

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 904

To provide flexibility to States to administer, and control the cost of, the food stamp and child nutrition programs, and for other purposes.

---

IN THE SENATE OF THE UNITED STATES

JUNE 9 (legislative day, JUNE 5), 1995

Mr. LUGAR introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

---

## A BILL

To provide flexibility to States to administer, and control the cost of, the food stamp and child nutrition programs, and for other purposes.

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

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

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Nutrition Assistance Reform Act of 1995”.

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

Sec. 1. Short title; table of contents.

### TITLE I—FOOD STAMP PROGRAM

Sec. 101. Certification period.

Sec. 102. Treatment of minors.

- Sec. 103. Optional additional criteria for separate household determinations.
- Sec. 104. Adjustment of thrifty food plan.
- Sec. 105. Definition of homeless individual.
- Sec. 106. Earnings of students.
- Sec. 107. Energy assistance.
- Sec. 108. Deductions from income.
- Sec. 109. Amount of vehicle asset limitation.
- Sec. 110. Benefits for aliens.
- Sec. 111. Disqualification.
- Sec. 112. Caretaker exemption.
- Sec. 113. Employment and training.
- Sec. 114. Comparable treatment for disqualification.
- Sec. 115. Cooperation with child support agencies.
- Sec. 116. Disqualification for child support arrears.
- Sec. 117. Permanent disqualification for participating in 2 or more States.
- Sec. 118. Work requirement.
- Sec. 119. Electronic benefit transfers.
- Sec. 120. Minimum benefit.
- Sec. 121. Benefits on recertification.
- Sec. 122. Optional combined allotment for expedited households.
- Sec. 123. Failure to comply with other welfare and public assistance programs.
- Sec. 124. Allotments for households residing in institutions.
- Sec. 125. Operation of food stamp offices.
- Sec. 126. State employee and training standards.
- Sec. 127. Expedited coupon service.
- Sec. 128. Fair hearings.
- Sec. 129. Income and eligibility verification system.
- Sec. 130. Collection of overissuances.
- Sec. 131. Termination of Federal match for optional information activities.
- Sec. 132. Standards for administration.
- Sec. 133. Work supplementation or support program.
- Sec. 134. Waiver authority.
- Sec. 135. Authorization of pilot projects.
- Sec. 136. Response to waivers.
- Sec. 137. Private sector employment initiatives.
- Sec. 138. Reauthorization of appropriations.
- Sec. 139. Reauthorization of Puerto Rico block grant.
- Sec. 140. Simplified food stamp program.
- Sec. 141. Effective date.

## TITLE II—CHILD NUTRITION PROGRAMS

### Subtitle A—Reimbursement Rates

- Sec. 201. Termination of additional payment for lunches served in high free and reduced price participation schools.
- Sec. 202. Value of food assistance.
- Sec. 203. Lunches, breakfasts, and supplements.
- Sec. 204. Summer food service program for children.
- Sec. 205. Special milk program.
- Sec. 206. Free and reduced price breakfasts.
- Sec. 207. Conforming reimbursement for paid breakfasts and lunches.

### Subtitle B—Grant Programs

- Sec. 211. School breakfast startup grants.

- Sec. 212. Nutrition education and training programs.  
 Sec. 213. Effective date.

Subtitle C—Other Amendments

- Sec. 221. Free and reduced price policy statement.  
 Sec. 222. Summer food service program for children.  
 Sec. 223. Child and adult care food program.  
 Sec. 224. Reducing required reports to State agencies and schools.

TITLE III—REAUTHORIZATION

- Sec. 301. Commodity distribution program; commodity supplemental food programs.  
 Sec. 302. Emergency food assistance program.  
 Sec. 303. Soup kitchens program.  
 Sec. 304. National commodity processing.

1                   **TITLE I—FOOD STAMP**  
 2   **PROGRAM**

3   **SEC. 101. CERTIFICATION PERIOD.**

4       Section 3(c) of the Food Stamp Act of 1977 (7  
 5 U.S.C. 2012(c)) is amended by striking “Except as pro-  
 6 vided” and all that follows and inserting the following:  
 7 “The certification period shall not exceed 12 months, ex-  
 8 cept that the certification period may be up to 24 months  
 9 if all adult household members are elderly, disabled, or  
 10 primarily self-employed. A State agency shall have at least  
 11 1 personal contact with each certified household every 12  
 12 months.”.

13   **SEC. 102. TREATMENT OF MINORS.**

14       The second sentence of section 3(i) of the Food  
 15 Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by  
 16 striking “(who are not themselves parents living with their  
 17 children or married and living with their spouses)”.

1 **SEC. 103. OPTIONAL ADDITIONAL CRITERIA FOR SEPARATE**  
 2 **HOUSEHOLD DETERMINATIONS.**

3 (a) IN GENERAL.—Section 3(i) of the Food Stamp  
 4 Act of 1977 (7 U.S.C. 2012(i)) is amended by inserting  
 5 after the second sentence the following: “Notwithstanding  
 6 the preceding sentences, a State may establish criteria  
 7 that prescribe when individuals who live together, and who  
 8 would be allowed to participate as separate households  
 9 under the preceding sentences, shall be considered a single  
 10 household, without regard to the purchase of food and the  
 11 preparation of meals.”.

12 (b) CONFORMING AMENDMENT.—The second sen-  
 13 tence of section 5(a) of the Act (7 U.S.C. 2014(a)) is  
 14 amended by striking “the third sentence of section 3(i)”  
 15 and inserting “the fourth sentence of section 3(i)”.

16 **SEC. 104. ADJUSTMENT OF THRIFTY FOOD PLAN.**

17 The second sentence of section 3(o) of the Food  
 18 Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

19 (1) by striking “shall (1) make” and inserting  
 20 the following: “shall—

21 “(1) make”;

22 (2) by striking “scale, (2) make” and inserting  
 23 “scale;

24 “(2) make”;

25 (3) by striking “Alaska, (3) make” and insert-  
 26 ing the following: “Alaska;

1 “(3) make”; and

2 (4) by striking “Columbia, (4) through” and all  
3 that follows through the end of the subsection and  
4 inserting the following: “Columbia; and

5 “(4) on October 1, 1995, and each October 1  
6 thereafter, adjust the cost of the diet to reflect the  
7 cost of the diet, in the preceding June, and round  
8 the result to the nearest lower dollar increment for  
9 each household size, except that on October 1, 1995,  
10 the Secretary may not reduce the cost of the diet in  
11 effect on September 30, 1995.”.

12 **SEC. 105. DEFINITION OF HOMELESS INDIVIDUAL.**

13 Section 3(s)(2)(C) of the Food Stamp Act of 1977  
14 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting “for not  
15 more than 90 days” after “temporary accommodation”.

16 **SEC. 106. EARNINGS OF STUDENTS.**

17 Section 5(d)(7) of the Food Stamp Act of 1977 (7  
18 U.S.C. 2014(d)(7)) is amended by striking “21” and in-  
19 serting “19”.

20 **SEC. 107. ENERGY ASSISTANCE.**

21 (a) IN GENERAL.—Section 5(d) of the Food Stamp  
22 Act of 1977 (7 U.S.C. 2014(d)) is amended—

23 (1) by striking paragraph (11); and

24 (2) by redesignating paragraphs (12) through  
25 (16) as paragraphs (11) through (15), respectively.

1 (b) CONFORMING AMENDMENTS.—

2 (1) Section 5 of the Act (7 U.S.C. 2014) is  
3 amended—

4 (A) in subsection (k)(1)(A), by striking  
5 “plan for aid to families with dependent chil-  
6 dren approved” and inserting “program fund-  
7 ed”; and

8 (B) in subsection (m), by striking  
9 “(d)(13)” and inserting “(d)(12)”.

10 (2) Section 2605(f) of the Low-Income Home  
11 Energy Assistance Act of 1981 (42 U.S.C. 8624(f))  
12 is amended—

13 (A) by striking “(f)(1) Notwithstanding”  
14 and inserting “(f) Notwithstanding”;

15 (B) in paragraph (1), by striking “food  
16 stamps,”; and

17 (C) by striking paragraph (2).

18 **SEC. 108. DEDUCTIONS FROM INCOME.**

19 (a) IN GENERAL.—Section 5 of the Food Stamp Act  
20 of 1977 (7 U.S.C. 2014) is amended by striking sub-  
21 section (e) and inserting the following:

22 “(e) DEDUCTIONS FROM INCOME.—

23 “(1) STANDARD DEDUCTION.—

24 “(A) IN GENERAL.—The Secretary shall  
25 allow a standard deduction for each household

1 in the 48 contiguous States and the District of  
2 Columbia, Alaska, Hawaii, Guam, and the Vir-  
3 gin Islands of the United States of—

4 “(i) for fiscal year 1995, \$134, \$229,  
5 \$189, \$269, and \$118, respectively;

6 “(ii) for fiscal year 1996, \$132, \$225,  
7 \$186, \$265, and \$116, respectively;

8 “(iii) for fiscal year 1997, \$130,  
9 \$222, \$183, \$261, and \$114, respectively;

10 “(iv) for fiscal year 1998, \$128, \$218,  
11 \$180, \$257, and \$112, respectively;

12 “(v) for fiscal year 1999, \$126, \$215,  
13 \$177, \$252, and \$111, respectively; and

14 “(vi) for fiscal year 2000, \$124, \$211,  
15 \$174, \$248, and \$109, respectively.

16 “(B) ADJUSTMENT FOR INFLATION.—On  
17 October 1, 2000, and each October 1 thereafter,  
18 the Secretary shall adjust the standard deduc-  
19 tion to the nearest lower dollar increment to re-  
20 flect changes in the Consumer Price Index for  
21 all urban consumers published by the Bureau of  
22 Labor Statistics, for items other than food, for  
23 the 12-month period ending the preceding June  
24 30.

25 “(2) EARNED INCOME DEDUCTION.—

1           “(A) IN GENERAL.—Except as provided in  
2           subparagraph (B), a household with earned in-  
3           come shall be allowed a deduction of 20 percent  
4           of all earned income (other than income ex-  
5           cluded by subsection (d)), to compensate for  
6           taxes, other mandatory deductions from salary,  
7           and work expenses.

8           “(B) EXCEPTION.—The deduction de-  
9           scribed in subparagraph (A) shall not be al-  
10          lowed with respect to determining an  
11          overissuance due to the failure of a household  
12          to report earned income in a timely manner.

13          “(3) DEPENDENT CARE DEDUCTION.—

14          “(A) IN GENERAL.—A household shall be  
15          entitled, with respect to expenses (other than  
16          excluded expenses described in subparagraph  
17          (B)) for dependent care, to a dependent care  
18          deduction, the maximum allowable level of  
19          which shall be \$200 per month for each depend-  
20          ent child under 2 years of age and \$175 per  
21          month for each other dependent, for the actual  
22          cost of payments necessary for the care of a de-  
23          pendent if the care enables a household member  
24          to accept or continue employment, or training

1 or education that is preparatory for employ-  
2 ment.

3 “(B) EXCLUDED EXPENSES.—The ex-  
4 cluded expenses referred to in subparagraph  
5 (A) are—

6 “(i) expenses paid on behalf of the  
7 household by a third party;

8 “(ii) amounts made available and ex-  
9 cluded for the expenses referred to in sub-  
10 paragraph (A) under subsection (d)(3);  
11 and

12 “(iii) expenses that are paid under  
13 section 6(d)(4).

14 “(4) DEDUCTION FOR CHILD SUPPORT PAY-  
15 MENTS.—

16 “(A) IN GENERAL.—A household shall be  
17 entitled to a deduction for child support pay-  
18 ments made by a household member to or for  
19 an individual who is not a member of the  
20 household if the household member is legally  
21 obligated to make the payments.

22 “(B) METHODS FOR DETERMINING  
23 AMOUNT.—The Secretary may prescribe by reg-  
24 ulation the methods, including calculation on a  
25 retrospective basis, that a State agency shall

1 use to determine the amount of the deduction  
2 for child support payments.

3 “(5) HOMELESS SHELTER DEDUCTION.—A  
4 State agency may develop a standard homeless shel-  
5 ter deduction, which shall not exceed \$139 per  
6 month, for such expenses as may reasonably be ex-  
7 pected to be incurred by households in which all  
8 members are homeless individuals but are not receiv-  
9 ing free shelter throughout the month. A State agen-  
10 cy that develops the deduction may use the deduc-  
11 tion in determining eligibility and allotments for the  
12 households, except that the State agency may pro-  
13 hibit the use of the deduction for households with  
14 extremely low shelter costs.

15 “(6) EXCESS MEDICAL EXPENSE DEDUCTION.—

16 “(A) IN GENERAL.—A household contain-  
17 ing an elderly or disabled member shall be enti-  
18 tled, with respect to expenses other than ex-  
19 penses paid on behalf of the household by a  
20 third party, to an excess medical expense de-  
21 duction for the portion of the actual costs of al-  
22 lowable medical expenses, incurred by the elder-  
23 ly or disabled member, exclusive of special diets,  
24 that exceeds \$35 per month.

1           “(B) METHOD OF CLAIMING DEDUC-  
2           TION.—

3           “(i) IN GENERAL.—A State agency  
4           shall offer an eligible household under sub-  
5           paragraph (A) a method of claiming a de-  
6           duction for recurring medical expenses that  
7           are initially verified under the excess medi-  
8           cal expense deduction in lieu of submitting  
9           information or verification on actual ex-  
10          penses on a monthly basis.

