMARY CONTRACT INFANT FORMULA.—

1 (A) IN GENERAL.—Section 17(h)(8)(A) of  
2 the Child Nutrition Act of 1966 (42 U.S.C.  
3 1786(8)(A)) (as amended by paragraph (3)) is  
4 amended—

5 (i) in clause (ii)(I), by striking “con-  
6 tract brand of” and inserting “primary  
7 contract”;

8 (ii) in clause (iii), by inserting “for a  
9 specific infant formula for which manufac-  
10 turers submit a bid” after “lowest net  
11 price”; and

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

14 “(v) FIRST CHOICE OF ISSUANCE.—  
15 The State agency shall use the primary  
16 contract infant formula as the first choice  
17 of issuance (by formula type), with all  
18 other infant formulas issued as an alter-  
19 native to the primary contract infant for-  
20 mula.”.

21 (B) APPLICABILITY.—The amendments  
22 made by subparagraph (A) apply to a contract  
23 resulting from a bid solicitation issued on or  
24 after October 1, 2004.

1           (5) REBATE INVOICES.—Section 17(h)(8)(A) of  
2           the Child Nutrition Act of 1966 (42 U.S.C.  
3           1786(h)(8)(A)) (as amended by paragraph  
4           (4)(A)(iii)) is amended by adding at the end the fol-  
5           lowing:

6                       “(vi) REBATE INVOICES.—Each State  
7                       agency shall have a system to ensure that  
8                       infant formula rebate invoices, under com-  
9                       petitive bidding, provide a reasonable esti-  
10                      mate or an actual count of the number of  
11                      units sold to participants in the program  
12                      under this section.”.

13           (6) UNCOUPLING MILK AND SOY BIDS.—

14                       (A) IN GENERAL.—Section 17(h)(8)(A) of  
15                      the Child Nutrition Act of 1966 (42 U.S.C.  
16                      1786(h)(8)(A)) (as amended by paragraph (5))  
17                      is amended by adding at the end the following:

18                      “(vii) SEPARATE SOLICITATIONS.—In  
19                      soliciting bids for infant formula under a  
20                      competitive bidding system, any State  
21                      agency, or State alliance, that served under  
22                      the program a monthly average of more  
23                      than 100,000 infants during the preceding  
24                      12-month period shall solicit bids from in-  
25                      fant formula manufacturers under proce-

1           dures that require that bids for rebates or  
2           discounts are solicited for milk-based and  
3           soy-based infant formula separately.”.

4           (B) APPLICABILITY.—The amendment  
5           made by this paragraph applies to a bid solici-  
6           tation issued on or after October 1, 2004.

7           (7) CENT-FOR-CENT ADJUSTMENTS.—

8           (A) IN GENERAL.—Section 17(h)(8)(A) of  
9           the Child Nutrition Act of 1966 (42 U.S.C.  
10          1786(h)(8)(A)) (as amended by paragraph  
11          (6)(A)) is amended by adding at the end the  
12          following:

13                   “(viii) CENT-FOR-CENT ADJUST-  
14                   MENTS.—A bid solicitation for infant for-  
15                   mula under the program shall require the  
16                   manufacturer to adjust for price changes  
17                   subsequent to the opening of the bidding  
18                   process in a manner that requires—

19                           “(I) a cent-for-cent increase in  
20                           the rebate amounts if there is an in-  
21                           crease in the lowest national wholesale  
22                           price for a full truckload of the par-  
23                           ticular infant formula; and

24                           “(II) a cent-for-cent decrease in  
25                           the rebate amounts if there is a de-

1                   crease in the lowest national wholesale  
2                   price for a full truckload of the par-  
3                   ticular infant formula.”.

4                   (B) CONFORMING AMENDMENT.—Section  
5                   17(h)(8)(A)(ii) of the Child Nutrition Act of  
6                   1966 (42 U.S.C. 1786(h)(8)(A)(ii)) is amended  
7                   by striking “rise” and inserting “change”.

8                   (C) APPLICABILITY.—The amendments  
9                   made by this paragraph apply to a bid sollicita-  
10                  tion issued on or after October 1, 2004.

11                  (8) LIST OF INFANT FORMULA WHOLESALERS,  
12                  DISTRIBUTORS, RETAILERS, AND MANUFACTUR-  
13                  ERS.—Section 17(h)(8)(A) of the Child Nutrition  
14                  Act of 1966 (42 U.S.C. 1786(h)(8)(A)) (as amended  
15                  by paragraph (7)(A)) is amended by adding at the  
16                  end the following:

17                         “(ix) LIST OF INFANT FORMULA  
18                         WHOLESALERS, DISTRIBUTORS, RETAIL-  
19                         ERS, AND MANUFACTURERS.—The State  
20                         agency shall maintain a list of—

21                                 “(I) infant formula wholesalers,  
22                                 distributors, and retailers licensed in  
23                                 the State in accordance with State  
24                                 law (including regulations); and

1                   “(II) infant formula manufactur-  
2                   ers registered with the Food and  
3                   Drug Administration that provide in-  
4                   fant formula.

5                   “(x) PURCHASE REQUIREMENT.—A  
6                   vendor authorized to participate in the pro-  
7                   gram under this section shall only pur-  
8                   chase infant formula from the list de-  
9                   scribed in clause (ix).”.

10                  (9) FUNDS FOR INFRASTRUCTURE, MANAGE-  
11                  MENT INFORMATION SYSTEMS, AND SPECIAL NUTRI-  
12                  TION EDUCATION.—Section 17(h) of the Child Nu-  
13                  trition Act of 1966 (42 U.S.C. 1786(h)) is amended  
14                  by striking paragraph (10) and inserting the fol-  
15                  lowing:

16                  “(10) FUNDS FOR INFRASTRUCTURE, MANAGE-  
17                  MENT INFORMATION SYSTEMS, AND SPECIAL NUTRI-  
18                  TION EDUCATION.—

19                  “(A) IN GENERAL.—For each of fiscal  
20                  years 2006 through 2009, the Secretary shall  
21                  use for the purposes specified in subparagraph  
22                  (B), \$64,000,000 or the amount of nutrition  
23                  services and administration funds and supple-  
24                  mental food funds for the prior fiscal year that  
25                  have not been obligated, whichever is less.

