

105TH CONGRESS
2D SESSION

H. R. 3666

To amend the National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to extend certain authorities contained in such Acts through fiscal year 2002, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 1998

Mr. MARTINEZ (for himself, Mr. CLAY, Mr. KILDEE, Mr. ANDREWS, Ms. WOOLSEY, Mr. HINOJOSA, Ms. SANCHEZ, Mr. FORD, Mr. KUCINICH, Mr. KENNEDY of Massachusetts, Mr. BLAGOJEVICH, Ms. KILPATRICK, Mr. FRANK of Massachusetts, Ms. DELAURO, Mr. SERRANO, Mr. LANTOS, Mr. LAFALCE, Mr. McDERMOTT, Mr. KLECZKA, Mr. LAMPSON, Mr. HALL of Ohio, Ms. STABENOW, Mr. FROST, Mr. TORRES, Mr. SAWYER, Ms. DEGETTE, Mr. NEAL of Massachusetts, and Mrs. MORELLA) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To amend the National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to extend certain authorities contained in such Acts through fiscal year 2002, 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,*

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Child Nutrition and
3 WIC Reauthorization Amendments of 1998”.

4 SEC. 2. TABLE OF CONTENTS.

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Effective date.

TITLE I—AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT

- Sec. 101. Technical amendment to commodity provisions.
- Sec. 102. Availability of recovered funds for management activity.
- Sec. 103. Elimination of regional office administered programs.
- Sec. 104. Requirement for health and safety inspections.
- Sec. 105. Elimination of the food and nutrition projects and establishment of
an adequate meal service period.
- Sec. 106. Buy American.
- Sec. 107. Summer Food Service Program.
- Sec. 108. Reauthorization of use of CCC and section 32 funds for commodities.
- Sec. 109. Child and Adult Care Food Program.
- Sec. 110. Transfer of homeless programs to the Child and Adult Care Food
Program.
- Sec. 111. Elimination of demonstration projects.
- Sec. 112. Extension of authorization for training and technical assistance fund-
ing.
- Sec. 113. Funding for the Food Service Management Institute.
- Sec. 114. Extension of authorization for compliance and accountability funding.
- Sec. 115. Extension of authority to fund information clearinghouse.
- Sec. 116. Refocusing of effort to help accommodate the special dietary needs
of individuals with disabilities.

TITLE II—AMENDMENTS TO THE CHILD NUTRITION ACT OF 1966

- Sec. 201. Elimination of regional office administered programs.
- Sec. 202. State Administrative Expense Funds.
- Sec. 203. Special Supplemental Nutrition Program for Women, Infants and
Children.
- Sec. 204. Extension of Nutrition Education and Training Program.

TITLE III—AMENDMENTS TO THE COMMODITY DISTRIBUTION
REFORM ACT AND WIC AMENDMENTS OF 1987

- Sec. 301. Customer acceptability information.
- Sec. 302. Food distribution provisions.

5 SEC. 3. EFFECTIVE DATE.

6 Except as provided in section 203(k)(2), this Act
7 shall become effective on October 1, 1998.

1 **TITLE I—AMENDMENTS TO THE**
2 **NATIONAL SCHOOL LUNCH ACT**

3 **SEC. 101. TECHNICAL AMENDMENT TO COMMODITY PROVI-**
4 **SIONS.**

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

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

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

10 **SEC. 102. AVAILABILITY OF RECOVERED FUNDS FOR MAN-**
11 **AGEMENT ACTIVITY.**

12 Section 8 of the National School Lunch Act (42
13 U.S.C. 1757) is amended by adding at the end the follow-
14 ing:

15 “(h) USE OF RECOVERED PROGRAM FUNDS.—State
16 agencies may retain up to one-half of any program funds
17 recovered during State conducted audits or reviews of
18 school food authorities, institutions, and service institu-
19 tions participating in food assistance programs authorized
20 under this Act and sections 3 and 4 of the Child Nutrition
21 Act of 1966. Funds retained under this subsection shall
22 be used by the State agency for otherwise allowable pro-
23 gram costs to improve the management and operations of
24 such programs within the State, including by providing

1 funds to school food authorities, institutions, and service
2 institutions participating in these programs.”.

3 **SEC. 103. ELIMINATION OF REGIONAL OFFICE ADMINIS-**
4 **TERED PROGRAMS.**

5 The National School Lunch Act (42 U.S.C. 1751 et
6 seq.) is amended—

7 (1) in section 7(b) (42 U.S.C. 1756(b)), by
8 striking the second sentence;

9 (2) by amending section 10 (42 U.S.C. 1759)
10 to read as follows:

11 **“SEC. 10. DISBURSEMENT TO SCHOOLS BY THE SEC-**
12 **RETARY.**

13 **“(a) AUTHORITY TO ADMINISTER PROGRAMS.—**

14 **“(1) IN GENERAL.—**Except as provided in para-
15 graph (3), until September 30, 2000, the Secretary
16 shall withhold funds payable to a State agency under
17 this Act and disburse the funds directly to school
18 food authorities, institutions, or service institutions
19 within the State for the purposes authorized by this
20 Act to the extent that the Secretary has so withheld
21 and disbursed such funds continuously since October
22 1, 1980, but only to that extent.

23 **“(2) USE OF FUNDS.—**Any funds withheld and
24 disbursed by the Secretary in accordance with para-
25 graph (1) shall be used for the same purposes, and

1 shall be subject to the same conditions, as applicable
2 to a State disbursing funds made available under
3 this Act.

