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Part 1

WELFARE REFORM CONSOLIDATION ACT OF 1995

R E P O R T

OF THE

COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES

together with

MINORITY AND DISSENTING VIEWS

[To accompany H.R. 999]

MARCH 10, 1995.—Ordered to be printed

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Mr. GOODLING, from the Committee on Economic and Educational Opportunities, submitted the following

REPORT

together with

MINORITY AND DISSENTING VIEWS

[To accompany H.R. 999]

[Including cost estimate of the Congressional Budget Office]

The Committee on Economic and Educational Opportunities, to whom was referred the bill (H.R. 999) to establish a single, consolidated source of Federal child care funding; to establish a program to provide block grants to States to provide nutrition assistance to economically disadvantaged individuals and families and to establish a program to provide block grants to States to provide schoolbased food services to students; to restrict alien eligibility for certain education, training, and other programs; and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment strikes out all after the enacting clause of the bill and inserts a new text which appears in italic type in the reported bill.

The provisions of the substitute text are explained in this report.

PURPOSE

The purpose of this legislation is to establish a single, consolidated source of federal child care funding; to establish a program to provide block grants to States to provide nutrition assistance to economically disadvantaged individuals and families and to establish a program to provide block grants to States to provide schoolbased food services to students; to restrict alien eligibility for cer-

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tain education, training and other programs; and to establish work requirements for persons receiving cash public assistance.

COMMITTEE ACTION

On August 2, 1994, the Committee on Education and Labor conducted a hearing on overall issues surrounding welfare reform. Witnesses testifying were: the Honorable Robert E. Andrews, a Representative in Congress from the State of New Jersey; the Honorable Tom DeLay, a Representative in Congress from the State of Texas; the Honorable Jill Long, a Representative in Congress from the State of Indiana; the Honorable Dave McCurdy, a Representative from the State of Oklahoma; the Honorable Patsy Mink, a Representative in Congress from the State of Hawaii, the Honorable Rick Santorum, a Representative in Congress from the State of Pennsylvania; Secretary Donna Shalala, U.S. Department of Health and Human Services; and the Honorable Lynn C. Woolsey, Representative in Congress from the State of California.

On January 18, 1995, the Committee on Economic and Educational Opportunities conducted a hearing to consider the Contract With America: Welfare Reform. Witnesses were: Dr. Gerald Miller, Director, Michigan Department of Social Services; Mr. Doug Stite, Chief Operating Officer, Michigan Jobs Commission; Mr. Robert Rector, Policy Analyst, Heritage Foundation; Mr. Carlos Bonilla, Chief Economist, Employment Policies Institute; Mark Greenberg, Senior Staff Attorney, Center for Law and Social Policy; and Ms. Cheri Honkala, a welfare recipient.

The Committee conducted several hearings relating to Title I of the Act, amendments to the Child Care and Development Block Grant.

On September 20, 1994, the Committee on Education and Labor, Subcommittee on Human Resources, conducted a hearing to consider the "Impact of Welfare Reform on Child Care Providers and the Working Poor." Witnesses were: Ms. Jane L. Ross, Association Director of Income Security Issues, General Accounting Office; Ms. Nancy Ebb, Children's Defense Fund; Mr. Ronald H. Field, Senior Vice President for Public Policy, Family Service America; Mr. Bruce Herschfield, Program Director, Child Day Care, Child Welfare League of American; Mr. Ed Conney, Food Research and Action Center.

The Subcommittee on Early Childhood, Youth, and Families held a hearing on January 31, 1995 and a joint hearing with the Ways and Means Subcommittee on Human Resources on February 3, 1995 to consider consolidation of child care programs within the context of welfare reform.

The January 31, 1995 hearing in Washington, D.C. sought to receive comments from recipients of child care assistance, day care administrators, and child care experts. Testimony was received from: Ms. Rebecca "Missie" Kinnard, parent and child care assistance recipient, York, Pennsylvania; Mr. Bob Hollis, Day Care Administrator, Crispus Attucks Association, Inc., York, Pennsylvania; Ms. Jane Ross, Director, Income Security Issues, General Accounting Office, Washington, DC; and Ms. Patty Siegel, Executive Director, California Child Care and Resource and Referral Network, San Francisco, California.

The February 3, 1995 joint hearing in Washington, D.C. was held to receive comments from the Administration, a parent receiving a child care subsidy, a Director of Family Resources, an Acting Director of a State Department of Human Services, and two policy experts. Testifying before the Committee were: The Honorable Mary Jo Bane, Ph.D. Assistant Secretary for Children and Families, U.S. Department of Health and Human Services, Washington, D.C.; Ms. Tina Davis, student at Montgomery College and parent receiving a child care subsidy, Takoma Park, Maryland; Ms. Debbie Shepard, Director, WPA, Department of Family Resources, Montgomery County, Rockville, Maryland; Ms. Karen Highsmith, Acting Director, Division of Family Development, New Jersey Department of Human Services, Trenton, New Jersey; Mr. Douglas J. Besharov, Ph.D., Resident Scholar, American Enterprise Institute for Public Policy Research, Washington, D.C.; and Ms. Helen Blank, Director of Child Care, Children's Defense Fund, Washington, D.C.

One hearing was held with respect to Title II, the nutrition provisions of H.R. 999. On February 1, 1995, the Full Committee on Economic and Educational Opportunities held a hearing on Title V of H.R. 4, the Personal Responsibility Act. Title V of H.R. 4 provide specification for a nutrition block grant.

Witnesses included Marilyn Hurt, Food Service Supervisor, School District of LaCrosse, Wisconsin, Mr. Patrick F.E. Temple-West, Director, Nutrition Development Services, Archdiocese of Philadelphia, Ms. Joan Taylor, Executive Director of the DuPage Senior Citizens Council, Illinois, Mr. Boyd W. Boehlje, President, Pella, Iowa School Board, Pella School District, Dr. James L. Lukefahr, Medical Director, Driscoll Children's Hospital WIC Program, and Mr. Robert J. Fersh, President, Food Research and Action Center.

Three hearings were held relating to title IV, Section 401, Replacement of the JOBS Program with Mandatory Work Requirements. On April 19, 1994, the Committee on Education and Labor, Subcommittee on Human Resources, conducted a hearing on the JOBS program: Views From Participants and State Administrators. Testifying at the hearing were Mary Jo Bane, Assistant Secretary for Children and Families, Department of Health and Human Services; Jennifer Vasiloff, Executive Director, Coalition on Human Needs; Mark Greenberg, Senior Staff Attorney, Center for Law and Social Policy; Ray Scheppach, Executive Director, National Governor's Association; Larry D. Jackson, Commissioner, Virginia Department of Social Services, American Public Welfare Association; and Ms. Teresa Johnson, Ms. Gloria Cummings, Ms. Tracy Doram, Ms. Donna Sepczynski (JOBS participants).

On October 28, 1994, the Committee on Education and Labor, Subcommittee on Human Resources conducted a field hearing in Alhambra, California on the California JOBS program, known as Greater Avenues to Independence (GAIN). Witnesses testifying were: Nancy Berlin, Los Angeles; Irma Alvarado, Los Angeles GAIN program; Katherine McGrath, graduate of GAIN program, San Bernardino; Odessa Johnson, Human Services Worker, San Bernardino; Gloria Clark, Executive Director, City of Los Angeles Human Services Division; Nivia Bermudez, Director, AFDC Organization Project Los Angeles Homeless Coalition; and Lori Karny,

Director, Women Helping Women Services, Council of Jewish Women.

On January 19, 1995, the Committee on Economic and Educational Opportunities, Subcommittee on Postsecondary Education, Training and Life-Long Learning, conducted an oversight hearing on the JOBS program. Testifying before the Committee were William Waldman, Commissioner, New Jersey Department of Human Services; Michael Genest, Deputy Director, Welfare Programs Division, California Department of Health and Human Services; Jean Rogers, Administrator, Division of Economic Support, Wisconsin Department of Health and Human Services; and Judith Gueron, President, Manpower Development and Research Corporation.

Two hearings were held relating to Title IV, Section 403 "Amendments to laws relating to the Child Protection Block Grant." The first hearing was conducted by the Subcommittee on Early Childhood, Youth and Families on January 31, 1995, and a second joint hearing was held with the Ways and Means Subcommittee on Human Resources on February 3, 1995.

The January 31, 1995 hearing devoted two panels to child welfare issues and one to child care issues. The hearing was held to receive comments from a Member of Congress, a parent, a citizen who had served as a Deputy Foreman for a Grand Jury investigation, and two policy experts. Testimony was received from: The Honorable Tim Hutchinson, Member of Congress, 3rd District, Arkansas; Ms. Cari B. Clark, parent, Springfield, Virginia; Ms. Carol Lamb Hopkins, Deputy Foreman, 1991–92 San Diego Grand Jury, San Diego, California; Mr. David Wagner, Director of Legal Policy, Family Research Council, Washington, DC; Ms. Anne Cohn Donnelly, Executive Director, National Committee to Prevent Child Abuse, Chicago, Illinois.

The February 3, 1995 joint hearing featured one panel on child care issues and one on child welfare issues as well as the Administration commenting on both. Testifying before the Committee on child welfare issues: The Honorable Mary Jo Bane, Ph.D., Assistant Secretary for Children and Families, U.S. Department of Health and Human Services; Mr. Patrick Murphy, Public Guardian, Cook County, Illinois; Mr. Wade Horn, Ph.D., Director, National Fatherhood Initiative; Carol Statuo Bevan, Ph.D., Vice President for Research and Public Policy, National Council for Adoption; and Ruth Massinga, Chief Executive, the Casey Family Program, Seattle, Washington.

In the 103rd Congress, the House recognized the need for more timely poverty data below the national level. On April 2, 1993, the Poverty Data Improvement Act of 1993 (H.R. 1645) was introduced by Representative Tom Sawyer. On July 13, 1993, the Committee on Education and Labor and the Committee on Post Office and Civil Service conducted a joint hearing on the issue. On November 31, 1993, the Committee on Post Office and Civil Services also favorably reported H.R. 1645. On November 21, 1993, the bill was passed by voice vote under suspension of the rules.

The Senate did not act on H.R. 1645 before the 103rd Congress adjourned. However, in the Improving America's Schools Act (P.L. 103–382), enacted on October 20, 1994, Congress called for the use of updated poverty estimates in the formula for allocation of funds

under Title I of the Elementary and Secondary Education Act (as amended). Congress also directed the National Academy of Sciences to monitor the Census Bureau's intercensal poverty estimates program and to report to Congress on the reliability of small area poverty data for various policy and programmatic purposes.

INTRODUCTION OF WELFARE REFORM LEGISLATION

On January 3, 1995, Representatives Shaw, Talent and LaTourette introduced the Personal Responsibility Act, H.R. 4, which included provisions relating to welfare reform and was part of the Republican Contract with America.

On February 21, 1995, Committee on Economic and Educational Opportunities Chairman William Goodling introduced H.R. 999, the Welfare Reform Consolidation Act of 1995. H.R. 999 was designed to represent the Committee's initiatives at program reforms relating to welfare reform.

LEGISLATION ACTION

On February 22 and 23, 1995, the Committee on Economic and Educational Opportunities assembled to consider H.R. 999, the Welfare Reform Consolidation Act of 1995. Chairman Goodling offered an amendment in the nature of a substitute to H.R. 999. Further amendments to the amendment in the nature of a substitute were adopted, and the Committee adopted the amendment in the nature of a substitute, as amended. H.R. 999, as amended, was approved by the Committee on Economic and Educational Opportunities on February 23, 1995, by a recorded vote.

BACKGROUND AND NEED FOR LEGISLATION

H.R. 999 is the Committee on Economic and Educational Opportunities portion of welfare reform legislation. As such, it along with bills passed by other committees, marks a significant step in fulfilling Republican Members' Contract with America to reform the nation's broken welfare system.

The need for major welfare reform is obvious to almost everyone. According to a public opinion poll conducted in January, 1994, 71% of the American public said the current welfare system does "more harm than good." President Clinton campaigned for that office by promising to "end welfare as we know it," even though his subsequent proposals on welfare reform failed to match his campaign rhetoric. The current welfare system, though intended to show society's compassion for those of limited means, in far too many cases actually creates more dependence on government, and rewards behaviors destructive to individuals, families, and society. As a witness before the committee put it, "In welfare, as in most other things in life, you get what you pay for. The current system pays for non-work and non-marriage, and has achieved dramatic increases in both."

During the most of the past thirty years, the answer to every problem and the means to every "reform" has been to create another federal program. Of course, each new federal program required separate regulations, separate applications, separate eligibility rules, separate reports. Each of these in turn requires addi-

tional personnel to administer the program, to check the paperwork, to write the regulations. Much of the good intentions behind all of these programs was lost in a maze of red tape and regulations. In the end, they seemed more designed to meet the needs of those who administer them than those who were the intended beneficiaries.

The Committee believes it is time to move in a new direction. Rather than creating new programs, H.R. 999 consolidates federal programs into more coherent and flexible grants to the states. The needs of different states, and even different parts of a single state vary greatly. The Committee believes that states can respond more effectively to the needs of their residents through more general purpose grants that set forth goals and certain minimum requirements, accompanied by assessments of whether those goals have been met, than can the usual "one size fits all" federal program.

Title I—Child Care Consolidation

Of the current major Federal child care programs, four are relatively new and are the focus of Title I of the Welfare Reform Consolidation Act of 1995. These include child care for families receiving Aid to Families with Dependent Children (AFDC) and Transitional Child Care for families leaving AFDC, which were created as part of a welfare reform initiative in 1988, and two programs for low-income working families, the Child Care and Development Block Grant (CCDBG) and At-Risk Child Care, which were created in 1990. Estimated Federal spending for these four programs combined in FY 1994 is $1.9 billion.

Since 1990, concern has developed that too many Federal child care programs now exist, with inconsistent and uncoordinated eligibility rules and other requirements that interfere with service delivery and cause children and families to experience disruptions in their day care arrangement.

According to a May 1994 General Accounting Office study:

> Despite state progress in developing seamless systems of providing child care, gaps in services remain because of different program requirements. These program requirements differ in specifying (1) the categories of clients who can be served, (2) the activities clients are permitted to pursue while remaining eligible for child care, (3) the ceiling on the amount of income that may be earned while retaining program eligibility, and (4) the length of time the child care subsidy is allowed to be paid. States told us that these conflicting requirements and resulting gaps can have negative consequences when they need it to remain in the labor force.[1]

This concern about service gaps and inconsistencies in the current mix of Federal child care programs was echoed in the following policy statement adopted by the Nation's governors at the Winter 1995 National Governors Association meeting:

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[1] Child Care: Working Poor and Welfare Recipients Face Service Gaps, United States General Accounting Office, May 1994, GAO/HEHS–94–87.

> Create a seamless child care system.—The Governors urge Congress to move toward a more seamless system incorporating all of the Federal child care programs. In general, the belief that CCDBG should be the foundation for that seamless system and that other Federal child care programs, such as the Title IV–A [AFDC and Transitional] and At-Risk Child Care programs, should be consolidated with the Child Care and Development Block Grant to form a single child care system operated by the States.

The Committee is committed to assisting states develop the most efficient and effective use of federal funds provided for child care assistance for low income families. In addition, as Congress undertakes efforts to significantly reform the welfare system by consolidating cash assistance and job training programs for welfare recipients, it must also simplify the delivery and administration of federal assistance for child care services.

By providing a single source of federal child care funding to the States with much greater flexibility for administration, States will be able to decide how best to use the funds, target funds toward low income families in a rational fashion, and allow subsidies to "follow the parent" in a seamless system that will help welfare recipients move from welfare to long-term employment and independence.

Title II—Food and Nutrition Programs

The federal government currently provides cash and commodity support to child nutrition programs serving over 30 million children and 1.5 million mothers. These programs provide Federal cash and commodities to States to distribute to institutions serving meals (or milk) to children in schools, in residential and non-residential child care facilities and summer camps. They also provide aid to State health departments for supplemental nutrition programs for low-income women, infants and young children at nutritional risk. Additional Federal support is also provided for the State administrative costs of operating programs, nutrition education and training, studies, research and evaluations, dietary guidance, Federal review, and the operation of a Food Service Management Institute. Child nutrition programs include the school lunch, school breakfast, child care food, summer food service, special milk, nutrition education and training (NET), State administrative expenses, commodity distribution programs, and special supplemental nutrition program for women, infants and children.

Over the years, as the number of Federal nutrition programs has grown, so too have the number of Federal, regulations and administrative and operating requirements for them. There are now some 30 different reimbursement rates for lunches and/or suppers, breakfasts, meal supplements (snacks) served to children in schools and child care facilities, summer programs, universities participating in athletic programs for lower income children, and homeless shelters.

Most of these reimbursements are accompanied by Federal laws and regulations requiring schools and child care institutions to collect income information on children and keep track of what is

served, how much is served, and to whom it is served. In addition to providing food supplements and nutrition education to poor mothers and children, local WIC clinics are required to register voters, develop services for the homeless and provide referrals and coordinate activities with a wide array of social services agencies. Pages of Federal law and regulations also govern how States achieve savings in buying foods contained in the WIC food package and how they use these savings.

The Committee has heard a great deal of testimony concerning the detailed and burdensome regulations which currently govern the various child nutrition programs. For example, Marilyn Hunt, Food Service Supervision, School District of LaCrosse, Wisconsin testified:

> The first thing that seems to me that needs to be addressed is the whole process of collecting, reviewing, sorting, and tracking the income of the families who apply for the meal benefits. Surely there are other agencies who are gathering and tracking the very same data. You know, I have one 10-month employee in my office that is there just to keep track of this information and see that it is all in order for an audit. It used to be that at the beginning of the school year for the first two months all of us in the office really concentrated on the information with income and collecting that data. But now we must continually update that information, so it is become a full-time position.
>
> Secondly, we need to have one program, and you heard it mentioned here this morning already, to use a popular word in our business, a seamless program.
>
> I brought with me the file that we have to turn in order to have the summer food service program in nine sites in LaCrosse for a five-week program. This is what we send into the State of Wisconsin in order to have that program. As you can see, it takes a great deal of time to fill out all of those forms. We need one contract for all programs with one set of rules. We also need to eliminate some of the burdensome rules that are not friendly to children. For example, checking their plates at the end of the line to see that they have at least three items on their plate. That is no way to teach children how to eat. They glare at us when we tell them, you need to go back for one more item, then they go get that item and later when they go to dump their tray, they throw it away.
>
> We would much rather be teaching children how to make the right choices, and then they are much more likely, we have learned from our experience, to take all the items and to consume them.

The Committee believes that the consolidation of programs combined with increased flexibility for the states offers a way out of the myriad of Federal requirements and restrictions that currently often force States and local agencies to spend nearly as much time on paperwork and administration as they spend on feeding hungry children.

Title III—Restrictions on Non-Citizens

Since the early 1930s, Congress has enacted social programs that provide benefits to eligible persons through direct assistance to individual recipients or through Federal funding of State, local, and non-profit organizations. More recently, Congress has begun limiting eligibility for many of these programs based upon an individual's status under immigration law.

As a beginning point, non-citizens who come into the United States are broadly referred to as aliens. Immigration law defines an alien as "any person not a citizen or a national of the United States." Aliens consist of two basic groups of people—immigrants and nonimmigrants. Immigrants are persons admitted as permanent residents of the United States. Nonimmigrants are admitted temporarily as visitors for a specific purpose—for example, as tourists, foreign students, diplomats, temporary agricultural workers, exchange visitors, or intracompany business personnel. This latter group is required to leave the country at the end of the time allotted to them.

Generally, the conditions for the admission of immigrants are much more stringent than for nonimmigrants, and fewer immigrants than nonimmigrants are admitted. However, once admitted to the United States, immigrants are subject to few restrictions on what they can do. They may accept and change employment, and may apply for United States citizenship through the naturalization process. Typically, an immigrant must reside in the United States for five (5) years before becoming eligible for naturalization. In the case of a spouse of a citizen, the time period is three (3) years.

By contrast, illegal or undocumented aliens enter the United States by breaking the law—either by circumventing border inspections, or entering legally and overstaying their terms. The Immigration and Naturalization Service (INS) has estimated that approximately 50% of illegal aliens consist of those who have stayed beyond their term.

With respect to population, the annual increase in the population of the United States as a result of legal and illegal immigration, is slightly over one million people. Approximately 800,000 immigrants were admitted as permanent residents in Fiscal Year 1994. This figure included 120,000 refugees and asylees previously admitted who adjusted to immigrant status.

The resident population of illegal aliens is estimated to be 3.4 million, with an annual growth of approximately 300,000. Of the 3.4 million illegal aliens, the largest numbers reside in seven states. The states, from the largest to smallest numbers of illegal aliens, are California, New York, Texas, Florida, Illinois, New Jersey, and Arizona.

The eligibility of aliens for the major Federal benefits programs (Aid to Families With Dependent Children, Supplemental Security Income, food stamps, Medicaid, housing assistance, Legal Services Corporation, Job Training Partnership Act, Social Security, Medicare, Unemployment Compensation, postsecondary student financial aid) depends on their immigration status, as well as eligibility criteria which apply to United States citizens, such as financial need. There is no uniform, across-the-board rule for all Federal pro-

grams governing which categories of aliens are eligible for benefits. Rather, alien eligibility requirements are generally contained in laws governing the particular public assistance program.

Immigrants and other aliens who are legally present on a permanent basis are generally eligible for the following major Federal assistance programs: Supplemental Security Income for the Aged, Blind, and Disabled (SSI), Aid to Families with Dependent Children (AFDC), Medicaid, food stamps, postsecondary student financial aid, and the Job Training Partnership Act. Under current law, undocumented or illegal aliens are not within the category of eligible participants, nor are most aliens who are here in a legal temporary status. In some cases, however, federal program requirements are silent regarding alien status. In addition, it should be noted that illegal aliens are eligible for emergency Medicaid benefits pursuant to statute, and to a free public elementary education pursuant to court decision. *Plyler* v. *Doe*, 457 U.S. 202 (1982).

Until the early 1970s, Federal laws funding State and local assistance programs contained no eligibility restrictions based on immigration status. State governments enacted laws denying various benefits under State programs to certain legal aliens based on their years of residence. However, a 1971 Supreme Court decision, *Graham* v. *Richardson*, 403 U.S. 365 (1971), declared these restrictions to be unconstitutional. It is important to note that the decision rested on the Equal Protection Clause of the Fourteenth Amendment as applied to States. The Court further noted that it has no occasion to decide whether Congress, in the exercise of its immigration and naturalization power, could itself enact a statute imposing on aliens a uniform Nationalwide residency requirement as a condition of Federally funded welfare benefits.

The case most clearly distinguishing Federal authority to make distinctions based upon alienage is *Matthews* v. *Diaz*, 426 U.S. 67 (1976). In upholding the constitutionality of a Federal statute which made distinctions on alienage, the Court drew attention to the broad authority of Congress to decide what aliens may enter the National borders and the conditions of their stay.

With regard to Federal restrictions on Federal benefits, the *Matthews* court stated:

> [T]he fact that Congress has provided some welfare benefits for citizens does not require it to provide like benefits for *all aliens*. Neither the overnight visitor, the unfriendly agent of a hostile foreign power, the resident diplomat, nor the illegal entrant can advance even a colorable constitutional claim to a share in the bounty that a conscientious sovereign makes available to its own citizens and some of its guests.
>
> Since it is obvious that Congress has no constitutional duty to provide *all aliens* with welfare benefits provided to citizens, the party challenging the constitutionality of the particular line Congress has drawn has the burden of advancing principled reasoning that will at once invalidate that line and yet tolerate a different line separating some aliens from others. * * * In short, it is unquestionably reasonable for Congress to make an alien's eligibility depend on both the character and the duration of his resi-

> dence. Since neither requirement is wholly irrational, this case essentially involves nothing more than a claim that it would have been more reasonable for Congress to select somewhat different requirements of the same kind. * * * When this kind of policy choice must be made, we are especially reluctant to question the exercise of congressional judgment.—426 U.S. at 80, 82–83, 84.

Finally, immigration law requires that immigrants establish that they will not become a "public charge" after entry. As far back as 1882, this was a part of Federal immigration law. A principal way of meeting this requirement under current law is by means of an affidavit of support signed by a U.S. sponsor. In response to concerns in the early 1980s about the difficulty of enforcing affidavits of support and because of a belief that some newly-arrived immigrants were abusing the U.S. welfare system, legislation was enacted limiting the availability of benefits to sponsored immigrants of SSI, AFDC, and food stamps. The enabling legislation for the three programs was amended to provide that for the purpose of determining financial eligibility for a designated time after entry, immigrants are deemed to have some portion of the income and resources of their immigration sponsors available for their support. The sponsor-to-alien deeming period is three years for AFDC and food stamps, and has been temporarily increased for three to five years for SSI, effective January 1, 1994 to October 1, 1996.

The Committee believes that further restrictions are necessary in order to (1) clearly state that persons who reside in the United States illegally are not eligible for benefits under the committee programs, and (2) create a preference, in some cases, for citizens of the United States over those who reside legally in this country but are not citizens. Such a policy not only recognizes that citizens have made a complete and permanent commitment to this country, but also encourages others who reside in the United States to become full participants in the society as citizens.

As introduced, H.R. 4, the Personal Responsibility Act, established restrictive eligibility criteria for fifty-two (52) Federally-authorized, needs-based programs, twenty-one (21) of which fell within the jurisdiction of the Economic and Educational Opportunities Committee. H.R. 4 barred substantially all aliens from eligibility for the twenty-one (21) programs. The only exceptions were for refugees for a period of six (6) years after arrival, lawful permanent residents over age seventy-five (75) who have resided in the United States for at least five (5) years, and aliens eligible on the date of enactment for a period of one year.

The Economic and Educational Opportunities Committee, in reporting H.R. 999, revised the more generalized restrictions which were included in H.R. 4, and carefully tailored eligibility for Federal assistance based upon distinctions between illegal aliens, certain categories of legal aliens, and citizens. Illegal aliens would be barred from eligibility for the needs-tested programs under the Committee's jurisdiction. The eligibility of certain legal aliens would be restricted from some but not all programs.

The bill acknowledges those legal aliens who have made a commitment to this Country—either through the active duty military or through filing an application for naturalization—by providing

eligibility for higher education and job training assistance. In addition, the bill provides a safety net for legal aliens in three programs. Legal aliens would specifically be eligible for emergency food and shelter assistance, nutrition assistance under the School-Based Block Grant, and nutrition assistance under the Family Nutrition Block Grant. Finally, H.R. 999, as reported, makes provision for the special circumstances of refugees, the elderly, and those who are eligible on the date of enactment (for a period of one year).

Title IV.—Work Requirements

BACKGROUND

Efforts by this Committee, and its predecessor, the Committee on Education and Labor, to move individuals from welfare to work extend back to 1964, with the passage of the Economic Opportunity Act (P.L. 88–462). A law designed to attack virtually all causes of poverty. Under this law, a new Federal agency, the Office of Economic Opportunity, was established to coordinate the antipoverty effort. Education, employment and training were emphasized through the new law, which provided work and training opportunities for in-school and drop-out youth (including the Job Corps), employment programs for low-income college students, and adult basic education.

Title V of the Economic Opportunity Act authorized Work Experience Programs for heads of households who could not support their families. The Education and Labor Committee report on the legislation stated that the Committee expected four results from the new program: expansion of Aid to Families with Dependent Children (AFDC) benefits to families with unemployed parents in more states; extension of work and training opportunities to more welfare families; training for welfare mothers; work and training opportunities to more welfare families; and training for other needy persons, such as general assistance recipients. The report said, ''It is expected that programs combining constructive work and training through public assistance channels will serve as an effective device for reaching more of the unskilled unemployed and thereby preserving their basic skills and initiatives.'' The Committee intended this program to work in coordination with the Manpower Development and Training Act (MDTA), another program which was within the Committee's jurisdiction. During the program's operation, between 1965 and 1968, about 70 percent of Work Experience Program participants were welfare recipients.

Eventually, the Work Experience Program was replaced by the Work Incentive (WIN) Program which was specifically placed under the Education and Labor Committee's sole jurisdiction in 1975 under the Rules of the House of Representatives. However, the law failed to provide true employment opportunities for welfare mothers.

While enacting employment and training programs for the poor as part of the Economic Opportunity Act in 1964, the Committee on Education and Labor also approved amendments to the MDTA, refocusing those programs more specifically on low-income individuals and public assistance recipients. The Committee subsequently reported legislation, consolidating all employment-related programs

for the disadvantaged, which was finally enacted as the Comprehensive Employment and Training Act of 1973 (CETA). In 1976, this Committee reported legislation, which was subsequently enacted, that focused the public service employment under CETA specifically on low-income individuals and AFDC recipients. As a result of the high incidence of fraud, waste and abuse under the CETA program, specifically the public service repealed CETA, and replaced it with the Job Training Partnership Act (JTPA), designed to provide employment and training services for economically disadvantaged individuals, including AFDC recipients. Currently, about 40% of all females participating under the JTPA II–A program for economically disadvantaged adults, are recipients of AFDC.

In 1987, the Education and Labor Committee reported out the Family Welfare Reform Act of 1987 which included the proposed establishment of the Fair Work Opportunities Program. It was the intent of this program, (which under the final legislation, the Family Support Act of 1988, was renamed the Job Opportunities and Basic Skills (JOBS) Program "to assure that needy children and parents obtain the education, training, and employment which will help them avoid long-term welfare dependence."

NEED FOR LEGISLATION

There is overwhelming public support for the idea that any able-bodied adult who becomes a public burden should work. (see, e.g. "What To Do About Welfare," *The Public Perspective*, Feb./March, 1995, pp. 39–46, citing December, 1994 survey showing 84% support strict work requirements.) Currently, all ablebodied adult recipients of Aid to Families With Dependent Children (AFDC) must participate in the Jobs Opportunity and Basic Skills (JOBS) program. However, under this program, the emphasis is not on work but instead on education and training activities which too often are designed with little relevance to the realities of the working world. In addition, the many statutory restrictions under the JOBS program greatly hamper the ability of States to design more sensible welfare-to-work systems which both meet their needs, and allow for easier coordination and integration with other programs—the Job Training Partnership Act in particular.

Based on these facts, it was the decision of this Committee to repeal the JOBS program, and replace it with mandatory work requirements. This change, along with the work currently being done in the Ways and Means Committee towards block granting AFDC funds, will give States additional flexibility to implement new and innovative approaches to transforming welfare recipients into workforce participants.

WORK FIRST

The fact that work activities are not a priority under JOBS was highlighted by Mark Greenberg, Senior Staff Attorney, Center for Law and Social Policy. Mr. Greenberg testified before this Committee stating the following:

> While the JOBS program has demonstrated a strong commitment to education, its progress has been much less

> in those areas which involve direct employer linkages; job placement and development activities, work supplementation, and on-the-job training. The lack of stronger employment linkages is of concern for several reasons: First, in many instances, individuals do not wish to participate in education; they want to enter employment as rapidly as possible. In those cases, a more comprehensive program could increase their employment opportunities. Second, the impact of education and training efforts may be diminished when a program lacks the ability to readily translate education gains into employment opportunities in the local community.

His testimony is supported by data from the U.S. Department of Health and Human Services (JOBS Program Information Memorandum, No. ACF–IM–94–8, September 29, 1994) which indicates that for the most recent program year, almost 58 percent of JOBS participants engaged in education and training related activities, as compared to just 12.8 percent who were placed into work-directed activities—including job search assistance (8%), community work experience (4.3%), on-the-job training (0.2%), and work supplementation (0.3%).

Additional evidence that the lack of priority on work in the JOBS program is clearly the wrong approach in reducing welfare dependency was provided by Michael Genest, Deputy Director, Welfare Programs Division, California Department of Health and Human Services, who testified on this point, stating:

> (What we have found), thanks to Ms. Gueron's evaluation in the Manpower Demonstration Research Corporation (MDRC) report of our four California counties that were extensively studied, is that the GAIN Program, and I believe the other State's jobs programs, can only be successful when it is strongly focused on employment. I would cite Riverside County as evidence for that, and the MDRC report goes into some detail as to what caused that in Riverside county, but basically I think the main thing that sets Riverside apart and makes it the most effective welfare-to-work program ever rigorously studied in this country is the management, the staff, the providers of service, and the participants, all keep their attention focused on that one goal of getting a job. I think that job focus is, more than anything, responsible for why Riverside County returned $2.84 of savings for every taxpayer dollar of cost. The flip side of that, the other lesson that I think we have learned, is that stressing long-term education and long-term training as opposed to stressing immediate job placement does not work. I would cite our Alameda County, which was also part of the MDRC report, as evidence of that * * *. In Alameda County they truly did focus on long-term educational involvement to the exclusion of an emphasis on an immediate job, and that is why their program failed, and that is why it returned only 45 cents in savings for every dollar of taxpayer investment, not an acceptable return on investment.

Taking this, and other similar testimony into account, the Committee's legislation replaces the concept of the JOBS program with the idea of "work first", in which work mandated recipients, current and new, would be required to enter into private sector employment, subsidized employment, community work, on-the-job training or job search assistance. Unlike the current JOBS program, education and training is not permitted until a recipient has participated in work or its is in conjunction with work. The legislation replaces the JOBS concept of "education and training first—maybe work later", with "work first."

STATE FLEXIBILITY

The existing statutory restrictions under the current JOBS program limit the flexibility for States to readily design and implement welfare-to-work programs which meet their needs. Ms. J. Jean Rogers, Administrator, Division of Economic Support, Wisconsin Department of Health and Human Services, provided testimony on what Wisconsin would be able to do without these restrictions.

> * * * we would help people who come to us find employment or alternatives to cash assistance before their application is approved and they begin down the path of welfare dependency. We have discovered in our early county pilots that many individuals can be helped to maintain their economic independence in this way, and we would like to make cooperation in such efforts at self-sufficiency a requirement of eligibility for welfare in the first place. However, under current law, this sensible approach requires a Federal waiver.

Ms. Rogers continued:

> We would also like to make participation in JOBS more like a real job. Employers say that a positive attitude and good work habits are the characteristics that they most seek when making hiring decisions. Therefore, we would pay cash assistance only for hours of successful completion of program activities, making participation in JOBS must like a wage. This is currently allowed only for two-parent families, except with another Federal waiver. We would also like to continue to encourage greater use of active private employment as preparation to fully unsubsidized employment. Our experience shows that diverting some welfare funds to temporarily help cover the wage and other costs with a private employer is far more effective than placing the same individual in a Government education or training program alone. In fact, we are more than twice as successful at placing individuals in employment with a private company than we are in placing individuals who have participated in any of our educational components, and yet the current wage subsidy provision of the AFDC law called work supplementation is extraordinarily complex, leading to a low response rate by businesses. For instance, the law says an employer cannot accept a subsidized employee in an existing position. Instead, the employer has to create an entirely new position. This is unreasonable. also, we might

like to use a simple procedure giving clients vouchers for wage subsidies. Instead, there is a very complicated process for a business to claim wage subsidies under the current law.

The Committee's decision to repeal the JOBS program and replace it with a highly flexible, mandatory work provision, will allow States to move forward with these types of innovations outlined by Ms. Rogers.

ACCOUNTABILITY

State flexibility is key to the reform of our welfare system, but the public also wants the assurance that States are held accountable for placing able-bodied welfare recipients into work. Under this legislation, States will be required to meet stringent participation rates in work activities. By the year 2003, 50 percent of the adult welfare case load will be required to participate in work activities, for a minimum of 35 hours per week. For two parent welfare families these requirements would be even more strict, requiring at least one parent to work a minimum of 35 hours per week beginning in 1995. By 1998, States would have to ensure that at least one parent is working in 97% of all two-parent families.

PENALTIES

Under the Committee language, penalties will be imposed upon recipients refusing to work by requiring States to reduce their benefits until they work. States will also have the option to terminate all cash-benefits until they work. In addition to penalties placed upon individuals failing to comply, States not meeting the participation rates are also subject to reductions in their overall funding for failing to meet the minimum work participation requirements I mentioned earlier.

The provision in this section strengthens the work requirements so that we are able to truly move welfare recipients into self-sufficiency, making them independent, productive taxpayers.

Title IV—Child Welfare/Child Protection Programs

Over the last two decades, Congress has created a patchwork of child welfare/ child protection programs designed to:

Prevent, investigate and treat reported cases of child abuse or neglect;

Provide preventive and support services, such as counseling and drug treatment, to troubled families;

Place children who cannot remain with their families in foster care and pay for their upkeep;

Unify foster children and their families or legally release for adoption children who cannot be returned to their families; and

Recruit appropriate adoptive families for hard-to-place children, such as those who are older, have physical or mental disabilities or are members of sibling groups.

The Committee on Economic and Educational Opportunities has jurisdiction over a number of statutes relating to family support and child welfare. Several of these statutes, the Child Abuse Pre-

vention and Treatment Act (CAPTA), the Child Abuse Prevention and Treatment and Adoption Reform Act, and the Abandoned Infants Assistance Act, are scheduled to expire in 1995. The Committee on Ways and Means also has jurisdiction over major programs that provide assistance for Child Welfare, Foster Care and Adoption Assistance to the States.

CHILD PROTECTION SYSTEM IN CRISIS

As an estimated 1 million children fall victim to child abuse or neglect on an annual basis, the average length a child stays in foster care have risen to over two years, and the number of adoptions have steadily decreased, most citizens and advocates agree that the Child Protection system is seriously flawed.

According to the 1991 Report of the U.S. Advisory Board on Child Abuse and Neglect, "The system the nation has devised to respond to child abuse and neglect is failing."

The Report continues, "No matter which element of the system that it (the Advisory Board) examined—prevention, investigation, treatment, training, or research—it found a system in disarray, a societal response ill-suited in form or scope to respond to the profound problems facing it. It was forced to conclude that the child protection system is so inadequate and so poorly planned that the safety of the nation's children cannot be assured."

In conducting research on the child protection system, the Committee has been presented with evidence that the system has failed in two ways—it unnecessarily intrudes in the family life of millions of Americans who are wrongfully accused of child abuse or neglect, and the system too often fails to protect children who are truly at risk.

The stresses on the child protection system have dramatically increased in the last several years. During the 1980's, two crises greatly challenged the capacity of the child welfare system to protect children. First, beginning in the mid-1980's, the crack cocaine epidemic dramatically changed the type of client being served by the child welfare system. Whereas the typical foster care placement in the 1970's and early 1980's involved neglect or highly episodic, and stress related, abuse, the new crack cocaine cases frequently involved much more severe and chronic abuse resulting in longer and repeated stays in foster care.

Second, the 1980's saw an acceleration of the trend toward fatherless households. Given evidence that abuse is up to forty times more likely to occur when the biological father is not living in the home, the trend toward increasing father absence greatly increased the number of children interacting with the child protection system.

In addition, a philosophical change within the Child Welfare system began to move programs toward an orientation of family unification and family preservation. This philosophy of treatment took the view that all families have some strengths upon which to build, and that with appropriate early intervention and services, abuse could be prevented. In addition, the philosophy held that, even when abuse had occurred, through appropriate crisis intervention, families could be strengthened and restored.

Despite the prominence that this approach has gained, there are experts who dispute the validity of the approach, at least in its more extreme applications.

In testimony before the Subcommittee on Early Childhood, Youth and Families and the Ways and Means Subcommittee on Human Resources, Dr. Wade Horn, child psychologist and former Commissioner for Children, Youth and Families in the Department of Health and Human Services said,

> Although some advocates of family preservation services claim that out-of-home placement is prevented for as many as 90% of children served, the few experimental evaluations of family preservation services to date have not shown substantially lower rates of placement in foster care 4–6 months after the termination of family preservation services. In addition, according to Toshio Tatara of the American Public Welfare Association, the dramatic increase in children in foster care placements is not due to an increase in the rate at which children are entering foster case, but rather to a significant decline in the rate at which children are exiting foster care.[2] Despite the absence of empirical evidence attesting to its effectiveness, advocates for family preservation services were successful in persuading Congress to legislate a new funding stream which can be utilized *only* for family preservation and support services. Consequently, whether or not such services are effective or best meet the needs of a particular community, states are now required to use a substantial portion of federal funds to provide family preservation services.

In his testimony before the Early Childhood, Youth and Families Subcommittee on January 31, 1995, Congressman Tim Hutchinson (AR) also raised concerns about the implications of a rigidly implemented family preservation philosophy. "There is another side to this problem and it is the one that I would like to focus on today—the problem of too little intervention. The reality is that while child welfare divisions are chasing down false accusations or even dealing with minor cases of neglect, there are children who are being beaten and killed."

Hutchinson recounted the story of Kendall Shea Moore, who in the first five months of his life had virtually every bone in his body broken and his skull cracked. Authorities in Arkansas arrested the child's father and, as an accomplice, the baby's mother. Hutchinson described how the baby's father was sentenced to 28 years in prison, and a five year sentence for the mother was downgraded to a three year suspended sentence. Hutchinson further described how, on January 18, 1995, just over nine months from the time Kendall was admitted to the intensive care unit, he was permanently returned to his mother's custody.

Carol Bevan Statuto, of the National Council for Adoption, told the Subcommittee, "It is time to put to rest the myth that all foster care is bad for children and to expose the myth that biological ties are the only real 'ties that bind.' "

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[2] Tatara, T. U.S. Child Care Flow Data For FY 92 and Current Trends in the State Child Substitute Care Populations, VCIS Research Notes, no. 9 (August, 1993)

In summary, Dr. Horn said, "The child welfare system is not only in crisis, it is also at a crossroads. We must decide whether the solution to today's child welfare crisis is to continue down the road we are on toward more federal oversight, more federal regulation, and more federal micro-management of the child welfare system, or to change directions and allow greater state flexibility and experimentation. I am here to argue that one of the most important reasons why the current system is in crisis is because of too much federal micro-management of the states and too little flexibility at the state and local level."

The Committee shares this view, and believes that fragmentation of programs at the Federal level has hindered States from focusing appropriate resources on solving problems with child welfare.

Rather than squandering federal resources in dozens of directions at once, with one hand not knowing at all what the other is doing, the federal effort in child protection should be concentrated, focused, and unified. By bringing multiple sources of funding together in one block grant, giving States flexibility in administering the funds, and placing a premium on uniform data collection and evaluation, we believe the federal role in child protection can be greatly enhanced and improved.

Title V.—Related Provisions

Poverty data are used to allocate more than $20 billion in federal funds to state and local governments. Currently, the only reliable source of this data below the national level is the decennial census.

The Bureau of the Census, U.S. Department of Commerce does produce annual estimates of the number of people in poverty for the nation as a whole. The Census bureau also reports state level poverty estimates each year, but does not consider those estimates to be sufficiently reliable for programmatic purposes.

Because intercensal small area poverty estimates are not currently available, Congress and the Administration are forced to rely on small area poverty data which may be up to thirteen years old. This presents enormous problems for the formulation of sound and coherent policy at the federal level, and often results in large shifts of funding to state and local governments every 10 to 13 years. These shifts often have a destabilizing effect on program operations.

Clearly, there is a need for more up to date estimates on poverty at the state and local level. In addition, a comprehensive analysis of this data over time will help Congress formulate sound policy and better assess the effects of the policy it enacts. Sections 501 and 502 will give us these much needed tools.

SUMMARY

The following is a summary of the legislation as approved by this Committee:

Title I.—Child Care Block Grant

Title I consolidates several federal child care programs into the Child Care and Development Block Grant to create a single consolidated program to assist low-income parents in paying for child

care. The consolidation of these programs eliminates conflicting income requirements, time limits, and work requirements between the programs so federal child care funds may "follow the parent" as they move from welfare to work. The block grant also gives States much greater flexibility in targeting child care assistance, and ensures that States set effective policies on health, safety, and licensing standards.

The block grant creates a fair allocation formula that is based on the amount of federal funds each State received in 1994 under the four major child care programs—AFDC Child Care, Transitional Child Care, At-Risk Child Care and the Child Care and Development Block Grant. The grant also allows States to directly link Child Care and Development Block Grant funds with other child care funding from the AFDC block grant and the Social Security Act Title XX block grant, without the conflicting federal income and work eligibility requirements between programs.

Title II.—Food Assistance Block Grants

Title II consolidates several federal food and nutrition programs and instead, creates two block grants to the States.

The School-Based Nutrition Block Grant is a capped entitlement to the States which combines funding for the current National School Lunch and Breakfast Programs. States are to provide such funds to schools for the operation of school lunch and breakfast programs, summer meal programs, low-cost milk service and before and after school child care programs in order to meet the nutritional needs of their school population. Of the amount provided to each State, at least eighty percent of the funds must be used to provide meals to low-income children. States are permitted to transfer 20 percent of the funds in this block grant to other block grants designated in this Act.

The Family Nutrition Block Grant combines funding for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), the Child and Adult Care Food, the Summer Food Program and the Special Milk Program into a block grant to the States. At least eighty percent of the Family Nutrition Block Grant must be used for a program providing food supplements to pregnant, postpartum, and breastfeeding women, infants and children based on an assessment of their nutritional risk. The remaining funds are to be used to provide meals to low income children in child care centers and family day care homes, to operate summer meal programs for economically disadvantaged children, and to provide low-cost milk to children in nonprofit nursery schools, child care centers, settlement houses, summer camps and similar institutions devoted to the care and training of children. States are permitted to transfer 20 percent of the funds in this block grant to other block grants designated in this Act.

Title III.—Restricting Alien Eligibility

Title III bars illegal aliens from eligibility for Federal benefits under certain needs-tested programs under the Committee's jurisdiction, restricts the eligibility of certain legal aliens, and ensures

that these programs appropriately provide for United States citizens.

Title IV.—Other Repealers and Conforming Amendments

WORK REQUIREMENTS

Under Title IV, the Job Opportunity and Basic Skills (JOBS) program is repealed and replaced with mandatory work requirements for recipients of AFDC.

Under the mandatory work requirements, all recipients of cash assistance are subject to participate in designated work activities for a specified amount of time (depending upon several factors). Recipients whom the State has deemed fit for such activities must participate or face financial sanctions. Under the legislation, States are required to demonstrate that a minimum number of all recipients are in fact engaged and making progress in such activities or face a reduction in their overall funding for the following year. States demonstrating overall reductions in their welfare caseload may count such reductions towards their participation.

Title V.—Related Provisions

Under Title V, the Secretary of Health and Human Services (in consultation with the Secretary of Education) is required to publish updated poverty estimates every two years. These updates must begin in 1996 for state, county, and city poverty estimates, and in 1998 for school district poverty estimates. This section authorizes the appropriation of $1.5 million per year to carry out these provisions.

This Title also requires the Secretary of Health and Human Services to publish data relating to participation in programs under this Act. This data includes such factors as participation in welfare, health, education, and employment training programs for families and children, the duration of such participation, and the effects of any changes in program participation. This data is to reflect the period 1993 through 2002. This section authorizes the appropriation of $2.5 million in Fiscal Year 1996, $10 million in each of Fiscal Years 1997 through 2002, and $2 million in Fiscal Year 2003.

EXPLANATION OF THE BILL AND COMMITTEE VIEWS

Title I.—Child Care Block Grants

In reforming the Child Care and Development Block Grant, the Committee on Economic and Educational Opportunities (hereafter referred to as the Committee) intends to create a system that: allows more federal dollars to be made available for direct child care services than under current authorities; provides flexibility for States to develop more efficient systems for helping parents avoid welfare or move from welfare to work; and, provides more choice for parents to select quality child care settings for their children.

Title I consolidates eight separate federal child care programs into a single consolidated block grant to assist low-income parents in paying for child care. This consolidation eliminates conflicting

income requirements, time limits, and work requirements between the programs. These conflicting requirements have caused service gaps, unnecessary paperwork, and disincentives for parents to break free from dependence on cash assistance.

Under the new system, federal funds "follow the parent" as they move from welfare to work. States will have much greater flexibility in targeting child care assistance and in merging federal child care assistance with sources of State child care assistance.

In addition, this title ensures that States set effective policies on health, safety, and licensing standards, but gives States the flexibility to prescribe what these standards should be.

The reformed block grant also contains a key provision that gives parents the authority to decide where to send their child for day care services, creating a "parent-driven" system. This will allow market forces and the competition for child care funds to help bring improvements to the quality of child care available within a State.

The reformed block grant also frees over $200 million federal dollars from centralized planning activities to be used directly for providing services. Further, matching funds previously required to be spent by the State are no longer mandated to be spend on child care. This will allow States to focus State-generated resources on the most important State priorities. The reformed block grant, linked with authority to pay for child care services under the Temporary Family Assistance Block Grant and the Social Security Act Title XX block grant, will, if fully appropriated, make more child care dollars available than under current law.

The block grant also creates a fair allocation formula that is based on the amount of federal funds each State received in 1994 under the four major child care programs—AFDC Child Care, Transitional Child Care, At-Risk Child Care and the Child Care and Development Block Grant. This approach in formulating the State allocations will avoid the disruption of having a State receive a smaller share of federal funds than in previous years.

Finally, the reformed block grants allows States to share up to 20 percent of block grant funds with the other federal Welfare Block grants—AFDC, Child Care, Child Protection, School-based Nutrition, Family Nutrition—so that a State may target resources to pressing needs in priority areas of reform.

DISCUSSION OF PROVISIONS IN TITLE I

Section 101 contains amendments to the Child Care and Development Block Grant Act of 1990.

Program goals

Section 101(a) amends section 658A of the Child Care and Development Block Grant of 1990 by inserting the words "AND GOALS" after "TITLE". Subsection (a) further amends 658A by inserting a new subsection (b) that includes five goals.

The Committee believes that establishing goals for the states, with proper assessments and accountability for results in relationship to these goals, rather than the current fragmented and highly regulatory federal system of support for child care, will provide more efficient and effective use of the federal funds.

Following is an explanation of each goal:

(1) Provide States maximum flexibility in developing child care programs that best suit the needs of their residents.

In providing federal support for child care, Congress has not previously made a serious attempt to develop systems that can be well coordinated at the State level. States and local providers spend on inordinate amount of effort and energy trying to integrate federal and state funding sources so they can provide a set of seamless services to parents. An administrator in a large city told committee staff that, of the thirty financial personnel employed to administer and coordinate federal and state funding sources, fifteen positions could be eliminated if the Child Care and Child Protection block grants are enacted. Generally, States and local providers have integrated programs in such a way that parents are unaware of the many different sources of funding paying for their child's care. However, enormous resources are directed at these administrative issues rather than allowing a greater focus on services to families and improving the quality of these services.

Douglas J. Besharov, resident scholar at the American Enterprise Institute for Public Policy Research, said in testimony before the Subcommittee on Early Childhood, Youth and Families and the Ways and Means Subcommittee on Human Resources,

> Annoying as it is for families, the morass of programs is a nightmare to administer. "Child care providers spend more time trying to coordinate programs than operate them," protests one agency executive. Fitting the various pieces of funding together is like trying to complete a hug jigsaw puzzle. Needless to say, federal funds don't simply flow in: Each comes with its own complicated application and approval process that forces many programs to employ at least one full-time staff person to coordinate funding and document eligibility—resources that would be better spend on the children.

(2) Promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs.

There are numerous arrangements that parents may make for child care, including parent care, relative care, in-home care, family day care, and center-based care. According to the National Child Care Survey of 1990, for children under age 5, a total of 48 percent of children were cared for by a parent, 22 percent by a relative, 2 percent by a non-relative in the home, 8 percent in family day care, 15 percent in centers, and 6 percent in other arrangements.

For children age 5–12, a total of 48 percent of children were cared for by a parent, 20 percent by a relative, 4 percent by a non-relative in the home, 4 percent in family day care, 6 percent in centers, and 19 percent in other arrangements.

As there are numerous arrangements for child care available to parents, there are also many perspectives on what is important in choosing day care, and what constitutes "quality."

As Larner and Phillips state,

> Parents care about child care quality, but they define quality in relation to the needs of their own children * * * In contrast to professionals, parents want assurances that

> their individual child's experiences will be safe, pleasant and developmentally sound. The critical difference between parent and professional perspectives on child care is that parents are seeking a child care arrangement that will meet the needs of their own child and family; they bear no broader responsibility for the child care field. They need only find one arrangement, but their stake in the quality of that arrangement is immense.[3]

The Committee believes that, for welfare reform to be truly effective, parents must fully assume the responsibilities of parenthood. Among these responsibilities is the need to ensure that one's child is cared for in a safe and positive environment. Ensuring parental choice is a vital component to helping parents carry out their role.

(3) Encourage States to provide consumer education information to help parents make informed choices about child care.

The Block Grant encourages States to provide consumer information to parents on child care so that they may make informed choices. The Committee believes that providing information to consumers about sources of child care and elements that may indicate quality of care is an important determinant of the quality of care that children receive. Under the block grant, not only will parents exercise control over where their child receives care, they will have available to them a greater breadth of knowledge to inform their choice.

(4) Assist States to provide child care to parents trying to achieve independence from public assistance.

This goal recognizes that securing affordable, consistent child care services can eliminate a major barrier to a parent, particularly a single parent, entering the work force and transitioning away from dependence on public assistance. In this context, subsidies for child care are appropriate, not only for the welfare recipient getting training or beginning employment, but also for low-income working poor parents that may have never been on welfare.

The Committee also recognizes that, as States work to move recipients off public assistance, they may rightfully choose to target welfare recipients who are the most employable, such as two parent families, individuals with higher educational achievement, or individuals with school-age children. This type of flexibility in targeting individuals for transition off welfare can help a state avoid a sudden increase of demand for the most expensive types of child care.

(5) Assist States in implementing State health, safety, licensing and registration standards.

The Block Grant achieves this goal in two fashions. First, it relieves the State of the burden of developing and implementing four individual sets of requirements for health, safety and licensing from the four major separate federal programs. It provides States flexibility in establishing these standards, and also, through a more flexible funding structure, allows States to merge federal and state funds to improve child care programs.

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[3] "Defining and Valuing Quality As a Parent," Mary Larner and Deborah Phillips. Valuing Quality in Early Childhood Services, 1994, Paul Chapman Publishing, Ltd., London, England.

The Committee expects that states will utilize this flexibility and opportunity for a more efficient system, and not apply different criteria or rules to child care provided through federal funds than apply to comparable child care not subsidized by federal funds.

Authorization of appropriations

Section 101(b) amends Section 658B of the Act, AUTHORIZATION OF APPROPRIATIONS, to include the following authorizations: $1,943,000,000 for each of fiscal years 1996, 1997, 1998, 1999 and 2000.

The Committee chose this authorization level to reflect federal spending in FY 1994 on the four major child care programs, Child Care for AFDC, Transitional Child Care, At-Risk Child Care, and the Child Care and Development Block Grant. FY 1994 is the most recent year for which federal funds, some of which were tied to State matching requirements, have been verified.

Lead entity

Section 101(c) amends 658D of the Act by changing the term "agency" to "entity", and by replacing the term "lead agency" with "lead entity" throughout the Act.

The term "agency" was changed to "entity" to allow States more flexibility in determining how the block grant would be administered. Under this change, an entity, chosen by the State, but not necessarily on the level of a State agency, could be established to administer the block grant.

State plan requirements

Section 101(d) amends Section 658E of the Act to clarify that the State plan length is two years.

Section 101(d) also maintains the requirements that the State assure that parents are given a choice of child care providers.

In paragraphs (B) Unlimited Parental Access, and (C) Parental Complaints, the bill changes the phrase "provide assurances" to "certify."

The Committee intends this to reflect a change in the approval process followed by the Secretary of HHS. In this new approach, the Committee intends for the Secretary's ability to shape the content of the State plan to be limited. For functions in which the State should have in effect certain procedures and policies, it must certify that such procedures policies are actually in effect. For other functions that the State intends to carry out in the grant period, the State plan should require an assurance that the proposed action will be carried out.

In reviewing the State plan, the Secretary may determine the form in which the plan is submitted and determine what information the State presents in the plan. However, unlike the existing approval process, the Secretary is only authorized to ensure that the plan submitted includes the certifications and assurances called for by the statute. The Secretary does not have authority to require changes in the State's plan unless the plan does not include the basic elements called for by the statute, or when based on the content of the plan, it is clear that the State would be expending federal funds on activities not authorized by law.

The Committee believes that this approach is necessary to ensure that States are given the necessary flexibility to design programs of child care assistance that address needs within the State and that are within the broad parameters of the law.

Consumer education

The bill inserts a new subparagraph (D) on Consumer Education Information, an assurance that the State will collect and disseminate consumer information that will promote informed child care choices.

The language in the current statute on consumer education information is weighted toward information on regulatory and licensing requirements, complaint procedures, and child care policies and practices within the State. The Committee believes that the information collected and disseminated by the State should directly support the goal of helping parents make informed child care choices. The Committee also notes that consumer information should not only include sources of subsidized care, but should make a concerted effort to provide information on other sources of affordable care, such as family and relative care.

Health and safety, licensing

Several significant changes were made by the Committee to Subparagraphs (E) through (I), which relate to State health and safety and licensing requirements. The Committee believes that States are committed to protecting the health and safety of children in day care settings. In fact, many States have self-imposed health and safety standards that exceed established federal standards. This being the case, opponents of change would argue that these specific requirements need not be deleted from the current law.

Although the Committee fully expects that States will create and enforce standards to protect the health and safety of children in day care, the Committee wants to ensure that States are actually carrying out these plans, not just putting a written assurance on paper. We recognize that when lapses in health and safety occur, they are generally caused by lapses in enforcement, not because of standards that are too weak.

In trying to simplify the reporting requirements imposed by the federal government on the States, the Committee intends to focus more attention on actual results and performance in day care services than on just meeting the written requirements of the State plan.

In subparagraph (E), the Committee has added the words "health, safety" to the existing requirement that all providers comply with State established licensing and regulatory requirements. Under this requirement, each State must certify that it has established procedures to ensure that all child care service providers within the State comply with State-established health, safety, and licensing or regulatory requirements, and shall provide a detailed description of such requirements and how they are enforced.

Clause (ii), which required all providers to be licensed with the State prior to receipt of funds under this Act, is deleted. The Committee recognizes that, in most circumstances, it is advisable for States to establish registration procedures for informal care provid-

ers wishing to participating in programs funded under this block grant, and the bill does not prohibit the State from establishing such registration requirements.

Subparagraph (F), which specifies the basic elements that State licensing must cover—prevention and control of infectious diseases, building and physical premises safety, and minimum health and safety training—is deleted. State laws are perfectly sufficient to ensure that health and safety standards set by the State include these type of elements without federal directives.

Subparagraph (G), an assurance that the State will ensure that providers comply with State health and safety requirements, is deleted because it is duplicative of the revised subparagraph (E), already referred to.

Subparagraph (H), which requires the State to give the Secretary of HHS advance notice if it plans to reduce the level of its health and safety standards, is deleted. Although it is very unlikely that States will do so, special circumstances within a State may necessitate minor changes in health and safety standards. In this circumstance, the State does not need to report this in its annual report to the Secretary. The Committee further notes that the revised standards will be described in detail in the State's next biennial State plan submitted to the Secretary.

Subparagraph (I) provides assurances that, not later than 18 months after the submittal of a State plan, the State must complete a full review of licensing and regulatory policies. This requirement imposes an unnecessary requirement on the States and is deleted.

"Infant Doe" protections

During mark-up, the Committee adopted an amendment by Congressman Owens to insert a new state plan requirement, Section (F) MEDICAL NEGLECT OF DISABLED INFANTS. Section (F) duplicates the so-called "Infant Doe" language from section 107(b)(10) of the Child Abuse Prevention and Treatment Act, that is repealed under Title IV of H.R. 999. In the new paragraph (F), the State must certify that it has in place procedures for responding to the reporting of medical neglect of infants, including disabled infants with life-threatening conditions. The Owens amendment also inserted the related definition of "WITHHOLDING OF MEDICALLY INDICATED TREATMENT" from Section 113(10) of the Child Abuse Prevention and Treatment Act as a new paragraph (13) in Section 658P of the statute.

In May of 1992 in Indiana, a disabled newborn died because the parents and the physician decided to withhold treatment and substance. This and similar cases became known as the "Infant Doe" issue. The Reagan Administration subsequently tried to prohibit such withholding of treatment and sustenance through regulation, but two different sets of regulations were overturned in federal district courts. The 98th Congress amended the Child Abuse Prevention and Treatment Act (P.L. 98–457) to provide the statutory basis for this policy.

Supplementation

Subparagraph (J), requiring States to assure that federal funds will supplement, not supplant, use of State funds for child care, is deleted. As part of the reformed Child Care and Development Block Grant and the accompanying social policy block grants, the federal role in assisting States with welfare reform is being significantly altered. Forcing a State to comply with a "supplement, not supplant" requirement during a time of tremendous programmatic change would impose a very difficult accounting requirement on the States, would be difficult for the federal government to enforce, would conflict with the goal of giving States greater flexibility, and would not provide a discernible programmatic benefit.

Use of funds

The Section also request that funds under this subchapter be used for child care services, for activities to improve the quality or availability of such services, or for other activities that the State deems appropriate to realize any of the goals specified in the bill. The section also authorizes funds to be used for other purposes if they are transferred to any of the other social policy block grants.

The Committee has chosen to give the States wide latitude in the use of federal child care funds. We recognize the priority of providing direct services to parents through the use of vouchers or service contracts to providers. The State may also with to fund activities to improve quality by providing training of child care workers, salary enhancement, monitoring of providers, and other purposes.

The statute requires States to consult with local government as it develops the State plan. The Committee also encourages States to utilize public hearings to allow citizens to provide input in the development of the State plan.

The Committee believes that, while States will undoubtedly use resources to help parents of pre-school children move from welfare to work, there is also the need to provide resources for before- and after-school day care programs. In fact, the work requirements of the Temporary Family Assistance Act will be phased in to require that fifty percent of eligible welfare recipients participate in a work activity or activities by the year 2003. The Committee notes that this requirement is phased in gradually and that, unlike the existing JOBS program, the State is able to target parents who are the most employable. Parents with older, school-aged children that participate in before- and after-school day care programs could be more easily employable, and would require lower-cost day care services than would infants and toddlers.

The Committee also believes it is important to ensure that for-profit providers are fully integrated into the State's child care delivery system. For-profit day care centers report that they are only utilizing 65 to 70 percent of their capacity, and can readily absorb greater numbers of children receiving day care subsidies.

The State may also choose to use funds under this Act to provide tax relief and tax credits for child care expenses incurred by eligible parents.

Administrative costs

The bill further limits State administrative costs to five percent. The Committee is very concerned that, as federal funds are moved to greater State control in this block grant, that federal bureaucracy not be replaced by a burgeoning State bureaucracy. Estimates of State costs among the different child care programs are thought to average around seven percent. However, with greater efficiencies realized by one administrative and financial structure, we expect that States will be readily able to meet the five percent limitation. We also note that the reformed block grant is freeing up the State from significant matching fund responsibility, and this change will additionally ease the administrative burden on the States in the use of federal funds.

Payment rates

The bill maintains the existing requirement that payment rates be sufficient to ensure equal access to child care services for eligible children. However, the bill deletes the requirement that the payment rates take into account variations in settings, age groups, and special needs of certain children. The bill also deletes the requirement that States establish a sliding fee scale and periodically revise the fee scale by regulation. The Committee recognizes that, in order to meet the requirement that payment rates are sufficient, States will take into account differentials in location, age of the child, and special needs. We further believe that States will establish sliding fee scales to account for rising incomes of employed parents. However, federal oversight of such issues is not necessary when the basic requirement of sufficient payment rates is in effect.

Section 101(e) makes a conforming amendment to section 658F(b)(2), limitations on State Allotments, by eliminating the reference to section 658(e)(2)(F).

Quality and availability activities

Section 101(f) repeals earmarked required expenditures by striking sections 658G and 658H.

The Committee recognizes the legitimate concerns by advocates about the need for quality in child care, and the legitimate role of before- and after-school care programs in providing an important source of child care services.

First, it is important to note, that in deleting the set-aside in the block grant for quality and availability activities, Congress in no way impedes States from using block grant funds for such purposes. If States believe activities like worker training, salary enhancement, or activities to establish before- and after-school care programs are an important component of building a viable child care infrastructure, they are free to use these funds in that manner.

However, the Committee does not believe it is appropriate for Congress to restrict these funds to these purposes only. In other areas of human services delivery within the economy, government plays a proper role in enforcing health and safety standards. But in terms of producing a supply of quality service providers, direct funding by government sources has not proven to be a particularly efficient use of funds.

As Larner and Phillips observe,

> The views of early childhood professionals have long dominated discussions of what constitutes quality in early childhood programs; professionals determine the content of training for those who establish and staff child care programs; they set criteria for recognizing excellence within the profession; and their expert judgments about quality may inform the policy-makers who set regulatory policies. * * * Yet no one who has been or known a parent who used child care would suggest that parents do not care about child care quality.

Larner and Phillips also provide insights on what constitutes quality in the minds of parents.

> The concept of fit should be considered not only from the child's perspective, but from the family perspective. High-quality child care is designed to enable adult family members to meet their goals as workers or students, and as parents—without worrying about the safety, the well-being, and the development of their children.

The Committee believes that, within the parameters of State established and enforced health and safety standards, placing more funding in the hands of parents—the consumer—will produce a supply of child care that is higher in quality, and is more flexible and responsive to the changing needs of parents than a system that is initiated and funded through direct governmental subsidy and contracts.

Child care standards report

Section 101(g) amends section 658I, Administration and Enforcement, by eliminating a requirement that the Secretary collect and publish a list of State child care standards at least once every 3 years. These standards will be described in detail by the States when they submit their State plans every two years.

Obligation of funds

Section 101(h) amends section 658J, spending of funds by State to allow States two years to obligate funds, rather than four years to expend funds.