1           “(B) PURPOSES.—Of the amount made  
2 available under subparagraph (A) for a fiscal  
3 year, not more than—

4           “(i) \$14,000,000 shall be used for—

5           “(I) infrastructure for the pro-  
6 gram under this section;

7           “(II) special projects to promote  
8 breastfeeding, including projects to  
9 assess the effectiveness of particular  
10 breastfeeding promotion strategies;  
11 and

12           “(III) special State projects of  
13 regional or national significance to  
14 improve the services of the program;

15           “(ii) \$30,000,000 shall be used to es-  
16 tablish, improve, or administer manage-  
17 ment information systems for the program,  
18 including changes necessary to meet new  
19 legislative or regulatory requirements of  
20 the program; and

21           “(iii) \$20,000,000 shall be used for  
22 special nutrition education such as breast  
23 feeding peer counselors and other related  
24 activities.

1           “(C) PROPORTIONAL DISTRIBUTION.—In a  
2 case in which less than \$64,000,000 is available  
3 to carry out this paragraph, the Secretary shall  
4 make a proportional distribution of funds allo-  
5 cated under subparagraph (B).”.

6           (10) VENDOR COST CONTAINMENT.—

7           (A) Section 17(h) of the Child Nutrition  
8 Act of 1966 (42 U.S.C. 1786(h)) is amended by  
9 striking paragraph (11) and inserting the fol-  
10 lowing:

11           “(11) VENDOR COST CONTAINMENT.—

12           “(A) PEER GROUPS.—

13           “(i) IN GENERAL.—The State agency  
14 shall—

15           “(I) establish a vendor peer  
16 group system;

17           “(II) in accordance with subpara-  
18 graphs (B) and (C), establish com-  
19 petitive price criteria and allowable re-  
20 imbursement levels for each vendor  
21 peer group; and

22           “(III) if the State agency elects  
23 to authorize any types of vendors de-  
24 scribed in subparagraph (D)(ii)(I)—

1                   “(aa) distinguish between  
2 vendors described in subpara-  
3 graph (D)(ii)(I) and other ven-  
4 dors by establishing—

5                   “(AA) separate peer  
6 groups for vendors described  
7 in                   subparagraph  
8 (D)(ii)(I);or

9                   “(BB) distinct competi-  
10 tive price criteria and allow-  
11 able reimbursement levels  
12 for vendors described in sub-  
13 paragraph (D)(ii)(I) within  
14 a peer group that contains  
15 both vendors described in  
16 subparagraph (D)(ii)(I) and  
17 other vendors; and

18                   “(bb) establish competitive  
19 price criteria and allowable reim-  
20 bursement levels that comply  
21 with subparagraphs (B) and (C),  
22 respectively, and that do not re-  
23 sult in higher food costs if pro-  
24 gram participants redeem supple-  
25 mental food vouchers at vendors

1 described in subparagraph  
2 (D)(ii)(I) rather than at vendors  
3 other than vendors described in  
4 subparagraph (D)(ii)(I).

5 Nothing in this paragraph shall be construed to  
6 compel a State agency to achieve lower food costs if  
7 program participants redeem supplemental food  
8 vouchers at vendors described in subparagraph  
9 (D)(ii)(I) rather than at vendors other than vendors  
10 described in subparagraph (D)(ii)(I).

11 “(ii) EXEMPTIONS.—The Secretary  
12 may exempt from the requirements of  
13 clause (i)—

14 “(I) a State agency that elects  
15 not to authorize any types of vendors  
16 described in subparagraph (D)(ii)(I)  
17 and that demonstrates to the Sec-  
18 retary that—

19 “(aa) compliance with clause  
20 (i) would be inconsistent with ef-  
21 ficient and effective operation of  
22 the program administered by the  
23 State under this section; or

24 “(bb) an alternative cost-  
25 containment system would be as

1 effective as a vendor peer group  
2 system; or  
3 “(II) a State agency—  
4 “(aa) in which the sale of  
5 supplemental foods that are ob-  
6 tained with food instruments  
7 from vendors described in sub-  
8 paragraph (D)(ii)(I) constituted  
9 less than 5 percent of total sales  
10 of supplemental foods that were  
11 obtained with food instruments in  
12 the State in the year preceding a  
13 year in which the exemption is  
14 effective; and  
15 “(bb) that demonstrates to  
16 the Secretary that an alternative  
17 cost-containment system would  
18 be as effective as the vendor peer  
19 group system and would not re-  
20 sult in higher food costs if pro-  
21 gram participants redeem supple-  
22 mental food vouchers at vendors  
23 described in subparagraph  
24 (D)(ii)(I) rather than at vendors

1 other than vendors described in  
2 subparagraph (D)(ii)(I).

3 “(B) COMPETITIVE PRICING.—

4 “(i) IN GENERAL.—The State agency  
5 shall establish competitive price criteria for  
6 each peer group for the selection of ven-  
7 dors for participation in the program  
8 that—

9 “(I) ensure that the retail prices  
10 charged by vendor applicants for the  
11 program are competitive with the  
12 prices charged by other vendors; and

13 “(II) consider—

14 “(aa) the shelf prices of the  
15 vendor for all buyers; or

16 “(bb) the prices that the  
17 vendor bid for supplemental  
18 foods, which shall not exceed the  
19 shelf prices of the vendor for all  
20 buyers.

21 “(ii) PARTICIPANT ACCESS.—In estab-  
22 lishing competitive price criteria, the State  
23 agency shall consider participant access by  
24 geographic area.