4 “(3) STATE ADMINISTRATION.—If the Sec-
5 retary is administering (in whole or in part) any
6 program authorized under this Act, the State in
7 which the Secretary is administering the program
8 may, upon request to the Secretary, assume admin-
9 istration of that program at any time prior to Octo-
10 ber 1, 2000.

11 “(b) PROVISION OF TRAINING AND TECHNICAL AS-
12 SISTANCE.—The Secretary shall provide State agencies
13 which assume program administration from the Secretary
14 on or before October 1, 2000, with training and technical
15 assistance to allow for an efficient and effective transfer
16 of administrative responsibility.”; and

17 (3) in section 11(a)(1)(A) (42 U.S.C.
18 1759a(a)(1)(A)), by striking “Except as provided in
19 section 10 of this Act, in” and inserting “In”.

20 **SEC. 104. REQUIREMENT FOR HEALTH AND SAFETY IN-**
21 **SPECTIONS.**

22 Section 9 of the National School Lunch Act (42
23 U.S.C. 1758) is amended by adding at the end the follow-
24 ing:

1 “(h) HEALTH AND SAFETY INSPECTIONS.—All
2 schools participating in the National School Lunch Pro-
3 gram authorized under this Act or the School Breakfast
4 Program authorized under section 4 of the Child Nutrition
5 Act of 1966 in which meals are prepared on site shall
6 twice during each school year obtain inspections that indi-
7 cate food service operations meet State or local health and
8 safety standards.”.

9 **SEC. 105. ELIMINATION OF THE FOOD AND NUTRITION**
10 **PROJECTS AND ESTABLISHMENT OF AN ADE-**
11 **QUATE MEAL SERVICE PERIOD.**

12 Section 12(m) of the National School Lunch Act (42
13 U.S.C. 1760(m)) is amended to read as follows:

14 “(m) LENGTH OF MEAL SERVICE PERIOD AND FOOD
15 SERVICE ENVIRONMENT.—Schools participating in the
16 National School Lunch Program authorized under this
17 Act or the School Breakfast Program authorized under
18 section 4 of the Child Nutrition Act of 1966 shall make
19 every effort to establish meal service periods that provide
20 children adequate time to fully consume their meals in an
21 environment which is conducive to eating such meals.”.

22 **SEC. 106. BUY AMERICAN.**

23 Section 12 of the National School Lunch Act (42
24 U.S.C. 1760) (as amended by section 105) is amended by
25 adding at the end the following:

1 “(n) BUY AMERICAN.—

2 “(1) IN GENERAL.—The Secretary shall require
3 that schools purchase, whenever possible, only food
4 products that are produced in the United States.

5 “(2) LIMITATIONS.—Paragraph (1) shall only
6 apply to schools located in the contiguous United
7 States and to purchases for the National School
8 Lunch Program authorized under this Act and the
9 School Breakfast Program authorized under section
10 4 of the Child Nutrition Act of 1966.”.

11 **SEC. 107. SUMMER FOOD SERVICE PROGRAM.**

12 (a) ADJUSTMENTS TO REIMBURSEMENT RATES IN
13 THE SUMMER FOOD SERVICE PROGRAM IN SPECIFIED
14 STATES AND TERRITORIES.—Section 12(f) of the Na-
15 tional School Lunch Act (42 U.S.C. 1760(f)) is amended
16 to read as follows:

17 “(f) ADJUSTMENTS TO REIMBURSEMENT RATES.—
18 In providing assistance for breakfasts, lunches, suppers,
19 and supplements served in Alaska, Hawaii, Guam, Amer-
20 ican Samoa, Puerto Rico, the Virgin Islands, and the
21 Commonwealth of the Northern Mariana Islands, the Sec-
22 retary may establish appropriate adjustments for each
23 such State to the national average payment rates pre-
24 scribed under sections 4, 11, 13 and 17 of this Act and
25 section 4 of the Child Nutrition Act of 1966 to reflect

1 the differences between the costs of providing meals in
2 those States and the costs of providing meals in all other
3 States.”.

4 (b) ESTABLISHMENT OF 25 SITE LIMITATION.—Sec-
5 tion 13(a)(7)(B)(i) of the National School Lunch Act (42
6 U.S.C. 1761(a)(7)(B)(i)) is amended to read as follows:

7 “(i) operate not more than 25 sites,
8 with not more than 300 children being
9 served at any one site (or, with a waiver
10 granted by the State agency under stand-
11 ards developed by the Secretary, not more
12 than 500 children being served at any one
13 site);”.

14 (c) ELIMINATION OF MARCH 1 “INDICATION OF IN-
15 TEREST” REQUIREMENT, REMOVAL OF MEAL CONTRACT-
16 ING RESTRICTIONS, AND VENDOR REGISTRATION RE-
17 QUIREMENTS.—Section 13 of the National School Lunch
18 Act (42 U.S.C. 1761) is amended—

19 (1) in subsection (a)(7)(B)—

20 (A) by striking clause (iii); and

21 (B) by redesignating clauses (iv), (v), (vi),
22 and (vii) as clauses (iii), (iv), (v), and (vi) re-
23 spectively; and

24 (2) in subsection (l)—

25 (A) in paragraph (1)—

1 (i) by striking in the first sentence—

2 (I) “(other than private nonprofit
3 organizations eligible under subsection
4 (a)(7))”; and

5 (II) “only with food service man-
6 agement companies registered with
7 the State in which they operate” and
8 inserting “with food service manage-
9 ment companies”; and

10 (ii) by striking the last sentence;

11 (B) in paragraph (2)—

12 (i) in the first sentence, by striking
13 “shall” and inserting “may”; and

14 (ii) by striking all after the first sen-
15 tence;

16 (C) by striking paragraph (3); and

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

19 (d) REAUTHORIZATION OF THE SUMMER FOOD
20 SERVICE PROGRAM.—Section 13(q) of the National
21 School Lunch Act (42 U.S.C. 1761(q)) is amended by
22 striking “1998” and inserting “2002”.