Annual reports, evaluation plans

Section 101(i) amends section 658K to include annual reports, evaluation plans and reports on an alternating two year basis, and independent audits to be completed at two year intervals.

The changes made to the Annual Report require the State to collect and report data on the manner in which the child care needs of families within the State are being fulfilled. This set of data elements, more detailed than report elements required under existing law, will provide a consistent set of data that will provide information about the number of children being served in each State, demographic information about the families of such children, information about types of public assistance and income received by these families, information about the availability and costs of child

care services within the state, information about consumer information in the State, and the numbers of types of parental complaints filed within the State.

Through these reforms, the Committee hopes to transform the federal role in provision of child care services from one of regulatory compliance enforcement to a more positive and effective role of encouraging continual improvement and change through a focus on results and measurable outcomes. At the same time, the Committee is very sensitive to concerns that data requirements be realistic for States to collect and report. The Committee does not wish to replace the burden of federal micromanagement and regulatory compliance with an equally heavy burden of data collection. Data collection and reporting is only relevant if it helps create a positive environment of accountability and encourages further system improvement.

The section also requires States to develop evaluation plans and carry out these evaluations on a biennial basis. Each State's evaluation plan will provide a qualitative analysis of the extent to which the State has realized each of the five goals of the reformed Block Grant. The State will indicate how it will measure the success of implementation of the Block Grant, and one year later, will report the results of its evaluation.

Section 101(j) amends provisions within section 658L, Report by the Secretary, to make such reports to Congress delivered every two years.

Allotments, allocations

Section 101(k) amends provisions within section 658O, Amounts Reserved, Allotments.

First, the section removes the Trust Territories of the Pacific Island from the set-aside for Possessions.

Secondly, it creates a new allocation formula. The amount of aggregate federal funds received by each State under the four major child care programs in FY 1994 is first calculated. Next, the State's allocation share relative to what all the States received in FY 1994 is determined. For future years, this allocation share is multiplied by the total number of federal funds appropriated to determine the State's annual share.

The section also deletes the Secretary's reallotment authority. The Committee does not believe it is appropriate for the Secretary to exercise authority to determine if any portion of the State's share is not necessary to carry out the State plan for child care services delivery.

Definitions

Section 101(l) amends section 658P, conforming the definition of "lead agency." The section also inserts a new definition of "Child Care Services" which is based upon several regulatory definitions of child care services. The definition gives a description of child care services, and also allows that the definition may include early childhood development services.

Transfer authority

Section 101(m) inserts "section 658T" which allows governors the ability to transfer a total of up to 20 percent of funds appropriated under the Child Care and Development Block Grant to one or more of the following: the Temporary Family Assistance Block Grant, School-Based Nutrition Block Grant, the Family Nutrition Block Grant, Child Protection Block Grant, Social Services Block Grant (title XX of the Social Security Act). The bill also requires that rules of the block grant to which funds are transferred apply.

This transfer authority, replicated in other social policy block grants, is predicated on the belief that the block grants all support a broad purpose—to foster the independence, self-sufficiency, nutrition, and protection of low-income citizens within the State. Since States are being given the responsibility to coordinate a wide range of services and interventions to serve low-income parents and children, the States should also have flexibility to move a limited amount of funds between the block grants to meet unique and pressing service needs that arise within a State.

It should be emphasized that the ability to transfer funds from the Child Care and Development Block Grant is not an open-ended opportunity for states to use funds in whatever means it wishes. The funds may only be transferred for the related purposes listed above, and then only to carry out a state program under a related block grant. Transferred funds could not be used, for example, to pay penalties imposed upon a state for failing to meet mandatory work requirements under a Temporary Family Assistance Block Grant program. Using federal funds to pay penalties would not be consistent with the direction that funds be used only to carry out the state program.

Repeals of programs to be consolidated

Section 102 contains repeals of child care assistance authorized by acts other than the Social Security Act.

Section 102(a) repeals Child Development Associate Scholarship Assistance Act of 1995.

Section 102(b) repeals State Dependent Care Development Grants Act.

Section 102(c) amends Programs of National Significance by deleting authority to provide child care services using program funds.

Section 102(d) repeals the Native Hawaiian Family-Based Education Centers.

Section 103 contains repeals of certain child care programs authorized under the Social Security Act.

Section 103(a) delete authorization for the AFDC and Transitional Child Care Programs.

Section 103(b) deletes authorization for the At-Risk Child Care Program.

Title II.—Food and Nutrition Programs

The food and nutrition programs affected by H.R. 999 are amongst the most important programs within the Committee's jurisdiction. Certainly that can be said about the school lunch pro-

gram and WIC, both of which have long had, and continue to have, bipartisan support in the Committee.

But even these programs are hardly perfect. For years, school administrators have complained, with ever increasing reason, of the horrendous amounts of paperwork required. A recent publication of the American Food Service Association says this:

> School nutrition programs have become increasingly complex and more costly due to overly prescriptive, intrusive and restrictive federal regulations. Although there has been extensive communication with USDA, little progress has been made in simplifying regulations and limiting regulations to those specifically required by law. Overarching concepts for regulatory design and recommendations for reducing administrative burdens need to be addressed in USDA's regulation agenda in the immediate future.

The publication went on to outline 4 "overarching concepts" for needed reforms to the school lunch program.

> Minimize federal bureaucracy by simplifying program statutes and restricting federal regulatory authority;
>
> Allow for greater flexibility in states and local school districts;
>
> Provide outcome-based rather than process-based regulations; and
>
> Recognize and maximize use of technology.

As in other areas of social policy, in the area of school nutrition, Congress has created multiple programs without considering the effect of doing so. Testifying before the Committee, Mr. Patrick Temple West, Director of Nutrition Development Services, Archdiocese of Philadelphia said,

> We need only one child meals program. There are two major laws governing child meals programs, the National School Lunch Act and the Child Nutrition Act. The location of each program in these two laws is historical and arbitrary. For example, school lunch is governed by one. School breakfast by the other. We recommend that they be combined into one piece of legislation.
>
> There are five sets of regulations regulating each program. We recommend one set of regulations for all of them. We recommend one program be created providing meals to children in different locations, under different circumstances and just as the childcare program now does with different reimbursement rates and administrative requirements. There can be specified for each of the special circumstances such as in school, during the summer in childcare, or in homeless shelters, et cetera.
>
> At the very least, this recommendation would halve the legislative overhead of these programs, reduce the number of entitled programs by four, reduce the code of Federal regulations by quarter of an inch, reduce the legislative staff time and cost, reduce legislative printing cost, reduce the USDA staff time writing the legislation, reduce printing costs to the code of Federal regulations and possibly re-

duce the number of USDA and administrative staff overseeing the programs.

The WIC program has been similarly overburdened with federal regulations and rules, which may be well-intended, but take substantial resources away from the basic intent of the program, which is to provide proper nutrition for low income children and expectant mothers. In addition, WIC and other nutrition programs targeted at low income families must compete for funds with food programs which are not so targeted, specifically the Family Day Care food program which is part of the Child Care and Adult Food Program. The Congressional Budget Office has estimated that three-fourths of the families that receive food assistance under that program do not qualify as low income.

The Committee bill would focus more funds on low income families and children, reduce federal regulations and paperwork, ensure the maintenance of nutritional standards for the food and nutrition programs, and, allow more money to be used for actually providing food for low income children and families.

Focusing dollars on low income children and families

The major focus of the current nutrition programs has been on meeting the nutritional needs of low income children and their families. The School-Based Nutrition Block Grant and the Family Nutrition Block Grant maintain an emphasis on meeting the needs of low income individuals.

The Family Nutrition Block Grant ensures that all funds provided are used to serve children and families with incomes below 185 percent of poverty and allows States the flexibility to focus such dollars on those individuals in greatest need. In crafting this legislation, it was the decision of the Committee to limit payments for meals in family day care homes to those children from families with incomes below 185 percent of poverty. The elimination of benefits to middle and upper income children assisted the Committee in achieving budget savings without reducing benefits to low income children.

Similarly, the School-Based Nutrition Block Grant requires that at least 80 percent of available funding is to be use to provide meals to low income children. States would not be prevented from using 100 percent of available dollars to meet the needs of low income children. However, the Committee decided to provide States with the flexibility to offset the cost of meals to children with family incomes above 185 percent of poverty if necessary to ensure the operation of school meal programs to meet the nutritional needs of low income children. The definition of low income in this block grant is left to each State; however, it cannot exceed 185 percent of poverty.

Reducing Federal regulations and paperwork requirements

Through the creation of two consolidated nutrition programs, with flexible requirements for the States, the Committee has addressed a major criticism of federal nutrition programs. Throughout the years, program operators have complained that they spend so much time complying with regulations and filling out paperwork that attention to serving the needs of children and other program

beneficiaries has been diminished. It is the hope of the Committee that States will not replace federal regulations with a comparable amount of State regulations but will develop alternative mechanisms of ensuring program accountability and eliminating fraud and abuse in these programs. For instance, States could use demographic data to determine the amount of funds to be provided to individual school districts rather than relying on the cumbersome and time-consuming application process currently used.

Meeting the needs of low income families in times of crisis

In order to ensure that States have the flexibility to meet the nutritional needs of low income children and families during a recession or to meet individual crises which may affect the ability of school districts to meet the needs of low income children, the Committee has provided for the transfer of 20 percent of available funds among the two nutrition block grants as well as the other block grants designated in this Act. In addition, block grant funds remain available to States for the fiscal year they are initially provided as well as one additional fiscal year. This will allow States to hold an amount of funds in reserve to deal with periods of increased participation.

We also believe that States will move to assist low income families in a period of crisis. For example, in the School Lunch Program, more than 30 States contribute state funds to the school lunch program in excess of the required State match.

Finally, we trust that Congress, during periods of great hardship, would provide supplemental funds to meet the needs of our children.

Maintaining the integrity of the WIC Program

Over the years, the Special Supplemental Nutrition Program for Women, Infants and Children has proved to be effective in reducing low weight infant births and birth defects due to a mother's lack of proper nutrition during pregnancy. The Committee bill not only ensures the continuation of this program and the elements which have led to the program's success but also allow for increased funding above that which would otherwise be provided.

To begin with, the Committee has provided that at least eighty percent of the Family Nutrition Block Grant must be used for the purposes of the existing WIC program. This provision should allow States to serve increasing numbers of participants over the next five years. In addition, States may also use a larger portion of their Family Nutrition block grant for this purpose.

Program goals have been included in this legislation which will continue key features of the WIC programs. These features include, the nutrition education component of the WIC program, a nutritional risk assessment and a food package based on such assessment, the referral of women to appropriate health services and the provision of food assistance to participants which will reduce the number of low birth weight babies and babies born with birth defects as a result of nutritional deficiencies. States will be required to report to the Secretary regarding their success in achieving such goals.

States must submit to the Secretary of Agriculture on a yearly basis a report on the number of individuals receiving assistance under the Family Nutrition Block Grant, the type of assistance provided and the standards and method the State is using to ensure the nutritional quality of such assistance. Finally States are required to report on the number of low weight births in each State in the current fiscal year compared to the prior fiscal year. It is expected that this information will allow States and the Secretary to determine the effectiveness of state nutrition programs for women, infants and children reducing low birthweight births and improving pregnancy outcomes.

While the Committee has provided flexibility to States to conduct nutrition programs the Committee expects that efforts that have proven effective in the past in achieving the goals of the program, such as drug and alcohol education and breastfeeding promotion, will continue.

It is the view of the Committee that States have a fundamental interest in preserving the health of their citizens. Nutritional assistance is a primary mechanism to ensure the continued health of low income children and their families. As such, the Committee believes that the huge number of "how to" federal rules and regulations are not necessary and in fact often impede effective nutrition programs as well as waste to taxpayer's money.

The Committee anticipates that States will employ cost containment measures that yield substantial savings without unduly limiting product availability to participate or significantly disrupting commercial markets.

The Committee is advised that some sole source contracts offered by States for infant cereal included in the WIC food package have the potential for significantly disrupting the commercial market for these products and promoting unfair competition. The Committee notes this development with concern and intends to monitor State contracts to determine whether this type of bidding promotes unfair competitive advantage or market disruption, as well as impacts this may have on State or local economies.

Increasing funding

Under the Committee bill, federal nutrition assistance is authorized to increase by more than 4% per year. The School Based Nutrition Block Grant is an entitlement to the States, and is capped at an annual growth rate of 4.5%. The current level of spending (1995) for programs included in this consolidated program is approximately $5.6 billion. For 1996, the new consolidated grant would be capped at $6.7 billion, and yearly increases of 4.5% would be provided thereafter. Such increased funding, along with increased efficiencies from consolidation of programs and elimination of detailed federal regulation will allow states not only to maintain present levels of participation but increase the number of children being provided school-based nutrition assistance.

Authorization levels for the Family Nutrition Block Grant also increased by 4.5% per year. The Family Nutrition Block Grant is made subject to annual appropriations because the largest individual program being mandated in this consolidated grant is WIC, which is a discretionary program. However, assuming that the au-

thorization for the Family Nutrition Block Grant is fully funded, the 80% of the Block Grant reserved for WIC programs would mean an increase over current WIC appropriations. In addition, States would be free to spend the additional 20% of funds in this block grant for WIC activities.

Insuring the quality of meals and food assistance

The Committee bill requires States to set minimum nutritional requirements for food assistance provided under the new block grants. These are to be based on the most recent tested nutritional research available, with allowance for adjustments based on current law provisions regarding special dietary and medical needs of students. Additionally, the Committee requires that the National Academy of Sciences develop model nutrition standards that States might use for their meal and food assistance programs operated under the Family and School-Based Nutrition Block Grants. These standards will not include the same burdensome government regulations, but we do expect them to call for well-balanced, nutritious meals which meet the dietary needs of women and children.

The Committee recognizes that good nutrition is important to good health and the ability to learn. It encourages States, at least until they have an opportunity to develop their own standards or until the model standards are available, to use the same nutritional standards they use under the previous law program guidelines. The Committee expects that model nutritional standards will help the States in developing their own guidelines.

Much has been made about the flexibility that the Committee bill gives to the States concerning nutritional standards for meals and food assistance, and the absence of mandatory national standards. It is worth mentioning that this Administration has harshly criticized the national standards that currently are used for school meal programs, and that have guided the program for over forty years. USDA officials have even gone so far as to say that school meals following the national one-third RDA requirements are unhealthy for American school children. The Committee does not necessarily agree with this claim and, just last year, expressed reservations about some of the Administration proposals for meal pattern changes (based on nutrient analysis) when it approved "The Healthy Meals for Healthy Americans Act of 1994." Nevertheless, if indeed the meals served under the school meal program have fallen short of Dietary Guidelines or other new measurements, as the Administration contends, they did so under Federal mandatory standards, not State standards.

In eliminating federal nutrition standards, the Committee, in particular, wanted to provide maximum flexibility to local program providers to develop and offer children meals they want to eat. Only 46 percent of non-poor children currently participate in the National School Lunch Program and cite quality and appeal of the meals as one of their reasons for not participating in the program. However, the Committee fully expects schools and other providers to continue to serve nutritious, well-balanced meals which meet one third of the nutritional needs of children.

In addition, we expect the foods provided to participants in the supplemental food program for women, infants and children to not

only meet their nutritional requirements, but to otherwise insure their good health.

The Committee believes that States have the competence to develop nutritional requirements for their food assistance, that the Federal role in this process should be supportive, rather than mandatory and intrusive, and that State and local officials are in a better position to measure and respond to the varying needs of those in their care.

Transferring funds to other block grants

The Committee has included a provision in each of the nutrition block grants allowing up to 20 percent of each block grant to be transferred to other block grants contained in the welfare reform bill. The intent of this provision is to allow the States maximum flexibility in meeting the needs of their citizens.

However, the Committee was concerned that adequate funds remain to meet the purposes of the Family Nutrition Block Grant and the School-Based Nutrition Block Grant. We have, therefore, included a provision which requires the State agency administering a nutrition block grant from which funds are to be transferred to make a determination that sufficient amounts will remain to carry out the purposes of such block grant. We believe this will insure that services will not be arbitrarily cut in order to meet other purposes.

Title III.—Restrictions on Non-Citizens

Title III of the Committee bill consists of a substitute amendment (Amendment Number 10) offered by Representative Randy "Duke" Cunningham and an amendment offered by Representative Patsy Mink (Amendment Number 35) both of which were accepted by voice vote. A discussion of Title III, as so amended, follows.

IN GENERAL

Section 301 bars illegal aliens from eligibility for twenty-three (23) needs-tested programs under the Committee's jurisdiction, declares legal aliens ineligible for certain programs, restricts the eligibility of legal aliens for higher education and job training programs, and declares legal aliens eligible for specific programs.

ILLEGAL ALIENS

Section 301(a)(1) makes clear that aliens who are not lawfully present in the United Stats are not eligible for twenty-three (23) needs-tested programs under the Committee's jurisdiction. The programs range from higher education, job training, and child care to energy assistance and certain employment-related assistance.

Under current law, none of the twenty-three (23) programs specifically include illegal or undocumented aliens as eligible participants. At the same time, there is no bar to their participation because many of these programs only have the requirement that one be at or about the poverty-level or meet a needs test. Generally, no distinction is made between citizens and illegal aliens, except in the cases of student aid under the Higher Education Act of 1965 and job training under the Job Training Partnership Act. Gen-

erally, in these latter two cases, citizens and legal aliens who intend to be permanent residents of the United States are elig8ible. Conversely, illegal aliens are implicitly ineligible.

To clarify that those who are unlawfully present in this Country do not receive Federal benefits, the Committee has included a specific bar for illegal alien participation in the following twenty-three (23) needs-tested programs: the Older American Community Service Employment Act, congregate and home-delivered meals under Title III of the Older Americans Act of 1965, the Foster Grandparents program under the Domestic Volunteer Service Act of 1973, the Senior Companions program under the Domestic Volunteer Service Act of 1973, the Low-Income Energy Assistance Act of 1981, the Community Service Block Grant Act, the Child Care and Development Block Grant Act of 1990 as amended by the bill, Basic Educational Opportunity Grants (Pell Grants), Federal; supplemental Education Opportunity Grants, Grants to Schools for State Student Incentives, the High School Equivalency Program (HEP) and College Assistance Migrant Program (CAMP), the Federal Family Education Loan Program (Stafford loans), Federal Work-Study Program, Federal Direct Loan Demonstration Program, Federal Perkins Loans, graduate programs under Title IX of the Higher Education Act (Grants to Institutions and Consortia to Encourage Women and Minority Participation in Graduate Education, Patricia Roberts Harris Fellowships Program, Jacob K. Javits Fellowship Program, Graduate Assistance in Areas of National Need, Faculty Development Fellowship Program, Assistance for Training in the Legal Profession, Law School Clinical Experience Programs), job training for disadvantaged adults under the Job Training Partnership Act (JCPA), job training for disadvantaged youth under the JTPA, Job Corps, summer youth and employment training under JTPA, emergency food and shelter grants under Title III of the Stewart B. McKinney Homeless Assistance Act, and the Family Nutrition Block Grant and School-Based Nutrition Block Grant created under this bill.

The problems posed to Stats and the Nation by illegal aliens are increasing. Last year, the Immigration and Naturalization Service (INS) constructed estimates of the resident illegal immigrant population residing in the United States as of October 1992. The INS estimate of illegal aliens as of that time was 3.4 million. In 1998, for example, the number was only 2.2 million, indicating growth of 1.2 million from 1988 to 1992. The INS currently estimates an annual growth of 300,000 in the resident illegal alien population.

Current immigration law provides a process for becoming a documented legal alien, and thereafter for becoming a naturalized citizen. To allow non-citizen to ignore these procedures and yet be eligible for Federal benefits would send the wrong message. Illegal aliens should not be permitted to benefit from breaking the law.

Ideally, the problems posed by potential illegal alien eligibility should be addressed comprehensively at the National level for all Federal programs. However, that has not yet happened. The Committee is aware, however, that Congress voted to bar illegal aliens from receiving certain earthquake assistance benefits in Public Law 103–211, the Emergency Supplemental Appropriations legislation. The Committee strongly believes that action should be taken

now with respect to the needs-tested programs under its jurisdiction. Thus, the bill specifically bars illegal aliens from eligibility for the twenty-three (23) programs mentioned in Section 301(a)(1).

With respect to how Federal, State, local and other administrators determine whether program participants are citizens or noncitizens, and any verification of a participant's status, the bill is silent. There is no mandate included in the bill on how that is to be done, and the Committee intends that program administrators have broad flexibility in implementation. The Committee expects program administrators and regulation writers to use good judgment and to be reasonable.

LEGAL ALIENS

As introduced, H.R. 4, the Personal Responsibility Act, included a broad prohibition on all aliens, legal and illegal, from participating in needs-tested programs under this Committee's jurisdiction, and other jurisdictions. As reported from Committee, H.R. 999, restricts legal aliens from eligibility for seven (7) needs-tested programs, and allows them to participate in other programs, under certain well-defined circumstances.

Section 301(a)(2) declares legal aliens ineligible for seven (7) programs under the Committee's jurisdiction: (1) the Older American Community Service Employment Act; (2) congregate and home-delivered meals under Title III of the Older Americans Act of 1965; (3) the Foster Grandparents program under the Domestic Volunteer Service Act of 1973; (4) the Senior Companions program under the Domestic Volunteer Service Act of 1973; (5) the Low-Income Energy Assistance Act of 1981; (6) the Community Service Block Grant Act; (7) the Child Care and Development Block Grant Act of 1990 as amended by the bill.

First, the Committee wishes to reiterate that citizenship is a privilege, and with it come certain benefits and opportunities not accorded to others. While the ideal would be for citizens and legal aliens to share alike in Federal assistance programs, that is no longer feasible. With a Federal deficit of over $200 billion, and a National Debt of $4.8 trillion, the Federal government can no longer provide assistance to the extent that it once did. Federal resources are limited. Accordingly, the Committee has chosen to limit eligibility for the above seven (7) program to citizens.

Second, if sponsors of legal aliens were living up to their express financial commitments in their signed affidavits of support, many legal aliens would not need to seek Federal benefits under these seven (7) programs.

Third, not all aliens who are lawfully present in the United States are ineligible for the programs. Under the bill, refugees may fully participate during their first five (5) years in the Country. Likewise, legal aliens who are at least age seventy-six (76), who have been lawfully admitted for permanent residence, and who have resided in the United States for at least five (5) years would be eligible. Finally, if a legal alien is residing in the United States on the date of enactment of this bill, and is eligible for the program on that date, the person is eligible.

With respect to the ineligibility of aliens for child care assistance under the Child Care and Development Block Grant, the Commit-

tee intends that where either the parent or child in a family is a citizen, then the family would be eligible for child care assistance. For example, if the parent were a legal alien, but the child were a citizen, the family would be eligible. Likewise, if the parent were a citizen, but the child were a legal alien, the family would be eligible.

The Committee is also aware of special situations which may arise with respect to weatherization assistance under the Low-Income Energy Assistance Act of 1981 (LIHEAP). For example, some landlords in multi-family apartment complexes currently receive benefits under LIHEAP. It is the intent of the Committee that the landowner/recipient (direct beneficiary) of the energy assistance, not be required to determine the citizenship status of all the tenants. In the foregoing context, the status of the landowner/recipient would be operative for purposes of this Title.

Section 301(a)(3). Restricting eligibility for higher education programs and job training programs to certain lawful resident aliens

Under current law, aliens who are permanent residents or who can provide evidence from the Immigration and Naturalization Service of their intent to become a permanent resident are generally eligible for student aid under the Higher Education Act. Similarly, with respect to the Job Training Partnership Act, lawfully admitted permanent resident aliens, lawfully admitted refugees and parolees, and certain other individuals authorized by the Attorney General to work in the United States are eligible to participate.

Section 301(a)(3) generally restricts alien eligibility for higher education assistance and job training to those who are "lawful resident aliens" as defined in the bill, and who have active duty military service or who have filed an application for naturalization. With respect to the military, the alien must meet one of three conditions: (1) be an honorably discharged veteran; (2) be on active duty in the military; or (3) be the spouse or unmarried dependent child of the honorably discharged veteran or person on active duty military. Lawful resident aliens are defined as lawful permanent residents (typically green card holders), refugees (under 301(c)(1) this is limited to refugees who have been in the United States for more than 5 years), asylees, certain persons whose deportation has been withheld, and persons who have been paroled into the United States for over a year. Thus, these restrictions narrow the existing eligibility criteria of aliens.

Section 301(a)(3) was included in the bill to recognize the special nature and role of higher education assistance and job training, and to make special provision for those who have made a commitment to the United States—either through military service or through filing an application for naturalization.

Given the many and complex categories of aliens under immigration law, and varying court interpretations of what constitutes a person residing in this Country "under color of law", the Committee has chosen to create a well-defined category of eligible aliens known as lawful resident aliens. The term "lawful resident alien" is a subset of the class of aliens lawfully present in the United

States. Generally, the term lawful resident alien, as defined in the bill, encompasses the largest numbers of legal aliens.

As with the prohibitions in previously-mentioned subsections, the Committee believes that in a time of increasingly limited Federal resources, citizens should be provided for first. This subsection results in savings of $140 million over five (5) years.

Section 301(a)(4). Legal aliens eligible for homeless assistance and nutrition assistance

Section 301(a)(4) specifically declares that aliens who are lawfully present in the United States are not ineligible for emergency food and shelter grants, the family nutrition block grant, and the school-based nutrition block grant.

The Committee has included this provision to ensure that there be no question about legal aliens remaining eligible for each of the three programs. The Committee recognizes that each of the three programs present special circumstances which warrant provision for eligibility. Emergency situations can suddenly arise with respect to a need for food and shelter, and in that case, no distinction should be made between citizens and legal aliens. Similarly, because of the importance of sound nutrition to the well-being of children, the Committee believes legal aliens should be eligible to participate to the same extent as citizens in the two nutrition block grants.

Section 301(b)(1). Naturalization application filed or military service

Section 301(b)(1) of the bill, as amended, sets forth conditions under which "lawful resident aliens" are eligible for certain higher education benefits and job training assistance. The conditions are the lawful resident alien must have an application pending for naturalization or meet one of the following three conditions: (1) be an honorably discharged veteran; (2) be on active duty in the military; or (3) be the spouse or unmarried dependent child of the honorably discharged veteran or person on active duty military.

As earlier mentioned in this report in Section 301(a), the Committee believes that active duty military service represents a special commitment to this Country and warrants eligibility for student aid and job training assistance. Similarly, filing an application for naturalization shows that an alien is actively pursuing citizenship status, and should be accorded eligibility for student aid and job training.

Section 301(b)(2). Lawful resident alien defined

Section 301(b)(2) of the bill, as amended, defines the term "lawful resident alien" for purposes of student aid under the Higher Education Act and job training assistance under the Job Training Partnership Act.

The Committee has included a carefully defined category of legal aliens known as lawful resident aliens. For purposes of the bill, lawful resident aliens refers to categories of aliens under immigration law such as permanent residents, refugees, asylees, and others. Had the Committee chosen to use a general reference to legal aliens or persons lawfully present in the United States, the unto-

ward effect could have been the broadening of eligibility of legal aliens for higher education and job training assistance beyond what it is under current law. For example, persons here on temporary protected status or on a student visa are lawfully present in the United States, but are not currently eligible for student aid. Without the limiting definition of lawful resident alien, these two groups would have been considered eligible under the bill.

Section 301(c)(1). Exception for refugees

Section 301(c)(1) provides an exception for refugees to all restrictions on eligibility of aliens. What this subsection means is that for the first five (5) years after arrival, a refugee is eligible to participate fully in all twenty-three (23) programs.

By including this exception, the Committee recognizes the special circumstances of refugees, who are here in this Country because of persecution or a well-founded fear of persecution in their home country.

Section 301(c)(2). Exception for certain long-term, permanent resident, aged aliens

Section 301(c)(2) provides that the restrictions on eligibility for higher education benefits and job training assistance in Section 301(a)(3), and assistance provided under older American and other programs in Section 301(a)(2) shall not apply to persons who have been lawfully admitted to the United States for permanent residence, who are at least seventy-six (76) years of age, and who have resided in the United States for at least (5) years.

By including this exception, the Committee acknowledges the special circumstances of the elderly who have not yet attained citizenship status, but who are permanent residents.

Section 301 (c)(3). One year exception

Section 301(c)(3) of the bill, as amended, provides that the restrictions on eligibility for higher education benefits and job training assistance in Section 301(a)(3), and assistance provided under older American and other programs in Section 301(a)(2), shall not apply until one(1) year after the date of enactment, in the situation where the legal alien is residing in the United States on the date of enactment and is eligible for the program.

By including this exception, the Committee acknowledges situations where, for example, college or university students who receive student loans may be in the middle of a school year at the time of enactment of this bill. Allowing a one year period prior to application of the new restrictions, is consistent with an orderly implementation.

Section 302. Notification

Section 302 provides for notification to the public and program recipients of the changes in the bill.

The Committee has provided a notification requirement to ensure that the changes in eligibility reach the public.

Section 303. Rule of Construction

Section 303 restates the understanding under current law that the term alien does not include nationals of the United States (American Samoans). This is reflective of and consistent with the definition of aliens in Section 101(a)(3) of the Immigration and Nationality Act.

The Committee has included this section at the request of Representative Patsy Mind, who offered Section 303 as an amendment to the committee substitute bill. The amendment was approved by voice vote.

This section re-states current law and ensures that the restrictions on aliens do not apply to American Samoans who are nationals of the United States.

TITLE IV.—MANDATORY WORK REQUIREMENTS

Representative Tim Hutchinson offered an amendment to section 401, which was accepted by voice vote.

The revised title IV of H.R. 999, as reported by this Committee, would replace the Job Opportunities and Basic Skills (JOBS) program with new mandatory work requirements. This Committee's provisions augment the AFDC cash assistance block grant which is being established by the Committee on Ways and Means. It also enhances the provisions of the language marked up by the Ways and Means Human Resources Subcommittee on February 15 which would require States to meet minimum participation in State-defined "work activities".

A concern of many of this Committee's members with the Subcommittee's proposal was that it was too flexible in the definition of "work activities", and as such, gave States the option of greatly weakening their commitment to requiring work. It was this Committee's view that work requirements for recipients of welfare should be strengthened by defining the term "work activities", setting minimum number of hours for participation, and requiring higher participation rates than those proposed by the Ways and Means, Human Resources Subcommittee.

A more detailed overview of the Committee view on the specific provisions of the mandatory work program follows:

WORK REQUIREMENTS

Section 481(a)(1) declares that the work requirements are applicable to all families receiving cash assistance under Part A of the Social Security Act. This is significant departure from past and current welfare to work proposals (including the JOBS program), which prescribe to States the definition of "able-bodied" individuals for the purposes of mandating work. It is the Committee's intention that States will establish their own standards and requirements for participation in work and work activities. It is not the intention that individuals (such as severely mentally and incapacitated persons), be required to participate in work programs.

PARTICIPATION RATES

This proposal sets forth the requirement that States meet minimum participation rates in work programs with respect to all fami-

lies receiving assistance under the State program funded under Part A of the Social Security Act. These rates are as follows: 1996—4%; 1997—4%; 1998—8%; 1999—12%; 2000—17%; 2001—29%; 2002—40%; 2003 or thereafter—50%. Participation rates act as a relatively simple standard for measuring and ensuring the commitment of States in preparing and moving recipients off from welfare and into the workforce. Under the JOBS program, 20% of "able-bodied" AFDC recipients are required to participate. Under the current definition of "able-bodied," nearly one-half of all adult recipients (roughly 1.8 million) are exempt. The non-exempt recipients are put into the "JOBS mandataries" group, and it is from this group that the percentages for the JOBS participation rate applies. Hence, States and local welfare agencies have an economic incentive to remain low because the smaller the pool of "able-bodied" adults, the easier it is to meet the participation rates, and prevent funding penalties. The result is a "game" forced upon local welfare agencies to find the disability, shortcoming, or reason not to provide day care, to a recipient so they may be exempt. Of course, it can only be assumed that all of the extra energy going into manipulating these numbers is simply taking away from funds much better spent or saved. This system of measurement also gives a false impression to the public that one in five adults on welfare is participating in the JOBS program, when in fact, the number is just half that.

Under the proposed changes in this section, the method of measuring participation rates removes these perverse outcomes, and provides "truth in numbers" on the rate of participation. This is made possible by eliminating the Federal definition of "able-bodied" and giving this responsibility back to the States (as discussed above). States will however, be required to meet the new participation rates which as a percentage are lower in the first years reflecting the fact that it is a percentage of a much larger universe than the "able-bodied" population used under JOBS. As a result, in 1999 for example, when the participation rate is 12%, it will mean that 12% of all adult heads of households receiving welfare, will truly be participating in work activities. For States and local welfare agencies, it also removes the practice of manipulating the eligible pot of recipients, and for recipients, it will mean that the States will not have an incentive to providing them with an easy excuse not to have to participate in a qork activity.

CREDIT FOR CASELOAD REDUCTIONS

Section 481(a)(1)(B) allows States to receive credit for welfare caseload reduction for the purposes of meeting the participation requirements. States are able to count net reductions in the caseload below the 1995 baseline as participation. This provision, in effect, provides States with the ability, and in fact the incentive, to do away with the concept of measuring participation rates, (which is by and large a "process" measurement), and move toward having their performance based on a true outcome—a reduction in welfare dependency, a goal in which no one can argue.

TWO-PARENT FAMILIES

Section 481(a)(2) imposes strict work requirements for two-parent families receiving AFDC. The Committee feels that there is strong evidence to suggest that strict work requirements greatly reduces welfare dependency for this population. As such, these provisions require that States ensure that in a minumum of 50% (moving to 90% in 1998) of two-parent families, one parent is participating in unsubsidized employment, subsidized private sector employment, or subsidized public sector employment or work experience if sufficient private sector employment is not available. These participants also count towards the total required participation rates outlined above. In order to be counted toward the participation rate, participants must be engaged in these work activities for a minimum of 35 hours per week, although up to 8 hours of this may be attributable to participation in job search.

DEFINING PARTICIPATION—MINIMUM HOURS, WORK ACTIVITIES

The Committee recognizes the need to properly define the minimum number of hours and the allowable activities in order for recipients to be counted towards participation. Without these common elements, States could not be properly held accountable for their performance in achieving the participation rates. For example, if one state were to define participation as one-hour of basic education a month, and a second state defined it as 40 hours of private sector employment a week, it would obviously not be fair to penalize the second state to the same degree as the first for failure to meet the required participation rate.

The Committee believes that the minimum average number of hours recipients should be required to work should be on a sliding scale beginning at 20 hours and moving up to 35 hours by the year 2003. This range of hours allows States time to transition into meeting these requirements, yet places an emphasis on ensuring that a good portion of the recipient's week is spent in a productive activity.

The allowable work activities reflect the Committee's belief that the option of work should be first. It is the Committee's strong belief that every adult on welfare, or applying for welfare should first be directed towards placement into unsubsidized employment through job search assistance. In the event that unsubsidized employment can not be found, attempts should be made to find subsidized private sector employment. Only when these options have failed should attempts be made for placement into subsidized public sector employment or work experience be made. (On-the-job training may fit into any one of these).

The Committee believes that education and training should also constitute allowable work activities, but with several restrictions. First, recipients should not be placed into such programs until they have first participated or are participating in one or more of the work activities described above. Secondly, any education or training should be directly related to employment. The Committee believes that this model of work-first has the most promise in truly changing the nature of this nation's current welfare-to-work initiatives.

The Committee also recognizes the fact that a vast number of individuals who end up as long-term welfare recipients are those who have not obtained a high school diploma. Therefore, the Committee gives States the ability to count as a work activity, "satisfactory attendance at secondary school" in the case of an individual who has not completed secondary school and is a dependent child, or head of household who has not reached the age of 20.

PENALTIES

The Committee believes that States should have the flexibility in determining the level of sanctions imposed upon individuals refusing to participate in work requirements. Therefore, the language includes only the requirement that individuals refusing to participate have, at a minimum, their cash assistance reduced to a level lower than would otherwise be paid. However, in cases of adults in 2-parent families refusing to participate, the State must impose a reduction in cash assistance pro rate with respect to any period during the month for which the adult has failed to meet the requirements.

The Committee believes that States should also be held accountable for meeting the participation rates set forth under this proposal. The Committee language establishes penalties for States failing to meeting the required participation rates—a penalty equal to not more than 5 percent of the amount of the (AFDC) grant otherwise payable to the State in the following year. This section also requires that the Secretary impose the penalties upon States based on the degree of noncompliance and additionally limits the Secretary in the regulation the conduct of States with respect to penalties applicable to States for not meeting the required participation rates.

The Committee feels strongly that in complying with the mandatory work requirements, States should assign the highest priority to requiring families that include older preschool or schoolage children to be engaged in work activities.

The Committee recognizes that in order to have the capacity to measure the effectiveness of this implementation of this proposal, the Secretary shall have the authority to conduct research, evaluations, and national studies on the mandatory work requirements.

Title IV.—Child Protection/Child Welfare

In addressing the crisis in Child Protection/Child Welfare, the Committee has consulted closely with the Committee on Ways and Means on the development of a new block grant, the Child Protection Block Grant, which will consolidate multiple programs to prevent child abuse and neglect, provide family services, and assist in paying for foster care placements and adoption expenses.

Title IV of the Welfare Reform Consolidation Act repeals a number of child abuse and neglect prevention and adoption assistance programs under the jurisdiction of the Committee on Economic and Educational Opportunities. The Ways and Means Committee, in its legislation on welfare reform, is creating a comprehensive Child Protection Block Grant to assist States in preventing child abuse and neglect, provide family services, and assist families with foster

care and adoption expenses. The functions of the Child Protection Block Grant dealing with child abuse and neglect prevention and adoption assistance will replace the narrow purposes of the programs being repealed under the Committee on Economic and Educational Opportunities.

The following is an explanation of concerns brought to the attention of the Committee and how the new Child Protection Block Grant will address these concerns.

CHILD ABUSE PREVENTION AND TREATMENT ACT

The Committee believes that several unintended effects on the child protection/child welfare system that have resulted from the National Center on Child Abuse and Neglect's (NCCAN) implementation of CAPTA will be resolved though the consolidation of CAPTA into the Child Protection Block Grant.

ISOLATION OF NCCAN

The 1991 report of the U.S. Advisory Board on Child Abuse and Neglect noted that, "within the social services component of Department of Health and Human Services, NCCAN has had remarkably little impact on the huge Title IV–B, Title IV–E and Title XX programs which provide the largest Federal share of State and local CPS (child protective services) funding."

The report continued, "the approach which the Federal Government has pursued in child protection—vesting a small agency with authority for Federal leadership—has led to the inadequate involvement in child protection efforts by public health, mental health, substance abuse, developmental disabilities, justice, education, and community development agencies. No one agency can be expected to deal adequately with a problem as complex as child abuse and neglect, even if it labeled as 'national.'"

The Committee is confident that the new Child Protection Block Grant, with significant resources and a unified federal focus, will ensure that significant attention is given to child abuse and neglect at both the federal and the State levels.

LACK OF UNIFIED RESEARCH

According to the Advisory Board, "over the last decade, most NCCAN demonstration projects have not had a scientifically sound evaluation component. Nor has NCCAN created a mechanism for assuring that the results of those few demonstrations that have had an evaluation component are translated into practice."

The Child Protection Block Grant will provide a source of unified data collection from each State, and will also provide the Department of Health and Human Services with funding for research and evaluations. Applying this research to a comprehensive framework of child protection will significantly enhance the quality of research.

INCREASING REPORTS OF ABUSE AND NEGLECT

In order to be eligible for a State grant under CAPTA, States must meet certain requirements such as having mandatory report-

ing systems and providing for the confidentiality of victims and their families.

All States now have laws that mandate designated professionals to report specific types of child maltreatment. Under threat of civil and criminal penalties, these laws require most professionals who serve children to report suspected child abuse and neglect. About 20 states required all citizens to report, and in all states, any citizen is permitted to report.

In 1993, about three million reports of suspected abuse or neglect were made. This is a 20-fold increase since 1963, when about 150,000 reports were made to the authorities. The public and professional definition of child maltreatment seem to have expanded to include more cases of "moderate" harm to children.

The Committee is concerned that only ⅓ of reports of abuse and neglect are substantiated. Based on this figure, in 1986 anywhere from 1.9 to 3.8 million Americans were investigated by state child protective services for abuse that could not be substantiated. True, some unsubstantiated reports may have been actual cases of abuse or neglect, but for which the abuse could not be proven. But there is obviously a serious problem when such a preponderance of alleged abuse and neglect is unsubstantiated.

The Child Protection Block Grant maintains a general requirement that States have laws requiring reporting by officials and professionals. However, the content of such laws will not be subject to micro-management by NCCAN officials. The Committee believes that the Child Protection Block Grant will give States greater flexibility in targeting investigations and services toward the more serious allegations of abuse, and not force States to give the same weight of resources to more minor allegations of abuse that are often unsubstantiated.

ISSUE: IMMUNITY FROM PROSECUTION

CAPTA requires, as part of a State's eligibility for funding, that the State have a system that provides full immunity for all reporters of suspected child abuse. Almost two thirds of reported abuse and neglect is unsubstantiated, and there seems to be an increasing trend of estranged spouses using charges of abuse against the ex-spouse to gain custody of children, especially as custody settlements have become less predictable in their outcome. Other psychologists also purport that the immunity provisions have fueled the growth of controversial "recovered memories" of abuse by adult children and "suggested" memories of abuse by young children.

In recent years, proposals had been made to revise CAPTA to require States to have laws that would allow for the prosecution of persons who knowingly file false abuse charges against another. While many believe this reform would be a move in the right direction, it is also recognized that it would be difficult to prove malicious intent in court. Others have also expressed concern that an over-reaching reform of immunity protections might stifle valid reporting of suspected abuse and neglect and place children at greater risk.

The Child Protection Block Grant does not include an immunity requirement; thus, States would be allowed to modify immunity provisions to address specific concerns. The Committee believes

that giving States the ability to make necessary modifications to their own State laws rather than establishing a national exception to immunity is the most appropriate way to address this complex, controversial issue.

RELIGIOUS EXEMPTION FOR ALTERNATIVE MEDICINE

Some religious groups, most notably the Church of Christian Science, have expressed concern that the Department of Health and Human Services may be misinterpreting the CAPTA provisions regarding medical neglect. CAPTA allows, but does not require, States to exempt parents from prosecution on grounds of medical neglect if the parent was employing alternative means of healing as part of the parent's religious practice. CAPTA requires the state to have procedures in place to report, investigate and intervene in an emergency situation and provide necessary medical care.

In recent years, HHS has moved to disqualify certain States from CAPTA funding based on the State's application of the religious exemption for medical neglect. In the Fiscal Year 1995 Labor/HHS/Education appropriations bill, Congress placed a one-year moratorium to prevent HHS from enforcing its policy. The Child Protection Block Grant does not include a definition of medical neglect. This will allow States to address this sensitive issue of religious practice and medical neglect in a way that best reflects the unique values and practices within a particular State.

Other laws under the jurisdiction of the Committee on Economic and Educational Opportunities to be consolidated in the Child Protection Block Grant.

Crisis Nursery Act: The Child Protection Block Grant would allow States to provide funding to crisis nurseries to provide short-term care for abused/neglected children or those at risk of abuse.

Abandoned Infants Assistance Act: The Committee expects that the discretionary services and training activities under this program can be provided under the Child Protection Block Grant.

Family Support Centers: Services to families can be provided under the Child Protection Block Grant.

Missing and Exploited Children's Act: During mark-up, the Committee adopted an amendment to maintain the Missing and Exploited Children's Act for five additional years. The Child Protection Block Grant, reported by the Ways and Means Committee, includes an alternative provision that would provide $3 million for a national toll-free hotline and national resource center and clearinghouse.

Grants to Improve the Investigation and Prosecution of Child Abuse Cases: Under the Child Protection block grant, States can provide grants to train attorneys and others involved in the criminal prosecution of child abuse cases.

Grant for Children's Advocacy Centers: Under the Child Protection Block Grant, States can provide grants to establish free-standing facilities to provide support to child abuse victims and their families.

Grants for Treatment for Juvenile Offenders Who are Victims of Child Abuse/Neglect: This program was never funded by Congress and is repealed.

Title V.—Related Provisions

Poverty data are used to allocate more than $20 billion in federal funds to State and local governments. Currently, the only reliable source of this data below the national level is the decennial census.

The Bureau of the Census, U.S. Department of Commerce does produce annual estimates of the number of people in poverty for the nation as a whole. The Census Bureau also reports State level poverty estimates each year, but does not consider those estimates to be sufficiently reliable for programmatic purposes.

Because intercensal small area poverty data which may be up to thirteen years old. This presents enormous problems for the formulation of sound and coherent policy at the federal level, and often results in large shifts of funding to State and local governments every 10 to 13 years. These shifts often have a destabilizing effect on program operations.

Clearly, there is a need for more up to date estimates on poverty at the state and local level. In addition, a comprehensive analysis of this data over time will help Congress formulate sound policy and better assess the effects of the policy it enacts. Sections 501 and 502 will give us these much needed tools.

SECTION-BY-SECTION ANALYSIS

Section 1 contains the short title of the bill.

Section 2 contains the table of contents.

Title I.—Child Care Block Grants

Section 101 contains amendments to the Child Care and Development Block Grant Act of 1990.

Section 101(a) amends section 658A of the Child Care and Development Block Grant of 1990 by inserting the words "AND GOAL" after "TITLE". Subsection (a) further amends 658A by inserting a new subsection (b) that includes five goals.

Section 101(b) amends Section 658B of the Act, AUTHORIZATION OF APPROPRIATIONS, and includes the following authorizations: $1,943,000,000 for each of fiscal years 1996, 1997, 1998, 1999 and 2000.

Section 101(c) amends 658D of the Act by changing the term "agency" to "entity", and by replacing the term "lead agency" with "lead entity" throughout the Act.

Section 101(d) amends Section 658E of the Act by changing the State plan application length from three years to two years; by changing "agency" to "entity"; by providing a detailed description of the procedures the State will implement to carry out the requirements of the subparagraph; changes "provide assurances" to "certify"; provides for a detailed description of parental access procedures; provides for a detailed description parental complaint requirements and how such requirements are effectively enforced; provides assurances for consumer education information; provides for description of compliance with regulatory requirements; strikes (F), (G), (H), (I), and (J); provides that States must certify that they have a program in place to report medical neglect of disabled infants; allows for a transfer of funds between social policy acts as authorized by section 658T; amends the child care activities a State

may use funds for; provides for a five percent limitation on administrative costs; provides for a summary of the facts relied on by the State to determine payment rates ensure access to services.

Section 101(e) makes a conforming amendment to section 658F health and safety requirements, limitations on State Allotments.

Section 101(f) repeals earmarked required expenditures by striking sections 658G and 658H.

Section 101(g) amends section 658I, Administration and Enforcement, by eliminating collection and publication of State child care standards once every three years.

Section 101(h) amends section 658J, spending of funds by State to allow States two years to obligate funds, rather than four years to expend funds.

Section 101(i) amends section 658K to include annual reports evaluation plans and audits; specifies information to be included in the data.

Section 101(j) amends provisions within section 658L, Report by the Secretary, to make such reports to Congress delivered every two years and requires the reports to be sent to the Speaker and President pro tempore.

Section 101(k) amends provisions within section 659O, Amounts Reserved, Allotments. Amends State Allotments, strikes Reallotment.

Section 101(l) amends section 658P, conforming the definition of "lead agency" to "lead entity." The section also inserts a new definition of "Child Care Services".

Section 101(m) inserts "section 658T", Transfer of Funds by allowing for the transfer of up to 20 percent of funds appropriated under the Child Care and Development Block Grant to one or more of the following: The Temporary Family Assistance Block Grant, School-Based Nutrition Block Grant, the Family Nutrition Block Grant, Child Protection Block Grant, Social Services Block Grant.

Section 102 contains repeals of child care assistance authorized by acts other than the Social Security Act.

Section 102(a) repeals Child Development Associate Scholarship Assistance Act of 1995.

Section 102(b) repeals State Dependent Care Development Grants Act.

Section 102(c) amends Programs of National Significance by deleting authority to provide child care services using program funds.

Section 102(d) repeals Native Hawaiian Family-Based Education Centers.

Section 103 contains repeals of certain child care programs authorized under the Social Security Act.

Section 103(a) deletes authorization for AFDC and Transitional Child Care Programs.

Section 103(b) deletes authorization for At-Risk Child Care Program.

Title II.—Family and School Based Nutrition Block Grants

SUBTITLE A.—GENERAL PROVISIONS

Section 201—Definitions. Provides definitions for "breastfeeding women," "economically disadvantaged," "infants," "postpartum,"

"pregnant women," "school," "Secretary," "State," "Tribal Organization," and "young children."

SUBTITLE B.—FAMILY NUTRITION BLOCK GRANT PROGRAM

Section 221—Authorizes funds to the States, establishes the goals of this subtitle, and provides for the timing of payments to States.

Section 222—Establishes a formula for allotment of funds among States for the fiscal years covered by this subtitle.

Section 223—Outlines the application requirements which a State must submit to the Secretary of Agriculture in order to receive funds under this Title.

Section 224—Sets forth the purposes for which funds provided under this Subtitle shall be used. Allows for the transfer of not more than 20 percent of the funds a State receives under this Subtitle to other block grants covered by this Act. Requires the appropriate State agency to make a determination that sufficient amounts will remain available in the block grant to carry out the purposes of this subtitle before funds can be transferred to another block grant.

Section 225—Outlines the information which States must provide to the Secretary of Agriculture each fiscal year in order to receive funds under this Subtitle.

Section 226—Sets forth penalties for violations of the requirements of this Subtitle.

Section 227—Provides for the development of model nutrition standards for food assistance for Pregnant, Postpartum and Breastfeeding Women, infants and children. Requires the National Academy of Sciences, Institute of Medicine, Food and Nutrition Board to develop such standards and to report to Congress on the efforts of States to implement such model nutrition standards.

Section 228—Establishes appropriations amounts for this Subtitle for fiscal years 1996 through 2000.

SUBTITLE C.—SCHOOL-BASED NUTRITION BLOCK GRANT PROGRAM

Section 251—Authorizes funds to the States, sets forth a requirement regarding the portion of each State's allotment to be made in the form of commodities, establishes a funding amount for this Subtitle for fiscal years 1996 through 2000, sets forth program goals, and provides for the timing of payments to the States.

Section 252—Establishes a formula for the allotment of funds to the States for the fiscal years covered by this Subtitle.

Section 253—Outlines the application requirements which a State must agree to in order to receive funds under this Subtitle.

Section 254—Sets forth the purposes for which funds under this Subtitle may be used. Allows for the transfer of not more than 20 percent of the funds a State receives under this Subtitle to other block grants covered by this Act. Requires the appropriate State agency to make a determination that sufficient amounts will remain available in the block grant to carry out the purposes of this subtitle before funds can be transferred to another block grant. Prevents States from requiring certain school districts to receive a portion of their allotment in the form of commodities. Prohibits the physical segregation, overt identification or other forms of discrimi-

nation against children eligible for free or low cost meals or supplements.

Section 255—Outlines the information which States must provide to the Secretary each fiscal year in order to receive funds under this Subtitle.

Section 256—Sets forth penalties for violations of the requirements of this Subtitle.

Section 257—Provides for a waiver of State law prohibiting assistance to children enrolled in private elementary and secondary schools.

Section 258—Provides for the development of model nutrition standards for meals for students. Requires the National Academy of Sciences, Institute of Medicine, Food and Nutrition Board to develop such standards and to report to Congress on the efforts of States to implement such model nutrition standards.

SUBTITLE D.—MISCELLANEOUS PROVISIONS

Section 291—Repeals the Child Nutrition Act of 1966, the National School Lunch Act, the Commodity Distribution Reform Act and WIC Amendments of 1987, and the Child Nutrition and WIC Reauthorization Act of 1989.

Title III.—Restricting Alien Eligibility for Certain Education, Training, and Other Programs

Section 301(a)(1) bars illegal aliens from eligibility for the following programs: Older American Community Service Employment Act, congregate and home-delivered meals under Title II of the Older Americans Act of 1965, the Foster Grandparents program under the Domestic Volunteer Service Act of 1973, the Senior Companions program under the Domestic Volunteer Service Act of 1973, the Low-Income Energy Assistance Act of 1981, the Community Service Block Grant Act, the Child Care and Development Block Grant Act of 1990 as amended by the bill, Basic Educational Opportunity Grants (Pell Grants), Federal Supplemental Education Opportunity Grants, Grants to Schools for State Student Incentives, the High School Equivalency Program (HEP) and College Assistance Migrant Program (CAMP), the Federal Family Education Loan Program (Stafford loans), Federal Work-Study Program, Federal Direct Loan Demonstration Program, Federal Perkins Loans, graduate programs under Title IX of the Higher Education Act (Grants to Institutions and Consortia to Encourage Women and Minority Participation in Graduate Education, Patricia Roberts Harris Fellowships Program, Jacob K. Javits Fellowship Program, Graduate Assistance in Areas of National Need, Faculty Development Fellowship Program, Assistance for Training in the Legal Profession, Law School Clinical Experience Programs), job training for disadvantaged adults under the Job Training Partnership Act (JTPA), job training for disadvantaged youth under JTPA, Job Corps, summer youth and employment training under JTPA, emergency food and shelter grants under Title III of the Stewart B. McKinney Homeless Assistance Act, the Family Nutrition Block Grant, and School-Based Nutrition Block Grant.

Section 301(a)(2) declares legal aliens ineligible for the following programs: Older American Community Service Employment Act, congregate and home-delivered meals under Title III of the Older Americans Act of 1965, the Foster Grandparents program under the Domestic Volunteer Service Act of 1973, the Senior Companions program under the Domestic Volunteer Service Act of 1973, the Low-Income Energy Assistance Act of 1981, the Community Service Block Grant Act, and the Child Care and Development Block Grant Act of 1990.

Section 301(a)(3) declares legal aliens ineligible for twelve (12) higher education and job training programs unless the alien is a "lawful resident alien" as defined in Section 301(b)(2) of the bill and has either: (1) an application pending for naturalization; or (2) is an honorably discharged veteran, on active duty in the military, or is the spouse or unmarried dependent child of the honorably discharged veteran or person on active duty military. The twelve (12) higher education and job training programs are Basic Educational Opportunity Grants (Pell Grants), Federal Supplemental Education Opportunity Grants, Grants to Schools for State Student Incentives, the Federal Family Education Loan Program (Stafford loans), Federal Work-Study Program, Federal Direct Loan Demonstration Program, Federal Perkins Loans, graduate programs under Title IX of the Higher Education Act (Grants to Institutions and Consortia to Encourage Women and Minority Participation in Graduate Education, Patricia Roberts Harris Fellowships Program, Jacob K. Javits Fellowship Program, Graduate Assistance in Areas of National Need, Faculty Development Fellowship Program, Assistance for Training in the Legal Profession, Law School Clinical Experience Programs), job training for disadvantaged adults under the Job Training Partnership Act (JTPA), job training for disadvantaged youth under JTPA, Job Corps, and summer youth and employment training under JTPA.

Section 301(a)(4) specifically declares legal aliens eligible for three (3) needs-tested programs. They are emergency food and shelter grants under Title III of the Steward B. McKinney Homeless Assistance Act, and the Family Nutrition Block Grant and School-Based Nutrition Block Grant created under this bill.

Section 301(b)(1) sets forth conditions under which "lawful resident aliens" are eligible for certain higher education benefits and job training assistance. The conditions are the lawful resident alien must have an application pending for naturalization or meet one of the following three conditions: (1) be an honorably discharged veteran; (2) be on active duty in the military; or (3) be the spouse or unmarried dependent child of the honorably discharged veteran or person on active duty military.

Section 301(b)(2) defines the term "lawful resident alien" as any of the following: a lawfully admitted permanent resident (as defined in Section 101(a)(20) of the Immigration and Nationality Act (INA)), a refugee under Section 207 of the INA, an asylee under Section 208 of the INA, a person whose deportation has been withheld under Section 243(h) of the INA, or a parolee under Section 212(d)(5) of the INA. In the case of a parolee, the person must have been paroled into the United States for over a period of at least one year.

Section 301(c)(1) provides that the restrictions on eligibility for higher education benefits and job training assistance in Section 301(a)(3), and assistance provided under older American and other programs in Section 301(a)(2) shall not apply to refugees during their first five (5) years in the United States.

Section 301(c)(2) provides that the restrictions on eligibility for higher education benefits and job training assistance in Section 301(a)(3), and assistance provided under older American and other programs in Section 301(a)(2) shall not apply to persons who have been lawfully admitted to the United States for permanent residence, who are at least seventy-six (76) years of age, and who have resided in the United States for at least (5) years.

Section 301(c)(3) provides that the restrictions on eligibility for higher education benefits and job training assistance in Section 301(a)(3), and assistance provided under older American and other programs in Section 301(a)(2), shall not apply until one (1) year after the date of enactment, the situation where he legal alien in residing in the United States on the date of enactment and is eligible for the program.

Section 302 requires Federal agencies who administer programs under the title to notify the public and program recipients of the new restrictions on alien eligibility.

Section 303 restates the understanding that the term "alien" does not include nationals of the United States (American Samoans).

Title IV.—Other Repealers and Conforming Amendments

Section 401(a) strikes Part F of the Social Security Act (the JOBS program) and inserts a new part F—Mandatory Work requirements. Under the new Part F, Section 481(a) sets forth the participation rate requirements with the following sections:

"Section 481(a)(1) declares that the work requirements are applicable to all families receiving cash assistance under Part A of the Social Security Act. Section 481(a)(1)(A) sets forth the requirement that States meet minimum participation rates in work programs with respect to all families receiving assistance under the State program funded under Part A of the Social Security Act. These rates are as follows: 1996—4%; 1997—4%; 1998—8%; 1999—12%; 2000—17%; 2001—29%; 2002—40%; 2003 or thereafter—50%.

"Section 481(a)(1)(B) allows States to receive credit for welfare caseload reduction for the purposes of meeting the participation requirements. States are allowed to count net reductions in the caseload below the 1995 baseline as participation.

"Section 481(a)(1)(C) defines the participation rate for single parents receiving cash assistance. Section 481(a)(1)(C)(i) clarifies that the "average monthly rate", for purposes of counting participation, is equal to the average of the participation rates of the State for each month in the fiscal year. Section 481(a)(1)(C)(ii) defines how States shall calculate their monthly participation rate. Specifically, this rate is equal to the total number of families receiving cash assistance and engaged in work activities, divided by the total number of families receiving cash assistance.

"Section 481(a)(2) sets additional mandatory work requirements for two-parent families. Section 481(a)(2)(A) requires that States

meet higher participation rates in work programs for at least one percent in a two parent family. These rates are as follows: 1996—50%; 1997—50%; 1998 or thereafter, 90%. Section 481(a)(2)(B) defines the participation rate for two-parent families. Section 481(a)(2)(B)(i) clarifies that the "average monthly rate", for purposes of counting participation, is equal to the average of the participation rates of the State for each month in the fiscal year. Section 481(a)(2)(B)(ii) defines how States shall calculate their monthly participation rate. Specifically, this rate is equal to the number of two-parent families receiving cash assistance and engaged in unsubsidized employment; subsidized private sector employment; or, subsidized public employment or work experience only if sufficient private sector employment is not available (for an average of 35 hours per week during the month, not more that 8 hours per week of which may be attributed to participation in job search assistance), divided by the total number of families receiving cash assistance.

"Section 481(b) includes definitions of key terms and concepts. Section 481(b)(1) defines what constitutes 'engaged' in work activities for the purposes of counting towards a States participation rate. Specifically, a recipient must be participating, and making progress in work activities (as defined), for a minimum average number of hours for any given year. For 1996, the minimum is 20 hours; 1997—20; 1998—20; 1999—25; 2000—30; 2001—30; 2002—35; 2003 or thereafter—35 hours.

"Section 481(b)(2) defines 'work activities' for the purposes of constituting participation. Specifically, work activities is defined as: unsubsidized employment; subsidized private sector employment; subsidized public sector employment or work experience (only if sufficient private sector employment is not available); on-the-job training; job search and job readiness assistance; education or job skills training directly related to employment (however, a participant must have participated, or be participating in one of the previously mentioned activities prior to engaging in these activities, or has reached the age of 20 and has not received a diploma or certificate of high school equivalency). States also have the option of including 'satisfactory attendance at secondary school' in the case of an individual who has not completed secondary school and is a dependent child, or head of household who has not reached the age of 20.

"Section 481(c) sets forth penalties for States and individuals not meeting the requirements of this part. Section 481(c)(1) sets the specific penalties for individuals not meeting the requirements. Section 481(c)(1)(A) requires States to reduce (at a minimum) the amount of cash assistance otherwise to be paid to a recipient under the program, in the case of refusal to participate in a work program. Section 481(c)(1)(B) sets different penalties for adults in 2-parent families refusing to participate. This penalty is reduction in cash assistance pro rata with respect to any period during the month for which the adult has failed to meet the requirements.

"Section 481(c)(1)(C) limits the Secretary in the regulation the conduct of States with respect to penalties applicable to States for not meeting the required participation rates. Section 481(c)(2), establishes penalties for States failing to meet the required participa-

tion rates—a penalty equal to not more than 5 percent of the amount of the (AFDC) grant otherwise payable to the State in the following year. Section 481(c)(2)(B), requires that the Secretary impose the penalties upon States based on the degree of noncompliance.

"Section 481(d) is a Sense of the Congress, that in complying with the mandatory work requirements, States should assign the highest priority to requiring families that include older preschool or schoolage children to be engaged in work activities.

"Section 482 provides for Research, Evaluations, and National Studies. Section 482(a) allows the Secretary to conduct research on the effects, costs, and benefits of State programs funded under part A. Section 482(b) allows the Secretary to develop and evaluate innovative approaches to employing welfare recipients. Section 482(c) allows the Secretary to conduct studies of the caseloads of States operating cash assistance welfare programs. Section 482(d) requires the Secretary to develop innovative methods in the dissemination of any research, evaluations or studies conducted pursuant to this part."

Section 401(b) includes conforming amendments to the work requirement amendments.

Section 402 contains amendments to laws relating to child protection block grant.

Section 402(a) repeals the Abandoned Infants Assistance Act of 1988, contains a conforming amendment defining the term "boarder baby".

Section 402(b) repeals the Child Abuse Prevention and Treatment Act and contains conforming amendments to the Victims of Crime Act of 1984.

Section 402(c) repeals the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978.

Section 402(d) amends the Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986.

Section 402(e) amends the Missing Children's Assistance Act by re-establishing the national missing children's toll-free hotline and authorize such sums to be appropriated for fiscal years 1996 through fiscal year 2000.

Section 402(f) repeals Subtitle F of title VII of the Stewart B. McKinney Homeless Assistance Act.

Section 402(g) repeals Subtitle A of title II of the Victims of Child Abuse Act of 1990.

Title V.—Related Provisions

Section 501(a) requires the Secretary of Health and Human Services to produce and publish poverty estimates for each state, county, place (defined as local units of government for which data is produced in the decennial census), and school district. The data may be produced using any reliable method.

Section 501(b) requires tabulations of poverty by the number of children aged 5 to 17 for each school district. The first data under this section for states, counties, and local units of general government would be published in 1996, and at least every 2 years thereafter. The first data for school districts would be published in 1998, and at least every 2 years thereafter.

Section 501(c) allows the Secretary of Health and Human Services to aggregate school districts to the extent necessary to achieve reliable data. The section requires that aggregated data be appropriately identified and accompanied by a detailed explanation of the methodology used.

Section 501(d) requires the Secretary of Health and Human Services to notify Congress if the Secretary is unable to produce the required data for any geographic area specified in subsection (a), and to give the reasons for any such exclusion.

Section 501(e) directs the Secretary of Health and Human Services to use the same criteria relating to poverty, including periodic adjustments for inflation, that is currently used.

Section 501(f) requires the Secretary of Health and Human Services to consult with the Secretary of Education in producing poverty data for school districts.

Section 501(g) defines the term Secretary for purposes of this section to mean the Secretary of Health and Human Services.

Section 501(h) authorizes $1.5 million for each of fiscal years 1996, 1997, 1998, 1999, and 2000, to carry out the provisions of this section.

Section 502(a) requires the Secretary to produce data relating to participation in programs authorized by this Act by families and children, and allows this data to be produced by means of sampling, estimation, or other method which the Secretary determines will produce reliable data.

Section 502(b) requires data produced under this section to include changes in participation in welfare, health, education, and employment and training programs for families and children, the duration of such participation, and the causes and consequences of any changes in participation. Other required data shall include changes in employment status, income and poverty status, family structure and process, and children's well-being over time for families and children participating in Federal programs; as well as demographic data including household composition, marital status, relationship of householders, racial and ethnic designation, age, and educational attainment.

Section 502(c) requires that data produced under this section reflect the period 1993 through 2002, and that such data be produced as often as practicable during that time, but in no case later than December 31, 2003.

Section 502(d) defines the term "Secretary" for the purpose of this section to mean the Secretary of Health and Human Services.

Section 502(e) authorizes to be appropriated $2,500,000 in fiscal year 1996, $10,000,000 in fiscal years 1997 through 2002, and $2,000,000 in fiscal year 2003 to carry out this section.

Title VI.—General Effective Date; Preservation of Actions, Obligations, and Rights

Section 601 establishes the general effective date of the Act to be October 1, 1995.

Section 602 clarifies that amendments or repeals made by this Act shall not apply to powers, duties, functions, rights claims, penalties, or obligations applicable to financial assistance provided and

to administrative actions and proceedings commenced before the effective date.

OVERSIGHT STATEMENT

In compliance with clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the body of this report.

