

SECTION-BY-SECTION OF DRAFT COMMITTEE PRINT

SEC. 1. Short Title; Table Of Contents.

Provides the short title and table of contents for the legislation.

SEC. 2. Definition Of Secretary.

Defines the term “Secretary” in the bill to mean the Secretary of Agriculture.

TITLE I — NATIONAL SCHOOL LUNCH PROGRAM

SEC. 101. Apportionments To States.

Amends Section 4 of the Richard B. Russell National School Lunch Act (“NSLA”) to:

- Adjust terminology regarding who the Secretary makes food assistance payments to from “State educational agency” to “authorized State agency.”
- Sunset any funds for State administrative costs that were made available but not obligated by a State agency as of March 31, 2016.
- Require the Secretary to announce the reimbursement rates and any associated guidance by February 15th of the school year prior to the school year when the rates and guidance will become effective.

SEC. 102. Repeal Of Nutrition Promotion.

Repeals Section 5 of the NSLA.

SEC. 103. Direct Federal Expenditures.

Amends Section 6 of the NSLA to update the formula for calculating the total commodity assistance or cash available to a State for the school lunch program.

SEC. 104. Payments To States.

Amends Section 7 of the NSLA to adjust terminology from “State educational agencies” to “authorized State agencies.”

SEC. 105. Nutritional And Other Program Requirements.

Amends Section 9 of the NSLA to:

- Update language regarding technical assistance and training for schools.
- Require the Secretary to consider the nutrient needs of children who are not consuming the recommended daily servings of milk and dairy products under the Dietary Guidelines for Americans and analyze milk consumption data and trends for children when determining the varieties of fluid milk made available in school meals and outside of reimbursable school meals.
- Require the Secretary to begin a review within 60 days of date of enactment of the current varieties of fluid milk made available in school meals and outside of reimbursable school meals and to then begin updating any applicable regulations as necessary within 60 days of completing such review.
- Adjust the deadline for income guidelines and associated guidance to be used in determining eligibility for free and reduced price lunches from June 1st to March 31st of each fiscal year.
- Adjust terminology from “State educational agency” to “authorized State agency.”
- Simplify applications for free and reduced price lunches and require that any descriptive material accompanying the applications include a notification regarding reporting of fraud.
- Update verification sample size, selection requirements and verification methods.
- For purposes of direct verification, require a local educational agency to obtain and use program participation information from a public agency administering the Supplemental Nutrition Assistance Program, Food Distribution Program on Indian Reservations, Temporary Assistance for Needy Families, Medicaid, or a similar income-tested program.
- Strike language regarding a past evaluation of direct verification.
- Require the Secretary to consider children to be directly certified for free and reduced price lunches when the eligibility for the household application of those children is confirmed using direct verification.
- Extend time period in which local educational agencies must conduct verification activities.
- Require the Secretary to conduct alternative and enhanced methods of certification and verification.
- Require the Secretary to provide a common format for data related to direct certification.
- Strike language regarding performance awards.
- Require the Secretary to designate data exchange standards to govern, for purposes of the NSLA, information that State agencies are required to exchange with another State or local agency and Federal reporting. Requires the Secretary to issue a proposed rule to implement this requirement within two years of date of enactment.
- Strike requirement for Secretary to notify Congress regarding production records and paperwork relating to the school lunch and school breakfast programs.
- Strike requirement for local educational agencies to report information about the school nutrition environment.

- Extend requirement for States to audit food safety inspections of schools participating in the school lunch or school breakfast programs and report results of such audits to the Secretary through fiscal year 2020. Also extends requirement for Secretary to audit the State reports submitted through fiscal year 2020.

SEC. 106. Miscellaneous Provisions.

Amends Section 12 of the NSLA to:

- Extend the authorization of appropriations for procurement training through fiscal year 2020.
- Require a State, State agency, or school food authority to ensure that a procurement contract for a good or service for programs under the NSLA or Child Nutrition Act of 1966 contain a Buy American requirement.
- Revise provisions regarding prices for paid lunches and strike provision on nonprogram food sales.

SEC. 107. Summer Food Service Program For Children.