1 **SEC. 108. REAUTHORIZATION OF USE OF CCC AND SECTION**
2 **32 FUNDS FOR COMMODITIES.**

3 Section 14(a) of the National School Lunch Act (42
4 U.S.C. 1762a(a)) is amended by striking “1998” and in-
5 serting “2002”.

6 **SEC. 109. CHILD AND ADULT CARE FOOD PROGRAM.**

7 (a) REVISION TO LICENSING AND ALTERNATE AP-
8 PROVAL FOR SCHOOLS AND OUTSIDE SCHOOL HOURS
9 CHILD CARE CENTERS.—Section 17(a)(1) of the National
10 School Lunch Act (42 U.S.C. 1766(a)(1)) is amended to
11 read as follows:

12 “(1) all institutions (except schools and family
13 or group day care home sponsoring organizations)
14 and family or group day care homes must—

15 “(A)(i) have Federal, State, or local licens-
16 ing or approval; or

17 “(ii) be complying with appropriate re-
18 newal procedures as prescribed by the Secretary
19 and the State has no information indicating
20 that the institution or family or group day care
21 home’s license will not be renewed;

22 “(B) where Federal, State, or local licens-
23 ing or approval is not available—

24 “(i) receive funds under Title XX of
25 the Social Security Act;

1 “(ii) meet any alternate approval
2 standards established by a State or local
3 government; or

4 “(iii) meet any alternate approval
5 standards established by the Secretary
6 after consultation with the Secretary of
7 Health and Human Services; or

8 “(C) where an institution provides care to
9 school children outside of school hours and Fed-
10 eral, State, or local licensing or approval is not
11 required, meet State or local health and safety
12 standards; and”.

13 (b) REINSTATEMENT OF CATEGORICAL ELIGIBILITY
14 FOR EVEN START PROGRAM PARTICIPANTS.—Section
15 17(c)(6)(B) of the National School Lunch Act (42 U.S.C.
16 1766(c)(6)(B)) is amended by striking “1997” and insert-
17 ing “2002”.

18 (c) TAX EXEMPT STATUS AND REMOVAL OF NOTIFI-
19 CATION REQUIREMENT FOR INCOMPLETE APPLICA-
20 TIONS.—Section 17(d)(1) of the National School Lunch
21 Act (42 U.S.C. 1766(d)(1)) is amended—

22 (1) by inserting after the third sentence the fol-
23 lowing: “An institution moving toward compliance
24 with the requirement for tax exempt status shall be
25 allowed to participate in the program for a period of

1 not more than six months unless it can demonstrate
2 to the satisfaction of the State agency that its in-
3 ability to obtain tax exempt status within the six
4 month limit is beyond the control of the institution
5 in which case the State may grant a single extension
6 not to exceed 90 days.”; and

7 (2) by striking the last sentence.

8 (d) DISTRIBUTION OF PROGRAM INFORMATION.—
9 Section 17(k) of the National School Lunch Act (42
10 U.S.C. 1766(k)) is amended—

11 (1) by striking “A State” and inserting the fol-
12 lowing:

13 “(1) IN GENERAL.—A State”; and

14 (2) by inserting at the end the following:

15 “(2) DISTRIBUTION OF PROGRAM INFORMA-
16 TION.—

17 “(A) IN GENERAL.—Each State agency
18 shall, at least once every two years, provide no-
19 tification of the availability of the program, the
20 requirements for program participation, and the
21 application procedures to be followed in the pro-
22 gram to each nonparticipating institution or
23 family or group day care home that is located
24 in a needy area within the State and has Fed-
25 eral, State, or local licensing or approval or re-

1 ceives funds under title XX of the Social Secu-
2 rity Act.

3 “(B) NEEDY AREA DEFINED.—For pur-
4 poses of this paragraph, a needy area is a geo-
5 graphic area served by a school enrolling ele-
6 mentary students in which at least 50 percent
7 of the total number of children enrolled are cer-
8 tified eligible to receive free or reduced price
9 school meals under this Act or the Child Nutri-
10 tion Act of 1966.”.

11 (e) ELIMINATION OF AUDIT FUNDS, ESTABLISH-
12 MENT OF MANAGEMENT SUPPORT FUNDING, PARTICIPA-
13 TION BY “AT RISK” CHILD CARE PROGRAMS, AND WIC
14 OUTREACH.—Section 17 of the National School Lunch
15 Act (42 U.S.C. 1766) is amended—

16 (1) by striking subsection (i);

17 (2) by redesignating subsections (j) through (p)
18 as subsections (i) through (o), respectively; and

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

20 “(p) MANAGEMENT FUNDING.—

21 “(1) TECHNICAL AND TRAINING ASSISTANCE.—

22 In order to assist State agencies in improving their
23 program management and oversight under this sec-
24 tion, the Secretary shall provide such State agencies

1 with increased levels of training and technical assist-
2 ance.

3 “(2) FUNDING.—In fiscal year 1999 and each
4 succeeding fiscal year, the Secretary shall reserve for
5 the purpose of carrying out paragraph (1) $\frac{1}{8}$ of 1
6 percent of the amount appropriated for the purpose
7 of carrying out this section.