11          “(ii) METHOD.—The method de-  
12          scribed in clause (i) shall—

13                 “(I) be designed to minimize the  
14                 burden for the eligible elderly or dis-  
15                 abled household member choosing to  
16                 deduct the recurrent medical expenses  
17                 of the member pursuant to the meth-  
18                 od;

19                 “(II) rely on reasonable estimates  
20                 of the expected medical expenses of  
21                 the member for the certification pe-  
22                 riod (including changes that can be  
23                 reasonably anticipated based on avail-  
24                 able information about the medical  
25                 condition of the member, public or

1 private medical insurance coverage,  
2 and the current verified medical ex-  
3 penses incurred by the member); and

4 “(III) not require further report-  
5 ing or verification of a change in med-  
6 ical expenses if such a change has  
7 been anticipated for the certification  
8 period.

9 “(7) EXCESS SHELTER EXPENSE DEDUC-  
10 TION.—

11 “(A) IN GENERAL.—A household shall be  
12 entitled, with respect to expenses other than ex-  
13 penses paid on behalf of the household by a  
14 third party, to an excess shelter expense deduc-  
15 tion to the extent that the monthly amount ex-  
16 pended by a household for shelter exceeds an  
17 amount equal to 50 percent of monthly house-  
18 hold income after all other applicable deduc-  
19 tions have been allowed.

20 “(B) MAXIMUM AMOUNT OF DEDUC-  
21 TION.—

22 “(i) PRIOR TO SEPTEMBER 30, 1995.—  
23 In the case of a household that does not  
24 contain an elderly or disabled individual,  
25 during the 15-month period ending Sep-

1           tember 30, 1995, the excess shelter ex-  
2           pense deduction shall not exceed—

3                   “(I) in the 48 contiguous States  
4                   and the District of Columbia, \$231  
5                   per month; and

6                   “(II) in Alaska, Hawaii, Guam,  
7                   and the Virgin Islands of the United  
8                   States, \$402, \$330, \$280, and \$171  
9                   per month, respectively.

10           “(ii) AFTER SEPTEMBER 30, 1995.—In  
11           the case of a household that does not con-  
12           tain an elderly or disabled individual, dur-  
13           ing the 15-month period ending December  
14           31, 1996, the excess shelter expense deduc-  
15           tion shall not exceed—

16                   “(I) in the 48 contiguous States  
17                   and the District of Columbia, \$247  
18                   per month; and

19                   “(II) in Alaska, Hawaii, Guam,  
20                   and the Virgin Islands of the United  
21                   States, \$429, \$353, \$300, and \$182  
22                   per month, respectively.

23           “(C) STANDARD UTILITY ALLOWANCE.—

24                   “(i) IN GENERAL.—In computing the  
25           excess shelter expense deduction, a State

1 agency may use a standard utility allow-  
2 ance in accordance with regulations pro-  
3 mulgated by the Secretary, except that a  
4 State agency may use an allowance that  
5 does not fluctuate within a year to reflect  
6 seasonal variations.

7 “(ii) RESTRICTIONS ON HEATING AND  
8 COOLING EXPENSES.—An allowance for a  
9 heating or cooling expense may not be used  
10 in the case of a household that—

11 “(I) does not incur a heating or  
12 cooling expense, as the case may be;

13 “(II) does incur a heating or  
14 cooling expense but is located in a  
15 public housing unit that has central  
16 utility meters and charges households,  
17 with regard to the expense, only for  
18 excess utility costs; or

19 “(III) shares the expense with,  
20 and lives with, another individual not  
21 participating in the food stamp pro-  
22 gram, another household participating  
23 in the food stamp program, or both,  
24 unless the allowance is prorated be-

1           tween the household and the other in-  
2           dividual, household, or both.

3           “(iii) MANDATORY ALLOWANCE.—

4                   “(I) IN GENERAL.—A State  
5           agency may make the use of a stand-  
6           ard utility allowance mandatory for all  
7           households with qualifying utility  
8           costs if—

9                           “(aa) the State agency has  
10           developed 1 or more standards  
11           that include the cost of heating  
12           and cooling and 1 or more stand-  
13           ards that do not include the cost  
14           of heating and cooling; and

15                           “(bb) the Secretary finds  
16           that the standards will not result  
17           in an increased cost to the Sec-  
18           retary.

19                   “(II) HOUSEHOLD ELECTION.—

20           A State agency that has not made the  
21           use of a standard utility allowance  
22           mandatory under subclause (I) shall  
23           allow a household to switch, at the  
24           end of a certification period, between  
25           the standard utility allowance and a

1 deduction based on the actual utility  
2 costs of the household.

3 “(iv) AVAILABILITY OF ALLOWANCE  
4 TO RECIPIENTS OF ENERGY ASSISTANCE.—

5 “(I) IN GENERAL.—Subject to  
6 subclause (II), if a State agency elects  
7 to use a standard utility allowance  
8 that reflects heating or cooling costs,  
9 the standard utility allowance shall be  
10 made available to households receiving  
11 a payment, or on behalf of which a  
12 payment is made, under the Low-In-  
13 come Home Energy Assistance Act of  
14 1981 (42 U.S.C. 8621 et seq.) or  
15 other similar energy assistance pro-  
16 gram, if the household still incurs out-  
17 of-pocket heating or cooling expenses  
18 in excess of any assistance paid on be-  
19 half of the household to an energy  
20 provider.

21 “(II) SEPARATE ALLOWANCE.—A  
22 State agency may use a separate  
23 standard utility allowance for house-  
24 holds on behalf of which a payment

1 described in subclause (I) is made,  
2 but may not be required to do so.

3 “(III) STATES NOT ELECTING TO  
4 USE SEPARATE ALLOWANCE.—A State  
5 agency that does not elect to use a  
6 separate allowance but makes a single  
7 standard utility allowance available to  
8 households incurring heating or cool-  
9 ing expenses (other than a household  
10 described in subclause (I) or (II) of  
11 subparagraph (C)(ii)) may not be re-  
12 quired to reduce the allowance due to  
13 the provision (directly or indirectly) of  
14 assistance under the Low-Income  
15 Home Energy Assistance Act of 1981  
16 (42 U.S.C. 8621 et seq.).

17 “(IV) PRORATION OF ASSIST-  
18 ANCE.—For the purpose of the food  
19 stamp program, assistance provided  
20 under the Low-Income Home Energy  
21 Assistance Act of 1981 (42 U.S.C.  
22 8621 et seq.) shall be considered to be  
23 prorated over the entire heating or  
24 cooling season for which the assist-  
25 ance was provided.”.

1 (b) CONFORMING AMENDMENT.—Section 11(e)(3) of  
2 the Act (7 U.S.C. 2020(e)(3)) is amended by striking  
3 “Under rules prescribed” and all that follows through  
4 “verifies higher expenses”.

5 **SEC. 109. AMOUNT OF VEHICLE ASSET LIMITATION.**

6 The first sentence of section 5(g)(2) of the Food  
7 Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended by  
8 striking “through September 30, 1995” and all that fol-  
9 lows through “such date and on” and inserting “and shall  
10 be adjusted on October 1, 1996, and”.

11 **SEC. 110. BENEFITS FOR ALIENS.**

12 Section 5(i) of the Food Stamp Act of 1977 (7 U.S.C.  
13 2014(i)) is amended—

14 (1) in the first sentence of paragraph (1)—

15 (A) by inserting “or who executed such an  
16 affidavit or similar agreement to enable the in-  
17 dividual to lawfully remain in the United  
18 States,” after “respect to such individual,”; and

19 (B) by striking “for a period” and all that  
20 follows through the period at the end and in-  
21 serting “until the end of the period ending on  
22 the later of the date agreed to in the affidavit  
23 or agreement or the date that is 5 years after  
24 the date on which the individual was first law-  
25 fully admitted into the United States following

1 the execution of the affidavit or agreement.”;

2 and

3 (2) in paragraph (2)—

4 (A) in subparagraph (C)(i), by striking “of  
5 three years after entry into the United States”  
6 and inserting “determined under paragraph  
7 (1)”; and

8 (B) in subparagraph (D), by striking “of  
9 three years after such alien’s entry into the  
10 United States” and inserting “determined  
11 under paragraph (1)”.

12 **SEC. 111. DISQUALIFICATION.**

13 (a) IN GENERAL.—Section 6(d) of the Food Stamp  
14 Act of 1977 (7 U.S.C. 2015(d)) is amended by striking  
15 “(d)(1) Unless otherwise exempted by the provisions” and  
16 all that follows through the end of paragraph (1) and in-  
17 serting the following:

18 “(d) CONDITIONS OF PARTICIPATION.—

19 “(1) WORK REQUIREMENTS.—

20 “(A) IN GENERAL.—No physically and  
21 mentally fit individual over the age of 15 and  
22 under the age of 60 shall be eligible to partici-  
23 pate in the food stamp program if the individ-  
24 ual—

1           “(i) refuses, at the time of application  
2 and every 12 months thereafter, to register  
3 for employment in a manner prescribed by  
4 the Secretary;

5           “(ii) refuses without good cause to  
6 participate in an employment and training  
7 program under paragraph (4), to the ex-  
8 tent required by the State agency;

9           “(iii) refuses without good cause to  
10 accept an offer of employment, at a site or  
11 plant not subject to a strike or lockout at  
12 the time of the refusal, at a wage not less  
13 than the higher of—

14                 “(I) the applicable Federal or  
15 State minimum wage; or

16                 “(II) 80 percent of the wage that  
17 would have governed had the mini-  
18 mum hourly rate under section  
19 6(a)(1) of the Fair Labor Standards  
20 Act of 1938 (29 U.S.C. 206(a)(1))  
21 been applicable to the offer of employ-  
22 ment;

23           “(iv) refuses without good cause to  
24 provide a State agency with sufficient in-  
25 formation to allow the State agency to de-

1           termine the employment status or the job  
2           availability of the individual;

3           “ (v) voluntarily and without good  
4           cause—

5                   “(I) quits a job; or

6                   “(II) reduces work effort and,  
7                   after the reduction, the individual is  
8                   working less than 30 hours per week;

9                   or

10           “(vi) fails to comply with section 20.

11           “(B) HOUSEHOLD INELIGIBILITY.—If an  
12           individual who is the head of a household be-  
13           comes ineligible to participate in the food stamp  
14           program under subparagraph (A), the house-  
15           hold shall, at the option of the State agency,  
16           become ineligible to participate in the food  
17           stamp program for a period, determined by the  
18           State agency, that does not exceed the lesser  
19           of—

20                   “(i) the duration of the ineligibility of  
21                   the individual determined under subpara-  
22                   graph (C); or

23                   “(ii) 180 days.

24           “(C) DURATION OF INELIGIBILITY.—

1           “(i) FIRST VIOLATION.—The first  
2 time that an individual becomes ineligible  
3 to participate in the food stamp program  
4 under subparagraph (A), the individual  
5 shall remain ineligible until the later of—

6                   “(I) the date the individual be-  
7 comes eligible under subparagraph  
8 (A);

9                   “(II) the date that is 1 month  
10 after the date the individual became  
11 ineligible; or

12                   “(III) a date determined by the  
13 State agency that is not later than 3  
14 months after the date the individual  
15 became ineligible.

16           “(ii) SECOND VIOLATION.—The sec-  
17 ond time that an individual becomes ineli-  
18 gible to participate in the food stamp pro-  
19 gram under subparagraph (A), the individ-  
20 ual shall remain ineligible until the later  
21 of—

22                   “(I) the date the individual be-  
23 comes eligible under subparagraph  
24 (A);

1                   “(II) the date that is 3 months  
2                   after the date the individual became  
3                   ineligible; or

4                   “(III) a date determined by the  
5                   State agency that is not later than 6  
6                   months after the date the individual  
7                   became ineligible.

8                   “(iii) THIRD OR SUBSEQUENT VIOLA-  
9                   TION.—The third or subsequent time that  
10                  an individual becomes ineligible to partici-  
11                  pate in the food stamp program under sub-  
12                  paragraph (A), the individual shall remain  
13                  ineligible until the later of—

14                  “(I) the date the individual be-  
15                  comes eligible under subparagraph  
16                  (A);

17                  “(II) the date that is 6 months  
18                  after the date the individual became  
19                  ineligible;

20                  “(III) a date determined by the  
21                  State agency; or

22                  “(IV) at the option of the State  
23                  agency, permanently.

24                  “(D) ADMINISTRATION.—

25                  “(i) GOOD CAUSE.—

1           “(I) STANDARD.—The Secretary  
2 shall determine the meaning of good  
3 cause for the purpose of this para-  
4 graph.

5           “(II) PROCEDURE.—A State  
6 agency shall determine the procedure  
7 for determining whether an individual  
8 acted with good cause for the purpose  
9 of this paragraph.

10          “(III) ADEQUATE CHILD CARE.—  
11 In this paragraph, the term ‘good  
12 cause’ includes the lack of adequate  
13 child care for a dependent child under  
14 the age of 12.

15          “(ii) VOLUNTARY QUIT.—

16           “(I) STANDARD.—The Secretary  
17 shall determine the meaning of volun-  
18 tarily quitting for the purpose of this  
19 paragraph.

20           “(II) PROCEDURE.—The Sec-  
21 retary shall determine the procedure  
22 for determining whether an individual  
23 voluntarily quit for the purpose of this  
24 paragraph.

1           “(iii) DETERMINATION BY STATE  
2 AGENCY.—Subject to clauses (i) and (ii), a  
3 State agency shall determine—

4           “(I) the meaning of any term in  
5 subparagraph (A);

6           “(II) the procedures for deter-  
7 mining whether an individual is in  
8 compliance with a requirement under  
9 subparagraph (A); and

10          “(III) whether an individual is in  
11 compliance with a requirement under  
12 subparagraph (A).