1                   “(iii) SUBSEQUENT PRICE IN-  
2                   CREASES.—The State agency shall estab-  
3                   lish procedures to ensure that a retail store  
4                   selected for participation in the program  
5                   does not, subsequent to selection, increase  
6                   prices to levels that would make the store  
7                   ineligible for selection to participate in the  
8                   program.

9                   “(C) ALLOWABLE REIMBURSEMENT LEV-  
10                   ELS.—

11                   “(i) IN GENERAL.—The State agency  
12                   shall establish allowable reimbursement  
13                   levels for supplemental foods for each ven-  
14                   dor peer group that ensure—

15                   “(I) that payments to vendors in  
16                   the vendor peer group reflect competi-  
17                   tive retail prices; and

18                   “(II) that the State agency does  
19                   not reimburse a vendor for supple-  
20                   mental foods at a level that would  
21                   make the vendor ineligible for author-  
22                   ization under the criteria established  
23                   under subparagraph (B).

24                   “(ii) PRICE FLUCTUATIONS.—The al-  
25                   lowable reimbursement levels may include

1 a factor to reflect fluctuations in wholesale  
2 prices.

3 “(iii) PARTICIPANT ACCESS.—In es-  
4 tablishing allowable reimbursement levels,  
5 the State agency shall consider participant  
6 access in a geographic area.

7 “(D) EXEMPTIONS.—The State agency  
8 may exempt from competitive price criteria and  
9 allowable reimbursement levels established  
10 under this paragraph—

11 “(i) pharmacy vendors that supply  
12 only exempt infant formula or medical  
13 foods that are eligible under the program;  
14 and

15 “(ii) vendors—

16 “(I)(aa) for which more than 50  
17 percent of the annual revenue of the  
18 vendor from the sale of food items  
19 consists of revenue from the sale of  
20 supplemental foods that are obtained  
21 with food instruments; or

22 “(bb) who are new applicants  
23 likely to meet the criteria of item (aa)  
24 under criteria approved by the Sec-  
25 retary; and

1                                   “(II) that are nonprofit.

2                                   “(E) COST CONTAINMENT.—If a State  
3 agency elects to authorize any types of vendors  
4 described in subparagraph (D)(ii)(I), the State  
5 agency shall demonstrate to the Secretary, and  
6 the Secretary shall certify, that the competitive  
7 price criteria and allowable reimbursement lev-  
8 els established under this paragraph for vendors  
9 described in subparagraph (D)(ii)(I) do not re-  
10 sult in average payments per voucher to ven-  
11 dors described in subparagraph (D)(ii)(I) that  
12 are higher than average payments per voucher  
13 to comparable vendors other than vendors de-  
14 scribed in subparagraph (D)(ii)(I).

15                                   “(F) LIMITATION ON PRIVATE RIGHTS OF  
16 ACTION.—Nothing in this paragraph may be  
17 construed as creating a private right of action.

18                                   “(G) IMPLEMENTATION.—A State agency  
19 shall comply with this paragraph not later than  
20 18 months after the date of enactment of this  
21 paragraph.”.

22                                   (B) CONFORMING AMENDMENT.—Section  
23 17(f)(1)(C)(i) of the Child Nutrition Act of  
24 1966 (42 U.S.C. 1786(f)(1)(C)(i)) is amended  
25 by inserting before the semicolon the following:

1           “, including a description of the State agency’s  
2           vendor peer group system, competitive price cri-  
3           teria, and allowable reimbursement levels that  
4           demonstrate that the State is in compliance  
5           with the cost-containment provisions in sub-  
6           section (h)(11).”.

7           (11) IMPOSITION OF COSTS ON RETAIL  
8           STORES.—Section 17(h) of the Child Nutrition Act  
9           of 1966 (42 U.S.C. 1786(h)) is amended by striking  
10          paragraph (12) and inserting the following:

11          “(12) IMPOSITION OF COSTS ON RETAIL  
12          STORES.—The Secretary may not impose, or allow a  
13          State agency to impose, the costs of any equipment,  
14          system, or processing required for electronic benefit  
15          transfers on any retail store authorized to transact  
16          food instruments, as a condition for authorization or  
17          participation in the program.”.

18          (12) UNIVERSAL PRODUCT CODES DATABASE.—  
19          Section 17(h) of the Child Nutrition Act of 1966 (42  
20          U.S.C. 1786(h)) (as amended by paragraph (11)) is  
21          amended by adding at the end the following:

22          “(13) UNIVERSAL PRODUCT CODES DATA-  
23          BASE.—The Secretary shall—

1           “(A) establish a national universal product  
2           code database for use by all State agencies in  
3           carrying out the program; and

4           “(B) make available from appropriated  
5           funds such sums as are required for hosting,  
6           hardware and software configuration, and sup-  
7           port of the database.”.

8           (13) INCENTIVE ITEMS.—Section 17(h) of the  
9           Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) (as  
10          amended by paragraph (12)) is amended by adding  
11          at the end the following:

12          “(14) INCENTIVE ITEMS.—A State agency shall  
13          not authorize or make payments to a vendor de-  
14          scribed in paragraph (11)(D)(ii)(I) that provides in-  
15          centive items or other free merchandise, except food  
16          or merchandise of nominal value (as determined by  
17          the Secretary), to program participants unless the  
18          vendor provides to the State agency proof that the  
19          vendor obtained the incentive items or merchandise  
20          at no cost.”.

21          (f) SPEND FORWARD AUTHORITY.—Section  
22          17(i)(3)(A)(ii)(I) of the Child Nutrition Act of 1966 (42  
23          U.S.C. 1786(i)(3)(A)(ii)(I)) is amended by striking “1  
24          percent” and inserting “3 percent”.