8 “(q) ‘AT RISK’ CHILD CARE.—

9 “(1) IN GENERAL.—Subject to the conditions in
10 this subsection, institutions that provide care to at
11 risk school children during after-school hours, week-
12 ends, or holidays during the regular school year may
13 participate in the program authorized under this
14 section. Unless otherwise specified in this subsection,
15 all other provisions of this section shall apply to
16 these institutions.

17 “(2) AT RISK SCHOOL CHILDREN.—Children
18 ages 12 through 18 who live in a geographical area
19 served by a school enrolling elementary students in
20 which at least 50 percent of the total number of
21 children enrolled are certified eligible to receive free
22 or reduced price school meals under this Act or the
23 Child Nutrition Act of 1966 shall be considered at
24 risk.

25 “(3) SUPPLEMENT REIMBURSEMENT.—

1 “(A) LIMITATION.—Only supplements
2 served to at risk school children during after-
3 school hours, weekends, or holidays during the
4 regular school year may be claimed for reim-
5 bursement. Institutions may claim reimburse-
6 ment for only one supplement per child per day.

7 “(B) RATE.—Eligible supplements shall be
8 reimbursed at the rate for free supplements
9 under subsection (c)(3).

10 “(C) NO CHARGE.—All supplements
11 claimed for reimbursement shall be served with-
12 out charge.

13 “(r) INFORMATION CONCERNING THE SPECIAL SUP-
14 PLEMENTAL NUTRITION PROGRAM FOR WOMEN, IN-
15 FANTS, AND CHILDREN.—

16 “(1) IN GENERAL.—The Secretary shall provide
17 each State agency with information concerning the
18 Special Supplemental Nutrition Program for
19 Women, Infants, and Children authorized under sec-
20 tion 17 of the Child Nutrition Act of 1966.

21 “(2) REQUIREMENTS FOR STATE AGENCIES.—
22 State agencies shall—

23 “(A) ensure each participating child care
24 center (other than institutions providing care to

1 school children outside of school hours) receives
2 materials that include—

3 “(i) a basic explanation of the impor-
4 tance and benefits of the Special Supple-
5 mental Nutrition Program for Women, In-
6 fants, and Children;

7 “(ii) the maximum State income eligi-
8 bility standards, according to family size,
9 for the Special Supplemental Nutrition
10 Program for Women, Infants, and Chil-
11 dren; and

12 “(iii) information as to how benefits
13 under the Special Supplemental Nutrition
14 Program for Women, Infants, and Chil-
15 dren may be obtained;

16 “(B) ensure that such child care centers
17 are provided updates of the information under
18 subparagraph (A) annually; and

19 “(C) ensure that such child care centers
20 provide the information under subparagraph
21 (A) to parents of enrolled children annually.”.

22 (f) PERMANENT AUTHORIZATION OF DEMONSTRA-
23 TION PROJECT.—Section 17(o) of the National School
24 Lunch Act (42 U.S.C. 1766(o)) (as redesignated in sub-

1 section (e)) is amended by striking paragraphs (4) and
2 (5).

3 **SEC. 110. TRANSFER OF HOMELESS PROGRAMS TO THE**
4 **CHILD AND ADULT CARE FOOD PROGRAM.**

5 The National School Lunch Act (42 U.S.C. 1751 et
6 seq.) is amended—

7 (1) in section 13(a)(3)(C)—

8 (A) by adding “or” after the semicolon in
9 clause (i);

10 (B) by striking clause (ii); and

11 (C) by redesignating clause (iii) as clause
12 (ii);

13 (2) in section 17 (as amended by section
14 109(e)), by adding at the end the following:

15 “(s) PARTICIPATION BY HOMELESS SHELTERS.

16 “(1) DEFINITION OF ELIGIBLE SHELTERS.—

17 Subject to the conditions in this subsection, public
18 and private, nonprofit emergency shelters providing
19 food service to homeless children and their parents
20 or guardians shall be considered eligible institutions
21 for purposes of the program authorized under this
22 section. The term ‘emergency shelter’ shall have the
23 meaning provided in section 321(2) of the Stewart
24 B. McKinney Homeless Assistance Act (42 U.S.C.
25 11351(2)). Unless otherwise specified in this sub-

1 section, all other provisions of this section shall
2 apply to these institutions.

3 “(2) INSTITUTION AND SITE LICENSING.—Sub-
4 section (a)(1) shall not apply to emergency shelters
5 or sites operated by them.

6 “(3) HEALTH AND SAFETY STANDARDS.— Both
7 emergency shelters and sites operated by them shall
8 comply with State or local health and safety stand-
9 ards.

10 “(4) MEAL REIMBURSEMENT.—

11 “(A) LIMITATION.—Only meals served to
12 children through age 12 residing at an emer-
13 gency shelters may be claimed for reimburse-
14 ment. Emergency shelters may claim reimburse-
15 ment for no more than 3 meals or 2 meals and
16 a supplement per child per day.

17 “(B) RATE.—Eligible meals shall be reim-
18 bursed at the rates for free meals under sub-
19 section (c).

20 “(C) NO CHARGE.—All meals claimed for
21 reimbursement shall be served without charge.”;

22 and

23 (3) by repealing section 17B.

1 **SEC. 111. ELIMINATION OF DEMONSTRATION PROJECTS.**

2 Section 18 of the National School Lunch Act (42
3 U.S.C. 1769) is amended by striking subsections (e), (f),
4 (g), (h), and (i).