Amends Section 13 of the NSLA to:

- Authorize service institutions to operate summer food service program sites and at-risk afterschool sites under one application.
- Strike language for evaluation of exemption from eligibility criteria for summer food service program in calendar years 2005 and 2006.
- Strike authority for summer food service support grants.
- Authorize a special election for States to issue benefits under the food service program through an electronic benefit transfer card. Also authorizes a special election for States to allow service institutions meeting specified requirements to provide summer food service program meals for children to consume off-site.
- Require the Secretary, subject to the availability of appropriations, to award grants for State agencies to carry out a pilot project to provide three meals or two meals and one supplement per day.
- Increase the amount of program funds the Secretary is required to make available to States to pay for health department inspections to test meal quality under the summer food service program.
- Update requirements of the State plan, including requirements relating to use of the new special elections.
- Extend the authorization of appropriations for the summer food service program through the end of fiscal year 2020.

- Require the Secretary, subject to the availability of appropriations, to carry out research projects in States with the lowest participation rates in the summer food service program designed to gather information about participation, involvement by non-profit organizations, private investment, and social and behavioral change by participants.

SEC. 108. Commodity Distribution Program.

Amends Section 14 of the NSLA to:

- Update nutrition-related language on commodities.
- Strike requirement for Secretary to develop policy and procedures relating to the purchase and distribution of irradiated food products in school meals programs under the NSLA and Child Nutrition Act of 1966.

SEC. 109. Child And Adult Care Food Program.

(1) Amends Section 17 of the NSLA to:

- Adjust the definition of “institution” under the Child and Adult Care Food Program (“CACFP”) to include a public or licensed nonprofit private residential child care institution that meets certain requirements (described in subsection (v)) and any boarding school funded by the Bureau of Indian Education.
- Set a duration for an eligibility determination for a for-profit organization providing nonresidential child care or day care.
- Require the Secretary to issue payment rates for supplements by February 15 of the school year prior to the school year when the rates will become effective.
- Require the Secretary to issue guidelines and any associated guidance for income eligibility for free and reduced price lunches by February 15 of the school year prior to the school year when the guidelines and associated guidance will become effective.
- Require a sponsoring organization to submit a report at least annually that describes their expenditures and amount of meal reimbursements retained by the organization for administrative costs.
- Require the Secretary to review and issue guidance regarding the serious deficiency process for the CACFP within one year of date of enactment.
- Authorize an additional supplement for which an institution or family or group day care home sponsoring organization can be reimbursed if a participant is maintained for nine or more hours per day.
- Shift the date for reimbursement factors to be adjusted for family or group day care home sponsoring organizations to February 15th.
- Strike a requirement that reimbursement of administrative expenses include start-up expenses.

- Strike authority for administrative expenses to be used by sponsoring organizations to assist unlicensed family or group day care homes in becoming licensed.
- Update policy regarding use of donated foods in CACFP.
- Require the Secretary to encourage institutions to engage with State agencies and local educational agencies to enhance the use of and increase access to donated commodities.
- Authorize residential child care institutions to be eligible for reimbursement for meals or supplements served to eligible children residing at the institution.

(2) Requires the Secretary to re-establish and reconvene an advisory committee to examine the feasibility of reducing unnecessary or duplicative paperwork in CACFP and provide recommendations for paperwork reduction while ensuring that proper accountability and program integrity are maintained.

Requires the Secretary to issue guidance or regulations based on such recommendations within one year of date of enactment and to implement any changes within two years of date of enactment. Requires the Secretary to report to Congress after issuing any guidance or regulations.

SEC. 110. Pilot Projects.

Amends Section 18 of the NSLA to:

- Update and expand the Farm to School Program.
- Strike pilot programs for high poverty schools, expansion of free lunch and breakfast eligibility, and organic food.
- Extend authorization of summer food service program paperwork reduction pilot in the State of California.

SEC. 111. Fresh Fruit And Vegetable Program.

Amends Section 19 of the NSLA to:

- Require the Secretary to establish criteria and a process through which a State may grant a hardship exemption to allow schools seeking to participate in the program after the date of enactment to serve all forms of fruits and vegetables.
- Establish benchmarks for schools participating in hardship exemption to transition to fresh.
- Require the Secretary to issue guidance within 180 days of date of enactment to implement the hardship exemption.
- Require the Secretary to report to Congress not later than January 1, 2019 and every year thereafter on the impacts of the hardship exemption.