1 (g) MIGRANT AND COMMUNITY HEALTH CENTERS  
2 INITIATIVE.—Section 17(j) of the Child Nutrition Act of  
3 1966 (42 U.S.C. 1786(j)) is amended—

4 (1) by striking paragraph (4); and

5 (2) by redesignating paragraph (5) as para-  
6 graph (4).

7 (h) FARMERS' MARKET NUTRITION PROGRAM.—

8 (1) ROADSIDE STANDS.—Section 17(m)(1) of  
9 the Child Nutrition Act of 1966 (42 U.S.C.  
10 1786(m)(1)) is amended by inserting “and (at the  
11 option of a State) roadside stands” after “farmers’  
12 markets”.

13 (2) MATCHING FUNDS.—Section 17(m)(3) of  
14 the Child Nutrition Act of 1966 (42 U.S.C.  
15 1786(m)(3)) is amended by striking “total” both  
16 places it appears and inserting “administrative”.

17 (3) BENEFIT VALUE.—Section 17(m)(5)(C)(ii)  
18 of the Child Nutrition Act of 1966 (42 U.S.C.  
19 1786(m)(5)(C)(ii)) is amended by striking “\$20”  
20 and inserting “\$30”.

21 (4) REAUTHORIZATION.—Section 17(m)(9)(A)  
22 of the Child Nutrition Act of 1966 (42 U.S.C.  
23 1786(m)(9)(A)) is amended by striking clause (i)  
24 and inserting the following:

1                   “(i) AUTHORIZATION OF APPROPRIA-  
2                   TIONS.—There are authorized to be appro-  
3                   priated to carry out this subsection such  
4                   sums as are necessary for each of fiscal  
5                   years 2004 through 2009.”.

6           (i) DEMONSTRATION PROJECT RELATING TO USE OF  
7 WIC PROGRAM FOR IDENTIFICATION AND ENROLLMENT  
8 OF CHILDREN IN CERTAIN HEALTH PROGRAMS.—

9           (1) IN GENERAL.—Section 17 of the Child Nu-  
10           trition Act of 1966 (42 U.S.C. 1786) is amended by  
11           striking subsection (r).

12           (2) CONFORMING AMENDMENT.—Section 12 of  
13           the Richard B. Russell National School Lunch Act  
14           (42 U.S.C. 1760) is amended by striking subsection  
15           (p).

16 **SEC. 204. LOCAL WELLNESS POLICY.**

17           (a) IN GENERAL.—Not later than the first day of the  
18           school year beginning after June 30, 2006, each local edu-  
19           cational agency participating in a program authorized by  
20           the Richard B. Russell National School Lunch Act (42  
21           U.S.C. 1751 et seq.) or the Child Nutrition Act of 1966  
22           (42 U.S.C. 1771 et seq.) shall establish a local school  
23           wellness policy for schools under the local educational  
24           agency that, at a minimum—

1           (1) includes goals for nutrition education, phys-  
2           ical activity, and other school-based activities that  
3           are designed to promote student wellness in a man-  
4           ner that the local educational agency determines is  
5           appropriate;

6           (2) includes nutrition guidelines selected by the  
7           local educational agency for all foods available on  
8           each school campus under the local educational  
9           agency during the school day with the objectives of  
10          promoting student health and reducing childhood  
11          obesity;

12          (3) provides an assurance that guidelines for re-  
13          imbursable school meals shall not be less restrictive  
14          than regulations and guidance issued by the Sec-  
15          retary of Agriculture pursuant to subsections (a)  
16          and (b) of section 10 of the Child Nutrition Act (42  
17          U.S.C. 1779) and sections 9(f)(1) and 17(a) of the  
18          Richard B. Russell National School Lunch Act (42  
19          U.S.C. 1758(f)(1), 1766(a)), as those regulations  
20          and guidance apply to schools;

21          (4) establishes a plan for measuring implemen-  
22          tation of the local wellness policy, including designa-  
23          tion of 1 or more persons within the local edu-  
24          cational agency or at each school, as appropriate,

1 charged with operational responsibility for ensuring  
2 that the school meets the local wellness policy; and  
3 (5) involves parents, students, representatives  
4 of the school food authority, the school board, school  
5 administrators, and the public in the development of  
6 the school wellness policy.

7 (b) TECHNICAL ASSISTANCE AND BEST PRAC-  
8 TICES.—

9 (1) IN GENERAL.—The Secretary, in coordina-  
10 tion with the Secretary of Education and in con-  
11 sultation with the Secretary of Health and Human  
12 Services, acting through the Centers for Disease  
13 Control and Prevention, shall make available to local  
14 educational agencies, school food authorities, and  
15 State educational agencies, on request, information  
16 and technical assistance for use in—

17 (A) establishing healthy school nutrition  
18 environments;

19 (B) reducing childhood obesity; and

20 (C) preventing diet-related chronic dis-  
21 eases.

22 (2) CONTENT.—Technical assistance provided  
23 by the Secretary under this subsection shall—

24 (A) include relevant and applicable exam-  
25 ples of schools and local educational agencies

1 that have taken steps to offer healthy options  
2 for foods sold or served in schools;

3 (B) include such other technical assistance  
4 as is required to carry out the goals of pro-  
5 moting sound nutrition and establishing healthy  
6 school nutrition environments that are con-  
7 sistent with this section;

8 (C) be provided in such a manner as to be  
9 consistent with the specific needs and require-  
10 ments of local educational agencies; and

11 (D) be for guidance purposes only and not  
12 be construed as binding or as a mandate to  
13 schools, local educational agencies, school food  
14 authorities, or State educational agencies.

15 (3) FUNDING.—

16 (A) IN GENERAL.—On July 1, 2006, out  
17 of any funds in the Treasury not otherwise ap-  
18 propriated, the Secretary of the Treasury shall  
19 transfer to the Secretary of Agriculture to carry  
20 out this subsection \$4,000,000, to remain avail-  
21 able until September 30, 2009.