5 **SEC. 112. EXTENSION OF AUTHORIZATION FOR TRAINING
6 AND TECHNICAL ASSISTANCE FUNDING.**

7 Section 21(e)(1) of the National School Lunch Act
8 (42 U.S.C. 1769b-1(e)(1)) is amended by striking “1998”
9 and inserting “2002”.

10 **SEC. 113. FUNDING FOR THE FOOD SERVICE MANAGEMENT
11 INSTITUTE.**

12 Section 21(e)(2)(A) of the National School Lunch
13 Act (42 U.S.C. 1769b-1(e)(2)(A)) is amended by striking
14 “and \$2,000,000 for fiscal year 1996” and inserting
15 “, \$2,000,000 for each of fiscal years 1996 through 1998,
16 and \$3,000,000 for fiscal year 1999”.

17 **SEC. 114. EXTENSION OF AUTHORIZATION FOR COMPLI-
18 ANCE AND ACCOUNTABILITY FUNDING.**

19 Section 22(d) of the National School Lunch Act (42
20 U.S.C. 1769c(d)) is amended by striking “1996” and in-
21 serting “2002”.

22 **SEC. 115. EXTENSION OF AUTHORITY TO FUND INFORMA-
23 TION CLEARINGHOUSE.**

24 Section 26 of the National School Lunch Act (42
25 U.S.C. 1769g) is amended—

1 (1) in the first sentence of subsection (a), by
2 striking “shall” and inserting “may”;

3 (2) in subsection (b), by inserting “, except
4 that, notwithstanding any other provision of law, the
5 Secretary may enter into a contract for the services
6 of any organization with which the Secretary has
7 previously contracted under this section without
8 competing such contract, assuming such organiza-
9 tion has performed satisfactorily under such contract
10 and meets the criteria established in this sub-
11 section,” after “shall be selected on a competitive
12 basis”; and

13 (3) by amending subsection (d) to read as fol-
14 lows:

15 “(d) FUNDING.—The Secretary may provide to the
16 organization selected under this section an amount not to
17 exceed \$150,000 in each of fiscal years 1999 through
18 2002.”.

19 **SEC. 116. REFOCUSING OF EFFORT TO HELP ACCOMMO-**
20 **DATE THE SPECIAL DIETARY NEEDS OF INDI-**
21 **VIDUALS WITH DISABILITIES.**

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

1 **“SEC. 27. ACCOMMODATING SPECIAL DIETARY NEEDS OF**
2 **INDIVIDUALS WITH DISABILITIES.**

3 “(a) DEFINITIONS.—As used in this section:

4 “(1) INDIVIDUALS WITH DISABILITIES.—The
5 term ‘individuals with disabilities’ shall have the
6 same meaning as in section 7(8) of the Rehabilita-
7 tion Act of 1973.

8 “(2) COVERED PROGRAM.—The term ‘covered
9 program’ means—

10 “(A) the National School Lunch Program
11 authorized under this Act;

12 “(B) the School Breakfast Program au-
13 thorized under section 4 of the Child Nutrition
14 Act of 1966; and

15 “(C) any other program authorized under
16 this Act or the Child Nutrition Act of 1966 (ex-
17 cept for section 17) that the Secretary deter-
18 mines is appropriate.

19 “(3) ELIGIBLE ENTITY.—The term eligible en-
20 tity means a school food authority, institution, or
21 service institution that participates in a covered pro-
22 gram.

23 “(b) ACTIVITIES.—The Secretary may carry out ac-
24 tivities to help accommodate the special dietary needs of
25 individuals with disabilities who are participating in a cov-
26 ered program. Such activities may include—

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

3 “(2) conducting training of State agencies and
4 eligible entities; and

5 “(3) issuing grants to State agencies and eligi-
6 ble entities.”.

7 **TITLE II—AMENDMENTS TO THE**
8 **CHILD NUTRITION ACT OF 1966**

9 **SEC. 201. ELIMINATION OF REGIONAL OFFICE ADMINIS-**
10 **TERED PROGRAMS.**

11 Section 5 of the Child Nutrition Act of 1966 (42
12 U.S.C. 1774) is amended to read as follows:

13 **“SEC. 5 DISBURSEMENT TO SCHOOLS BY THE SECRETARY.**

14 “(a) **AUTHORITY TO ADMINISTER PROGRAMS.—**

15 “(1) **IN GENERAL.—**Except as provided in para-
16 graph (3), until September 30, 2000, the Secretary
17 shall withhold funds payable to a State agency under
18 this Act and disburse the funds directly to school
19 food authorities, institutions, or service institutions
20 within the State for the purposes authorized by this
21 Act to the extent that the Secretary has so withheld
22 and disbursed such funds continuously since October
23 1, 1980, but only to that extent.

24 “(2) **USE OF FUNDS.—**Any funds withheld and
25 disbursed by the Secretary in accordance with para-

1 graph (1) shall be used for the same purposes, and
2 shall be subject to the same conditions, as applicable
3 to a State disbursing funds made available under
4 this Act.

5 “(3) STATE ADMINISTRATION.—If the Sec-
6 retary is administering (in whole or in part) any
7 program authorized under this Act, the State in
8 which the Secretary is administering the program
9 may, upon request to the Secretary, assume admin-
10 istration of that program at any time prior to Octo-
11 ber 1, 2000.

12 “(b) PROVISION OF TRAINING AND TECHNICAL AS-
13 SISTANCE.—The Secretary shall provide State agencies
14 which assume program administration from the Secretary
15 on or before October 1, 2000, with training and technical
16 assistance to allow for an efficient and effective transfer
17 of administrative responsibility.”.