13          “(iv) STRIKE AGAINST THE GOVERN-  
14 MENT.—For the purpose of subparagraph  
15 (A)(v), an employee of the Federal Govern-  
16 ment, a State, or a political subdivision of  
17 a State, who is dismissed for participating  
18 in a strike against the Federal Govern-  
19 ment, the State, or the political subdivision  
20 of the State shall be considered to have  
21 voluntarily quit without good cause.

22          “(v) SELECTING A HEAD OF HOUSE-  
23 HOLD.—

24          “(I) IN GENERAL.—For the pur-  
25 pose of this paragraph, the State

1 agency shall allow the household to se-  
2 lect any adult parent of a child in the  
3 household as the head of the house-  
4 hold if all adult household members  
5 making application under the food  
6 stamp program agree to the selection.

7 “(II) TIME FOR MAKING DES-  
8 IGNATION.—A household may des-  
9 ignate the head of the household  
10 under subclause (I) each time the  
11 household is certified for participation  
12 in the food stamp program, but may  
13 not change the designation during a  
14 certification period unless there is a  
15 change in the composition of the  
16 household.

17 “(vi) CHANGE IN HEAD OF HOUSE-  
18 HOLD.—If the head of a household leaves  
19 the household during a period in which the  
20 household is ineligible to participate in the  
21 food stamp program under subparagraph  
22 (B)—

23 “(I) the household shall, if other-  
24 wise eligible, become eligible to par-

1            participate in the food stamp program;  
2            and

3            “(II) if the head of the household  
4            becomes the head of another house-  
5            hold, the household that becomes  
6            headed by the individual shall become  
7            ineligible to participate in the food  
8            stamp program for the remaining pe-  
9            riod of ineligibility.”.

10        (b) CONFORMING AMENDMENT.—

11            (1) The second sentence of section 17(b)(2) of  
12            the Act (7 U.S.C. 2026(b)(2)) is amended by strik-  
13            ing “6(d)(1)(i)” and inserting “6(d)(1)(A)(i)”.

14            (2) Section 20 of the Act (7 U.S.C. 2029) is  
15            amended by striking subsection (f) and inserting the  
16            following:

17            “(f) DISQUALIFICATION.—An individual or a house-  
18            hold may become ineligible under section 6(d)(1) to par-  
19            ticipate in the food stamp program for failing to comply  
20            with this section.”.

21        **SEC. 112. CARETAKER EXEMPTION.**

22            Section 6(d)(2) of the Food Stamp Act of 1977 (7  
23            U.S.C. 2015(d)(2)) is amended by striking subparagraph  
24            (B) and inserting the following: “(B) a parent or other  
25            member of a household with responsibility for the care of

1 (i) a dependent child under the age of 6 or any lower age  
2 designated by the State agency that is not under the age  
3 of 1, or (ii) an incapacitated person;”.

4 **SEC. 113. EMPLOYMENT AND TRAINING.**

5 (a) IN GENERAL.—Section 6(d)(4) of the Food  
6 Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

7 (1) in subparagraph (A)—

8 (A) by striking “Not later than April 1,  
9 1987, each” and inserting “Each”;

10 (B) by striking “and approved by the Sec-  
11 retary”; and

12 (C) by striking “program in gaining skills,  
13 training, or experience” and inserting “pro-  
14 gram, but not a State program funded under  
15 part A of title IV of the Social Security Act (42  
16 U.S.C. 601 et seq.), in gaining skills, training,  
17 work, or experience”;

18 (2) in subparagraph (B)—

19 (A) in the matter preceding clause (i)—

20 (i) by inserting “with terms and con-  
21 ditions set by a State agency” after  
22 “means a program”; and

23 (ii) by striking the colon at the end  
24 and inserting the following: “, except that  
25 the State agency shall retain the option to

1 apply employment requirements prescribed  
2 under this subparagraph to a program ap-  
3 plicant at the time of application.”;

4 (B) in clause (i), by striking “with terms  
5 and conditions” and all that follows through  
6 “time of application”;

7 (C) in clause (iv)—

8 (i) by striking subclauses (I) and (II);

9 and

10 (ii) by redesignating subclauses (III)  
11 and (IV) as subclauses (I) and (II), respec-  
12 tively; and

13 (D) in clause (vii), by striking “As ap-  
14 proved” and all that follows through “other em-  
15 ployment” and inserting “Other employment”;

16 (3) in subparagraph (D)—

17 (A) in clause (i), by striking “to which the  
18 application” and all that follows through “30  
19 days or less”;

20 (B) in clause (ii), by striking “but with re-  
21 spect” and all that follows through “child  
22 care”; and

23 (C) in clause (iii), by striking “, on the  
24 basis of” and all that follows through “clause

1 (ii)” and inserting “the exemption continues to  
2 be valid”;

3 (4) in subparagraph (E), by striking the third  
4 sentence;

5 (5) in subparagraph (G)—

6 (A) by striking “(G)(i) The State” and in-  
7 serting “(G) The State”; and

8 (B) by striking clause (ii);

9 (6) in subparagraph (H), by striking “(H)(i)  
10 The Secretary” and all that follows through “(ii)  
11 Federal funds” and inserting “(H) Federal funds”;

12 (7) in subparagraph (I)(i)—

13 (A) in the matter preceding subclause (I),  
14 by inserting “not” after “paragraph,”; and

15 (B) in subclause (II), by striking “, or was  
16 in operation,” and all that follows through “So-  
17 cial Security Act” and inserting the following:  
18 “), except that no such payment or reimburse-  
19 ment shall exceed the applicable local market  
20 rate”;

21 (8)(A) by striking subparagraphs (K) and (L);

22 and

23 (B) by redesignating subparagraphs (M) and  
24 (N) as subparagraphs (K) and (L), respectively; and

1 (9) in subparagraph (K) (as redesignated by  
2 paragraph (8)(B))—

3 (A) by striking “(K)(i) The Secretary” and  
4 inserting “(K) The Secretary”; and

5 (B) by striking clause (ii).

6 (b) FUNDING.—Section 16(h) of the Act (7 U.S.C.  
7 2025(h)) is amended by striking “(h)(1)(A) The Sec-  
8 retary” and all that follows through the end of paragraph  
9 (1) and inserting the following:

10 “(h) FUNDING OF EMPLOYMENT AND TRAINING  
11 PROGRAMS.—

12 “(1) IN GENERAL.—

13 “(A) AMOUNTS.—To carry out employ-  
14 ment and training programs, the Secretary  
15 shall reserve for allocation to State agencies  
16 from funds made available for each fiscal year  
17 under section 18(a)(1) the amount of—

18 “(i) for fiscal year 1996, \$77,000,000;

19 “(ii) for fiscal year 1997,  
20 \$80,000,000;

21 “(iii) for fiscal year 1998,  
22 \$83,000,000;

23 “(iv) for fiscal year 1999,  
24 \$86,000,000; and

1                   “(v) for fiscal year 2000,  
2                   \$89,000,000.

3                   “(B) ALLOCATION.—The Secretary shall  
4 allocate the amounts reserved under subpara-  
5 graph (A) among the State agencies using a  
6 reasonable formula (as determined by the Sec-  
7 retary) that gives consideration to the popu-  
8 lation in each State affected by section 6(n).

9                   “(C) REALLOCATION.—

10                   “(i) NOTIFICATION.—A State agency  
11 shall promptly notify the Secretary if the  
12 State agency determines that the State  
13 agency will not expend all of the funds al-  
14 located to the State agency under subpara-  
15 graph (B).

16                   “(ii) REALLOCATION.—On notification  
17 under clause (i), the Secretary shall reallo-  
18 cate the funds that the State agency will  
19 not expend as the Secretary considers ap-  
20 propriate and equitable.

21                   “(D) MINIMUM ALLOCATION.—Notwith-  
22 standing subparagraphs (A) through (C), the  
23 Secretary shall ensure that each State agency  
24 operating an employment and training program

1           shall receive not less than \$50,000 in each fis-  
2           cal year.”.

3           (c) REPORTS.—Section 16(h) of the Act (7 U.S.C.  
4 2025(h)) is amended—

5           (1) in paragraph (5)—

6                 (A) by striking “(5)(A) The Secretary”  
7                 and inserting “(5) The Secretary”; and

8                 (B) by striking subparagraph (B); and

9           (2) by striking paragraph (6).

10 **SEC. 114. COMPARABLE TREATMENT FOR DISQUALIFICA-**  
11 **TION.**

12           (a) IN GENERAL.—Section 6 of the Food Stamp Act  
13 of 1977 (7 U.S.C. 2015) is amended by adding at the end  
14 the following:

15           “(i) COMPARABLE TREATMENT FOR DISQUALIFICA-  
16 TION.—

17                 “(1) IN GENERAL.—If a disqualification is im-  
18                 posed on a member of a household for failure of that  
19                 member to perform an action required under a Fed-  
20                 eral, State, or local law relating to welfare or a pub-  
21                 lic assistance program, the State agency may impose  
22                 the same disqualification on the member of the  
23                 household under the food stamp program.

24                 “(2) APPLICATION AFTER DISQUALIFICATION  
25                 PERIOD.—A member of a household disqualified

1 under paragraph (1) may, after the disqualification  
2 period has expired, apply for benefits under this Act  
3 and shall be treated as a new applicant.”.

4 (b) STATE PLAN PROVISIONS.—Section 11(e) of the  
5 Act (7 U.S.C. 2020(e)) is amended—

6 (1) in paragraph (24), by striking “and” at the  
7 end;

8 (2) in paragraph (25), by striking the period at  
9 the end and inserting “; and”; and

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

11 “(26) the guidelines the State agency uses in  
12 carrying out section 6(i).”.

13 (c) CONFORMING AMENDMENT.—Section 6(d)(2)(A)  
14 of the Act (7 U.S.C. 2015(d)(2)(A)) is amended by strik-  
15 ing “that is comparable to a requirement of paragraph  
16 (1)”.

17 **SEC. 115. COOPERATION WITH CHILD SUPPORT AGENCIES.**

18 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.  
19 2015) (as amended by section 114) is further amended  
20 by adding at the end the following:

21 “(j) CUSTODIAL PARENT’S COOPERATION WITH  
22 CHILD SUPPORT AGENCIES.—

23 “(1) IN GENERAL.—At the option of a State  
24 agency, subject to paragraphs (2) and (3), no natu-  
25 ral or adoptive parent or other individual (collec-

1 tively referred to in this subsection as ‘the individ-  
2 ual’) who is living with and exercising parental con-  
3 trol over a child under the age of 18 who has an ab-  
4 sent parent shall be eligible to participate in the food  
5 stamp program unless the individual cooperates with  
6 the State agency administering the program estab-  
7 lished under part D of title IV of the Social Security  
8 Act (42 U.S.C. 651 et seq.)—

9 “(A) in establishing the paternity of the  
10 child (if the child is born out of wedlock); and

11 “(B) in obtaining support for—

12 “(i) the child; or

13 “(ii) the individual and the child.

14 “(2) GOOD CAUSE FOR NONCOOPERATION.—

15 Paragraph (1) shall not apply to the individual if  
16 good cause is found for refusing to cooperate, as de-  
17 termined by the State agency in accordance with  
18 standards prescribed by the Secretary in consulta-  
19 tion with the Secretary of Health and Human Serv-  
20 ices. The standards shall take into consideration cir-  
21 cumstances under which cooperation may be against  
22 the best interests of the child.

23 “(3) FEES.—Paragraph (1) shall not require  
24 the payment of a fee or other cost for services pro-

1 vided under part D of title IV of the Social Security  
2 Act (42 U.S.C. 651 et seq.).

3 “(k) NON-CUSTODIAL PARENT’S COOPERATION  
4 WITH CHILD SUPPORT AGENCIES.—

5 “(1) IN GENERAL.—At the option of a State  
6 agency, subject to paragraphs (2) and (3), a puta-  
7 tive non-custodial parent of a child under the age of  
8 18 (referred to in this subsection as ‘the individual’)  
9 shall not be eligible to participate in the food stamp  
10 program if the individual refuses to cooperate with  
11 the State agency administering the program estab-  
12 lished under part D of title IV of the Social Security  
13 Act (42 U.S.C. 651 et seq.)—

14 “(A) in establishing the paternity of the  
15 child (if the child is born out of wedlock); and

16 “(B) in providing support for the child.

17 “(2) REFUSAL TO COOPERATE.—

18 “(A) GUIDELINES.—The Secretary, in con-  
19 sultation with the Secretary of Health and  
20 Human Services, shall develop guidelines on  
21 what constitutes a refusal to cooperate under  
22 paragraph (1).

23 “(B) PROCEDURES.—The State agency  
24 shall develop procedures, using guidelines devel-  
25 oped under subparagraph (A), for determining



1 any payment due under a court order for the sup-  
2 port of a child of the individual.

3 “(2) EXCEPTIONS.—Paragraph (1) shall not  
4 apply if—

5 “(A) a court is allowing the individual to  
6 delay payment; or

7 “(B) the individual is complying with a  
8 payment plan approved by a court or the State  
9 agency designated under part D of title IV of  
10 the Social Security Act (42 U.S.C. 651 et seq.)  
11 to provide support for the child of the individ-  
12 ual.”.

13 **SEC. 117. PERMANENT DISQUALIFICATION FOR PARTICI-**  
14 **PATING IN 2 OR MORE STATES.**

15 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.  
16 2015) (as amended by section 116) is further amended  
17 by adding at the end the following:

18 “(m) PERMANENT DISQUALIFICATION FOR PARTICI-  
19 PATING IN 2 OR MORE STATES.—An individual shall be  
20 permanently ineligible to participate in the food stamp  
21 program as a member of any household if the individual  
22 is found by a State agency to have made, or is convicted  
23 in Federal or State court of having made, a fraudulent  
24 statement or representation with respect to the place of  
25 residence of the individual in order to receive benefits si-

1 multaneously from 2 or more States under the food stamp  
2 program.”.