INFLATIONARY IMPACT STATEMENT

In compliance with clause 2(l)(4) of Rule XI of the Rules of the House of Representatives, the Committee estimates that the enactment into law of H.R. 999 will have no significant inflationary impact on prices and costs in the operation of the national economy. It is the judgment of the Committee that the inflationary impact of this legislation as a component of the federal budget is negligible.

OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

With respect to the requirement of clause 2(l)(3)(D) of Rule XI of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform and Oversight on the subject of H.R. 999.

COMMITTEE ESTIMATE

Clause 7 of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out H.R. 999. However, clause 7(d) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974.

APPLICATION OF LAW TO LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch. This bill provides funds to States for programs and services to eligible recipients; the bill does not prohibit legislative branch employees from otherwise being eligible for such services.

ROLLCALL VOTES ON AMENDMENTS AND REPORTED BILL

In compliance with clause 2(l)(2)(B) of rule XI of the Rules of the House of Representatives, the following statements are made concerning the votes of the Committee in its consideration of the bill, H.R. 999.

MOTION TO ORDER REPORTED H.R. 999, AS AMENDED

The bill, H.R. 999, as amended, was ordered favorably reported by a vote of 23 ayes to 17 noes, on February 23, 1995.

The rollcall vote was as follows:

AYES	NOES
Chairman Goodling	Mr. Clay
Mr. Petri	Mr. Miller
Mrs. Roukema	Mr. Kildee
Mr. Gunderson	Mr. Martinez
Mr. Fawell	Mr. Owens
Mr. Ballenger	Mr. Sawyer
Mr. Barrett	Mr. Payne
Mr. Cunningham	Mrs. Mink
Mr. Hoekstra	Mr. Reed
Mr. McKeon	Mr. Roemer
Mr. Castle	Mr. Engel
Mrs. Meyers	Mr. Becerra
Mr. Johnson	Mr. Scott
Mr. Talent	Mr. Green
Mr. Greenwood	Ms. Woolsey
Mr. Hutchinson	Mr. Romero-Barcelo
Mr. Knollenberg	Mr. Reynolds
Mr. Riggs	
Mr. Graham	
Mr. Weldon	
Mr. Funderburk	
Mr. Souder	
Mr. Norwood	

MOTION TO ADOPT THE AMENDMENT IN THE NATURE OF A SUBSTITUTE AS AMENDED

The Goodling substitute to the bill H.R. 999, was adopted with amendments (23 ayes to 17 noes) on February 23, 1995. The substitute establishes a single, consolidated source of federal child care funding; establishes a program to provide block grants to States to provide nutrition assistance to economically disadvantaged individuals and families and to establish a program to provide block grants to States to provide school-based food services to students; and, restricts alien eligibility for certain education, training and other programs.

The rollcall vote was as follows:

AYES	NOES
Chairman Goodling	Mr. Clay
Mr. Petri	Mr. Miller
Mrs. Roukema	Mr. Kildee
Mr. Gunderson	Mr. Martinez
Mr. Fawell	Mr. Owens
Mr. Ballenger	Mr. Sawyer
Mr. Barrett	Mr. Payne
Mr. Cunningham	Mrs. Mink
Mr. Hoekstra	Mr. Reed
Mr. McKeon	Mr. Roemer
Mr. Castle	Mr. Engel
Mrs. Meyers	Mr. Becerra
Mr. Johnson	Mr. Scott
Mr. Talent	Mr. Green
Mr. Greenwood	Ms. Woolsey

Mr. Hutchinson
Mr. Knollenberg
Mr. Riggs
Mr. Graham
Mr. Weldon
Mr. Funderburk
Mr. Souder
Mr. Norwood
Mr. Romero-Barcelo
Mr. Reynolds

VOTES ON AMENDMENTS

The Committee defeated an amendment (16 ayes to 20 noes with 1 Member passing) offered by Mr. Kildee to amend Title I, to require safe child care. States must provide an assurance that if the State requires parents of an eligible child to participate in employment, education or training activities as a condition of receiving assistance under Title IV of the Social Security Act, then the State must ensure that such child neither will be left alone nor receive unsafe child care services, while the parents participate in such activities.

The rollcall vote was as follows:

AYES	NOES	PASSING
Mr. Clay	Chairman Goodling	Mrs. Roukema
Mr. Miller	Mr. Gunderson	
Mr. Kildee	Mr. Fawell	
Mr. Williams	Mr. Ballenger	
Mr. Martinez	Mr. Barrett	
Mr. Owens	Mr. Cunningham	
Mr. Sawyer	Mr. Hoekstra	
Mrs. Mink	Mr. McKeon	
Mr. Andrews	Mr. Castle	
Mr. Reed	Mr. Johnson	
Mr. Roemer	Mr. Talent	
Mr. Engel	Mr. Greenwood	
Mr. Becerra	Mr. Hutchinson	
Mr. Scott	Mr. Knollenberg	
Ms. Woolsey	Mr. Riggs	
Mr. Romero-Barcelo	Mr. Graham	
	Mr. Weldon	
	Mr. Funderburk	
	Mr. Souder	
	Mr. Norwood	

The Committee defeated an amendment (18 ayes to 21 noes) offered by Mr. Miller of California to prevent the repeal of the Women, Infants and Children (WIC) program and exclude it from the Family Nutrition Block Grant.

The rollcall vote was as follows:

AYES	NOES
Mr. Clay	Chairman Goodling
Mr. Miller	Mrs. Roukema
Mr. Kildee	Mr. Gunderson
Mr. Williams	Mr. Fawell

Mr. Martinez	Mr. Ballenger
Mr. Owens	Mr. Barrett
Mr. Sawyer	Mr. Cunningham
Mr. Payne	Mr. Hoekstra
Mrs. Mink	Mr. McKeon
Mr. Andrews	Mr. Castle
Mr. Reed	Mrs. Meyers
Mr. Roemer	Mr. Johnson
Mr. Engel	Mr. Talent
Mr. Becerra	Mr. Greenwood
Mr. Scott	Mr. Hutchinson
Mr. Green	Mr. Knollenberg
Ms. Woolsey	Mr. Graham
Mr. Romero-Barcelo	Mr. Weldon
	Mr. Funderburk
	Mr. Souder
	Mr. Norwood

The Committee defeated an amendment (16 ayes to 22 noes and 1 voting present) offered by Mr. Clay to require that an enhanced minimum wage (increased by $.90 over two years) be paid to any recipients of AFDC participating in a work activity under the Job Opportunity and Basic Skills program.

The rollcall vote was as follows:

AYES	NOES	PRESENT
Mr. Clay	Chairman Goodling	Mr. Roemer
Mr. Miller	Mrs. Roukema	
Mr. Kildee	Mr. Fawell	
Mr. Williams	Mr. Ballenger	
Mr. Martinez	Mr. Barrett	
Mr. Owens	Mr. Cunningham	
Mr. Sawyer	Mr. Hoekstra	
Mrs. Mink	Mr. McKeon	
Mr. Andrews	Mr. Castle	
Mr. Reed	Mrs. Meyers	
Mr. Engel	Mr. Johnson	
Mr. Becerra	Mr. Talent	
Mr. Scott	Mr. Greenwood	
Mr. Green	Mr. Hutchinson	
Ms. Woolsey	Mr. Knollenberg	
Mr. Romero-Barcelo	Mr. Riggs	
	Mr. Graham	
	Mr. Weldon	
	Mr. Funderburk	
	Mr. Souder	
	Mr. McIntosh	
	Mr. Norwood	

The Committee defeated an amendment (17 ayes to 18 noes) offered by Mr. Kildee to require States to carry out a competitive bidding system for infant formula comparable to the system in place as of September 30, 1995 in order to be eligible for a grant under the Family Nutrition Block Grant.

The rollcall vote was as follows:

AYES	NOES
Mrs. Roukema	Chairman Goodling
Mr. Clay	Mr. Petri
Mr. Miller	Mr. Gunderson
Mr. Kildee	Mr. Fawell
Mr. Martinez	Mr. Ballenger
Mr. Owens	Mr. Cunningham
Mr. Sawyer	Mr. Hoekstra
Mr. Payne	Mr. McKeon
Mrs. Mink	Mrs. Meyers
Mr. Reed	Mr. Johnson
Mr. Roemer	Mr. Talent
Mr. Engel	Mr. Greenwood
Mr. Becerra	Mr. Hutchinson
Mr. Scott	Mr. Knollenberg
Mr. Green	Mr. Graham
Ms. Woolsey	Mr. Weldon
Mr. Romero-Barcelo	Mr. Funderburk
	Mr. Souder

The Committee defeated an amendment (14 ayes to 20 noes) offered by Mr. Becerra to remove the prohibition upon legal aliens' participation in older American and certain other programs, and remove the limitations upon legal aliens' eligibility for higher education assistance and job training.

The rollcall vote was as follows:

AYES	NOES
Mr. Clay	Chairman Goodling
Mr. Kildee	Mr. Petri
Mr. Martinez	Mrs. Roukema
Mr. Owens	Mr. Gunderson
Mr. Sawyer	Mr. Fawell
Mrs. Mink	Mr. Ballenger
Mr. Reed	Mr. Cunningham
Mr. Roemer	Mr. Hoekstra
Mr. Engel	Mr. McKeon
Mr. Becerra	Mr. Castle
Mr. Scott	Mrs. Meyers
Mr. Green	Mr. Johnson
Mr. Woolsey	Mr. Talent
Mr. Romero-Barcelo	Mr. Greenwood
	Mr. Hutchinson
	Mr. Knollenberg
	Mr. Graham
	Mr. Weldon
	Mr. Funderburk
	Mr. Souder

The Committee defeated an amendment (16 ayes to 21 noes) offered by Mrs. Mink to amend Title I, child care and development block grant funds may be transferred to another block grant unless the State demonstrates to the Secretary that the funds are not needed to provide child care services to eligible children.

The rollcall vote was as follows:

AYES	NOES
Mr. Clay	Chairman Goodling
Mr. Miller	Mr. Petri
Mr. Kildee	Mrs. Roukema
Mr. Williams	Mr. Gunderson
Mr. Martinez	Mr. Fawell
Mr. Owens	Mr. Ballenger
Mr. Sawyer	Mr. Cunningham
Mr. Payne	Mr. Hoekstra
Mrs. Mink	Mr. McKeon
Mr. Reed	Mr. Castle
Mr. Roemer	Mrs. Meyers
Mr. Engel	Mr. Johnson
Mr. Becerra	Mr. Talent
Mr. Green	Mr. Greenwood
Mr. Woolsey	Mr. Hutchinson
Mr. Romero-Barcelo	Mr. Knollenberg
	Mr. Graham
	Mr. Weldon
	Mr. Funderburk
	Mr. Souder
	Mr. Norwood

The Committee defeated an amendment (15 ayes to 18 noes) offered by Mr. Engel to amend Title I, to require maintenance of level of child care services. States must maintain current level of State funding for child care services provided in FY 1994 under AFDC Child Care, Transitional Child Care, At-Risk Child Care, and the Child Care and Development Block Grant in order to receive funds under this Act.

The rollcall vote was as follows:

AYES	NOES
Mr. Clay	Chairman Goodling
Mr. Miller	Mr. Petri
Mr. Kildee	Mrs. Roukema
Mr. Williams	Mr. Ballenger
Mr. Martinez	Mr. Cunningham
Mr. Owens	Mr. Hoekstra
Mr. Sawyer	Mr. McKeon
Mr. Payne	Mr. Castle
Mrs. Mink	Mr. Johnson
Mr. Andrews	Mr. Talent
Mr. Reed	Mr. Greenwood
Mr. Roemer	Mr. Hutchinson
Mr. Engel	Mr. Knollenberg
Mr. Becerra	Mr. Graham
Mr. Scott	Mr. Weldon
Mr. Woolsey	Mr. Funderburk
	Mr. Souder
	Mr. Norwood

The Committee defeated an amendment (15 ayes to 19 noes) offered by Mr. Reed to increase the yearly funding level of the school-

based block grant in the event the national unemployment rate exceeded 6% for a given 12-month period.

The rollcall vote was as follows:

AYES	NOES
Mrs. Roukema	Chairman Goodling
Mr. Clay	Mr. Petri
Mr. Kildee	Mr. Gunderson
Mr. Williams	Mr. Fawell
Mr. Martinez	Mr. Ballenger
Mr. Owens	Mr. Cunningham
Mr. Sawyer	Mr. Hoekstra
Mr. Payne	Mr. McKeon
Mrs. Mink	Mr. Castle
Mr. Reed	Mrs. Meyers
Mr. Roemer	Mr. Johnson
Mr. Becerra	Mr. Talent
Mr. Green	Mr. Greenwood
Ms. Woolsey	Mr. Hutchinson
Mr. Romero-Barcelo	Mr. Knollenberg
	Mr. Graham
	Mr. Weldon
	Mr. Funderburk
	Mr. Souder

The Committee defeated an amendment (12 ayes to 20 noes) offered by Mr. Owens to require employers to offer the same health insurance coverage offered to other employees, to employees receiving AFDC and participating in a work activity under the Job Opportunity and Basics Skills program.

The rollcall vote was as follows:

AYES	NOES
Mr. Clay	Chairman Goodling
Mr. Kildee	Mr. Petri
Mr. Martinez	Mr. Gunderson
Mr. Owens	Mr. Fawell
Mr. Sawyer	Mr. Ballenger
Mr. Payne	Mr. Barrett
Mrs. Mink	Mr. Cunningham
Mr. Reed	Mr. Hoekstra
Mr. Roemer	Mr. McKeon
Mr. Becerra	Mrs. Meyers
Mr. Scott	Mr. Johnson
Ms. Woolsey	Mr. Talent
	Mr. Greenwood
	Mr. Hutchinson
	Mr. Knollenberg
	Mr. Graham
	Mr. Weldon
	Mr. Funderburk
	Mr. Souder
	Mr. Norwood

The Committee defeated an amendment (16 ayes to 21 noes) offered by Mr. Martinez to amend Title I, reinserting health and safety, licensing, and supplementation requirements.

The rollcall vote was as follows:

AYES	NOES
Mr. Clay	Chairman Goodling
Mr. Miller	Mr. Petri
Mr. Kildee	Mrs. Roukema
Mr. Martinez	Mr. Gunderson
Mr. Owens	Mr. Fawell
Mr. Sawyer	Mr. Ballenger
Mr. Payne	Mr. Cunningham
Mrs. Mink	Mr. Hoekstra
Mr. Reed	Mr. McKeon
Mr. Roemer	Mr. Castle
Mr. Engel	Mrs. Meyers
Mr. Becerra	Mr. Johnson
Mr. Scott	Mr. Talent
Mr. Green	Mr. Greenwood
Ms. Woolsey	Mr. Hutchinson
Mr. Romero-Barcelo	Mr. Knollenberg
	Mr. Graham
	Mr. Weldon
	Mr. Funderburk
	Mr. Souder
	Mr. Norwood

The Committee defeated an amendment (15 ayes to 21 noes) offered by Mr. Kildee to eliminate the school-based block grant and retain the existing school lunch and breakfast programs.

The rollcall vote was as follows:

AYES	NOES
Mr. Clay	Chairman Goodling
Mr. Kildee	Mr. Petri
Mr. Williams	Mr. Roukema
Mr. Owens	Mr. Gunderson
Mr. Sawyer	Mr. Fawell
Mr. Payne	Mr. Ballenger
Mrs. Mink	Mr. Cunningham
Mr. Reed	Mr. Hoekstra
Mr. Roemer	Mr. McKeon
Mr. Engel	Mrs. Meyers
Mr. Becerra	Mr. Johnson
Mr. Scott	Mr. Talent
Mr. Green	Mr. Greenwood
Ms. Woolsey	Mr. Hutchinson
Mr. Romero-Barcelo	Mr. Knollenberg
	Mr. Riggs
	Mr. Graham
	Mr. Weldon
	Mr. Funderbuck
	Mr. Souder
	Mr. Norwood

The Committee defeated an amendment (14 ayes to 18 noes) offered by Mrs. Mink to amend Title I, to reinsert supplementation language that provides assurances that child care funds will be used only to supplement, not supplant, the amount of federal, State, and local funds otherwise expended for the support of child care services.

The rollcall vote was as follows:

AYES	NOES
Mr. Clay	Chairman Goodling
Mr. Kildee	Mr. Petri
Mr. Williams	Mr. Gunderson
Mr. Martinez	Mr. Fawell
Mr. Owens	Mr. Ballenger
Mr. Sawyer	Mr. Barrett
Mr. Payne	Mr. Hoekstra
Mrs. Mink	Mr. McKeon
Mr. Reed	Mr. Castle
Mr. Roemer	Mrs. Meyers
Mr. Engel	Mr. Talent
Mr. Scott	Mr. Greenwood
Mr. Green	Mr. Hutchinson
Ms. Woolsey	Mr. Knollenberg
	Mr. Graham
	Mr. Weldon
	Mr. Souder
	Mr. McIntosh

The Committee defeated an amendment (17 ayes to 19 noes [4]) offered by Mr. Payne to amend Title IV, to strike the repeal of the Abandoned Infant Assistance Act of 1988.

The rollcall vote was as follows:

AYES	NOES
Mr. Clay	Chairman Goodling
Mr. Miller	Mr. Petri
Mr. Kildee	Mr. Gunderson
Mr. Williams	Mr. Ballenger
Mr. Martinez	Mr. Barrett
Mr. Owens	Mr. Cunningham
Mr. Sawyer	Mr. Hoekstra
Mr. Payne	Mr. McKeon
Mrs. Mink	Mr. Castle
Mr. Reed	Mrs. Meyers
Mr. Roemer	Mr. Johnson
Mr. Eagel	Mr. Talent
Mr. Becerra	Mr. Greenwood
Mr. Scott	Mr. Hutchinson
Mr Green	Mr. Riggs
Ms. Woolsey	Mr. Graham
Mr. Reynolds	Mr. Weldon
	Mr. Funderburk
	Mr. Souder

[4] Mr. Fawell, present, not voting.

The Committee defeated an amendment (17 ayes to 20 noes) offered by Mrs. Woolsey to amend Title I to reinstate the Quality and Availability set-aside under current law. Current law requires that 75 percent of the funds be used for services and 25 percent for quality and availability of services. Current law also requires that the 25 percent be further divided requiring that 75 percent be used for availability, 20 percent for quality, and 5 percent for either. The amendment reduces the amount available for quality and availability to 20 percent and requires that 50 percent of the 20 percent be used for quality and the remaining 50 percent be used for availability.

The rollcall vote was as follows:

AYES	NOES
Mr. Clay	Chairman Goodling
Mr. Miller	Mr. Petri
Mr. Kildee	Mr. Gunderson
Mr. Williams	Mr. Fawell
Mr. Martinez	Mr. Ballenger
Mr. Owens	Mr. Barrett
Mr. Sawyer	Mr. Cunningham
Mr. Payne	Mr. Hoekstra
Mrs. Mink	Mr. McKeon
Mr. Reed	Mr. Castle
Mr. Roemer	Mrs. Meyers
Mr. Engel	Mr. Johnson
Mr. Becerra	Mr. Talent
Mr. Scott	Mr. Greenwood
Mr. Green	Mr. Hutchinson
Ms. Woolsey	Mr. Riggs
Mr. Reynolds	Mr. Graham
	Mr. Weldon
	Mr. Funderburk
	Mr. Souder

The Committee defeated an amendment (17 ayes to 20 noes) offered by Mr. Owens to prevent the repeal of the child and adult care food program.

The rollcall vote was as follows:

AYES	NOES
Mr. Clay	Chairman Goodling
Mr. Miller	Mr. Petri
Mr. Kildee	Mr. Gunderson
Mr. Martinez	Mr. Fawell
Mr. Owens	Mr. Ballenger
Mr. Sawyer	Mr. Barrett
Mr. Payne	Mr. Cunningham
Mrs. Mink	Mr. Hoekstra
Mr. Reed	Mr. McKeon
Mr. Roemer	Mr. Castle
Mr. Engel	Mrs. Meyers
Mr. Becerra	Mr. Johnson
Mr. Scott	Mr. Talent
Mr. Green	Mr. Greenwood

Ms. Woolsey	Mr. Hutchinson
Mr. Romero-Barcelo	Mr. Riggs
Mr. Reynolds	Mr. Graham
	Mr. Weldon
	Mr. Funderburk
	Mr. Souder

The Committee defeated an amendment (17 ayes to 18 noes, 1 voting present) offered by Mr. Reed and Mr. Roemer to amend Title I, to provide a partial matching requirement. Requires a partial state match for federal funds in the child care block grant.

The rollcall vote was as follows:

AYES	NOES
Mr. Clay	Chairman Goodling
Mr. Miller	Mr. Petri
Mr. Kildee	Mr. Gunderson
Mr. Martinez	Mr. Fawell
Mr. Owens	Mr. Ballenger
Mr. Sawyer	Mr. Barrett
Mr. Payne	Mr. Cunningham
Mrs. Mink	Mr. Hoekstra
Mr. Reed	Mr. McKeon
Mr. Roemer	Mrs. Meyers
Mr. Engel	Mr. Talent
Mr. Becerra	Mr. Greenwood
Mr. Scott	Mr. Hutchinson
Mr. Green	Mr. Riggs
Ms. Woolsey	Mr. Graham
Mr. Romero-Barcelo	Mr. Weldon
Mr. Reynolds	Mr. Funderburk
	Mr. Souder

Present, Mr. Castle.

The Committee defeated an amendment (16 ayes to 19 noes) offered by Mr. Martinez to amend Title I, reinserting the sliding fee scale. A State must establish a sliding fee scale that provides for cost sharing by the families that receive child care services and update the scale through regulation.

The rollcall vote was as follows:

AYES	NOES
Mr. Clay	Chairman Goodling
Mr. Miller	Mr. Petri
Mr. Kildee	Mr. Gunderson
Mr. Martinez	Mr. Fawell
Mr. Owens	Mr. Ballenger
Mr. Payne	Mr. Barrett
Mrs. Mink	Mr. Cunningham
Mr. Reed	Mr. Hoekstra
Mr. Roemer	Mr. McKeon
Mr. Engel	Mr. Castle
Mr. Becerra	Mrs. Meyers
Mr. Scott	Mr. Talent
Mr. Green	Mr. Greenwood
Ms. Woolsey	Mr. Hutchinson

Mr. Romero-Barcelo	Mr. Graham
Mr. Reynolds	Mr. Weldon
	Mr. Funderburk
	Mr. Souder
	Mr. Norwood

The Committee defeated an amendment (17 ayes to 21 noes) offered by Mr. Becerra to provide an exception to the restrictions upon legal aliens' eligibility for higher education assistance and job training.

The rollcall vote was as follows:

AYES	NOES
Mr. Clay	Chairman Goodling
Mr. Miller	Mr. Petri
Mr. Kildee	Mrs. Roukema
Mr. Williams	Mr. Fawell
Mr. Martinez	Mr. Ballenger
Mr. Owens	Mr. Barrett
Mr. Sawyer	Mr. Cunningham
Mr. Payne	Mr. Hoekstra
Mrs. Mink	Mr. McKeon
Mr. Roemer	Mr. Castle
Mr. Engel	Mrs. Meyers
Mr. Becerra	Mr. Johnson
Mr. Scott	Mr. Talent
Mr. Green	Mr. Greenwood
Ms. Woolsey	Mr. Hutchinson
Mr. Romero-Barcelo	Mr. Riggs
Mr. Reynolds	Mr. Graham
	Mr. Weldon
	Mr. Funderburk
	Mr. Souder
	Mr. Norwood

The Committee defeated an amendment (17 ayes to 19 noes) offered by Mr. Owens to amend Title IV, striking the repeal of the Child Abuse Prevention and Treatment Act.

The rollcall vote was as follows:

AYES	NOES
Mr. Clay	Chairman Goodling
Mr. Miller	Mr. Petri
Mr. Kildee	Mr. Fawell
Mr. Martinez	Mr. Ballenger
Mr. Owens	Mr. Barrett
Mr. Sawyer	Mr. Cunningham
Mr. Payne	Mr. Hoekstra
Mrs. Mink	Mr. McKeon
Mr. Reed	Mr. Castle
Mr. Roemer	Mrs. Meyers
Mr. Engel	Mr. Talent
Mr. Becerra	Mr. Greenwood
Mr. Scott	Mr. Hutchinson
Mr. Green	Mr. Riggs
Ms. Woolsey	Mr. Graham

Mr. Romero-Barcelo
Mr. Reynolds
Mr. Weldon
Mr. Funderburk
Mr. Souder
Mr. Norwood

The Committee defeated an amendment (35 noes and 4 voting present) offered by Mr. Engel to delete the provisions of H.R. 999 and insert the provisions of H.R. 4 which are within the Committee's jurisdiction, including a single block grant for all food assistance programs.

The rollcall vote was as follows:

PRESENT	NOES
Mr. Petri	Chairman Goodling
Mr. Clay	Mrs. Roukema
Mr. Miller	Mr. Fawell
Mr. Engel	Mr. Ballenger
	Mr. Barrett
	Mr. Cunningham
	Mr. Hoekstra
	Mr. McKeon
	Mr. Castle
	Mrs. Meyers
	Mr. Johnson
	Mr. Talent
	Mr. Greenwood
	Mr. Hutchinson
	Mr. Riggs
	Mr. Graham
	Mr. Weldon
	Mr. Funderburk
	Mr. Souder
	Mr. Norwood
	Mr. Kildee
	Mr. Williams
	Mr. Martinez
	Mr. Owens
	Mr. Sawyer
	Mr. Payne
	Mrs. Mink
	Mr. Reed
	Mr. Roemer
	Mr. Becerra
	Mr. Scott
	Mr. Green
	Ms. Woolsey
	Mr. Romero-Barcelo
	Mr. Reynolds

NEW BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirement of clause 2(l)(3)(B) of rule XI of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause 2(l)(3)(C) of rule XI of the House of Representatives and sec-

tion 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 999 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 3, 1995.

Hon. WILLIAM F. GOODLING,
Chairman, Committee on Economic and Educational Opportunities, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 999, the Welfare Reform Consolidation Act of 1995, as ordered reported by the House Committee on Economic and Educational Opportunities on February 23, 1995.

The bill would affect direct spending or receipts and thus would be subject to pay-as-you-go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JUNE E. O'NEILL,
Director.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 999.

2. Bill title: Welfare Reform Consolidation Act of 1995

3. Bill status: As ordered reported by the House Committee on Economic and Educatinal Opportunities on February 23, 1995.

4. Bill purpose: To establish a single, consolidated source of federal child care funding; to establish a program to provide block grants to states to provide nutrition assistance to economically disadvantaged individuals and families and to establish a program to provide block grants to states to provide school-based food services to students; to restrict alien eligibility for certain education, training, and other programs; and for other purposes.

5. Estimated cost to the Federal Government.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
DIRECT SPENDING					
TITLE I: CHILD CARE BLOCK GRANTS					
Repeal Child Care Programs authorized under the Social Security Act:					
Budget authority	−1,155	−1,210	−1,260	−1,310	−1,365
Outlays	−1,095	−1,205	−1,255	−1,305	−1,360
TITLE II: FAMILY AND SCHOOL-BASED NUTRITION BLOCK GRANTS					
Authorize School-Based Nutrition Block Grant Program:					
Budget authority	6,681	6,956	7,237	7,538	7,849
Outlays	6,013	6,929	7,209	7,508	7,818
Repeal Child Nutrition Act and National School Lunch Act:					
Budget authority	−8,571	−9,152	−9,755	−10,386	−11,016
Outlays	−7,305	−9,065	−9,665	−10,291	−10,922

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
TITLE III: RESTRICTING ALIEN ELIGIBILITY FOR CERTAIN EDUCATION, TRAINING, AND OTHER PROGRAMS					
Eliminate eligibility of legal aliens for student loans:					
Budget authority	(1)	−30	−35	−35	−40
Outlays	(1)	−20	−35	−35	−40
TITLE IV: OTHER REPEALERS AND CONFORMING AMENDMENTS					
Repeal funding for Job Opportunities and Basic Skills Program (JOBS):					
Budget authority	−1,000	−1,000	−1,000	−1,000	−1,000
Outlays	−800	−950	−960	−970	−970
Total Direct Spending:					
Budget authority	−4,045	−4,436	−4,813	−5,193	−5,572
Outlays	−3,187	−4,312	−4,706	−5,093	−5,474

	1996	1997	1998	1999	2000
AUTHORIZATION OF APPROPRIATIONS					
TITLE I: CHILD CARE BLOCK GRANTS					
Authorize Child Care and Development Block Grants:					
Budget authority	1,943	1,943	1,943	1,943	1,943
Outlays	1,749	1,943	1,943	1,943	1,943
Repeal Native Hawaiian Family-Based Education Centers:					
Budget authority	−6	−6	−6	−6	0
Outlays	−1	−5	−6	−6	−6
TITLE II: FAMILY AND SCHOOL BASED NUTRITION BLOCK GRANTS					
Authorize Family Nutrition Block Grant Program:					
Budget authority	4,606	4,777	4,936	5,120	5,308
Outlays	4,145	4,760	4,920	5,102	5,289
Repeal Special Supplemental Food Program for Women, Infants and Children:					
Budget authority	−3,585	−3,706	−3,838	0	0
Outlays	−3,262	−3,695	−3,826	−345	0
Repeal Federal administrative costs of the Child Nutrition Programs:					
Budget authority	−41	−43	−44	−46	−47
Outlays	−37	−43	−44	−46	−47
Authorize Federal activities under School-Based and Family Nutrition Block Grants:					
Budget authority	21	21	22	23	24
Outlays	18	21	22	23	24
Authorize funding for National Academy of Sciences to develop model nutritional standards for the School-Based and Family Nutrition Block Grants:					
Budget authority	1	0	0	0	0
Outlays	1	0	0	0	0
TITLE IV: OTHER REPEALERS AND CONFORMING AMENDMENTS					
Authorize missing children's assistance:					
Budget authority	0	7	7	8	8
Outlays	0	2	4	7	8
TITLE V: RELATED PROVISIONS					
Authorize publication of poverty data:					
Budget authority	2	2	2	2	2
Outlays	1	2	2	2	2
Authorize publication of data on program participation and outcomes:					
Budget authority	3	10	10	10	10
Outlays	2	9	10	10	10
Total Authorization of Appropriations:					
Budget authority	2,943	3,005	3,032	7,053	7,247

	1996	1997	1998	1999	2000
Outlays	2,617	2,993	3,025	6,689	7,222

Note: Details may not add to totals because of rounding.

[1] Less than $500,000.

The costs of this bill fall within budget functions 500, 600, and 750.

Basis of Estimate: For direct spending programs, CBO estimates the costs and savings of H.R. 999 relative to CBO's March 1995 baseline. For discretionary programs subject to annual appropriations, CBO estimates the change in the level authorized to be appropriated in H.R. 999 relative to authorizations of appropriations in current law. In cases where the bill authorizes such sums as may be necessary, CBO estimates the authorization level by adjusting the 1995 appropriation for projected inflation. Outlays are estimated using historical spending patterns of these and similar programs. Estimated outlays assume full appropriation of authorized amounts.

Title I: Child Care Block Grants.—Title I of H.R. 999 amends the Child Care and Development Block Grant Act of 1990 and authorizes to be appropriated $1.943 billion a year for fiscal years 1996 through 2000. Current law authorizes appropriations through 1995. In addition, Title I repeals federal payments to states for child care funded through the Social Security Act. These payments—for AFDC work-related child care, transitional child care, and at-risk child care—are classified as direct spending. CBO estimates that under current law outlays for these three programs would total $1.095 billion in 1996 and $1.360 billion in 2000.

Title I also repeals the authorizing law for three discretionary programs—the Child Development Associate Scholarship Program, the State Dependent Care Development Grants Program, and Native Hawaiian Family-based Education Centers. Only the Native Hawaiian Family-based Education Centers are authorized after 1995. CBO estimates the annual amount of authorization of appropriations repealed to be $6 million in fiscal years 1996 through 1999.

Title II: Family and School-based Nutrition Block Grants.—Title II repeals the Child Nutrition Act and the National School Lunch Act. These acts provide direct spending authority for the School Lunch Program, the School Breakfast Program, the Summer Food Service Program, the Child and Adult Care Food Program, Commodity Procurement (including commodities funded through Section 32), State Administrative Expenses, the Special Milk Program, and other federal activities. CBO estimates that repealing these laws would reduce direct spending by $7.305 billion in 1996 and $10.922 billion in 2000.

These savings are partially offset by the authorization of a new capped entitlement to states—the School-based Nutrition Block Grant Program. The total amounts from which each eligible state would be entitled to an allotment are stated in the bill. CBO estimates that states would spend 90 percent of the new block grant in the first year the funds became available for obligation and 10 percent in the following year.

The WIC program is currently authorized to be appropriated at such sums as may be necessary through fiscal year 1998. This authorization would be repealed by appropriations would be authorized for a new Family Nutrition Block Grant Program for fiscal years 1996 to 2000 at levels stated in the bill.

H.R. 999 would repeal the authorization of appropriations for the federal administrative costs of the child nutrition programs. CBO estimates that half of the currently authorized amount would be needed to carry out the federal functions authorized in the bill, such as overseeing the block grant funds and compiling data.

H.R. 999 requires the National Academy of Science to develop model nutritional standards for the School-based and Family Nutrition Block Grants and to report to Congress on the states' progress in implementing such standards but does not authorize appropriations for these activities. The Food and Consumer Service has already undertaken the development of such standards CBO estimates that the requirements of H.R. 999 would add $1 million in costs in 1996 of these efforts.

Title III: Restricting Alien Eligibility for Certain Education, Training, and other Programs.—Most of the programs for which legal and illegal aliens would be denied eligibility under H.R. 999 are discretionary programs or capped entitlements. In these cases, prohibiting aliens from participating in a program would not change the cost of the program to the federal government because federal funds would be reallocated from aliens to other eligible participants.

H.R. 999's restrictions on legal alien's eligibility to participate in the student loan programs would, however, result in small savings. Non-citizens would lose their eligibility to participate in the student loan programs unless they were on active duty in the armed forces, were veterans or family members of veterans, or had met the residency requirement and applied for citizenship. For those currently residing in the United States, the change ineligibility would take place one year after enactment of the legislation.

The non-citizens who would become ineligible represent just over one percent of current student loan borrowers according to data from the National Postsecondary Student Aid Survey and the Immigration and Naturalization Service. Virtually all non-citizens borrowers during fiscal year 1996 are assumed to be residing in the United States on or before the assumed enactment date of October 1, 1995, and thus would not be eliminated from eligibility until October 1996. Eliminating these students from participation would lower loan volume by over $200 million each year. As a result, outlays (which are measured on a subsidy-cost basis when the loans are disbursed) would be lower by $20 million in 1997 and $40 million in 2000.

Title IV: Other repealers and conforming amendments.—Title IV of H.R. 999 would repeal federal funding for the Job Opportunities and Basic Skills Program (JOBS), which provides training and educational activities for individuals receiving Aid to Families with Dependent Children (AFDC). CBO estimates the repeal of this capped entitlement program would save $800 million in training outlays in 1996 and $970 million in 2000.

The language of H.R. 999 implies that federal funding for such activities would be made available through the Temporary Family Assistance Block Grant, which is currently under consideration in the House Committee on Ways and Means. However, if JOBS funding is eliminated in the final legislation and the availability of training declines, some individuals would have greater difficulty finding work and would remain on AFDC longer. Consequently, CBO would estimate higher federal spending for AFDC, Food Stamps, and Medicaid.

Title IV would repeal the authorizing law for a number of discretionary child welfare programs. Because none of these programs is currently authorized after 1995, the estimate does not show any savings from their repeal. The bill extends the authorization of appropriations for one program, Missing Children's Assistance, through 2000; this program is already authorized in 1996.

Title V: Related provisions.—Title V authorizes appropriations for two federal activities. It authorizes $1.5 million for each fiscal year through 2000 for the Secretary of Health and Human Services to publish local level poverty data, and $2.5 million in fiscal year 1996 and $10 million in 1997 through 2000 for the Secretary to publish data on program participation and outcomes.

6. Comparison with spending under current law: The following table shows projected spending for programs affected by H.R. 999 if the bill were enacted in comparison with the estimated 1995 level.

[By fiscal years, in millions of dollars]

	1995	1996	1997	1998	1999	2000
Direct Spending						
TITLE I						
Child care under the Social Security Act:						
Budget authority	1,100	0	0	0	0	0
Outlays	1,130	55	0	0	0	0
TITLE II						
Child nutrition:						
Budget authority	8,093	6,681	6,956	7,237	7,538	7,849
Outlays	7,568	7,207	6,929	7,209	7,508	7,818
TITLE III						
Student loans:						
Budget authority	5,778	3,847	2,984	2,831	3,115	3,341
Outlays	5,237	3,733	3,009	2,554	2,717	2,944
TITLE IV						
Job Opportunities and Basic Skills Program:						
Budget authority	1,000	0	0	0	0	0
Outlays	980	140	0	0	0	0
Total direct spending:						
Budget authority	15,971	10,528	9,940	10,068	10,653	11,190
Outlays	14,915	11,135	9,938	9,763	10,225	10,762
Authorization of Appropriations						
TITLE I						
Child care under the child care development block grant:						
Budget authority	935	1,943	1,943	1,943	1,943	1,943
Outlays	918	2,696	2,360	2,008	1,943	1,943
Native Hawaiian family-based education centers:						
Budget authority	6	0	0	0	0	0

[By fiscal years, in millions of dollars]

	1995	1996	1997	1998	1999	2000
Outlays	5	5	1	0	0	0
TITLE II						
Special Supplemental Food Program for Women, Infants and Children:						
Budget authority	3,470	0	0	0	0	0
Outlays	3,447	312	0	0	0	0
Family nutrition block grant:						
Budget authority	0	4,606	4,777	4,936	5,120	5,308
Outlays	0	4,145	4,760	4,960	5,120	5,289
Federal administration for child nutrition programs:						
Budget authority	40	21	21	22	23	24
Outlays	40	21	22	22	23	24
TITLE IV						
Discretionary child welfare programs:						
Budget authority	110	0	0	0	0	0
Outlays	85	95	17	0	0	0
Missing children's assistance:						
Budget authority	7	7	7	7	8	8
Outlays	6	7	7	7	7	7
TITLE V						
Publication of data:						
Budget authority	0	4	12	12	12	12
Outlays	0	3	10	12	12	12
Total authorization of appropriations:						
Budget authority	4,568	6,581	6,760	6,920	7,106	7,295
Outlays	4,501	7,284	7,177	6,969	7,087	7,275

7. Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. The pay-as-you-go effects of the bill are as follows.

[By fiscal years, in millions of dollars]

	1995	1996	1997	1998
Outlays	0	−3,187	−4,312	−4,706
Receipts	(1)	(1)	(1)	(1)

[1] Not applicable.

8. Estimated cost to State and local governments: H.R. 999 changes the structure of federal funding for child care, child nutrition, and job training for receipts of welfare benefits. The bill repeals the federal entitlement for these programs to individuals and allows states to spend a specified amount of federal money provided in a block grant with a greater degree of flexibility. To the extent that demand or eligibility for these programs increases above the level of federal funding, states could choose to increase their own spending to keep pace, or could reduce the amount of benefits or limit eligibility to maintain current levels of spending.

H.R. 999 would eliminate federal funding for the Job Opportunities and Basic Skills Training program (JOBS) but would retain the requirement that states operate such programs. In effect, the bill would require that states pay for their training programs out of their own resources. The committee's intent, however, is that states would fund their training program through a new Temporary Family Assistance Block Grant, which would replace the

current AFDC and JOBS programs. This block grant is currently being considered by the Ways and Means Committee.

9. Estimate comparison: None.

10. Previous CBO estimate: None.

11. Estimate prepared by: Dorothy Rosenbaum, John Tapogna, and Deborah Kalcevic.

12. Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990

* * * * * * *

Subchapter C—Child Care and Development Block Grant

SEC. 658A. SHORT TITLE *AND GOALS*.

(a) SHORT TITLE.—This subchapter may be cited as the "Child Care and Development Block Grant Act of 1990".

(b) GOALS.—The goals of this subchapter are—

(1) to allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within such State;

(2) to promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;

(3) to encourage States to provide consumer education information to help parents make informed choices about child care;

(4) to assist States to provide child care to parents trying to achieve independence from public assistance; and

(5) to assist States in implementing the health, safety, licensing, and registration standards established in State regulations.

[SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to carry out this subchapter, $750,000,000 for fiscal year 1991, $825,000,000 for fiscal year 1992, $925,000,000 for fiscal year 1993, and such sums as may be necessary for each of the fiscal years 1994 and 1995.]

SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this subchapter $1,943,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000.

* * * * * * *

SEC. 658D. LEAD [AGENCY] *ENTITY*.

(a) DESIGNATION.—The chief executive officer of a State desiring to receive a grant under this subchapter shall designate, in an ap-

plication submitted to the Secretary under section 658E, an appropriate State agency *or other entity* that complies with the requirements of subsection (b) to act as the lead [agency] *entity*.

(b) DUTIES.—

(1) IN GENERAL.—The lead [agency] *entity* shall—

(A) * * *

* * * * * * *

(2) DEVELOPMENT OF PLAN.—In the development of the State plan described in paragraph (1)(B), the lead [agency] *entity* shall consult with appropriate representatives of units of general purpose local government. Such consultations may include consideration of local child care needs and resources, the effectiveness of existing child care and early childhood development services, and the methods by which funds made available under this subchapter can be used to effectively address local shortages.

SEC. 658E. APPLICATION AND PLAN.

(a) * * *

(b) PERIOD COVERED BY PLAN.—The State plan contained in the application under subsection (a) shall be designed to be [implemented—

[(1) during a 3-year period for the initial State plan; and

[(2)] *implemented* during a 2-year period [for subsequent State plans].

(c) REQUIREMENTS OF A PLAN.—

(1) LEAD [AGENCY] *ENTITY*.—The State plan shall identify the lead [agency] *entity* designated under section 658D.

(2) POLICIES AND PROCEDURES.—The State plan shall:

(A) PARENTAL CHOICE OF PROVIDERS.—Provide assurances that—

(i) the parent or parents of each eligible child within the State who receives or is offered child care services for which financial assistance is provided under this subchapter[, other than through assistance provided under paragraph (3)(C),] are given the option either—

(I) * * *

* * * * * * *

[except that nothing in this subparagraph shall require a State to have a child care certificate program in operation prior to October 1, 1992] *and provide a detailed description of the procedures the State will implement to carry out the requirements of this subparagraph*.

(B) UNLIMITED PARENTAL ACCESS.—[Provide assurances] *Certify* that procedures are in effect within the State to ensure that child care providers who provide services for which assistance is made available under this subchapter afford parents unlimited access to their children and to the providers caring for their children, during the normal hours of operation of such providers and whenever such children are in the care of such providers *and provide a detailed description of such procedures*.

(C) PARENTAL COMPLAINTS.—[Provide assurances] *Certify* that the State maintains a record of substantiated pa-

rental complaints and makes information regarding such parental complaints available to the public on request *and provide a detailed description of how such record is maintained and is made available.*

[(D) CONSUMER EDUCATION.—Provide assurances that consumer education information will be made available to parents and the general public within the State concerning licensing and regulatory requirements, complaint procedures, and policies and practices relative to child care services within the State.]

(D) CONSUMER EDUCATION INFORMATION.—Provide assurances that the State will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices.

(E) COMPLIANCE WITH STATE AND LOCAL REGULATORY REQUIREMENTS.—[Provide assurances] *Certify* [that—

[(i)] *that* all providers of child care services within the State for which assistance is provided under this subchapter comply with all *health, safety, and* licensing or regulatory requirements (including registration requirements) applicable under State and local law[; and

[(ii) providers within the State that are not required to be licensed or regulated under State or local law are required to be registered with the State prior to payment being made under this subchapter, in accordance with procedures designed to facilitate appropriate payment to such providers, and to permit the State to furnish information to such providers, including information on the availability of health and safety training, technical assistance, and any relevant information pertaining to regulatory requirements in the State, and that such providers shall be permitted to register with the State after selection by the parents of eligible children and before such payment is made.

[This subparagraph shall not be construed to prohibit a State from imposing more stringent standards and licensing or regulatory requirements on child care providers within the State that provide services for which assistance is provided under this subchapter than the standards or requirements imposed on other child care providers in the State.] *and provide a detailed description of such requirements and of how such requirements are effectively enforced.*

[(F) ESTABLISHMENT OF HEALTH AND SAFETY REQUIREMENTS.—Provide assurances that there are in effect within the State, under State or local law, requirements designed to protect the health and safety of children that are applicable to child care providers that provide services for which assistance is made available under this subchapter. Such requirements shall include—

[(i) the prevention and control of infectious diseases (including immunization);

[(ii) building and physical premises safety; and

[(iii) minimum health and safety training appropriate to the provider setting.

Nothing in this subparagraph shall be construed to require the establishment of additional health and safety requirements for child care providers that are subject to health and safety requirements in the categories described in this subparagraph on the date of enactment of this subchapter under State or local law.

[(G) COMPLIANCE WITH STATE AND LOCAL HEALTH AND SAFETY REQUIREMENTS.—Provide assurances that procedures are in effect to ensure that child care providers within the State that provide services for which assistance is provided under this subchapter comply with all applicable State or local health and safety requirements as described in subparagraph (F).

[(H) REDUCTION IN STANDARDS.—Provide assurances that if the State reduces the level of standards applicable to child care services provided in the State on the date of enactment of this subchapter, the State shall inform the Secretary of the rationale for such reduction in the annual report of the State described in section 658K.

[(I) REVIEW OF STATE LICENSING AND REGULATORY REQUIREMENTS.—Provide assurances that not later than 18 months after the date of the submission of the application under section 658E, the State will complete a full review of the law applicable to, and the licensing and regulatory requirements and policies of, each licensing agency that regulates child care services and programs in the State unless the State has reviewed such law, requirements, and policies in the 3-year period ending on the date of the enactment of this subchapter.

[(J) SUPPLEMENTATION.—Provide assurances that funds received under this subchapter by the State will be used only to supplement, not to supplant, the amount of Federal, State, and local funds otherwise expended for the support of child care services and related programs in the State.]

(F) MEDICAL NEGLECT OF DISABLED INFANTS.—Certify that the State has in place for the purpose of responding to the reporting of medical neglect of infants (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

(i) coordination and consultation with individuals designated by and within appropriate health-care facilities;

(ii) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

(iii) authority, under State law, for the State child protective service to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life-threatening conditions.

(3) USE OF BLOCK GRANT FUNDS.—

(A) GENERAL REQUIREMENT.—The State plan shall provide that the State will use the amounts provided to the State for each fiscal year under this subchapter as required under subparagraphs (B) and (C) *or as authorized by section 658T*.

(B) CHILD CARE SERVICES[.—Subject to the reservation contained in subparagraph (C), the] *AND RELATED ACTIVITIES.—The* State shall use amounts provided to the State for each fiscal year under this subchapter, *other than amounts transferred under section 658T,* [for—

[(i) child care services, that meet the requirements of this subchapter, that are provided to eligible children in the State on a sliding fee scale basis using funding methods provided for in section 658E(c)(2)(A)] *for child care services, activities that improve the quality or availability of such services, and any other activity that the State deems appropriate to realize any of the goals specified in paragraphs (2) through (5) of section 658A(b)*, with priority being given for services provided to children of families with very low family incomes (taking into consideration family size) and to children with special needs[; and].

[(ii) activities designed to improve the availability and quality of child care.

[(C) ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE AND TO INCREASE THE AVAILABILITY OF EARLY CHILDHOOD DEVELOPMENT AND BEFORE- AND AFTER-SCHOOL CARE SERVICES.—The State shall reserve 25 percent of the amounts provided to the State for each fiscal year under this subchapter to carry out activities designed to improve the quality of child care (as described in section 658G) and to provide before- and after-school and early childhood development services (as described in section 658H).]

(C) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the aggregate amount of payments received under this subchapter by a State in each fiscal year may be expended for administrative costs incurred by such State to carry out all its functions and duties under this subchapter.

(4) PAYMENT RATES.—

(A) IN GENERAL.—The State plan shall [provide assurances] *certify* that payment rates for the provision of child care services for which assistance is provided under this subchapter are sufficient to ensure equal access for eligible children to comparable child care services in the State or substate area that are provided to children whose parents are not eligible to receive assistance under this subchapter

or for child care assistance under any other Federal or State programs *and shall provide a summary of the facts relied on by the State to determine that such rates are sufficient to ensure such access.* [Such payment rates shall take into account the variations in the costs of providing child care in different settings and to children of different age groups, and the additional costs of providing child care for children with special needs.]

* * * * * * *

[(5) SLIDING FEE SCALE.—The State plan shall provide that the State will establish and periodically revise, by rule, a sliding fee scale that provides for cost sharing by the families that receive child care services for which assistance is provided under this subchapter.]

SEC. 658F. LIMITATIONS ON STATE ALLOTMENTS.

(a) * * *

(b) CONSTRUCTION OF FACILITIES.—

(1) * * *

(2) SECTARIAN AGENCY OR ORGANIZATION.—In the case of a sectarian agency or organization, no funds made available under this subchapter may be used for the purposes described in paragraph (1) except to the extent that renovation or repair is necessary to bring the facility of such agency or organization into compliance with health and safety requirements [referred to in section 658E(c)(2)(F)].

[SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

[A State that receives financial assistance under this subchapter shall use not less than 20 percent of the amounts reserved by such State under section 658E(c)(3)(C) for each fiscal year for one or more of the following:

[(1) RESOURCE AND REFERRAL PROGRAMS.—Operating directly or providing financial assistance to private nonprofit organizations or public organizations (including units of general purpose local government) for the development, establishment, expansion, operation, and coordination of resource and referral programs specifically related to child care.

[(2) GRANTS OR LOANS TO ASSIST IN MEETING STATE AND LOCAL STANDARDS.—Making grants or providing loans to child care providers to assist such providers in meeting applicable State and local child care standards.

[(3) MONITORING OF COMPLIANCE WITH LICENSING AND REGULATORY REQUIREMENTS.—Improving the monitoring of compliance with, and enforcement of, State and local licensing and regulatory requirements (including registration requirements).

[(4) TRAINING.—Providing training and technical assistance in areas appropriate to the provision of child care services, such as training in health and safety, nutrition, first aid, the recognition of communicable diseases, child abuse detection and prevention, and the care of children with special needs.

[(5) COMPENSATION.—Improving salaries and other compensation paid to full- and part-time staff who provide child care services for which assistance is provided under this subchapter.

[SEC. 658H. EARLY CHILDHOOD DEVELOPMENT AND BEFORE- AND AFTER-SCHOOL SERVICES.

[(a) IN GENERAL.—A State that receives financial assistance under this subchapter shall use not less than 75 percent of the amounts reserved by such State under section 658E(c)(3)(C) for each fiscal year to establish or expand and conduct, through the provision of grants or contracts, early childhood development or before- and after-school child care programs, or both.

[(b) PROGRAM DESCRIPTION.—Programs that receive assistance under this section shall—

[(1) in the case of early childhood development programs, consist of services that are not intended to serve as a substitute for a compulsory academic programs but that are intended to provide an environment that enhances the educational, social, cultural, emotional, and recreational development of children; and

[(2) in the case of before- and after-school child care programs—

[(A) be provided Monday through Friday, including school holidays and vacation periods other than legal public holidays, to children attending early childhood development programs, kindergarten, or elementary or secondary school classes during such times of the day and on such days that regular instructional services are not in session; and

[(B) not be intended to extend or replace the regular academic program.

[(c) PRIORITY FOR ASSISTANCE.—In awarding grants and contracts under this section, the State shall give the highest priority to geographic areas within the State that are eligible to receive grants under section 1006 of the Elementary and Secondary Education Act of 1965, and shall then give priority to—

[(1) any other areas with concentrations of poverty; and

[(2) any areas with very high or very low population densities.]

SEC. 658I. ADMINISTRATION AND ENFORCEMENT.

(a) ADMINISTRATION.—The Secretary shall—

(1) coordinate all activities of the Department of Health and Human Services relating to child care, and, to the maximum extent practicable, coordinate such activities with similar activities of other Federal entities; *and*

[(2) collect, publish and make available to the public a listing of State child care standards at least once every 3 years; and

[(3)] *(2)* provide technical assistance to assist States to carry out this subchapter, including assistance on a reimbursable basis.

* * * * * * *

SEC. 658J. PAYMENTS.

(a) * * *

* * * * * * *

(c) SPENDING OF FUNDS BY STATE.—Payments to a State from the allotment under section 658O for any fiscal year may be [expended] *obligated* by the State in that fiscal year or in the succeeding [3 fiscal years] *fiscal year*.

* * * * * * *

SEC. 658K. ANNUAL REPORT, *EVALUATION PLANS*, AND AUDITS.

(a) ANNUAL REPORT.—Not later than December 31[, 1992] *following the end of the first fiscal year with respect to which the amendments made by the Welfare Reform Consolidation Act of 1995 apply*, and annually thereafter, a State that receives assistance under this subchapter shall prepare and submit to the Secretary a report—

(1) specifying the uses for which the State expended funds specified under paragraph (3) of section 658E(c) and the amount of funds expended for such uses;

[(2) containing available data on the manner in which the child care needs of families in the State are being fulfilled, including information concerning—

[(A) the number of children being assisted with funds provided under this subchapter, and under other Federal child care and pre-school programs;

[(B) the type and number of child care programs, child care providers, caregivers, and support personnel located in the State;

[(C) salaries and other compensation paid to full- and part-time staff who provide child care services; and

[(D) activities in the State to encourage public-private partnerships that promote business involvement in meeting child care needs;

[(3) describing the extent to which the affordability and availability of child care services has increased;

[(4) if applicable, describing, in either the first or second such report, the findings of the review of State licensing and regulatory requirements and policies described in section 658E(c), including a description of actions taken by the State in response to such reviews;

[(5) containing an explanation of any State action, in accordance with section 658E, to reduce the level of child care standards in the State, if applicable; and

[(6) describing the standards and health and safety requirements applicable to child care providers in the State, including a description of State efforts to improve the quality of child care;]

(2) containing data on the manner in which the child care needs of families in the State are being fulfilled, including information concerning—

(A) the number and ages of children being assisted with funds provided under this subchapter;

(B) with respect to the families of such children—

(i) the number of other children in such families;

(ii) the number of such families that include only 1 parent;

(iii) the number of such families that include both parents;

(iv) the ages of the mothers of such children;

(v) the ages of the fathers of such children;

(vi) the sources of the economic resources of such families, including the amount of such resources obtained from (and separately identified as being from)—

(I) employment, including self-employment;

(II) assistance received under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(III) part B of title IV of the Social Security Act (42 U.S.C. 620 et seq.);

(IV) subtitle B or C of title II of the Welfare Reform Consolidation Act of 1995;

(V) assistance received under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

(VI) assistance received under title XIV of the Social Security Act (42 U.S.C. 1351 et seq.);

(VII) assistance received under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

(VIII) assistance received under title XX of the Social Security Act (42 U.S.C. 1397 et seq.); and

(IX) any other source of economic resources the Secretary determines to be appropriate;

(C) the number of such providers separately identified with respect to each type of child care provider specified in section 658P(5) that provided child care services obtained with assistance provided under this subchapter;

(D) with respect to cost of such services—

(i) the cost imposed by such providers to provide such services; and

(ii) the portion of such cost paid with assistance provided under this subchapter;

(E) with respect to consumer education information described in section 658E(c)(2)(D) provided by such State—

(i) the manner in which such information was provided; and

(ii) the number of parents to whom such information was provided; and

(F) with respect to complaints received by such State regarding child care services obtained with assistance provided under this subchapter—

(i) the number of such complaints that were found to have merit; and

(ii) a description of the actions taken by the State to correct the circumstances on which such complaints were based.

(3) containing evidence demonstrating that the State satisfied the requirements of section 658E(c)(2)(F); and

(4) identifying each State program operated under a provision of law specified in section 658T to which the State transferred funds under the authority of such section, specifying the amount of funds so transferred to such program, and containing a justification for so transferring such amount;

during the period for which such report is required to be submitted.

(b) STATE EVALUATION PLAN AND EVALUATION RESULTS.—

(1) EVALUATION PLAN.—In the first report submitted under subsection (a) after the date of the enactment of the Welfare Reform Consolidation Act of 1995, and in the report for each alternating 1-year period thereafter, the State shall include a plan the State intends to carry out in the 1-year period subsequent to the period for which such report is submitted, to evaluate the extent to which the State has realized each of the goals specified in paragraphs (2) through (5) of section 658A(b). The State shall include in such plan a description of the types of data and other information the State will collect to determine whether the State has realized such goals.

(2) EVALUATION RESULTS.—In the second report submitted under subsection (a) after the date of the enactment of the Welfare Reform Consolidation Act of 1995, and in the report for each alternating 1-year period thereafter, the State shall include a summary of the results of an evaluation carried out under the evaluation plan contained in the report submitted under subsection (a) for the preceding 1-year period.

[(b)] *(c)* AUDITS.—

(1) REQUIREMENT.—A State shall, after the close of each program period covered by [a] *an* application approved under section 658E(d) audit its expenditures during such program period from amounts received under this subchapter.

(2) INDEPENDENT AUDITOR.—Audits under this subsection shall be conducted by an entity that is independent of [any agency administering activities that receive] *the State that receives* assistance under this subchapter and be in accordance with generally accepted auditing principles.

(3) SUBMISSION.—Not later than 30 days after the completion of an audit under this subsection, the State shall submit a copy of the audit to the legislature of the State and to the Secretary.

(4) REPAYMENT OF AMOUNTS.—Each State shall repay to the United States any amounts determined through an audit under this subsection not to have been expended in accordance with this subchapter, or the Secretary may offset such amounts against any other amount to which the State is or may be [entitles] *entitled* under this subchapter.

SEC. 658L. REPORT BY SECRETARY.

Not later than July 31[, 1993, and annually] *following the end of the second fiscal year with respect to which the amendments made by the Welfare Reform Consolidation Act of 1995 apply, and biennially* thereafter, the Secretary shall prepare and submit to the [Committee on Education and Labor] *Speaker* of the House of Representatives and the [Committee on Labor and Human Resources] *President pro tempore* of the Senate a report that contains a summary and analysis of the data and information provided to the Secretary in the State reports submitted under section 658K. [Such report shall include an assessment, and where appropriate, recommendations for the Congress concerning efforts that should be

undertaken to improve the access of the public to quality and affordable child care in the United States.]

* * * * * * *

SEC. 658O. AMOUNTS RESERVED; ALLOTMENTS.

(a) AMOUNTS RESERVED.—

(1) TERRITORIES AND [POSSESSIONS] *POSSESSIONS*.—The Secretary shall reserve not to exceed one half of 1 percent of the amount appropriated under this subchapter in each fiscal year for payments to Guam, American Samoa, the Virgin Islands of the United States, *and* the Commonwealth of the Northern Mariana Islands[, and the Trust Territory of the Pacific Islands] to be allotted in accordance with their respective needs.

* * * * * * *

[(b) STATE ALLOTMENT.—

[(1) GENERAL RULE.—From the amounts appropriated under section 658B for each fiscal year remaining after reservations under subsection (a), the Secretary shall allot to each State an amount equal to the sum of—

[(A) an amount that bears the same ratio to 50 percent of such remainder as the product of the young child factor of the State and the allotment percentage of the State bears to the sum of the corresponding products for all States; and

[(B) an amount that bears the same ratio to 50 percent of such remainder as the product of the school lunch factor of the State and the allotment percentage of the State bears to the sum of the corresponding products for all States.

[(2) YOUNG CHILD FACTOR.—The term "young child factor" means the ratio of the number of children in the State under 5 years of age to the number of such children in all States as provided by the most recent annual estimates of population in the States by the Census Bureau of the Department of Commerce.

[(3) SCHOOL LUNCH FACTOR.—The term "school lunch factor" means the ratio of the number of children in the State who are receiving free or reduced price lunches under the school lunch program established under the National School Lunch Act (42 U.S.C. 1751 et seq.) to the number of such children in all the States as determined annually by the Department of Agriculture.

[(4) ALLOTMENT PERCENTAGE.—

[(A) IN GENERAL.—The allotment percentage for a State is determined by dividing the per capita income of all individuals in the United States, by the per capita income of all individuals in the State.

[(B) LIMITATIONS.—If an allotment percentage determined under subparagraph (A)—

[(i) exceeds 1.2 percent, then the allotment percentage of that State shall be considered to be 1.2 percent; and

[(ii) is less than 0.8 percent, then the allotment percentage of the State shall be considered to be 0.8 percent.

[(C) PER CAPITA INCOME.—For purposes of subparagraph (A), per capita income shall be—

[(i) determined at 2-year intervals;

[(ii) applied for the 2-year period beginning on October 1 of the first fiscal year beginning on the date such determination is made; and

[(iii) equal to the average of the annual per capita incomes for the most recent period of 3 consecutive years for which satisfactory data are available from the Department of Commerce at the time such determination is made.]

(b) STATE ALLOTMENT.—From the amount appropriated under section 658B for each fiscal year remaining after reservations under subsection (a), the Secretary shall allot to each State (excluding Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands) an amount that bears the same ratio to the amount so appropriated for such fiscal year as the aggregate of the amounts received by the State under—

(1) this subchapter for fiscal year 1994;

(2) section 403 of the Social Security Act, with respect to expenditures by the State for child care under section 402(g)(1) of such Act during fiscal year 1994; and

(3) section 403(n) of the Social Security Act for fiscal year 1994;

bears to the aggregate of the amounts received by all the States (excluding Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands) under paragraphs (1), (2), and (3).

(c) PAYMENTS FOR THE BENEFIT OF INDIAN CHILDREN.—

(1) * * *

(2) APPLICATIONS AND REQUIREMENTS.—An application for a grant or contract under this section shall provide that:

(A) COORDINATION.—The applicant will coordinate, to the maximum extent feasible, with the lead [agency] *entity* in the State or States in which the applicant will carry out programs or activities under this section.

* * * * * * *

(5) DUAL ELIGIBILITY OF INDIAN CHILDREN.—The awarding of a grant or contract under this section for programs or activities to be conducted in a State or States shall not affect the eligibility of any Indian child to receive services provided or to participate in programs and activities carried [our] *out* under a grant to the State or States under this subchapter.

* * * * * * *

[(e) REALLOTMENTS.—

[(1) IN GENERAL.—Any portion of the allotment under subsection (b) to a State that the Secretary determines is not required to carry out a State plan approved under section 658E(d), in the period for which the allotment is made avail-

able, shall be reallotted by the Secretary to other States in proportion to the original allotments to the other States.

[(2) LIMITATIONS.—

[(A) REDUCTION.—The amount of any reallotment to which a State is entitled to under paragraph (1) shall be reduced to the extent that it exceeds the amount that the Secretary estimates will be used in the State to carry out a State plan approved under section 658E(d).

[(B) REALLOTMENTS.—The amount of such reduction shall be similarly reallotted among States for which no reduction in an allotment or reallotment is required by this subsection.

[(3) AMOUNTS REALLOTTED.—For purposes of any other section of this subchapter, any amount reallotted to a State under this subsection shall be considered to be part of the allotment made under subsection (b) to the State.

[(f)] *(e)* DEFINITION.—For the purposes of this section, the term "State" includes only the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 658P. DEFINITIONS.

As used in this subchapter:

(1) * * *

* * * * * * *

[(3) ELEMENTARY SCHOOL.—The term "elementary school" means a day or residential school that provides elementary education, as determined under State law.]

(3) CHILD CARE SERVICES.—The term "child care services" means services that constitute physical care of a child and may include services that are designed to enhance the educational, social, cultural, emotional, and recreational development of a child but that are not intended to serve as a substitute for compulsory educational services.

* * * * * * *

(5) ELIGIBLE CHILD CARE PROVIDER.—The term "eligible child care provider" means—

(A) a center-based child care provider, a group home child care provider, a family child care provider, or other provider of child care services for compensation [that—

[(i)] *that* is licensed, regulated, or registered under State law as described in section 658E(c)(2)(E); [and] *or*

[(ii) satisfies the State and local requirements, including those referred to in section 658E(c)(2)(F); applicable to the child care services it provides; or]

* * * * * * *

[(8) LEAD AGENCY.—The term "lead agency" means the agency designated under section 658B(a).]

(8) LEAD ENTITY.—The term "lead entity" means the State agency or other entity designated under section 658B(a).

* * * * * * *

[(10) SECONDARY SCHOOL.—The term "secondary school" means a day or residential school which provides secondary education, as determined under State law.

[(11)] *(10)* SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services unless the context specifies otherwise.

[(12) SLIDING FEE SCALE.—The term "sliding fee scale" means a system of cost sharing by a family based on income and size of the family.

[(13)] *(11)* STATE.—The term "State" means any of the several States, the District of Columbia, the Virgin Islands of the United States, the Commonwealth of Puerto Rico, Guam, American Samoa, *or* the Commonwealth of the Northern Mariana Islands[, and the Trust Territory of the Pacific Islands].

[(14)] *(12)* TRIBAL ORGANIZATION.—The term "tribal organization" has the meaning given it in section 4(l) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(l)).

(13) WITHHOLDING OF MEDICALLY INDICATED TREATMENT.—The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment (including appropriate nutrition, hydration, and medication) which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all such conditions, except that such term does not include the failure to provide treatment (other than appropriate nutrition, hydration, or medication) to an infant when, in the treating physician's or physicians' reasonable medical judgment—

(A) the infant is chronically and irreversibly comatose;

(B) the provision of such treatment would—

(i) merely prolong dying;

(ii) not be effective in ameliorating or correcting all of the infant's life-threatening conditions; or

(iii) otherwise be futile in terms of the survival of the infant; or

(C) the provision of such treatment would be virtually futile in terms of the survival of the infant and the treatment itself under such circumstances would be inhumane.