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

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

3 **SEC. 205. TEAM NUTRITION NETWORK.**

4 (a) **TEAM NUTRITION NETWORK.**—Section 19 of the  
5 Child Nutrition Act of 1966 (42 U.S.C. 1788) is amended  
6 to read as follows:

7 **“SEC. 19. TEAM NUTRITION NETWORK.**

8 “(a) **PURPOSES.**—The purposes of the team nutrition  
9 network are—

10 “(1) to establish State systems to promote the  
11 nutritional health of school children of the United  
12 States through nutrition education and the use of  
13 team nutrition messages and material developed by  
14 the Secretary, and to encourage regular physical ac-  
15 tivity and other activities that support healthy life-  
16 styles for children, including those based on the  
17 most recent Dietary Guidelines for Americans pub-  
18 lished under section 301 of the National Nutrition  
19 Monitoring and Related Research Act of 1990 (7  
20 U.S.C. 5341);

21 “(2) to provide assistance to States for the de-  
22 velopment of comprehensive and integrated nutrition  
23 education and active living programs in schools and  
24 facilities that participate in child nutrition programs;

1           “(3) to provide training and technical assist-  
2           ance and disseminate team nutrition messages to  
3           States, school and community nutrition programs,  
4           and child nutrition food service professionals;

5           “(4) to coordinate and collaborate with other  
6           nutrition education and active living programs that  
7           share similar goals and purposes; and

8           “(5) to identify and share innovative programs  
9           with demonstrated effectiveness in helping children  
10          to maintain a healthy weight by enhancing student  
11          understanding of healthful eating patterns and the  
12          importance of regular physical activity.

13          “(b) DEFINITION OF TEAM NUTRITION NETWORK.—  
14          In this section, the term ‘team nutrition network’ means  
15          a statewide multidisciplinary program for children to pro-  
16          mote healthy eating and physical activity based on sci-  
17          entifically valid information and sound educational, social,  
18          and marketing principles.

19          “(c) GRANTS.—

20                 “(1) IN GENERAL.—Subject to the availability  
21                 of funds for use in carrying out this section, in addi-  
22                 tion to any other funds made available to the Sec-  
23                 retary for team nutrition purposes, the Secretary, in  
24                 consultation with the Secretary of Education, may  
25                 make grants to State agencies for each fiscal year,

1 in accordance with this section, to establish team  
2 nutrition networks to promote nutrition education  
3 through—

4 “(A) the use of team nutrition network  
5 messages and other scientifically based informa-  
6 tion; and

7 “(B) the promotion of active lifestyles.

8 “(2) FORM.—A portion of the grants provided  
9 under this subsection may be in the form of competi-  
10 tive grants.

11 “(3) FUNDS FROM NONGOVERNMENTAL  
12 SOURCES.—In carrying out this subsection, the Sec-  
13 retary may accept cash contributions from non-  
14 governmental organizations made expressly to fur-  
15 ther the purposes of this section, to be managed by  
16 the Food and Nutrition Service, for use by the Sec-  
17 retary and the States in carrying out this section.

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

22 “(1) the product obtained by multiplying  $\frac{1}{2}$   
23 cent by the number of lunches reimbursed through  
24 food service programs under the Richard B. Russell  
25 National School Lunch Act (42 U.S.C. 1751 et seq.)

1 during the second preceding fiscal year in schools,  
2 institutions, and service institutions that participate  
3 in the food service programs; and

4 “(2) the total value of funds received by the  
5 Secretary in support of this section from nongovern-  
6 mental sources.

7 “(e) REQUIREMENTS FOR STATE PARTICIPATION.—  
8 To be eligible to receive a grant under this section, a State  
9 agency shall submit to the Secretary a plan that—

10 “(1) is subject to approval by the Secretary;  
11 and

12 “(2) is submitted at such time and in such  
13 manner, and that contains such information, as the  
14 Secretary may require, including—

15 “(A) a description of the goals and pro-  
16 posed State plan for addressing the health and  
17 other consequences of children who are at risk  
18 of becoming overweight or obese;

19 “(B) an analysis of the means by which  
20 the State agency will use and disseminate the  
21 team nutrition messages and material developed  
22 by the Secretary;

23 “(C) an explanation of the ways in which  
24 the State agency will use the funds from the  
25 grant to work toward the goals required under

1           subparagraph (A), and to promote healthy eat-  
2           ing and physical activity and fitness in schools  
3           throughout the State;

4           “(D) a description of the ways in which  
5           the State team nutrition network messages and  
6           activities will be coordinated at the State level  
7           with other health promotion and education ac-  
8           tivities;

9           “(E) a description of the consultative proc-  
10          ess that the State agency employed in the devel-  
11          opment of the model nutrition and physical ac-  
12          tivity programs, including consultations with in-  
13          dividuals and organizations with expertise in  
14          promoting public health, nutrition, or physical  
15          activity;

16          “(F) a description of how the State agency  
17          will evaluate the effectiveness of each program  
18          developed by the State agency;

19          “(G) an annual summary of the team nu-  
20          trition network activities;

21          “(H) a description of the ways in which  
22          the total school environment will support  
23          healthy eating and physical activity; and

24          “(I) a description of how all communica-  
25          tions to parents and legal guardians of students

1           who are members of a household receiving or  
2           applying for assistance under the program shall  
3           be in an understandable and uniform format  
4           and, to the maximum extent practicable, in a  
5           language that parents and legal guardians can  
6           understand.

7           “(f) STATE COORDINATOR.—Each State that receives  
8 a grant under this section shall appoint a team nutrition  
9 network coordinator who shall—

10           “(1) administer and coordinate the team nutri-  
11 tion network within and across schools, school food  
12 authorities, and other child nutrition program pro-  
13 viders in the State; and

14           “(2) coordinate activities of the Secretary, act-  
15 ing through the Food and Nutrition Service, and  
16 State agencies responsible for other children’s  
17 health, education, and wellness programs to imple-  
18 ment a comprehensive, coordinated team nutrition  
19 network program.