18 **SEC. 202. STATE ADMINISTRATIVE EXPENSE FUNDS.**

19 (a) HOMELESS SHELTERS.—Section 7(a)(5)(B) of
20 the Child Nutrition Act of 1966 (42 U.S.C.
21 1776(a)(5)(B)) is amended to read as follows:

22 “(B) REALLOCATION OF FUNDS.—For
23 each fiscal year, any amounts appropriated that
24 are not obligated or expended during such fiscal
25 year and are not carried over for the succeeding

1 fiscal year under subparagraph (A) shall be re-
2 turned to the Secretary. The Secretary shall
3 then allocate, for purposes of administration
4 costs, any remaining amounts among States
5 that demonstrate a need for such amounts.”.

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

10 “(6) **USE OF ADMINISTRATIVE FUNDS.**—Funds
11 available to States under this subsection and under
12 section 13(k)(1) of the National School Lunch Act
13 may be used by State agencies for the costs of ad-
14 ministration of the programs authorized under the
15 National School Lunch Act and this Act (except for
16 the programs authorized under sections 17 and 21)
17 without regard to the basis on which these funds
18 were earned and allocated.”.

19 (c) **REAUTHORIZATION OF PROGRAM.**—Section 7(g)
20 of the Child Nutrition Act of 1966 (42 U.S.C. 1776(g))
21 is amended by striking “1998” and inserting “2002”.

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

24 (a) **ADDITIONAL PROGRAM APPLICATION REQUIRE-**
25 **MENTS.**—Section 17(d)(3) of the Child Nutrition Act of

1 1966 (42 U.S.C. 1786(d)(3)) is amended by adding at the
2 end the following:

3 “(C) PHYSICAL PRESENCE.—All applicants
4 shall be physically present at each certification
5 visit in order to receive program benefits.

6 “(D) INCOME DOCUMENTATION.—All ap-
7 plicants shall provide documentation of house-
8 hold income or of participation in a program
9 referenced in clauses (ii) and (iii) of paragraph
10 (2)(A) at certification in order to be determined
11 income eligible for the program.

12 “(E) VERIFICATION.—The Secretary shall
13 promulgate regulations under this subsection
14 governing when and how verification of income
15 shall be required.”.

16 (b) DISTRIBUTION OF NUTRITION EDUCATION MA-
17 TERIALS.—Section 17(e)(3) of the Child Nutrition Act of
18 1966 (42 U.S.C. 1786(e)(3)) is amended—

19 (1) by inserting “NUTRITION EDUCATION MA-
20 TERIALS.—” after “(3)”;

21 (2) by striking “The Secretary” and inserting
22 the following:

23 “(A) IN GENERAL.—The Secretary”; and

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

1 “(B) SHARING MATERIALS WITH CSFP.—
2 The Secretary may provide nutrition education
3 materials, including breastfeeding promotion,
4 developed with funds appropriated for the pro-
5 gram under this section in bulk quantity to
6 State agencies administering the Commodity
7 Supplemental Food Program authorized under
8 sections 4(a) and 5 of the Agriculture and Con-
9 sumer Protection Act of 1973 at no cost to that
10 program.”.

11 (c) REAUTHORIZATION OF PROGRAM.—Section
12 17(g)(1) of the Child Nutrition Act of 1966 (42 U.S.C.
13 1786(g)(1)) is amended by striking “1995 through 1998”
14 and inserting “1999 through 2002”.

15 (d) EXTENSION OF AUTHORIZATION.—Section
16 17(h)(2)(A) of the Child Nutrition Act of 1966 (42 U.S.C.
17 1786(h)(2)(A)) is amended by striking “1995 through
18 1998” and inserting “1999 through 2002”.

19 (e) INFANT FORMULA PROCUREMENT.—Section
20 17(h)(8)(A) of the Child Nutrition Act of 1966 (42 U.S.C.
21 1786(h)(8)(A)) is amended by adding at the end the fol-
22 lowing:

23 “(iii) COMPETITIVE BIDDING SYS-
24 TEM.—A State agency using a competitive
25 bidding system for infant formula shall

1 award contracts to the bidder offering the
2 lowest net price unless the State agency
3 demonstrates to the satisfaction of the Sec-
4 retary that the weighted average retail
5 price for different brands of infant formula
6 in the State does not vary by more than
7 five percent.”.

8 (f) INFRASTRUCTURE AND BREASTFEEDING PRO-
9 MOTION/SUPPORT FUNDS.—Section 17(h)(10)(A) of the
10 Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(10)(A))
11 is amended by striking “For each of fiscal years 1995
12 through 1998,” and inserting “For each fiscal year
13 through 2002,”.

14 (g) SPEND-FORWARD AUTHORITY.—Section 17(i)(3)
15 of the Child Nutrition Act of 1966 (42 U.S.C. 1786(i)(3))
16 is amended—

17 (1) in subparagraph (A)—

18 (A) by striking “and” at the end of clause

19 (i);

20 (B) in clause (ii)—

21 (i) by inserting “nutrition services and
22 administration” after “amount of”; and

23 (ii) by striking the period at the end
24 and inserting “; and”; and

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

1 “(iii) with prior approval of the Sec-
2 retary, not more than 4 percent of the
3 amount of nutrition services and adminis-
4 tration funds allocated to a State agency
5 for a fiscal year under this section may be
6 expended by the State agency during the
7 subsequent fiscal year for the develop-
8 mental costs of electronic benefit trans-
9 fer.”;

10 (2) in subparagraph (B), by striking “subpara-
11 graph (A)(ii)” and inserting “clauses (ii) and (iii) of
12 subparagraph (A)”;

13 (3) by striking subparagraphs (D) through (G);
14 and

15 (4) by redesignating subparagraph (H) as sub-
16 paragraph (D).