* * * * * * *

SEC. 658T. TRANSFER OF FUNDS.

(a) AUTHORITY.—Of the aggregate amount of payments received under this subchapter by a State in each fiscal year, the State may transfer not more than 20 percent for use by the State to carry out State programs under 1 or more of the following provisions of law:

(1) part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(2) part B of title IV of the Social Security Act (42 U.S.C. 620 et seq.);

(3) subtitle B or C of title II of the Welfare Reform Consolidation Act of 1995; and

(4) title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

(b) REQUIREMENTS APPLICABLE TO FUNDS TRANSFERRED.—Funds transferred under subsection (a) to carry out a State program operated under a provision of law specified in such subsection shall not be subject to the requirements of this subchapter, but shall be subject to the same requirements that apply to Federal funds provided directly under such provision of law to carry out such program.

* * * * * * *

HUMAN SERVICES REAUTHORIZATION ACT OF 1986

* * * * * * *

[TITLE VI—CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE PROGRAM

[SEC. 601. SHORT TITLE.

[This title may be cited as the "Child Development Associate Scholarship Assistance Act of 1985".

[SEC. 602. GRANTS AUTHORIZED.

[The Secretary is authorized to make a grant for any fiscal year to any State receiving a grant under title XX of the Social Security Act for such fiscal year to enable such State to award scholarships to eligible individuals within the State who are candidates for the Child Development Associate credential.

[SEC. 603. APPLICATIONS.

[(a) APPLICATION REQUIRED.—A State desiring to participate in the grant program established by this title shall submit an application to the Secretary in such form as the Secretary may require.

[(b) CONTENTS OF APPLICATIONS.—A State's application shall contain appropriate assurances that—

[(1) scholarship assistance made available with funds provided under this title will be awarded—

[(A) only to eligible individuals;

[(B) on the basis of the financial need of such individuals; and

[(C) in amounts sufficient to cover the cost of application, assessment, and credentialing (including, at the option of the State, any training necessary for credentialing) for the Child Development Associate credential for such individuals;

[(2) not more than 35 percent of the funds received under this title by a State may be used to provide scholarship assistance under paragraph (1) to cover the cost of training described in paragraph (1)(C); and

[(3) not more than 10 percent of the funds received by the State under this title will be used for the costs of administering the program established in such State to award such assistance.

[(c) EQUITABLE DISTRIBUTION.—In making grants under this title, the Secretary shall—

[(1) distribute such grants equitably among States; and

[(2) ensure that the needs of rural and urban areas are appropriately addressed.

[SEC. 604. DEFINITIONS.

[For purposes of this title—

[(1) the term "eligible individual" means a candidate for the Child Development Associate credential whose income does not exceed the 130 percent of the lower living standard income level, by more than 50 percent;

[(2) the term "lower living standard income level" means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary of Labor and based on the most recent lower living family budget issued by the Secretary of Labor;

[(3) the term "Secretary" means the Secretary of Health and Human Services; and

[(4) the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, and Palau.

[SEC. 605. ADMINISTRATIVE PROVISIONS.

[(a) REPORTING.—Each State receiving grants under this title shall annually submit to the Secretary information on the number of eligible individuals assisted under the grant program, and their positions and salaries before and after receiving the Child Development Associate credential.

[(b) PAYMENTS.—Payments pursuant to grants made under this title may be made in installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

[SEC. 606. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to carry out this title such sums as may be necessary for fiscal year 1995.]

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OMNIBUS BUDGET RECONCILIATION ACT OF 1981

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TITLE VI—HUMAN SERVICES PROGRAMS

Subtitle A—Authorizations Savings for Fiscal Years 1982, 1983, and 1984

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CHAPTER 8—COMMUNITY SERVICES PROGRAMS

* * * * * * *

[Subchapter E—Grants to States for Planning and Development of Dependent Care Programs and for Other Purposes

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 670A. For the purpose of making allotments to States to carry out the activities described in section 670D, there is authorized to be appropriated $13,000,000 for fiscal year 1995.

[ALLOTMENTS

[SEC. 670B. (a) From the amounts appropriated under section 6701A for each fiscal year, the Secretary shall allot to each State an amount which bears the same ratio to the total amount appropriated under such section for such fiscal year as the population of the State bears to the population of all States, except that no State may receive less than $50,000 in each fiscal year.

[(b) For the purpose of the exception contained in subsection (a), the term "State" does not include Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.

[PAYMENTS UNDER ALLOTMENTS TO STATES

[SEC. 670C. The Secretary shall make payment, as provided by section 6503(a) of title 31, United States Code, to each State from its allotment under section 670B from amounts appropriated under section 670A.

[USE OF ALLOTMENTS

[SEC. 670D. (a)(1) Subject to the provisions of subsections (c) and (d), amounts paid to a State under section 670C from it allotment under section 670B may be used for the planning, development, establishment, operation, expansion, or improvement by the States, directly or by grant or contract with public or private entities, of State and local resource and referral systems to provide information concerning the availability, types, costs, and locations of dependent care services. The information provided by any such system may include—

[(A) the types of dependent care services available, including services provided by individual homes, religious organizations, community organizations, employers, private industry, and public and private institutions;

[(B) the cost of available dependent care services;

[(C) the locations in which dependent care services are provided;

[(D) the forms of transportation available to such locations;

[(E) the hours during which such dependent care services are available;

[(F) the dependents eligible to enroll for such dependent care services; and

[(G) any resource and referral system planned, developed, established, expanded, or improved with amounts paid to a State under this subchapter.

[(2) The State, with respect to the uses of funds described in paragraph (1) of this subsection shall—

[(A) provide assurances that no information will be included with respect to any dependent care services which are not provided in compliance with the laws of the State and localities in which such services are provided; and

[(B) provide assurances that the information provided will be the latest information available and will be kept up to date.

[(b)(1) Subject to the provisions of subsections (c) and (d), amounts paid to a State under section 670C from its allotment under section 670B may be used for the planning, development, establishment, operation, expansion, or improvement by the States, directly, or by grant or contract, with public agencies or private nonprofit organizations of programs to furnish school-age child care services before and after school. Amounts so paid to a State and used for the operation of such child care services shall be designed to enable children, whose families lack adequate financial resources, to participate in before or after school child care programs.

[(2) The State, with respect to the uses of funds described in paragraph (1) of this subsection shall—

[(A) provide assurances, in the case of an applicant that is not a State or local educational agency, that the applicant has or will enter into an agreement with the State or local educational agency, institution of higher education or community center containing provisions for—

[(i) the use of facilities for the provision of before or after school child care services (including such use during holidays and vacation periods),

[(ii) the restrictions, if any, on the use of such space, and

[(iii) the times when the space will be available for the use of the applicant;

[(B) provide an estimate of the costs of the establishment of the child care service program in the facilities;

[(C) provide assurances that the parents of school-age children will be involved in the development and implementation of the program for which assistance is sought under this Act;

[(D) provide assurances that the applicant is able and willing to seek to enroll racially, ethnically, and economically diverse school-age children, as well as handicapped school-age children, in the child care service program for which assistance is sought under this Act;

[(E) provide assurances that the child care program is in compliance with State and local child care licensing laws and regulations governing day care services for school-age children to the extent that such regulations are appropriate to the age group served; and

[(F) provide such other assurance as the chief executive officer of the State may reasonably require to carry out this Act.

[(c)(1) Except as provided in paragraph (2), of the allotment to each State in each fiscal year—

[(A) 40 percent shall be available for the activities described in subsection (a); and

[(B) 60 percent shall be available for the activities described in subsection (b).

[(2) For any fiscal year the Secretary may waive the percentage requirements specified in paragraph (1) on the request of a State if such State demonstrates to the satisfaction of the Secretary—

[(A) that the amount of funds available as a result of one of such percentage requirements is not needed in such fiscal year for the activities for which such amount is so made available; and

[(B) the adequacy of the alternative percentages, relative to need, the State specifies the State will apply with respect to all of the activities referred to in paragraph (1) if such waiver is granted.

[(d) A State may not use amounts paid to it under this subchapter to—

[(1) make cash payments to intended recipient of dependent care services including child care services;

[(2) pay for construction or renovation; or

[(3) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

[(e)(1) The Federal share of any project supported under this subchapter shall be not more than 75 percent.

[(2) Not more than 10 percent of the allotment of each State under this subchapter may be available for the cost of administration.

[(f) Project supported under this section to plan, develop, establish, expand, operate, or improve a State or local resource and referral system or before or after school child care program shall not duplicate any services which are provided before the date of the enactment of this subchapter, by the State or locality which will be served by such system.

[(g) The Secretary may provide technical assistance to States in planning and carrying out activities under this subchapter.

[APPLICATION AND DESCRIPTION OF ACTIVITIES; REQUIREMENTS

[SEC. 670E. (a)(1) In order to receive an allotment under section 670B, each State shall submit an application to the Secretary. Each such application shall be in such form and submitted by such date as the Secretary shall require.

[(2) Each application required under paragraph (1) for an allotment under section 670B shall contain assurances that the State will meet the requirements of subsection (b).

[(b) As part of the annual application required by subsection (a), the chief executive officer of each State shall—

[(1) certify that the State agrees to use the funds allotted to it under section 670B in accordance with the requirements of this subchapter; and

[(2) certify that the State agrees that Federal funds made available under section 670C for any period will be so used as to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs and activities for which funds are provided under that section and will in no event supplant such State, local, and other non-Federal funds.

The Secretary may not prescribe for a State the manner of compliance with the requirements of this subsection.

[(c)(1) The chief executive officer of a State shall, as part of the application required by subsection (a), also prepare and furnish the Secretary (in accordance with such form as the Secretary shall provide) with a description of the intended use of the payments the State will receive under section 670C, including information on the programs and activities to be supported. The description shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during development of the description and after its transmittal. The description shall be revised (consistent with this section) until September 30, 1991, as may be necessary to reflect substantial changes in the programs and activities assisted by the State under this subchapter, and any revision shall be subject to the requirements of the preceding sentence.

[(2) The chief executive officer of each State shall include in such a description of—

[(A) the number of children who participated in before and after school child care programs assisted under this subchapter;

[(B) the characteristics of the children so served including age levels, handicapped condition, income level of families in such programs;

[(C) the salary level and benefits paid to employees in such child care programs; and

[(D) the number of clients served in resource and referral systems assisted under this subchapter, and the types of assistance they requested.

[(d) Except where inconsistent with the provisions of this subchapter, the provisions of section 1903(b), paragraphs (1) through (5) of section 1906(a), and sections 1906(b), 1907, 1908, and 1909 of the Public Health Service Act shall apply to this subchapter in the same manner as such provisions apply to part A of title XIX of such Act.

[REPORT

[SEC. 670F. Within three years after the date of enactment of this subchapter, the Secretary shall prepare and transmit to the Senate Committee on Labor and Human Resources and the House Committee on Education and Labor a report concerning the activities conducted by the States with amounts provided under this subchapter.

[DEFINITIONS

[SEC. 670G. For purposes of this subchapter—

[(1) the term "community center" means facilities operated by nonprofit community-based organizations for the provision of recreational, social, or educational services to the general public;

[(2) the term "dependent" means—

[(A) an individual who has not attained the age of 17 years;

[(B) an individual who has attained the age of 55 years; or

[(C) an individual with a developmental disability;

[(3) the term "developmental disability" has the same meaning as in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act;

[(4) the term "equipment" has the same meaning given that term by section 198(a)(8) of the Elementary and Secondary Education Act of 1965;

[(5) the term "institution of higher education" has the same meaning given that term under section 1201(a) of the Higher Education Act of 1965;

[(6) the term "local educational agency" has the same meaning given that term under section 14101 of the Elementary and Secondary Education Act of 1965 of the Elementary and Secondary Education Act of 1965;

[(7) the term "school-age children" means children aged five through thirteen, except that in any State in which by State law children at an earlier age are provided free public education, the age provided in State law shall be substituted for age five;

[(8) the term "school facilities" means classrooms and related facilities used for the provision of education;

[(9) the term "Secretary" means the Secretary of Health and Human Services;

[(10) the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, Palau, and the Commonwealth of the Northern Mariana Islands; and

[(11) the term "State educational agency" has the meaning given that term under section 14101 of the Elementary and Secondary Education Act of 1965.

[SHORT TITLE

[SEC. 670H. This subchapter may be cited as the "State Dependent Care Development Grants Act".]

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

* * * * * * *

TITLE X—PROGRAMS OF NATIONAL SIGNIFICANCE

* * * * * * *

PART D—ARTS IN EDUCATION

* * * * * * *

Subpart 2—Cultural Partnerships for At-Risk Children and Youth

* * * * * * *

SEC. 10413. AUTHORIZED ACTIVITIES.

(a) IN GENERAL.—Grants awarded under this subpart may be used—

(1) * * *

* * * * * * *

[(4) to provide child care for children of at-risk students who would not otherwise be able to participate in the program;]

* * * * * * *

PART J—URBAN AND RURAL EDUCATION ASSISTANCE

* * * * * * *

Subpart 1—Urban Education Demonstration Grants

SEC. 10963. URBAN SCHOOL GRANTS.

(a) * * *

(b) AUTHORIZED ACTIVITIES.—Funds under this section may be used to—

(1) * * *

(2) ensure the readiness of all urban public school children for school, such as—

(A) * * *

* * * * * * *

[(G) establishment of comprehensive child care centers in public secondary schools for students who are parents and their children; and]

* * * * * * *

Subpart 2—Rural Education Demonstration Grants

* * * * * * *

SEC. 10974. USES OF FUNDS.

(a) IN GENERAL.—Grant funds made available under section 10973 may be used by rural eligible local educational agencies to meet the National Education Goals through programs designed to—

(1) * * *

* * * * * * *

(6) ensure the readiness of all rural children for school, such as—

(A) * * *

* * * * * * *

[(G) establishment of comprehensive child care centers in public secondary schools for student parents and their children; and]

* * * * * * *

SECTION 9205 OF THE NATIVE HAWAIIAN EDUCATION ACT

* * * * * * *

[SEC. 9205. NATIVE HAWAIIAN FAMILY-BASED EDUCATION CENTERS.

[(a) GENERAL AUTHORITY.—The Secretary is authorized to make direct grants, to Native Hawaiian educational organizations or educational entities with experience in developing or operating Native Hawaiian programs or programs of instruction conducted in the Native Hawaiian language, to expand the operation of Family-Based Education Centers throughout the Hawaiian Islands. The programs of such centers may be conducted in the Hawaiian language, the English language, or a combination thereof, and shall include—

[(1) parent-infant programs for prenatal through three-year-olds;

[(2) preschool programs for four- and five-year-olds;

[(3) continued research and development; and

[(4) a long-term followup and assessment program, which may include educational support services for Native Hawaiian language immersion programs or transition to English speaking programs.

[(b) ADMINISTRATIVE COSTS.—Not more than 7 percent of the funds appropriated to carry out the provisions of this section for any fiscal year may be used for administrative purposes.

[(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amount authorized to be appropriated for the centers described in subsection (a), there are authorized to be appropriated $6,000,000 for fiscal year 1995, and such sums as may be necessary for each of the four succeeding fiscal years, to carry out this section. Funds appropriated under the authority of this subsection shall remain available until expended.]

SOCIAL SECURITY ACT

* * * * * * *

TITLE IV—GRANTS TO STATES FOR AID AND SERVICES TO NEEDY FAMILIES WITH CHILDREN AND FOR CHILD-WELFARE SERVICES

* * * * * * *

STATE PLANS FOR AID AND SERVICES TO NEEDY FAMILIES WITH CHILDREN

SEC. 402. (a) A State plan for aid and services to needy families with children must—

(1) * * *

* * * * * * *

(9) provide safeguards which restrict the use or disclosure of information concerning applicants or recipients to purposes directly connected with (A) the administration of the plan of the State approved under this part [(including activities under part F)], the plan or program of the State under part B, D, or E of this title or under title I, X, XIV, XVI, XIX, or XX, or the supplemental security income program established by title XVI, (B) any investigation, prosecution, or criminal or civil proceeding, conducted in connection with the administration of any such plan or program, (C) the administration of any other Federal or federally assisted program which provides assistance, in cash or in kind, or services, directly to individuals on the basis of need, (D) any audit or similar activity conducted in connection with the administration of any such plan or program by any governmental entity which is authorized by law to conduct such audit or activity, and (E) reporting and providing information pursuant to paragraph (16) to appropriate authorities with respect to known or suspected child abuse or neglect; and the safeguards so provided shall prohibit disclosure, to any committee or legislative body (other than an entity referred to in clause (D) with respect to an activity referred to in such clause), of any information which identifies by name or address any such applicant or recipient; but such safeguards shall not prevent the State agency or the local agency responsible for the administration of the State plan in the locality (whether or not the State has enacted legislation allowing public access to Federal welfare records) from furnishing a State or local law enforcement officer, upon his request, with the current address of any recipient if the officer furnishes the agency with such recipient's name and social security account number and satisfactorily demonstrates that such recipient is a fugitive felon, that the location or apprehension of such felon is within the officer's official duties, and that the request is made in the proper exercise of those duties;

* * * * * * *

[(19) provide—

[(A) that the State has in effect and operation a job opportunities and basic skills training program which meets the requirements of part F of this subchapter;

[(B) that—

[(i) the State will (except as otherwise provided in this paragraph or part F), to the extent that the program is available in the political subdivision involved and State resources otherwise permit—

[(I) require all recipients of aid to families with dependent children in such subdivision with re-

spect to whom the State guarantees child care in accordance with section 402(g) to participate in the program; and

[(II) allow applicants for and recipients of aid to families with dependent children (and individuals who would be recipients of such aid if the State had not exercised the option under section 407(b)(2)(B)(i)) who are not required under subclause (I) to participate in the program to do so on a voluntary basis;

[(ii) in determining the priority of participation by individuals from among those groups described in clauses (i), (ii), (iii), and (iv) of section 403(l)(2)(B), the State will give first consideration to applicants for or recipients of aid to families with dependent children within any such group who volunteer to participate in the program;

[(iii) if an exempt participant drops out of the program without good cause after having commenced participation in the program, he or she shall thereafter not be given priority so long as other individuals are actively seeking to participate; and

[(iv) the State need not require or allow participation of an individual in the program if as a result of such participation the amount payable to the State for quarters in a fiscal year with respect to the program would be reduced pursuant to section 403(l)(2);

[(C) that an individual may not be required to participate in the program if such individual—

[(i) is ill, incapacitated, or of advanced age;

[(ii) is needed in the home because of the illness or incapacity of another member of the household;

[(iii) subject to subparagraph (D)—

[(I) is the parent or other relative of a child under 3 years of age (or, if so provided in the State plan, under any age that is less than 3 years but not less than one year) who is personally providing care for the child, or

[(II) is the parent or other relative personally providing care for a child under 6 years of age, unless the State assures that child care in accordance with section 402(g) will be guaranteed and that participation in the program by the parent or relative will not be required for more than 20 hours a week;

[(iv) works 30 or more hours a week;

[(v) is a child who is under age 16 or attends, full-time, an elementary, secondary, or vocational (or technical) school;

[(vi) is pregnant if it has been medically verified that the child is expected to be born in the month in which such participation would otherwise be required or within the 6-month period immediately following such month; or

[(vii) resides in an area of the State where the program is not available;

[(D) that, in the case of a family eligible for aid to families with dependent children by reason of the unemployment of the parent who is the principal earner, subparagraph (C)(iii) shall apply only to one parent, except that, in the case of such a family, the State may at its option make such subparagraph inapplicable to both of the parents (and require their participation in the program) if child care in accordance with subsection (g) of this section is guaranteed with respect to the family;

[(E) that—

[(i) to the extent that the program is available in the political subdivision involved and State resources otherwise permit, in the case of a custodial parent who has not attained 20 years of age, has not successfully completed a high-school education (or its equivalent), and is required to participate in the program (including an individual who would otherwise be exempt from participation in the program solely by reason of subparagraph (C)(iii)), the State agency (subject to clause (ii)) will require such parent to participate in an educational activity; and

[(ii) the State agency may—

[(I) require a parent described in clause (i) (notwithstanding the part-time requirement in subparagraph (C)(iii)(II)) to participate in educational activities directed toward the attainment of a high school diploma or its equivalent on a full-time (as defined by the educational provider) basis,

[(II) establish criteria in accordance with regulations of the Secretary under which custodial parents described in clause (i) who have not attained 18 years of age may be exempted from the school attendance requirement under such clause, or

[(III) require a parent described in clause (i) who is age 18 or 19 to participate in training or work activities (in lieu of the educational activities under such clause) if such parent fails to make good progress in successfully completing such educational activities or if it is determined (prior to any assignment of the individual to such educational activities) pursuant to an educational assessment that participation in such educational activities is inappropriate for such parent;

[(F) that—

[(i) if the parent or other caretaker relative or any dependent child in the family is attending (in good standing) an institution of higher education (as defined in section 481(a) of the Higher Education Act of 1965), or a school or course of vocational or technical training (not less than half time) consistent with the individual's employment goals, and is making satisfac-

tory progress in such institution, school, or course, at the time he or she would otherwise commence participation in the program under this section, such attendance may constitute satisfactory participation in the program (by that caretaker or child) so long as it continues and is consistent with such goals;

[(ii) any other activities in which an individual described in clause (i) participates may not be permitted to interfere with the school or training described in that clause;

[(iii) the costs of such school or training shall not constitute federally reimbursable expenses for purposes of section 403; and

[(iv) the costs of day care, transportation, and other services which are necessary (as determined by the State agency) for such attendance in accordance with section 402(g) are eligible for Federal reimbursement;

[(G) that—

[(i) if an individual who is required by the provisions of this paragraph to participate in the program or who is so required by reason of the State's having exercised the option under subparagraph (D) fails without good cause to participate in the program or refuses without good cause to accept employment in which such individual is able to engage which is offered through the public employment offices of the State, or is otherwise offered by an employer if the offer of such employer is determined to be a bona fide offer of employment—

[(I) the needs of such individual (whether or not section 407 applies) shall not be taken into account in making the determination with respect to his or her family under paragraph (7) of this subsection, and if such individual is a parent or other caretaker relative, payments of aid for any dependent child in the family in the form of payments of the type described in section 406(b)(2) (which in such a case shall be without regard to clauses (A) through (D) thereof) will be made unless the State agency, after making reasonable efforts, is unable to locate an appropriate individual to whom such payments can be made; and

[(II) if such individual is a member of a family which is eligible for aid to families with dependent children by reason of section 407, and his or her spouse is not participating in the program, the needs of such spouse shall also not be taken into account in making such determination;

[(ii) any sanction described in clause (i) shall continue—

[(I) in the case of the individual's first failure to comply, until the failure to comply ceases;

[(II) in the case of the individual's second failure to comply, until the failure to comply ceases or 3 months (whichever is longer); and

[(III) in the case of any subsequent failure to comply, until the failure to comply ceases or 6 months (whichever is longer);

[(iii) the State will promptly remind any individual whose failure to comply has continued for 3 months, in writing, of the individual's option to end the sanction by terminating such failure; and

[(iv) no sanction shall be imposed under this subparagraph—

[(I) on the basis of the refusal of an individual described in subparagraph (C)(iii)(II) to accept employment, if the employment would require such individual to work more than 20 hours a week, or

[(II) on the basis of the refusal of an individual to participate in the program or accept employment, if child care (or day care for any incapacitated individual living in the same home as a dependent child) is necessary for an individual to participate in the program or accept employment, such care is not available, and the State agency fails to provide such care; and

[(H) the State agency may require a participant in the program to accept a job only if such agency assures that the family of such participant will experience no net loss of cash income resulting from acceptance of the job; and any costs incurred by the State agency as a result of this subparagraph shall be treated as expenditures with respect to which section 403(a)(1) or 403(a)(2) applies;]

* * * * * * *

(44) provide that the State agency shall—

(A) be responsible for assuring that the benefits and services under the programs under this part[, part D, and part F] *and part D* are furnished in an integrated manner, and

* * * * * * *

[(g)(1)(A)(i) Each State agency must guarantee child care in accordance with subparagraph (B)—

[(I) for each family with a dependent child requiring such care, to the extent that such care is determined by the State agency to be necessary for an individual in the family to accept employment or remain employed; and

[(II) for each individual participating in an education and training activity (including participation in a program that meets the requirements of subsection (a)(19) and part F) if the State agency approves the activity and determines that the individual is satisfactorily participating in the activity.

[(ii) Each State agency must guarantee child care, subject to the limitations described in this section, to the extent that such care is determined by the State agency to be necessary for an individual's employment in any case where a family has ceased to receive

aid to families with dependent children as a result of increased hours of, or increased income from, such employment or by reason of subsection (a)(8)(B)(ii)(II).

[(iii) A family shall only be eligible for child care provided under clause (ii) for a period of 12 months after the last month for which the family received aid to families with dependent children under this part.

[(iv) A family shall not be eligible for child care provided under clause (ii) unless the family received aid to families with dependent children in at least 3 of the 6 months immediately preceding the month in which the family became ineligible for such aid.

[(v) A family shall not be eligible for child care provided under clause (ii) unless the family includes a child who is (or, if needy, would be) a dependent child.

[(vi) A family shall not be eligible for child care provided under clause (ii) for any month beginning after the caretaker relative who is a member of the family has—

[(I) without good cause, terminated his or her employment; or

[(II) refused to cooperate with the State in establishing and enforcing his or her child support obligations, without good cause as determined by the State agency in accordance with standards prescribed by the Secretary which shall take into consideration the best interests of the child for whom child care is to be provided.

[(vii) A family shall contribute to child care provided under clause (ii) in accordance with a sliding scale formula which shall be established by the State agency based on the family's ability to pay.

[(B) The State agency may guarantee child care by—

[(i) providing such care directly;

[(ii) arranging the care through providers by use of purchase of service contracts, or vouchers;

[(iii) providing cash or vouchers in advance to the caretaker relative in the family;

[(iv) reimbursing the caretaker relative in the family; or

[(v) adopting such other arrangements as the agency deems appropriate.

When the State agency arranges for child care, the agency shall take into account the individual needs of the child.

[(C)(i) Subject to clause (ii), the State agency shall make payment for the cost of child care provided with respect to a family in an amount that is the lesser of—

[(I) the actual cost of such care; and

[(II) the dollar amount of the child care disregard for which the family is otherwise eligible under subsection (a)(8)(A)(iii) of this section, or (if higher) an amount established by the State.

[(ii) The State agency may not reimburse the cost of child care provided with respect to a family in an amount that is greater than the applicable local market rate (as determined by the State in accordance with regulations issued by the Secretary).

[(D) The State may not make any change in its method of reimbursing child care costs which has the effect of disadvantaging fam-

ilies receiving aid under the State plan on October 13, 1988, by reducing their income or otherwise.

[(E) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for the care) under this paragraph—

[(i) shall not be treated as income for purposes of any other Federal or federally-assisted program that bases eligibility for or the amount of benefits upon need, and

[(ii) may not be claimed as an employment-related expense for purposes of the credit under section 21 of the Internal Revenue Code of 1986.

[(2) In the case of any individual participating in the program under part F, each State agency (in addition to guaranteeing child care under paragraph (1)) shall provide payment or reimbursement for such transportation and other work-related expenses (including other work-related supportive services), as the State determines are necessary to enable such individual to participate in such program.

[(3)(A)(i) In the case of amounts expended for child care pursuant to paragraph (1)(A) by any State to which section 1108 does not apply, the applicable rate for purposes of section 403(a) shall be the Federal medical assistance percentage (as defined in section 1196d(b)).

[(ii) In the case of amounts expended for child care pursuant to paragraph (1)(A)(ii) (relating to the provision of child care for certain families which cease to receive aid under this part) by any State to which section 1108 applies, the applicable rate for purposes of section 403(a) shall be the Federal medical assistance percentage (as defined in section 1118).

[(B) In the case of any amounts expended by the State agency for child care under this subsection, only such amounts as are within such limits as the State may prescribe (subject to the limitations of paragraph (1)(C)) shall be treated as amounts for which payment may be made to a State under this part and they may be so treated only to the extent that—

[(i) such amounts do not exceed the applicable local market rate (as determined by the State in accordance with regulations issued by the Secretary);

[(ii) the child care involved meets applicable standards of State and local law; and

[(iii) in the case of child care, the entity providing such care allows parental access.

[(4) The State must establish procedures to ensure that center-based child care will be subject to State and local requirements designed to ensure basic health and safety, including fire safety, protections. The State must also endeavor to develop guidelines for family day care. The State must provide the Secretary with a description of such State and local requirements and guidelines.

[(5) By October 1, 1992, the Secretary shall report to the Congress on the nature and content of State and local standards for health and safety.

[(6)(A) The Secretary shall make grants to States to improve their child care licensing and registration requirements and procedures, to enforce standards with respect to child care provided to

children under this part, and to provide for the training of child care providers.

[(B) Subject to subparagraph (C), the Secretary shall make grants to each State under subparagraph (A) in proportion to the number of children in the State receiving aid under the State plan approved under subsection (a) of this section.

[(C) The Secretary may not make grants to a State under subparagraph (A) unless the State provides matching funds in an amount that is not less than 10 percent of the amount of the grant.

[(D) For grants under this paragraph, there is authorized to be appropriated to the Secretary $13,000,000 for each of the fiscal years 1990 and 1991, and $50,000,000 for each of fiscal years 1992, 1993, and 1994.

[(E) Each State to which the Secretary makes a grant under this paragraph shall expend not less than 50 percent of the amount of the grant to provide for the training of child care providers.

[(7) Activities under this subsection and subsection (i) of this section shall be coordinated in each State with existing early childhood education programs in that State, including Head Start programs, preschool programs funded under title I of the Elementary and Secondary Education Act of 1965, and school and nonprofit child care programs (including community-based organizations receiving funds designated for preschool programs for handicapped children).]

* * * * * * *

[(i)(1) Each State agency may, to the extent that it determines that resources are available, provide child care in accordance with paragraph (2) to any low income family that the State determines—

[(A) is not receiving aid under the State plan approved under this part;

[(B) needs such care in order to work; and

[(C) would be at risk of becoming eligible for aid under the State plan approved under this part if such care were not provided.

[(2) The State agency may provide child care pursuant to paragraph (1) by—

[(A) providing such care directly;

[(B) arranging such care through providers by use of purchase of service contracts or vouchers;

[(C) providing cash or vouchers in advance to the family;

[(D) reimbursing the family; or

[(E) adopting such other arrangements as the agency deems appropriate.

[(3)(A) A family provided with child care under paragraph (1) shall contribute to such care in accordance with a sliding scale formula established by the State agency based on the family's ability to pay.

[(B) The State agency shall make payment for the cost of child care provided under paragraph (1) with respect to a family in an amount that is the lesser of—

[(i) the actual cost of such care; and

[(ii) the applicable local market rate (as determined by the State in accordance with regulations issued by the Secretary).

[(4) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for the care) under this subsection—

[(A) shall not be treated as income or as a deductible expense for purposes of any other Federal or federally assisted program that bases eligibility for or amount of benefits upon need; and

[(B) may not be claimed as an employment-related expense for purposes of the credit under section 21 of the Internal Revenue Code of 1986.

[(5) Amounts expended by the State agency for child care under paragraph (1) shall be treated as amounts for which payment may be made to a State under section 403(n) only to the extent that—

[(A) such amounts are paid in accordance with paragraph (3)(B);

[(B) the care involved meets applicable standards of State and local law;

[(C) the provider of the care—

[(i) in the case of a provider who is not an individual that provides such care solely to members of the family of the individual, is licensed, regulated, or registered by the State or locality in which the care is provided; and

[(ii) allows parental access; and

[(D) such amounts are not used to supplant any other Federal or State funds used for child care services.

[(6)(A)(i) Each State shall prepare reports annually, beginning with fiscal year 1993, on the activities of the State carried out with funds made available under section 403(n).

[(ii) The State shall make available for public inspection within the State copies of each report required by this paragraph, shall transmit a copy of each such report to the Secretary, and shall provide a copy of each such report, on request, to any interested public agency.

[(iii) The Secretary shall annually compile, and submit to the Congress, the State reports transmitted to the Secretary pursuant to clause (ii).

[(B) Each report prepared and transmitted by a State under subparagraph (A) shall set forth with respect to child care services provided under this subsection—

[(i) showing separately for center-based child care services, group home child care services, family child care services, and relative care services, the number of children who received such services and the average cost of such services;

[(ii) the criteria applied in determining eligibility or priority for receiving services, and sliding fee schedules;

[(iii) the child care licensing and regulatory (including registration) requirements in effect in the State with respect to each type of service specified in clause (i); and

[(iv) the enforcement policies and practices in effect in the State which apply to licensed and regulated child care providers (including providers required to register).

[(C) Within 12 months after November 5, 1990, the Secretary shall establish uniform reporting requirements for use by the States in preparing the information required by this paragraph,

and make such other provision as may be necessary or appropriate to ensure that compliance with this subsection will not be unduly burdensome on the States.

[(D) Not later than July 1, 1992, the Secretary shall issue a report on the implementation of this subsection, based on such information as as has been made available to the Secretary by the States.]

PAYMENTS TO STATES

SEC. 403. (a) * * *

* * * * * * *

[(k)(1) Each State with a plan approved under part F shall be entitled to payments under subsection (l) of this section for any fiscal year in an amount equal to the sum of the applicable percentages (specified in such subsection) of its expenditures to carry out the program under part F (subject to limitations prescribed by or pursuant to such part or this section on expenditures that may be included for purposes of determining payment under subsection (l) of this section), but such payments for any fiscal year in the case of any State may not exceed the limitation determined under paragraph (2) with respect to the State.

[(2) The limitation determined under this paragraph with respect to a State for any fiscal year is—

[(A) the amount allotted to the State for fiscal year 1987 under part C of this subchapter as then in effect, plus

[(B) the amount that bears the same ratio to the amount specified in paragraph (3) for such fiscal year as the average monthly number of adult recipients (as defined in paragraph (4)) in the State in the preceding fiscal year bears to the average monthly number of such recipients in all the States for such preceding year.

[(3) The amount specified in this paragraph is—

[(A) $600,000,000 in the case of the fiscal year 1989,

[(B) $800,000,000 in the case of the fiscal year 1990,

[(C) $1,000,000,000 in the case of each of the fiscal years 1991, 1992, and 1993,

[(D) $1,100,000,000 in the case of the fiscal year 1994,

[(E) $1,300,000,000 in the case of the fiscal year 1995, and

[(F) $1,000,000,000 in the case of the fiscal year 1996 and each succeeding fiscal year, reduced by the aggregate amount allotted to all the States for fiscal year 1987 pursuant to part C of this subchapter as then in effect.

[(4) For purposes of this subsection, the term "adult recipient" in the case of any State means an individual other than a dependent child (unless such child is the custodial parent of another dependent child) whose needs are met (in whole or in part) with payments of aid to families with dependent children.

[(5) None of the funds available to a State for purposes of the programs or activities conducted under part F shall be used for construction.

[(l)(1)(A) In lieu of any payment under subsection (a) of this section, the Secretary shall pay to each State with a plan approved under section 482(a) (subject to the limitation determined under

section 482(i)(2)) with respect to expenditures by the State to carry out a program under part F (including expenditures for child care under section 402(g)(1)(A)(i), but only in the case of a State with respect to which section 1108 applies), an amount equal to—

[(i) with respect to so much of such expenditures in a fiscal year as do not exceed the State's expenditures in the fiscal year 1987 with respect to which payments were made to such State from its allotment for such fiscal year pursuant to part C of this subchapter as then in effect, 90 percent; and

[(ii) with respect to so much of such expenditures in a fiscal year as exceed the amount described in clause (i)—

[(I) 50 percent, in the case of expenditures for administrative costs made by a State in operating such a program for such fiscal year (other than the personnel costs for staff employed full-time in the operation of such program) and the costs of transportation and other work-related supportive services under section 402(g)(2), and

[(II) the greater of 60 percent or the Federal medical assistance percentage (as defined in section 1118 in the case of any State to which section 1108 applies, or as defined in section 1905(b) in the case of any other State), in the case of expenditures made by a State in operating such a program for such fiscal year (other than for costs described in subclause (I)).

[(B) With respect to the amount for which payment is made to a State under subparagraph (A)(i), the State's expenditures for the costs of operating a program established under part F may be in cash or in kind, fairly evaluated.

[(2)(A) Notwithstanding paragraph (1), the Secretary shall pay to a State an amount equal to 50 percent of the expenditures made by such State in operating its program established under part F (in lieu of any different percentage specified in paragraph (1)(A)) if less than 55 percent of such expenditures are made with respect to individuals who are described in subparagraph (B).

[(B) An individual is described in this paragraph if the individual—

[(i)(I) is receiving aid to families with dependent children, and

[(II) has received such aid for any 36 of the preceding 60 months;

[(ii)(I) makes application for aid to families with dependent children, and

[(II) has received such aid for any 36 of the 60 months immediately preceding the most recent month for which application has been made;

[(iii) is a custodial parent under the age of 24 who (I) has not completed a high school education and, at the time of application for aid to families with dependent children, is not enrolled in high school (or a high school equivalency course of instruction), or (II) had little or no work experience in the preceding year; or

[(iv) is a member of a family in which the youngest child is within 2 years of being ineligible for aid to families with dependent children because of age.

[(C) This paragraph may be waived by the Secretary with respect to any State which demonstrates to the satisfaction of the Secretary that the characteristics of the caseload in that State make it infeasible to meet the requirements of this paragraph, and that the State is targeting other long-term or potential long-term recipients.

[(D) The Secretary shall biennially submit to the Congress any recommendations for modifications or additions to the groups of individuals described in subparagraph (B) that the Secretary determines would further the goal of assisting long-term or potential long-term recipients of aid to families with dependent children to achieve self-sufficiency, which recommendations shall take into account the particular characteristics of the populations of individual States.

[(3)(A) Notwithstanding paragraph (1), the Secretary shall pay to a State an amount equal to 50 percent of the expenditures made by such State in a fiscal year in operating its program established under part F (in lieu of any different percentage specified in paragraph (1)(A)) if the State's participation rate (determined under subparagraph (B)) for the preceding fiscal year does not exceed or equal—

[(i) 7 percent if the preceding fiscal year is 1990;

[(ii) 7 percent if such year is 1991;

[(iii) 11 percent if such year is 1992;

[(iv) 11 percent if such year is 1993;

[(v) 15 percent if such year is 1994; and

[(vi) 20 percent if such year is 1995.

[(B)(i) The State's participation rate for a fiscal year shall be the average of its participation rates for computation periods (as defined in clause (ii)) in such fiscal year.

[(ii) The computation periods shall be—

[(I) the fiscal year, in the case of fiscal year 1990,

[(II) the first six months, and the seventh through twelfth months, in the case of fiscal year 1991,

[(III) the first three months, the fourth through sixth months, the seventh through ninth months, and the tenth through twelfth months, in the case of fiscal years 1992 and 1993, and

[(IV) each month, in the case of fiscal years 1994 and 1995.

[(iii) The State's participation rate for a computation period shall be the number, expressed as a percentage, equal to—

[(I) the average monthly number of individuals required or allowed by the State to participate in the program under part F who have participated in such program in months in the computation period, plus the number of individuals required or allowed by the State to participate in such program who have so participated in that month in such period for which the number of such participants is the greatest, divided by

[(II) twice the average monthly number of individuals required to participate in such period (other than individuals described in subparagraph (C)(iii)(I) or (D) of section 402(a)(19) with respect to whom the State has exercised its option to require their participation).

For purposes of this subparagraph, an individual shall not be considered to have satisfactorily participated in the program under part F solely by reason of such individual being registered to participate in such program.

[(C) Notwithstanding any other provision of this paragraph, no State shall be subject to payment under this paragraph (in lieu of paragraph (1)(A)) for failing to meet any participation rate required under this paragraph with respect to any fiscal year before 1991.

[(D) For purposes of this paragraph, an individual shall be determined to have participated in the program under part F, if such individual has participated in accordance with such requirements, consistent with regulations of the Secretary, as the State shall establish.

[(E) If the Secretary determines that the State has failed to achieve the participation rate for any fiscal year specified in the numbered clauses of subparagraph (A), he may waive, in whole or in part, the reduction in the payment rate otherwise required by such subparagraph if he finds that—

[(i) the State is in conformity with section 402(a)(19) and part F;

[(ii) the State has made a good faith effort to achieve the applicable participation rate for such fiscal year; and

[(iii) the State has submitted a proposal which is likely to achieve the applicable participation rate for the current fiscal year and the subsequent fiscal years (if any) specified therein.

[(4)(A)(i) Subject to subparagraph (B), in the case of any family eligible for aid to families with dependent children by reason of the unemployment of the parent who is the principal earner, the State agency shall require that at least one parent in any such family participate, for a total of at least 16 hours a week during any period in which either parent is required to participate in the program, in a work supplementation program, a community work experience or other work experience program, on-the-job training, or a State designed work program approved by the Secretary, as such programs are described in section 482(d)(1). In the case of a parent under age 25 who has not completed high school or an equivalent course of education, the State may require such parent to participate in educational activities directed at the attainment of a high school diploma (or equivalent) or another basic education program in lieu of one or more of the programs specified in the preceding sentence.

[(ii) For purposes of clause (i), an individual participating in a community work experience program under section 482 shall be considered to have met the requirement of such clause if he participates for the number of hours in any month equal to the monthly payment of aid to families with dependent children to the family of which he is a member, divided by the greater of the Federal or the applicable State minimum wage (and the portion of such monthly payment for which the State is reimbursed by a child support collection shall not be taken into account in determining the number of hours that such individual may be required to work).

[(B) The requirement under subparagraph (A) shall not be considered to have been met by any State if the requirement is not met with respect to the following percentages of all families in the

State eligible for aid to families with dependent children by reason of the unemployment of the parent who is the principal earner:

[(i) 40 percent, in the case of the average of each month in fiscal year 1994,

[(ii) 50 percent, in the case of the average of each month in fiscal year 1995,

[(iii) 60 percent, in the case of the average of each month in fiscal year 1996, and

[(iv) 75 percent in the case of the average of each month in each of the fiscal years 1997 and 1998.

[(C) The percentage of participants for any month in a fiscal year for purposes of the preceding sentence shall equal the average of—

[(i) the number of individuals described in subparagraph (A)(i) who have met the requirement prescribed therein, divided by

[(ii) the total number of principal earners described in such subparagraph (but excluding those in families who have been recipients of aid for 2 months or less if, during the period that the family received aid, at least one parent engaged in intensive job search).

[(D) If the Secretary determines that the State has failed to meet the requirement under subparagraph (A) (determined with respect to the percentages prescribed in subparagraph (B)), he may waive, in whole or in part, any penalty if he finds that—

[(i) the State is operating a program in conformity with section 402(a)(19) and part F,

[(ii) the State has made a good faith effort to meet the requirement of subparagraph (A) but has been unable to do so because of economic conditions in the State (including significant numbers of recipients living in remote locations or isolated rural areas where the availability of work sites is severely limited), or because of rapid and substantial increases in the caseload that cannot reasonably be planned for, and

[(iii) the State has submitted a proposal which is likely to achieve the required percentage of participants for the subsequent fiscal years.]

* * * * * * *

[(n)(1) In addition to any payment under subsection (a) or (l) of this section, each State shall be entitled to payment from the Secretary of an amount equal to the lesser of—

[(A) the Federal medical assistance percentage (as defined in section 11905(b)) of the expenditures by the State in providing child care services pursuant to section 402(i), and in administering the provision of such child care services, for any fiscal year; and

[(B) the limitation determined under paragraph (2) with respect to the State for the fiscal year.

[(2)(A) The limitation determined under this paragraph with respect to a State for any fiscal year is the amount that bears the same ratio to the amount specified in subparagraph (B) for such fiscal year as the number of children residing in the State in the second preceding fiscal year bears to the number of children residing in the United States in the second preceding fiscal year.

[(B) The amount specified in this subparagraph is—

[(i) $300,000,000 for fiscal year 1991;
[(ii) $300,000,000 for fiscal year 1992;
[(iii) $300,000,000 for fiscal year 1993;
[(iv) $300,000,000 for fiscal year 1994; and
[(v) $300,000,000 for fiscal year 1995, and for each fiscal year thereafter.

[(C) If the limitation determined under subparagraph (A) with respect to a State for a fiscal year exceeds the amount paid to the State under this subsection for the fiscal year, the limitation determined under this paragraph with respect to the State for the immediately succeeding fiscal year shall be increased by the amount of such excess.

[(3) Amounts appropriated for a fiscal year to carry out this part shall be made available for payments under this subsection for such fiscal year.]

* * * * * * *

SEC. 407. (a) * * *

(b)(1) In providing for the provision of aid to families with dependent children under the State's plan approved under section 402, in the case of families that include dependent children within the meaning of subsection (a) of this section, as required by section 402(a)(41), the State's plan—

(A) * * *

(B) shall provide—

[(i) for such assurances as will satisfy the Secretary that unemployed parents of dependent children as defined in subsection (a) will participate or apply for participation in a program under part F (unless the program is not available in the area where the parent is living) within 30 days after receipt of aid with respect to such children;

[(ii)] *(i)* for entering into cooperative arrangements with the State agency responsible for administering or supervising the administration of vocational education in the State, designed to assure maximum utilization of available public vocational education services and facilities in the State in order to encourage the retraining of individuals capable of being retrained;

[(iii)] *(ii)* for the denial of aid to families with dependent children to any child or relative specified in subsection (a) with respect to any week for which such child's parent described in subparagraph (A)(i) qualifies for unemployment compensation under an unemployment compensation law of a State or of the United States, but refuses to apply for or accept such unemployment compensation; *and*

[(iv)] *(iii)* for the reduction of the aid to families with dependent children otherwise payable to any child or relative specified in subsection (a) by the amount of any unemployment compensation that such child's parent described in subparagraph (A)(i) receives under an unemployment compensation law of a State or of the United States[; and].

[(v) that, if and for so long as the child's parent described in subparagraph (A)(i), unless meeting a condition of section 402(a)(19)(C), is, without good cause, not partici-

pating (or available for participation) in a program under part F, or if exempt under such section by reason of clause (vii) thereof or because there has not been established or provided under part F a program in which such parent can effectively participate, is not registered with the public employment offices in the State, the needs of such parent shall not be taken into account in determining the need of such parent's family under section 402(a)(7), and the needs of such parent's spouse shall not be so taken into account unless such spouse is participating in such a program, or if not participating solely by reason of section 402(a)(19)(C)(vii) or because there has not been established or provided under part F a program in which such spouse can effectively participate, is registered with the public employment offices of the State; and if neither parents' needs are so taken into account, the payment provisions of section 402(a)(19)(G)(i)(I) shall apply.]

(2)(A) * * *

(B)(i) * * *

(ii)(I) A State may not limit the number of months under clause (i) for which a family may receive aid to families with dependent children unless it provides in its plan assurances to the Secretary that it has a program (that meets such requirements as the Secretary may in regulation prescribe) for providing education, training, and employment services [(including any activity authorized under section 402(a)(19) or under part F)] in order to assist parents of children described in subsection (a) in preparing for and obtaining employment.

* * * * * * *

[(C) With respect to the participation in the program under section 402(a)(19) and part F of a family eligible for aid to families with dependent children by reason of this section, a State may, at its option—

[(i) except as otherwise provided in such section and such part, require that any parent participating in such program engage in program activities for up to 40 hours per week; and

[(ii) provide for the payment of aid to families with dependent children at regular intervals of no greater than one month but after the performance of assigned program activities.]

(c) Notwithstanding any other provisions of this section, expenditures pursuant to this section shall be excluded from aid to families with dependent children [(A)] where such expenditures are made under the plan with respect to any dependent child as defined in subsection (a), (i) for any part of the 30-day period referred to in subsection (b)(1)(A)(i), or (ii) for any period prior to the time when the parent satisfies subsection (b)(1)(A)(ii)[, and (B) if, and for as long as, no action is taken (after the 30-day period referred to in subsection (b)(1)(B)(i)), under the program therein specified, to undertake appropriate steps directed towards the participation of such parent in a program under part F].

(d) For purposes of this section—

(1) the term "quarter of work" with respect to any individual means (A) a calendar quarter in which such individual received earned income of not less than $50 (or which is a "quarter of coverage" as defined in section 213(a)(2))[, or in which such individual participated in a program under part F], (B) at the option of the State, a calendar quarter in which such individual attended, full-time, an elementary school, a secondary school, or a vocational or technical training course (approved by the Secretary) that is designed to prepare the individual for gainful employment, or in which such individual participated in an education or training program established under the Job Training Partnership Act, and (C) a calendar quarter ending before October 1990 in which such individual participated in a community work experience program under section 409 (as in effect for a State immediately before the effective date for that State of the amendments made by title II of the Family Support Act of 1988) or the work incentive program established under part C (as in effect for a State immediately before such effective date);

* * * * * * *

(e) The Secretary and the Secretary of Labor shall jointly enter into an agreement with each State which is able and willing to do so for the purpose of (1) simplifying the procedures to be followed by unemployed parents and other unemployed persons in such State [in participating in a program under part F and] in registering with public employment offices (under this section and otherwise) or in connection with applications for unemployment compensation, by reducing the number of locations or agencies where such persons must go in order to [participate in or] register for such programs and in connection with such applications, and (2) providing where possible for a single registration satisfying this section and the requirements of [both part F and] the applicable unemployment compensation laws.

* * * * * * *

ASSISTANT SECRETARY FOR FAMILY SUPPORT

SEC. 417. The programs under this part[, part D, and part F] *and part D* shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law.

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PART E—FEDERAL PAYMENTS FOR FOSTER CARE AND ADOPTION ASSISTANCE

* * * * * * *

SEC. 471. (a) In order for a State to be eligible for payments under this part, it shall have a plan approved by the Secretary which—

(1) * * *

* * * * * * *

(8) provides safeguards which restrict the use of or disclosure of information concerning individuals assisted under the State plan to purposes directly connected with (A) the administration of the plan of the State approved under this part, the plan or program of the State under part A, B, or D of this title [(including activities under part F)] or under title I, V, X, XIV, XVI (as in effect in Puerto Rico, Guam, and the Virgin Islands), XIX, or XX, or the supplemental security income program established by title XVI, (B) any investigation, prosecution, or criminal or civil proceeding, conducted in connection with the administration of any such plan or program, (C) the administration of any other Federal or federally assisted program which provides assistance, in cash or in kind, or services, directly to individuals on the basis of need, (D) any audit or similar activity conducted in connection with the administration of any such plan or program by any governmental agency which is authorized by law to conduct such audit or activity, and (E) reporting and providing information pursuant to paragraph (9) to appropriate authorities with respect to known or suspected child abuse or neglect; and the safeguards so provided shall prohibit disclosure, to any committee or legislative body (other than an agency referred to in clause (D) with respect to an activity referred to in such clause), of any information which identifies by name or address any such applicant or recipient; except that nothing contained herein shall preclude a State from providing standards which restrict disclosures to purposes more limited than those specified herein, or which, in the case of adoptions, prevent disclosure entirely;

* * * * * * *

[PART F—JOB OPPORTUNITIES AND BASIC SKILLS TRAINING PROGRAM

[PURPOSE AND DEFINITIONS

[SEC. 481. (a) PURPOSE.—It is the purpose of this part to assure that needy families with children obtain the education, training, and employment that will help them avoid long-term welfare dependence.

[(b) MEANING OF TERMS.—Except to the extent otherwise specifically indicated, terms used in this part shall have the meanings given them in or under part A of this subchapter.

[ESTABLISHMENT AND OPERATION OF STATE PROGRAMS

[SEC. 482. (a) STATE PLANS FOR JOB OPPORTUNITIES AND BASIC SKILLS TRAINING PROGRAMS.—(1)(A) As a condition of its participation in the program of aid to families with dependent children under part A of this subchapter, each State shall establish and operate a job opportunities and basic skills training program (in this part referred to as the ''program'') under a plan approved by the Secretary as meeting all of the requirements of this part and section 402(a)(19), and shall, in accordance with regulations pre-

scribed by the Secretary, periodically (but not less frequently than every 2 years) review and update its plan and submit the updated plan for approval by the Secretary.

[(B) A State plan for establishing and operating the program must describe how the State intends to implement the program during the period covered by the plan, and must indicate, through cross-references to the appropriate provisions of this part and part A of this subchapter, that the program will be operated in accordance with such provisions of law. In addition, such plan must contain (i) an estimate of the number of persons to be served by the program, (ii) a description of the services to be provided within the State and the political subdivisions thereof, the needs to be addressed through the provision of such services, the extent to which such services are expected to be made available by other agencies on a nonreimbursable basis, and the extent to which such services are to be provided or funded by the program, and (iii) such additional information as the Secretary may require by regulation to enable the Secretary to determine that the State program will meet all of the requirements of this part and part A of this subchapter.

[(C) The Secretary shall consult with the Secretary of Labor on general plan requirements and on criteria to be used in approving State plans under this section.

[(D)(i) Not later than October 1, 1992, each State shall make the program available in each political subdivision of such State where it is feasible to do so, after taking into account the number of prospective participants, the local economy, and other relevant factors.

[(ii) If a State determines that it is not feasible to make the program available in each such subdivision, the State plan must provide appropriate justification to the Secretary.

[(2) The State agency that administers or supervises the administration of the State's plan approved under section 402 shall be responsible for the administration or supervision of the administration of the State's program.

[(3) Federal funds made available to a State for purposes of the program shall not be used to supplant non-Federal funds for existing services and activities which promote the purpose of this part. State or local funds expended for such purpose shall be maintained at least at the level of such expenditures for the fiscal year 1986.

[(b) ASSESSMENT AND REVIEW OF NEEDS AND SKILLS OF PARTICIPANTS; EMPLOYABILITY PLAN.—(1)(A) The State agency must make an initial assessment of the educational, child care, and other supportive services needs as well as the skills, prior work experience, and employability of each participant in the program under this part, including a review of the family circumstances. The agency may also review the needs of any child of the participant.

[(B) On the basis of such assessment, the State agency, in consultation with the participant, shall develop an employability plan for the participant. The employability plan shall explain the services that will be provided by the State agency and the activities in which the participant will take part under the program, including child care and other supportive services, shall set forth an employment goal for the participant, and shall, to the maximum extent possible and consistent with this section, reflect the respective preferences of such participant. The plan must take into account the

participant's supportive services needs, available program resources, and local employment opportunities. The employability plan shall not be considered a contract.

[(2) Following the initial assessment and review and the development of the employability plan with respect to any participant in the program, the State agency may require the participant (or the adult caretaker in the family of which the participant is a member) to negotiate and enter into an agreement with the State agency that specifies such matters as the participant's obligations under the program, the duration of participation in the program, and the activities to be conducted and the services to be provided in the course of such participation. If the State agency exercises the option under the preceding sentence, the State agency must give the participant such assistance as he or she may require in reviewing and understanding the agreement.

[(3) The State agency may assign a case manager to each participant and the participant's family. The case manager so assigned must be responsible for assisting the family to obtain any services which may be needed to assure effective participation in the program.

[(c) PROVISION OF PROGRAM AND EMPLOYMENT INFORMATION.—(1) The State agency must ensure that all applicants for and recipients of aid to families with dependent children are encouraged, assisted, and required to fulfill their responsibilities to support their children by preparing for, accepting, and retaining such employment as they are capable of performing.

[(2) The State agency must inform all applicants for and recipients of aid to families with dependent children of the education, employment, and training opportunities, and the support services (including child care and health coverage transition options), for which they are eligible, the obligations of the State agency, and the rights, responsibilities, and obligations of participants in the program.

[(3) The State agency must—

[(A) provide (directly or through arrangements with others) information on the types and locations of child care services reasonably accessible to participants in the program,

[(B) inform participants that assistance is available to help them select appropriate child care services, and

[(C) on request, provide assistance to participants in obtaining child care services.

[(4) The State agency must inform applicants for and recipients of aid to families with dependent children of the grounds for exemption from participation in the program and the consequences of refusal to participate if not exempt, and provide other appropriate information with respect to such participation.

[(5) Within one month after the State agency gives a recipient of aid to families with dependent children the information described in the preceding provisions of this paragraph, the State agency must notify such recipient of the opportunity to indicate his or her desire to participate in the program, including a clear description of how to enter the program.

[(d) SERVICES AND ACTIVITIES UNDER PROGRAM.—(1)(A) In carrying out the program, each State shall make available a broad range

of services and activities to aid in carrying out the purpose of this part. Such services and activities—

[(i) shall include—

[(I) educational activities (as appropriate), including high school or equivalent education (combined with training as needed), basic and remedial education to achieve a basic literacy level, and education for individuals with limited English proficiency;

[(II) job skills training;

[(III) job readiness activities to help prepare participants for work; and

[(IV) job development and job placement; and

[(ii) must also include at least 2 of the following:

[(I) group and individual job search as described in subsection (g) of this section;

[(II) on-the-job training;

[(III) work supplementation programs as described in subsection (e) of this section; and

[(IV) community work experience programs as described in subsection (f) of this section or any other work experience program approved by the Secretary.

[(B) The State may also offer to participants under the program

[(i) postsecondary education in appropriate cases, and

[(ii) such other education, training, and employment activities as may be determined by the State and allowed by regulations of the Secretary.

[(2) If the State requires an individual who has attained the age of 20 years and has not earned a high school diploma (or equivalent) to participate in the program, the State agency shall include educational activities consistent with his or her employment goals as a component of the individual's participation in the program, unless the individual demonstrates a basic literacy level, or the employability plan for the individual identifies a long-term employment goal that does not require a high school diploma (or equivalent). Any other services or activities to which such a participant is assigned may not be permitted to interfere with his or her participation in an appropriate educational activity under this subparagraph.

[(3) Notwithstanding any other provision of this section, the Secretary shall permit up to 5 States to provide services under the program, on a voluntary or mandatory basis, to non-custodial parents who are unemployed and unable to meet their child support obligations. Any State providing services to non-custodial parents pursuant to this paragraph shall evaluate the provision of such services, giving particular attention to the extent to which the provision of such services to those parents is contributing to the achievement of the purpose of this part, and shall report the results of such evaluation to the Secretary.

[(e) WORK SUPPLEMENTATION PROGRAM.—(1) Any State may institute a work supplementation program under which such State, to the extent it considers appropriate, may reserve the sums that would otherwise be payable to participants in the program as aid to families with dependent children and use such sums instead for the purpose of providing and subsidizing jobs for such participants

(as described in paragraph (3)(C) (i) and (ii)), as an alternative to the aid to families with dependent children that would otherwise be so payable to them.

[(2)(A) Notwithstanding section 406 or any other provision of law, Federal funds may be paid to a State under part A of this subchapter, subject to this subsection, with respect to expenditures incurred in operating a work supplementation program under this subsection.

[(B) Nothing in this part, or in any State plan approved under part A of this subchapter, shall be construed to prevent a State from operating (on such terms and conditions and in such cases as the State may find to be necessary or appropriate) a work supplementation program in accordance with this subsection and section 484.

[(C) Notwithstanding section 402(a)(23) or any other provision of law, a State may adjust the levels of the standards of need under the State plan as the State determines to be necessary and appropriate for carrying out a work supplementation program under this subsection.

[(D) Notwithstanding section 402(a)(1) or any other provision of law, a State operating a work supplementation program under this subsection may provide that the need standards in effect in those areas of the State in which such program is in operation may be different from the need standards in effect in the areas in which such program is not in operation, and such State may provide that the need standards for categories of recipients may vary among such categories to the extent the State determines to be appropriate on the basis of ability to participate in the work supplementation program.

[(E) Notwithstanding any other provision of law, a State may make such further adjustments in the amounts of the aid to families with dependent children paid under the plan to different categories of recipients (as determined under subparagraph (D)) in order to offset increases in benefits from needs-related programs (other than the State plan approved under part A of this subchapter) as the State determines to be necessary and appropriate to further the purposes of the work supplementation program.

[(F) In determining the amounts to be reserved and used for providing and subsidizing jobs under this subsection as described in paragraph (1), the State may use a sampling methodology.

[(G) Notwithstanding section 402(a)(8) or any other provision of law, a State operating a work supplementation program under this subsection (i) may reduce or eliminate the amount of earned income to be disregarded under the State plan as the State determines to be necessary and appropriate to further the purposes of the work supplementation program, and (ii) during one or more of the first 9 months of an individual's employment pursuant to a program under this section, may apply to the wages of the individual the provisions of subparagraph (A)(iv) of section 402(a)(8) without regard to the provisions of subparagraph (B)(ii)(II) of such section.

[(3)(A) A work supplementation program operated by a State under this subsection may provide that any individual who is an eligible individual (as determined under subparagraph (B)) shall take a supplemented job (as defined in subparagraph (C)) to the ex-

tent that supplemented jobs are available under the program. Payments by the State to individuals or to employers under the work supplementation program shall be treated as expenditures incurred by the State for aid to families with dependent children except as limited by paragraph (4).

[(B) For purposes of this subsection, an eligible individual is an individual who is in a category which the State determines should be eligible to participate in the work supplementation program, and who would, at the time of placement in the job involved, be eligible for aid to families with dependent children under an approved State plan if such State did not have a work supplementation program in effect.

[(C) For purposes of this section, a supplemented job is—

[(i) a job provided to an eligible individual by the State or local agency administering the State plan under part A; or

[(ii) a job provided to an eligible individual by any other employer for which all or part of the wages are paid by such State or local agency.

A State may provide or subsidize under the program any job which such State determines to be appropriate.

[(D) At the option of the State, individuals who hold supplemented jobs under a State's work supplementation program shall be exempt from the retrospective budgeting requirements imposed pursuant to section 402(a)(13)(A)(ii) (and the amount of the aid which is payable to the family of any such individual for any month, or which would be so payable but for the individual's participation in the work supplementation program, shall be determined on the basis of the income and other relevant circumstances in that month).

[(4) The amount of the Federal payment to a State under section 403 for expenditures incurred in making payments to individuals and employers under a work supplementation program under this subsection shall not exceed an amount equal to the amount which would otherwise be payable under such section if the family of each individual employed in the program established in such State under this subsection had received the maximum amount of aid to families with dependent children payable under the State plan to such a family with no income (without regard to adjustments under paragraph (2)) for the lesser of (A) 9 months, or (B) the number of months in which such individual was employed in such program.

[(5)(A) Nothing in this subsection shall be construed as requiring the State or local agency administering the State plan to provide employee status to an eligible individual to whom it provides a job under the work supplementation program (or with respect to whom it provides all or part of the wages paid to the individual by another entity under such program), or as requiring any State or local agency to provide that an eligible individual filling a job position provided by another entity under such program be provided employee status by such entity during the first 13 weeks such individual fills that position.

[(B) Wages paid under a work supplementation program shall be considered to be earned income for purposes of any provision of law.

[(6) Any State that chooses to operate a work supplementation program under this subsection shall provide that any individual who participates in such program, and any child or relative of such individual (or other individual living in the same household as such individual) who would be eligible for aid to families with dependent children under the State plan approved under part A of this subchapter if such State did not have a work supplementation program, shall be considered individuals receiving aid to families with dependent children under the State plan approved under part A of this subchapter for purposes of eligibility for medical assistance under the State plan approved under subchapter XIX of this chapter.

[(7) No individual receiving aid to families with dependent children under a State plan shall be excused by reason of the fact that such State has a work supplementation program from any requirement of this part relating to work requirements, except during periods in which such individual is employed under such work supplementation program.

[(f) COMMUNITY WORK EXPERIENCE PROGRAM.—(1)(A) Any State may establish a community work experience program in accordance with this subsection. The purpose of the community work experience program is to provide experience and training for individuals not otherwise able to obtain employment, in order to assist them to move into regular employment. Community work experience programs shall be designed to improve the employability of participants through actual work experience and training and to enable individuals employed under community work experience programs to move promptly into regular public or private employment. The facilities of the State public employment offices may be utilized to find employment opportunities for recipients under this program. Community work experience programs shall be limited to projects which serve a useful public purpose in fields such as health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, and day care. To the extent possible, the prior training, experience, and skills of a recipient shall be used in making appropriate work experience assignments.

[(B)(i) A State that elects to establish a community work experience program under this subsection shall operate such program so that each participant (as determined by the State) either works or undergoes training (or both) with the maximum number of hours that any such individual may be required to work in any month being a number equal to the amount of the aid to families with dependent children payable with respect to the family of which such individual is a member under the State plan approved under this part, divided by the greater of the Federal minimum wage or the applicable State minimum wage (and the portion of a recipient's aid for which the State is reimbursed by a child support collection shall not be taken into account in determining the number of hours that such individual may be required to work).

[(ii) After an individual has been assigned to a position in a community work experience program under this subsection for 9 months, such individual may not be required to continue in that assignment unless the maximum number of hours of participation is

no greater than (I) the amount of the aid to families with dependent children payable with respect to the family of which such individual is a member under the State plan approved under this part (excluding any portion of such aid for which the State is reimbursed by a child support payment), divided by (II) the higher of (a) the Federal minimum wage or the applicable State minimum wage, whichever is greater, or (b) the rate of pay for individuals employed in the same or similar occupations by the same employer at the same site.

[(C) Nothing contained in this subsection shall be construed as authorizing the payment of aid to families with dependent children as compensation for work performed, nor shall a participant be entitled to a salary or to any other work or training expense provided under any other provision of law by reason of his participation in a program under this subsection.

[(D) Nothing in this part or in any State plan approved under this part shall be construed to prevent a State from operating (on such terms and conditions and in such cases as the State may find to be necessary or appropriate) a community work experience program in accordance with this subsection and subsection (d) of this section.