SEC. 112. Training And Technical Assistance.

Amends Section 21 of the NSLA to:

- Update requirements for training and technical assistance to emphasize best practices, communication between State agencies and local educational agencies, and collaboration.
- Require the Secretary to award grants to eligible entities to develop and administer training and technical assistance for food service personnel. Requires the Secretary to report to Congress within 18 months of date of enactment on the status of any training and technical assistance funded.
- Require the Secretary to conduct a study on the use of State administrative expense funds for technical assistance by State agencies. Requires the Secretary to report to Congress within 18 months of date of enactment, including a summary of the study and any best practices identified.

SEC. 113. Compliance And Accountability.

Amends Section 22 of the NSLA to:

- Add the Buy American requirement to the Unified Accountability System.
- Require State agencies to conduct audits and reviews for compliance with the NSLA every five years.
- Replace requirement for additional review of local educational agencies that have high levels of administrative error with requirement for State agencies to develop and monitor implementation of an error reduction plan.
- Extend the authorization of appropriations for carrying out compliance and accountability activities through fiscal year 2020.

SEC. 114. Repeal Of State Childhood Hunger Challenge Grants.

Repeals Section 24 of the NSLA.

SEC. 115. Duties Of The Secretary Relating To Nonprocurement Debarment.

Amends Section 25 of the NSLA to require the Secretary to impose a civil penalty in situations where a contractor is found guilty in a civil or administrative proceeding held in connection with a child nutrition program and use the funds to provide restitution to the program.

SEC. 116. Improvements To School Lunch Facilities.

Adds a new section to the NSLA to:

- Require the Secretary to provide, subject to the availability of appropriations, grants and loan guarantees for equipment and infrastructure needed to serve healthier meals and improve food safety.
- Require the Secretary to review or revise any guidance relating to salad bars in existence on the date of enactment so as to ensure that school food authorities have flexibility in the establishment and implementation of salad bars.

TITLE II — SCHOOL BREAKFAST PROGRAM

SEC. 201. Special Milk Program Authorization.

Amends Section 3 of the Child Nutrition Act of 1966 (“CNA”) to require the Secretary to adjust the minimum rate of reimbursement for the special milk program each year by February 15 for the upcoming school year.

SEC. 202. Nutritional And Other Program Requirements.

Amends Section 4 of the CNA to update language regarding technical assistance and training for schools.

SEC. 203. State Administrative Expenses.

Amends Section 7 of the CNA to:

- Strike language regarding reallocation funds from past fiscal years.
- Allow a State to use administrative expense funds to pay for a State-operated purchasing program.
- Require the Secretary to conduct a study to evaluate the effectiveness and allocation of State administrative expenses. Requires the Secretary to report the results of the study to Congress by September 30, 2019.
- Update language regarding nutrition education training for local food service personnel. Also requires States to ensure that any training program for local food service personnel meets certain requirements relating to time and method of training.
- Add additional purpose for use of technology infrastructure grants.
- Require the Secretary to ensure that any technology or information management system purchased by a State with technology infrastructure grant funds is compatible with systems already being used in that State.
- Require the Secretary to submit a report to Congress within 180 days of enactment that describes the ways in which the Secretary is improving the rate of direct certification for children

participating in the school breakfast program, including the use of technology or information management systems to assist tribal organizations.

- Extend the authorization of appropriations for technology infrastructure improvement through fiscal year 2020.
- Extend the authorization of appropriations for state administrative expenses through fiscal year 2020.
- Require the Secretary to establish an exchange network to facilitate the exchange of information and best practices between States for programs authorized under the CNA and NSLA.

SEC. 204. Special Supplemental Nutrition Program For Women, Infants, And Children.