17 (h) MATCHING FUNDS REQUIREMENT.—Section
18 17(m)(3) of the Child Nutrition Act of 1966 (42 U.S.C.
19 1786(m)(3)) is amended by striking “total” and inserting
20 “administrative” in both places it appears.

21 (i) RANKING CRITERIA FOR FARMERS MARKET NU-
22 TRITION PROGRAM STATE PLANS.—Section 17(m)(6) of
23 the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(6))
24 is amended—

25 (1) by striking subparagraph (F); and

1 (2) by redesignating subparagraph (G) as sub-
2 paragraph (F).

3 (j) EXTENSION OF FARMERS MARKET NUTRITION
4 PROGRAM AUTHORIZATION.—Section 17(m)(9)(A) of the
5 Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(9)(A))
6 is amended by striking “1996 through 1998” and insert-
7 ing “1999 through 2002”.

8 (k) DISQUALIFICATION OF CERTAIN VENDORS.—

9 (1) IN GENERAL.—Section 17 of the Child Nu-
10 trition Act of 1996 (42 U.S.C. 1786) is amended by
11 adding at the end the following new subsection:

12 “(o) DISQUALIFICATION OF VENDORS CONVICTED OF
13 TRAFFICKING OR ILLEGAL SALES.—

14 “(1) IN GENERAL.—Except as provided in para-
15 graph (5), the State agency shall permanently dis-
16 qualify a vendor convicted of trafficking in food in-
17 struments (including any voucher, draft, check, or
18 access device, including an electronic benefit transfer
19 card or personal identification number, issued in lieu
20 of a food instrument pursuant to the provisions of
21 this section), or selling firearms, ammunition, explo-
22 sives, or controlled substances (as defined in section
23 102 of the Controlled Substances Act) in exchange
24 for food instruments.

1 “(2) NOTICE OF DISQUALIFICATION.—The
2 State agency shall provide the vendor with notifica-
3 tion of the disqualification and shall make such dis-
4 qualification effective on the date of receipt of the
5 notice of disqualification.

6 “(3) PROHIBITION ON RECEIPT OF LOST REVE-
7 NUES.—A vendor shall not be entitled to receive any
8 compensation for revenues lost as a result of the dis-
9 qualification under this subsection.

10 “(4) HARDSHIP EXCEPTION IN LIEU OF DIS-
11 QUALIFICATION.—

12 “(A) IN GENERAL.— A State agency may
13 permit a vendor that would otherwise be dis-
14 qualified under paragraph (1) to continue to re-
15 deem food instruments or otherwise provide
16 supplemental foods to participants if the State
17 agency determines, in its sole discretion accord-
18 ing to criteria established by the Secretary, dis-
19 qualification of the vendor would cause hard-
20 ship to participants in the program authorized
21 under this section.

22 “(B) CIVIL MONEY PENALTY.—Whenever a
23 State agency authorizes a vendor that would
24 otherwise be disqualified to redeem food instru-
25 ments or provide supplemental foods in accord-

1 ance with subparagraph (A), the State agency
2 shall assess the vendor a civil money penalty in
3 lieu of a disqualification.

4 “(C) AMOUNT.— The State agency shall
5 determine the amount of the civil penalty ac-
6 cording to criteria established by the Sec-
7 retary.”.

8 (2) REGULATIONS.—The provisions of this sub-
9 section shall not take effect until the Secretary
10 issues final regulations that include the criteria for
11 determining the amount of civil money penalties in
12 lieu of disqualification and for making hardship de-
13 terminations.

14 **SEC. 204. EXTENSION OF NUTRITION EDUCATION AND**
15 **TRAINING PROGRAM.**

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

18 (1) by striking paragraphs (1) and (2);
19 (2) by redesignating paragraphs (3), (4), and
20 (5) as paragraphs (1), (2), and (3), respectively; and
21 (3) in paragraph (1) (as redesignated by para-
22 graph (2))—

23 (A) in the paragraph heading, by striking
24 “1997” and inserting “1999”; and

1 (B) by amending subparagraph (A) to read
2 as follows:

3 “(A) IN GENERAL.—There are authorized
4 to be appropriated such sums as are necessary
5 to carry out this section for fiscal years 1999
6 through 2002.”.

7 **TITLE III—AMENDMENTS TO**
8 **THE COMMODITY DISTRIBUTION REFORM ACT AND WIC**
9 **AMENDMENTS OF 1987**
10

11 **SEC. 301. CUSTOMER ACCEPTABILITY INFORMATION.**

12 Section 3 of the Commodity Distribution Reform Act
13 and WIC Amendments of 1987 (7 U.S.C. 612c note) is
14 amended—

15 (1) by amending subsection (a)(2) to read as
16 follows:

17 “(2) APPLICABILITY.—Paragraph (1) shall
18 apply to recipient agencies for the following pro-
19 grams:

20 “(A) The Commodity Supplemental Food
21 Program authorized under sections 4(a) and 5
22 of the Agriculture and Consumer Protection
23 Act of 1973 (7 U.S.C. 612c note).

24 “(B) The Food Distribution Program on
25 Indian Reservations authorized under section

1 4(b) of the Food Stamp Act of 1977 (7 U.S.C.
2 2013(b)).