3 **SEC. 118. WORK REQUIREMENT.**

4 (a) IN GENERAL.—Section 6 of the Food Stamp Act  
5 of 1977 (7 U.S.C. 2015) (as amended by section 117) is  
6 further amended by adding at the end the following:

7 “(n) WORK REQUIREMENT.—

8 “(1) DEFINITION OF WORK PROGRAM.—In this  
9 subsection, the term ‘work program’ means—

10 “(A) a program under the Job Training  
11 Partnership Act (29 U.S.C. 1501 et seq.);

12 “(B) a program under section 236 of the  
13 Trade Act of 1974 (19 U.S.C. 2296); or

14 “(C) a program of employment or training  
15 operated or supervised by a State or political  
16 subdivision of a State that meets standards ap-  
17 proved by the Governor of the State, including  
18 a program under section 6(d)(4) other than a  
19 job search program or a job search training  
20 program under clause (i) or (ii) of section  
21 6(d)(4)(B).

22 “(2) WORK REQUIREMENT.—No individual  
23 shall be eligible to participate in the food stamp pro-  
24 gram as a member of any household if, during the  
25 preceding 12 months, the individual received food

1 stamp benefits for not less than 6 months during  
2 which the individual did not—

3 “(A) work 20 hours or more per week,  
4 averaged monthly; or

5 “(B) participate in and comply with the re-  
6 quirements of a work program for 20 hours or  
7 more per week, as determined by the State  
8 agency.

9 “(3) EXCEPTION.—Paragraph (2) shall not  
10 apply to an individual if the individual is—

11 “(A) under 18 or over 50 years of age;

12 “(B) medically certified as physically or  
13 mentally unfit for employment;

14 “(C) a parent or other member of a house-  
15 hold with a dependent child; or

16 “(D) otherwise exempt under section  
17 6(d)(2).

18 “(4) WAIVER.—

19 “(A) IN GENERAL.—On the request of a  
20 State agency, the Secretary may waive the ap-  
21 plicability of paragraph (2) to any group of in-  
22 dividuals in the State if the Secretary makes a  
23 determination that the area in which the indi-  
24 viduals reside—

1           “(i) has an unemployment rate of over  
2           8 percent; or

3           “(ii) does not have a sufficient num-  
4           ber of jobs to provide employment for the  
5           individuals.

6           “(B) REPORT.—The Secretary shall report  
7           the basis for a waiver under subparagraph (A)  
8           to the Committee on Agriculture of the House  
9           of Representatives and the Committee on Agri-  
10          culture, Nutrition, and Forestry of the Sen-  
11          ate.”.

12          (b) EFFECTIVE DATE.—The amendment made by  
13          subsection (a) shall become effective on July 1, 1996.

14          **SEC. 119. ELECTRONIC BENEFIT TRANSFERS.**

15          Section 7 of the Food Stamp Act of 1977 (7 U.S.C.  
16          2016) is amended by adding at the end the following:

17          “(j) ELECTRONIC BENEFIT TRANSFERS.—

18                  “(1) APPLICABLE LAW.—

19                          “(A) IN GENERAL.—Disclosures, protec-  
20                          tions, responsibilities, and remedies established  
21                          by the Federal Reserve Board under section  
22                          904 of the Electronic Fund Transfer Act (15  
23                          U.S.C. 1693b) shall not apply to benefits under  
24                          this Act delivered through any electronic benefit  
25                          transfer system.

1           “(B) DEFINITION OF ELECTRONIC BENE-  
2           FIT TRANSFER SYSTEM.—In this paragraph,  
3           the term ‘electronic benefit transfer system’  
4           means a system under which a governmental  
5           entity distributes benefits under this Act or  
6           other benefits or payments by establishing ac-  
7           counts to be accessed by recipients of the bene-  
8           fits electronically, including through the use of  
9           an automated teller machine or an intelligent  
10          benefit card.

11          “(2) CHARGING FOR ELECTRONIC BENEFIT  
12          TRANSFER CARD REPLACEMENT.—

13                 “(A) IN GENERAL.—A State agency may  
14                 charge an individual for the cost of replacing a  
15                 lost or stolen electronic benefit transfer card.

16                 “(B) REDUCING ALLOTMENT.—A State  
17                 agency may collect a charge imposed under sub-  
18                 paragraph (A) by reducing the monthly allot-  
19                 ment of the household of which the individual  
20                 is a member.”.

21         **SEC. 120. MINIMUM BENEFIT.**

22                 The proviso in section 8(a) of the Food Stamp Act  
23                 of 1977 (7 U.S.C. 2017(a)) is amended by striking “, and  
24                 shall be adjusted” and all that follows through “\$5”.

1 **SEC. 121. BENEFITS ON RECERTIFICATION.**

2 Section 8(c)(2)(B) of the Food Stamp Act of 1977  
3 (7 U.S.C. 2017(c)(2)(B)) is amended by striking “of more  
4 than one month”.

5 **SEC. 122. OPTIONAL COMBINED ALLOTMENT FOR EXPE-**  
6 **DITED HOUSEHOLDS.**

7 Section 8(c) of the Food Stamp Act of 1977 (7  
8 U.S.C. 2017(c)) is amended by striking paragraph (3) and  
9 inserting the following:

10 “(3) OPTIONAL COMBINED ALLOTMENT FOR  
11 EXPEDITED HOUSEHOLDS.—A State agency may  
12 provide to an eligible household applying after the  
13 15th day of a month, in lieu of the initial allotment  
14 of the household and the regular allotment of the  
15 household for the following month, an allotment that  
16 is the aggregate of the initial allotment and the first  
17 regular allotment, which shall be provided in accord-  
18 ance with section 11(e)(3) in the case of a household  
19 that is not entitled to expedited service or in accord-  
20 ance with paragraphs (3) and (9) of section 11(e) in  
21 the case of a household that is entitled to expedited  
22 service.”.

1 **SEC. 123. FAILURE TO COMPLY WITH OTHER WELFARE AND**  
2 **PUBLIC ASSISTANCE PROGRAMS.**

3 Section 8 of the Food Stamp Act of 1977 (7 U.S.C.  
4 2017) is amended by striking subsection (d) and inserting  
5 the following:

6 “(d) REDUCTION OF PUBLIC ASSISTANCE BENE-  
7 FITS.—

8 “(1) IN GENERAL.—If the benefits of a house-  
9 hold are reduced under a Federal, State, or local law  
10 relating to welfare or a public assistance program  
11 for the failure to perform an action required under  
12 the law or program, for the duration of the reduc-  
13 tion—

14 “(A) the household may not receive an in-  
15 creased allotment as the result of a decrease in  
16 the income of the household to the extent that  
17 the decrease is the result of the reduction; and

18 “(B) the State agency may reduce the al-  
19 lotment of the household by not more than 25  
20 percent.

21 “(2) OPTIONAL METHOD.—In carrying out  
22 paragraph (1), a State agency may consider, for the  
23 duration of a reduction referred to under paragraph  
24 (1), the benefits of the household before the reduc-  
25 tion as income of the household after the reduc-  
26 tion.”.

1 **SEC. 124. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN IN-**  
2 **STITUTIONS.**

3 Section 8 of the Food Stamp Act of 1977 (7 U.S.C.  
4 2017) is amended by adding at the end the following:

5 “(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN  
6 INSTITUTIONS.—

7 “(1) IN GENERAL.—In the case of an individual  
8 who resides in a homeless shelter, or in an institu-  
9 tion or center for the purpose of a drug or alcoholic  
10 treatment program, described in the last sentence of  
11 section 3(i), a State agency may provide an allot-  
12 ment for the individual to—

13 “(A) the institution as an authorized rep-  
14 resentative for the individual for a period that  
15 is less than 1 month; and

16 “(B) the individual, if the individual leaves  
17 the institution.

18 “(2) DIRECT PAYMENT.—A State agency may  
19 require an individual referred to in paragraph (1) to  
20 designate the shelter, institution, or center in which  
21 the individual resides as the authorized representa-  
22 tive of the individual for the purpose of receiving an  
23 allotment.”.

24 **SEC. 125. OPERATION OF FOOD STAMP OFFICES.**

25 Section 11 of the Food Stamp Act of 1977 (7 U.S.C.  
26 2020) is amended—

1 (1) in subsection (e)—

2 (A) by striking paragraph (2) and insert-  
3 ing the following:

4 “(2)(A) that the State agency shall establish  
5 procedures governing the operation of food stamp of-  
6 fices that the State agency determines best serve  
7 households in the State, including households with  
8 special needs, such as households with elderly or dis-  
9 abled members, households in rural areas with low-  
10 income members, homeless individuals, households  
11 residing on reservations, and households in which a  
12 substantial number of members speak a language  
13 other than English.

14 “(B) In carrying out subparagraph (A), a State  
15 agency—

16 “(i) shall provide timely, accurate, and fair  
17 service to applicants for, and participants in,  
18 the food stamp program;

19 “(ii) shall permit an applicant household to  
20 apply to participate in the program on the same  
21 day that the household first contacts a food  
22 stamp office in person during office hours;

23 “(iii) shall consider an application filed on  
24 the date the applicant submits an application

1 that contains the name, address, and signature  
2 of the applicant; and

3 “(iv) may establish operating procedures  
4 that vary for local food stamp offices to reflect  
5 regional and local differences within the  
6 State;”;

7 (B) in paragraph (3)—

8 (i) by striking “shall—” and all that  
9 follows through “provide each” and insert-  
10 ing “shall provide each”; and

11 (ii) by striking “(B) assist” and all  
12 that follows through “representative of the  
13 State agency.”;

14 (C) by striking paragraph (14) and insert-  
15 ing the following:

16 “(14) the standards and procedures used by the  
17 State agency under section 6(d)(1)(D) to determine  
18 whether an individual is eligible to participate under  
19 section 6(d)(1)(A);”;

20 (D) by striking paragraph (25) and insert-  
21 ing the following:

22 “(25) a description of the work supplementation  
23 or support program, if any, carried out by the State  
24 agency under section 16(b).”;

25 (2) in subsection (i)—

1 (A) by striking “(i) Notwithstanding” and  
2 all that follows through “(2)” and inserting the  
3 following:

4 “(i) APPLICATION AND DENIAL PROCEDURES.—

5 “(1) APPLICATION PROCEDURES.—Notwith-  
6 standing any other provision of law,”; and

7 (B) by striking “; (3) households” and all  
8 that follows through “title IV of the Social Se-  
9 curity Act. No” and inserting a period and the  
10 following:

11 “(2) DENIAL AND TERMINATION.—Other than  
12 in a case of disqualification as a penalty for failure  
13 to comply with a public assistance program rule or  
14 regulation, no”.

15 **SEC. 126. STATE EMPLOYEE AND TRAINING STANDARDS.**

16 Section 11(e)(6) of the Food Stamp Act of 1977 (7  
17 U.S.C. 2020(e)(6)) is amended—

18 (1) by striking “(A)”;

19 (2) by striking subparagraphs (B) through (E).

20 **SEC. 127. EXPEDITED COUPON SERVICE.**

21 Section 11(e)(9) of the Food Stamp Act of 1977 (7  
22 U.S.C. 2020(e)(9)) is amended—

23 (1) in subparagraph (A)—

24 (A) by striking “five days” and inserting

25 “7 business days”; and

- 1 (B) by inserting “and” at the end;  
2 (2) by striking subparagraphs (B) and (C);  
3 (3) by redesignating subparagraph (D) as sub-  
4 paragraph (B); and  
5 (4) in subparagraph (B) (as redesignated by  
6 paragraph (3)), by striking “, (B), or (C)”.

7 **SEC. 128. FAIR HEARINGS.**

8 Section 11 of the Food Stamp Act of 1977 (7 U.S.C.  
9 2020) is amended by adding at the end the following:

10 “(p) WITHDRAWING FAIR HEARING REQUESTS.—A  
11 household may withdraw, orally or in writing, a request  
12 by the household for a fair hearing under subsection  
13 (e)(10). If the withdrawal request is an oral request, the  
14 State agency shall provide a written notice to the house-  
15 hold confirming the request and providing the household  
16 with an opportunity to request a hearing.”.

17 **SEC. 129. INCOME AND ELIGIBILITY VERIFICATION SYS-**  
18 **TEM.**

19 Section 11 of the Food Stamp Act of 1977 (7 U.S.C.  
20 2020) (as amended by section 128) is further amended  
21 by adding at the end the following:

22 “(q) STATE VERIFICATION OPTION.—Notwithstand-  
23 ing any other provision of law, a State agency shall not  
24 be required to use an income and eligibility verification

1 system established under section 1137 of the Social Secu-  
2 rity Act (42 U.S.C. 1320b-7).”.

3 **SEC. 130. COLLECTION OF OVERISSUANCES.**

4 (a) IN GENERAL.—Section 13 of the Food Stamp Act  
5 of 1977 (7 U.S.C. 2022) is amended—

6 (1) by striking subsection (b) and inserting the  
7 following:

8 “(b) COLLECTION OF OVERISSUANCES.—

9 “(1) IN GENERAL.—Except as otherwise pro-  
10 vided in this subsection, a State agency shall collect  
11 any overissuance of coupons issued to a household  
12 by—

13 “(A) reducing the allotment of the house-  
14 hold;

15 “(B) withholding unemployment compensa-  
16 tion from a member of the household under  
17 subsection (c);

18 “(C) recovering from Federal pay or a  
19 Federal income tax refund under subsection  
20 (d); or

21 “(D) any other means.