20           “(g) AUTHORIZED ACTIVITIES.—A State agency that  
21 receives a grant under this section may use funds from  
22 the grant—

23           “(1)(A) to collect, analyze, and disseminate  
24 data regarding the extent to which children and  
25 youths in the State are overweight, physically inac-

1       tive, or otherwise suffering from nutrition-related de-  
2       ficiencies or disease conditions; and

3               “(B) to identify the programs and services  
4       available to meet those needs;

5               “(2) to implement model elementary and sec-  
6       ondary education curricula using team nutrition net-  
7       work messages and material developed by the Sec-  
8       retary to create a comprehensive, coordinated nutri-  
9       tion and physical fitness awareness and obesity pre-  
10      vention program;

11              “(3) to implement pilot projects in schools to  
12      promote physical activity and to enhance the nutri-  
13      tional status of students;

14              “(4) to improve access to local foods through  
15      farm-to-cafeteria activities that may include the ac-  
16      quisition of food and the provision of training and  
17      education;

18              “(5) to implement State guidelines in health  
19      (including nutrition education and physical edu-  
20      cation guidelines) and to emphasize regular physical  
21      activity during school hours;

22              “(6) to establish healthy eating and lifestyle  
23      policies in schools;

1           “(7) to provide training and technical assist-  
2           ance to teachers and school food service profes-  
3           sionals consistent with the purposes of this section;

4           “(8) to collaborate with public and private orga-  
5           nizations, including community-based organizations,  
6           State medical associations, and public health groups,  
7           to develop and implement nutrition and physical  
8           education programs targeting lower income children,  
9           ethnic minorities, and youth at a greater risk for  
10          obesity.

11          “(h) LOCAL NUTRITION AND PHYSICAL ACTIVITY  
12          GRANTS.—

13           “(1) IN GENERAL.—Subject to the availability  
14           of funds to carry out this subsection, the Secretary,  
15           in consultation with the Secretary of Education,  
16           shall provide assistance to selected local educational  
17           agencies to create healthy school nutrition environ-  
18           ments, promote healthy eating habits, and increase  
19           physical activity, consistent with the Dietary Guide-  
20           lines for Americans published under section 301 of  
21           the National Nutrition Monitoring and Related Re-  
22           search Act of 1990 (7 U.S.C. 5341), among elemen-  
23           tary and secondary education students.

1           “(2) SELECTION OF SCHOOLS.—In selecting  
2 local educational agencies for grants under this sub-  
3 section, the Secretary shall—

4                   “(A) provide for the equitable distribution  
5 of grants among—

6                           “(i) urban, suburban, and rural  
7 schools; and

8                           “(ii) schools with varying family in-  
9 come levels;

10                   “(B) consider factors that affect need, in-  
11 cluding local educational agencies with signifi-  
12 cant minority or low-income student popu-  
13 lations; and

14                   “(C) establish a process that allows the  
15 Secretary to conduct an evaluation of how  
16 funds were used.

17           “(3) REQUIREMENT FOR PARTICIPATION.—To  
18 be eligible to receive assistance under this sub-  
19 section, a local educational agency shall, in consulta-  
20 tion with individuals who possess education or expe-  
21 rience appropriate for representing the general field  
22 of public health, including nutrition and fitness pro-  
23 fessionals, submit to the Secretary an application  
24 that shall include—

1           “(A) a description of the need of the local  
2 educational agency for a nutrition and physical  
3 activity program, including an assessment of  
4 the nutritional environment of the school;

5           “(B) a description of how the proposed  
6 project will improve health and nutrition  
7 through education and increased access to phys-  
8 ical activity;

9           “(C) a description of how the proposed  
10 project will be aligned with the local wellness  
11 policy required under section 204 of the Child  
12 Nutrition and WIC Reauthorization Act of  
13 2004;

14           “(D) a description of how funds under this  
15 subsection will be coordinated with other pro-  
16 grams under this Act, the Richard B. Russell  
17 National School Lunch Act (42 U.S.C. 1751 et  
18 seq.), or other Acts, as appropriate, to improve  
19 student health and nutrition;

20           “(E) a statement of the measurable goals  
21 of the local educational agency for nutrition and  
22 physical education programs and promotion;

23           “(F) a description of the procedures the  
24 agency will use to assess and publicly report  
25 progress toward meeting those goals; and

1           “(G) a description of how communications  
2           to parents and guardians of participating stu-  
3           dents regarding the activities under this sub-  
4           section shall be in an understandable and uni-  
5           form format, and, to the extent maximum prae-  
6           ticable, in a language that parents can under-  
7           stand.

8           “(4) DURATION.—Subject to the availability of  
9           funds made available to carry out this subsection, a  
10          local educational agency receiving assistance under  
11          this subsection shall conduct the project during a pe-  
12          riod of 3 successive school years beginning with the  
13          initial fiscal year for which the local educational  
14          agency receives funds.