3 “(C) The National School Lunch Program
4 authorized under the National School Lunch
5 Act (42 U.S.C. 1751 et seq.)”; and

6 (2) by amending subsection (f)(2) to read as
7 follows:

8 “(2) CUSTOMER ACCEPTABILITY INFORMA-
9 TION.—

10 “(A) IN GENERAL.—The Secretary shall
11 ensure that information with respect to the
12 types and forms of commodities that are most
13 useful is collected from those recipient agencies
14 referred to in subsection (a)(2).

15 “(B) FREQUENCY.—Such information
16 shall be collected at least once every two years.

17 “(C) ADDITIONAL SUBMISSIONS.—The
18 Secretary may require submission of such infor-
19 mation from recipient agencies participating in
20 other domestic food assistance programs admin-
21 istered by the Secretary and shall provide such
22 recipient agencies a means for voluntarily sub-
23 mitting customer acceptability information.”.

1 **SEC. 302. FOOD DISTRIBUTION PROVISIONS.**

2 The Commodity Distribution Reform Act and WIC
3 Amendments of 1987 (7 U.S.C. 612c note) is amended
4 by adding at the end the following:

5 **“SEC. 15. AUTHORITY TO TRANSFER COMMODITIES BE-**
6 **TWEEN PROGRAMS.**

7 “(a) **TRANSFER.**—Subject to subsection (b), the Sec-
8 retary may transfer any commodities purchased for one
9 domestic food assistance program administered by the
10 Secretary to any other such program when the transfer
11 is necessary to ensure that the commodities will be used
12 while they are still suitable for human consumption.

13 “(b) **REIMBURSEMENT.**—The Secretary shall, when-
14 ever possible and practicable, provide reimbursement for
15 the value of the commodities transferred under subsection
16 (a) from accounts available for the purchase of commod-
17 ities for the program receiving the commodities.

18 “(c) **CREDITING.**—Any reimbursement made under
19 subsection (b) shall be credited to the accounts that in-
20 curred the costs when the transferred commodities were
21 originally purchased and shall be available for the pur-
22 chase of commodities with the same limitations as are pro-
23 vided for appropriated funds for the reimbursed accounts
24 for the fiscal year in which the transfer takes place.

1 **“SEC. 16. AUTHORITY TO RESOLVE CLAIMS.**

2 “(a) DETERMINE, SETTLE, AND ADJUST CLAIMS.—

3 The Secretary shall have the authority to determine the
4 amount of, to settle, and to adjust any claim or part there-
5 of arising under any domestic food assistance program ad-
6 ministered by the Secretary.

7 “(b) CLAIMS WAIVER.—The Secretary shall have the
8 authority to waive such claims if the Secretary determines
9 that to do so would serve the purposes of the particular
10 program.

11 “(c) AUTHORITY OF THE ATTORNEY GENERAL.—

12 Nothing contained in this section shall be construed to di-
13 minish the authority of the Attorney General of the United
14 States under section 516 of title 28, United States Code,
15 or any other provisions of law to supervise and conduct
16 litigation on behalf of the United States.

17 **“SEC. 17. PAYMENT OF COSTS ASSOCIATED WITH MANAGE-**
18 **MENT OF COMMODITIES WHICH POSE A**
19 **HEALTH OR SAFETY HAZARD.**

20 “(a) IN GENERAL.—The Secretary may use funds
21 available to carry out the provisions of section 32 of the
22 Agricultural Act of August 24, 1935 (7 U.S.C. 612c),
23 which are not otherwise committed, for the purpose of re-
24 imbursing States for State and local costs associated with
25 commodities distributed under any domestic food assist-
26 ance program administered by the Secretary when the

1 Secretary determines that such commodities pose a health
2 or safety hazard.

3 “(b) ALLOWABLE COSTS.—Such costs may include
4 including storage, transportation, processing, and destruc-
5 tion of the hazardous commodities and shall be subject
6 to the approval of the Secretary.

7 “(c) REPLACEMENT COMMODITIES.—The Secretary
8 also may use such funds for the purpose of purchasing
9 additional commodities when the purchase will expedite re-
10 placement of the hazardous commodities, but the use of
11 such funds shall not restrict the Secretary from recovering
12 funds or services from the supplier or other entity regard-
13 ing the hazardous commodities.

14 “(d) CREDITING OF RECOVERED FUNDS.—Funds re-
15 covered from the supplier or other entities regarding the
16 hazardous commodities shall be credited to the account
17 available to carry out the provisions of section 32 of the
18 Agricultural Act of August 24, 1935 to the extent such
19 funds represent expenditures from that account under
20 subsections (a) and (c), and shall remain available to carry
21 out the purposes of section 32 of the Agricultural Act of
22 August 24, 1935 until expended.

1 **“SEC. 18. AUTHORITY TO ACCEPT COMMODITIES DONATED**
2 **BY FEDERAL SOURCES.**

3 “(a) IN GENERAL.—The Secretary may accept dona-
4 tions of commodities from any Federal source, including
5 those commodities of another Federal agency determined
6 to be excess personal property pursuant to section 202 of
7 the Federal Property and Administrative Services Act of
8 1949 (40 U.S.C. 483(d)).

9 “(b) USE.—The Secretary may donate the commod-
10 ities received under subsection (a) to States for distribu-
11 tion through any domestic food assistance program admin-
12 istered by the Secretary.

13 “(c) PAYMENT.—Notwithstanding section 202(d) of
14 the Federal Property and Administrative Services Act of
15 1949 (40 U.S.C. 483(d)), the Secretary shall not be re-
16 quired to make any payment in connection with the com-
17 modities received under subsection (a).”.

○