(1) Amends Section 17 of the CNA to:

- Amend a phrase within the purpose of the Special Supplemental Nutrition Program for Women, Infants, and Children (“WIC Program”) from breastfeeding promotion and support to breastfeeding counseling, promotion and support.
- Require a State agency, when determining income eligibility for the WIC Program, to exclude a basic allowance for subsistence to a member of a uniformed service.
- Require a State agency, when determining income eligibility for the WIC Program, to exclude child support payments from the income of an applicant when the applicant is legally obligated to pay support for a non-custodial child.
- Allow States to certify children who are five years old and not enrolled in full day kindergarten to participate in the WIC Program. In addition, allows States to certify infants for a period of up to two years, with confirmation of eligibility.
- Require the Secretary to designate data exchange standards to govern, for purposes of the CNA, information that State agencies are required to exchange with another State or local agency and Federal reporting. Requires the Secretary to issue a proposed rule to implement this requirement within two years of date of enactment.
- Require a State agency to ensure that program participants are provided education regarding proper disposal of unused or excess formula purchased with food instruments under the WIC Program.
- Strike language allowing local agencies or clinics to share nutrition educational materials with institutions participating in the Commodity Supplemental Food Program.
- Require a State agency to submit a plan of operation and administration for the WIC Program to the Secretary every three years after the initial plan is submitted, or whenever the State agency is seeking approval of a substantive change to the plan. Requires the plan to include a plan to allow for the substitution of products in times of emergency and disaster and a plan detailing how local agencies will ensure compliance with the income eligibility standards. Requires the

Secretary to periodically review State and local agency compliance with the approved plan of operation and administration of the applicable State.

- Require a State agency to notify the Secretary at least 45 days before temporarily halting the approval of new vendors and specify what information the notice must contain.
- Require the Secretary to amend the supplemental foods available, as necessary, to reflect commercial availability and participant demand.
- Require the Secretary to round to the nearest dollar increment when adjusting cash value vouchers for food cost inflation under the WIC Program.
- Extend the authorization of appropriations for the WIC Program through fiscal year 2020.
- Require a State agency that has fully implemented electronic benefits transfer systems throughout the State to have a system to ensure that infant formula rebate invoices provide an actual count of the number of units sold to program participants.
- Provide an allowance in contracts for infant formula under the WIC Program for a contractor to terminate the contract under special circumstances and with notice.
- Specify additional contract term, bid solicitation, and rebate billing requirements for any State agency instituting a cost containment measure for infant formula.
- Require a State agency seeking to enter into a contract for infant fruits, vegetables, or meat under a competitive bidding system to consider certain factors and provide a written explanation to the Secretary of how such considerations affected the State agency's decision.
- Extend authorization of the use of program funds for infrastructure, management information systems, and special nutrition education through fiscal year 2020.
- Require the Secretary to review the current processes used by State agencies to approve vendors for the WIC Program within 180 days of date of enactment. Requires the Secretary to update regulations as necessary within 180 days of completing such review to reduce duplication and application paperwork.
- Revise selection criteria and application timing for WIC vendors.
- Require the Secretary to update WIC Program regulations to account for transition by State agencies to electronic benefit transfer for the program.
- Authorize \$25 million in appropriations for assistance to States in implementing electronic benefit transfer systems in each of fiscal years 2016 through 2020.
- Require the Secretary to penalize any State agency that fails to implement electronic benefit transfer systems throughout the State by October 1, 2020.
- Require the Secretary to make available on request the national universal product code database information to vendors approved for participation in the WIC Program.
- Strike the National Advisory Council on Maternal, Infant, and Fetal Nutrition.
- Extend the authorization of appropriations for the WIC Farmers Market and Nutrition Program through fiscal year 2020.

- Includes a WIC infant formula manufacturer that has provided rebates for infant formula that was unlawfully trafficked to be included on the list of entities compensated by any sale of forfeited property resulting from a fraud conviction.
- Require the Secretary to provide notice to contracted infant formula manufacturers of the resolution of the disposition of an unlawful action resulting from the investigation of trafficked infant formula.
- Require the Secretary to encourage any advisory council or board operated by a State agency to include adequate representation of all appropriate program stakeholders.
- Require the Secretary to review, within 180 days of enactment, current guidance, regulations, and practices regarding fraud and safety for the WIC Program. Requires the Secretary to then update current regulations and guidance and issue additional regulations and guidance as necessary.
- Require State agencies and law enforcement agencies to share WIC vendor information relating to investigations or prosecutions under the WIC Program.
- Authorize the Secretary to conduct pilot projects to test alternative certification, food delivery procedures, service delivery methods, and mechanisms for providing additional food assistance under the WIC Program.