[(E) Participants in community work experience programs under this subsection may perform work in the public interest (which otherwise meets the requirements of this subsection) for a Federal office or agency with its consent, and, notwithstanding section 1342 of title 31 or any other provision of law, such agency may accept such services, but such participants shall not be considered to be Federal employees for any purpose.

[(2) After each 6 months of an individual's participation in a community work experience program under this subsection, and at the conclusion of each assignment of the individual under such program, the State agency must provide a reassessment and revision, as appropriate, of the individual's employability plan.

[(3) The State agency shall provide coordination among a community work experience program operated pursuant to this subsection, any program of job search under subsection (g) of this section, and the other employment-related activities under the program established by this section so as to insure that job placement will have priority over participation in the community work experience program, and that individuals eligible to participate in more than one such program are not denied aid to families with dependent children on the grounds of failure to participate in one such program if they are actively and satisfactorily participating in another. The State agency may provide that part-time participation in more than one such program may be required where appropriate.

[(4) In the case of any State that makes expenditures in the form described in paragraph (1) under its State plan approved under section 482(a)(1) of this section, expenditures for the operation and administration of the program under this section may not include, for purposes of section 403, the cost of making or acquiring materials or equipment in connection with the work performed under a program referred to in paragraph (1) or the cost of supervision of

work under such program, and may include only such other costs attributable to such programs as are permitted by the Secretary.

[(g) JOB SEARCH PROGRAM.—(1) The State agency may establish and carry out a program of job search for individuals participating in the program under this part.

[(2) Notwithstanding section 402(a)(19)(B)(i), the State agency may require job search by an individual applying for or receiving aid to families with dependent children (other than an individual described in section 402(a)(19)(C) who is not an individual with respect to whom section 402(a)(19)(D) applies)—

[(A) subject to the next to last sentence of this paragraph, beginning at the time such individual applies for aid to families with dependent children and continuing for a period (prescribed by the State) of not more than 8 weeks (but this requirement may not be used as a reason for any delay in making a determination of an individual's eligibility for such aid or in issuing a payment to or on behalf of any individual who is otherwise eligible for such aid); and

[(B) at such time or times after the close of the period prescribed under subparagraph (A) as the State agency may determine but not to exceed a total of 8 weeks in any period of 12 consecutive months.

In no event may an individual be required to participate in job search for more than 3 weeks before the State agency conducts the assessment and review with respect to such individual under subsection (b)(1)(A) of this section. Job search activities in addition to those required under the preceding provisions of this paragraph may be required only in combination with some other education, training, or employment activity which is designed to improve the individual's prospects for employment.

[(3) Job search by an individual under this subsection shall in no event be treated, for any purpose, as an activity under the program if the individual has participated in such job search for 4 months out of the preceding 12 months.

[(h) DISPUTE RESOLUTION PROCEDURES.—Each State shall establish a conciliation procedure for the resolution of disputes involving an individual's participation in the program and (if the dispute involved is not resolved through conciliation) shall provide an opportunity for a hearing with respect to the dispute, which hearing may be provided through a hearing process established for purposes of resolving disputes with respect to the program or through the provision of a hearing pursuant to section 402(a)(4); but in no event shall aid to families with dependent children be suspended, reduced, discontinued, or terminated as a result of a dispute involving an individual's participation in the program until such individual has an opportunity for a hearing that meets the standards set forth by the United States Supreme Court in Goldberg v. Kelly, 397 U.S. 254 (1970).

[(i) SPECIAL PROVISIONS RELATING TO INDIAN TRIBES.—(1) Within 6 months after October 13, 1988, an Indian tribe or Alaska Native organization may apply to the Secretary to conduct a job opportunities and basic skills training program to carry out the purpose of this subsection. If the Secretary approves such tribe's or organization's application, the maximum amount that may be paid to

the State under section 403(l) in which such tribe or organization is located shall be reduced by the Secretary in accordance with paragraph (2) and an amount equal to the amount of such reduction shall be paid directly to such tribe or organization (without the requirement of any nonFederal share) for the operation of such program. In determining whether to approve an application from an Alaska Native organization, the Secretary shall consider whether approval of the application would promote the efficient and nonduplicative administration of job opportunities and basic skills training programs in the State.

[(2) The amount of the reduction under paragraph (1) with respect to any State in which is located an Indian tribe or Alaska Native organization with an application approved under such paragraph shall be an amount equal to the amount that bears the same ratio to the maximum amount that could be paid under section 403(l) to the State as—

[(A) the number of adult members of such Indian tribe receiving aid to families with dependent children bears to the number of all such adult recipients in the State, or

[(B) the number of adult Alaska Natives receiving aid to families with dependent children who reside within the boundaries of such Alaska Native organization bears to the number of all such adult recipients in the State of Alaska.

[(3) The job opportunities and basic skills training program set forth in the application of an Indian tribe or Alaska Native organization under paragraph (1) need not meet any requirement of the program under this part or under section 402(a)(19) that the Secretary determines is inappropriate with respect to such job opportunities and basic skills training program.

[(4) The job opportunities and basic skills training program of any Indian tribe or Alaska Native organization may be terminated voluntarily by such tribe or Alaska Native organization or may be terminated by the Secretary upon a finding that the tribe or Alaska Native organization is not conducting such program in substantial conformity with the terms of the application approved by the Secretary, and the maximum amount that may be paid under section 403(l) to the State within which the tribe or Alaska Native organization is located (as reduced pursuant to paragraph (1)) shall be increased by any portion of the amount retained by the Secretary with respect to such program (and not payable to such tribe or Alaska Native organization for obligations already incurred). The reduction under paragraph (1) shall in no event apply to a State for any fiscal year beginning after such program is terminated if no other such program remains in operation in the State.

[(5) For purposes of this subsection, an Indian tribe is any tribe, band, nation, or other organized group or community of Indians that—

[(A) is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians; and

[(B) for which a reservation (as defined in paragraph (6)) exists.

[(6) For purposes of this subsection, a reservation includes Indian reservations, public domain Indian allotments, and former Indian reservations in Oklahoma.

[(7) For purposes of this subsection—

[(A) an Alaska Native organization is any organized group of Alaska Natives eligible to operate a Federal program under Public Law 93–638 or such group's designee;

[(B) the boundaries of an Alaska Native organization shall be those of the geographical region, established pursuant to section 1606(a) of title 43, within which the Alaska Native organization is located (without regard to the ownership of the land within the boundaries);

[(C) the Secretary may approve only one application from an Alaska Native organization for each of the 12 geographical regions established pursuant to section 1606(a) of title 43; and

[(D) any Alaska Native, otherwise eligible or required to participate in a job opportunities and basic skills training program, residing within the boundaries of an Alaska Native organization whose application has been approved by the Secretary, shall be eligible to participate in the job opportunities and basic skills training program administered by such Alaska Native organization.

[(8) Nothing in this subsection shall be construed to grant or defer any status or powers other than those expressly granted in this subsection or to validate or invalidate any claim by Alaska Natives of sovereign authority over lands or people.

[COORDINATION REQUIREMENTS

[SEC. 483. (a)(1) The Governor of each State shall assure that program activities under this part are coordinated in that State with programs operated under the Job Training Partnership Act and with any other relevant employment, training, and education programs available in that State. Appropriate components of the State's plan developed under section 482(a)(1) which relate to job training and work preparation shall be consistent with the coordination criteria specified in the Governor's coordination and special services plan required under section 121 of the Job Training Partnership Act.

[(2) The State plan so developed shall be submitted to the State job training coordinating council not less than 60 days before its submission to the Secretary, for the purpose of review and comment by the council. Concurrent with submission of the plan to the State job training coordinating council, the proposed State plan shall be published and made reasonably available to the general public through local news facilities and public announcements, in order to provide the opportunity for review and comment.

[(3) The comments and recommendations of the State job training coordinating council under paragraph (2) shall be transmitted to the Governor of the State.

[(b) The Secretary of Health and Human Services shall consult with the Secretaries of Education and Labor on a continuing basis for the purpose of assuring the maximum coordination of education and training services in the development and implementation of the program under this part.

[(c) The State agency responsible for administering or supervising the administration of the State plan approved under part A of this subchapter shall consult with the State education agency and the agency responsible for administering job training programs in the State in order to promote coordination of the planning and delivery of services under the program with programs operated under the Job Training Partnership Act and with education programs available in the State (including any program under the Adult Education Act or Carl D. Perkins Vocational Education Act).

[PROVISIONS GENERALLY APPLICABLE TO PROVISION OF SERVICES

[SEC. 484. (a) In assigning participants in the program under this part to any program activity, the State agency shall assure that—

[(1) each assignment takes into account the physical capacity, skills, experience, health and safety, family responsibilities, and place of residence of the participant;

[(2) no participant will be required, without his or her consent, to travel an unreasonable distance from his or her home or remain away from such home overnight;

[(3) individuals are not discriminated against on the basis of race, sex, national origin, religion, age, or handicapping condition, and all participants will have such rights as are available under any applicable Federal, State, or local law prohibiting discrimination;

[(4) the conditions of participation are reasonable, taking into account in each case the proficiency of the participant and the child care and other supportive services needs of the participant; and

[(5) each assignment is based on available resources, the participant's circumstances, and local employment opportunities.

[(b) Appropriate workers' compensation and tort claims protection must be provided to participants on the same basis as they are provided to other individuals in the State in similar employment (as determined under regulations of the Secretary).

[(c) No work assignment under the program shall result in—

[(1) the displacement of any currently employed worker or position (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits), or result in the impairment of existing contracts for services or collective bargaining agreements;

[(2) the employment or assignment of a participant or the filling of a position when (A) any other individual is on layoff from the same or any equivalent position, or (B) the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the effect of filling the vacancy so created with a participant subsidized under the program; or

[(3) any infringement of the promotional opportunities of any currently employed individual.

Funds available to carry out the program under this part may not be used to assist, promote, or deter union organizing. No partici-

pant may be assigned under section 482 (e) or (f) to fill any established unfilled position vacancy.

[(d)(1) The State shall establish and maintain (pursuant to regulations jointly issued by the Secretary and the Secretary of Labor) a grievance procedure for resolving complaints by regular employees or their representatives that the work assignment of an individual under the program violates any of the prohibitions described in subsection (c) of this section. A decision of the State under such procedure may be appealed to the Secretary of Labor for investigation and such action as such Secretary may find necessary.

[(2) The State shall hear complaints with respect to working conditions and workers' compensation, and wage rates in the case of individuals participating in community work experience programs described in section 482(f), under the State's fair hearing process. A decision of the State under such process may be appealed to the Secretary of Labor under such conditions as the joint regulations issued under subsection (f) of this section may provide.

[(e) The provisions of this section apply to any work-related programs and activities under this part, and under any other work-related programs and activities authorized (in connection with the AFDC program) under section 1115.

[(f) The Secretary of Health and Human Services and the Secretary of Labor shall jointly prescribe and issue regulations for the purpose of implementing and carrying out the provisions of this section, in accordance with the timetable established in section 203(a) of the Family Support Act of 1988.

[CONTRACT AUTHORITY

[SEC. 485. (a) The State agency that administers or supervises the administration of the State's plan approved under section 402 shall carry out the programs under this part directly or through arrangements or under contracts with administrative entities under section 4(2) of the Job Training Partnership Act), with State and local educational agencies, and with other public agencies or private organizations (including community-based organizations as defined in section 4(5) of such Act).

[(b) Arrangements and contracts entered into under subsection (a) of this section may cover any service or activity (including outreach) to be made available under the program to the extent that the service or activity is not otherwise available on a nonreimbursable basis.

[(c) The State agency and private industry councils (as established under section 102 of the Job Training Partnership Act shall consult on the development of arrangements and contracts under the program established under a plan approved under section 482(a)(1), and under programs established under such Act.

[(d) In selecting service providers, the State agency shall take into account appropriate factors which may include past performance in providing similar services, demonstrated effectiveness, fiscal accountability, ability to meet performance standards, and such other factors as the State may determine to be appropriate.

[(e) The State agency shall use the services of each private industry council to identify and provide advice on the types of jobs available or likely to become available in the service delivery area

(as defined in the Job Training Partnership Act) of the council, and shall ensure that the State program provides training in any area for jobs of a type which are, or are likely to become, available in the area.

[INITIAL STATE EVALUATIONS

[SEC. 486. (a) With the objective of—

[(1) providing an in-depth assessment of potential participants in the program under this part in each State, so as to furnish an accurate picture on which to base estimates of future demands for services in conducting such program and to improve the efficiency of targeting under such program,

[(2) assuring that training for recipients of aid under such program will be realistically geared to labor market demands and that the program will produce individuals with marketable skills, while avoiding duplication and redundancy in the delivery of services, and

[(3) otherwise assuring that States will have the information needed to carry out the purposes of the program, each State may undertake and carry out an evaluation of demographic characteristics of potential participants in the program under this part within the 12-month period beginning on October 13, 1988. Such evaluation shall be carried out in each State by the agency which administers the State's program approved under section 402.

[(b) In carrying out the evaluation under subsection (a) of this section the State shall give particular attention to the current and anticipated demands of the labor market or markets within the State, the types of training which are needed to meet those demands, and any changes in the current service delivery systems which may be needed to satisfy the requirements of the program under this part.

[(c) The evaluation shall be structured so as to produce accurate and usable information on the age, family status, educational and literacy levels, duration of eligibility for aid to families with dependent children, and work experience of the individuals and families who are potential participants in the program under this part, including the actual numbers of such individuals and families in each such category.

[(d) The Secretary of Health and Human Services, in consultation with the Secretary of Labor, shall provide each State with such technical assistance and data as it may need in order to carry out its evaluation under subsection (a) of this section; and each State shall transmit its evaluation to the Secretary by the close of the 12-month period specified in such subsection. The Secretary of Health and Human Services shall take such evaluations into account in developing performance standards.

[(e) As used in this section, the term "potential participants" with respect to any State's program under this part means collectively all individuals in such State who are recipients of aid to families with dependent children under part A of this subchapter and who are members of the target populations identified in section 403(l)(2).

[PERFORMANCE STANDARDS

[SEC. 487. (a) Not later than 4 years after the effective date specified in section 204(a) of the Family Support Act of 1988, the Secretary shall—

[(1) in consultation with the Secretary of Labor, representatives of organizations representing Governors, State and local program administrators, educators, State job training coordinating councils, community-based organizations, recipients, and other interested persons, develop criteria for performance standards with respect to the programs established pursuant to this part that are based, in part, on the results of the studies conducted under section 203(c) of such Act, and the initial State evaluations (if any) performed under section 486; and

[(2) submit his recommendations with respect to performance standards developed under paragraph (1) to the appropriate committees of jurisdiction of the Congress, which recommendations shall be made with respect to specific measurements of outcomes and be based on the degree of success which may reasonably be expected of States in helping individuals to increase earnings, achieve self-sufficiency, and reduce welfare dependency, and shall not be measured solely by levels of activity or participation.

Performance standards developed with respect to the program under this part shall be reviewed periodically by the Secretary and modified to the extent necessary.

[(b) The Secretary may collect information from the States to assist in the development of performance standards under subsection (a) of this section, and shall include in his regulations (issued pursuant to section 203(a) of the Family Support Act of 1988 with respect to the program under this part) provisions establishing uniform reporting requirements under which States must furnish periodically information and data, including information and data (for each program activity) on the average monthly number of families assisted, the types of such families, the amounts spent per family, the length of their participation, and such other matters as the Secretary may determine.

[(c) The Secretary shall develop and transmit to the Congress, for appropriate legislative action, a proposal for measuring State progress, providing technical assistance to enable States to meet performance standards, and modifying the Federal matching rate to reflect the relative effectiveness of the various States in carrying out the program.]

PART F—MANDATORY WORK REQUIREMENTS

SEC. 481. MANDATORY WORK REQUIREMENTS.

(a) PARTICIPATION RATE REQUIREMENTS.—

(1) REQUIREMENT APPLICABLE TO ALL FAMILIES RECEIVING ASSISTANCE.—

(A) IN GENERAL.—A State that is operating a program funded under part A for a fiscal year shall achieve the following minimum participation rate for the fiscal year with

respect to all families receiving assistance under the State program funded under part A:

If the fiscal year is:	***The minimum participation rate is:***
1996	*4*
1997	*4*
1998	*8*
1999	*12*
2000	*17*
2001	*29*
2002	*40 –*
2003 or thereafter	*50.*

(B) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO CASELOAD REDUCTIONS NOT REQUIRED BY FEDERAL LAW.—The minimum participation rate otherwise in effect under subparagraph (A) for a fiscal year shall be reduced by a percentage equal to the percentage (if any) by which the number of families receiving assistance during the fiscal year under the State program funded under part A is less than the number of families that received aid under the State plan approved under part A of this title (as in effect before the effective date of this part) during the fiscal year immediately preceding such effective date, except to the extent that the Secretary determines that the reduction in the number of families receiving such assistance is required by Federal law.

(C) PARTICIPATION RATE.—For purposes of this paragraph:

(i) AVERAGE MONTHLY RATE.—The participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

(ii) MONTHLY PARTICIPATION RATES.—The participation rate of a State for a month is—

(I) the number of families receiving cash assistance under the State program funded under part A which include an individual who is engaged in work activities during the month; divided by

(II) the total number of families receiving cash assistance under the State program funded under part A during the month which include an individual who has attained 18 years of age.

(2) REQUIREMENT APPLICABLE TO 2-PARENT FAMILIES.—

(A) IN GENERAL.—A State that is operating a program funded under part A for a fiscal year shall achieve the following minimum participation rate for the fiscal year with respect to 2-parent families receiving assistance under the State program funded under part A:

If the fiscal year is:	***The minimum participation rate is:***
1996	*50*
1997	*50*
1998 or thereafter	*90.*

(B) PARTICIPATION RATE.—For purposes of this paragraph:

(i) AVERAGE MONTHLY RATE.—The participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

(ii) MONTHLY PARTICIPATION RATES.—The participation rate of a State for a month is—

(I) the number of 2-parent families receiving cash assistance under the State program funded under part A which include at least 1 adult who has participated in job search or been engaged in a work activity described in subparagraph (A), (B), or (C) of subsection (b)(2) for an average of at least 35 hours per week during the month, not more than 8 hours per week of which is attributable to participation in job search; divided by

(II) the total number of 2-parent families receiving cash assistance under the State program funded under part A during the month.

(b) DEFINITIONS.—For purposes of this section:

(1) ENGAGED.—A recipient is engaged in work activities for a month in a fiscal year if the recipient is making progress in such activities for at least the following minimum average number of hours per week during the month:

If the fiscal year is:	***The minimum average number of hours is:***
1996	*20*
1997	*20*
1998	*20*
1999	*25*
2000	*30*
2001	*30*
2002	*35*
2003 or thereafter	*35.*

(2) WORK ACTIVITIES.—The term "work activities" means—

(A) unsubsidized employment;

(B) subsidized private sector employment;

(C) subsidized public sector employment or work experience only if sufficient private sector employment is not available;

(D) on-the-job training;

(E) job search and job readiness assistance;

(F) education directly related to employment, in the case of a recipient who—

(i) has participated or is participating in an activity referred to in subparagraph (A), (B), (C), (D), or (E); or

(ii) has not attained 20 years of age, and has not received a high school diploma or a certificate of high school equivalency;

(G) job skills training directly related to employment, in the case of a recipient who has participated or is participating in an activity referred to in subparagraph (A), (B), (C), (D), or (E); or

(H) at the option of the State, satisfactory attendance at secondary school, in the case of an individual who—

(i) has not completed secondary school; and

(ii) is a dependent child, or a head of household who has not attained 20 years of age.

(c) PENALTIES.—

(1) AGAINST INDIVIDUALS.—

(A) APPLICABLE TO ALL FAMILIES.—The State shall ensure that the amount of cash assistance paid under the State program funded under part A to a recipient of assistance under the program who refuses to be engaged in work activities required under this section shall be less than the amount of cash assistance that would otherwise be paid to the recipient under the program, subject to such good cause and other exceptions as the State may establish.

(B) APPLICABLE TO 2-PARENT FAMILIES.—The State shall reduce the amount of cash assistance otherwise payable to a 2-parent family for a month under the State program funded under part A with respect to an adult in the family who has not participated in job search or been engaged in work activities referred to in subsection (a)(2)(B)(ii)(I) for the minimum period set forth in such subsection, pro rata with respect to any period during the month for which the adult has not so participated in job search or been so engaged in such work activities.

(C) LIMITATION ON FEDERAL AUTHORITY.—The Secretary may not regulate the conduct of States under this paragraph or enforce this paragraph against any State.

(2) AGAINST STATES.—

(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under part A for a fiscal year has failed to comply with subsection (a) for the fiscal year, the Secretary shall reduce by not more than 5 percent the amount of the grant otherwise payable to the State under such part for the immediately succeeding fiscal year.

(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) based on the degree of noncompliance.

(d) SENSE OF THE CONGRESS.—In complying with this section, each State that operates a program funded under part A is encouraged to assign the highest priority to requiring families that include older preschool or school-age children to be engaged in work activities.

SEC. 482. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

(a) RESEARCH.—The Secretary may conduct research on the effects, costs, and benefits of State programs funded under part A.

(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO EMPLOYING WELFARE RECIPIENTS.—The Secretary may assist States in developing, and shall evaluate, innovative approaches to employing recipients of cash assistance under programs funded under part A. In performing such evaluations, the Secretary shall, to the maximum extent feasible, use random assignment to experimental and control groups.

(c) STUDIES OF WELFARE CASELOADS.—The Secretary may conduct studies of the caseloads of States operating programs funded under part A.

(d) DISSEMINATION OF INFORMATION.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

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TITLE XI—GENERAL PROVISIONS AND PEER REVIEW

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PART A—GENERAL PROVISIONS

* * * * * * *

LIMITATION ON PAYMENTS TO PUERTO RICO, THE VIRGIN ISLANDS, GUAM, AND AMERICAN SAMOA

SEC. 1108. (a) The total amount certified by the Secretary of Health and Human Services under titles I, X, XIV, and XVI, and under parts A and E of title IV (exclusive of any amounts on account of services and items to which subsection (b) [or, in the case of part A of title IV, section 403(k)] applies)—

(1) * * *

* * * * * * *

(d) The total amount certified by the Secretary under parts A and E of title IV with respect to a fiscal year for payment to American Samoa [(exclusive of any amounts on account of services and items to which, in the case of part A of such title, section 403(k) applies)] shall not exceed $1,000,000.

* * * * * * *

DEMONSTRATION PROJECTS

SEC. 1115. (a) * * *

(b)(1) * * *

(2) Any State which establishes and conducts demonstration projects under this subsection may, subject to paragraph (3), with respect to any such project—

(A) waive, subject to paragraph (3), any or all of the requirements of sections 402(a)(1) (relating to statewide operation), 402(a)(3) (relating to administration by a single State agency), 402(a)(8) (relating to disregard of earned income), except that no such waiver of 402(a)(8) shall operate to waive any amount in excess of one-half of the earned income of any individual[, and 402(a)(19) (relating to the work incentive program)]; and

* * * * * * *

TITLE XIX—GRANTS TO STATES FOR MEDICAL ASSISTANCE PROGRAMS

* * * * * * *

STATE PLANS FOR MEDICAL ASSISTANCE

SEC. 1902. (a) A State plan for medical assistance must—

(1) * * *

* * * * * * *

(10) provide—

(A) for making medical assistance available, including at least the care and services listed in paragraphs (1) through (5), (17) and (21) of section 1905(a), to—

(i) all individuals—

(I) who are receiving aid or assistance under any plan of the State approved under title I, X, XIV, or XVI, or part A or part E of title IV (including individuals eligible under this title by reason of section 402(a)(37), 406(h), or 473(b)[, or considered by the State to be receiving such aid as authorized under section 482(e)(6)]),

* * * * * * *

SECTION 51 OF THE INTERNAL REVENUE CODE OF 1986

SEC. 51. AMOUNT OF CREDIT.

(a) * * *

* * * * * * *

(c) WAGES DEFINED.—For purposes of this subpart—

(1) * * *

(2) ON-THE-JOB TRAINING AND WORK SUPPLEMENTATION PAYMENTS.—

(A) * * *

[(B) REDUCTION FOR WORK SUPPLEMENTATION PAYMENTS TO EMPLOYERS.—The amount of wages which would (but for this subparagraph) be qualified wages under this section for an employer with respect to an individual for a taxable year shall be reduced by an amount equal to the amount of the payments made to such employer (however utilized by such employer) with respect to such individual for such taxable year under a program established under section 482(e) of the Social Security Act.]

* * * * * * *

CHILD NUTRITION ACT OF 1966

AN ACT To strengthen and expand food service programs for children.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Child Nutrition Act of 1966".

[DECLARATION OF PURPOSE

[SEC. 2. In recognition of the demonstrated relationship between food and good nutrition and the capacity of children to develop and learn, based on the years of cumulative successful experience under the national school lunch program with its significant contributions in the field of applied nutrition research, it is hereby declared to be the policy of Congress that these efforts shall be extended, expanded, and strengthened under the authority of the Secretary of Agriculture as a measure to safeguard the health and well-being of the Nation's children, and to encourage the domestic consumption of agricultural and other foods, by assisting States, through grants-in-aid and other means, to meet more effectively the nutritional needs of our children.

[SPECIAL MILK PROGRAM AUTHORIZATION

[SEC. 3. (a)(1) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1970, and for each succeeding fiscal year such sums as may be necessary to enable the Secretary of Agriculture, under such rules and regulations as the Secretary may deem in the public interest, to encourage consumption of fluid milk by children in the United States in (A) nonprofit schools of high school grade and under, except as provided in paragraph (2), which do not participate in a meal service program authorized under this Act or the National School Lunch Act, and (B) nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children, which do not participate in a meal service program authorized under this Act or the National School Lunch Act.

[(2) The limitation imposed under paragraph (1)(A) for participation of nonprofit schools in the special milk program shall not apply to split-session kindergarten programs conducted in schools in which children do not have access to the meal service program operating in schools the children attend as authorized under this Act or the National School Lunch Act.

[(3) For the purposes of this section "United States" means the fifty States, Guam, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and the District of Columbia.

[(4) The Secretary shall administer the special milk program provided for by this section to the maximum extent practicable in the same manner as the Secretary administered the special milk program provided for by Public Law 89–642, as amended, during the fiscal year ending June 30, 1969.

[(5) Any school or nonprofit child care institution which does not participate in a meal service program authorized under this Act or the National School Lunch Act shall receive the special milk program upon its request.

[(6) Children who qualify for free lunches under guidelines established by the Secretary shall, at the option of the school involved (or of the local educational agency involved in the case of a public school) be eligible for free milk upon their request.

[(7) For the fiscal year ending June 30, 1975, and for subsequent school years, the minimum rate of reimbursement for a half-pint of

milk served in schools and other eligible institutions shall not be less than 5 cents per half-pint served to eligible children, and such minimum rate of reimbursement shall be adjusted on an annual basis each school year to reflect changes in the Producer Price Index for Fresh Processed Milk published by the Bureau of Labor Statistics of the Department of Labor.

[(8) Such adjustment shall be computed to the nearest one-fourth cent.

[(9) Notwithstanding any other provision of this section, in no event shall the minimum rate of reimbursement exceed the cost to the school or institution of milk served to children.

[(10) The State educational agency shall disburse funds paid to the State during any fiscal year for purposes of carrying out the program under this section in accordance with such agreements approved by the Secretary as may be entered into by such State agency and the schools in the State. The agreements described in the preceding sentence shall be permanent agreements that may be amended as necessary. Nothing in the preceding sentence shall be construed to limit the ability of the State educational agency to suspend or terminate any such agreement in accordance with regulations prescribed by the Secretary.

[(b) Commodity only schools shall not be eligible to participate in the special milk program under this section. For the purposes of the preceding sentence, the term "commodity only schools" means schools that do not participate in the school lunch program under the National School Lunch Act, but which receive commodities made available by the Secretary for use by such schools in nonprofit lunch programs.

[SCHOOL BREAKFAST PROGRAM AUTHORIZATION

[SEC. 4. (a) There is hereby authorized to be appropriated such sums as are necessary to enable the Secretary to carry out a program to assist the States and the Department of Defense through grants-in-aid and other means to initiate, maintain, or expand nonprofit breakfast programs in all schools which make application for assistance and agree to carry out a nonprofit breakfast program in accordance with this Act and to carry out the provisions of subsection (g). Appropriations and expenditures for this Act shall be considered Health and Human Services functions for budget purposes rather than functions of Agriculture.

[APPORTIONMENT TO STATES

[(b)(1)(A)(i) The Secretary shall make breakfast assistance payments to each State educational agency each fiscal year, at such times as the Secretary may determine, from the sums appropriated for such purpose, in an amount equal to the product obtained by multiplying—

[(I) the number of breakfasts served during such fiscal year to children in schools in such States which participate in the school breakfast program under agreements with such State educational agency; by

[(II) the national average breakfast payment for free breakfasts, for reduced price breakfasts, or for breakfasts served to

children not eligible for free or reduced price meals, as appropriate, as prescribed in clause (B) of this paragraph.

[(ii) The agreements described in clause (i)(I) shall be permanent agreements that may be amended as necessary. Nothing in the preceding sentence shall be construed to limit the ability of the State educational agency to suspend or terminate any such agreement in accordance with regulations prescribed by the Secretary.

[(B) The national average payment for each free breakfast shall be 57 cents (as adjusted pursuant to section 11(a) of the National School Lunch Act. The national average payment for each reduced price breakfast shall be one-half of the national average payment for each free breakfast, adjusted to the nearest one-fourth cent, except that in no case shall the difference between the amount of the national average payment for a free breakfast and the national average payment for a reduced price breakfast exceed 30 cents. The national average payment for each breakfast served to a child not eligible for free or reduced price meals shall be 8.25 cents (as adjusted pursuant to section 11(a) of the National School Lunch Act).

[(C) No school which receives breakfast assistant payments under this section may charge a price of more than 30 cents for a reduced price breakfast.

[(D) No breakfast assistance payment may be made under this subsection for any breakfast served by a school unless such breakfast consists of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary under subsection (e) of this section.

[(2)(A) The Secretary shall make additional payments for breakfasts served to children qualifying for a free or reduced price meal at schools that are in severe need.

[(B) The maximum payment for each such free breakfast shall be the higher of—

[(i) the national average payment established by the Secretary for free breakfasts plus 10 cents, or

[(ii) 45 cents, which shall be adjusted on an annual basis each July 1 to the nearest one-fourth cent in accordance with changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor for the most recent twelve-month period for which such data are available, except that the initial such adjustment shall be made on January 1, 1978, and shall reflect the change in the series of food away from home during the period November 1, 1976, to October 31, 1977.

[(C) The maximum payment for each such reduced price breakfast shall be thirty cents less than the maximum payment for each free breakfast as determined under clause (B) of this paragraph.

[(3) The Secretary shall increase by 6 cents the annually adjusted payment for each breakfast served under this Act and section 17 of the National School Lunch Act. These funds shall be used to assist States, to the extent feasible, in improving the nutritional quality of the breakfasts.

[(4) Notwithstanding any other provision of law, whenever stocks of agricultural commodities are acquired by the Secretary or the Commodity Credit Corporation and are not likely to be sold by the Secretary or the Commodity Credit Corporation or otherwise used

in programs of commodity sale or distribution, the Secretary shall make such commodities available to school food authorities and eligible institutions serving breakfasts under this Act in a quantity equal in value to not less than 3 cents for each breakfast served under this Act and section 17 of the National School Lunch Act.

[(5) Expenditures of funds from State and local sources for the maintenance of the breakfast program shall not be diminished as a result of funds or commodities received under paragraph (3) or (4).

[STATE DISBURSEMENT TO SCHOOLS

[(c) Funds apportioned and paid to any State for the purpose of this section shall be disbursed by the State educational agency to schools selected by the State educational agency to assist such schools in operating a breakfast program and for the purpose of subsection (d). Disbursement to schools shall be made at such rates per meal or on such other basis as the Secretary shall prescribe. In selecting schools for participation, the State educational agency shall, to the extent practicable, give first consideration to those schools drawing attendance from areas in which poor economic conditions exist, to those schools in which a substantial proportion of the children enrolled must travel long distances daily, and to those schools in which there is a special need for improving the nutrition and dietary practices of children of working mothers and children from low-income families. Breakfast assistance disbursements to schools under this section may be made in advance or by way of reimbursement in accordance with procedures prescribed by the Secretary.

[(d)(1) Each State educational agency shall provide additional assistance to schools in severe need, which shall include only—

[(A) those schools in which the service of breakfasts is required pursuant to State law; and

[(B) those schools (having a breakfast program or desiring to initiate a breakfast program) in which, during the most recent second preceding school year for which lunches were served, 40 percent or more of the lunches served to students at the school were served free or at a reduced price, and in which the rate per meal established by the Secretary is insufficient to cover the costs of the breakfast program.

The provision of eligibility specified in clause (A) of this paragraph shall terminate effective July 1, 1983, for schools in States where the State legislatures meet annually and shall terminate effective July 1, 1984, for schools in States where the State legislatures meet biennially.

[(2) A school, upon the submission of appropriate documentation about the need circumstances in that school and the school's eligibility for additional assistance, shall be entitled to receive 100 percent of the operating costs of the breakfast program, including the costs of obtaining, preparing, and serving food, or the meal reimbursement rate specified in paragraph (2) of section 4(b) of this Act, whichever is less.

[NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS

[(e)(1)(A) Breakfasts served by schools participating in the school breakfast program under this section shall consist of a combination of foods and shall meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research, except that the minimum nutritional requirements shall be measured by not less than the weekly average of the nutrient content of school breakfasts. Such breakfasts shall be served free or at a reduced price to children in school under the same terms and conditions as are set forth with respect to the service of lunches free or at a reduced price in section 9 of the National School Lunch Act.

[(B) The Secretary shall provide through State educational agencies technical assistance and training, including technical assistance and training in the preparation of foods high in complex carbohydrates and lower-fat versions of foods commonly used in the school breakfast program established under this section, to schools participating in the school breakfast program to assist the schools in complying with the nutritional requirements prescribed by the Secretary pursuant to subparagraph (A) and in providing appropriate meals to children with medically certified special dietary needs. The Secretary shall provide through State educational agencies additional technical assistance to schools that are having difficulty maintaining compliance with the requirements.

[(2) At the option of a local school food authority, a student in a school under the authority that participates in the school breakfast program under this Act may be allowed to refuse not more than one item of a breakfast that the student does not intend to consume. A refusal of an offered food item shall not affect the full charge to the student for a breakfast meeting the requirements of this section or the amount of payments made under this Act to a school for the breakfast.

[EXPANSION OF PROGRAM

[(f)(1)(A) As a national nutrition and health policy, it is the purpose and intent of the Congress that the school breakfast program be made available in all schools where it is needed to provide adequate nutrition for children in attendance. The Secretary is hereby directed, in cooperation with State educational agencies, to carry out a program of information in furtherance of this policy.

[(B) In cooperation with State educational agencies, the Secretary shall promote the school breakfast program by—

[(i) marketing the program in a manner that expands participation in the program by schools and students; and

[(ii) improving public education and outreach efforts in language appropriate materials that enhance the public image of the program.

[(C) As used in this paragraph, the term "language appropriate materials" means materials using a language other than the English language in a case in which the language is dominant for a large percentage of individuals participating in the program.

[(2)(A) Each State educational agency shall—

[(i) provide information to school boards and public officials concerning the benefits and availability of the school breakfast program; and

[(ii) select each year, for additional informational efforts concerning the program, schools in the State—

[(I) in which a substantial portion of school enrollment consists of children from low-income families; and

[(II) that do not participate in the school breakfast program.

[(B) Not later than October 1, 1993, the Secretary shall report to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the efforts of the Secretary and the States to increase the participation of schools in the program.

[STARTUP AND EXPANSION COSTS

[(g)(1) Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Secretary $5,000,000 for each of fiscal years 1991 through 1997, $6,000,000 for fiscal year 1998, and $7,000,000 for fiscal year 1999 and each subsequent fiscal year to make payments under this subsection. The Secretary shall be entitled to receive the funds and shall accept the funds. The Secretary shall use the funds to make payments on a competitive basis and in the following order of priority (subject to other provisions of this subsection), to—

[(A) State educational agencies in a substantial number of States for distribution to eligible schools to assist the schools with nonrecurring expenses incurred in—

[(i) initiating a school breakfast program under this section; or

[(ii) expanding a school breakfast program; and

[(B) a substantial number of States for distribution to service institutions to assist the institutions with nonrecurring expenses incurred in—

[(i) initiating a summer food service program for children; or

[(ii) expanding a summer food service program for children.

[(2) Payments received under this subsection shall be in addition to payments to which State agencies are entitled under subsection (b) and section 13 of the National School Lunch Act (42 U.S.C. 1761).

[(3) To be eligible to receive a payment under this subsection, a State educational agency shall submit to the Secretary a plan to initiate or expand school breakfast programs conducted in the State, including a description of the manner in which the agency will provide technical assistance and funding to schools in the State to initiate or expand the programs.

[(4) In making payments under this subsection for any fiscal year to initiate or expand school breakfast programs, the Secretary shall provide a preference to State educational agencies that—

[(A) have in effect a State law that requires the expansion of the programs during the year;

[(B) have significant public or private resources that have been assembled to carry out the expansion of the programs during the year;

[(C) do not have a school breakfast program available to a large number of low-income children in the State; or

[(D) serve an unmet need among low-income children, as determined by the Secretary.

[(5) In making payments under this subsection for any fiscal year to initiate or expand summer food service programs for children, the Secretary shall provide a preference to States—

[(A)(i) in which the numbers of children participating in the summer food service program for children represent the lowest percentages of the number of children receiving free or reduced price meals under the school lunch program established under the National School Lunch Act (42 U.S.C. 1751 et seq.); or

[(ii) that do not have a summer food service program for children available to a large number of low-income children in the State; and

[(B) that submit to the Secretary a plan to expand the summer food service programs for children conducted in the State, including a description of—

[(i) the manner in which the State will provide technical assistance and funding to service institutions in the State to expand the programs; and

[(ii) significant public or private resources that have been assembled to carry out the expansion of the programs during the year.

[(6) The Secretary shall act in a timely manner to recover and reallocate to other States any amounts provided to a State educational agency or State under this subsection that are not used by the agency or State within a reasonable period (as determined by the Secretary).

[(7) The Secretary shall allow States to apply on an annual basis for assistance under this subsection.

[(8) Each State agency and State, in allocating funds within the State, shall give preference for assistance under this subsection to eligible schools and service institutions that demonstrate the greatest need for a school breakfast program or a summer food service program for children, respectively.

[(9) Expenditures of funds from State and local sources for the maintenance of the school breakfast program and the summer food service program for children shall not be diminished as a result of payments received under this subsection.

[(10) As used in this subsection:

[(A) The term "eligible school" means a school—

[(i) attended by children a significant percentage of whom are members of low-income families;

[(ii)(I) as used with respect to a school breakfast program, that agrees to operate the school breakfast program established or expanded with the assistance provided under this subsection for a period of not less than 3 years; and

[(II) as used with respect to a summer food service program for children, that agrees to operate the summer food

service program for children established or expanded with the assistance provided under this subsection for a period of not less than 3 years.

[(B) The term "service institution" means an institution or organization described in paragraph (1)(B) or (7) of section 13(a) of the National School Lunch Act (42 U.S.C. 1761(a)(1)(B) or (7)).

[(C) The term "summer food service program for children" means a program authorized by section 13 of such Act (42 U.S.C. 1761).

[DISBURSEMENT TO SCHOOLS BY THE SECRETARY

[SEC. 5. (a) The Secretary shall withhold funds payable to a State under this Act and disburse the funds directly to schools or institutions within the State for the purposes authorized by this Act to the extent that the Secretary has so withheld and disbursed such funds continuously since October 1, 1980, but only to such extent (except as otherwise required by subsection (b)). Any funds so withheld and disbursed by the Secretary shall be used for the same purposes, and shall be subject to the same conditions, as applicable to a State disbursing funds made available under this Act. If the Secretary is administering (in whole or in part) any program authorized under this Act, the State in which the Secretary is administering the program may, upon request to the Secretary, assume administration of that program.

[(b) If a State educational agency is not permitted by law to disburse the funds paid to it under this Act to any of the nonpublic schools in the State, the Secretary shall disburse the funds directly to such schools within the State for the same purposes and subject to the same conditions as are authorized or required with respect to the disbursements to public schools within the State by the State educational agency.

[PAYMENTS TO STATES

[SEC. 6. The Secretary shall certify to the Secretary of the Treasury from time to time the amounts to be paid to any State under sections 3 through 7 of this Act and the time or times such amounts are to be paid; and the Secretary of the Treasury shall pay to the State at the time or times fixed by the Secretary the amounts so certified.

[STATE ADMINISTRATIVE EXPENSES

[SEC. 7. (a)(1) Each fiscal year, the Secretary shall make available to the States for their administrative costs an amount equal to not less than 1½ percent of the Federal funds expended under sections 4, 11, and 17 of the National School Lunch Act and sections 3 and 4 of this Act during the second preceding fiscal year. The Secretary shall allocate the funds so provided in accordance with paragraphs (2), (3), and (4) of this subsection. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

[(2) The Secretary shall allocate to each State for administrative costs incurred in any fiscal year in connection with the programs

authorized under the National School Lunch Act or under this Act, except for the programs authorized under section 13 or 17 of the National School Lunch Act or under section 17 of this Act, an amount equal to not less than 1 percent and not more than 1½ percent of the funds expended by each State under sections 4 and 11 of the National School Lunch Act and sections 3 and 4 of this Act during the second preceding fiscal year. In no case shall the grant available to any State under this subsection be less than the amount such State was allocated in the fiscal year ending September 30, 1981, or $100,000, whichever is larger.

[(3) The Secretary shall allocate to each State for its administrative costs incurred under the program authorized by section 17 of the National School Lunch Act in any fiscal year an amount, based upon funds expended under that program in the second preceding fiscal year, equal to (A) 20 percent of the first $50,000, (B) 10 percent of the next $100,000, (C) 5 percent of the next $250,000, and (D) 2½ percent of any remaining funds. If an agency in the State other than the State educational agency administers such program, the State shall ensure that an amount equal to no less than the funds due the State under this paragraph is provided to such agency for costs incurred by such agency in administering the program, except as provided in paragraph (5). The Secretary may adjust any State's allocation to reflect changes in the size of its program.

[(4) The remaining funds appropriated under this section shall be allocated among the States by the Secretary in amounts the Secretary determines necessary for the improvement in the States of the administration of the programs authorized under the National School Lunch Act and this Act, except for section 17 of this Act, including, but not limited to, improved program integrity and the quality of meals served to children.

[(5)(A) Not more than 25 percent of the amounts made available to each State under this section for the fiscal year 1991 and 20 percent of the amounts made available to each State under this section for the fiscal year 1992 and for each succeeding fiscal year may remain available for obligation or expenditure in the fiscal year succeeding the fiscal year for which such amounts were appropriated.

[(B)(i) In the fiscal year 1991 and each succeeding fiscal year, any amounts appropriated that are not obligated or expended during such fiscal year and are not carried over for the succeeding fiscal year under subparagraph (A) shall be returned to the Secretary. From any amounts returned to the Secretary under the preceding sentence:

[(I) The Secretary shall allocate, for the purpose of providing grants on an annual basis to public entities and private nonprofit organizations participating in projects under section 17B of the National School Lunch Act, not more than $4,000,000 in fiscal year 1995 and each subsequent fiscal year. Subject to the maximum allocation for the projects for each fiscal year, at the beginning of fiscal year 1995 and each subsequent fiscal year, the Secretary shall allocate, from funds available under this section that have not been otherwise allocated to the States, an amount equal to the estimates by the Secretary of funds to be returned under this clause, but not less than $1,000,000 in

each fiscal year. To the extent that amounts returned to the Secretary are less than estimated or are insufficient to meet the needs of the projects, the Secretary may, subject to the maximum allocations established in this subclause, allocate amounts to meet the needs of the projects from funds available under this section that have not been otherwise allocated to States.

[(II) After making the allocations under subclause (I), the Secretary shall allocate, for purposes of administrative costs, any remaining amounts among States that demonstrate a need for such amounts.

[(ii) In any fiscal year in which amounts returned to the Secretary under the first sentence of clause (i) are insufficient to provide the complete allocation described in clause (i)(I), all of such amounts shall be allocated for the purpose described in clause (i)(I).

[(6) Funds available to States under this subsection and under section 13(k)(1) of the National School Lunch Act shall be used for the costs of administration of the programs for which the allocations are made, except that States may transfer up to 10 percent of any of the amounts allocated among such programs.

[(7) Where the Secretary is responsible for the administration of programs under this Act or the National School Lunch Act, the amount of funds that would be allocated to the State agency under this section and under section 13(k)(1) of the National School Lunch Act shall be retained by the Secretary for the Secretary's use in the administration of such programs.

[(8) In the fiscal year 1991 and each succeeding fiscal year, in accordance with regulations issued by the Secretary, each State shall ensure that the State agency administering the distribution of commodities under programs authorized under this Act and under the National School Lunch Act is provided, from funds made available to the State under this subsection, an appropriate amount of funds for administrative costs incurred in distributing such commodities. In developing such regulations, the Secretary may consider the value of commodities provided to the State under this Act and under the National School Lunch Act.

[(9)(A) If the Secretary determines that the administration of any program by a State under this Act (other than section 17) or under the National School Lunch Act (42 U.S.C. 1751 et seq.), or compliance with a regulation issued pursuant to either of such Acts, is seriously deficient, and the State fails to correct the deficiency within a specified period of time, the Secretary may withhold from the State some or all of the funds allocated to the State under this section or under section 13(k)(1) or 17 of the National School Lunch Act (42 U.S.C. 1761(k)(1) or 1766).

[(B) On a subsequent determination by the Secretary that the administration of any program referred to in subparagraph (A), or compliance with the regulations issued to carry out the program, is no longer seriously deficient and is operated in an acceptable manner, the Secretary may allocate some or all of the funds withheld under such subparagraph.

[(b) Funds paid to a State under subsection (a) of this section may be used to pay salaries, including employee benefits and travel

expenses, for administrative and supervisory personnel; for support services; for office equipment; and for staff development.

[(c) If any State agency agrees to assume responsibility for the administration of food service programs in nonprofit private schools or child care institutions that were previously administered by the Secretary, an appropriate adjustment shall be made in the administrative funds paid under this section to the State not later than the succeeding fiscal year.

[(d) Notwithstanding any other provision of law, funds made available to each State under this section shall remain available for obligation and expenditure by that State during the fiscal year immediately following the fiscal year for which such funds were made available. For each fiscal year the Secretary shall establish a date by which each State shall submit to the Secretary a plan for the disbursement of funds provided under this section for each such year, and the Secretary shall reallocate any unused funds, as evidenced by such plans, to other States as the Secretary considers appropriate.

[(e) The State may use a portion of the funds available under this section to assist in the administration of the commodity distribution program.

[(f) Each State shall submit to the Secretary for approval by October 1 of each year an annual plan for the use of State administrative expense funds, including a staff formula for State personnel, system level supervisory and operating personnel, and school level personnel.

[(g) Payments of funds under this section shall be made only to States that agree to maintain a level of funding out of State revenues, for administrative costs in connection with programs under this Act (except section 17 of this Act) and the National School Lunch Act (except section 13 of that Act), not less than the amount expended or obligated in fiscal year 1977, and that agree to participate fully in any studies authorized by the Secretary.

[(h) The Secretary may not provide amounts under this section to a State for administrative costs incurred in any fiscal year unless the State agrees to participate in any study or survey of programs authorized under this Act or the National School Lunch Act (42 U.S.C. 1751 et seq.) and conducted by the Secretary.

[(i) For the fiscal year beginning October 1, 1977, and each succeeding fiscal year ending before October 1, 1998, there are hereby authorized to be appropriated such sums as may be necessary for the purposes of this section.

[UTILIZATION OF FOODS

[SEC. 8. Each school participating under section 4 of this Act shall, insofar as practicable, utilize in its program foods designated from time to time by the Secretary as being in abundance, either nationally or in the school area, or foods donated by the Secretary. Foods available under section 416 of the Agricultural Act of 1949 (63 Stat. 1058), as amended, or purchased under section 32 of the Act of August 24, 1935 (49 Stat. 774), as amended, or section 709 of the Food and Agriculture Act of 1965 (79 Stat. 1212), may be donated by the Secretary to schools, in accordance with the needs as

determined by local school authorities, for utilization in their feeding programs under this Act.

[NONPROFIT PROGRAMS

[SEC. 9. The food and milk service programs in schools and nonprofit institutions receiving assistance under this Act shall be conducted on a nonprofit basis.

[REGULATIONS

[SEC. 10. (a) The Secretary shall prescribe such regulations as the Secretary may deem necessary to carry out this Act and the National School Lunch Act, including regulations relating to the service of food in participating schools and service institutions in competition with the programs authorized under this Act and the National School Lunch Act.

[(b)(1) The regulations shall not prohibit the sale of competitive foods approved by the Secretary in food service facilities or areas during the time of service of food under this Act or the National School Lunch Act if the proceeds from the sales of such foods will inure to the benefit of the schools or of organizations of students approved by the schools.

[(2) The Secretary shall develop and provide to State agencies, for distribution to private elementary schools and to public elementary schools through local educational agencies, model language that bans the sale of competitive foods of minimal nutritional value anywhere on elementary school grounds before the end of the last lunch period.

[(3) The Secretary shall provide to State agencies, for distribution to private secondary schools and to public secondary schools through local educational agencies, a copy of regulations (in existence on the effective date of this paragraph) concerning the sale of competitive foods of minimal nutritional value.

[(4) Paragraphs (2) and (3) shall not apply to a State that has in effect a ban on the sale of competitive foods of minimal nutritional value in schools in the State.

[(c) In such regulations the Secretary may provide for the transfer of funds by any State between the programs authorized under this Act and the National School Lunch Act on the basis of an approved State plan of operation for the use of the funds and may provide for the reserve of up to 1 per centum of the funds available for apportionment to any State to carry out special developmental projects.

[PROHIBITIONS

[SEC. 11. (a) In carrying out the provisions of sections 3 and 4 of this Act, neither the Secretary nor the State shall impose any requirements with respect to teaching personnel, curriculum, instruction, methods of instruction, and materials of instruction.

[(b) The value of assistance to children under this Act shall not be considered to be income or resources for any purpose under any Federal or State laws including, but not limited to, laws relating to taxation, welfare, and public assistance programs. Expenditures of funds from State and local sources for the maintenance of food

programs for children shall not be diminished as a result of funds received under this Act.

[PRESCHOOL PROGRAMS

[SEC. 12. The Secretary may extend the benefits of all school feeding programs conducted and supervised by the Department of Agriculture to include preschool programs operated as part of the school system.

[CENTRALIZATION OF ADMINISTRATION

[SEC. 13. Authority for the conduct and supervision of Federal programs to assist schools in providing food service programs for children is assigned to the Department of Agriculture. To the extent practicable, other Federal agencies administering programs under which funds are to be provided to schools for such assistance shall transfer such funds to the Department of Agriculture for distribution through the administrative channels and in accordance with the standards established under this Act and the National School Lunch Act.

[APPROPRIATIONS FOR ADMINISTRATIVE EXPENSE

[SEC. 14. There are hereby authorized to be appropriated for any fiscal year such sums as may be necessary to the Secretary for the Secretary's administrative expense under this Act.

[MISCELLANEOUS PROVISIONS AND DEFINITIONS

[SEC. 15. For the purposes of this Act—

[(1) "State" means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, or the Trust Territory of the Pacific Islands.

[(2) "State educational agency" means, as the State legislature may determine, (A) the chief State school officer (such as the State superintendent of public instruction, commissioner of education, or similar officer), or (B) a board of education controlling the State department of education.

[(3) "School" means (A) any public or nonprofit private school of high school grade or under, including kindergarten and preschool programs operated by such school, (B) any public or licensed nonprofit private residential child care institution (including, but not limited to, orphanages and homes for the mentally retarded, but excluding Job Corps Centers funded by the Department of Labor), and (C) with respect to the Commonwealth of Puerto Rico, nonprofit child care centers certified as such by the Governor of Puerto Rico. For purposes of clauses (A) and (B) of this paragraph, the term "nonprofit", when applied to any such private school or institution, means any such school or institution which is exempt from tax under section 501(c)(3) of the Internal Revenue Code of 1986.

[(4) "Secretary" means the Secretary of Agriculture.

[(5) "School year" means the annual period from July 1 through June 30.

[(6) Except as used in section 17 of this Act, the terms "child" and "children" as used in this Act, shall be deemed to include persons regardless of age who are determined by the State educational agency, in accordance with regulations prescribed by the Secretary, to have 1 or more mental or physical handicaps and who are attending any nonresidential public or nonprofit private school of high school grade or under for the purpose of participating in a school program established for individuals with mental or physical handicaps.

[ACCOUNTS AND RECORDS

[SEC. 16. (a) States, State educational agencies, schools, and nonprofit institutions participating in programs under this Act shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance with this Act and the regulations hereunder. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of three years, as the Secretary determines is necessary.

[(b) With regard to any claim arising under this Act or under the National School Lunch Act, the Secretary shall have the authority to determine the amount of, to settle and to adjust any such claim, and to compromise or deny such claim or any part thereof. The Secretary shall also have the authority to waive such claims if the Secretary determines that to do so would serve the purposes of either such Act. Nothing contained in this subsection shall be construed to diminish the authority of the Attorney General of the United States under section 516 of title 28, United States Code, to conduct litigation on behalf of the United States.

[SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN

[SEC. 17. (a) Congress finds that substantial numbers of pregnant, postpartum, and breastfeeding women, infants, and young children from families with inadequate income are at special risk with respect to their physical and mental health by reason of inadequate nutrition or health care, or both. It is, therefore, the purpose of the program authorized by this section to provide, up to the authorization levels set forth in subsection (g) of this section, supplemental foods and nutrition education through any eligible local agency that applies for participation in the program. The program shall serve as an adjunct to good health care, during critical times of growth and development, to prevent the occurrence of health problems, including drug abuse, and improve the health status of these persons.

[(b) As used in this section—

[(1) "Breastfeeding women" means women up to one year postpartum who are breastfeeding their infants.

[(2) "Children" means persons who have had their first birthday but have not yet attained their fifth birthday.

[(3) "Competent professional authority" means physicians, nutritionists, registered nurses, dietitians, or State or local medically trained health officials, or persons designated by

physicians or State or local medically trained health officials, in accordance with standards prescribed by the Secretary, as being competent professionally to evaluate nutritional risk.

[(4) "Costs for nutrition services and administration" means costs that shall include, but not be limited to, costs for certification of eligibility of persons for participation in the program (including centrifuges, measuring boards, spectrophotometers, and scales used for the certification), food delivery, monitoring, nutrition education, outreach, startup costs, and general administration applicable to implementation of the program under this section, such as the cost of staff, transportation, insurance, developing and printing food instruments, and administration of State and local agency offices.

[(5) "Infants" means persons under one year of age.

[(6) "Local agency" means a public health or welfare agency or a private nonprofit health or welfare agency, which, directly or through an agency or physician with which it has contracted, provides health services. The term shall include an Indian tribe, band, or group recognized by the Department of the Interior, the Indian Health Service of the Department of Health and Human Services, or an intertribal council or group that is an authorized representative of Indian tribes, bands, or groups recognized by the Department of the Interior.

[(7) "Nutrition education" means individual or group sessions and the provision of materials designed to improve health status that achieve positive change in dietary habits, and emphasize relationships between nutrition and health, all in keeping with the individual's personal, cultural, and socioeconomic preferences.

[(8) "Nutritional risk" means (A) detrimental or abnormal nutritional conditions detectable by biochemical or anthropometric measurements, (B) other documented nutritionally related medical conditions, (C) dietary deficiencies that impair or endanger health, (D) conditions that directly affect the nutritional health of a person, such as alcoholism or drug abuse, or (E) conditions that predispose persons to inadequate nutritional patterns or nutritionally related medical conditions, including, but not limited to, homelessness and migrancy.

[(9) "Plan of operation and administration" means a document that describes the manner in which the State agency intends to implement and operate the program.

[(10) "Postpartum women" means women up to six months after termination of pregnancy.

[(11) "Pregnant women" means women determined to have one or more fetuses in utero.

[(12) "Secretary" means the Secretary of Agriculture.

[(13) "State agency" means the health department or comparable agency of each State; an Indian tribe, band, or group recognized by the Department of the Interior; an intertribal council or group that is the authorized representative of Indian tribes, bands, or groups recognized by the Department of the Interior; or the Indian Health Service of the Department of Health and Human Services.

[(14) "Supplemental foods" means those foods containing nutrients determined by nutritional research to be lacking in the diets of pregnant, breastfeeding, and pospartum women, infants, and children, as prescribed by the Secretary. State agencies may, with the approval of the Secretary, substitute different foods providing the nutritional equivalent of foods prescribed by the Secretary, to allow for different cultural eating patterns.

[(15) "Homeless individual" means—

[(A) an individual who lacks a fixed and regular nighttime residence; or

[(B) an individual whose primary nighttime residence is—

[(i) a supervised publicly or privately operated shelter (including a welfare hotel or congregate shelter) designed to provide temporary living accommodations;

[(ii) an institution that provides a temporary residence for individuals intended to be institutionalized;

[(iii) a temporary accommodation in the residence of another individual; or

[(iv) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

[(16) "Drug abuse education" means—

[(A) the provision of information concerning the dangers of drug abuse;

[(B) the referral of participants who are suspected drug abusers to drug abuse clinics, treatment programs, counselors, or other drug abuse professionals; and

[(C) the provision of materials developed by the Secretary under subsection (n).

[(17) "Competitive bidding" means a procurement process under which the Secretary or a State agency selects a single source (a single infant formula manufacturer) offering the lowest price, as determined by the submission of sealed bids, for a product for which bids are sought for use in the program authorized by this section.

[(18) "Rebate" means the amount of money refunded under cost containment procedures to any State agency from the manufacturer or other supplier of the particular food product as the result of the purchase of the supplemental food with a voucher or other purchase instrument by a participant in each such agency's program established under this section.

[(19) "Discount" means, with respect to a State agency that provides program foods to participants without the use of retail grocery stores (such as a State that provides for the home delivery or direct distribution of supplemental food), the amount of the price reduction or other price concession provided to any State agency by the manufacturer or other supplier of the particular food product as the result of the purchase of program food by each such State agency, or its representative, from the supplier.

[(20) "Net price" means the difference between the manufacturer's wholesale price for infant formula and the rebate level

or the discount offered or provided by the manufacturer under a cost containment contract entered into with the pertinent State agency.

[(c)(1) The Secretary may carry out a special supplemental nutrition program to assist State agencies through grants-in-aid and other means to provide, through local agencies, at no cost, supplemental foods and nutrition education to low-income pregnant, postpartum, and breastfeeding women, infants, and children who satisfy the eligibility requirements specified in subsection (d) of this section. The program shall be supplementary to—

[(A) the food stamp program;

[(B) any program under which foods are distributed to needy families in lieu of food stamps; and

[(C) receipt of food or meals from soup kitchens, or shelters, or other forms of emergency food assistance.

[(2) Subject to amounts appropriated to carry out this section under subsection (g)

[(A) the Secretary shall make cash grants to State agencies for the purpose of administering the program, and

[(B) any State agency approved eligible local agency that applies to participate in or expand the program under this section shall immediately be provided with the necessary funds to carry out the program.

[(3) Nothing in this subsection shall be construed to permit the Secretary to reduce ratably the amount of foods that an eligible local agency shall distribute under the program to participants. The Secretary shall take affirmative action to ensure that the program is instituted in areas most in need of supplemental foods. The existence of a commodity supplemental food program under section 4 of the Agriculture and Consumer Protection Act of 1973 shall not preclude the approval of an application from an eligible local agency to participate in the program under this section nor the operation of such program within the same geographic area as that of the commodity supplemental food program, but the Secretary shall issue such regulations as are necessary to prevent dual receipt of benefits under the commodity supplemental food program and the program under this section.

[(4) A State shall be ineligible to participate in programs authorized under this section if the Secretary determines that State or local sales taxes are collected within the State on purchases of food made to carry out this section.

[(5) The Secretary shall promote the special supplemental nutrition program by producing and distributing materials, including television and radio public service announcements in English and other appropriate languages, that inform potentially eligible individuals of the benefits and services under the program.

[(d)(1) Participation in the program under this section shall be limited to pregnant, postpartum, and breastfeeding women, infants, and children from low-income families who are determined by a competent professional authority to be at nutritional risk.

[(2)(A) The Secretary shall establish income eligibility standards to be used in conjunction with the nutritional risk criteria in determining eligibility of individuals for participation in the program.

Any individual at nutritional risk shall be eligible for the program under this section only if such individual—

[(i) is a member of a family with an income that is less than the maximum income limit prescribed under section 9(b) of the National School Lunch Act for free and reduced price meals;

[(ii)(I) receives food stamps under the Food Stamp Act of 1977; or

[(II) is a member of a family that receives assistance under the program for aid to families with dependent children established under part A of title IV of the Social Security Act; or

[(iii)(I) receives medical assistance under title XIX of the Social Security Act; or

[(II) is a member of a family in which a pregnant woman or an infant receives such assistance.

[(B) For the purpose of determining income eligibility under this section, any State agency may choose to exclude from income any basic allowance for quarters received by military service personnel residing off military installations.

[(C) In the case of a pregnant woman who is otherwise ineligible for participation in the program because the family of the woman is of insufficient size to meet the income eligibility standards of the program, the pregnant woman shall be considered to have satisfied the income eligibility standards if, by increasing the number of individuals in the family of the woman by 1 individual, the income eligibility standards would be met.

[(3)(A) Persons shall be certified for participation in accordance with general procedures prescribed by the Secretary.

[(B) A State may consider pregnant women who meet the income eligibility standards to be presumptively eligible to participate in the program and may certify the women for participation immediately, without delaying certification until an evaluation is made concerning nutritional risk. A nutritional risk evaluation of such a woman shall be completed not later than 60 days after the woman is certified for participation. If it is subsequently determined that the woman does not meet nutritional risk criteria, the certification of the woman shall terminate on the date of the determination.

[(4) The Secretary shall report biennially to Congress and the National Advisory Council on Maternal, Infant, and Fetal Nutrition established under subsection (k) on—

[(A) the income and nutritional risk characteristics of participants in the program;

[(B) participation in the program by members of families of migrant farmworkers; and

[(C) such other matters relating to participation in the program as the Secretary considers appropriate.

[(e)(1) The State agency shall ensure that nutrition education and drug abuse education is provided to all pregnant, postpartum, and breastfeeding participants in the program and to parents or caretakers of infant and child participants in the program. The State agency may also provide nutrition education and drug abuse education to pregnant, postpartum, and breastfeeding women and to parents or caretakers of infants and children enrolled at local agencies operating the program under this section who do not participate in the program.

[(2) The Secretary shall prescribe standards to ensure that adequate nutrition education services and breastfeeding promotion and support are provided. The State agency shall provide training to persons providing nutrition education under this section. Nutrition education and breastfeeding promotion and support shall be evaluated annually by each State agency, and such evaluation shall include the views of participants concerning the effectiveness of the nutrition education and breastfeeding promotion and support they have received.

[(3) The Secretary shall, after submitting proposed nutrition education materials to the Secretary of Health and Human Services for comment, issue such materials for use in the program under this section.

[(4) The State agency shall—

[(A) ensure that written information concerning food stamps, the program for aid to families with dependent children under part A of title IV of the Social Security Act, and the child support enforcement program under part D of title IV of the Social Security Act is provided on at least 1 occasion to each adult participant in and each applicant for the program;

[(B) provide each local agency with materials showing the maximum income limits, according to family size, applicable to pregnant women, infants, and children up to age 5 under the medical assistance program established under title XIX of the Social Security Act (in this section referred to as the 'medicaid program'); and

[(C) provide to individuals applying for the program under this section, or reapplying at the end of their certification period, written information about the medicaid program and referral to such program or to agencies authorized to determine presumptive eligibility for such program, if such individuals are not participating in such program and appear to have family income below the applicable maximum income limits for such program.

[(5) The State agency shall ensure that each local agency shall maintain and make available for distribution a list of local resources for substance abuse counseling and treatment.

[(6) Each local agency may use a master file to document and monitor the provision of nutrition education services (other than the initial provision of such services) to individuals that are required, under standards prescribed by the Secretary, to be included by the agency in group nutrition education classes.

[(f)(1)(A) Each State agency shall submit annually to the Secretary, by a date specified by the Secretary, a plan of operation and administration for a fiscal year.

[(B) To be eligible to receive funds under this section for a fiscal year, a State agency must receive the approval of the Secretary for the plan submitted for the fiscal year.