22 “(2) COST EFFECTIVENESS.—Paragraph (1)  
23 shall not apply if the State agency demonstrates to  
24 the satisfaction of the Secretary that all of the

1 means referred to in paragraph (1) are not cost ef-  
2 fective.

3 “(3) HARDSHIPS.—A State agency may not use  
4 an allotment reduction under paragraph (1)(A) as a  
5 means collecting an overissuance from a household if  
6 the allotment reduction would cause a hardship on  
7 the household, as determined by the State agency.

8 “(4) MAXIMUM REDUCTION ABSENT FRAUD.—  
9 If a household received an overissuance of coupons  
10 without any member of the household being found  
11 ineligible to participate in the program under section  
12 6(b)(1) and a State agency elects to reduce the allot-  
13 ment of the household under paragraph (1)(A), the  
14 State agency shall reduce the monthly allotment of  
15 the household under paragraph (1)(A) by the great-  
16 er of—

17 “(A) 10 percent of the monthly allotment  
18 of the household; or

19 “(B) \$10.

20 “(5) PROCEDURES.—A State agency shall col-  
21 lect an overissuance of coupons issued to a house-  
22 hold under paragraph (1) in accordance with re-  
23 quirements established by the State agency for pro-  
24 viding notice, electing a means of payment, and es-  
25 tablishing a time schedule for payment.”; and

1 (2) in subsection (d)—

2 (A) by striking “as determined under sub-  
3 section (b) and except for claims arising from  
4 an error of the State agency,” and inserting “,  
5 as determined under subsection (b)(1),”; and

6 (B) by inserting before the period at the  
7 end the following: “or a Federal income tax re-  
8 fund as authorized by section 3720A of title 31,  
9 United States Code”.

10 (b) CONFORMING AMENDMENT.—Section 11(e)(8) of  
11 the Act (7 U.S.C. 2020(e)(8)) is amended—

12 (1) by striking “and excluding claims” and all  
13 that follows through “such section,”; and

14 (2) by inserting before the semicolon at the end  
15 the following: “or a Federal income tax refund as  
16 authorized by section 3720A of title 31, United  
17 States Code”.

18 **SEC. 131. TERMINATION OF FEDERAL MATCH FOR OP-**  
19 **TIONAL INFORMATION ACTIVITIES.**

20 (a) IN GENERAL.—Section 16(a) of the Food Stamp  
21 Act of 1977 (7 U.S.C. 2025(a)) is amended—

22 (1) by striking paragraph (4); and

23 (2) by redesignating paragraphs (5) through  
24 (8) as paragraphs (4) through (7), respectively.

1 (b) CONFORMING AMENDMENT.—Section 16(g) of  
2 the Act (7 U.S.C. 2025(g)) is amended by striking “an  
3 amount equal to” and all that follows through “1991, of”  
4 and inserting “the amount provided under subsection  
5 (a)(5) for”.

6 **SEC. 132. STANDARDS FOR ADMINISTRATION.**

7 (a) IN GENERAL.—Section 16 of the Food Stamp Act  
8 of 1977 (7 U.S.C. 2025) is amended by striking sub-  
9 section (b).

10 (b) CONFORMING AMENDMENTS.—

11 (1) The first sentence of section 11(g) of the  
12 Act (7 U.S.C. 2020(g)) is amended by striking “the  
13 Secretary’s standards for the efficient and effective  
14 administration of the program established under sec-  
15 tion 16(b)(1) or”.

16 (2) Section 16(c)(1)(B) of the Act (7 U.S.C.  
17 2025(c)(1)(B)) is amended by striking “pursuant to  
18 subsection (b)”.

19 **SEC. 133. WORK SUPPLEMENTATION OR SUPPORT PRO-**  
20 **GRAM.**

21 Section 16 of the Food Stamp Act of 1977 (7 U.S.C.  
22 2025) (as amended by section 132(a)) is further amended  
23 by inserting after subsection (a) the following:

24 “(b) WORK SUPPLEMENTATION OR SUPPORT PRO-  
25 GRAM.—

1           “(1) DEFINITION.—In this subsection, the term  
2           ‘work supplementation or support program’ means a  
3           program in which, as determined by the Secretary,  
4           public assistance (including any benefits provided  
5           under a program established by the State and the  
6           food stamp program) is provided to an employer to  
7           be used for hiring and employing a new employee  
8           who is a public assistance recipient.

9           “(2) PROGRAM.—A State agency may elect to  
10          use amounts equal to the allotment that would oth-  
11          erwise be allotted to a household under the food  
12          stamp program, but for the operation of this sub-  
13          section, for the purpose of subsidizing or supporting  
14          jobs under a work supplementation or support pro-  
15          gram established by the State.

16          “(3) PROCEDURE.—If a State agency makes an  
17          election under paragraph (2) and identifies each  
18          household that participates in the food stamp pro-  
19          gram that contains an individual who is participat-  
20          ing in the work supplementation or support pro-  
21          gram—

22                 “(A) the Secretary shall pay to the State  
23                 agency an amount equal to the value of the al-  
24                 lotment that the household would be eligible to  
25                 receive but for the operation of this subsection;

1           “(B) the State agency shall expend the  
2 amount paid under subparagraph (A) in accord-  
3 ance with the work supplementation or support  
4 program in lieu of providing the allotment that  
5 the household would receive but for the oper-  
6 ation of this subsection;

7           “(C) for purposes of—

8           “(i) sections 5 and 8(a), the amount  
9 received under this subsection shall be ex-  
10 cluded from household income and re-  
11 sources; and

12           “(ii) section 8(b), the amount received  
13 under this subsection shall be considered to  
14 be the value of an allotment provided to  
15 the household; and

16           “(D) the household shall not receive an al-  
17 lotment from the State agency for the period  
18 during which the member continues to partici-  
19 pate in the work supplementation or support  
20 program.

21           “(4) OTHER WORK REQUIREMENTS.—No indi-  
22 vidual shall be excused, by reason of the fact that  
23 a State has a work supplementation or support pro-  
24 gram, from any work requirement under section  
25 6(d), except during the periods in which the individ-

1        ual is employed under the work supplementation or  
2        support program.

3            “(5) MAXIMUM LENGTH OF PARTICIPATION.—A  
4        work supplementation or support program may not  
5        allow the participation of any individual for longer  
6        than 6 months, unless the Secretary approves a  
7        longer period.”.

8        **SEC. 134. WAIVER AUTHORITY.**

9        Section 17(b)(1)(A) of the Food Stamp Act of 1977  
10       (7 U.S.C. 2026(b)(1)(A)) is amended—

11            (1) by striking “benefits to eligible households,  
12        including” and inserting the following: “benefits to  
13        eligible households. The Secretary may waive the re-  
14        quirements of this Act to the extent necessary to  
15        conduct a pilot or experimental project, including a  
16        project designed to test innovative welfare reform,  
17        promote work, and allow conformity with other Fed-  
18        eral, State, and local government assistance pro-  
19        grams, except that a project involving the payment  
20        of benefits in the form of cash shall maintain the av-  
21        erage value of allotments for affected households as  
22        a group. Pilot or experimental projects may in-  
23        clude”; and

1           (2) by striking “The Secretary may waive” and  
2           all that follows through “sections 5 and 8 of this  
3           Act.”.

4   **SEC. 135. AUTHORIZATION OF PILOT PROJECTS.**

5           The last sentence of section 17(b)(1)(A) of the Food  
6   Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended  
7   by striking “1995” and inserting “2000”.

8   **SEC. 136. RESPONSE TO WAIVERS.**

9           Section 17(b)(1) of the Food Stamp Act of 1977 (7  
10   U.S.C. 2026(b)(1)) is amended by adding at the end the  
11   following:

12                   “(C) RESPONSE TO WAIVERS.—

13                           “(i) RESPONSE.—Not later than 60  
14                           days after the date of receiving a request  
15                           for a waiver under subparagraph (A), the  
16                           Secretary shall provide a response that—

17                                   “(I) approves the waiver request;

18                                   “(II) denies the waiver request  
19                                   and explains any modification needed  
20                                   for approval of the waiver request;

21                                   “(III) denies the waiver request  
22                                   and explains the grounds for the de-  
23                                   nial; or

24                                   “(IV) requests clarification of the  
25                                   waiver request.

1           “(ii) FAILURE TO RESPOND.—If the  
2           Secretary does not provide a response  
3           under clause (i) not later than 60 days  
4           after receiving a request for a waiver, the  
5           waiver shall be considered approved.

6           “(iii) NOTICE OF DENIAL.—On denial  
7           of a waiver request under clause (i)(III),  
8           the Secretary shall provide a copy of the  
9           waiver request and the grounds for the de-  
10          nial to the Committee on Agriculture of  
11          the House of Representatives and the  
12          Committee on Agriculture, Nutrition, and  
13          Forestry of the Senate.”.

14 **SEC. 137. PRIVATE SECTOR EMPLOYMENT INITIATIVES.**

15          Section 17 of the Food Stamp Act of 1977 (7 U.S.C.  
16          2026) is amended by adding at the end the following:

17          “(m) PRIVATE SECTOR EMPLOYMENT INITIA-  
18          TIVES.—

19                 “(1) ELECTION TO PARTICIPATE.—

20                         “(A) IN GENERAL.—Subject to the other  
21                         provisions of this subsection, a State may elect  
22                         to carry out a private sector employment initia-  
23                         tive program under this subsection.

24                         “(B) REQUIREMENT.—A State shall be eli-  
25                         gible to carry out a private sector employment

1 initiative under this subsection only if not less  
2 than 50 percent of the households that received  
3 food stamp benefits during the summer of 1993  
4 also received benefits under a State program  
5 funded under part A of title IV of the Social  
6 Security Act (42 U.S.C. 601 et seq.) during the  
7 summer of 1993.

8 “(2) PROCEDURE.—A State that has elected to  
9 carry out a private sector employment initiative  
10 under paragraph (1) may use amounts equal to the  
11 food stamp allotments that would otherwise be allot-  
12 ted to a household under the food stamp program,  
13 but for the operation of this subsection, to provide  
14 cash benefits in lieu of the food stamp allotments to  
15 the household if the household is eligible under para-  
16 graph (3).

17 “(3) ELIGIBILITY.—A household shall be eligi-  
18 ble to receive cash benefits under paragraph (2) if  
19 an adult member of the household—

20 “(A) has worked in unsubsidized employ-  
21 ment in the private sector for not less than the  
22 preceding 90 days;

23 “(B) has earned not less than \$350 per  
24 month from the employer referred to in sub-

1 paragraph (A) for not less than the preceding  
2 90 days;

3 “(C)(i) is eligible to receive benefits under  
4 a State program funded under part A of title  
5 IV of the Social Security Act (42 U.S.C. 601 et  
6 seq.); or

7 “(ii) was eligible to receive benefits under  
8 a State program funded under part A of title  
9 IV of the Social Security Act (42 U.S.C. 601 et  
10 seq.) at the time the member first received cash  
11 benefits under this subsection and is no longer  
12 eligible for the State program because of earned  
13 income;

14 “(D) is continuing to earn not less than  
15 \$350 per month from the employment referred  
16 to in subparagraph (A); and

17 “(E) elects to receive cash benefits in lieu  
18 of food stamp benefits under this subsection.

19 “(4) EVALUATION.—A State that operates a  
20 program under this subsection for 2 years shall pro-  
21 vide to the Secretary a written evaluation of the im-  
22 pact of cash assistance under this subsection. The  
23 State agency shall determine the content of the eval-  
24 uation.”.

1 **SEC. 138. REAUTHORIZATION OF APPROPRIATIONS.**

2 The first sentence of section 18(a)(1) of the Food  
3 Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by  
4 striking “1995” and inserting “2000”.

5 **SEC. 139. REAUTHORIZATION OF PUERTO RICO BLOCK**  
6 **GRANT.**

7 The first sentence of section 19(a)(1)(A) of the Food  
8 Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended  
9 by striking “\$974,000,000” and all that follows through  
10 “fiscal year 1995” and inserting the following:  
11 “\$1,143,000,000 for each of fiscal years 1995 and 1996,  
12 \$1,182,000,000 for fiscal year 1997, \$1,223,000,000 for  
13 fiscal year 1998, \$1,266,000,000 for fiscal year 1999, and  
14 \$1,310,000,000 for fiscal year 2000”

15 **SEC. 140. SIMPLIFIED FOOD STAMP PROGRAM.**

16 (a) IN GENERAL.—The Food Stamp Act of 1977 (7  
17 U.S.C. 2011 et seq.) is amended by adding at the end  
18 the following:

19 **“SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.**

20 “(a) ELECTION.—Subject to subsection (c), a State  
21 agency may elect to carry out a Simplified Food Stamp  
22 Program (referred to in this section as a ‘Program’) under  
23 this section.

24 “(b) OPERATION OF PROGRAM.—

1           “(1) IN GENERAL.—If a State agency elects to  
2 carry out a Program, within the State or a political  
3 subdivision of the State—

4           “(A) a household in which all members re-  
5 ceive assistance under a State program funded  
6 under part A of title IV of the Social Security  
7 Act (42 U.S.C. 601 et seq.) shall automatically  
8 be eligible to participate in the Program; and

9           “(B) subject to subsection (e), benefits  
10 under the Program shall be determined under  
11 rules and procedures established by the State  
12 under—

13           “(i) a State program funded under  
14 part A of title IV of the Social Security  
15 Act (42 U.S.C. 601 et seq.);

16           “(ii) the food stamp program; or

17           “(iii) a combination of a State pro-  
18 gram funded under part A of title IV of  
19 the Social Security Act (42 U.S.C. 601 et  
20 seq.) and the food stamp program.