(2) Requires the Comptroller General to conduct a study to examine the impact of adjunctive eligibility on WIC participation and submit a report to Congress not later than three years after the date of enactment which describes the data collected and assessments made.

SEC. 205. Team Nutrition Network.

Amends Section 19 of the CNA to:

- Update the purpose of the Team Nutrition Network.
- Define the term “nutrition education.”
- Clarify scope of grants to local educational agencies. Requires applicant receiving assistance to incorporate nutrition education into academic instruction. Updates description of activities that an applicant may use funds provided to do.
- Require the Secretary to provide technical assistance to improve the quality of school meals and access to local foods.
- Strike the requirement for an evaluation of the Team Nutrition initiative and network. Requires the Secretary to enter into an agreement with an independent entity in the private sector to conduct a study on the effectiveness and level of coordination between nutrition education in the child nutrition programs and other Federal programs that include nutrition education and to then develop recommendations to identify creative ways to deliver nutrition education in Federal nutrition assistance programs. Requires a report to Congress not later than two years from date of enactment.

TITLE III — MISCELLANEOUS

SEC. 301. Reviews.

Requires the Secretary to review and issue reports to Congress on the following topics in child nutrition programs:

- Tribal foods
- Use of program data
- Crediting and labeling
- Nutritional analysis
- Unlawful activity
- Existing research and future program evaluation
- Lactation resources
- Infant formula
- Fluid milk

SEC. 302. Program Delivery.

Requires the Secretary to work with States participating in programs authorized under the NSLA and CNA to improve program delivery.

Clarifies the ability of a State agency to approve certain schools as a school food authority.

SEC. 303. Product Availability.

Requires the Secretary, to the extent practicable, to make lactose-free milk available for use in the Commodity Distribution Program under the NSLA.

SEC. 304. Procurement.

Requires the Secretary to ensure that there is flexibility, efficiency, and cost-effectiveness in procurement for the summer food service program and CACFP.

SEC. 305. School Nutrition Advisory Committee.

Requires the Secretary to establish a School Nutrition Advisory Committee within 120 days of enactment to provide input in administration of the school lunch program and the school breakfast program.

SEC. 306. Paperwork Reduction.

Requires the Secretary to periodically review regulations, guidance, and other requirements for any program authorized under the NSLA or CNA and, where appropriate, to streamline or otherwise reduce any unnecessary or duplicative paperwork, reporting requirements, and other administrative burdens.

Requires the Secretary to submit a report to Congress not later than three years after the date of enactment and every three years thereafter that describes any action taken.

SEC. 307. Technology.

Requires the Secretary to review the use of technology in the school lunch program and school breakfast program within 180 days of enactment and to encourage State agencies and local educational agencies to use technology to reduce the rate of error in administration of the programs.

Requires the Secretary to consider application of a unique student identifier in the school lunch program and school breakfast program within 180 days of enactment.

SEC. 308. Program Improvement.

Requires the Secretary to review current practice and standardize the process for administrative reviews, applications, and claim reimbursement for the school lunch program and school breakfast program within one year from date of enactment.

Requires the Secretary to develop a process to review and approve software used by local educational agencies relating to the school lunch program and school breakfast program within 18 months from date of enactment.

SEC. 309. Flexibility In School Meal Programs.

Requires the Secretary to contract with an independent entity not later than July 1, 2019 to conduct a review of the nutrition standards for sodium in the school lunch program and school breakfast program.

Requires the Secretary to update regulations regarding nutrition standards for whole grains and sodium in the school lunch program and school breakfast program within 90 days of date of enactment.

Requires the Secretary to establish an interagency working group within 60 days of date of enactment to issue guidance regarding provision of fruits and vegetables in the school meal programs authorized under the NSLA and CNA.

Requires the Secretary to establish an advisory panel to consider issues and develop policy recommendations for the sale of foods outside of the reimbursable meals in the school meal programs authorized under the NSLA and CNA.

SEC. 310. Technical Corrections.

Amends various provisions in the NSLA and CNA to make technical corrections.