15          “(5) AUTHORIZED ACTIVITIES.—An eligible ap-  
16          plicant that receives assistance under this  
17          subsection—

18                 “(A) shall use funds provided to—

19                         “(i) promote healthy eating through  
20                         the development and implementation of nu-  
21                         trition education programs and curricula  
22                         based on the Dietary Guidelines for Ameri-  
23                         cans published under section 301 of the  
24                         National Nutrition Monitoring and Related

1 Research Act of 1990 (7 U.S.C. 5341);  
2 and

3 “(ii) increase opportunities for phys-  
4 ical activity through after school programs,  
5 athletics, intramural activities, and recess;  
6 and

7 “(B) may use funds provided to—

8 “(i) educate parents and students  
9 about the relationship of a poor diet and  
10 inactivity to obesity and other health prob-  
11 lems;

12 “(ii) develop and implement physical  
13 education programs that promote fitness  
14 and lifelong activity;

15 “(iii) provide training and technical  
16 assistance to food service professionals to  
17 develop more appealing, nutritious menus  
18 and recipes;

19 “(iv) incorporate nutrition education  
20 into physical education, health education,  
21 and after school programs, including ath-  
22 letics;

23 “(v) involve parents, nutrition profes-  
24 sionals, food service staff, educators, com-  
25 munity leaders, and other interested par-

1 ties in assessing the food options in the  
2 school environment and developing and im-  
3 plementing an action plan to promote a  
4 balanced and healthy diet;

5 “(vi) provide nutrient content or nu-  
6 trition information on meals served  
7 through the school lunch program estab-  
8 lished under the Richard B. Russell Na-  
9 tional School Lunch Act (42 U.S.C. 1751  
10 et seq.) and the school breakfast program  
11 established by section 4 of this Act and  
12 items sold a la carte during meal times;

13 “(vii) encourage the increased con-  
14 sumption of a variety of healthy foods, in-  
15 cluding fruits, vegetables, whole grains,  
16 and low-fat dairy products, through new  
17 initiatives to creatively market healthful  
18 foods, such as salad bars and fruit bars;

19 “(viii) offer healthy food choices out-  
20 side program meals, including by making  
21 low-fat and nutrient dense options avail-  
22 able in vending machines, school stores,  
23 and other venues; and

24 “(ix) provide nutrition education, in-  
25 cluding sports nutrition education, for

1 teachers, coaches, food service staff, ath-  
2 letic trainers, and school nurses.

3 “(6) REPORT.—Not later than 18 months after  
4 completion of the projects and evaluations under this  
5 subsection, the Secretary shall—

6 “(A) submit to the Committee on Edu-  
7 cation and the Workforce of the House of Rep-  
8 resentatives and the Committee on Health,  
9 Education, Labor, and Pensions and the Com-  
10 mittee on Agriculture, Nutrition and Forestry  
11 of the Senate a report describing the results of  
12 the evaluation under this subsection; and

13 “(B) make the report available to the pub-  
14 lic, including through the Internet.

15 “(i) NUTRITION EDUCATION SUPPORT.—In carrying  
16 out the purpose of this section to support nutrition edu-  
17 cation, the Secretary may provide for technical assistance  
18 and grants to improve the quality of school meals and ac-  
19 cess to local foods in schools and institutions.

20 “(j) LIMITATION.—Material prepared under this sec-  
21 tion regarding agricultural commodities, food, or bev-  
22 erages, must be factual and without bias.

23 “(k) TEAM NUTRITION NETWORK INDEPENDENT  
24 EVALUATION.—

1           “(1) IN GENERAL.—Subject to the availability  
2 of funds to carry out this subsection, the Secretary  
3 shall offer to enter into an agreement with an inde-  
4 pendent, nonpartisan, science-based research  
5 organization—

6           “(A) to conduct a comprehensive inde-  
7 pendent evaluation of the effectiveness of the  
8 team nutrition initiative and the team nutrition  
9 network under this section; and

10           “(B) to identify best practices by schools  
11 in—

12           “(i) improving student understanding  
13 of healthful eating patterns;

14           “(ii) engaging students in regular  
15 physical activity and improving physical  
16 fitness;

17           “(iii) reducing diabetes and obesity  
18 rates in school children;

19           “(iv) improving student nutrition be-  
20 haviors on the school campus, including by  
21 increasing healthier meal choices by stu-  
22 dents, as evidenced by greater inclusion of  
23 fruits, vegetables, whole grains, and lean  
24 dairy and protein in meal and snack selec-  
25 tions;

1                   “(v) providing training and technical  
2                   assistance for food service professionals re-  
3                   sulting in the availability of healthy meals  
4                   that appeal to ethnic and cultural taste  
5                   preferences;

6                   “(vi) linking meals programs to nutri-  
7                   tion education activities;

8                   “(vii) successfully involving parents,  
9                   school administrators, the private sector,  
10                  public health agencies, nonprofit organiza-  
11                  tions, and other community partners;

12                  “(viii) ensuring the adequacy of time  
13                  to eat during school meal periods; and

14                  “(ix) successfully generating revenue  
15                  through the sale of food items, while pro-  
16                  viding healthy options to students through  
17                  vending, student stores, and other venues.

18                  “(2) REPORT.—Not later than 3 years after  
19                  funds are made available to carry out this sub-  
20                  section, the Secretary shall submit to the Committee  
21                  on Education and the Workforce of the House of  
22                  Representatives, the Committee on Health, Edu-  
23                  cation, Labor, and Pensions and the Committee on  
24                  Agriculture, Nutrition, and Forestry of the Senate a

1 report describing the findings of the independent  
2 evaluation.

3 “(l) AUTHORIZATION OF APPROPRIATIONS.—There  
4 are authorized to be appropriated such sums as are nec-  
5 essary to carry out this section.”.

6 (b) CONFORMING AMENDMENT.—Section  
7 21(c)(2)(E) of the Richard B. Russell National School  
8 Lunch Act (42 U.S.C. 1769b-1(c)(2)(E)) is amended by  
9 striking “, including” and all that follows through “1966”.

10 **SEC. 206. REVIEW OF BEST PRACTICES IN THE BREAKFAST**  
11 **PROGRAM.**

12 (a) REVIEW.—

13 (1) IN GENERAL.—Subject to the availability of  
14 funds under subsection (c), the Secretary of Agri-  
15 culture shall enter into an agreement with a re-  
16 search organization to collect and disseminate a re-  
17 view of best practices to assist school food authori-  
18 ties in addressing existing impediments at the State  
19 and local level that hinder the growth of the school  
20 breakfast program under section 4 of the Child Nu-  
21 trition Act of 1966 (42 U.S.C. 1773).