21           “(2) SHELTER STANDARD.—The State agency  
22 may elect to apply 1 shelter standard to a household  
23 that receives a housing subsidy and another shelter  
24 standard to a household that does not receive the  
25 subsidy.

1 “(c) APPROVAL OF PROGRAM.—

2 “(1) STATE PLAN.—A State agency may not  
3 operate a Program unless the Secretary approves a  
4 State plan for the operation of the Program under  
5 paragraph (2).

6 “(2) APPROVAL OF PLAN.—

7 “(A) IN GENERAL.—The Secretary shall  
8 approve any State plan to carry out a Program  
9 if the Secretary determines that the plan—

10 “(i) complies with this section; and

11 “(ii) would not increase Federal costs  
12 incurred under this Act.

13 “(B) DEFINITION OF FEDERAL COSTS.—In  
14 this section, the term ‘Federal costs’ does not  
15 include any Federal costs incurred under sec-  
16 tion 17.

17 “(d) INCREASED FEDERAL COSTS.—

18 “(1) DETERMINATION.—

19 “(A) IN GENERAL.—The Secretary shall  
20 determine whether a Program being carried out  
21 by a State agency is increasing Federal costs  
22 under this Act.

23 “(B) NO EXCLUDED HOUSEHOLDS.—In  
24 making a determination under subparagraph  
25 (A), the Secretary shall not require the State

1 agency to collect or report any information on  
2 households not included in the Program.

3 “(C) ALTERNATIVE ACCOUNTING PERI-  
4 ODS.—The Secretary may approve the request  
5 of a State agency to apply alternative account-  
6 ing periods to determine if Federal costs do not  
7 exceed the Federal costs had the State agency  
8 not elected to carry out the Program.

9 “(2) NOTIFICATION.—If the Secretary deter-  
10 mines that the Program has increased Federal costs  
11 under this Act for any fiscal year, the Secretary  
12 shall notify the State agency not later than January  
13 1 of the immediately succeeding fiscal year.

14 “(3) RETURN OF FUNDS.—

15 “(A) IN GENERAL.—If the Secretary deter-  
16 mines that the Program has increased Federal  
17 costs under this Act for a 2-year period, includ-  
18 ing a fiscal year for which notice was given  
19 under paragraph (2) and an immediately suc-  
20 ceeding fiscal year, the State agency shall pay  
21 to the Treasury of the United States the  
22 amount of the increased costs.

23 “(B) ENFORCEMENT.—If the State agency  
24 does not pay an amount due under subpara-  
25 graph (A) on a date that is not later than 90

1 days after the date of the determination, the  
2 Secretary shall reduce amounts otherwise due  
3 to the State agency for administrative costs  
4 under section 16(a).

5 “(e) RULES AND PROCEDURES.—

6 “(1) IN GENERAL.—Except as provided by  
7 paragraph (2), a State may apply—

8 “(A) the rules and procedures established  
9 by the State under—

10 “(i) the State program funded under  
11 part A of title IV of the Social Security  
12 Act (42 U.S.C. 601 et seq.); or

13 “(ii) the food stamp program; or

14 “(B) the rules and procedures of 1 of the  
15 programs to certain matters and the rules and  
16 procedures of the other program to all remain-  
17 ing matters.

18 “(2) STANDARDIZED DEDUCTIONS.—The State  
19 may standardize the deductions provided under sec-  
20 tion 5(e). In developing the standardized deduction,  
21 the State shall give consideration to the work ex-  
22 penses, dependent care costs, and shelter costs of  
23 participating households.

24 “(3) REQUIREMENTS.—In operating a Pro-  
25 gram, the State shall comply with—

1           “(A) subsections (a) through (g) of section  
2           7;

3           “(B) section 8(a), except that the income  
4           of a household may be determined under a  
5           State program funded under part A of title IV  
6           of the Social Security Act (42 U.S.C. 601 et  
7           seq.);

8           “(C) subsections (b) and (d) of section 8;

9           “(D) subsections (a), (c), (d), and (n) of  
10          section 11;

11          “(E) paragraph (3) of section 11(e), to the  
12          extent that the paragraph requires that an eli-  
13          gible household be certified and receive an allot-  
14          ment for the period of application not later  
15          than 30 days after filing an application;

16          “(F) paragraphs (8), (9), (12), (17), (19),  
17          (21), and (27) of section 11(e);

18          “(G) section 11(e)(10) or a comparable re-  
19          quirement established by the State under a  
20          State program funded under part A of title IV  
21          of the Social Security Act (42 U.S.C. 601 et  
22          seq.); and

23          “(H) section 16.”.

1 (b) STATE PLAN PROVISIONS.—Section 11(e) of the  
2 Act (7 U.S.C. 2020(e)) (as amended by section 114(b))  
3 is further amended—

4 (1) in paragraph (25), by striking “and” at the  
5 end;

6 (2) in paragraph (26), by striking the period at  
7 the end and inserting “; and”; and

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

9 “(27) the plans of the State agency for operat-  
10 ing, at the election of the State, a program under  
11 section 24, including—

12 “(A) the rules and procedures to be fol-  
13 lowed by the State to determine food stamp  
14 benefits;

15 “(B) how the State will address the needs  
16 of households that experience high shelter costs  
17 in relation to the incomes of the households;  
18 and

19 “(C) a description of the method by which  
20 the State will carry out a quality control system  
21 under section 16(c).”.

22 (c) CONFORMING AMENDMENTS.—

23 (1) Section 8 of the Act (7 U.S.C. 2017) (as  
24 amended by section 124) is further amended—

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

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

3 (2) Section 17 of the Act (7 U.S.C. 2026) (as  
4 amended by section 137) is further amended—

5 (A) by striking subsection (i); and

6 (B) by redesignating subsections (j)  
7 through (m) as subsections (i) through (l), re-  
8 spectively.

9 **SEC. 141. EFFECTIVE DATE.**

10 Except as otherwise provided in this title, this title  
11 and the amendments made by this title shall become effec-  
12 tive on October 1, 1995.

13 **TITLE II—CHILD NUTRITION**  
14 **PROGRAMS**

15 **Subtitle A—Reimbursement Rates**

16 **SEC. 201. TERMINATION OF ADDITIONAL PAYMENT FOR**  
17 **LUNCHES SERVED IN HIGH FREE AND RE-**  
18 **DUCE PRICE PARTICIPATION SCHOOLS.**

19 (a) IN GENERAL.—Section 4(b)(2) of the National  
20 School Lunch Act (42 U.S.C. 1753(b)(2)) is amended by  
21 striking “except that” and all that follows through “2  
22 cents more”.

23 (b) EFFECTIVE DATE.—The amendment made by  
24 subsection (a) shall become effective on July 1, 1996.

1 **SEC. 202. VALUE OF FOOD ASSISTANCE.**

2 (a) IN GENERAL.—Section 6(e)(1) of the National  
3 School Lunch Act (42 U.S.C. 1755(e)(1)) is amended by  
4 striking subparagraph (B) and inserting the following:

5 “(B) ADJUSTMENTS.—

6 “(i) IN GENERAL.—The value of food  
7 assistance for each meal shall be adjusted  
8 each July 1 by the annual percentage  
9 change in a 3-month average value of the  
10 Price Index for Foods Used in Schools and  
11 Institutions for March, April, and May  
12 each year.

13 “(ii) ADJUSTMENTS.—Except as oth-  
14 erwise provided in this subparagraph, in  
15 the case of each school year, the Secretary  
16 shall—

17 “(I) base the adjustment made  
18 under clause (i) on the amount of the  
19 unrounded adjustment for the preced-  
20 ing school year;

21 “(II) adjust the resulting amount  
22 in accordance with clause (i); and

23 “(III) round the result to the  
24 nearest lower cent increment.

25 “(iii) ADJUSTMENT ON JANUARY 1,  
26 1996.—On January 1, 1996, the Secretary

1 shall round the value of food assistance re-  
2 ferred to in clause (i) to the nearest lower  
3 cent increment.

4 “(iv) ADJUSTMENT FOR 1996–97  
5 SCHOOL YEAR.—In the case of the school  
6 year beginning July 1, 1996, the value of  
7 food assistance shall be the same as the  
8 value of food assistance for the school year  
9 beginning July 1, 1995, rounded to the  
10 nearest lower cent increment.

11 “(v) ADJUSTMENT FOR 1997–98  
12 SCHOOL YEAR.—In the case of the school  
13 year beginning July 1, 1997, the Secretary  
14 shall—

15 “(I) base the adjustment made  
16 under clause (i) on the amount of the  
17 unrounded adjustment for the value of  
18 food assistance for the school year be-  
19 ginning July 1, 1995;

20 “(II) adjust the resulting amount  
21 to reflect the annual percentage  
22 change in a 3-month average value of  
23 the Price Index for Foods Used in  
24 Schools and Institutions for March,  
25 April, and May for the most recent

1 12-month period for which the data  
2 are available; and

3 “(III) round the result to the  
4 nearest lower cent increment.”.

5 (b) EFFECTIVE DATE.—The amendments made by  
6 subsection (a) shall become effective on January 1, 1996.

7 **SEC. 203. LUNCHES, BREAKFASTS, AND SUPPLEMENTS.**

8 (a) IN GENERAL.—Section 11(a)(3)(B) of the Na-  
9 tional School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is  
10 amended—

11 (1) by designating the second and third sen-  
12 tences as subparagraphs (C) and (D), respectively;  
13 and

14 (2) by striking subparagraph (D) (as so des-  
15 ignated) and inserting the following:

16 “(D) ROUNDING.—Except as otherwise  
17 provided in this paragraph, in the case of each  
18 12-month period, the Secretary shall—

19 “(i) base the adjustment made under  
20 this paragraph on the amount of the  
21 unrounded adjustment for the preceding  
22 12-month period;

23 “(ii) adjust the resulting amount in  
24 accordance with subparagraph (C); and

1                   “(iii) round the result to the nearest  
2                   lower cent increment.

3                   “(E) ADJUSTMENT ON JANUARY 1, 1996.—  
4                   On January 1, 1996, the Secretary shall round  
5                   the rates and factor referred to in subpara-  
6                   graph (A) to the nearest lower cent increment.

7                   “(F) ADJUSTMENT FOR 24-MONTH PERIOD  
8                   BEGINNING JULY 1, 1996.—In the case of the  
9                   24-month period beginning July 1, 1996, the  
10                  national average payment rates for paid  
11                  lunches, paid breakfasts, and paid supplements  
12                  shall be the same as the national average pay-  
13                  ment rate for paid lunches, paid breakfasts, and  
14                  paid supplements, respectively, for the 12-  
15                  month period beginning July 1, 1995, rounded  
16                  to the nearest lower cent increment.

17                  “(G) ADJUSTMENT FOR 12-MONTH PERIOD  
18                  BEGINNING JULY 1, 1998.—In the case of the  
19                  12-month period beginning July 1, 1998, the  
20                  Secretary shall—

21                         “(i) base the adjustments made under  
22                         this paragraph for—

23                                 “(I) paid lunches and paid break-  
24                                 fasts on the amount of the unrounded  
25                                 adjustment for paid lunches for the

1 12-month period beginning July 1,  
2 1995; and

3 “(II) paid supplements on the  
4 amount of the unrounded adjustment  
5 for paid supplements for the 12-  
6 month period beginning July 1, 1995;

7 “(ii) adjust each resulting amount in  
8 accordance with subparagraph (C); and

9 “(iii) round each result to the nearest  
10 lower cent increment.”.

11 (b) EFFECTIVE DATE.—The amendments made by  
12 subsection (a) shall become effective on January 1, 1996.

13 **SEC. 204. SUMMER FOOD SERVICE PROGRAM FOR**  
14 **CHILDREN.**

15 (a) IN GENERAL.—Section 13(b) of the National  
16 School Lunch Act (42 U.S.C. 1761(b)) is amended—

17 (1) by striking “(b)(1)” and all that follows  
18 through the end of paragraph (1) and inserting the  
19 following:

20 “(b) SERVICE INSTITUTIONS.—

21 “(1) PAYMENTS.—

22 “(A) IN GENERAL.—Except as otherwise  
23 provided in this paragraph, payments to service  
24 institutions shall equal the full cost of food  
25 service operations (which cost shall include the

1 costs of obtaining, preparing, and serving food,  
2 but shall not include administrative costs).

3 “(B) MAXIMUM AMOUNTS.—Subject to  
4 subparagraph (C), payments to any institution  
5 under subparagraph (A) shall not exceed—

6 “(i) \$2 for each lunch and supper  
7 served;

8 “(ii) \$1.20 for each breakfast served;  
9 and

10 “(iii) 50 cents for each meal supple-  
11 ment served.

12 “(C) ADJUSTMENTS.—Amounts specified  
13 in subparagraph (B) shall be adjusted each  
14 January 1 to the nearest lower cent increment  
15 in accordance with the changes for the 12-  
16 month period ending the preceding November  
17 30 in the series for food away from home of the  
18 Consumer Price Index for All Urban Consum-  
19 ers published by the Bureau of Labor Statistics  
20 of the Department of Labor. Each adjustment  
21 shall be based on the unrounded adjustment for  
22 the prior 12-month period.”; and  
23 (2) by striking paragraph (4).

24 (b) EFFECTIVE DATE.—The amendments made by  
25 subsection (a) shall become effective on January 1, 1996.