[(C) The plan shall include—

[(i) a description of the food delivery system of the State agency and the method of enabling participants to receive supplemental foods under the program, to be administered in accordance with standards developed by the Secretary;

[(ii) a description of the financial management system of the State agency;

[(iii) a plan to coordinate operations under the program with special counseling services, such as the expanded food and nutrition education program, immunization programs, local programs for breastfeeding promotion, prenatal care, well-child care, family planning, drug abuse education, alcohol and drug abuse counseling and treatment, child abuse counseling, and with the aid to families with dependent children, food stamp, maternal and child health care, and medicaid programs, including medicaid programs that use coordinated care providers under a contract entered into under section 1903(m), or a waiver granted under section 1915(b), of the Social Security Act (42 U.S.C. 1396b(m) or 1396n(b)) (including coordination through the referral of potentially eligible women, infants, and children between the program authorized under this section and the medicaid program);

[(iv) a plan to provide program benefits under this section to, and to meet the special nutrition education needs of, eligible migrants, homeless individuals, and Indians;

[(v) a plan to expend funds to carry out the program during the relevant fiscal year;

[(vi) a plan to provide program benefits under this section to unserved and underserved areas in the State, if sufficient funds are available to carry out this clause;

[(vii) a plan to provide program benefits under this section to eligible individuals most in need of the benefits and to provide eligible individuals not participating in the program with information on the program, the eligibility criteria for the program, and how to apply for the program, with emphasis on reaching and enrolling eligible women in the early months of pregnancy, including provisions to reach and enroll eligible migrants;

[(viii) a plan to provide program benefits under this section to unserved infants and children under the care of foster parents, protective services, or child welfare authorities, including infants exposed to drugs perinatally;

[(ix) if the State agency chooses to provide program benefits under this section to some or all eligible individuals who are incarcerated in prisons or juvenile detention facilities that do not receive Federal assistance under any program specifically established to assist pregnant women regarding their nutrition and health needs, a plan for the provision of such benefits to, and to meet the special nutrition education needs of, such individuals, which may include—

[(I) providing supplemental foods to such individuals that are different from those provided to other participants in the program under this section;

[(II) providing such foods to such individuals in a different manner than to other participants in the program under this section in order to meet the special needs of such individuals; and

[(III) the development of nutrition education materials appropriate for the special needs of such individuals;

[(x) a plan to improve access to the program for participants and prospective applicants who are employed, or who reside in rural areas, by addressing their special needs through the adoption or revision of procedures and practices to minimize the time participants and applicants must spend away from work and the distances that participants and applicants must travel, including appointment scheduling, adjustment of clinic hours, clinic locations, or mailing of multiple vouchers;

[(xi) a plan to provide nutrition education and promote breastfeeding;

[(xii) if the State agency chooses to request the funds conversion authority established in clause (h)(5) of this section, an estimate of the increased participation which will result from its cost-saving initiative, including an explanation of how the estimate was developed; and

[(xiii) such other information as the Secretary may require.

[(D) The Secretary may permit a State agency to submit only those parts of a plan that differ from plans submitted for previous fiscal years.

[(E) The Secretary may not approve any plan that permits a person to participate simultaneously in both the program authorized under this section and the commodity supplemental food program authorized under sections 4 and 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note).

[(2) A State agency shall establish a procedure under which members of the general public are provided an opportunity to comment on the development of the State agency plan.

[(3) The Secretary shall establish procedures under which eligible migrants may, to the maximum extent feasible, continue to participate in the program under this section when they are present in States other than the State in which they were originally certified for participation in the program and shall ensure that local programs provide priority consideration to serving migrant participants who are residing in the State for a limited period of time. Each State agency shall be responsible for administering the program for migrant populations within its jurisdiction.

[(4) State agencies shall submit monthly financial reports and participation data to the Secretary.

[(5) State and local agencies operating under the program shall keep such accounts and records, including medical records, as may be necessary to enable the Secretary to determine whether there has been compliance with this section and to determine and evaluate the benefits of the nutritional assistance provided under this section. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of five years, as the Secretary determines necessary.

[(6) The State agency, upon receipt of a completed application from a local agency for participation in the program (and the Secretary, upon receipt of a completed application from a State agency), shall notify the applicant agency in writing within thirty days of the approval or disapproval of the application, and any disapproval shall be accompanied with a statement of the reasons for such disapproval. Within fifteen days after receipt of an incomplete

application, the State agency (or the Secretary) shall notify the applicant agency of the additional information needed to complete the application.

[(7)(A) Local agencies participating in the program under this section shall notify persons of their eligibility or ineligibility for the program within twenty days of the date that the household, during office hours of a local agency, personally makes an oral or written request to participate in the program. The Secretary shall establish a shorter notification period for categories of persons who, due to special nutritional risk conditions, must receive benefits more expeditiously.

[(B) State agencies may provide for the delivery of vouchers to any participant who is not scheduled for nutrition education counseling or a recertification interview through means, such as mailing, that do not require the participant to travel to the local agency to obtain vouchers. The State agency shall describe any plans for issuance of vouchers by mail in its plan submitted under paragraph (1). The Secretary may disapprove a State plan with respect to the issuance of vouchers by mail in any specified jurisdiction or part of a jurisdiction within a State only if the Secretary finds that such issuance would pose a significant threat to the integrity of the program under this section in such jurisdiction or part of a jurisdiction.

[(8)(A) The State agency shall, in cooperation with participating local agencies, publicly announce and distribute information on the availability of program benefits (including the eligibility criteria for participation and the location of local agencies operating the program) to offices and organizations that deal with significant numbers of potentially eligible individuals (including health and medical organizations, hospitals and clinics, welfare and unemployment offices, social service agencies, farmworker organizations, Indian tribal organizations, organizations and agencies serving homeless individuals and shelters for victims of domestic violence, and religious and community organizations in low income areas).

[(B) The information shall be publicly announced by the State agency and by local agencies at least annually.

[(C) The State agency and local agencies shall distribute the information in a manner designed to provide the information to potentially eligible individuals who are most in need of the benefits, including pregnant women in the early months of pregnancy.

[(D) Each local agency operating the program within a hospital and each local agency operating the program that has a cooperative arrangement with a hospital shall—

[(i) advise potentially eligible individuals that receive inpatient or outpatient prenatal, maternity, or postpartum services, or accompany a child under the age of 5 who receives well-child services, of the availability of program benefits; and

[(ii) to the extent feasible, provide an opportunity for individuals who may be eligible to be certified within the hospital for participation in such program.

[(9)(A) The State agency shall grant a fair hearing, and a prompt determination thereafter, in accordance with regulations issued by the Secretary, to any applicant, participant, or local agency ag-

grieved by the action of a State or local agency as it affects participation.

[(B) Any State agency that must suspend or terminate benefits to any participant during the participant's certification period due to a shortage of funds for the program shall first issue a notice to such participant. Such notice shall include, in addition to other information required by the Secretary, the categories of participants whose benefits are being suspended or terminated due to such shortage.

[(10) If an individual certified as eligible for participation in the program under this section in one area moves to another area in which the program is operating, that individual's certification of eligibility shall remain valid for the period for which the individual was originally certified.

[(11) The Secretary shall establish standards for the proper, efficient, and effective administration of the program, including standards that will ensure sufficient State agency staff. If the Secretary determines that a State agency has failed without good cause to administer the program in a manner consistent with this section or to implement the approved plan of operation and administration under this subsection, the Secretary may withhold such amounts of the State agency's funds for nutrition services and administration as the Secretary deems appropriate. Upon correction of such failure during a fiscal year by a State agency, any funds so withheld for such fiscal year shall be provided the State agency.

[(12) The Secretary shall prescribe by regulation the supplemental foods to be made available in the program under this section. To the degree possible, the Secretary shall assure that the fat, sugar, and salt content of the prescribed foods is appropriate. Products specifically designed for pregnant, postpartum, and breastfeeding women, or infants shall be available at the discretion of the Secretary if the products are commercially available or are justified to and approved by the Secretary based on clinical tests performed in accordance with standards prescribed by the Secretary.

[(13) A competent professional authority shall be responsible for prescribing the appropriate supplemental foods, taking into account medical and nutritional conditions and cultural eating patterns, and, in the case of homeless individuals, the special needs and problems of such individuals.

[(14) The State agency shall (A) provide nutrition education, breastfeeding promotion, and drug abuse education materials and instruction in languages other than English and (B) use appropriate foreign language materials in the administration of the program, in areas in which a substantial number of low-income households speak a language other than English.

[(15) If a State agency determines that a member of a family has received an overissuance of food benefits under the program authorized by this section as the result of such member intentionally making a false or misleading statement or intentionally misrepresenting, concealing, or withholding facts, the State agency shall recover, in cash, from such member an amount that the State agency determines is equal to the value of the overissued food benefits, un-

less the State agency determines that the recovery of the benefits would not be cost effective.

[(16) To be eligible to participate in the program authorized by this section, a manufacturer of infant formula that supplies formula for the program shall—

[(A) register with the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.); and

[(B) before bidding for a State contract to supply infant formula for the program, certify with the State health department that the formula complies with such Act and regulations issued pursuant to such Act.

[(17) The State agency may adopt methods of delivering benefits to accommodate the special needs and problems of homeless individuals and to accommodate the special needs and problems of individuals who are incarcerated in prisons or juvenile detention facilities.

[(18) Notwithstanding subsection (d)(2)(A)(i), not later than July 1 of each year, a State agency may implement income eligibility guidelines under this section concurrently with the implementation of income eligibility guidelines under the medicaid program established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

[(19) Each local agency participating in the program under this section shall provide information about other potential sources of food assistance in the local area to individuals who apply in person to participate in the program under this section, but who cannot be served because the program is operating at capacity in the local area.

[(20) The State agency shall adopt policies that—

[(A) require each local agency to attempt to contact each pregnant woman who misses an appointment to apply for participation in the program under this section, in order to reschedule the appointment, unless the phone number and the address of the woman are unavailable to such local agency; and

[(B) in the case of local agencies that do not routinely schedule appointments for individuals seeking to apply or be recertified for participation in the program under this section, require each such local agency to schedule appointments for each employed individual seeking to apply or be recertified for participation in such program so as to minimize the time each such individual is absent from the workplace due to such application or request for recertification.

[(21) Each State agency shall conduct monitoring reviews of each local agency at least biennially.

[(22) In the State plan submitted to the Secretary for fiscal year 1994, each State agency shall advise the Secretary regarding the procedures to be used by the State agency to reduce the purchase of low-iron infant formula for infants on the program for whom such formula has not been prescribed by a physician or other appropriate health professional, as determined by regulations issued by the Secretary.

[(23) A State agency may use funds recovered as a result of violations in the food delivery system of the program in the year in which the funds are collected for the purpose of carrying out the program.

[(24) The Secretary and the Secretary of Health and Human Services shall carry out an initiative to assure that, in a case in which a State medicaid program uses coordinated care providers under a contract entered into under section 1903(m), or a waiver granted under section 1915(b), of the Social Security Act (42 U.S.C. 1396b(m) or 1396n(b)), coordination between the program authorized by this section and the medicaid program is continued, including—

[(A) the referral of potentially eligible women, infants, and children between the 2 programs; and

[(B) the timely provision of medical information related to the program authorized by this section to agencies carrying out the program.

[(g)(1) There are authorized to be appropriated to carry out this section $2,158,000,000 for the fiscal year 1990, and such sums as may be necessary for each of the fiscal years 1995 through 1998. As authorized by section 3 of the National School Lunch Act, appropriations to carry out the provisions of this section may be made not more than 1 year in advance of the beginning of the fiscal year in which the funds will become available for disbursement to the States, and shall remain available for the purposes for which appropriated until expended.

[(2)(A) Notwithstanding any other provision of law, unless enacted in express limitation of this subparagraph, the Secretary—

[(i) in the case of legislation providing funds through the end of a fiscal year, shall issue—

[(I) an initial allocation of funds provided by the enactment of such legislation not later than the expiration of the 15-day period beginning on the date of the enactment of such legislation; and

[(II) subsequent allocations of funds provided by the enactment of such legislation not later than the beginning of each of the second, third, and fourth quarters of the fiscal year; and

[(ii) in the case of legislation providing funds for a period that ends prior to the end of a fiscal year, shall issue an initial allocation of funds provided by the enactment of such legislation not later than the expiration of the 10-day period beginning on the date of the enactment of such legislation.

[(B) In any fiscal year—

[(i) unused amounts from a prior fiscal year that are identified by the end of the first quarter of the fiscal year shall be recovered and reallocated not later than the beginning of the second quarter of the fiscal year; and

[(ii) unused amounts from a prior fiscal year that are identified after the end of the first quarter of the fiscal year shall be recovered and reallocated on a timely basis.

[(3) Notwithstanding any other provision of law, unless enacted in express limitation of this paragraph—

[(A) the allocation of funds required by paragraph (2)(A)(i)(I) shall include not less than ⅓ of the amounts appropriated by the legislation described in such paragraph;

[(B) the allocations of funds required by paragraph (2)(A)(i)(II) to be made not later than the beginning of the second and third quarters of the fiscal year shall each include not less than ¼ of the amounts appropriated by the legislation described in such paragraph; and

[(C) in the case of the enactment of legislation providing appropriations for a period of not more than 4 months, the allocation of funds required by paragraph (2)(A)(ii) shall include all amounts appropriated by such legislation except amounts reserved by the Secretary for purposes of carrying out paragraph (5).

[(4) Of the sums appropriated for any fiscal year for programs authorized under this section, not less than nine-tenths of 1 percent shall be available first for services to eligible members of migrant populations. The migrant services shall be provided in a manner consistent with the priority system of a State for program participation.

[(5) Of the sums appropriated for any fiscal year for the program under this section, one-half of 1 percent, not to exceed $5,000,000, shall be available to the Secretary for the purpose of evaluating program performance, evaluating health benefits, preparing the report required under subsection (d)(4), providing technical assistance to improve State agency administrative systems, administration of pilot projects, including projects designed to meet the special needs of migrants, Indians, and rural populations, and carrying out technical assistance and research evaluation projects of the programs under this section.

[(6) Upon the completion of the 1990 decennial census, the Secretary, in coordination with the Secretary of Commerce, shall make available an estimate, by State and county (or equivalent political subdivision) of the number of women, infants, and children who are members of families that have incomes below the maximum income limit for participation in the program under this section.

[(h)(1)(A) Each fiscal year, the Secretary shall make available, from amounts appropriated for such fiscal year under subsection (g)(1) and amounts remaining from amounts appropriated under such subsection for the preceding fiscal year, an amount sufficient to guarantee a national average per participant grant to be allocated among State agencies for costs incurred by State and local agencies for nutrition services and administration for such year.

[(B)(i) The amount of the national average per participant grant for nutrition services and administration for any fiscal year shall be an amount equal to the amount of the national average per participant grant for nutrition services and administration issued for the fiscal year 1987, as adjusted.

[(ii) Such adjustment, for any fiscal year, shall be made by revising the national average per participant grant for nutrition services and administration for the fiscal year 1987 to reflect the percentage change between—

[(I) the value of the index for State and local government purchases, using the implicit price deflator, as published by the

Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30, 1986; and

[(II) the best estimate that is available as of the start of the fiscal year of the value of such index for the 12-month period ending June 30 of the previous fiscal year.

[(C) In any fiscal year, amounts remaining from amounts appropriated for such fiscal year under subsection (g)(1) and from amounts appropriated under such section for the preceding fiscal year, after carrying out subparagraph (A), shall be made available for food benefits under this section, except to the extent that such amounts are needed to carry out the purposes of subsections (g)(4) and (g)(5).

[(2)(A) For each of the fiscal years 1995 through 1998, the Secretary shall allocate to each State agency from the amount described in paragraph (1)(A) an amount for costs of nutrition services and administration on the basis of a formula prescribed by the Secretary. Such formula—

[(i) shall be designed to take into account—

[(I) the varying needs of each State;

[(II) the number of individuals participating in each State; and

[(III) other factors which serve to promote the proper, efficient, and effective administration of the program under this section;

[(ii) shall provide for each State agency—

[(I) an estimate of the number of participants for the fiscal year involved; and

[(II) a per participant grant for nutrition services and administration for such year;

[(iii) shall provide for a minimum grant amount for State agencies; and

[(iv) may provide funds, to the extent funds are not already provided under subparagraph (I)(v) for the same purpose, to help defray reasonable anticipated expenses associated with innovations in cost containment or associated with procedures that tend to enhance competition.

[(B)(i) Except as provided in clause (ii) and subparagraph (C), in any fiscal year, the total amount allocated to a State agency for costs of nutrition services and administration under the formula prescribed by the Secretary under subparagraph (A) shall constitute the State agency's operational level for such costs for such year even if the number of participants in the program at such agency is lower than the estimate provided under subparagraph (A)(ii)(I).

[(ii) If a State agency's per participant expenditure for nutrition services and administration is more than 15 percent higher than its per participant grant for nutrition services and administration without good cause, the Secretary may reduce such State agency's operational level for costs of nutrition services and administration.

[(C) In any fiscal year, the Secretary may reallocate amounts provided to State agencies under subparagraph (A) for such fiscal year. When reallocating amounts under the preceding sentence, the Secretary may provide additional amounts to, or recover amounts from, any State agency.

[(3)(A) Except as provided in subparagraphs (B) and (C), in each fiscal year, each State agency shall expend—

[(i) for nutrition education activities and breastfeeding promotion and support activities, an aggregate amount that is not less than the sum of—

[(I) ⅙ of the amounts expended by the State for costs of nutrition services and administration; and

[(II) except as otherwise provided in subparagraphs (F) and (G), an amount equal to a proportionate share of the national minimum breastfeeding promotion expenditure, as described in subparagraph (E), with each State's share determined on the basis of the number of pregnant women and breastfeeding women in the program in the State as a percentage of the number of pregnant women and breastfeeding women in the program in all States; and

[(ii) for breastfeeding promotion and support activities an amount that is not less than the amount determined for such State under clause (i)(II).

[(B) The Secretary may authorize a State agency to expend an amount less than the amount described in subparagraph (A)(ii) for purposes of breastfeeding promotion and support activities if—

[(i) the State agency so requests; and

[(ii) the request is accompanied by documentation that other funds will be used to conduct nutrition education activities at a level commensurate with the level at which such activities would be conducted if the amount described in subparagraph (A)(ii) were expended for such activities.

[(C) The Secretary may authorize a State agency to expend for purposes of nutrition education an amount that is less than the difference between the aggregate amount described in subparagraph (A) and the amount expended by the State for breastfeeding promotion and support programs if—

[(i) the State agency so requests; and

[(ii) the request is accompanied by documentation that other funds will be used to conduct such activities.

[(D) The Secretary shall limit to a minimal level any documentation required under this paragraph.

[(E) In the case of fiscal year 1996 (except as provided in subparagraph (G)) and each subsequent fiscal year, the national minimum breastfeeding promotion expenditure means an amount that is—

[(i) equal to $21 multiplied by the number of pregnant women and breastfeeding women participating in the program nationwide, based on the average number of pregnant women and breastfeeding women so participating during the last 3 months for which the Secretary has final data; and

[(ii) adjusted for inflation on October 1, 1996, and each October 1 thereafter, in accordance with paragraph (1)(B)(ii).

[(F) In the case of fiscal year 1995, a State shall pay, in lieu of the expenditure required under subparagraph (A)(i)(II), an amount that is equal to the lesser of—

[(i) an amount that is more than the expenditure of the State for fiscal year 1994 on the activities described in subparagraph (A)(i); or

[(ii) an amount that is equal to $21 multiplied by the number of pregnant women and breastfeeding women participating in the program in the State, based on the average number of pregnant women and breastfeeding women so participating during the last 3 months for which the Secretary has final data.

[(G)(i) If the Secretary determines that a State agency is unable, for reasons the Secretary considers to be appropriate, to make the expenditure required under subparagraph (A)(i)(II) for fiscal year 1996, the Secretary may permit the State to make the required level of expenditure not later than October 1, 1996.

[(ii) In the case of fiscal year 1996, if the Secretary makes a determination described in clause (i), a State shall pay, in lieu of the expenditure required under subparagraph (A)(i)(II), an amount that is equal to the lesser of—

[(I) an amount that is more than the expenditure of the State for fiscal year 1995 on the activities described in subparagraph (A)(i); and

[(II) an amount that is equal to $21 multiplied by the number of pregnant women and breastfeeding women participating in the program in the State, based on the average number of pregnant women and breastfeeding women so participating during the last 3 months for which the Secretary has final data.

[(4) The Secretary shall—

[(A) in consultation with the Secretary of Health and Human Services, develop a definition of breastfeeding for the purposes of the program under this section;

[(B) authorize the purchase of breastfeeding aids by State and local agencies as an allowable expense under nutrition services and administration;

[(C) require each State agency to designate an agency staff member to coordinate breastfeeding promotion efforts identified in the State plan of operation and administration;

[(D) require the State agency to provide training on the promotion and management of breastfeeding to staff members of local agencies who are responsible for counseling participants in the program under this section concerning breastfeeding; and

[(E) not later than 1 year after the date of enactment of this subparagraph, develop uniform requirements for the collection of data regarding the incidence and duration of breastfeeding among participants in the program and, on development of the uniform requirements, require each State agency to report the data for inclusion in the report to Congress described in subsection (d)(4).

[(5)(A) Subject to subparagraph (B), in any fiscal year that a State agency achieves, through use of acceptable measures, participation that exceeds the participation level estimated for such State agency under paragraph (2)(A)(ii)(I), such State agency may convert amounts allocated for food benefits for such fiscal year for costs of nutrition services and administration to the extent that such conversion is necessary—

[(i) to cover allowable expenditures in such fiscal year; and

[(ii) to ensure that the State agency maintains the level established for the per participant grant for nutrition services and administration for such fiscal year.

[(B) If a State agency increases its participation level through measures that are not in the nutritional interests of participants or not otherwise allowable (such as reducing the quantities of foods provided for reasons not related to nutritional need), the Secretary may refuse to allow the State agency to convert amounts allocated for food benefits to defray costs of nutrition services and administration.

[(C) For the purposes of this paragraph, the term "acceptable measures" includes use of cost containment measures, curtailment of vendor abuse, and breastfeeding promotion activities.

[(6) In each fiscal year, each State agency shall provide, from the amounts allocated to such agency for such year for costs of nutrition services and administration, an amount to each local agency for its costs of nutrition services and administration. The amount to be provided to each local agency under the preceding sentence shall be determined under allocation standards developed by the State agency in cooperation with the several local agencies, taking into account factors deemed appropriate to further proper, efficient, and effective administration of the program, such as—

[(A) local agency staffing needs;

[(B) density of population;

[(C) number of individuals served; and

[(D) availability of administrative support from other sources.

[(7) The State agency may provide in advance to any local agency any amounts for nutrition services and administration deemed necessary for successful commencement or significant expansion of program operations during a reasonable period following approval of—

[(A) a new local agency;

[(B) a new cost containment measure; or

[(C) a significant change in an existing cost containment measure.

[(8)(A) No State may receive its allocation under this subsection unless on or before August 30, 1989 (or a subsequent date established by the Secretary for any State) such State has—

[(i) examined the feasibility of implementing cost containment measures with respect to procurement of infant formula, and, where practicable, other foods necessary to carry out the program under this section; and

[(ii) initiated action to implement such measures unless the State demonstrates, to the satisfaction of the Secretary, that such measures would not lower costs or would interfere with the delivery of formula or foods to participants in the program.

[(B)(i) Except as provided in subparagraphs (C), (D), and (E)(iii), in carrying out subparagraph (A), any State that provides for the purchase of foods under the program at retail grocery stores shall, with respect to the procurement of infant formula, use—

[(I) a competitive bidding system; or

[(II) any other cost containment measure that yields savings equal to or greater than savings generated by a competitive

bidding system when such savings are determined by comparing the amounts of savings that would be provided over the full term of contracts offered in response to a single invitation to submit both competitive bids and bids for other cost containment systems for the sale of infant formula.

[(ii) In determining whether a cost containment measure other than competitive bidding yields equal or greater savings, the State, in accordance with regulations issued by the Secretary, may take into account other cost factors (in addition to rebate levels and procedures for adjusting rebate levels when wholesale price levels rise), such as—

[(I) the number of infants who would not be expected to receive the contract brand of infant formula under a competitive bidding system;

[(II) the number of cans of infant formula for which no rebate would be provided under another rebate system; and

[(III) differences in administrative costs relating to the implementation of the various cost containment systems (such as costs of converting a computer system for the purpose of operating a cost containment system and costs of preparing participants for conversion to a new or alternate cost containment system).

[(C) In the case of any State that has a contract in effect on the date of the enactment of the Child Nutrition and WIC Reauthorization Act of 1989, subparagraph (B) shall not apply to the program operated by such State under this section until the term of such contract, as such term is specified by the contract as in effect on such date, expires. In the case of any State that has more than 1 such contract in effect on the date of the enactment of such Act, subparagraph (B) shall not apply until the term of the contract with the latest expiration date, as such term is specified by such contract as in effect on the date of the enactment of such Act, expires.

[(D)(i) The Secretary shall waive the requirement of subparagraph (B) in the case of any State that demonstrates to the Secretary that—

[(I) compliance with subparagraph (B) would be inconsistent with efficient or effective operation of the program operated by such State under this section; or

[(II) the amount by which the savings yielded by an alternative cost containment system would be less than the savings yielded by a competitive bidding system is sufficiently minimal that the difference is not significant.

[(ii) The Secretary shall prescribe criteria under which a waiver may be granted pursuant to clause (i).

[(iii) The Secretary shall provide information on a timely basis to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on waivers that have been granted under clause (i).

[(E)(i) The Secretary shall provide technical assistance to small Indian State agencies carrying out this paragraph in order to assist such agencies to achieve the maximum cost containment savings feasible.

[(ii) The Secretary shall also provide technical assistance, on request, to State agencies that desire to consider a cost containment system that covers more than 1 State agency.

[(iii) The Secretary may waive the requirement of subparagraph (B) in the case of any Indian State agency that has not more than 1,000 participants.

[(F) No State may enter into a cost containment contract (in this subparagraph referred to as the original contract") that prescribes conditions that would void, reduce the savings under, or otherwise limit the original contract if the State solicited or secured bids for, or entered into, a subsequent cost containment contract to take effect after the expiration of the original contract.

[(G)(i) The Secretary shall offer to solicit bids on behalf of State agencies regarding cost-containment contracts to be entered into by infant formula manufacturers and State agencies. The Secretary shall make the offer to State agencies once every 12 months. Each such bid solicitation shall only take place if two or more State agencies request the Secretary to perform the solicitation. For such State agencies, the Secretary shall solicit bids and select the winning bidder for a cost containment contract to be entered into by State agencies and infant formula manufacturers or suppliers.

[(ii) If the Secretary determines that the number of State agencies making the election in clause (i) so warrants, the Secretary may, in consultation with such State agencies, divide such State agencies into more than one group of such agencies and solicit bids for a contract for each such group. In determining the size of the groups of agencies, the Secretary shall, to the extent practicable, take into account the need to maximize the number of potential bidders so as to increase competition among infant formula manufacturers.

[(iii) State agencies that elect to authorize the Secretary to perform the bid solicitation and selection process on their behalf and enter into the resulting containment contract shall obtain the rebates or discounts from the manufacturers or suppliers participating in the contract.

[(iv) In soliciting bids and determining the winning bidder under clause (i), the Secretary shall comply with the requirements of subparagraphs (B) and (F).

[(v)(I) Except as provided in subclause (II), the term of the contract for which bids are to be solicited under this paragraph shall be announced by the Secretary in consultation with the affected State agencies and shall be not less than 2 years.

[(II) If the law of a State regarding the duration of contracts is inconsistent with subclause (I), the Secretary shall permit a 1-year contract, with the option provided to the State to extend the contract for additional years.

[(vi) In prescribing specifications for the bids, the Secretary shall ensure that the contracts to be entered into by the State agencies and the infant formula manufacturers or suppliers provide for a constant net price for infant formula products for the full term of the contracts and provide for rebates or discounts for all units of infant formula sold through the program that are produced by the manufacturer awarded the contract and that are for a type of formula product covered under the contract. The contracts shall cover

all types of infant formula products normally covered under cost containment contracts entered into by State agencies.

[(vii) The Secretary shall also develop procedures for—

[(I) rejecting all bids for any joint contract and announcing a resolicitation of infant formula bids where necessary;

[(II) permitting a State agency that has authorized the Secretary to undertake bid solicitation on its behalf under this subparagraph to decline to enter into the joint contract to be negotiated and awarded pursuant to the solicitation if the agency promptly determines after the bids are opened that participation would not be in the best interest of its program; and

[(III) assuring infant formula manufacturers submitting a bid under this subparagraph that a contract awarded pursuant to the bid will cover State agencies serving no fewer than a number of infants to be specified in the bid solicitation.

[(viii) The bid solicitation and selection process on behalf of the State agencies shall be conducted in accordance with any procedures the Secretary deems necessary for the effective and efficient administration of the bid solicitation and selection process and consistent with the requirements of this subparagraph. The procedures established by the Secretary shall ensure that—

[(I) the bid solicitation and selection process is conducted in a manner providing full and open competition; and

[(II) the bid solicitation and selection process is free of any real or apparent conflict of interest.".

[(ix) Not later than September 30, 1996, the Secretary shall offer to solicit bids on behalf of State agencies regarding cost containment contracts to be entered into by infant cereal manufacturers and State agencies. In carrying out this clause, the Secretary shall, to the maximum extent feasible, follow the procedures prescribed in this subparagraph regarding offers made by the Secretary with regard to soliciting bids regarding infant formula cost containment contracts. The Secretary may carry out this clause without issuing regulations.

[(H) In soliciting bids for contracts for infant formula for the program authorized by this section, the Secretary shall solicit bids from infant formula manufacturers under procedures in which bids for rebates or discounts are solicited for milk-based and soy-based infant formula, separately, except where the Secretary determines that such solicitation procedures are not in the best interest of the program.

[(I) To reduce the costs of any supplemental foods, the Secretary—

[(i) shall promote, but not require, the joint purchase of infant formula among State agencies electing not to participate under the procedures set forth in subparagraph (G);

[(ii) shall encourage and promote (but not require) the purchase of supplemental foods other than infant formula under cost containment procedures;

[(iii) shall inform State agencies of the benefits of cost containment and provide assistance and technical advice at State agency request regarding the State agency's use of cost containment procedures;

[(iv) shall encourage (but not require) the joint purchase of supplemental foods other than infant formula under procedures specified in subparagraph (B), if the Secretary determines that—

[(I) the anticipated savings are expected to be significant;

[(II) the administrative expenses involved in purchasing the food item through competitive bidding procedures, whether under a rebate or discount system, will not exceed the savings anticipated to be generated by the procedures; and

[(III) the procedures would be consistent with the purposes of the program; and

[(v) may make available additional funds to State agencies out of the funds otherwise available under paragraph (1)(A) for nutrition services and administration in an amount not exceeding one half of 1 percent of the amounts to help defray reasonable anticipated expenses associated with innovations in cost containment or associated with procedures that tend to enhance competition.

[(J)(i) Any person, company, corporation, or other legal entity that submits a bid to supply infant formula to carry out the program authorized by this section and announces or otherwise discloses the amount of the bid, or the rebate or discount practices of such entities, in advance of the time the bids are opened by the Secretary or the State agency, or any person, company, corporation, or other legal entity that makes a statement (prior to the opening of bids) relating to levels of rebates or discounts, for the purpose of influencing a bid submitted by any other person, shall be ineligible to submit bids to supply infant formula to the program for the bidding in progress for up to 2 years from the date the bids are opened and shall be subject to a civil penalty of up to $100,000,000, as determined by the Secretary to provide restitution to the program for harm done to the program. The Secretary shall issue regulations providing such person, company, corporation, or other legal entity appropriate notice, and an opportunity to be heard and to respond to charges.

[(ii) The Secretary shall determine the length of the disqualification, and the amount of the civil penalty referred to in clause (i) based on such factors as the Secretary by regulation determines appropriate.

[(iii) Any person, company, corporation, or other legal entity disqualified under clause (i) shall remain obligated to perform any requirements under any contract to supply infant formula existing at the time of the disqualification and until each such contract expires by its terms.

[(K) Not later than the expiration of the 180-day period beginning on the date of enactment of this subparagraph, the Secretary shall prescribe regulations to carry out this paragraph.

[(L) A State shall not incur any interest liability to the Federal Government on rebate funds for infant formula and other foods if all interest earned by the State on the funds is used for program purposes.

[(M)(i) The Secretary shall establish pilot projects in at least 1 State, with the consent of the State, to determine the feasibility and cost of requiring States to carry out a system for using universal product codes to assist retail food stores that are vendors under the program in providing the type of infant formula that the participants in the program are authorized to obtain. In carrying out the projects, the Secretary shall determine whether the system reduces the incidence of incorrect redemptions of low-iron formula or brands of infant formula not authorized to be redeemed through the program, or both.

[(ii) The Secretary shall provide a notification to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate regarding whether the system is feasible, is cost-effective, reduces the incidence of incorrect redemptions described in clause (i), and results in any additional costs to States.

[(iii) The system shall not require a vendor under the program to obtain special equipment and shall not be applicable to a vendor that does not have equipment that can use universal product codes.

[(9) For purposes of this subsection, the term "cost containment measure" means a competitive bidding, rebate, direct distribution, or home delivery system implemented by a State agency as described in its approved plan of operation and administration.

[(10)(A) For each of fiscal years 1995 through 1998, the Secretary shall use for the purposes specified in subparagraph (B), $10,000,000 or the amount of nutrition services and administration funds for the prior fiscal year that has not been obligated, whichever is less.

[(B) Funds under subparagraph (A) shall be used for—

[(i) development of infrastructure for the program under this section, including management information systems;

[(ii) special State projects of regional or national significance to improve the services of the program under this section; and

[(iii) special breastfeeding support and promotion projects, including projects to assess the effectiveness of particular breastfeeding promotion strategies and to develop State or local agency capacity or facilities to provide quality breastfeeding services.

[(i)(1) By the beginning of each fiscal year, the Secretary shall divide, among the State agencies, the amounts made available for food benefits under subsection (h)(1)(C) on the basis of a formula determined by the Secretary.

[(2) Each State agency's allocation, as so determined, shall constitute the State agency's authorized operational level for that year, except that the Secretary shall reallocate funds periodically if the Secretary determines that a State agency is unable to spend its allocation.

[(3)(A) Notwithstanding paragraph (2) and subject to subparagraphs (B) and (C)—

[(i) not more than 1 percent (except as provided in subparagraph (H)) of the amount of funds allocated to a State agency under this section for supplemental foods for a fiscal year may be expended by the State agency for expenses incurred under

this section for supplemental foods during the preceding fiscal year; and

[(ii) not more than 1 percent of the amount of funds allocated to a State agency for a fiscal year under this section may be expended by the State agency during the subsequent fiscal year.

[(B) Any funds made available to a State agency in accordance with subparagraph (A)(ii) for a fiscal year shall not affect the amount of funds allocated to the State agency for such year.

[(C) The total amount of funds transferred from any fiscal year under clauses (i) and (ii) of subparagraph (A) shall not exceed 1 percent of the amount of the funds allocated to a State agency for such fiscal year.

[(D) For State agencies implementing cost containment measures as defined in subsection (h)(9), not more than 5 percent of the amount of funds allocated under this section to such a State agency for supplemental foods for the fiscal year in which the system is implemented, and not more than 3 percent of the amount of funds allocated to such a State agency for the fiscal year following the fiscal year in which the system is implemented, may be expended by the State agency for expenses incurred under this section for supplemental foods during the succeeding fiscal year.

[(E) Notwithstanding any other provision in this paragraph and paragraph (2) a State agency may, subject to the approval of the Secretary under subparagraph (F), expend not more than 3 percent of the amount of funds allocated to such agency for supplemental foods for the fiscal year 1991 for expenses incurred under this section for supplemental foods during the fiscal year 1990.

[(F) Each State agency which intends to use the authority provided in subparagraph (E) shall request approval from the Secretary in advance and shall submit a plan showing how the State's caseload will be managed to meet funding limitations. The Secretary shall review and make determinations on such plans on an expedited basis.

[(G) No State can use the authority provided under subparagraph (E) to increase the caseload level above the highest level to date in fiscal year 1990.

[(H) The Secretary may authorize a State agency to expend not more than 3 percent of the amount of funds allocated to a State under this section for supplemental foods for a fiscal year for expenses incurred under this section for supplemental foods during the preceding fiscal year, if the Secretary determines that there has been a significant reduction in infant formula cost containment savings provided to the State agency that would affect the ability of the State agency to at least maintain the level of participation by eligible participants served by the State agency.

[(4) For purposes of the formula, if Indians are served by the health department of a State, the formula shall be based on the State population inclusive of the Indians within the State boundaries.

[(5) If Indians residing in the State are served by a State agency other than the health department of the State, the population of the tribes within the jurisdiction of the State being so served shall

not be included in the formula for such State, and shall instead be included in the formula for the State agency serving the Indians.

[(6) Notwithstanding any other provision of this section, the Secretary may use a portion of a State agency's allocation to purchase supplemental foods for donation to the State agency under this section.

[(7) In addition to any amounts expended under paragraph (3)(A)(i), any State agency using cost containment measures as defined in subsection (h)(9) may temporarily use amounts made available to such agency for the first quarter of a fiscal year to defray expenses for costs incurred during the final quarter of the preceding fiscal year. In any fiscal year, any State agency that uses amounts made available for a succeeding fiscal year under the authority of the preceding sentence shall restore or reimburse such amounts when such agency receives payment as a result of its cost containment measures for such expenses.

[(j)(1) The Secretary and the Secretary of Health and Human Services (referred to in this subsection as the "Secretaries") shall jointly establish and carry out an initiative for the purpose of providing both supplemental foods and nutrition education under the special supplemental nutrition program and health care services to low-income pregnant, postpartum, and breastfeeding women, infants, and children at substantially more community health centers and migrant health centers.

[(2) The initiative shall also include—

[(A) activities to improve the coordination of the provision of supplemental foods and nutrition education under the special supplemental nutrition program and health care services at facilities funded by the Indian Health Service; and

[(B) the development and implementation of strategies to ensure that, to the maximum extent feasible, new community health centers, migrant health centers, and other federally supported health care facilities established in medically underserved areas provide supplemental foods and nutrition education under the special supplemental nutrition program.

[(3) The initiative may include—

[(A) outreach and technical assistance for State and local agencies and the facilities described in paragraph (2)(A) and the health centers and facilities described in paragraph (2)(B);

[(B) demonstration projects in selected State or local areas; and

[(C) such other activities as the Secretaries find are appropriate.

[(4)(A) Not later than April 1, 1995, the Secretaries shall provide to Congress a notification concerning the actions the Secretaries intend to take to carry out the initiative.

[(B) Not later than July 1, 1996, the Secretaries shall provide to Congress a notification concerning the actions the Secretaries are taking under the initiative or actions the Secretaries intend to take under the initiative as a result of their experience in implementing the initiative.

[(C) On completion of the initiative, the Secretaries shall provide to Congress a notification concerning an evaluation of the initiative

by the Secretaries and a plan of the Secretaries to further the goals of the initiative.

[(5) As used in this subsection:

[(A) The term "community health center" has the meaning given the term in section 330(a) of the Public Health Service Act (42 U.S.C. 254c(a)).

[(B) The term "migrant health center" has the meaning given the term in section 329(a)(1) of such Act (42 U.S.C. 254b(a)(1)).

[(k)(1) There is hereby established a National Advisory Council on Maternal, Infant, and Fetal Nutrition (referred to in this subsection as the "Council") composed of 24 members appointed by the Secretary. One member shall be a State director of a program under this section; one member shall be a State official responsible for a commodity supplemental food program under section 1304 of the Food and Agriculture Act of 1977; one member shall be a State fiscal officer of a program under this section (or the equivalent thereof); one member shall be a State health officer (or the equivalent thereof); one member shall be a local agency director of a program under this section in an urban area; one member shall be a local agency director of a program under this section in a rural area; one member shall be a project director of a commodity supplemental food program; one member shall be a State public health nutrition director (or the equivalent thereof); one member shall be a representative of an organization serving migrants; one member shall be an official from a State agency predominantly serving Indians; three members shall be parent participants of a program under this section or of a commodity supplemental food program; one member shall be a pediatrician; one member shall be an obstetrician; one member shall be a representative of a nonprofit public interest organization that has experience with and knowledge of the special supplemental nutrition program; one member shall be a person involved at the retail sales level of food in the special supplemental nutrition program; two members shall be officials of the Department of Health and Human Services appointed by the Secretary of Health and Human Services; two members shall be officials of the Department of Agriculture appointed by the Secretary; 1 member shall be an expert in the promotion of breast feeding; one member shall be an expert in drug abuse education and prevention; and one member shall be an expert in alcohol abuse education and prevention.

[(2) Members of the Council appointed from outside the Department of Agriculture and the Department of Health and Human Services shall be appointed for terms not exceeding three years. State and local officials shall serve only during their official tenure, and the tenure of parent participants shall not exceed two years. Persons appointed to complete an unexpired term shall serve only for the remainder of such term.

[(3) The Secretary shall designate a Chairman and a Vice Chairman. The Council shall meet at the call of the Chairman, but shall meet at least once a year. Eleven members shall constitute a quorum.

[(4) The Council shall make a continuing study of the operation of the program under this section and related programs to deter-

mine how the program may be improved. The Council shall submit once every two years to the President and Congress, beginning with the fiscal year ending September 30, 1980, a written report, together with its recommendations on such program operations.

[(5) The Secretary shall provide the Council with such technical and other assistance, including secretarial and clerical assistance, as may be required to carry out its functions.

[(6) Members of the Council shall serve without compensation but shall be reimbursed for necessary travel and subsistence expenses incurred by them in the performance of the duties of the Council. Parent participant members of the Council, in addition to reimbursement for necessary travel and subsistence, shall, at the discretion of the Secretary, be compensated in advance for other personal expenses related to participation on the Council, such as child care expenses and lost wages during scheduled Council meetings.

[(l) Foods available under section 416 of the Agriculture Act of 1949, including, but not limited to, dry milk, or purchased under section 32 of the Act of August 24, 1935 may be donated by the Secretary, at the request of a State agency, for distribution to programs conducted under this section. The Secretary may purchase and distribute, at the request of a State agency, supplemental foods for donation to programs conducted under this section, with appropriated funds, including funds appropriated under this section.

[(m)(1) Subject to the availability of funds appropriated for the purposes of this subsection, and as specified in this subsection, the Secretary shall award grants to States that submit State plans that are approved for the establishment or maintenance of programs designed to provide recipients of assistance under subsection (c), or those who are on the waiting list to receive the assistance, with coupons that may be exchanged for fresh, nutritious, unprepared foods at farmers' markets, as defined in the State plans submitted under this subsection.

[(2) A grant provided to any State under this subsection shall be provided to the chief executive officer of the State, who shall—

[(A) designate the appropriate State agency or agencies to administer the program in conjunction with the appropriate nonprofit organizations; and

[(B) ensure coordination of the program among the appropriate agencies and organizations.

[(3) The Secretary shall not make a grant to any State under this subsection unless the State agrees to provide State, local, or private funds for the program in an amount that is equal to not less than 30 percent of the total cost of the program, which may be satisfied from State contributions that are made for similar programs. The Secretary may negotiate with an Indian State agency a lower percentage of matching funds than is required under the preceding sentence, but not lower than 10 percent of the total cost of the program, if the Indian State agency demonstrates to the Secretary financial hardship for the affected Indian tribe, band, group, or council.

[(4) Subject to paragraph (6), the Secretary shall establish a formula for determining the amount of the grant to be awarded under this subsection to each State for which a State plan is approved

under paragraph (6), according to the number of recipients proposed to participate as specified in the State plan. In determining the amount to be awarded to new States, the Secretary shall rank order the State plans according to the criteria of operation set forth in this subsection, and award grants accordingly. The Secretary shall take into consideration the minimum amount needed to fund each approved State plan, and need not award grants to each State that submits a State plan.

[(5) Each State that receives a grant under this subsection shall ensure that the program for which the grant is received complies with the following requirements:

[(A) Individuals who are eligible to receive Federal benefits under the program shall only be individuals who are receiving assistance under subsection (c), or who are on the waiting list to receive the assistance.

[(B) Construction or operation of a farmers' market may not be carried out using funds—

[(i) provided under the grant; or

[(ii) required to be provided by the State under paragraph (3).

[(C) The value of the Federal share of the benefits received by any recipient under the program may not be—

[(i) less than $10 per year; or

[(ii) more than $20 per year.

[(D) The coupon issuance process under the program shall be designed to ensure that coupons are targeted to areas with—

[(i) the highest concentration of eligible individuals;

[(ii) the greatest access to farmers' markets; and

[(iii) certain characteristics, in addition to those described in clauses (i) and (ii), that are determined to be relevant by the Secretary and that maximize the availability of benefits to eligible individuals.

[(E) The coupon redemption process under the program shall be designed to ensure that the coupons may be—

[(i) redeemed only by producers authorized by the State to participate in the program; and

[(ii) redeemed only to purchase fresh nutritious unprepared food for human consumption.

[(F)(i) Except as provided in clauses (ii) and (iii), the State may use for administration of the program in any fiscal year not more than 17 percent of the total amount of program funds.

[(ii) During any fiscal year for which a State receives assistance under this subsection, the Secretary shall permit the State to use not more than 2 percent of total program funds for market development or technical assistance to farmers' markets if the Secretary determines that the State intends to promote the development of farmers' markets in socially or economically disadvantaged areas, or remote rural areas, where individuals eligible for participation in the program have limited access to locally grown fruits and vegetables.

[(iii) The provisions of clauses (i) and (ii) with respect to the use of program funds shall not apply to any funds that a State

may contribute in excess of the funds used by the State to meet the requirements of paragraph (3).

[(G) The State shall ensure that no State or local taxes are collected within the State on purchases of food with coupons distributed under the program.

[(6)(A) The Secretary shall give the same preference for funding under this subsection to eligible States that participated in the program under this subsection in a prior fiscal year as to States that participated in the program in the most recent fiscal year. The Secretary shall inform each State of the award of funds as prescribed by subparagraph (G) by February 15 of each year.

[(B)(i) Subject to the availability of appropriations, if a State provides the amount of matching funds required under paragraph (3), the State shall receive assistance under this subsection in an amount that is not less than the amount of such assistance that the State received in the most recent fiscal year in which it received such assistance.

[(ii) If amounts appropriated for any fiscal year pursuant to the authorization contained in paragraph (10) for grants under this subsection are not sufficient to pay to each State for which a State plan is approved under paragraph (6) the amount that the Secretary determines each such State is entitled to under this subsection, each State's grant shall be ratably reduced, except that (if sufficient funds are available) each State shall receive at least $75,000 or the amount that the State received for the prior fiscal year if that amount is less than $75,000.

[(C) In providing funds to serve additional recipients in a State that received assistance under this subsection in the previous fiscal year, the Secretary shall consider—

[(i) the availability of any such assistance not spent by the State during the program year for which the assistance was received;

[(ii) documentation that justifies the need for an increase in participation; and

[(iii) demonstrated ability to satisfactorily operate the existing program.

[(D)(i) A State that desires to receive a grant under this subsection shall submit, for each fiscal year, a State plan to the Secretary by November 15 of each year.

[(ii) Each State plan submitted under this paragraph shall contain—

[(I) the estimated cost of the program and the estimated number of individuals to be served by the program;

[(II) a description of the State plan for complying with the requirements established in paragraph (5); and

[(III) criteria developed by the State with respect to authorization of producers to participate in the program.

[(iii) The criteria developed by the State as required by clause (ii)(III) shall require any authorized producer to sell fresh nutritious unprepared foods (such as fruits and vegetables) to recipients, in exchange for coupons distributed under the program.

[(E) The Secretary shall establish objective criteria for the approval and ranking of State plans submitted under this paragraph.

[(F) In approving and ranking State plans submitted under this paragraph, the Secretary shall—

[(i) favorably consider a State's prior experiences with this or similar programs;

[(ii) favorably consider a State's operation of a similar program with State or local funds that can present data concerning the value of the program;

[(iii) require that if a State receiving a grant under this section applies the Federal grant to a similar program operated in the previous fiscal year with State or local funds, the State shall not reduce in any fiscal year the amount of State and local funds available to the program in the preceding fiscal year after receiving funds for the program under this subsection;

[(iv) give preference to State plans that would serve areas in the State that have—

[(I) the highest concentration of eligible persons;

[(II) the greatest access to farmers' markets;

[(III) broad geographical area;

[(IV) the greatest number of recipients in the broadest geographical area within the State; and

[(V) any other characteristics, as determined appropriate by the Secretary, that maximize the availability of benefits to eligible persons; and

[(v) take into consideration the amount of funds available and the minimum amount needed by each applicant State to successfully operate the program.

[(G)(i) An amount equal to 75 percent of the funds available after satisfying the requirements of subparagraph (B) shall be made available to States participating in the program that wish to serve additional recipients, and whose State plan to do so is approved by the Secretary. If this amount is greater than that necessary to satisfy the approved State plans for additional recipients, the unallocated amount shall be applied toward satisfying any unmet need of States that have not participated in the program in the prior fiscal year, and whose State plans have been approved.

[(ii) An amount equal to 25 percent of the funds available after satisfying the requirements of subparagraph (B) shall be made available to States that have not participated in the program in the prior fiscal year, and whose State plans have been approved by the Secretary. If this amount is greater than that necessary to satisfy the approved State plans for new States, the unallocated amount shall be applied toward satisfying any unmet need of States that desire to serve additional recipients, and whose State plans have been approved.

[(iii) In any fiscal year, any funds that remain unallocated after satisfying the requirements of clauses (i) and (ii) shall be reallocated in the following fiscal year according to procedures established pursuant to paragraph (10)(B)(ii).

[(7)(A) The value of the benefit received by any recipient under any program for which a grant is received under this subsection may not affect the eligibility or benefit levels for assistance under other Federal or State programs.

[(B) Any programs for which a grant is received under this subsection shall be supplementary to the food stamp program carried out under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) and to any other Federal or State program under which foods are distributed to needy families in lieu of food stamps.

[(8) For each fiscal year, the Secretary shall collect from each State that receives a grant under this subsection information relating to—

[(A) the number and type of recipients served by both Federal and non-Federal benefits under the program for which the grant is received;

[(B) the rate of redemption of coupons distributed under the program;

[(C) the average amount distributed in coupons to each recipient;

[(D) the change in consumption of fresh fruits and vegetables by recipients, if the information is available;

[(E) the effects of the program on farmers' markets, if the information is available; and

[(F) any other information determined to be necessary by the Secretary.

[(9)(A) The Secretary shall submit to the Committee on Education and Labor and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a compilation of the information collected under paragraph (8).

[(B) The compilation required by subparagraph (A) shall be submitted on or before April 1, 1994.

[(10)(A) There are authorized to be appropriated to carry out this subsection $8,000,000 for fiscal year 1994, $10,500,000 for fiscal year 1995, and such sums as may be necessary for each of fiscal years 1996 through 1998.

[(B)(i)(I) Each State shall return to the Secretary any funds made available to the State that are unobligated at the end of the fiscal year for which the funds were originally allocated. The unexpended funds shall be returned to the Secretary by February 1st of the following fiscal year.

[(II) Notwithstanding any other provision of this subsection, a total of not more than 5 percent of funds made available to a State for any fiscal year may be expended by the State to reimburse expenses incurred for a program assisted under this subsection during the preceding fiscal year.

[(ii) The Secretary shall establish procedures to reallocate funds that are returned under clause (i).

[(11) For purposes of this subsection:

[(A) The term "coupon" means a coupon, voucher, or other negotiable financial instrument by which benefits under this section are transferred.

[(B) The term "program" means—

[(i) the State farmers' market coupon nutrition program authorized by this subsection (as it existed on September 30, 1991); or

[(ii) the farmers' market nutrition program authorized by this subsection.

[(C) The term "recipient" means a person or household, as determined by the State, who is chosen by a State to receive benefits under this subsection, or who is on a waiting list to receive such benefits.

[(D) The term "State agency" has the meaning provided in subsection (b)(13), except that the term also includes the agriculture department of each State and any other agency approved by the chief executive officer of the State.

[(n)(1) The Secretary, before the end of the 6-month period beginning on the date of the enactment of the Anti-Drug Abuse Act of 1988, shall, directly or through grant or contract, conduct a study with respect to appropriate methods of drug abuse education instruction.

[(2) The Secretary shall—

[(A) directly, or through grant or contract, prepare materials for purposes of drug abuse education provided under this section; and

[(B) distribute the materials prepared under subparagraph (A) to each State agency for distribution to local agencies participating in the program under this section.

[(3) There is authorized to be appropriated—

[(A) $500,000 for the fiscal year 1989 for purposes of carrying out the study required by paragraph (1);

[(B) $2,750,000 for the fiscal year 1989 and such sums as may be necessary for each succeeding fiscal year for purposes of preparing drug abuse education materials as required by paragraph (2)(A); and

[(C) $6,750,000 for the fiscal year 1989 and such sums as may be necessary for each succeeding fiscal year for purposes of—

[(i) distributing drug abuse education materials as required by paragraph (2)(B); and

[(ii) making referrals under drug abuse education programs.

[(4) The State agency, in each fiscal year, shall provide drug abuse education to participants in the program under this section commensurate with amounts appropriated for such fiscal year pursuant to the authorizations contained in paragraph (3).

[(o)(1) Subject to the availability of funds appropriated for the purpose of carrying out this subsection, the Secretary is authorized to establish a demonstration program for the establishment of clinics for participants in the program under this section at community colleges that offer nursing education programs. In determining the location of clinics under this subsection, the Secretary shall consider—

[(A) the location of the community college under consideration;

[(B) its accessibility to individuals eligible to participate in the special supplemental nutrition program under this section; and

[(C) its willingness to operate the clinic during nontraditional hours.

[(2) The Secretary shall, from funds appropriated for the purpose of carrying out this subsection—

[(A) evaluate any demonstration program carried out under paragraph (1); and

[(B) submit to the Congress a report containing the results of such evaluation.

[(3) There is authorized to be appropriated for purposes of carrying out this subsection $1,000,000 for the fiscal year 1990 and such sums as may be necessary for each of the fiscal years 1991 and 1992.

[(p)(1) The Secretary is authorized to make grants to State agencies for the purpose of improving and updating information and data systems used for purposes of carrying out programs under this section.

[(2) Any State that desires to receive a grant under this subsection shall submit an application to the Secretary at such time, and containing or accompanied by such information, as the Secretary may reasonably require. Grants shall be awarded based on the need demonstrated by States in their applications.

[(3) There is authorized to be appropriated for purposes of carrying out this subsection $2,000,000 for the fiscal year 1990 and such sums as may be necessary for each of the fiscal years 1991, 1992, 1993, and 1994.

[SEC. 18. (a) The Secretary is hereby authorized and directed to make cash grants to State educational agencies for the purpose of conducting experimental or demonstration projects to teach schoolchildren the nutritional value of foods and the relationship of nutrition to human health.

[(b) In order to carry out the program, provided for in subsection (a) of this section, there is hereby authorized to be appropriated not to exceed $1,000,000 annually. The Secretary shall withhold not less than 1 per centum of any funds appropriated under this section and shall expend these funds to carry out research and development projects relevant to the purpose of this section, particularly to develop materials and techniques for the innovative presentation of nutritional information.

[NUTRITION EDUCATION AND TRAINING

[SEC. 19. (a) Congress finds that—

[(1) the proper nutrition of the Nation's children is a matter of highest priority;

[(2) the lack of understanding of the principles of good nutrition and their relationship to health can contribute to a child's rejection of highly nutritious foods and consequent plate waste in school food service operations;

[(3) many school food service personnel have not had adequate training in food service management skills and principles, and many teachers and school food service operators have not had adequate training in the fundamentals of nutrition or how to convey this information so as to motivate children to practice sound eating habits;

[(4) parents exert a significant influence on children in the development of nutritional habits and lack of nutritional knowledge on the part of parents can have detrimental effects on children's nutritional development; and

[(5) there is a need to create opportunities for children to learn about the importance of the principles of good nutrition in their daily lives and how these principles are applied in the school cafeteria.

[PURPOSE

[(b) It is the purpose of this section to encourage effective dissemination of scientifically valid information to children participating or eligible to participate in the school lunch and related child nutrition programs by establishing a system of grants to State educational agencies for the development of comprehensive nutrition education and training programs. Such nutrition education programs shall fully use as a learning laboratory the school lunch and child nutrition programs.

[DEFINITIONS

[(c) For purposes of this section, the term ''nutrition education and training program'' means a multidisciplinary program by which scientifically valid information about foods and nutrients is imparted in a manner that individuals receiving such information will understand the principles of nutrition and seek to maximize their well-being through food consumption practices. Nutrition education programs shall include, but not be limited to, (A) instructing students with regard to the nutritional value of foods and the relationship between food and human health; (B) training child nutrition program personnel in the principles and practices of food service management; (C) instructing teachers in sound principles of nutrition education; (D) developing and using classroom materials and curricula; and (E) providing information to parents and caregivers regarding the nutritional value of food and the relationship between food and health.

[NUTRITION INFORMATION AND TRAINING

[(d)(1) The Secretary is authorized to formulate and carry out a nutrition education and training through a system of grants to State educational agencies, to provide for (A) the nutritional training of educational and food service personnel, (B) training school food service personnel in the principles and practices of food service management, in cooperation with materials developed at any food service management institute established as authorized by section 21(a)(2) of the National School Lunch Act, and (C) the conduct of nutrition education activities in schools, child care institutions, and institutions offering summer food service programs under section 13 of the National School Lunch Act, and the provision of nutrition education to parents and caregivers.

[(2) The program is to be coordinated at the State level with other nutrition activities conducted by education, health, and State Cooperative Extension Service agencies. In formulating the program, the Secretary and the State may solicit the advice and recommendations of State educational agencies, the Department of Health and Human Services, and other interested groups and individuals concerned with improvement of child nutrition.

[(3) If a State educational agency is conducting or applying to conduct a health education program which includes a school-related nutrition education component as defined by the Secretary, and that health education program is eligible for funds under programs administered by the Department of Health and Human Services, the Secretary may make funds authorized in this section available to the Department of Health and Human Services to fund the nutrition education component of the State program without requiring an additional grant application.

[(4) The Secretary, in carrying out the provisions of this subsection, shall make grants to State educational agencies who, in turn, may contract with land-grant colleges eligible to receive funds under the Act of July 2, 1862, or the Act of August 30, 1890, including the Tuskegee Institute, other institutions of higher education, and nonprofit organizations and agencies, for the training of educational, school food service, child care, and summer food service personnel with respect to providing nutrition education programs in schools and the training of school food service personnel in school food service management, in coordination with the activities authorized under section 21 of the National School Lunch Act. Such grants may be used to develop and conduct training programs for early childhood, elementary, and secondary educational personnel and food service personnel with respect to the relationship between food, nutrition, and health; educational methods and techniques, and issues relating to nutrition education; and principles and skills of food service management for cafeteria personnel.

[(5) The State, in carrying out the provisions of this subsection, may contract with State and local educational agencies, land-grant colleges eligible to receive funds under the Act of July 2, 1862, or the Act of August 30, 1890, including the Tuskegee Institute, other institutions of higher education, and other public or private nonprofit educational or research agencies, institutions, or organizations to pay the cost of pilot demonstration projects in elementary and secondary schools, and in child care institutions and summer food service institutions, with respect to nutrition education. Such projects may include, but are not limited to, projects for the development, demonstration, testing, and evaluation of curricula for use in early childhood, elementary, and secondary education programs.

[AGREEMENTS WITH STATE AGENCIES

[(e) The Secretary is authorized to enter into agreements with State educational agencies incorporating the provisions of this section, and issue such regulations as are necessary to implement this section.

[USE OF FUNDS

[(f)(1)(A) The funds made available under this section may, under guidelines established by the Secretary, be used by State educational agencies for—

[(i) employing a nutrition education specialist to coordinate the program, including travel and related personnel costs;

[(ii) undertaking an assessment of the nutrition education needs of the State;

[(iii) developing a State plan of operation and management for nutrition education;

[(iv) applying for and carrying out planning and assessment grants;

[(v) pilot projects and related purposes;

[(vi) the planning, development, and conduct of nutrition education programs and workshops for food service and educational personnel;

[(vii) coordinating and promoting nutrition education and training activities in local school districts (incorporating, to the maximum extent practicable, as a learning laboratory, the child nutrition programs);

[(viii) contracting with public and private nonprofit educational institutions for the conduct of nutrition education instruction and programs relating to the purposes of this section;

[(ix) providing funding for a nutrition component that can be offered in consumer and homemaking education programs as well as in the health education curriculum offered to children in kindergarten through grade 12;

[(x) instructing teachers, school administrators, or other school staff on how to promote better nutritional health and to motivate children from a variety of linguistic and cultural backgrounds to practice sound eating habits;

[(xi) developing means of providing nutrition education in language appropriate materials to children and families of children through after-school programs;

[(xii) training in relation to healthy and nutritious meals;

[(xiii) creating instructional programming, including language appropriate materials and programming, for teachers, school food service personnel, and parents on the relationships between nutrition and health and the role of the Food Guide Pyramid established by the Secretary;

[(xiv) funding aspects of the Strategic Plan for Nutrition and Education issued by the Secretary;

[(xv) encouraging public service advertisements, including language appropriate materials and advertisements, to promote healthy eating habits for children;

[(xvi) coordinating and promoting nutrition education and training activities in local school districts (incorporating, to the maximum extent practicable, as a learning laboratory, child nutrition programs);

[(xvii) contracting with public and private nonprofit educational institutions for the conduct of nutrition education instruction and programs relating to the purpose of this section;

[(xviii) increasing public awareness of the importance of breakfasts for providing the energy necessary for the cognitive development of school-age children;

[(xix) coordinating and promoting nutrition education and training activities carried out under child nutrition programs, including the summer food service program for children established under section 13 of the National School Lunch Act (42 U.S.C. 1761) and the child and adult care food program established under section 17 of such Act (42 U.S.C. 1766); and

[(xx) related nutrition education purposes, including the preparation, testing, distribution, and evaluation of visual aids and other informational and educational materials.

[(B) As used in this paragraph, the term "language appropriate" used with respect to materials, programming, or advertisements means materials, programming, or advertisements, respectively, using a language other than the English language in a case in which the language is dominant for a large percentage of individuals participating in the program.

[(2) Any State desiring to receive grants authorized by this section may, from the funds appropriated to carry out this section, receive a planning and assessment grant for the purposes of carrying out the responsibilities described in clauses (A), (B), (C), and (D) of paragraph (1) of this subsection. Any State receiving a planning and assessment grant, may, during the first year of participation, be advanced a portion of the funds necessary to carry out such responsibilities: *Provided,* That in order to receive additional funding, the State must carry out such responsibilities.

[(3) A State agency may use an amount equal to not more than 15 percent of the funds made available through a grant under this section for expenditures for administrative purposes in connection with the program authorized under this section if the State makes available at least an equal amount for administrative or program purposes in connection with the program.

[(4) Nothing in this section shall prohibit State or local educational agencies from making available or distributing to adults nutrition education materials, resources, activities, or programs authorized under this section.

[ACCOUNTS, RECORDS, AND REPORTS

[(g)(1) State educational agencies participating in programs under this section shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance with this section and the regulations issued hereunder. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of five years, as the Secretary determines to be necessary.

[(2) State educational agencies shall provide reports on expenditures of Federal funds, program participation, program costs, and related matters, in such form and at such times as the Secretary may prescribe.

[STATE COORDINATORS FOR NUTRITION; STATE PLAN

[(h)(1) In order to be eligible for assistance under this section, a State shall appoint a nutrition education specialist to serve as a State coordinator for school nutrition education. It shall be the responsibility of the State coordinator to make an assessment of the nutrition education needs in the State as provided in paragraph (2) of this subsection, prepare a State plan as provided in paragraph (3) of this subsection, and coordinate programs under this Act with all other nutrition education programs provided by the State with Federal or State funds.

[(2) Upon receipt of funds authorized by this section, the State coordinator shall prepare an itemized budget and assess the nutrition education and training needs of the State. Such assessment shall include, but not be limited to, the identification and location of all students in need of nutrition education. The assessment shall also identify State and local individual, group, and institutional resources within the State for materials, facilities, staffs, and methods related to nutrition education.

[(3) Within nine months after the award of the planning and assessment grant, the State coordinator shall develop, prepare, and furnish the Secretary, for approval, a comprehensive plan for nutrition education within such State. The Secretary shall act on such plan not later than sixty days after it is received. Each such plan shall describe (A) the findings of the nutrition education needs assessment within the State; (B) provisions for coordinating the nutrition education program carried out with funds made available under this section with any related publicly supported programs being carried out within the State; (C) plans for soliciting the advice and recommendations of the State educational agency, interested teachers, food nutrition professionals and paraprofessionals, school food service personnel, administrators, representatives from consumer groups, parents, and other individuals concerned with the improvement of child nutrition; (D) plans for reaching all students in the State with instruction in the nutritional value of foods and the relationships among food, nutrition, and health, for training food service personnel in the principles and skills of food service management, and for instructing teachers in sound principles of nutrition education; (E) plans for using, on a priority basis, the resources of the land-grant colleges eligible to receive funds under the Act of July 2, 1862, or the Act of August 30, 1890, including the Tuskegee Institute; and (F) a comprehensive plan for providing nutrition education during the first fiscal year beginning after the submission of the plan and the succeeding 4 fiscal years. To the maximum extent practicable, the State's performance under such plan shall be reviewed and evaluated by the Secretary on a regular basis, including the use of public hearings. Each plan developed as required by this section shall be updated on an annual basis.

[APPROPRIATIONS AUTHORIZED

[(i)(1) For the fiscal years beginning October 1, 1977, and October 1, 1978, grants to the States for the conduct of nutrition education and information programs shall be based on a rate of 50 cents for each child enrolled in schools or in institutions within the State, except that no State shall receive an amount less than $75,000 per year.

[(2)(A) Out of any moneys in the Treasury not otherwise appropriated, and in addition to any amounts otherwise made available for fiscal year 1995, the Secretary of the Treasury shall provide to the Secretary $1,000 for fiscal year 1995 and $10,000,000 for fiscal year 1996 and each succeeding fiscal year for making grants under this section to each State for the conduct of nutrition education and training programs. The Secretary shall be entitled to receive the funds and shall accept the funds.

[(B)(i)(I) Subject to clause (ii), grants to each State from the amounts appropriated under subparagraph (A) shall be based on a rate of 50 cents for each child enrolled in schools or institutions within such State.