22 (2) RECOMMENDATIONS.—The review shall de-  
23 scribe model breakfast programs and offer rec-  
24 ommendations for schools to overcome obstacles,  
25 including—

1 (A) the length of the school day;  
2 (B) bus schedules; and  
3 (C) potential increases in costs at the  
4 State and local level.

5 (b) DISSEMINATION.—Not later than 1 year after the  
6 date of enactment of this Act, the Secretary shall—

7 (1) make the review required under subsection  
8 (a) available to school food authorities via the Inter-  
9 net, including recommendations to improve partici-  
10 pation in the school breakfast program; and

11 (2) transmit to Committee on Education and  
12 the Workforce of the House of Representatives and  
13 the Committee on Agriculture, Nutrition, and For-  
14 estry of the Senate a copy of the review.

15 (c) AUTHORIZATION OF APPROPRIATIONS.—There  
16 are authorized to be appropriated such sums as are nec-  
17 essary to carry out this section.

18 **TITLE III—COMMODITY**  
19 **DISTRIBUTION PROGRAMS**

20 **SEC. 301. COMMODITY DISTRIBUTION PROGRAMS.**

21 Section 15 of the Commodity Distribution Reform  
22 Act and WIC Amendments of 1987 (7 U.S.C. 612c note;  
23 Public Law 100–237) is amended by striking subsection  
24 (e).

1           **TITLE IV—MISCELLANEOUS**

2   **SEC. 401. SENSE OF CONGRESS REGARDING EFFORTS TO**  
3                   **PREVENT AND REDUCE CHILDHOOD OBE-**  
4                   **SITY.**

5           (a) FINDINGS.—Congress finds that—

6                   (1) childhood obesity in the United States has  
7           reached critical proportions;

8                   (2) childhood obesity is associated with numer-  
9           ous health risks and the incidence of chronic disease  
10          later in life;

11                  (3) the prevention of obesity among children  
12          yields significant benefits in terms of preventing dis-  
13          ease and the health care costs associated with such  
14          diseases;

15                  (4) further scientific and medical data on the  
16          prevalence of childhood obesity is necessary in order  
17          to inform efforts to fight childhood obesity; and

18                  (5) the State of Arkansas—

19                          (A) is the first State in the United States  
20          to have a comprehensive statewide initiative to  
21          combat and prevent childhood obesity by—

22                                  (i) annually measuring the body mass  
23          index of public school children in the State  
24          from kindergarten through 12th grade;  
25          and

1 (ii) providing that information to the  
2 parents of each child with associated infor-  
3 mation about the health implications of the  
4 body mass index of the child;

5 (B) maintains, analyzes, and reports on  
6 annual and longitudinal body mass index data  
7 for the public school children in the State; and

8 (C) develops and implements appropriate  
9 interventions at the community and school level  
10 to address obesity, the risk of obesity, and the  
11 condition of being overweight, including efforts  
12 to encourage healthy eating habits and in-  
13 creased physical activity.

14 (b) SENSE OF CONGRESS.—It is the sense of Con-  
15 gress that—

16 (1) the State of Arkansas, in partnership with  
17 the University of Arkansas for Medical Sciences and  
18 the Arkansas Center for Health Improvement,  
19 should be commended for its leadership in combating  
20 childhood obesity; and

21 (2) the efforts of the State of Arkansas to im-  
22 plement a statewide initiative to combat and prevent  
23 childhood obesity are exemplary and could serve as  
24 a model for States across the United States.

1           **TITLE V—IMPLEMENTATION**

2   **SEC. 501. GUIDANCE AND REGULATIONS.**

3           (a) **GUIDANCE.**—As soon as practicable after the date  
4 of enactment of this Act, the Secretary of Agriculture shall  
5 issue guidance to implement the amendments made by sec-  
6 tions 102, 103, 104, 105, 106, 107, 111, 116, 119(c),  
7 119(g), 120, 126(b), 126(c), 201, 203(a)(3), 203(b),  
8 203(c)(5), 203(e)(3), 203(e)(4), 203(e)(5), 203(e)(6),  
9 203(e)(7), 203(e)(10), and 203(h)(1).

10          (b) **INTERIM FINAL REGULATIONS.**—The Secretary  
11 may promulgate interim final regulations to implement the  
12 amendments described in subsection (a).

13          (c) **REGULATIONS.**—Not later than 2 years after the  
14 date of enactment of this Act, the Secretary shall promul-  
15 gate final regulations to implement the amendments de-  
16 scribed in subsection (a).

17   **SEC. 502. EFFECTIVE DATES.**

18          (a) **IN GENERAL.**—Except as otherwise provided in  
19 this Act, this Act and the amendments made by this Act  
20 take effect on the date of enactment of this Act.

21          (b) **SPECIAL EFFECTIVE DATES.**—

22               (1) **JULY 1, 2004.**—The amendments made by  
23 sections 106, 107, 126(c), and 201 take effect on  
24 July 1, 2004.

1           (2) OCTOBER 1, 2004.—The amendments made  
2           by sections 119(c), 119(g), 202(a), 203(a), 203(b),  
3           203(c)(1), 203(c)(5), 203(e)(5), 203(e)(8),  
4           203(e)(10), 203(e)(13), 203(f), 203(h)(1), and  
5           203(h)(2) take effect on October 1, 2004.

6           (3) JANUARY 1, 2005.—The amendments made  
7           by sections 116(f)(1) and 116(f)(3) take effect on  
8           January 1, 2005.

9           (4) JULY 1, 2005.—The amendments made by  
10          sections 102, 104, 105, 111, and 126(b) take effect  
11          on July 1, 2005.

12          (5) OCTOBER 1, 2005.—The amendments made  
13          by sections 116(d) and 203(e)(9) take effect on Oc-  
14          tober 1, 2005.