1 **SEC. 205. SPECIAL MILK PROGRAM.**

2 (a) IN GENERAL.—Section 3(a) of the Child Nutri-  
3 tion Act of 1966 (42 U.S.C. 1772(a)) is amended by strik-  
4 ing paragraph (8) and inserting the following:

5 “(8) ADJUSTMENTS.—

6 “(A) IN GENERAL.—Except as otherwise  
7 provided in this paragraph, in the case of each  
8 school year, the Secretary shall—

9 “(i) base the adjustment made under  
10 paragraph (7) on the amount of the  
11 unrounded adjustment for the preceding  
12 school year;

13 “(ii) adjust the resulting amount in  
14 accordance with paragraph (7); and

15 “(iii) round the result to the nearest  
16 lower cent increment.

17 “(B) ADJUSTMENT ON JANUARY 1, 1996.—  
18 On January 1, 1996, the Secretary shall round  
19 the minimum rate referred to in paragraph (7)  
20 to the nearest lower cent increment.

21 “(C) ADJUSTMENT FOR 1996–97 SCHOOL  
22 YEAR.—In the case of the school year beginning  
23 July 1, 1996, the minimum rate shall be the  
24 same as the minimum rate for the school year  
25 beginning July 1, 1995, rounded to the nearest  
26 lower cent increment.

1           “(D) ADJUSTMENT FOR 1997–98 SCHOOL  
2 YEAR.—In the case of the school year beginning  
3 July 1, 1997, the Secretary shall—

4           “(i) base the adjustment made under  
5 paragraph (7) on the amount of the  
6 unrounded adjustment for the minimum  
7 rate for the school year beginning July 1,  
8 1995;

9           “(ii) adjust the resulting amount to  
10 reflect changes in the Producer Price  
11 Index for Fresh Processed Milk published  
12 by the Bureau of Labor Statistics of the  
13 Department of Labor for the most recent  
14 12-month period for which the data are  
15 available; and

16           “(iii) round the result to the nearest  
17 lower cent increment.”.

18       (b) EFFECTIVE DATE.—The amendment made by  
19 subsection (a) shall become effective on January 1, 1996.

20 **SEC. 206. FREE AND REDUCED PRICE BREAKFASTS.**

21       (a) IN GENERAL.—Section 4(b) of the Child Nutri-  
22 tion Act of 1966 (42 U.S.C. 1773(b)) is amended—

23           (1) in the second sentence of paragraph (1)(B),  
24 by striking “, adjusted to the nearest one-fourth  
25 cent” and inserting “(as adjusted pursuant to sec-

1 tion 11(a) of the National School Lunch Act (42  
2 U.S.C. 1759a(a))”; and

3 (2) in paragraph (2)(B)(ii)—

4 (A) by striking “nearest one-fourth cent”  
5 and inserting “nearest lower cent increment for  
6 the applicable school year”; and

7 (B) by inserting before the period at the  
8 end the following: “, and the adjustment re-  
9 quired by this clause shall be based on the  
10 unrounded adjustment for the preceding school  
11 year”.

12 (b) EFFECTIVE DATE.—The amendments made by  
13 subsection (a) shall become effective on July 1, 1996.

14 **SEC. 207. CONFORMING REIMBURSEMENT FOR PAID**  
15 **BREAKFASTS AND LUNCHES.**

16 (a) IN GENERAL.—The last sentence of section  
17 4(b)(1)(B) of the Child Nutrition Act of 1966 (42 U.S.C.  
18 1773(b)(1)(B)) is amended by striking “8.25 cents” and  
19 all that follows through “Act)” and inserting “the same  
20 as the national average lunch payment established under  
21 section 4(b) of the National School Lunch Act (42 U.S.C.  
22 1753(b))”.

23 (b) EFFECTIVE DATE.—The amendment made by  
24 subsection (a) shall become effective on January 1, 1996.

## 1           **Subtitle B—Grant Programs**

### 2   **SEC. 211. SCHOOL BREAKFAST STARTUP GRANTS.**

3           Section 4 of the Child Nutrition Act of 1966 (42  
4 U.S.C. 1773) is amended by striking subsection (g).

### 5   **SEC. 212. NUTRITION EDUCATION AND TRAINING PRO-** 6                                   **GRAMS.**

7           Section 19(i)(2)(A) of the Child Nutrition Act of  
8 1966 (42 U.S.C. 1788(i)(2)(A)) is amended by striking  
9 “\$10,000,000” and inserting “\$7,000,000”.

### 10 **SEC. 213. EFFECTIVE DATE.**

11           The amendments made by this subtitle shall become  
12 effective on October 1, 1996.

## 13           **Subtitle C—Other Amendments**

### 14 **SEC. 221. FREE AND REDUCED PRICE POLICY STATEMENT.**

15           (a) SCHOOL LUNCH PROGRAM.—Section 9(b)(2) of  
16 the National School Lunch Act (42 U.S.C. 1758(b)(2))  
17 is amended by adding at the end the following:

18                                   “(D) FREE AND REDUCED PRICE POLICY  
19                                   STATEMENT.—A school shall not be required to  
20                                   submit a free and reduced price policy state-  
21                                   ment to a State educational agency under this  
22                                   Act unless there is a substantive change in the  
23                                   free and reduced price policy of the school. A  
24                                   routine change in the policy of a school, such as  
25                                   an annual adjustment of the income eligibility

1 guidelines for free and reduced price meals,  
 2 shall not be sufficient cause for requiring the  
 3 school to submit a policy statement.”.

4 (b) SCHOOL BREAKFAST PROGRAM.—Section 4(b)(1)  
 5 of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1))  
 6 is amended by adding at the end the following:

7 “(E) FREE AND REDUCED PRICE POLICY  
 8 STATEMENT.—A school shall not be required to  
 9 submit a free and reduced price policy state-  
 10 ment to a State educational agency under this  
 11 Act unless there is a substantive change in the  
 12 free and reduced price policy of the school. A  
 13 routine change in the policy of a school, such as  
 14 an annual adjustment of the income eligibility  
 15 guidelines for free and reduced price meals,  
 16 shall not be sufficient cause for requiring the  
 17 school to submit a policy statement.”.

18 **SEC. 222. SUMMER FOOD SERVICE PROGRAM FOR**  
 19 **CHILDREN.**

20 (a) PERMITTING OFFER VERSUS SERVE.—Section  
 21 13(f) of the National School Lunch Act (42 U.S.C.  
 22 1761(f)) is amended—

23 (1) by striking “(f) Service” and inserting the  
 24 following:

25 “(f) NUTRITIONAL STANDARDS.—

1 “(1) IN GENERAL.—Service”; and

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

3 “(2) OFFER VERSUS SERVE.—At the option of  
4 a local school food authority, a student in a school  
5 under the authority that participates in the program  
6 may be allowed to refuse not more than 1 item of  
7 a meal that the student does not intend to consume.  
8 A refusal of an offered food item shall not affect the  
9 amount of payments made under this section to a  
10 school for the meal.”.

11 (b) REMOVING MANDATORY NOTICE TO INSTITU-  
12 TIONS.—Section 13(n)(2) of the Act is amended by strik-  
13 ing “and its plans and schedule” and inserting “except  
14 that the Secretary may not require a State to submit a  
15 plan or schedule”.

16 **SEC. 223. CHILD AND ADULT CARE FOOD PROGRAM.**

17 (a) PAYMENTS TO SPONSOR EMPLOYEES.—Para-  
18 graph (2) of the last sentence of section 17(a) of the Na-  
19 tional School Lunch Act (42 U.S.C. 1766(a)) is  
20 amended—

21 (1) by striking “and” at the end of subpara-  
22 graph (B);

23 (2) by striking the period at the end of sub-  
24 paragraph (C) and inserting “; and”; and

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

1           “(D) in the case of a family or group day  
2           care home sponsoring organization that employs  
3           more than 1 employee, the organization does  
4           not base payments to an employee of the orga-  
5           nization on the number of family or group day  
6           care homes recruited, managed, or monitored.”.

7           (b) IMPROVED TARGETING OF DAY CARE HOME RE-  
8           IMBURSEMENTS.—

9           (1) RESTRUCTURED DAY CARE HOME REIM-  
10          BURSEMENTS.—Section 17(f)(3) of the Act is  
11          amended by striking “(3)(A) Institutions” and all  
12          that follows through the end of subparagraph (A)  
13          and inserting the following:

14          “(3) REIMBURSEMENT OF FAMILY OR GROUP  
15          DAY CARE HOME SPONSORING ORGANIZATIONS.—

16                 “(A) REIMBURSEMENT FACTOR.—

17                         “(i) IN GENERAL.—An institution  
18                         that participates in the program under this  
19                         section as a family or group day care home  
20                         sponsoring organization shall be provided,  
21                         for payment to a home of the organization,  
22                         reimbursement factors in accordance with  
23                         this subparagraph for the cost of obtaining  
24                         and preparing food and prescribed labor

1 costs involved in providing meals under  
2 this section.

3 “(ii) TIER I FAMILY OR GROUP DAY  
4 CARE HOMES.—

5 “(I) DEFINITION.—In this para-  
6 graph, the term ‘tier I family or group  
7 day care home’ means—

8 “(aa) a family or group day  
9 care home that is located in a ge-  
10 ographic area, as defined by the  
11 Secretary based on census data,  
12 in which at least 50 percent of  
13 the children residing in the area  
14 are members of households whose  
15 incomes meet the eligibility  
16 standards for free or reduced  
17 price meals under section 9;

18 “(bb) a family or group day  
19 care home that is located in an  
20 area served by a school enrolling  
21 elementary students in which at  
22 least 50 percent of the total num-  
23 ber of children enrolled are cer-  
24 tified eligible to receive free or  
25 reduced price school meals under

1 this Act or the Child Nutrition  
2 Act of 1966 (42 U.S.C. 1771 et  
3 seq.); or

4 “(cc) a family or group day  
5 care home that is operated by a  
6 provider whose household meets  
7 the eligibility standards for free  
8 or reduced price meals under sec-  
9 tion 9 and whose income is veri-  
10 fied by a sponsoring organization  
11 under regulations established by  
12 the Secretary.

13 “(II) REIMBURSEMENT.—Except  
14 as provided in subclause (III), a tier  
15 I family or group day care home shall  
16 be provided reimbursement factors  
17 under this clause without a require-  
18 ment for documentation of the costs  
19 described in clause (i), except that re-  
20 imbursement shall not be provided  
21 under this subclause for meals or sup-  
22 plements served to the children of a  
23 person acting as a family or group  
24 day care home provider unless the  
25 children meet the eligibility standards

1 for free or reduced price meals under  
2 section 9.

3 “(III) FACTORS.—Except as pro-  
4 vided in subclause (IV), the reim-  
5 bursement factors applied to a home  
6 referred to in subclause (II) shall be  
7 the factors in effect on the date of en-  
8 actment of this subclause.

9 “(IV) ADJUSTMENTS.—The re-  
10 imbursement factors under this sub-  
11 paragraph shall be adjusted on Au-  
12 gust 1, 1996, July 1, 1997, and each  
13 July 1 thereafter, to reflect changes in  
14 the Consumer Price Index for food at  
15 home for the most recent 12-month  
16 period for which the data are avail-  
17 able. The reimbursement factors  
18 under this subparagraph shall be  
19 rounded to the nearest lower cent in-  
20 crement and based on the unrounded  
21 adjustment for the preceding 12-  
22 month period.

23 “(iii) TIER II FAMILY OR GROUP DAY  
24 CARE HOMES.—

25 “(I) IN GENERAL.—

1           “(aa) FACTORS.—Except as  
2 provided in subclause (II), with  
3 respect to meals or supplements  
4 served under this clause by a  
5 family or group day care home  
6 that does not meet the criteria  
7 set forth in clause (ii)(I), the re-  
8 imbursement factors shall be \$1  
9 for lunches and suppers, 30 cents  
10 for breakfasts, and 15 cents for  
11 supplements.

12           “(bb) ADJUSTMENTS.—The  
13 factors shall be adjusted on July  
14 1, 1997, and each July 1 there-  
15 after, to reflect changes in the  
16 Consumer Price Index for food at  
17 home for the most recent 12-  
18 month period for which the data  
19 are available. The reimbursement  
20 factors under this item shall be  
21 rounded down to the nearest  
22 lower cent increment and based  
23 on the unrounded adjustment for  
24 the preceding 12-month period.

1           “(cc) REIMBURSEMENT.—A  
2 family or group day care home  
3 shall be provided reimbursement  
4 factors under this subclause with-  
5 out a requirement for docu-  
6 mentation of the costs described  
7 in clause (i), except that reim-  
8 bursement shall not be provided  
9 under this subclause for meals or  
10 supplements served to the chil-  
11 dren of a person acting as a fam-  
12 ily or group day care home pro-  
13 vider unless the children meet the  
14 eligibility standards for free or  
15 reduced price meals under section  
16 9.

17           “(II) OTHER FACTORS.—A fam-  
18 ily or group day care home that does  
19 not meet the criteria set forth in  
20 clause (ii)(I) may elect to be provided  
21 reimbursement factors determined in  
22 accordance with the following require-  
23 ments:

24                   “(aa) CHILDREN ELIGIBLE  
25 FOR FREE OR REDUCED PRICE

1 MEALS.—In the case of meals or  
2 supplements served under this  
3 subsection to children who are  
4 members of households whose in-  
5 comes meet the eligibility stand-  
6 ards for free or reduced price  
7 meals under section 9, the family  
8 or group day care home shall be  
9 provided reimbursement factors  
10 set by the Secretary in accord-  
11 ance with clause (ii)(III).