[(II) If the amount appropriated for any fiscal year is insufficient to pay the amount to which each State is entitled under subclause (I), the amount of each grant shall be ratably reduced. If additional funds become available for making such payments, such amounts shall be increased on the same basis as they were reduced.

[(ii) No State shall receive an amount that is less than—

[(I) $50,000, in any fiscal year in which the amount appropriated for purposes of this section is less than $10,000,000;

[(II) $62,500, in any fiscal year in which the amount appropriated for purposes of this section is $10,000,000 or more but is less than $15,000,000;

[(III) $68,750, in any fiscal year in which the amount appropriated for purposes of this section is $15,000,000 or more but is less than $20,000,000; and

[(IV) $75,000 in any fiscal year in which the amount appropriated for purposes of this section is $20,000,000 or more.

[(3) Funds made available to any State under this section shall remain available to the State for obligation in the fiscal year succeeding the fiscal year in which the funds were received by the State.

[(4) Enrollment data used for purposes of this subsection shall be the latest available as certified by the Department of Education.

[(j)(1) The Secretary shall assess the nutrition education and training program carried out under this section to determine what nutrition education needs are for children participating under the National School Lunch Act in the school lunch program, the summer food service program, and the child care food program.

[(2) The assessment required by paragraph (1) shall be completed not later than October 1, 1990.

[DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOLS

[SEC. 20. (a) For the purpose of obtaining Federal payments and commodities in conjunction with the provision of breakfasts to students attending Department of Defense dependents' schools which are located outside the United States, its territories or possessions, the Secretary of Agriculture shall make available to the Department of Defense, from funds appropriated for such purpose, the same payments and commodities as are provided to States for schools participating in the school breakfast program in the United States.

[(b) The Secretary of Defense shall administer breakfast programs authorized by this section and shall determine eligibility for free and reduced-price breakfasts under the criteria published by the Secretary of Agriculture, except that the Secretary of Defense shall prescribe regulations governing computation of income eligibility standards for families of students participating in the school breakfast program under this section.

[(c) The Secretary of Defense shall be required to offer meals meeting nutritional standards prescribed by the Secretary of Agriculture; however, the Secretary of Defense may authorize devi-

ations from Department of Agriculture prescribed meal patterns and fluid milk requirements when local conditions preclude strict compliance or when such compliance is highly impracticable.

[(d) Funds are hereby authorized to be appropriated for any fiscal year in such amounts as may be necessary for the administrative expenses of the Department of Defense under this section.

[(e) The Secretary of Agriculture shall provide the Secretary of Defense with technical assistance in the administration of the school breakfast programs authorized by this section.

[SEC. 21. BREASTFEEDING PROMOTION PROGRAM.

[(a) IN GENERAL.—The Secretary, from amounts received under subsection (d), shall establish a breastfeeding promotion program to promote breastfeeding as the best method of infant nutrition, foster wider public acceptance of breastfeeding in the United States, and assist in the distribution of breastfeeding equipment to breastfeeding women.

[(b) CONDUCT OF PROGRAM.—In carrying out the program described in subsection (a), the Secretary may—

[(1) develop or assist others to develop appropriate educational materials, including public service announcements, promotional publications, and press kits for the purpose of promoting breastfeeding;

[(2) distribute or assist others to distribute such materials to appropriate public and private individuals and entities; and

[(3) provide funds to public and private individuals and entities, including physicians, health professional organizations, hospitals, community based health organizations, and employers, for the purpose of assisting such entities in the distribution of breastpumps and similar equipment to breastfeeding women.

[(c) COOPERATIVE AGREEMENTS.—The Secretary is authorized to enter into cooperative agreements with Federal agencies, State and local governments, and other entities to carry out the program described in subsection (a).

[(d) GIFTS, BEQUESTS, AND DEVISES.—

[(1) IN GENERAL.—The Secretary is authorized to solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of establishing and carrying out the program described in subsection (a). Gifts, bequests, or devises of money and proceeds from the sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Secretary.

[(2) CRITERIA FOR ACCEPTANCE.—The Secretary shall establish criteria for determining whether to solicit and accept gifts, bequests, or devises under paragraph (1), including criteria that ensure that the acceptance of any gifts, bequests, or devises would not—

[(A) reflect unfavorably on the ability of the Secretary to carry out the Secretary's responsibilities in a fair and objective manner; or

[(B) compromise, or appear to compromise, the integrity of any governmental program or any officer or employee involved in the program.]

NATIONAL SCHOOL LUNCH ACT

AN ACT To provide assistance to the States in the establishment, maintenance, operation, and expansion of school lunch programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "National School Lunch Act".

[DECLARATION OF POLICY

[SEC. 2. It is hereby declared to be the policy of Congress, as a measure of national security, to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other food, by assisting the States, through grants-in-aid and other means, in providing an adequate supply of foods and other facilities for the establishment, maintenance, operation, and expansion of nonprofit school lunch programs.

[APPROPRIATIONS AUTHORIZED

[SEC. 3. For each fiscal year there is hereby authorized to be appropriated, out of money in the Treasury not otherwise appropriated, such sums as may be necessary to enable the Secretary of Agriculture (hereinafter referred to as the "Secretary") to carry out the provisions of this Act, other than sections 13 and 17. Appropriations to carry out the provisions of this Act and of the Child Nutrition Act of 1966 for any fiscal year are authorized to be made a year in advance of the beginning of the fiscal year in which the funds will become available for disbursement to the States. Notwithstanding any other provision of law, any funds appropriated to carry out the provisions of such Acts shall remain available for the purposes of the Act for which appropriated until expended.

[APPORTIONMENTS TO STATES

[SEC. 4. (a) The sums appropriated for any fiscal year pursuant to the authorizations contained in section 3 of this Act shall be available to the Secretary for supplying agricultural commodities and other food for the program in accordance with the provisions of this Act.

[(b)(1) The Secretary shall make food assistance payments to each State educational agency each fiscal year, at such times as the Secretary may determine, from the sums appropriated for such purpose, in a total amount equal to the product obtained by multiplying—

[(A) the number of lunches (consisting of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary under section 9(a) of this Act) served during such fiscal year in schools in such State which participate in the school lunch program under this Act under agreements with such State educational agency; by

[(B) the national average lunch payment prescribed in paragraph (2) of this subsection.

[(2) The national average lunch payment for each lunch served shall be 10.5 cents (as adjusted pursuant to section 11(a) of this Act) except that for each lunch served in school food authorities in which 60 percent or more of the lunches served in the school lunch program during the second preceding school year were served free or at a reduced price, the national average lunch payment shall be 2 cents more.

[DIRECT FEDERAL EXPENDITURES

[SEC. 6. (a) The funds provided by appropriation or transfer from other accounts for any fiscal year for carrying out the provisions of this Act, and for carrying out the provisions of the Child Nutrition Act of 1966, other than section 3 thereof, less

[(1) not to exceed 3½ per centum thereof which per centum is hereby made available to the Secretary for the Secretary's administrative expenses under this Act and under the Child Nutrition Act of 1966;

[(2) the amount apportioned by the Secretary pursuant to section 4 of this Act and the amount appropriated pursuant to sections 11 and 13 of this Act and sections 4 and 7 of the Child Nutrition Act of 1966; and

[(3) not to exceed 1 per centum of the funds provided for carrying out the programs under this Act and the programs under the Child Nutrition Act of 1966, other than section 3, which per centum is hereby made available to the Secretary to supplement the nutritional benefits of these programs through grants to States and other means for nutritional training and education for workers, cooperators, and participants in these programs, for pilot projects and the cash-in-lieu of commodities study required to be carried out under section 18 of this Act, and for necessary surveys and studies of requirements for food service programs in furtherance of the purposes expressed in section 2 of this Act and section 2 of the Child Nutrition Act of 1966,

shall be available to the Secretary during such year for direct expenditure by the Secretary for agricultural commodities and other foods to be distributed among the States and schools and service institutions participating in the food service programs under this Act and under the Child Nutrition Act of 1966 in accordance with the needs as determined by the local school and service institution authorities. Except as provided in the next 2 sentences, any school participating in food service programs under this Act may refuse to accept delivery of not more than 20 percent of the total value of agricultural commodities and other foods tendered to it in any school year; and if a school so refuses, that school may receive, in lieu of the refused commodities, other commodities to the extent that other commodities are available to the State during that year. Any school food authority may refuse some or all of the fresh fruits and vegetables offered to the school food authority in any school year and shall receive, in lieu of the offered fruits and vegetables, other more desirable fresh fruits and vegetables that are at least equal in value to the fresh fruits and vegetables refused by the

school food authority. The value of any fresh fruits and vegetables refused by a school under the preceding sentence for a school year shall not be used to determine the 20 percent of the total value of agricultural commodities and other foods tendered to the school food authority in the school year under the second sentence. The provisions of law contained in the proviso of the Act of June 28, 1937, facilitating operations with respect to the purchase and disposition of surplus agricultural commodities under section 32 of the Act approved August 24, 1935, shall, to the extent not inconsistent with the provisions of this Act, also be applicable to expenditures of funds by the Secretary under this Act. In making purchases of such agricultural commodities and other foods, the Secretary shall not issue specifications which restrict participation of local producers unless such specifications will result in significant advantages to the food service programs authorized by this Act and the Child Nutrition Act of 1966.

[(b) The Secretary shall deliver, to each State participating in the school lunch program under this Act, commodities valued at the total level of assistance authorized under subsection (c) for each school year for the school lunch program in the State, not later than September 30 of the following school year.

[(c) Notwithstanding any other provision of law, the Secretary, until such time as a supplemental appropriation may provide additional funds for the purpose of subsection (b) of this section, shall use funds appropriated by section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) to make any payments to States authorized under such subsection. Any section 32 funds utilized to make such payments shall be reimbursed out of any supplemental appropriation hereafter enacted for the purpose of carrying out subsection (b) of this section and such reimbursement shall be deposited into the fund established pursuant to section 32 of the Act of August 24, 1935, to be available for the purposes of said section 32.

[(d) Any funds made available under subsection (b) or (c) of this section shall not be subject to the State matching provisions of section 7 of this Act.

[(e)(1)(A) The national average value of donated foods, or cash payments in lieu thereof, shall be 11 cents, adjusted on July 1, 1982, and each July 1 thereafter to reflect changes in the Price Index for Food Used in Schools and Institutions. The Index shall be computed using 5 major food components in the Bureau of Labor Statistics' Producer Price Index (cereal and bakery products, meats, poultry and fish, dairy products, processed fruits and vegetables, and fats and oils). Each component shall be weighed using the same relative weight as determined by the Bureau of Labor Statistics.

[(B) The value of food assistance for each meal shall be adjusted each July 1 by the annual percentage change in a 3-month average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May each year. Such adjustment shall be computed to the nearest ¼ cent.

[(C) For each school year, the total commodity assistance or cash in lieu thereof available to a State for the school lunch program shall be calculated by multiplying the number of lunches served in the preceding school year by the rate established by subparagraph

(B). After the end of each school year, the Secretary shall reconcile the number of lunches served by schools in each State with the number of lunches served by schools in each State during the preceding school year and increase or reduce subsequent commodity assistance or cash in lieu thereof provided to each State based on such reconciliation.

[(D) Among those commodities delivered under this section, the Secretary shall give special emphasis to high protein foods, meat, and meat alternates (which may include domestic seafood commodities and their products).

[(E) Notwithstanding any other provision of this section, not less than 75 percent of the assistance provided under this subsection shall be in the form of donated foods for the school lunch program.

[(2) To the maximum extent feasible, each State agency shall offer to each school food authority under its jurisdiction that participates in the school lunch program and receives commodities, agricultural commodities and their products, the per meal value of which is not less than the national average value of donated foods established under paragraph (1). Each such offer shall include the full range of such commodities and products that are available from the Secretary to the extent that quantities requested are sufficient to allow efficient delivery to and within the State.

[(f) Beginning with the school year ending June 30, 1981, the Secretary shall not offer commodity assistance based upon the number of breakfasts served to children under section 4 of the Child Nutrition Act of 1966.

[(g)(1) Subject to paragraph (2), in each school year the Secretary shall ensure that not less than 12 percent of the assistance provided under section 4, this section, and section 11 shall be in the form of commodity assistance provided under this section, including cash in lieu of commodities and administrative costs for procurement of commodities under this section.

[(2) If amounts available to carry out the requirements of the sections described in paragraph (1) are insufficient to meet the requirement contained in paragraph (1) for a school year, the Secretary shall, to the extent necessary, use the authority provided under section 14(a) to meet the requirement for the school year.

[PAYMENTS TO STATES

[SEC. 7. (a)(1) Funds appropriated to carry out section 4 of this Act during any fiscal year shall be available for payment to the States for disbursement by State educational agencies in accordance with such agreements, not inconsistent with the provisions of this Act, as may be entered into by the Secretary and such State educational agencies for the purpose of assisting schools within the States in obtaining agricultural commodities and other foods for consumption by children in furtherance of the school lunch program authorized under this Act. For any school year, such payments shall be made to a State only if, during such school year, the amount of the State revenues (excluding State revenues derived from the operation of the program) appropriated or used specifically for program purposes (other than any State revenues expended for salaries and administrative expenses of the program at the State level) is not less than 30 percent of the funds made avail-

able to such State under section 4 of this Act for the school year beginning July 1, 1980.

[(2) If, for any school year, the per capita income of a State is less than the average per capita income of all the States, the amount required to be expended by a State under paragraph (1) for such year shall be an amount bearing the same ratio to the amount equal to 30 percent of the funds made available to such State under section 4 of this Act for the school year beginning July 1, 1980, as the per capita income of such State bears to the average per capita income of all the States.

[(b) The State revenues provided by any State to meet the requirement of subsection (a) shall, to the extent the State deems practicable, be disbursed to schools participating in the school lunch program under this Act. No State in which the State educational agency is prohibited by law from disbursing State appropriated funds to private schools shall be required to match Federal funds made available for meals served in such schools, or to disburse, to such schools, any of the State revenues required to meet the requirements of subsection (a).

[(c) The Secretary shall certify to the Secretary of the Treasury, from time to time, the amounts to be paid to any State under this section and shall specify when such payments are to be made. The Secretary of the Treasury shall pay to the State, at the time or times fixed by the Secretary, the amounts so certified.

[(d) Notwithstanding any other provision of law, the Secretary may enter into an agreement with a State agency, acting on the request of a school food service authority, under which funds payable to the State under section 4 or 11 may be used by the Secretary for the purpose of purchasing commodities for use by the school food service authority in meals served under the school lunch program under this Act.

[STATE DISBURSEMENT TO SCHOOLS

[SEC. 8. Funds paid to any State during any fiscal year pursuant to section 4 shall be disbursed by the State educational agency, in accordance with such agreements approved by the Secretary as may be entered into by such State agency and the schools in the State, to those schools in the State which the State educational agency, taking into account need and attendance, determines are eligible to participate in the school lunch program. The agreements described in the preceding sentence shall be permanent agreements that may be amended as necessary. Nothing in the preceding sentence shall be construed to limit the ability of the State educational agency to suspend or terminate any such agreement in accordance with regulations prescribed by the Secretary. Such disbursement to any school shall be made only for the purpose of assisting it to obtain agricultural commodities and other foods for consumption by children in the school lunch program. The terms "child" and "children" as used in this Act shall be deemed to include individuals regardless of age who are determined by the State educational agency, in accordance with regulations prescribed by the Secretary, to have 1 or more mental or physical handicaps and who are attending any child care institution as defined in section 17 of this Act or any nonresidential public or nonprofit private school of high

school grade or under for the purpose of participating in a school program established for individuals with mental or physical handicaps: *Provided*, That no institution that is not otherwise eligible to participate in the program under section 17 of this Act shall be deemed so eligible because of this sentence. Such food costs may include, in addition to the purchase price of agricultural commodities and other foods, the cost of processing, distributing, transporting, storing, or handling thereof. In no event shall such disbursement for food to any school for any fiscal year exceed an amount determined by multiplying the number of lunches served in the school in the school lunch program under this Act during such year by the maximum per meal reimbursement rate for the State, for the type of lunch served, as prescribed by the Secretary. In any fiscal year in which the national average payment per lunch determined under section 4 is increased above the amount prescribed in the previous fiscal year, the maximum per meal reimbursement rate for the type of lunch served, shall be increased by a like amount. Lunch assistance disbursements to schools under this section and under section 11 of this Act may be made in advance or by way of reimbursement in accordance with procedures prescribed by the Secretary.

[NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS

[SEC. 9. (a)(1)(A) Lunches served by schools participating in the school lunch program under this Act shall meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research, except that the minimum nutritional requirements—

[(i) shall not be construed to prohibit the substitution of foods to accommodate the medical or other special dietary needs of individual students; and

[(ii) shall, at a minimum, be based on the weekly average of the nutrient content of school lunches.

[(B) The Secretary shall provide technical assistance and training, including technical assistance and training in the preparation of lower-fat versions of foods commonly used in the school lunch program under this Act, to schools participating in the school lunch program to assist the schools in complying with the nutritional requirements prescribed by the Secretary pursuant to subparagraph (A) and in providing appropriate meals to children with medically certified special dietary needs. The Secretary shall provide additional technical assistance to schools that are having difficulty maintaining compliance with the requirements.

[(2)(A) Lunches served by schools participating in the school lunch program under this Act—

[(i) shall offer students fluid milk; and

[(ii) shall offer students a variety of fluid milk consistent with prior year preferences unless the prior year preference for any such variety of fluid milk is less than 1 percent of the total milk consumed at the school.

[(B)(i) The Secretary shall purchase in each calendar year to carry out the school lunch program under this Act, and the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), lowfat cheese on a bid basis in a quantity

that is the milkfat equivalent of the quantity of milkfat the Secretary estimates the Commodity Credit Corporation will purchase each calendar year as a result of the elimination of the requirement that schools offer students fluid whole milk and fluid unflavored lowfat milk, based on data provided by the Director of Office of Management and Budget.

[(ii) Not later than 30 days after the Secretary provides an estimate required under clause (i), the Director of the Congressional Budget Office shall provide to the appropriate committees of Congress a report on whether the Director concurs with the estimate of the Secretary.

[(iii) The quantity of lowfat cheese that is purchased under this subparagraph shall be in addition to the quantity of cheese that is historically purchased by the Secretary to carry out school feeding programs. The Secretary shall take such actions as are necessary to ensure that purchases under this subparagraph shall not displace commercial purchases of cheese by schools.

[(3) The Secretary shall establish, in cooperation with State educational agencies, administrative procedures, which shall include local educational agency and student participation, designed to diminish waste of foods which are served by schools participating in the school lunch program under this Act without endangering the nutritional integrity of the lunches served by such schools.

[(4) Students in senior high schools that participate in the school lunch program under this Act (and, when approved by the local school district or nonprofit private schools, students in any other grade level) shall not be required to accept offered foods they do not intend to consume, and any such failure to accept offered foods shall not affect the full charge to the student for a lunch meeting the requirements of this subsection or the amount of payments made under this Act to any such school for such lunch.

[(b)(1)(A) Not later than June 1 of each fiscal year, the Secretary shall prescribe income guidelines for determining eligibility for free and reduced price lunches during the 12-month period beginning July 1 of such fiscal year and ending June 30 of the following fiscal year. The income guidelines for determining eligibility for free lunches shall be 130 percent of the applicable family size income levels contained in the nonfarm income poverty guidelines prescribed by the Office of Management and Budget, as adjusted annually in accordance with subparagraph (B). The income guidelines for determining eligibility for reduced price lunches for any school year shall be 185 percent of the applicable family size income levels contained in the nonfarm income poverty guidelines prescribed by the Office of Management and Budget, as adjusted annually in accordance with subparagraph (B). The Office of Management and Budget guidelines shall be revised at annual intervals, or at any shorter interval deemed feasible and desirable.

[(B) The revision required by subparagraph (A) of this paragraph shall be made by multiplying—

[(i) the official poverty line (as defined by the Office of Management and Budget); by

[(ii) the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the adjustment is made.

Revisions under this subparagraph shall be made not more than 30 days after the date on which the consumer price index data required to compute the adjustment becomes available.

[(2)(A) Following the determination by the Secretary under paragraph (1) of this subsection of the income eligibility guidelines for each school year, each State educational agency shall announce the income eligibility guidelines, by family size, to be used by schools in the State in making determinations of eligibility for free and reduced price lunches. Local school authorities shall, each year, publicly announce the income eligibility guidelines for free and reduced price lunches on or before the opening of school.

[(B) Applications for free and reduced price lunches, in such form as the Secretary may prescribe or approve, and any descriptive material, shall be distributed to the parents or guardians of children in attendance at the school, and shall contain only the family size income levels for reduced price meal eligibility with the explanation that households with incomes less than or equal to these values would be eligible for free or reduced price lunches. Such forms and descriptive material may not contain the income eligibility guidelines for free lunches.

[(C)(i) Except as provided in clause (ii), each eligibility determination shall be made on the basis of a complete application executed by an adult member of the household. The Secretary, State, or local food authority may verify any data contained in such application. A local school food authority shall undertake such verification of information contained in any such application as the Secretary may by regulation prescribe and, in accordance with such regulations, shall make appropriate changes in the eligibility determination with respect to such application on the basis of such verification.

[(ii) Subject to clause (iii), any school food authority may certify any child as eligible for free or reduced price lunches or breakfasts, without further application, by directly communicating with the appropriate State or local agency to obtain documentation of such child's status as a member of—

[(I) a household that is receiving food stamps under the Food Stamp Act of 1977; or

[(II) a family that is receiving assistance under the program for aid to families with dependent children under part A of title IV of the Social Security Act.

[(iii) The use or disclosure of any information obtained from an application for free or reduced price meals, or from a State or local agency referred to in clause (ii), shall be limited to—

[(I) a person directly connected with the administration or enforcement of this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), or a regulation issued pursuant to either Act;

[(II) a person directly connected with the administration or enforcement of—

[(aa) a Federal education program;

[(bb) a State health or education program administered by the State or local educational agency (other than a program carried out under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.)); or

[(cc) a Federal, State, or local means-tested nutrition program with eligibility standards comparable to the program under this section; and

[(III)(aa) the Comptroller General of the United States for audit and examination authorized by any other provision of law; and

[(bb) notwithstanding any other provision of law, a Federal, State, or local law enforcement official for the purpose of investigating an alleged violation of any program covered by paragraph (1) or this paragraph.

[(iv) Information provided under clause (iii)(II) shall be limited to the income eligibility status of the child for whom application for free or reduced price meal benefits was made or for whom eligibility information was provided under clause (ii), unless the consent of the parent or guardian of the child for whom application for benefits was made is obtained.

[(v) A person described in clause (iii) who publishes, divulges, discloses, or makes known in any manner, or to any extent not authorized by Federal law (including a regulation), any information obtained under this subsection shall be fined not more than $1,000 or imprisoned not more than 1 year, or both.

[(3) Any child who is a member of a household whose income, at the time the application is submitted, is at an annual rate which does not exceed the applicable family size income level of the income eligibility guidelines for free lunches, as determined under paragraph (1), shall be served a free lunch. Any child who is a member of a household whose income, at the time the application is submitted, is at an annual rate greater than the applicable family size income level of the income eligibility guidelines for free lunches, as determined under paragraph (1), but less than or equal to the applicable family size income level of the income eligibility guidelines for reduced price lunches, as determined under paragraph (1), shall be served a reduced price lunch. The price charged for a reduced price lunch shall not exceed 40 cents.

[(4) No physical segregation of or other discrimination against any child eligible for a free lunch or a reduced price lunch under this subsection shall be made by the school nor shall there be any overt identification of any child by special tokens or tickets, announced or published list of names, or by other means.

[(5) Any child who has a parent or guardian who (A) is responsible for the principal support of such child and (B) is unemployed shall be served a free or reduced price lunch, respectively, during any period (i) in which such child's parent or guardian continues to be unemployed and (ii) the income of the child's parents or guardians during such period of unemployment falls within the income eligibility criteria for free lunches or reduced price lunches, respectively, based on the current rate of income of such parents or guardians. Local school authorities shall publicly announce that such children are eligible for free or reduced price lunch, and shall make determinations with respect to the status of any parent or guardian of any child under clauses (A) and (B) of the preceding sentence on the basis of a statement executed in such form as the Secretary may prescribe by such parent or guardian. No physical segregation of, or other discrimination against, any child eligible

for a free or reduced price lunch under this paragraph shall be made by the school nor shall there be any overt identification of any such child by special tokens or tickets, announced or published lists of names, or by any other means.

[(6)(A) A child shall be considered automatically eligible for a free lunch and breakfast under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), respectively, without further application or eligibility determination, if the child is a member of—

[(i) a household receiving assistance under the food stamp program authorized under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

[(ii) an AFDC assistance unit (under the aid to families with dependent children program authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)), in a State where the standard of eligibility for the assistance does not exceed 130 percent of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))).

[(iii) enrolled as a participant in a Head Start program authorized under the Head Start Act (42 U.S.C. 9831 et seq.), on the basis of a determination that the child is a member of a family that meets the low-income criteria prescribed under section 645(a)(1)(A) of the Head Start Act (42 U.S.C. 9840(a)(1)(A)).

[(B) Proof of receipt of food stamps or aid to families with dependent children, or of enrollment or participation in a Head Start program on the basis described in subparagraph (A)(iii), shall be sufficient to satisfy any verification requirement imposed under paragraph (2)(C).

[(c) School lunch programs under this Act shall be operated on a nonprofit basis. Each school shall, insofar as practicable, utilize in its lunch program commodities designated from time to time by the Secretary as being in abundance, either nationally or in the school area, or commodities donated by the Secretary. Commodities purchased under the authority of section 32 of the Act of August 24, 1935, may be donated by the Secretary to schools, in accordance with the needs as determined by local school authorities, for utilization in the school lunch program under this Act as well as to other schools carrying out nonprofit school lunch programs and institutions authorized to receive such commodities. The Secretary is authorized to prescribe terms and conditions respecting the use of commodities donated under such section 32, under section 416 of the Agricultural Act of 1949 and under section 709 of the Food and Agriculture Act of 1965 as will maximize the nutritional and financial contributions of such donated commodities in such schools and institutions. The requirements of this section relating to the service of meals without cost or at a reduced cost shall apply to the lunch program of any school utilizing commodities donated under any of the provisions of law referred to in the preceding sentence. None of the requirements of this section in respect to the amount, for "reduced cost" meals and to eligibility for meals without cost shall apply to schools (as defined in section 12(d)(6) of this Act which are private and nonprofit as defined in the last sentence of section

12(d)(6) of this Act) which participate in the school lunch program under this Act until such time as the State educational agency, or in the case of such schools which participate under the provisions of section 10 of this Act the Secretary certifies that sufficient funds from sources other than children's payments are available to enable such schools to meet these requirements.

[(d)(1) The Secretary shall require as a condition of eligibility for receipt of free or reduced price lunches that the member of the household who executes the application furnish the social security account number of the parent or guardian who is the primary wage earner responsible for the care of the child for whom the application is made, or that of another appropriate adult member of the child's household, as determined by the Secretary. The Secretary shall require that social security account numbers of all adult members of the household be provided if verification of the data contained in the application is sought under subsection (b)(2)(C).

[(2) No member of a household may be provided a free or reduced price lunch under this Act unless—

[(A) appropriate documentation relating to the income of such household (as prescribed by the Secretary) has been provided to the appropriate local school food authority so that such authority may calculate the total income of such household;

[(B) documentation showing that the household is participating in the food stamp program under the Food Stamp Act of 1977 has been provided to the appropriate local school food authority; or

[(C) documentation has been provided to the appropriate local school food authority showing that the family is receiving assistance under the program for aid to families with dependent children under part A of title IV of the Social Security Act.

[(e) A school or school food authority participating in a program under this Act may not contract with a food service company to provide a la carte food service unless the company agrees to offer free, reduced price, and full-price reimbursable meals to all eligible children.

[(f)(1) Not later than the first day of the 1996–97 school year, the Secretary, State educational agencies, schools, and school food service authorities shall, to the maximum extent practicable, inform students who participate in the school lunch and school breakfast programs, and parents and guardians of the students, of—

[(A) the nutritional content of the lunches and breakfasts that are served under the programs; and

[(B) the consistency of the lunches and breakfasts with the guidelines contained in the most recent 'Dietary Guidelines for Americans' that is published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341) (referred to in this subsection as the 'Guidelines'), including the consistency of the lunches and breakfasts with the guideline for fat content.

[(2)(A) Except as provided in subparagraph (B), not later than the first day of the 1996–97 school year, schools that are participating in the school lunch or school breakfast program shall serve lunches and breakfasts under the programs that are consistent

with the Guidelines (as measured in accordance with subsection (a)(1)(A)(ii) and section 4(e)(1)).

[(B) State educational agencies may grant waivers from the requirements of subparagraph (A) subject to criteria established by the appropriate State educational agency. The waivers shall not permit schools to implement the requirements later than July 1, 1998, or a later date determined by the Secretary.

[(C) To assist schools in meeting the requirements of this paragraph, the Secretary—

[(i) shall—

[(I) develop, and provide to schools, standardized recipes, menu cycles, and food product specification and preparation techniques; and

[(II) provide to schools information regarding nutrient standard menu planning, assisted nutrient standard menu planning, and food-based menu systems; and

[(ii) may provide to schools information regarding other approaches, as determined by the Secretary.

[(D) Schools may use any of the approaches described in subparagraph (C) to meet the requirements of this paragraph. In the case of schools that elect to use food-based menu systems to meet the requirements of this paragraph, the Secretary may not require the schools to conduct or use nutrient analysis.

[(g) Not later than 1 year after the date of enactment of this subsection, the Secretary shall provide a notification to Congress that justifies the need for production records required under section 210.10(b) of title 7, Code of Federal Regulations, and describes how the Secretary has reduced paperwork relating to the school lunch and school breakfast programs.

[(h) In carrying out this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), a State educational agency may use resources provided through the nutrition education and training program authorized under section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) for training aimed at improving the quality and acceptance of school meals.

[DISBURSEMENT TO SCHOOLS BY THE SECRETARY

[SEC. 10. (a) The Secretary shall withhold funds payable to a State under this Act and disburse the funds directly to schools, institutions, or service institutions within the State for the purposes authorized by this Act to the extent that the Secretary has so withheld and disbursed such funds continuously since October 1, 1980, but only to such extent (except as otherwise required by subsection (b)). Any funds so withheld and disbursed by the Secretary shall be used for the same purposes, and shall be subject to the same conditions, as applicable to a State disbursing funds made available under this Act. If the Secretary is administering (in whole or in part) any program authorized under this Act, the State in which the Secretary is administering the program may, upon request to the Secretary, assume administration of that program.

[(b) If a State educational agency is not permitted by law to disburse the funds paid to it under this Act to any of the nonpublic schools in the State, the Secretary shall disburse the funds directly to such schools within the State for the same purposes and subject

to the same conditions as are authorized or required with respect to the disbursements to public schools within the State by the State educational agency.

[SPECIAL ASSISTANCE

[SEC. 11. (a)(1)(A) Except as provided in section 10 of this Act, in each fiscal year each State educational agency shall receive special assistance payments in an amount equal to the sum of the product obtained by multiplying the number of lunches (consisting of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary pursuant to subsection 9(a) of this Act) served free to children eligible for such lunches in schools within that State during such fiscal year by the special assistance factor for free lunches prescribed by the Secretary for such fiscal year and the product obtained by multiplying the number of lunches served at a reduced price to children eligible for such reduced price lunches in schools within that State during such fiscal year by the special assistance factor for reduced price lunches prescribed by the Secretary for such fiscal year.

[(B) Except as provided in subparagraph (C), (D), or (E), in the case of any school which determines that at least 80 percent of the children in attendance during a school year (hereinafter in this sentence referred to as the "first school year") are eligible for free lunches or reduced price lunches, special assistance payments shall be paid to the State educational agency with respect to that school, if that school so requests for the school year following the first school year, on the basis of the number of free lunches or reduced priced lunches, as the case may be, that are served by that school during the school year for which the request is made, to those children who were determined to be so eligible in the first school year and the number of free lunches and reduced price lunches served during that year to other children determined for that year to be eligible for such lunches.

[(C)(i) Except as provided in subparagraph (D), in the case of any school that—

[(I) elects to serve all children in the school free lunches under the school lunch program during any period of 3 successive school years, or in the case of a school that serves both lunches and breakfasts, elects to serve all children in the school free lunches and free breakfasts under the school lunch program and the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) during any period of 3 successive school years; and

[(II) pays, from sources other than Federal funds, for the costs of serving the lunches or breakfasts that are in excess of the value of assistance received under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) with respect to the number of lunches or breakfasts served during the period;

special assistance payments shall be paid to the State educational agency with respect to the school during the period on the basis of the number of lunches or breakfasts determined under clause (ii) or (iii).

[(ii) For purposes of making special assistance payments under clause (i), except as provided in clause (iii), the number of lunches

or breakfasts served by a school to children who are eligible for free lunches or breakfasts or reduced price lunches or breakfasts during each school year of the 3-school-year period shall be considered to be equal to the number of lunches or breakfasts served by the school to children eligible for free lunches or breakfasts or reduced price lunches or breakfasts during the first school year of the period.

[(iii) For purposes of computing the amount of the payments, a school may elect to determine on a more frequent basis the number of children who are eligible for free or reduced price lunches or breakfasts who are served lunches or breakfasts during the 3-school-year period.

[(D)(i) In the case of any school that, on the date of enactment of this subparagraph, is receiving special assistance payments under this paragraph for a 3-school-year period described in subparagraph (C), the State may grant, at the end of the 3-school-year period, an extension of the period for an additional 2 school years, if the State determines, through available socioeconomic data approved by the Secretary, that the income level of the population of the school has remained stable.

[(ii) A school described in clause (i) may reapply to the State at the end of the 2-school-year period described in clause (i) for the purpose of continuing to receive special assistance payments, as determined in accordance with this paragraph, for a subsequent 5-school-year period. The school may reapply to the State at the end of the 5-school-year period, and at the end of each 5-school-year period thereafter for which the school receives special assistance payments under this paragraph, for the purpose of continuing to receive the payments for a subsequent 5-school-year period.

[(iii) If the Secretary determines after considering the best available socioeconomic data that the income level of families of children enrolled in a school has not remained stable, the Secretary may require the submission of applications for free and reduced price lunches, or for free and reduced price lunches and breakfasts, in the first school year of any 5-school-year period for which the school receives special assistance payments under this paragraph, for the purpose of calculating the special assistance payments.

[(iv) For the purpose of updating information and reimbursement levels, a school described in clause (i) that carries out a school lunch or school breakfast program may at any time require submission of applications for free and reduced price lunches or for free and reduced price lunches and breakfasts.

[(E)(i) In the case of any school that—

[(I) elects to serve all children in the school free lunches under the school lunch program during any period of 4 successive school years, or in the case of a school that serves both lunches and breakfasts, elects to serve all children in the school free lunches and free breakfasts under the school lunch program and the school breakfast program during any period of 4 successive school years; and

[(II) pays, from sources other than Federal funds, for the costs of serving the lunches or breakfasts that are in excess of the value of assistance received under this Act and the Child

Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) with respect to the number of lunches or breakfasts served during the period; total Federal cash reimbursements and total commodity assistance shall be provided to the State educational agency with respect to the school at a level that is equal to the total Federal cash reimbursements and total commodity assistance received by the school in the last school year for which the school accepted applications under the school lunch or school breakfast program, adjusted annually for inflation in accordance with paragraph (3)(B) and for changes in enrollment, to carry out the school lunch or school breakfast program.

[(ii) A school described in clause (i) may reapply to the State at the end of the 4-school-year period described in clause (i), and at the end of each 4-school-year period thereafter for which the school receives reimbursements and assistance under this subparagraph, for the purpose of continuing to receive the reimbursements and assistance for a subsequent 4-school-year period. The State may approve an application under this clause if the State determines, through available socioeconomic data approved by the Secretary, that the income level of the population of the school has remained consistent with the income level of the population of the school in the last school year for which the school accepted the applications described in clause (i).

[(iii) Not later than 1 year after the date of enactment of this subparagraph, the Secretary shall evaluate the effects of this subparagraph and notify the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the results of the evaluation.

[(2) The special assistance factor prescribed by the Secretary for free lunches shall be 98.75 cents and the special assistance factor for reduced price lunches shall be 40 cents less than the special assistance factor for free lunches.

[(3)(A) The Secretary shall prescribe on July 1, 1982, and on each subsequent July 1, an annual adjustment in the following:

[(i) The national average payment rates for lunches (as established under section 4 of this Act).

[(ii) the special assistance factor for lunches (as established under paragraph (2) of this subsection).

[(iii) The national average payment rates for breakfasts (as established under section 4(b) of the Child Nutrition Act of 1966).

[(iv) The national average payment rates for supplements (as established under section 17(c) of this Act).

[(B) The annual adjustment under this paragraph shall reflect changes in the cost of operating meal programs under this Act and the Child Nutrition Act of 1966, as indicated by the change in the series for food away from home of the Consumer Price Index for all Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor. Each annual adjustment shall reflect the changes in the series for food away from home for the most recent 12-month period for which such data are available. The adjustments made under this paragraph shall be computed to the nearest one-fourth cent.

[(b) Except as provided in section 10 of the Child Nutrition Act of 1966, the special assistance payments made to each State agency during each fiscal year under the provisions of this section shall be used by such State agency to assist schools of that State in providing free and reduced price lunches served to children pursuant to subsection 9(b) of this Act. The amount of such special assistance funds that a school shall from time to time receive, within a maximum per lunch amount established by the Secretary for all States, shall be based on the need of the school for such special assistance. Such maximum per lunch amount established by the Secretary shall not be less than 60 cents.

[(c) Special assistance payments to any State under this section shall be made as provided in the last sentence of section 7 of this Act.

[(d) In carrying out this section, the terms and conditions governing the operation of the school lunch program set forth in other sections of this Act, including those applicable to funds apportioned or paid pursuant to section 4 but excluding the provisions of section 7 relating to matching, shall be applicable to the extent they are not inconsistent with the express requirements of this section.

[(e)(1) The Secretary, when appropriate, may request each school participating in the school lunch program under this Act to report monthly to the State educational agency the average number of children in the school who received free lunches and the average number of children who received reduced price lunches during the immediately preceding month.

[(2) The State educational agency of each State shall report to the Secretary each month the average number of children in the State who received free lunches and the average number of children in the State who received reduced price lunches during the immediately preceding month.

[(f) Commodity only schools shall also be eligible for special assistance payments under this section. Such schools shall serve meals free to children who meet the eligibility requirements for free meals under section 9(b) of this Act, and shall serve meals at a reduced price, not exceeding the price specified in section 9(b)(3) of this Act, to children meeting the eligibility requirements for reduced price meals under such section. No physical segregation of, or other discrimination against, any child eligible for a free or reduced priced lunch shall be made by the school, nor shall there by any overt identification of any such child by any means.

[MISCELLANEOUS PROVISIONS AND DEFINITIONS

[SEC. 12. (a) States, State educational agencies, and schools participating in the school lunch program under this Act shall keep such accounts and records as may be necessary to enable the Secretary to determine whether the provisions of this Act are being complied with. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of five years, as the Secretary determines is necessary.

[(b) The Secretary shall incorporate, in the Secretary's agreements with the State educational agencies, the express requirements under this Act with respect to the operation of the school

lunch program under this Act insofar as they may be applicable and such other provisions as in the Secretary's opinion are reasonably necessary or appropriate to effectuate the purpose of this Act.

[(c) In carrying out the provisions of this Act, neither the Secretary nor the State shall impose any requirement with respect to teaching personnel, curriculum, instruction, methods of instruction, and materials of instruction in any school.

[(d) For the purposes of this Act—

[(1) "State" means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, or the Trust Territory of the Pacific Islands.

[(2) "State educational agency" means, as the State legislature may determine, (A) the chief State school officer (such as the State superintendent of public instruction, commissioner of education, or similar officer), or (B) a board of education controlling the State department of education.

[(3) "Participation rate" for a State means a number equal to the number of lunches, consisting of a combination of foods and meeting the minimum requirements prescribed by the Secretary pursuant to section 9, served in the fiscal year beginning two years immediately prior to the fiscal year for which the Federal funds are appropriated by schools participating in the program under this Act in the State, as determined by the Secretary.

[(4) "Assistance need rate" (A) in the case of any State having an average annual per capita income equal to or greater than the average annual per capita income for all the States, shall be 5; and (B) in the case of any State having an average annual per capita income less than the average annual per capita income for all the States, shall be the product of 5 and the quotient obtained by dividing the average annual per capita income for all the States by the average annual per capita income for such State, except that such product may not exceed 9 for any such State. For the purposes of this paragraph (i) the average annual per capita income for any State and for all the States shall be determined by the Secretary on the basis of the average annual per capita income for each State and for all the States for the three most recent years for which such data are available and certified to the Secretary by the Department of Commerce; and (ii) the average annual per capita income for American Samoa shall be disregarded in determining the average annual per capita income for all the States for periods ending before July 1, 1967.

[(5) "School" means (A) any public or nonprofit private school of high school grade or under, (B) any public or licensed nonprofit private residential child care institution (including, but not limited to, orphanages and homes for the mentally retarded, but excluding Job Corps Centers funded by the Department of Labor), and (C) with respect to the Commonwealth of Puerto Rico, nonprofit child care centers certified as such by the Governor of Puerto Rico. For purposes of this paragraph, the term "nonprofit", when applied to any such private school or institution, means any such school or institution which is

exempt from tax under section 501(c)(3) of the Internal Revenue Code of 1986.

[(6) "School year" means the annual period from July 1 through June 30.

[(7) "Commodity only schools" means schools that do not participate in the school lunch program under this Act, but which receive commodities made available by the Secretary for use by such schools in nonprofit lunch programs.

[(8) "Secretary" means the Secretary of Agriculture.

[(e) The value of assistance to children under this Act shall not be considered to be income or resources for any purposes under any Federal or State laws, including laws relating to taxation and welfare and public assistance programs.

[(f) In providing assistance for school breakfasts and lunches served in Alaska, Hawaii, Guam, American Samoa, Puerto Rico, the Virgin Islands of the United States, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands, the Secretary may establish appropriate adjustments for each such State to the national average payment rates prescribed under sections 4 and 11 of this Act and section 4 of the Child Nutrition Act of 1966, to reflect the differences between the costs of providing lunches and breakfasts in those States and the costs of providing lunches and breakfasts in all other States.

[(g) Whoever embezzles, willfully misapplies, steals, or obtains by fraud any funds, assets, or property that are the subject of a grant or other form of assistance under this Act or the Child Nutrition Act of 1966, whether received directly or indirectly from the United States Department of Agriculture, or whoever receives, conceals, or retains such funds, assets, or property to personal use or gain, knowing such funds, assets, or property have been embezzled, willfully misapplied, stolen, or obtained by fraud shall, if such funds, assets, or property are of the value of $100 or more, be fined not more than $10,000 or imprisoned not more than five years, or both, or, if such funds, assets, or property are of a value of less than $100, shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

[(h) No provision of this Act or of the Child Nutrition Act of 1966 shall require any school receiving funds under this Act and the Child Nutrition Act of 1966 to account separately for the cost incurred in the school lunch and school breakfast programs.

[(i) Facilities, equipment, and personnel provided to a school food authority for a program authorized under this Act or the Child Nutrition Act of 1966 may be used, as determined by a local educational agency, to support a nonprofit nutrition program for the elderly, including a program funded under the Older Americans Act of 1965.

[(j)(1) Except as provided in paragraph (2), the Secretary may provide reimbursements for final claims for service of meals, supplements, and milk submitted to State agencies by eligible schools, summer camps, family day care homes, institutions, and service institutions only if—

[(A) the claims have been submitted to the State agencies not later than 60 days after the last day of the month for which the reimbursement is claimed; and

[(B) the final program operations report for the month is submitted to the Secretary not later than 90 days after the last day of the month.

[(2) The Secretary may waive the requirements of paragraph (1) at the discretion of the Secretary.

[(k)(1) Prior to the publication of final regulations that implement changes that are intended to bring the meal pattern requirements of the school lunch and breakfast programs into conformance with the guidelines contained in the most recent "Dietary Guidelines for Americans" that is published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341) (referred to in this subsection as the "Guidelines"), the Secretary shall issue proposed regulations permitting the use of food-based menu systems.

[(2) Notwithstanding chapter 5 of title 5, United States Code, not later than 45 days after the publication of the proposed regulations permitting the use of food-based menu systems, the Secretary shall publish notice in the Federal Register of, and hold, a public meeting with—

[(A) representatives of affected parties, such as Federal, State, and local administrators, school food service administrators, other school food service personnel, parents, and teachers; and

[(B) organizations representing affected parties, such as public interest antihunger organizations, doctors specializing in pediatric nutrition, health and consumer groups, commodity groups, food manufacturers and vendors, and nutritionists involved with the implementation and operation of programs under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

to discuss and obtain public comments on the proposed rule.

[(3) Not later than June 1, 1995, the Secretary shall issue final regulations to conform the nutritional requirements of the school lunch and breakfast programs with the Guidelines. The final regulations shall include—

[(A) rules permitting the use of food-based menu systems; and

[(B) adjustments to the rule on nutrition objectives for school meals published in the Federal Register on June 10, 1994 (59 Fed. Reg. 30218).

[(4) No school food service authority shall be required to implement final regulations issued pursuant to this subsection until the regulations have been final for at least 1 year.

[(5) The final regulations shall reflect comments made at each phase of the proposed rulemaking process, including the public meeting required under paragraph (2).

[(l)(1)(A) Except as provided in paragraph (4), the Secretary may waive any requirement under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), or any regulation issued under either such Act, for a State or eligible service provider that requests a waiver if—

[(i) the Secretary determines that the waiver of the requirement would facilitate the ability of the State or eligible service provider to carry out the purpose of the program;

[(ii) the State or eligible service provider has provided notice and information to the public regarding the proposed waiver; and

[(iii) the State or eligible service provider demonstrates to the satisfaction of the Secretary that the waiver will not increase the overall cost of the program to the Federal Government, and, if the waiver does increase the overall cost to the Federal Government, the cost will be paid from non-Federal funds.

[(B) The notice and information referred to in subparagraph (A)(ii) shall be provided in the same manner in which the State or eligible service provider customarily provides similar notices and information to the public.

[(2)(A) To request a waiver under paragraph (1), a State or eligible service provider (through the appropriate administering State agency) shall submit an application to the Secretary that—

[(i) identifies the statutory or regulatory requirements that are requested to be waived;

[(ii) in the case of a State requesting a waiver, describes actions, if any, that the State has undertaken to remove State statutory or regulatory barriers;

[(iii) describes the goal of the waiver to improve services under the program and the expected outcomes if the waiver is granted;

[(iv) includes a description of the impediments to the efficient operation and administration of the program;

[(v) describes the management goals to be achieved, such as fewer hours devoted to, or fewer number of personnel involved in, the administration of the program;

[(vi) provides a timetable for implementing the waiver; and

[(vii) describes the process the State or eligible service provider will use to monitor the progress in implementing the waiver, including the process for monitoring the cost implications of the waiver to the Federal Government.

[(B) An application described in subparagraph (A) shall be developed by the State or eligible service provider and shall be submitted to the Secretary by the State.

[(3)(A) The Secretary shall act promptly on a waiver request contained in an application submitted under paragraph (2) and shall either grant or deny the request. The Secretary shall state in writing the reasons for granting or denying the request.

[(B) If the Secretary grants a waiver request, the Secretary shall state in writing the expected outcome of granting the waiver.

[(C) The result of the decision of the Secretary shall be disseminated by the State or eligible service provider through normal means of communication.

[(D)(i) Except as provided in clause (ii), a waiver granted by the Secretary under this subsection shall be for a period not to exceed 3 years.

[(ii) The Secretary may extend the period if the Secretary determines that the waiver has been effective in enabling the State or eligible service provider to carry out the purposes of the program.

[(4) The Secretary may not grant a waiver under this subsection of any requirement relating to—

[(A) the nutritional content of meals served;

[(B) Federal reimbursement rates;

[(C) the provision of free and reduced price meals;

[(D) offer versus serve provisions;

[(E) limits on the price charged for a reduced price meal;

[(F) maintenance of effort;

[(G) equitable participation of children in private schools;

[(H) distribution of funds to State and local school food service authorities and service institutions participating in a program under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

[(I) the disclosure of information relating to students receiving free or reduced price meals and other recipients of benefits;

[(J) prohibiting the operation of a profit producing program;

[(K) the sale of competitive foods;

[(L) the commodity distribution program under section 14;

[(M) the special supplemental nutrition program authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786); and

[(N) enforcement of any constitutional or statutory right of an individual, including any right under—

[(i) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.);

[(ii) section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794);

[(iii) title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.);

[(iv) the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.);

[(v) the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.); and

[(vi) the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.).

[(5) The Secretary shall periodically review the performance of any State or eligible service provider for which the Secretary has granted a waiver under this subsection and shall terminate the waiver if the performance of the State or service provider has been inadequate to justify a continuation of the waiver. The Secretary shall terminate the waiver if, after periodic review, the Secretary determines that the waiver has resulted in an increase in the overall cost of the program to the Federal Government and the increase has not been paid for in accordance with paragraph (1)(A)(iii).

[(6)(A)(i) An eligible service provider that receives a waiver under this subsection shall annually submit to the State a report that—

[(I) describes the use of the waiver by the eligible service provider; and

[(II) evaluates how the waiver contributed to improved services to children served by the program for which the waiver was requested.

[(ii) The State shall annually submit to the Secretary a report that summarizes all reports received by the State from eligible service providers.

[(B) The Secretary shall annually submit to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report—

[(i) summarizing the use of waivers by the State and eligible service providers;

[(ii) describing whether the waivers resulted in improved services to children;

[(iii) describing the impact of the waivers on providing nutritional meals to participants; and

[(iv) describing how the waivers reduced the quantity of paperwork necessary to administer the program.

[(7) As used in this subsection, the term "eligible service provider" means—

[(A) a local school food service authority;

[(B) a service institution or private nonprofit organization described in section 13; or

[(C) a family or group day care home sponsoring organization described in section 17.

[(m)(1) The Secretary, acting through the Administrator of the Food and Nutrition Service or through the Extension Service, shall award on an annual basis grants to a private nonprofit organization or educational institution in each of 3 States to create, operate, and demonstrate food and nutrition projects that are fully integrated with elementary school curricula.

[(2) Each organization or institution referred to in paragraph (1) shall be selected by the Secretary and shall—

[(A) assist local schools and educators in offering food and nutrition education that integrates math, science, and verbal skills in the elementary grades;

[(B) assist local schools and educators in teaching agricultural practices through practical applications, like gardening;

[(C) create community service learning opportunities or educational programs;

[(D) be experienced in assisting in the creation of curriculum-based models in elementary schools;

[(E) be sponsored by an organization or institution, or be an organization or institution, that provides information, or conducts other educational efforts, concerning the success and productivity of American agriculture and the importance of the free enterprise system to the quality of life in the United States; and

[(F) be able to provide model curricula, examples, advice, and guidance to schools, community groups, States, and local organizations regarding means of carrying out similar projects.

[(3) Subject to the availability of appropriations to carry out this subsection, the Secretary shall make grants to each of the 3 private organizations or institutions selected under this subsection in amounts of not less than $100,000, nor more than $200,000, for each of fiscal years 1995 through 1998.

[(4) The Secretary shall establish fair and reasonable auditing procedures regarding the expenditure of funds under this subsection.

[(5) There are authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 1995 through 1998.

[SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

[SEC. 13. (a)(1) The Secretary is authorized to carry out a program to assist States, through grants-in-aid and other means, to initiate, maintain, and expand nonprofit food service programs for children in service institutions. For purposes of this section, (A) "program" means the summer food service program for children authorized by this section; (B) "service institutions" means public or private nonprofit school food authorities, local, municipal, or county governments, public or private nonprofit higher education institutions participating in the National Youth Sports Program, and residential public or private nonprofit summer camps, that develop special summer or school vacation programs providing food service similar to that made available to children during the school year under the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966; (C) "areas in which poor economic conditions exist" means areas in which at least 50 percent of the children are eligible for free or reduced price school meals under this Act and the Child Nutrition Act of 1966, as determined by information provided from departments of welfare, zoning commissions, census tracts, by the number of free and reduced price lunches or breakfasts served to children attending public and nonprofit private schools located in the area of program food service sites, or from other appropriate sources, including statements of eligibility based upon income for children enrolled in the program; (D) "children" means individuals who are eighteen years of age and under, and individuals who are older than eighteen who are (i) determined by a State educational agency or a local public educational agency of a State, in accordance with regulations prescribed by the Secretary, to be mentally or physically handicapped, and (ii) participating in a public or nonprofit private school program established for the mentally or physically handicapped; and (E) "State" means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

[(2) To the maximum extent feasible, consistent with the purposes of this section, any food service under the program shall use meals prepared at the facilities of the service institution or at the food service facilities of public and nonprofit private schools. The Secretary shall assist States in the development of information and technical assistance to encourage increased service of meals prepared at the facilities of service institutions and at public and nonprofit private schools.

[(3) Eligible service institutions entitled to participate in the program shall be limited to those that—

[(A) demonstrate adequate administrative and financial responsibility to manage an effective food service;

[(B) have not been seriously deficient in operating under the program;

[(C)(i) conduct a regularly scheduled food service for children from areas in which poor economic conditions exist;

[(ii) conduct a regularly scheduled food service primarily for homeless children; or

[(iii) qualify as camps; and

[(D) provide an ongoing year-round service to the community to be served under the program (except that an otherwise eligible service institution shall not be disqualified for failure to meet this requirement for ongoing year-round service if the State determines that its disqualification would result in an area in which poor economic conditions exist not being served or in a significant number of needy children not having reasonable access to a summer food service program).

[(4) The following order of priority shall be used by the State in determining participation where more than one eligible service institution proposes to serve the same area:

[(A) Local schools.

[(B) All other service institutions and private nonprofit organizations eligible under paragraph (7) that have demonstrated successful program performance in a prior year.

[(C) New public institutions.

[(D) New private nonprofit organizations eligible under paragraph (7).

The Secretary and the States, in carrying out their respective functions under this section, shall actively seek eligible service institutions located in rural areas, for the purpose of assisting such service institutions in applying to participate in the program.

[(5) Camps that satisfy all other eligibility requirements of this section shall receive reimbursement only for meals served to children who meet the eligibility requirements for free or reduced price meals, as determined under this Act and the Child Nutrition Act of 1966.

[(6) Service institutions that are local, municipal, or county governments shall be eligible for reimbursement for meals served in programs under this section only if such programs are operated directly by such governments.

[(7)(A) Except as provided in subparagraph (C), private nonprofit organizations, as defined in subparagraph (B) (other than organizations eligible under paragraph (1)), shall be eligible for the program under the same terms and conditions as other service institutions.

[(B) As used in this paragraph, the term "private nonprofit organizations" means those organizations that—

[(i)(I) serve a total of not more than 2,500 children per day at not more than 5 sites in any urban area, with not more than 300 children being served at any 1 site (or, with a waiver granted by the State under standards developed by the Secretary, not more than 500 children being served at any 1 site); or

[(II) serve a total of not more than 2,500 children per day at not more than 20 sites in any rural area, with not more than 300 children being served at any 1 site (or, with a waiver granted by the State under standards developed by the Secretary, not more than 500 children being served at any 1 site);

[(ii) use self-preparation facilities to prepare meals, or obtain meals from a public facility (such as a school district, public hospital, or State university) or a school participating in the school lunch program under this Act;

[(iii) operate in areas where a school food authority or the local, municipal, or county government has not indicated by March 1 of any year that such authority or unit of local government will operate a program under this section in such year;

[(iv) exercise full control and authority over the operation of the program at all sites under their sponsorship;

[(v) provide ongoing year-around activities for children or families;

[(vi) demonstrate that such organizations have adequate management and the fiscal capacity to operate a program under this section; and

[(vii) meet applicable State and local health, safety, and sanitation standards.

[(b)(1) Payments to service institutions shall equal the full cost of food service operations (which cost shall include the cost of obtaining, preparing, and serving food, but shall not include administrative costs), except that such payments to any institution shall not exceed (1) 85.75 cents for each lunch and supper served; (2) 47.75 cents for each breakfast served; or (3) 22.50 cents for each meal supplement served: *Provided*, That such amounts shall be adjusted each January 1 to the nearest one-fourth cent in accordance with the changes for the twelve-month period ending the preceding November 30 in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor: *Provided further*, That the Secretary may make such adjustments in the maximum reimbursement levels as the Secretary determines appropriate after making the study prescribed in paragraph (4) of this subsection.

[(2) Any service institution may only serve lunch and either breakfast or a meal supplement during each day of operation, except that any service institution that is a camp or that serves meals primarily to migrant children may serve up to four meals during each day of operation, if (A) the service institution has the administrative capability and the food preparation and food holding capabilities (where applicable) to serve more than one meal per day, and (B) the service period of different meals does not coincide or overlap. The meals that camps and migrant programs may serve shall include a breakfast, a lunch, a supper, and meal supplements.

[(3) Every service institution, when applying for participation in the program, shall submit a complete budget for administrative costs related to the program, which shall be subject to approval by the State. Payment to service institutions for administrative costs shall equal the full amount of State approved administrative costs incurred, except that such payment to service institutions may not exceed the maximum allowable levels determined by the Secretary pursuant to the study prescribed in paragraph (4) of this subsection.

[(4)(A) The Secretary shall conduct a study of the food service operations carried out under the program. Such study shall include, but shall not be limited to—

[(i) an evaluation of meal quality as related to costs; and

[(ii) a determination whether adjustments in the maximum reimbursement levels for food service operation costs prescribed in paragraph (1) of this subsection should be made, including whether different reimbursement levels should be established for self-prepared meals and vendored meals and which site-related costs, if any, should be considered as part of administrative costs.

[(B) The Secretary shall also study the administrative costs of service institutions participating in the program and shall thereafter prescribe maximum allowable levels for administrative payments that reflect the costs of such service institutions, taking into account the number of sites and children served, and such other factors as the Secretary determines appropriate to further the goals of efficient and effective administration of the program.

[(C) The Secretary shall report the results of such studies to Congress not later than December 1, 1977.

[(c)(1) Payments shall be made to service institutions only for meals served during the months of May through September, except in the case of service institutions that operate food service programs for children on school vacation at any time under a continuous school calendar or that provide meal service at non-school sites to children who are not in school for a period during the months of October through April due to a natural disaster, building repair, court order, or similar cause.

[(2)(A) Notwithstanding any other provision of this Act, any higher education institution that receives reimbursements under the program for meals and meal supplements served to low-income children under the National Youth Sports Program is eligible to receive reimbursements for not more than 2 meals or 1 meal and 1 meal supplement per day for not more than 30 days for each child participating in a National Youth Sports Program operated by such institution during the months other than May through September. The program under this paragraph shall be administered within the State by the same State agency that administers the program during the months of May through September.

[(B) Children participating in National Youth Sports Programs operated by higher education institutions, and such higher education institutions, shall be eligible to participate in the program under this paragraph without application.

[(C) Higher education institutions shall be reimbursed for meals and meal supplements served under this paragraph—

[(i) in the case of lunches and suppers, at the same rates as the payment rates established for free lunches under section 11; and

[(ii) in the case of breakfasts or meal supplements, at the same rates as the severe need payment rates established for free breakfasts under section 4 of the Child Nutrition Act of 1966.

[(D)(i) Meals for which a higher education institution is reimbursed under this paragraph shall fulfill the minimum nutritional requirements and meal patterns prescribed by the Secretary—

[(I) for meals served under the school lunch program under this Act, in the case of reimbursement for lunches or suppers; and

[(II) for meals served under the school breakfast program under section 4 of the Child Nutrition Act of 1966, in the case of reimbursement for breakfasts.

[(ii) The Secretary may modify the minimum nutritional requirements and meal patterns prescribed by the Secretary for meals served under the school breakfast program under section 4 of the Child Nutrition Act of 1966 for application to meal supplements for which a higher education institution is reimbursed under this paragraph.

[(E) The Secretary shall issue regulations governing the implementation, operation, and monitoring of programs receiving assistance under this paragraph that, to the maximum extent practicable, are comparable to those established for higher education institutions participating in the National Youth Sports Program and receiving reimbursements under the program for the months of May through September.

[(d) Not later than April 15, May 15, and July 1 of each year, the Secretary shall forward to each State a letter of credit (advance program payment) that shall be available to each State for the payment of meals to be served in the month for which the letter of credit is issued. The amount of the advance program payment shall be an amount which the State demonstrates, to the satisfaction of the Secretary, to be necessary for advance program payments to service institutions in accordance with subsection (e) of this section. The Secretary shall also forward such advance program payments, by the first day of the month prior to the month in which the program will be conducted, to States that operate the program in months other than May through September. The Secretary shall forward any remaining payments due pursuant to subsection (b) of this section not later than sixty days following receipt of valid claims therefor.

[(e)(1) Not later than June 1, July 15, and August 15 of each year, or, in the case of service institutions that operate under a continuous school calendar, the first day of each month of operation, the State shall forward advance program payments to each service institution: *Provided*, That (A) the State shall not release the second month's advance program payment to any service institution that has not certified that it has held training sessions for its own personnel and the site personnel with regard to program duties and responsibilities, and (B) no advance program payment may be made for any month in which the service institution will operate under the program for less than ten days.

[(2) The amount of the advance program payment for any month in the case of any service institution shall be an amount equal to (A) the total program payment for meals served by such service institution in the same calendar month of the preceding calendar year, (B) 50 percent of the amount established by the State to be needed by such service institution for meals if such service institu-

tion contracts with a food service management company, or (C) 65 percent of the amount established by the State to be needed by such service institution for meals if such service institution prepares its own meals, whichever amount is greatest: *Provided,* That the advance program payment may not exceed the total amount estimated by the State to be needed by such service institution for meals to be served in the month for which such advance program payment is made or $40,000, whichever is less, except that a State may make a larger advance program payment to such service institution where the State determines that such larger payment is necessary for the operation of the program by such service institution and sufficient administrative and management capability to justify a larger payment is demonstrated. The State shall forward any remaining payment due a service institution not later than seventy-five days following receipt of valid claims. If the State has reason to believe that a service institution will not be able to submit a valid claim for reimbursement covering the period for which an advance program payment has been made, the subsequent month's advance program payment shall be withheld until such time as the State has received a valid claim. Program payments advanced to service institutions that are not subsequently deducted from a valid claim for reimbursement shall be repaid upon demand by the State. Any prior payment that is under dispute may be subtracted from an advance program payment.

[(f) Service institutions receiving funds under this section shall serve meals consisting of a combination of foods and meeting minimum nutritional standards prescribed by the Secretary on the basis of tested nutritional research. The Secretary shall provide technical assistance to service institutions and private nonprofit organizations participating in the program to assist the institutions and organizations in complying with the nutritional requirements prescribed by the Secretary pursuant to this subsection. The Secretary shall provide additional technical assistance to those service institutions and private nonprofit organizations that are having difficulty maintaining compliance with the requirements. Meals described in the first sentence shall be served without cost to children attending service institutions approved for operation under this section, except that, in the case of camps, charges may be made for meals served to children other than those who meet the eligibility requirements for free or reduced price meals in accordance with subsection (a)(5) of this section. To assure meal quality, States shall, with the assistance of the Secretary, prescribe model meal specifications and model food quality standards, and ensure that all service institutions contracting for the preparation of meals with food service management companies include in their contracts menu cycles, local food safety standards, and food quality standards approved by the State. Such contracts shall require (A) periodic inspections, by an independent agency or the local health department for the locality in which the meals are served, of meals prepared in accordance with the contract in order to determine bacteria levels present in such meals, and (B) that bacteria levels conform to the standards which are applied by the local health authority for that locality with respect to the levels of bacteria that may be present in meals served by other establishments in that locality.

Such inspections and any testing resulting therefrom shall be in accordance with the practices employed by such local health authority.

[(g) The Secretary shall publish proposed regulations relating to the implementation of the program by November 1 of each fiscal year, final regulations by January 1 of each fiscal year, and guidelines, applications and handbooks by February 1 of each fiscal year. In order to improve program planning, the Secretary may provide that service institutions be paid as startup costs not to exceed 20 percent of the administrative funds provided for in the administrative budget approved by the State under subsection (b)(3) of this section. Any payments made for startup costs shall be subtracted from amounts otherwise payable for administrative costs subsequently made to service institutions under subsection (b)(3) of this section.

[(h) Each service institution shall, insofar as practicable, use in its food service under the program foods designated from time to time by the Secretary as being in abundance. The Secretary is authorized to donate to States, for distribution to service institutions, food available under section 416 of the Agricultural Act of 1949, or purchased under section 32 of the Act of August 24, 1935 or section 709 of the Food and Agriculture Act of 1965. Donated foods may be distributed only to service institutions that can use commodities efficiently and effectively, as determined by the Secretary.

[(j) Expenditures of funds from State and local sources for the maintenance of food programs for children shall not be diminished as a result of funds received under this section.

[(k)(1) The Secretary shall pay to each State for its administrative costs incurred under this section in any fiscal year an amount equal to (A) 20 percent of the first $50,000 in funds distributed to that State for the program in the preceding fiscal year; (B) 10 percent of the next $100,000 distributed to that State for the program in the preceding fiscal year; (C) 5 percent of the next $250,000 in funds distributed to that State for the program in the preceding fiscal year, and (D) 2½ percent of any remaining funds distributed to that State for the program in the preceding fiscal year: *Provided*, That such amounts may be adjusted by the Secretary to reflect changes in the size of that State's program since the preceding fiscal year.