12 “(bb) INELIGIBLE CHIL-  
13 DREN.—In the case of meals or  
14 supplements served under this  
15 subsection to children who are  
16 members of households whose in-  
17 comes do not meet the eligibility  
18 standards, the family or group  
19 day care home shall be provided  
20 reimbursement factors in accord-  
21 ance with subclause (I).

22 “(III) INFORMATION AND DE-  
23 TERMINATIONS.—

24 “(aa) IN GENERAL.—If a  
25 family or group day care home

1 elects to claim the factors de-  
2 scribed in subclause (II), the  
3 family or group day care home  
4 sponsoring organization serving  
5 the home shall collect the nec-  
6 essary income information, as de-  
7 termined by the Secretary, from  
8 any parent or other caretaker to  
9 make the determinations speci-  
10 fied in subclause (II) and shall  
11 make the determinations in ac-  
12 cordance with rules prescribed by  
13 the Secretary.

14 “(bb) CATEGORICAL ELIGI-  
15 BILITY.—In making a determina-  
16 tion under item (aa), a family or  
17 group day care home sponsoring  
18 organization may consider a child  
19 participating in or subsidized  
20 under, or a child with a parent  
21 participating in or subsidized  
22 under, a federally or State sup-  
23 ported child care or other benefit  
24 program with an income eligi-  
25 bility limit that does not exceed

1 the eligibility standard for free or  
2 reduced price meals under section  
3 9 to be a child who is a member  
4 of a household whose income  
5 meets the eligibility standards  
6 under section 9.

7 “(cc) FACTORS FOR CHIL-  
8 DREN ONLY.—A family or group  
9 day care home may elect to re-  
10 ceive the reimbursement factors  
11 prescribed under clause (ii)(III)  
12 solely for the children participat-  
13 ing in a program referred to in  
14 item (bb) if the home elects not  
15 to have income statements col-  
16 lected from parents or other care-  
17 takers.

18 “(IV) SIMPLIFIED MEAL COUNT-  
19 ING AND REPORTING PROCEDURES.—  
20 The Secretary shall prescribe sim-  
21 plified meal counting and reporting  
22 procedures for use by a family or  
23 group day care home that elects to  
24 claim the factors under subclause (II)  
25 and by a family or group day care

1 home sponsoring organization that  
2 serves the home. The procedures the  
3 Secretary prescribes may include 1 or  
4 more of the following:

5 “(aa) Setting an annual per-  
6 centage for each home of the  
7 number of meals served that are  
8 to be reimbursed in accordance  
9 with the reimbursement factors  
10 prescribed under clause (ii)(III)  
11 and an annual percentage of the  
12 number of meals served that are  
13 to be reimbursed in accordance  
14 with the reimbursement factors  
15 prescribed under clause (iii)(I),  
16 based on the family income of  
17 children enrolled in the home in a  
18 specified month or other period.

19 “(bb) Placing a home into 1  
20 of 2 or more reimbursement cat-  
21 egories annually based on the  
22 percentage of children in the  
23 home whose households have in-  
24 comes that meet the eligibility  
25 standards under section 9, with

1 each such reimbursement cat-  
2 egory carrying a set of reim-  
3 bursement factors such as the  
4 factors prescribed under clause  
5 (ii)(II) or subclause (I) or factors  
6 established within the range of  
7 factors prescribed under clause  
8 (ii)(II) and subclause (I).

9 “(cc) Such other simplified  
10 procedures as the Secretary may  
11 prescribe.

12 “(V) MINIMUM VERIFICATION  
13 REQUIREMENTS.—The Secretary may  
14 establish any necessary minimum ver-  
15 ification requirements.”.

16 (2) GRANTS TO STATES TO PROVIDE ASSIST-  
17 ANCE TO FAMILY OR GROUP DAY CARE HOMES.—  
18 Section 17(f)(3) of the Act is amended by adding at  
19 the end the following:

20 “(D) GRANTS TO STATES TO PROVIDE AS-  
21 SISTANCE TO FAMILY OR GROUP DAY CARE  
22 HOMES.—

23 “(i) IN GENERAL.—

24 “(I) RESERVATION.—From  
25 amounts made available to carry out

1 this section, the Secretary shall re-  
2 serve \$5,000,000 of the amount made  
3 available for fiscal year 1996.

4 “(II) PURPOSE.—The Secretary  
5 shall use the funds made available  
6 under subclause (I) to provide grants  
7 to States for the purpose of provid-  
8 ing—

9 “(aa) assistance, including  
10 grants, to family and day care  
11 home sponsoring organizations  
12 and other appropriate organiza-  
13 tions, in securing and providing  
14 training, materials, automated  
15 data processing assistance, and  
16 other assistance for the staff of  
17 the sponsoring organizations; and

18 “(bb) training and other as-  
19 sistance to family and group day  
20 care homes in the implementation  
21 of the amendments to subpara-  
22 graph (A) made by section  
23 574(b)(1) of the Family Self-Suf-  
24 ficiency Act of 1995.

1           “(ii) ALLOCATION.—The Secretary  
2 shall allocate from the funds reserved  
3 under clause (i)(II)—

4                   “(I) \$30,000 in base funding to  
5 each State; and

6                   “(II) any remaining amount  
7 among the States, based on the num-  
8 ber of family day care homes partici-  
9 pating in the program in a State in  
10 1994 as a percentage of the number  
11 of all family day care homes partici-  
12 pating in the program in 1994.

13           “(iii) RETENTION OF FUNDS.—Of the  
14 amount of funds made available to a State  
15 for a fiscal year under clause (i), the State  
16 may retain not to exceed 30 percent of the  
17 amount to carry out this subparagraph.

18           “(iv) ADDITIONAL PAYMENTS.—Any  
19 payments received under this subpara-  
20 graph shall be in addition to payments  
21 that a State receives under subparagraph  
22 (A) (as amended by section 134(b)(1) of  
23 the Family Self-Sufficiency Act of 1995).”.

1           (3) PROVISION OF DATA.—Section 17(f)(3) of  
2 the Act (as amended by paragraph (2)) is further  
3 amended by adding at the end the following:

4           “(E) PROVISION OF DATA TO FAMILY OR  
5 GROUP DAY CARE HOME SPONSORING ORGANI-  
6 ZATIONS.—

7           “(i) CENSUS DATA.—The Secretary  
8 shall provide to each State agency admin-  
9 istering a child and adult care food pro-  
10 gram under this section data from the  
11 most recent decennial census survey or  
12 other appropriate census survey for which  
13 the data are available showing which areas  
14 in the State meet the requirements of sub-  
15 paragraph (A)(ii)(I)(aa). The State agency  
16 shall provide the data to family or group  
17 day care home sponsoring organizations lo-  
18 cated in the State.

19           “(ii) SCHOOL DATA.—

20           “(I) IN GENERAL.—A State  
21 agency administering the school lunch  
22 program under this Act or the school  
23 breakfast program under the Child  
24 Nutrition Act of 1966 (42 U.S.C.  
25 1771 et seq.) shall provide data for

1 each elementary school in the State,  
2 or shall direct each school within the  
3 State to provide data for the school,  
4 to approved family or group day care  
5 home sponsoring organizations that  
6 request the data, on the percentage of  
7 enrolled children who are eligible for  
8 free or reduced price meals.

9 “(II) USE OF DATA FROM PRE-  
10 CEDING SCHOOL YEAR.—In determin-  
11 ing for a fiscal year or other annual  
12 period whether a home qualifies as a  
13 tier I family or group day care home  
14 under subparagraph (A)(ii)(I), the  
15 State agency administering the pro-  
16 gram under this section, and a family  
17 or group day care home sponsoring  
18 organization, shall use the most cur-  
19 rent available data at the time of the  
20 determination.

21 “(iii) DURATION OF DETERMINA-  
22 TION.—For purposes of this section, a de-  
23 termination that a family or group day  
24 care home is located in an area that quali-  
25 fies the home as a tier I family or group

1 day care home (as the term is defined in  
2 subparagraph (A)(ii)(I)), shall be in effect  
3 for 3 years (unless the determination is  
4 made on the basis of census data, in which  
5 case the determination shall remain in ef-  
6 fect until more recent census data are  
7 available) unless the State agency deter-  
8 mines that the area in which the home is  
9 located no longer qualifies the home as a  
10 tier I family or group day care home.”.

11 (4) CONFORMING AMENDMENTS.—Section 17(c)  
12 of the Act is amended by inserting “except as pro-  
13 vided in subsection (f)(3),” after “For purposes of  
14 this section,” each place it appears in paragraphs  
15 (1), (2), and (3).

16 (c) DISALLOWING MEAL CLAIMS.—The fourth sen-  
17 tence of section 17(f)(4) of the Act is amended by insert-  
18 ing “(including institutions that are not family or group  
19 day care home sponsoring organizations)” after “institu-  
20 tions”.

21 (d) ELIMINATION OF STATE PAPERWORK AND OUT-  
22 REACH BURDEN.—Section 17 of the Act is amended by  
23 striking subsection (k) and inserting the following:

24 “(k) TRAINING AND TECHNICAL ASSISTANCE.—A  
25 State participating in the program established under this

1 section shall provide sufficient training, technical assist-  
2 ance, and monitoring to facilitate effective operation of the  
3 program. The Secretary shall assist the State in develop-  
4 ing plans to fulfill the requirements of this subsection.”.

5 (e) EFFECTIVE DATE.—

6 (1) IN GENERAL.—Except as provided in para-  
7 graph (2), the amendments made by this section  
8 shall become effective on the date of enactment of  
9 this Act.

10 (2) IMPROVED TARGETING OF DAY CARE HOME  
11 REIMBURSEMENTS.—The amendments made by  
12 paragraphs (1), (3), and (4) of subsection (b) shall  
13 become effective on August 1, 1996.

14 **SEC. 224. REDUCING REQUIRED REPORTS TO STATE AGEN-**  
15 **CIES AND SCHOOLS.**

16 Section 19 of the National School Lunch Act (42  
17 U.S.C. 1769a) is amended by striking subsection (c) and  
18 inserting the following:

19 “(c) REPORT.—Not later than 1 year after the date  
20 of enactment of the Family Self-Sufficiency Act of 1995,  
21 the Secretary shall—

22 “(1) review all reporting requirements under  
23 this Act and the Child Nutrition Act of 1966 (42  
24 U.S.C. 1771 et seq.) that are in effect, as of the  
25 date of enactment of the Family Self-Sufficiency Act

1 of 1995, for agencies and schools referred to in sub-  
 2 section (a); and

3 “(2) provide a report to the Committee on Eco-  
 4 nomic and Educational Opportunities of the House  
 5 of Representatives and the Committee on Agri-  
 6 culture, Nutrition, and Forestry of the Senate  
 7 that—

8 “(A) describes the reporting requirements  
 9 described in paragraph (1) that are required by  
 10 law;

11 “(B) makes recommendations concerning  
 12 the elimination of any requirement described in  
 13 subparagraph (A) because the contribution of  
 14 the requirement to program effectiveness is not  
 15 sufficient to warrant the paperwork burden that  
 16 is placed on agencies and schools referred to in  
 17 subsection (a); and

18 “(C) provides a justification for reporting  
 19 requirements described in paragraph (1) that  
 20 are required solely by regulation.”.

## 21 **TITLE III—REAUTHORIZATION**

### 22 **SEC. 301. COMMODITY DISTRIBUTION PROGRAM; COMMOD-** 23 **ITY SUPPLEMENTAL FOOD PROGRAMS.**

24 (a) REAUTHORIZATION.—The first sentence of sec-  
 25 tion 4(a) of the Agriculture and Consumer Protection Act

1 of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is  
2 amended by striking “1995” and inserting “2000”.

3 (b) ADMINISTRATIVE FUNDING.—Section 5(a)(2) of  
4 the Act (Public Law 93–86; 7 U.S.C. 612c note) is amend-  
5 ed by striking “1995” and inserting “2000”.

6 **SEC. 302. EMERGENCY FOOD ASSISTANCE PROGRAM.**

7 (a) REAUTHORIZATION.—The first sentence of sec-  
8 tion 204(a)(1) of the Emergency Food Assistance Act of  
9 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended  
10 by striking “1995” and inserting “2000”.

11 (b) PROGRAM TERMINATION.—Section 212 of the  
12 Act (Public Law 98–8; 7 U.S.C. 612c note) is amended  
13 by striking “1995” and inserting “2000”.

14 (c) REQUIRED PURCHASES OF COMMODITIES.—Sec-  
15 tion 214 of the Act (Public Law 98–8; 7 U.S.C. 612c note)  
16 is amended—

17 (1) in the first sentence of subsection (a), by  
18 striking “1995” and inserting “2000”; and

19 (2) in subsection (e), by striking “1995” each  
20 place it appears and inserting “2000”.

21 **SEC. 303. SOUP KITCHENS PROGRAM.**

22 Section 110 of the Hunger Prevention Act of 1988  
23 (Public Law 100–435; 7 U.S.C. 612c note) is amended—

24 (1) in the first sentence of subsection (a), by  
25 striking “1995” and inserting “2000”; and

1 (2) in subsection (c)(2)—

2 (A) in the paragraph heading, by striking

3 “1995” and inserting “2000”; and

4 (B) by striking “1995” each place it ap-

5 pears and inserting “2000”.

6 **SEC. 304. NATIONAL COMMODITY PROCESSING.**

7 The first sentence of section 1775(2)(A) of the Agri-

8 culture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is

9 amended by striking “1995” and inserting “2000”.



S 904 IS—2

S 904 IS—3

S 904 IS—4

S 904 IS—5

S 904 IS—6

S 904 IS—7

S 904 IS—8