[(2) The Secretary shall establish standards and effective dates for the proper, efficient, and effective administration of the program by the State. If the Secretary finds that the State has failed without good cause to meet any of the Secretary's standards or has failed without good cause to carry out the approved State management and administration plan under subsection (n) of this section, the Secretary may withhold from the State such funds authorized under this subsection as the Secretary determines to be appropriate.

[(3) To provide for adequate nutritional and food quality monitoring, and to further the implementation of the program, an additional amount, not to exceed the lesser of actual costs or 1 percent of program funds, shall be made available by the Secretary to States to pay for State or local health department inspections, and to reinspect facilities and deliveries to test meal quality.

[(l)(1) Service institutions (other than private nonprofit organizations eligible under subsection (a)(7)) may contract on a competitive basis only with food service management companies registered with the State in which they operate for the furnishing of meals or management of the entire food service under the program, except that a food service management company entering into a contract with a service institution under this section may not subcontract with a single company for the total meal, with or without milk, or for the assembly of the meal. The Secretary shall prescribe additional conditions and limitations governing assignment of all or any part of a contract entered into by a food service management company under this section. Any food service management company shall, in its bid, provide the service institution information as to its meal capacity. The State shall, upon award of any bid, review the company's registration to calculate how many remaining meals the food service management company is equipped to prepare.

[(2) Each State shall provide for the registration of food service management companies. For the purposes of this section, registration shall include, at a minimum—

[(A) certification that the company meets applicable State and local health, safety, and sanitation standards;

[(B) disclosure of past and present company owners, officers, and directors, and their relationship, if any, to any service institution or food service management company that received program funds in any prior fiscal year;

[(C) records of contract terminations or disallowances, and health, safety, and sanitary code violations, in regard to program operations in prior fiscal year; and

[(D) the addresses of the company's food preparation and distribution sites.

No food service management company may be registered if the State determines that such company (i) lacks the administrative and financial capability to perform under the program, or (ii) has been seriously deficient in its participation in the program in prior fiscal years.

[(3) In order to ensure that only qualified food service management companies contract for services in all States, the Secretary shall maintain a record of all registered food service management companies that have been seriously deficient in their participation in the program and may maintain a record of other registered food service management companies, for the purpose of making such information available to the States.

[(4) In accordance with regulations issued by the Secretary, positive efforts shall be made by service institutions to use small businesses and minority-owned businesses as sources of supplies and services. Such efforts shall afford those sources the maximum feasible opportunity to compete for contracts using program funds.

[(5) Each State, with the assistance of the Secretary, shall establish a standard form of contract for use by service institutions and food service management companies. The Secretary shall prescribe requirements governing bid and contract procedures for acquisition of the services of food service management companies, including, but not limited to, bonding requirements (which may provide exemptions applicable to contracts of $100,000 or less), procedures for

review of contracts by States, and safeguards to prevent collusive bidding activities between service institutions and food service management companies.

[(m) States and service institutions participating in programs under this section shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance with this section and the regulations issued hereunder. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of five years, as the Secretary determines necessary.

[(n) Each State desiring to participate in the program shall notify the Secretary by January 1 of each year of its intent to administer the program and shall submit for approval by February 15 a management and administration plan for the program for the fiscal year, which shall include, but not be limited to, (1) the State's administrative budget for the fiscal year, and the State's plans to comply with any standards prescribed by the Secretary under subsection (k) of this section; (2) the State's plans for use of program funds and funds from within the State to the maximum extent practicable to reach needy children, including the State's methods of assessing need, and its plans and schedule for informing service institutions of the availability of the program; (3) the State's best estimate of the number and character of service institutions and sites to be approved, and of meals to be served and children to participate for the fiscal year, and a description of the estimating methods used; (4) the State's plans and schedule for providing technical assistance and training eligible service institutions; (5) the State's plans for monitoring and inspecting service institutions, feeding sites, and food service management companies and for ensuring that such companies do not enter into contracts for more meals than they can provide effectively and efficiently; (6) the State's plan for timely and effective action against program violators; and (7) the State's plan for ensuring fiscal integrity by auditing service institutions not subject to auditing requirements prescribed by the Secretary.

[(o)(1) Whoever, in connection with any application, procurement, recordkeeping entry, claim for reimbursement, or other document or statement made in connection with the program, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious, or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry, or whoever, in connection with the program, knowingly makes an opportunity for any person to defraud the United States, or does or omits to do any act with intent to enable any person to defraud the United States, shall be fined not more than $10,000 or imprisoned not more than five years, or both.

[(2) Whoever being a partner, officer, director, or managing agent connected in any capacity with any partnership, association, corporation, business, or organization, either public or private, that receives benefits under the program, knowingly or willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or for-

gery, any benefits provided by this section or any money, funds, assets, or property derived from benefits provided by this section, shall be fined not more than $10,000 or imprisoned for not more than five years, or both (but, if the benefits, money, funds, assets, or property involved is not over $200, then the penalty shall be a fine or not more than $1,000 or imprisonment for not more than one year, or both).

[(3) If two or more persons conspire or collude to accomplish any act made unlawful under this subsection, and one or more of such persons to any act to effect the object of the conspiracy or collusion, each shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

[(p) During the fiscal years 1990 and 1991, the Secretary and the States shall carry out a program to disseminate to potentially eligible private nonprofit organizations information concerning the amendments made by the Child Nutrition and WIC Reauthorization Act of 1989 regarding the eligibility under subsection (a)(7) of private nonprofit organizations for the program established under this section.

[(q)(1) In addition to the normal monitoring of organizations receiving assistance under this section, the Secretary shall establish a system under which the Secretary and the States shall monitor the compliance of private nonprofit organizations with the requirements of this section and with regulations issued to implement this section.

[(2) The Secretary shall require each State to establish and implement an ongoing training and technical assistance program for private nonprofit organizations that provides information on program requirements, procedures, and accountability. The Secretary shall provide assistance to State agencies regarding the development of such training and technical assistance programs.

[(3) In the fiscal year 1990 and each succeeding fiscal year, the Secretary may reserve for purposes of carrying out paragraphs (1) and (2) of this subsection not more than ½ of 1 percent of amounts appropriated for purposes of carrying out this section.

[(4) For the purposes of this subsection, the term "private nonprofit organization" has the meaning given such term in subsection (a)(7)(B).

[(r) For the fiscal year beginning October 1, 1977, and each succeeding fiscal year ending before October 1, 1998, there are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this section.

[COMMODITY DISTRIBUTION PROGRAM

[SEC. 14. (a) Notwithstanding any other provision of law, the Secretary, during the period beginning July 1, 1974, and ending September 30, 1998, shall—

[(1) use funds available to carry out the provisions of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) which are not expended or needed to carry out such provisions, to purchase (without regard to the provisions of existing law governing the expenditure of public funds) agricultural commodities and their products of the types customarily purchased under such section (which may include domestic seafood commodities and their

products), for donation to maintain the annually programmed level of assistance for programs carried on under this Act, the Child Nutrition Act of 1966, and title III of the Older Americans Act of 1965; and

[(2) if stocks of the Commodity Credit Corporation are not available, use the funds of such Corporation to purchase agricultural commodities and their products of the types customarily available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), for such donation.

[(b)(1) Among the products to be included in the food donations to the school lunch program shall be cereal and shortening and oil products.

[(2) The Secretary shall maintain and continue to improve the overall nutritional quality of entitlement commodities provided to schools to assist the schools in improving the nutritional content of meals.

[(3) The Secretary shall—

[(A) require that nutritional content information labels be placed on packages or shipments of entitlement commodities provided to the schools; or

[(B) otherwise provide nutritional content information regarding the commodities provided to the schools.

[(c) The Secretary may use funds appropriated from the general fund of the Treasury to purchase agricultural commodities and their products of the types customarily purchased for donation under section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3030(a)(4)) or for cash payments in lieu of such donations under section 311(b)(1) of such Act (42 U.S.C. 3030(b)(1)). There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this subsection.

[(d) In providing assistance under this Act and the Child Nutrition Act of 1966 for school lunch and breakfast programs, the Secretary shall establish procedures which will—

[(1) ensure that the views of local school districts and private nonprofit schools with respect to the type of commodity assistance needed in schools are fully and accurately reflected in reports to the Secretary by the State with respect to State commodity preferences and that such views are considered by the Secretary in the purchase and distribution of commodities and by the States in the allocation of such commodities among schools within the States;

[(2) solicit the views of States with respect to the acceptability of commodities;

[(3) ensure that the timing of commodity deliveries to States is consistent with State school year calendars and that such deliveries occur with sufficient advance notice;

[(4) provide for systematic review of the costs and benefits of providing commodities of the kind and quantity that are suitable to the needs of local school districts and private nonprofit schools; and

[(5) make available technical assistance on the use of commodities available under this Act and the Child Nutrition Act of 1966.

Within eighteen months after the date of the enactment of this subsection, the Secretary shall report to Congress on the impact of procedures established under this subsection, including the nutritional, economic, and administrative benefits of such procedures. In purchasing commodities for programs carried out under this Act and the Child Nutrition Act of 1966, the Secretary shall establish procedures to ensure that contracts for the purchase of such commodities shall not be entered into unless the previous history and current patterns of the contracting party with respect to compliance with applicable meat inspection laws and with other appropriate standards relating to the wholesomeness of food for human consumption are taken into account.

[(e) Each State educational agency that receives food assistance payments under this section for any school year shall establish for such year an advisory council, which shall be composed of representatives of schools in the State that participate in the school lunch program. The council shall advise such State agency with respect to the needs of such schools relating to the manner of selection and distribution of commodity assistance for such program.

[(f) Commodity only schools shall be eligible to receive donated commodities equal in value to the sum of the national average value of donated foods established under section 6(e) of this Act and the national average payment established under section 4 of this Act. Such schools shall be eligible to receive up to 5 cents per meal of such value in cash for processing and handling expenses related to the use of such commodities. Lunches served in such schools shall consist of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary under section 9(a) of this Act, and shall represent the four basic food groups, including a serving of fluid milk.

[(g)(1) As used in this subsection, the term "eligible school district" has the same meaning given such term in section 1581(a) of the Food Security Act of 1985.

[(2) In accordance with the terms and conditions of section 1581 of such Act, the Secretary shall permit an eligible school district to continue to receive assistance in the form of cash or commodity letters of credit assistance, in lieu of commodities, to carry out the school lunch program operated in the district.

[(3)(A) On request of a participating school district (and after consultation with the Comptroller General of the United States with respect to accounting procedures used to determine any losses) and subject to the availability of funds, the Secretary shall provide cash compensation to an eligible school district for losses sustained by the district as a result of the alteration of the methodology used to conduct the study referred to in section 1581(a) of such Act during the school year ending June 30, 1983. The Secretary, in computing losses sustained by any school district under the preceding sentence, shall base such computation on the difference between the value of bonus commodity assistance received by such school district under this Act for the school year ending June 30, 1983, and the value of bonus commodities received by such school district under this Act for the school year ending June 30, 1982. For the purposes of this subparagraph—

[(i) the term "bonus commodities" means commodities provided in addition to commodities provided pursuant to section 6(e); and

[(ii) the term "bonus commodity assistance" means assistance, in the form of bonus commodities, cash, or commodity letters of credit, provided in addition to assistance provided pursuant to section 6(e).

The Secretary may provide cash compensation under this subparagraph only to eligible school districts that submit applications for such compensation not later than 1 year after the date of the enactment of the Child Nutrition and WIC Reauthorization Act of 1989. The Secretary shall, during the 45-day period beginning on October 1, 1990, complete action on any claim submitted under this subparagraph.

[(B) There are authorized to be appropriated such sums as may be necessary to carry out this paragraph, to be available without fiscal year limitation.

[ELECTION TO RECEIVE CASH PAYMENTS

[SEC. 16. (a) Notwithstanding any other provision of law, where a State phased out its commodity distribution facilities prior to June 30, 1974, such State may, for purposes of the programs authorized by this Act and the Child Nutrition Act of 1966, elect to receive cash payments in lieu of donated foods. Where such an election is made, the Secretary shall make cash payments to such State in an amount equivalent in value to the donated foods that the State would otherwise have received if it had retained its commodity distribution facilities. The amount of cash payments in the case of lunches shall be governed by section 6(e) of this Act.

[(b) When such payments are made, the State educational agency shall promptly and equitably disburse any cash it receives in lieu of commodities to eligible schools and institutions, and such disbursements shall be used by such schools and institutions to purchase United States agricultural commodities and other foods for their food service programs.

[CHILD AND ADULT CARE FOOD PROGRAM

[SEC. 17. (a) The Secretary may carry out a program to assist States through grants-in-aid and other means to initiate, maintain, and expand nonprofit food service programs for children in institutions providing child care. For purposes of this section, the term "institution" means any public or private nonprofit organization providing nonresidential child care, including, but not limited to, child care centers, settlement houses, recreational centers, Head Start centers, and institutions providing child care facilities for children with handicaps; and such term shall also mean any other private organization providing nonresidential day care services for which it receives compensation from amounts granted to the States under title XX of the Social Security Act (but only if such organization receives compensation under such title for at least 25 percent of its enrolled children or 25 percent of its licensed capacity, whichever is less). In addition, the term "institution" shall include programs developed to provide day care outside school hours for schoolchildren, and public or nonprofit private organizations that

sponsor family or group day care homes. Reimbursement may be provided under this section only for meals or supplements served to children not over 12 years of age (except that such age limitation shall not be applicable for children of migrant workers if 15 years of age or less or for children with handicaps). The Secretary may establish separate guidelines for institutions that provide care to school children outside of school hours. For purposes of determining eligibility—

[(1) no institution, other than a family or group day care home sponsoring organization, or family or group day care home shall be eligible to participate in the program unless it has Federal, State, or local licensing or approval, or is complying with appropriate renewal procedures as prescribed by the Secretary and the State has no information indicating that the institution's license will not be renewed; or where Federal, State, or local licensing or approval is not available, it receives funds under title XX of the Social Security Act or otherwise demonstrates that it meets either any applicable State or local government licensing or approval standards or approval standards established by the Secretary after consultation with the Secretary of Health and Human Services; and

[(2) no institution shall be eligible to participate in the program unless it satisfies the following criteria:

[(A) accepts final administrative and financial responsibility for management of an effective food service;

[(B) has not been seriously deficient in its operation of the child care food program, or any other program under this Act or the Child Nutrition Act of 1966, for a period of time specified by the Secretary; and

[(C) will provide adequate supervisory and operational personnel for overall monitoring and management of the child care food program.

[(b) For the fiscal year ending September 30, 1979, and for each subsequent fiscal year, the Secretary shall provide cash assistance to States for meals as provided in subsection (f) of this section, except that, in any fiscal year, the aggregate amount of assistance provided to a State by the Secretary under this section shall not exceed the sum of (1) the Federal funds provided by the State to participating institutions within the State for that fiscal year and (2) any funds used by the State under section 10 of the Child Nutrition Act of 1966.

[(c)(1) For purposes of this section, the national average payment rate for free lunches and suppers, the national average payment rate for reduced price lunches and suppers, and the national average payment rate for paid lunches and suppers shall be the same as the national average payment rates for free lunches, reduced price lunches, and paid lunches, respectively, under sections 4 and 11 of this Act as appropriate (as adjusted pursuant to section 11(a) of this Act).

[(2) For purposes of this section, the national average payment rate for free breakfasts, the national average payment rate for reduced price breakfasts, and the national average payment rate for paid breakfasts shall be the same as the national average payment rates for free breakfasts, reduced price breakfasts, and paid break-

fasts, respectively, under section 4(b) of the Child Nutrition Act of 1966 (as adjusted pursuant to section 11(a) of this Act).

[(3) For purposes of this section, the national average payment rate for free supplements shall be 30 cents, the national average payment rate for reduced price supplements shall be one-half the rate for free supplements, and the national average payment rate for paid supplements shall be 2.75 cents (as adjusted pursuant to section 11(a) of this Act).

[(4) Determinations with regard to eligibility for free and reduced price meals and supplements shall be made in accordance with the income eligibility guidelines for free lunches and reduced price lunches, respectively, under section 9 of this Act.

[(5) A child shall be considered automatically eligible for benefits under this section without further application or eligibility determination, if the child is enrolled as a participant in a Head Start program authorized under the Head Start Act (42 U.S.C. 9831 et seq.), on the basis of a determination that the child is a member of a family that meets the low-income criteria prescribed under section 645(a)(1)(A) of the Head Start Act (42 U.S.C. 9840(a)(1)(A)).

[(6)(A) A child who has not yet entered kindergarten shall be considered automatically eligible for benefits under this section without further application or eligibility determination if the child is enrolled as a participant in the Even Start program under part B of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2741 et seq.).

[(B) Subparagraph (A) shall apply only with respect to the provision of benefits under this section for the period beginning September 1, 1995, and ending September 30, 1997.

[(d)(1) Any eligible public institution shall be approved for participation in the child care food program upon its request. Any eligible private institution shall be approved for participation if it (A) has tax exempt status under the Internal Revenue Code of 1986 or, under conditions established by the Secretary, is moving toward compliance with the requirements for tax exempt status, or (B) is currently operating a Federal program requiring nonprofit status. Family or group day care homes need not have individual tax exempt certification if they are sponsored by an institution that has tax exempt status, or, under conditions established by the Secretary, such institution is moving toward compliance with the requirements for tax exempt status or is currently operating a Federal program requiring nonprofit status. An institution applying for participation under this section shall be notified of approval or disapproval in writing within thirty days after the date its completed application is filed. If an institution submits an incomplete application to the State, the State shall so notify the institution within fifteen days of receipt of the application, and shall provide technical assistance, if necessary, to the institution for the purpose of completing its application.

[(2)(A) The Secretary shall develop a policy that allows institutions providing child care that participate in the program under this section, at the option of the State agency, to reapply for assistance under this section at 3-year intervals.

[(B) Each State agency that exercises the option authorized by subparagraph (A) shall confirm on an annual basis that each such

institution is in compliance with the licensing or approval provisions of subsection (a)(1).

[(e)(1) Except as provided in paragraph (2), the State shall provide, in accordance with regulations issued by the Secretary, a fair hearing and a prompt determination to any institution aggrieved by the action of the State as it affects the participation of such institution in the program authorized by this section, or its claim for reimbursement under this section.

[(2) A State is not required to provide a hearing to an institution concerning a State action taken on the basis of a Federal audit determination.

[(3) If a State does not provide a hearing to an institution concerning a State action taken on the basis of a Federal audit determination, the Secretary, on request, shall afford a hearing to the institution concerning the action.

[(f)(1) Funds paid to any State under this section shall be disbursed to eligible institutions by the State under agreements approved by the Secretary. Disbursements to any institution shall be made only for the purpose of assisting in providing meals to children attending institutions, or in family or group day care homes. Disbursement to any institution shall not be dependent upon the collection of moneys from participating children. All valid claims from such institutions shall be paid within forty-five days of receipt by the State. The State shall notify the institution within fifteen days of receipt of a claim if the claim as submitted is not valid because it is incomplete or incorrect.

[(2)(A) Subject to subparagraph (B) of this paragraph, the disbursement for any fiscal year to any State for disbursement to institutions, other than family or group day care home sponsoring organizations, for meals provided under this section shall be equal to the sum of the products obtained by multiplying the total number of each type of meal (breakfast, lunch, or supper, or supplement) served in such institution in that fiscal year by the applicable national average payment rate for each such type of meal, as determined under subsection (c).

[(B) No reimbursement may be made to any institution under this paragraph, or to family or group day care home sponsoring organizations under paragraph (3) of this subsection, for more than two meals and one supplement per day per child, or in the case of an institution (but not in the case of a family or group day care home sponsoring organization), two meals and two supplements or three meals and one supplement per day per child, for children that are maintained in a child care setting for eight or more hours per day.

[(3)(A) Institutions that participate in the program under this section as family or group day care home sponsoring organizations shall be provided, for payment to such homes, a reimbursement factor set by the Secretary for the cost of obtaining and preparing food and prescribed labor costs, involved in providing meals under this section, without a requirement for documentation of such costs, except that reimbursement shall not be provided under this subparagraph for meals or supplements served to the children of a person acting as a family or group day care home provider unless such children meet the eligibility standards for free or reduced

price meals under section 9 of this Act. The reimbursement factor in effect as of the date of the enactment of this sentence shall be reduced by 10 percent. The reimbursement factor under this subparagraph shall be adjusted on July 1 of each year to reflect changes in the Consumer Price Index for food away from home for the most recent 12-month period for which such data are available. The reimbursement factor under this subparagraph shall be rounded to the nearest one-fourth cent.

[(B) Family or group day care home sponsoring organizations shall also receive reimbursement for their administrative expenses in amounts not exceeding the maximum allowable levels prescribed by the Secretary. Such levels shall be adjusted July 1 of each year to reflect changes in the Consumer Price Index for all items for the most recent 12-month period for which such data are available. The maximum allowable levels for administrative expense payments, as in effect as of the date of the enactment of this subparagraph, shall be adjusted by the Secretary so as to achieve a 10 percent reduction in the total amount of reimbursement provided to institutions for such administrative expenses. In making the reduction required by the preceding sentence, the Secretary shall increase the economy of scale factors used to distinguish institutions that sponsor a greater number of family or group day care homes from those that sponsor a lesser number of such homes.

[(C)(i) Reimbursement for administrative expenses shall also include start-up funds to finance the administrative expenses for such institutions to initiate successful operation under the program and expansion funds to finance the administrative expenses for such institutions to expand into low-income or rural areas. Institutions that have received start-up funds may also apply at a later date for expansion funds. Such start-up funds and expansion funds shall be in addition to other reimbursement to such institutions for administrative expenses. Start-up funds and expansion funds shall be payable to enable institutions satisfying the criteria of subsection (d) of this section, and any other standards prescribed by the Secretary, to develop an application for participation in the program as a family or group day care home sponsoring organization or to implement the program upon approval of the application. Such start-up funds and expansion funds shall be payable in accordance with the procedures prescribed by the Secretary. The amount of start-up funds and expansion funds payable to an institution shall be not less than the institution's anticipated reimbursement for administrative expenses under the program for one month and not more than the institution's anticipated reimbursement for administrative expenses under the program for two months.

[(ii) Funds for administrative expenses may be used by family or group day care home sponsoring organizations to conduct outreach and recruitment to unlicensed family or group day care homes so that the day care homes may become licensed.

[(4) By the first day of each month of operation, the State shall provide advance payments for the month to each approved institution in an amount that reflects the full level of valid claims customarily received from such institution for one month's operation. In the case of a newly participating institution, the amount of the

advance shall reflect the State's best estimate of the level of valid claims such institutions will submit. If the State has reason to believe that an institution will not be able to submit a valid claim covering the period for which such an advance has been made, the subsequent month's advance payment shall be withheld until the State receives a valid claim. Payments advanced to institutions that are not subsequently deducted from a valid claim for reimbursement shall be repaid upon demand by the State. Any prior payment that is under dispute may be subtracted from an advance payment.

[(g)(1)(A) Meals served by institutions participating in the program under this section shall consist of a combination of foods that meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research. Such meals shall be served free to needy children.

[(B) The Secretary shall provide technical assistance to those institutions participating in the program under this section to assist the institutions and family or group day care home sponsoring organizations in complying with the nutritional requirements prescribed by the Secretary pursuant to subparagraph (A). The Secretary shall provide additional technical assistance to those institutions and family or group day care home sponsoring organizations that are having difficulty maintaining compliance with the requirements.

[(2) No physical segregation or other discrimination against any child shall be made because of his or her inability to pay, nor shall there be any overt identification of any such child by special tokens or tickets, different meals or meal service, announced or published lists of names, or other means.

[(3) Each institution shall, insofar as practicable, use in its food service foods designated from time to time by the Secretary as being in abundance, either nationally or in the food service area, or foods donated by the Secretary.

[(h)(1)(A) The Secretary shall donate agricultural commodities produced in the United States for use in institutions participating in the child care food program under this section.

[(B) The value of the commodities donated under subparagraph (A) (or cash in lieu of commodities) to each State for each school year shall be, at a minimum, the amount obtained by multiplying the number of lunches and suppers served in participating institutions in that State during the preceding school year by the rate for commodities or cash in lieu of commodities established under section 6(e) for the school year concerned.

[(C) After the end of each school year, the Secretary shall—

[(i) reconcile the number of lunches and suppers served in participating institutions in each State during such school year with the number of lunches and suppers served by participating institutions in each State during the preceding school year; and

[(ii) based on such reconciliation, increase or reduce subsequent commodity assistance or cash in lieu of commodities provided to each State.

[(D) Any State receiving assistance under this section for institutions participating in the child care food program may, upon appli-

cation to the Secretary, receive cash in lieu of some or all of the commodities to which it would otherwise be entitled under this subsection. In determining whether to request cash in lieu of commodities, the State shall base its decision on the preferences of individual participating institutions within the State, unless this proves impracticable due to the small number of institutions preferring donated commodities.

[(2) The Secretary is authorized to provide agricultural commodities obtained by the Secretary under the provisions of the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) and donated under the provisions of section 416 of such Act, to the Department of Defense for use by its institutions providing child care services, when such commodities are in excess of the quantities needed to meet the needs of all other child nutrition programs, domestic and foreign food assistance and export enhancement programs. The Secretary shall require reimbursement from the Department of Defense for the costs, or some portion thereof, of delivering such commodities to overseas locations, unless the Secretary determines that it is in the best interest of the program that the Department of Agriculture shall assume such costs.

[(i) The Secretary shall make available for each fiscal year to States administering the child care food program, for the purpose of conducting audits of participating institutions, an amount up to 2 percent of the funds used by each State in the program under this section, during the second preceding fiscal year.

[(j) The Secretary may issue regulations directing States to develop and provide for the use of a standard form of agreement between each family or group day care sponsoring organization and the family or group day care homes participating in the program under such organization, for the purpose of specifying the rights and responsibilities of each party.

[(k)(1) States participating in the program under this section shall provide sufficient training, technical assistance, and monitoring to facilitate expansion and effective operation of the program, and shall take affirmative action to expand the availability of benefits under this section. Such action, at a minimum, shall include annual notification to each nonparticipating institution or family or group day care home within the State that is licensed, approved, or registered, or that receives funds under title XX of the Social Security Act, of the availability of the program, the requirements for program participation, and the application procedures to be followed in the program. The list of institutions so notified each year shall be available to the public upon request. The Secretary shall assist the States in developing plans to fulfill the requirements of this subsection.

[(2) The Secretary shall conduct demonstration projects to test innovative approaches to remove or reduce barriers to participation in the program established under this section regarding family or group day care homes that operate in low-income areas or that primarily serve low-income children. As part of such demonstration projects, the Secretary may provide grants to, or otherwise modify administrative reimbursement rates for, family or group day care home sponsoring organizations.

[(3) The Secretary and the States shall provide training and technical assistance to assist family and group day care home sponsoring organizations in reaching low-income children.

[(4) The Secretary shall instruct States to provide, through sponsoring organizations, information and training concerning child health and development to family or group day care homes participating in the program.

[(l) Expenditures of funds from State and local sources for the maintenance of food programs for children shall not be diminished as a result of funds received under this section.

[(m) States and institutions participating in the program under this section shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance with the requirements of this section. Such accounts and records shall be available at all times for inspection and audit by representatives of the Secretary, the Comptroller General of the United States, and appropriate State representatives and shall be preserved for such period of time, not in excess of five years, as the Secretary determines necessary.

[(n) There are hereby authorized to be appropriated for each fiscal year such funds as are necessary to carry out the purposes of this section.

[(o)(1) For purposes of this section, adult day care centers shall be considered eligible institutions for reimbursement for meals or supplements served to persons 60 years of age or older or to chronically impaired disabled persons, including victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction. Reimbursement provided to such institutions for such purposes shall improve the quality of meals or level of services provided or increase participation in the program. Lunches served by each such institution for which reimbursement is claimed under this section shall provide, on the average, approximately ⅓ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences. Such institutions shall make reasonable efforts to serve meals that meet the special dietary requirements of participants, including efforts to serve foods in forms palatable to participants.

[(2) For purposes of this subsection—

[(A) the term "adult day care center" means any public agency or private nonprofit organization, or any proprietary title XIX or title XX center, which—

[(i) is licensed or approved by Federal, State, or local authorities to provide adult day care services to chronically impaired disabled adults or persons 60 years of age or older in a group setting outside their homes, or a group living arrangement, on a less than 24-hour basis; and

[(ii) provides for such care and services directly or under arrangements made by the agency or organization whereby the agency or organization maintains professional management responsibility for all such services; and

[(B) the term "proprietary title XIX or title XX center" means any private, for-profit center providing adult day care services for which it receives compensation from amounts

granted to the States under title XIX or XX of the Social Security Act and which title XIX or title XX beneficiaries were not less than 25 percent of enrolled eligible participants in a calendar month preceding initial application or annual reapplication for program participation.

[(3)(A) The Secretary, in consulation with the Assistant Secretary for Aging, shall establish, within 6 months of enactment, separate guidelines for reimbursement of institutions described in this subsection. Such reimbursement shall take into account the nutritional requirements of eligible persons, as determined by the Secretary on the basis of tested nutritional research, except that such reimbursement shall not be less than would otherwise be required under this section.

[(B) The guidelines shall contain provisions designed to assure that reimbursement under this subsection shall not duplicate reimbursement under part C of title III of the Older Americans Act of 1965, for the same meal served.

[(4) For the purpose of establishing eligibility for free or reduced price meals or supplements under this subsection, income shall include only the income of an eligible person and, if any, the spouse and dependents with whom the eligible person resides.

[(5) A person described in paragraph (1) shall be considered automatically eligible for free meals or supplements under this subsection, without further application or eligibility determination, if the person is—

[(A) a member of a household receiving assistance under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

[(B) a recipient of assistance under title XVI or XIX of the Social Security Act (42 U.S.C. 1381 et seq.).

[(6) The Governor of any State may designate to administer the program under this subsection a State agency other than the agency that administers the child care food program under this section.

[(p)(1) From amounts appropriated or otherwise made available for purposes of carrying out this section, the Secretary shall carry out 2 statewide demonstration projects under which private for-profit organizations providing nonresidential day care services shall qualify as institutions for the purposes of this section. An organization may participate in a demonstration project described in the preceding sentence if—

[(A) at least 25 percent of the children enrolled in the organization or 25 percent of the licensed capacity of the organization for children, whichever is less, meet the income eligibility criteria established under section 9(b) for free or reduced price meals; and

[(B) as a result of the participation of the organization in the project—

[(i) the nutritional content or quality of meals and snacks served to children under the care of such organization will be improved; or

[(ii) fees charged by such organization for the care of the children described in subparagraph (A) will be lowered.

[(2) Under each such project, the Secretary shall examine—

[(A) the budgetary impact of the change in eligibility being tested;

[(B) the extent to which, as a result of such change, additional low-income children can be reached; and

[(C) which outreach methods are most effective.

[(3) The Secretary shall choose to conduct demonstration projects under this subsection—

[(A) 1 State that—

[(i) has a history of participation of for-profit organizations in the child care food program;

[(ii) allocates a significant proportion of the amounts it receives for child care under title XX of the Social Security Act in a manner that allows low-income parents to choose the type of child care their children will receive;

[(iii) has other funding mechanisms that support parental choice for child care;

[(iv) has a large, State-regulated for-profit child care industry that serves low-income children; and

[(v) has large sponsors of family or group day care homes that have a history of recruiting and sponsoring for-profit child care centers in the child care food program; and

[(B) 1 State in which—

[(i) the majority of children for whom child care arrangements are made are being cared for in center-based child care facilities;

[(ii) for-profit child care centers and preschools are located throughout the State and serve both rural and urban populations;

[(iii) at least ⅓ of the licensed child care centers and preschools operate as for-profit facilities;

[(iv) all licensed facilities are subject to identical nutritional requirements for food service that are similar to those required under the child care food program; and

[(v) less than 1 percent of child care centers participating in the child care food program receive assistance under title XX of the Social Security Act.

[(4) Such project shall—

[(A) commence not earlier than May 1, 1990, and not later than June 30, 1990; and

[(B) terminate on September 30, 1998.

[(5) Notwithstanding paragraph (4)(B), the Secretary shall continue until September 30, 1998, the two pilot projects established under this subsection to the extent, and in such amounts, as are provided for in advance in appropriations Acts.

[(q)(1) The Secretary shall provide State agencies with basic information concerning the importance and benefits of the special supplemental nutrition program for women, infants, and children authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).

[(2) The State agency shall—

[(A) provide each child care institution participating in the program established under this section, other than institutions providing day care outside school hours for schoolchildren, with materials that include—

[(i) a basic explanation of the benefits and importance of the special supplemental nutrition program for women, infants, and children;

[(ii) the maximum income limits, according to family size, applicable to children up to age 5 in the State under the special supplemental nutrition program for women, infants, and children; and

[(iii) a listing of the addresses and phone numbers of offices at which parents may apply;

[(B) annually provide the institutions with an update of the information on income limits described in subparagraph (A)(ii); and

[(C) ensure that, at least once a year, the institutions to which subparagraph (A) applies provide written information to parents that includes—

[(i) basic information on the benefits provided under the special supplemental nutrition program for women, infants, and children;

[(ii) information on the maximum income limits, according to family size, applicable to the program; and

[(iii) information on where parents may apply to participate in the program.

[SEC. 17A. MEAL SUPPLEMENTS FOR CHILDREN IN AFTERSCHOOL CARE.

[(a) GENERAL AUTHORITY.—

[(1) GRANTS TO STATES.—The Secretary shall carry out a program to assist States through grants-in-aid and other means to provide meal supplements to children in afterschool care in eligible elementary and secondary schools.

[(2) ELIGIBLE SCHOOLS.—For the purposes of this section, the term "eligible elementary and secondary schools" means schools that—

[(A) operate school lunch programs under this Act;

[(B) sponsor afterschool care programs; and

[(C) are participating in the child care food program under section 17 on May 15, 1989.

[(b) ELIGIBLE CHILDREN.—Reimbursement may be provided under this section only for supplements served to children—

[(1) who are not more than 12 years of age; or

[(2) in the case of children of migrant workers or children with handicaps, who are not more than 15 years of age.

[(c) REIMBURSEMENT.—For the purposes of this section, the national average payment rate for supplements shall be equal to those established under section 17(c)(3) (as adjusted pursuant to section 11(a)(3)).

[(d) CONTENTS OF SUPPLEMENTS.—The requirements that apply to the content of meal supplements served under child care food programs operated with assistance under this Act shall apply to the content of meal supplements served under programs operated with assistance under this section.

[SEC. 17B. HOMELESS CHILDREN NUTRITION PROGRAM.

[(a) IN GENERAL.—The Secretary shall conduct projects designed to provide food service throughout the year to homeless children under the age of 6 in emergency shelters.

[(b) AGREEMENTS TO PARTICIPATE IN PROJECTS.—

[(1) IN GENERAL.—The Secretary shall enter into agreements with State, city, local, or county governments, other public entities, or private nonprofit organizations to participate in the projects conducted under this section.

[(2) ELIGIBILITY REQUIREMENTS.—The Secretary shall establish eligibility requirements for the entities described in paragraph (1) that desire to participate in the projects conducted under this section. The requirements shall include the following:

[(A) Each private nonprofit organization shall operate not more than 5 food service sites under the project and shall serve not more than 300 homeless children at each such site.

[(B) Each site operated by each such organization shall meet applicable State and local health, safety, and sanitation standards.

[(c) PROJECT REQUIREMENTS.—

[(1) IN GENERAL.—A project conducted under this section shall—

[(A) use the same meal patterns and receive reimbursement payments for meals and supplements at the same rates provided to child care centers participating in the child care food program under section 17 for free meals and supplements; and

[(B) receive reimbursement payments for meals and supplements served on Saturdays, Sundays, and holidays, at the request of the sponsor of any such project.

[(2) MODIFICATION.—The Secretary may modify the meal pattern requirements to take into account the needs of infants.

[(3) HOMELESS CHILDREN ELIGIBLE FOR FREE MEALS WITHOUT APPLICATION.—Homeless children under the age of 6 in emergency shelters shall be considered eligible for free meals without application.

[(d) FUNDING PRIORITIES.—From the amount described in subsection (g), the Secretary shall provide funding for projects carried out under this section for a particular fiscal year (referred to in this subsection as the "current fiscal year") in the following order of priority, to the maximum extent practicable:

[(1) The Secretary shall first provide the funding to entities and organizations, each of which—

[(A) received funding under this section or section 18(c) (as in effect on the day before the date of enactment of this section) to carry out a project for the preceding fiscal year; and

[(B) is eligible to receive funding under this section to carry out the project for the current fiscal year;

to enable the entity or organization to carry out the project under this section for the current fiscal year at the level of service provided by the project during the preceding fiscal year.

[(2) From the portion of the amount that remains after the application of paragraph (1), the Secretary shall provide funds to entities and organizations, each of which is eligible to receive funding under this section, to enable the entity or organization to carry out a new project under this section for the current fiscal year, or to expand the level of service provided by a project for the current fiscal year over the level provided by the project during the preceding fiscal year.

[(e) NOTICE.—The Secretary shall advise each State of the availability of the projects conducted under this subsection for States, cities, counties, local governments, and other public entities, and shall advise each State of the procedures for applying to participate in the project.

[(f) PLAN TO ALLOW PARTICIPATION IN THE CHILD AND ADULT CARE FOOD PROGRAM.—Not later than September 30, 1996, the Secretary shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a plan describing—

[(1) how emergency shelters and homeless children who have not attained the age of 6 and who are served by the shelters under the program might participate in the child and adult care food program authorized under section 17 by September 30, 1998; and

[(2) the advantages and disadvantages of the action described in paragraph (1).

[(g) FUNDING.—

[(1) IN GENERAL.—In addition to any amounts made available under section 7(a)(5)(B)(i)(I) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(a)(5)(B)(i)(I)) and any amounts that are otherwise made available for fiscal year 1995, out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Secretary to carry out this section $1,800,000 for fiscal year 1995, $2,600,000 for fiscal year 1996, $3,100,000 for fiscal year 1997, $3,400,000 for fiscal year 1998, and $3,700,000 for fiscal year 1999 and each succeeding fiscal year. The Secretary shall be entitled to receive the funds and shall accept the funds.

[(2) INSUFFICIENT NUMBER OF APPLICANTS.—The Secretary may expend less than the amount described in paragraph (1) for a fiscal year if there is an insufficient number of suitable applicants to carry out projects under this section for the fiscal year. Any funds made available under this subsection to carry out the projects for a fiscal year that are not obligated to carry out the projects in the fiscal year shall remain available until expended for purposes of carrying out the projects.

[(h) DEFINITION OF EMERGENCY SHELTER.—As used in this section, the term "emergency shelter" has the meaning provided the term in section 321(2) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11351(2)).

[PILOT PROJECTS

[SEC. 18. (a) The Secretary may conduct pilot projects in not more than three States in which the Secretary is currently administering programs to evaluate the effects of the Secretary contract-

ing with private profit and nonprofit organizations to act as a State agency under this Act and the Child Nutrition Act of 1966 for schools, institutions, or service institutions referred to in section 10 of this Act and section 5 of the Child Nutrition Act of 1966.

[(b)(1) Upon request to the Secretary, any school district that on January 1, 1987, was receiving all cash payments or all commodity letters of credit in lieu of entitlement commodities for its school lunch program shall receive all cash payments or all commodity letters of credit in lieu of entitlement commodities for its school lunch program beginning July 1, 1987. The Secretary, directly or through contract, shall administer the project under this subsection.

[(2) Any school district that elects under paragraph (1) to receive all cash payments or all commodity letters of credit in lieu of entitlement commodities for its school lunch program shall receive bonus commodities in the same manner as if such school district was receiving all entitlement commodities for its school lunch program.

[(c)(1) Using the funds provided under paragraph (7), the Secretary shall conduct at least 1 demonstration project through a participating entity during each of fiscal years 1995 through 1998 that is designed to provide food and nutrition services throughout the year to—

[(A) homeless pregnant women; and

[(B) homeless mothers or guardians of infants, and the children of the mothers and guardians.

[(2) To be eligible to obtain funds under this subsection, a homeless shelter, a transitional housing organization, or another entity that provides or will provide temporary housing for individuals described in paragraph (1) shall (in accordance with guidelines established by the Secretary)—

[(A) submit to the Secretary a proposal to provide food and nutrition services, including a plan for coordinating the services with services provided under the special supplemental nutrition program for women, infants, and children authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786);

[(B) receive the approval of the Secretary for the proposal;

[(C) be located in an urban area that has—

[(i) a significant population of boarder babies;

[(ii) a very high rate of mortality for children under 1 year of age; or

[(iii) a significant population of homeless pregnant women and homeless women with infants;

as determined by the Secretary; and

[(D) be able to coordinate services provided under this subsection with the services provided by the local government and with other programs that may assist the participants receiving services under this subsection.

[(3) Food and nutrition services funded under this subsection—

[(A) may include—

[(i) meals, supplements, and other food;

[(ii) nutrition education;

[(iii) nutrition assessments;

[(iv) referrals to—

[(I) the special supplemental nutrition program for women, infants, and children authorized under section 17 of such Act (42 U.S.C. 1786);

[(II) the medical assistance program established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

[(III) the food stamp program established under section 4 of the Food Stamp Act of 1977 (7 U.S.C. 2013); and

[(IV) other public or private programs and services;

[(v) activities related to the services described in any of clauses (i) through (iv); and

[(vi) administrative activities related to the services described in any of clauses (i) through (v); and

[(B) may not include the construction, purchase, or rental of real property.

[(4)(A) A participating entity shall—

[(i) use the same meal patterns, and receive reimbursement payments for meals and supplements at the same rates, as apply to child care centers participating in the child care food program under section 17 for free meals and supplements;

[(ii) receive reimbursement payments for meals and supplements served on Saturdays, Sundays, and holidays, at the request of the entity; and

[(iii) maintain a policy of not providing services or assistance to pregnant women, or homeless women with infants, who use a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

[(B) The Secretary may modify the meal pattern requirements to take into account the needs of infants, homeless pregnant women, homeless mothers, guardians of infants, or the children of the women, mothers, or guardians.

[(C) The Secretary shall provide funding to a participating entity for services described in paragraph (3) that are provided to individuals described in paragraph (1).

[(5) The Secretary shall impose such auditing and recordkeeping requirements as are necessary to monitor the use of Federal funds to carry out this subsection.

[(6) The Secretary shall notify the Committee on Education and Labor, and the Committee on Agriculture, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on projects carried out under this subsection.

[(7)(A) Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Secretary $400,000 for each of fiscal years 1995 through 1998 to carry out this subsection. The Secretary shall be entitled to receive the funds and shall accept the funds.

[(B) Any funds provided under subparagraph (A) to carry out projects under this subsection for a fiscal year that are not obligated in the fiscal year shall be used by the Secretary to carry out the homeless children nutrition program established under section 17B.

[(8) As used in this subsection:

[(A) The term "boarder baby" means an abandoned infant described in section 103(1) of the Abandoned Infants Assistance Act of 1988 (Public Law 100–505; 42 U.S.C. 670 note).

[(B) The term "nutrition education" has the meaning provided in section 17(b)(7) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(7)).

[(d)(1)(A) The Secretary shall carry out a pilot program for purposes of identifying alternatives to—

[(i) daily counting by category of meals provided by school lunch programs under this Act; and

[(ii) annual applications for eligibility to receive free meals or reduced price meals.

[(B) For the purposes of carrying out the pilot program under this paragraph, the Secretary may waive requirements of this Act relating to counting of meals provided by school lunch programs and applications for eligibility.

[(C) For the purposes of carrying out the pilot program under this paragraph, the Secretary shall solicit proposals from State educational agencies and local educational agencies for the alternatives described in subparagraph (A).

[(2)(A) The Secretary shall carry out a pilot program under which a limited number of schools participating in the special assistance program under section 11(a)(1) that have in attendance children at least 80 percent of whom are eligible for free lunches or reduced price lunches shall submit applications for a 3-year period.

[(B) Each school participating in the pilot program under this paragraph shall have the option of determining the number of free meals, reduced price meals, and paid meals provided daily under the school lunch program operated by such school by applying percentages determined under subparagraph (C) to the daily total student meal count.

[(C) The percentages determined under this subparagraph shall be established on the basis of the master roster of students enrolled in the school concerned, which—

[(i) shall include a notation as to the eligibility status of each student with respect to the school lunch program; and

[(ii) shall be updated not later than September 30 of each year.

[(3)(A) The Secretary shall carry out a pilot program under which a limited number of schools participating in the special assistance program under section 11(a)(1) that have universal free school lunch programs shall have the option of determining the number of free meals, reduced price meals, and paid meals provided daily under the school lunch program operated by such school by applying percentages determined under subparagraph (B) to the daily total student meal count.

[(B) The percentages determined under this subparagraph shall be established on the basis of the master roster of students enrolled in the school concerned, which—

[(i) shall include a notation as to the eligibility status of each student with respect to the school lunch program; and

[(ii) shall be updated not later than September 30 of each year.

[(C) For the purposes of this paragraph, a universal free school lunch program is a program under which the school operating the program elects to serve all children in that school free lunches under the school lunch program during any period of 3 successive years and pays, from sources other than Federal funds, for the costs of serving such lunches which are in excess of the value of assistance received under this Act with respect to the number of lunches served during that period.

[(4) In addition to the pilot projects described in this subsection, the Secretary may conduct other pilot projects to test alternative counting and claiming procedures.

[(5) Each pilot program carried out under this subsection shall be evaluated by the Secretary after it has been in operation for 3 years.

[(e)(1)(A) The Secretary shall establish a demonstration program to provide grants to eligible institutions or schools to provide meals or supplements to adolescents participating in educational, recreational, or other programs and activities provided outside of school hours.

[(B) The amount of a grant under subparagraph (A) shall be equal to the amount necessary to provide meals or supplements described in such subparagraph and shall be determined in accordance with reimbursement payment rates for meals and supplements under the child and adult care food program under section 17.

[(2) The Secretary may not provide a grant under paragraph (1) to an eligible institution or school unless the institution or school submits to the Secretary an application containing such information as the Secretary may reasonably require.

[(3) The Secretary may not provide a grant under paragraph (1) to an eligible institution or school unless the institution or school agrees that the institution or school will—

[(A) use amounts from the grant to provide meals or supplements under educational, recreational, or other programs and activities for adolescents outside of school hours, and the programs and activities are carried out in geographic areas in which there are high rates of poverty, violence, or drug and alcohol abuse among school-aged youths; and

[(B) use the same meal patterns as meal patterns required under the child and adult care food program under section 17.

[(4) Determinations with regard to eligibility for free and reduced price meals and supplements provided under programs and activities under this subsection shall be made in accordance with the income eligibility guidelines for free and reduced price lunches under section 9.

[(5)(A) Except as provided in subparagraph (B), the Secretary shall expend to carry out this subsection, from amounts appropriated for purposes of carrying out section 17, $325,000 for fiscal year 1995, $475,000 for each of fiscal years 1996 and 1997, and $525,000 for fiscal year 1998. In addition to amounts described in the preceding sentence, the Secretary shall expend any additional amounts in any fiscal year as may be provided in advance in appropriations Acts.

[(B) The Secretary may expend less than the amount required under subparagraph (A) if there is an insufficient number of suitable applicants.

[(6) As used in this subsection:

[(A) The term "adolescent" means a child who has attained the age of 13 but has not attained the age of 19.

[(B) The term "eligible institution or school" means—

[(i) an institution, as the term is defined in section 17; or

[(ii) an elementary or secondary school participating in the school lunch program under this Act.

[(C) The term "outside of school hours" means after-school hours, weekends, or holidays during the regular school year.

[(f)(1) Subject to the availability of appropriations to carry out this subsection, the Secretary shall establish pilot projects in at least 25 school districts under which the milk offered by schools meets the fortification requirements of paragraph (3) for lowfat, skim, and other forms of fluid milk.

[(2) The Secretary shall make available to school districts information that compares the nutritional benefits of fluid milk that meets the fortification requirements of paragraph (3) and the nutritional benefits of other milk that is made available through the school lunch program established under this Act.

[(3) The fortification requirements for fluid milk for the pilot project referred to in paragraph (1) shall provide that—

[(A) all whole milk in final package form for beverage use shall contain not less than—

[(i) 3.25 percent milk fat; and

[(ii) 8.7 percent milk solids not fat;

[(B) all lowfat milk in final package form for beverage use shall contain not less than 10 percent milk solids not fat; and

[(C) all skim milk in final package form for beverage use shall contain not less than 9 percent milk solids not fat.

[(4)(A) In selecting where to establish pilot projects under this subsection, the Secretary shall take into account, among other factors, the availability of fortified milk and the interest of the school district in being included in the pilot project.

[(B) The Secretary shall establish the pilot projects in as many geographic areas as practicable, except that none of the projects shall be established in school districts that use milk described in paragraph (3) or similar milk.

[(5) Not later than 2 years after the establishment of the first pilot project under this subsection, the Secretary shall report to the Committee on Education and Labor, and the Committee on Agriculture, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on—

[(A) the acceptability of fortified whole, lowfat, and skim milk products to participating children;

[(B) the impact of offering the milk on milk consumption;

[(C) the views of the school food service authorities on the pilot projects; and

[(D) any increases or reductions in costs attributed to the pilot projects.

[(6) The Secretary shall—

[(A) obtain copies of any research studies or papers that discuss the impact of the fortification of milk pursuant to standards established by the States; and

[(B) on request, make available to State agencies and the public—

[(i) the information obtained under subparagraph (A); and

[(ii) information about where to obtain milk described in paragraph (3).

[(7)(A) Each pilot project established under this subsection shall terminate on the last day of the third year after the establishment of the pilot project.

[(B) The Secretary shall advise representatives of each district participating in a pilot project that the district may continue to offer the fortified forms of milk described in paragraph (3) after the project terminates.

[(g)(1) The Secretary is authorized to establish a pilot project to assist schools participating in the school lunch program established under this Act, and the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), to offer participating students additional choices of fruits, vegetables, legumes, cereals, and grain-based products (including, subject to paragraph (6), organically produced agricultural commodities and products) (collectively referred to in this subsection as "qualified products").

[(2) The Secretary shall establish procedures under which schools may apply to participate in the pilot project. To the maximum extent practicable, the Secretary shall select qualified schools that apply from each State.

[(3) The Secretary may provide a priority for receiving funds under this subsection to—

[(A) schools that are located in low-income areas (as defined by the Secretary); and

[(B) schools that rarely offer 3 or more choices of qualified products per meal.

[(4) On request, the Secretary shall provide information to the Committee on Education and Labor, and the Committee on Agriculture, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the impact of the pilot project on participating schools, including—

[(A) the extent to which participating children increased consumption of qualified products;

[(B) the extent to which increased consumption of qualified products offered under the pilot project has contributed to a reduction in fat intake in the school breakfast and school lunch programs;

[(C) the desirability of requiring that—

[(i) each school participating in the school breakfast program increase the number of choices of qualified products offered per meal to at least 2 choices;

[(ii) each school participating in the school lunch program increase the number of choices of qualified products offered per meal; and

[(iii) the Secretary provide additional Federal reimbursements to assist schools in complying with clauses (i) and (ii);

[(D) the views of school food service authorities on the pilot project; and

[(E) any increase or reduction in costs to the schools in offering the additional qualified products.

[(5) Subject to the availability of funds appropriated to carry out this subsection, the Secretary shall use not more than $5,000,000 for each of fiscal years 1995 through 1997 to carry out this subsection.

[(6) For purposes of this subsection, qualified products shall include organically produced agricultural commodities and products beginning on the date the Secretary establishes an organic certification program for producers and handlers of agricultural products in accordance with the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

[(h)(1) The Secretary is authorized to establish a pilot project to assist schools participating in the school lunch program established under this Act, and the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), to offer participating students additional choices of lowfat dairy products (including lactose-free dairy products) and lean meat and poultry products (including, subject to paragraph (6), organically produced agricultural commodities and products) (collectively referred to in this subsection as "qualified products").

[(2) The Secretary shall establish procedures under which schools may apply to participate in the pilot project. To the maximum extent practicable, the Secretary shall select qualified schools that apply from each State.

[(3) The Secretary may provide a priority for receiving funds under this subsection to—

[(A) schools that are located in low-income areas (as defined by the Secretary); and

[(B) schools that rarely offer 3 or more choices of qualified products per meal.

[(4) On request, the Secretary shall provide information to the Committee on Education and Labor, and the Committee on Agriculture, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the impact of the pilot project on participating schools, including—

[(A) the extent to which participating children increased consumption of qualified products;

[(B) the extent to which increased consumption of qualified products offered under the pilot project has contributed to a reduction in fat intake in the school breakfast and school lunch programs;

[(C) the desirability of requiring that—

[(i) each school participating in the school breakfast program increase the number of choices of qualified products offered per meal to at least 2 choices;

[(ii) each school participating in the school lunch program increase the number of choices of qualified products offered per meal; and

[(iii) the Secretary provide additional Federal reimbursements to assist schools in complying with clauses (i) and (ii);

[(D) the views of the school food service authorities on the pilot project; and

[(E) any increase or reduction in costs to the schools in offering the additional qualified products.

[(5) Subject to the availability of funds appropriated to carry out this subsection, the Secretary shall use not more than $5,000,000 for each of fiscal years 1995 through 1997 to carry out this subsection.

[(6) For purposes of this subsection, qualified products shall include organically produced agricultural commodities and products beginning on the date the Secretary establishes an organic certification program for producers and handlers of agricultural products in accordance with the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

[(i)(1) Subject to the availability of advance appropriations under paragraph (8), the Secretary shall make grants to a limited number of schools to conduct pilot projects in 2 or more States approved by the Secretary to—

[(A) reduce paperwork;

[(B) reduce application and meal counting requirements; and

[(C) make changes that will increase participation in the school lunch and school breakfast programs.

[(2)(A) Except as provided in subparagraph (B), the Secretary may waive the requirements of this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) relating to counting of meals, applications for eligibility, and related requirements that would preclude the Secretary from making a grant to conduct a pilot project under paragraph (1).

[(B) The Secretary may not waive a requirement under subparagraph (A) if the waiver would prevent a program participant, a potential program recipient, or a school from receiving all of the benefits and protections of this Act, the Child Nutrition Act of 1966, or a Federal statute or regulation that protects an individual constitutional right or a statutory civil right.

[(C) No child otherwise eligible for free or reduced price meals under section 9 or under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) shall be required to pay more under a program carried out under this subsection for such a meal than the child would otherwise pay under section 9 or under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), respectively.

[(3) To be eligible to receive a grant to conduct a pilot project under this subsection, a school shall—

[(A) submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require, including, at a minimum, information—

[(i) demonstrating that the program carried out under the project differs from programs carried out under subparagraph (C), (D), or (E) of section 11(a)(1);

[(ii) demonstrating that at least 40 percent of the students participating in the school lunch program at the school are eligible for free or reduced price meals;

[(iii) demonstrating that the school operates both a school lunch program and a school breakfast program;

[(iv) describing the funding, if any that the school will receive from non-Federal sources to carry out the pilot project;

[(v) describing and justifying the additional amount, over the most recent prior year reimbursement amount received under the school lunch program and the school breakfast program (adjusted for inflation and fluctuations in enrollment), that the school needs from the Federal government to conduct the pilot; and

[(vi) describing the policy of the school on a la carte and competitive foods;

[(B) not have a history of violations of this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); and

[(C) meet any other requirement that the Secretary may reasonably require.

[(4) To the extent practicable, the Secretary shall select schools to participate in the pilot program under this subsection in a manner that will provide for an equitable distribution among the following types of schools:

[(A) Urban and rural schools.

[(B) Elementary, middle, and high schools.

[(C) Schools of varying income levels.

[(5)(A) Except as provided in subparagraph (B), a school conducting a pilot project under this subsection shall receive commodities in an amount equal to the amount the school received in the prior year under the school lunch program under this Act and under the school breakfast program under section 4 of the Child Nutrition Act of 1966, adjusted for inflation and fluctuations in enrollment.

[(B) Commodities required for the pilot project in excess of the amount of commodities received by the school in the prior year under the school lunch program and the school breakfast program may be funded from amounts appropriated to carry out this section.

[(6)(A) Except as provided in subparagraph (B), a school conducting a pilot project under this subsection shall receive a total Federal reimbursement under the school lunch program and school breakfast program in an amount equal to the total Federal reimbursement for the school in the prior year under each such program (adjusted for inflation and fluctuations in enrollment).

[(B) Funds required for the pilot project in excess of the level of reimbursement received by the school in the prior year (adjusted for inflation and fluctuations in enrollment) may be taken from any non-Federal source or from amounts appropriated to carry out this subsection. If no appropriations are made for the pilot projects, schools may not conduct the pilot projects.

[(7)(A) The Secretary shall require each school conducting a pilot project under this subsection to submit to the Secretary documentation sufficient for the Secretary, to the extent practicable, to—

[(i) determine the effect that participation by schools in the pilot projects has on the rate of student participation in the school lunch program and the school breakfast program, in total and by various income groups;

[(ii) compare the quality of meals served under the pilot project to the quality of meals served under the school lunch program and the school breakfast program during the school year immediately preceding participation in the pilot project;

[(iii) summarize the views of students, parents, and administrators with respect to the pilot project;

[(iv) compare the amount of administrative costs under the pilot project to the amount of administrative costs under the school lunch program and the school breakfast program during the school year immediately preceding participation in the pilot project;

[(v) determine the reduction in paperwork under the pilot project from the amount of paperwork under the school lunch and school breakfast programs at the school; and

[(vi) determine the effect of participation in the pilot project on sales of, and school policy regarding, a la carte and competitive foods.

[(B) Not later than January 31, 1998, the Secretary shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing—

[(i) a description of the pilot projects approved by the Secretary under this subsection;

[(ii) a compilation of the information received by the Secretary under paragraph (1) as of this date from each school conducting a pilot project under this subsection; and

[(iii) an evaluation of the program by the Secretary.

[(8) There are authorized to be appropriated to carry out this subsection $9,000,000 for each fiscal year during the period beginning October 1, 1995, and ending July 31, 1998.

[SEC. 19. REDUCTION OF PAPERWORK.

[(a) IN GENERAL.—In carrying out functions under this Act and the Child Nutrition Act of 1966, the Secretary shall, to the maximum extent possible, reduce the paperwork required of State and local educational agencies, schools, other agencies participating in nutrition programs assisted under such Acts, and families of children participating in the programs, in connection with such participation.

[(b) CONSULTATION; PUBLIC COMMENT.—In carrying out the requirements of subsections (a), the Secretary shall—

[(1) consult with State and local administrators of programs assisted under this Act or the Child Nutrition Act of 1966;

[(2) convene at least 1 meeting of the administrators described in paragraph (1) not later than the expiration of the 10-month period beginning on the date of the enactment of the Child Nutrition and WIC Reauthorization Act of 1989; and

[(3) obtain suggestions from members of the public with respect to reduction of paperwork.

[(c) REPORT.—Before the expiration of the 1-year period beginning on the date of the enactment of the Child Nutrition and WIC

Reauthorization Act of 1989, the Secretary shall report to the Congress concerning the extent to which a reduction has occurred in the amount of paperwork described in subsection (a). Such report shall be developed in consultation with the administrators described in subsection (b)(1).

[DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOLS

[SEC. 20. (a) For the purpose of obtaining Federal payments and commodities in conjunction with the provision of lunches to students attending Department of Defense dependents' schools which are located outside the United States, its territories or possessions, the Secretary of Agriculture shall make available to the Department of Defense, from funds appropriated for such purpose, the same payments and commodities as are provided to States for schools participating in the National School Lunch Program in the United States.

[(b) The Secretary of Defense shall administer lunch programs authorized by this section and shall determine eligibility for free and reduced price lunches under the criteria published by the Secretary of Agriculture, except that the Secretary of Defense shall prescribe regulations governing computation of income eligibility standards for families of students participating in the National School Lunch Program under this section.

[(c) The Secretary of Defense shall be required to offer meals meeting nutritional standards prescribed by the Secretary of Agriculture; however, the Secretary of Defense may authorize deviations from Department of Agriculture prescribed meal patterns and fluid milk requirements when local conditions preclude strict compliance or when such compliance is impracticable.

[(d) Funds are hereby authorized to be appropriated for any fiscal year in such amounts as may be necessary for the administrative expenses of the Department of Defense under this section.

[(e) The Secretary of Agriculture shall provide the Secretary of Defense with the technical assistance in the administration of the school lunch programs authorized by this section.

[SEC. 21. TRAINING, TECHNICAL ASSISTANCE, AND FOOD SERVICE MANAGEMENT INSTITUTE.

[(a) GENERAL AUTHORITY.—The Secretary—

[(1) subject to the availability of, and from, amounts appropriated pursuant to subsection (e)(1), shall conduct training activities and provide technical assistance to improve the skills of individuals employed in—

[(A) food service programs carried out with assistance under this Act;

[(B) school breakfast programs carried out with assistance under section 4 of the Child Nutrition Act of 1966; and

10-month period beginning on the date of the enactment of the Child Nutrition and WIC Reauthorization Act of 1989; and

[(3) obtain suggestions from members of the public with respect to reduction of paperwork.

[(c) REPORT.—Before the expiration of the 1-year period beginning on the date of the enactment of the Child Nutrition and WIC Reauthorization Act of 1989, the Secretary shall report to the Con-

gress concerning the extent to which a reduction has occurred in the amount of paperwork described in subsection (a). Such report shall be developed in consultation with the administrators described in subsection (b)(1).

[DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOLS

[SEC. 20. (a) For the purpose of obtaining Federal payments and commodities in conjunction with the provision of lunches to students attending Department of Defense dependents' schools which are located outside the United States, its territories or possessions, the Secretary of Agriculture shall make available to the Department of Defense, from funds appropriated for such purpose, the same payments and commodities as are provided to States for schools participating in the National School Lunch Program in the United States.

[(b) The Secretary of Defense shall administer lunch programs authorized by this section and shall determine eligibility for free and reduced price lunches under the criteria published by the Secretary of Agriculture, except that the Secretary of Defense shall prescribe regulations governing computation of income eligibility standards for families of students participating in the National School Lunch Program under this section.

[(c) The Secretary of Defense shall be required to offer meals meeting nutritional standards prescribed by the Secretary of Agriculture; however, the Secretary of Defense may authorize deviations from Department of Agriculture prescribed meal patterns and fluid milk requirements when local conditions preclude strict compliance or when such compliance is impracticable.

[(d) Funds are hereby authorized to be appropriated for any fiscal year in such amounts as may be necessary for the administrative expenses of the Department of Defense under this section.

[(e) The Secretary of Agriculture shall provide the Secretary of Defense with the technical assistance in the administration of the school lunch programs authorized by this section.

[SEC. 21. TRAINING, TECHNICAL ASSISTANCE, AND FOOD SERVICE MANAGEMENT INSTITUTE.

[(a) GENERAL AUTHORITY.—The Secretary—

[(1) subject to the availability of, and from, amounts appropriated pursuant to subsection (e)(1), shall conduct training activities and provide technical assistance to improve the skills of individuals employed in—

[(A) food service programs carried out with assistance under this Act;

[(B) school breakfast programs carried out with assistance under section 4 of the Child Nutrition Act of 1966; and

[(C) as appropriate, other federally assisted feeding programs; and

[(2) from amounts appropriated pursuant to subsection (e)(2), is authorized to provide financial and other assistance to the University of Mississippi, in cooperation with the University of Southern Mississippi, to establish and maintain a food service management institute.

[(b) MINIMUM REQUIREMENTS.—The activities conducted and assistance provided as required by subsection (a)(1) shall at least include activities and assistance with respect to—

[(1) menu planning;

[(2) implementation of regulations and appropriate guidelines; and

[(3) compliance with program requirements and accountability for program operations.

[(c) DUTIES OF FOOD SERVICE MANAGEMENT INSTITUTE.—

[(1) IN GENERAL.—Any food service management institute established as authorized by subsection (a)(2) shall carry out activities to improve the general operation and quality of—

[(A) food service programs assisted under this Act;

[(B) school breakfast programs assisted under section 4 of the Child Nutrition Act of 1966; and

[(C) as appropriate, other federally assisted feeding programs.

[(2) REQUIRED ACTIVITIES.—Activities carried out under paragraph (1) shall include—

[(A) conducting research necessary to assist schools and other organizations that participate in such programs in providing high quality, nutritious, cost-effective meal service to the children served;

[(B) providing training and technical assistance with respect to—

[(i) efficient use of physical resources;

[(ii) financial management;

[(iii) efficient use of computers;

[(iv) procurement;

[(v) sanitation;

[(vi) safety;

[(vii) food handling;

[(viii) meal planning and related nutrition activities;

[(ix) culinary skills; and

[(x) other appropriate activities;

[(C) establishing a national network of trained professionals to present training programs and workshops for food service personnel;

[(D) developing training materials for use in the programs and workshops described in subparagraph (C);

[(E) acting as a clearinghouse for research, studies, and findings concerning all aspects of the operation of food service programs, including activities carried out with assistance provided under section 19 of the Child Nutrition Act of 1966;

[(F) training food service personnel to comply with the nutrition guidance and objectives of section 24 through a national network of instructors or other means;

[(G) preparing informational materials, such as video instruction tapes and menu planners, to promote healthier food preparation; and

[(H) assisting State educational agencies in providing additional nutrition and health instructions and instruc-

tors, including training personnel to comply with the nutrition guidance and objectives of section 24.

[(d) COORDINATION.—

[(1) IN GENERAL.—The Secretary shall coordinate activities carried out and assistance provided as required by subsection (b) with activities carried out by any food service management institute established as authorized by subsection (a)(2).

[(2) USE OF INSTITUTE FOR DIETARY AND NUTRITION ACTIVITIES.—The Secretary shall use any food service management institute established under subsection (a)(2) to assist in carrying out dietary and nutrition activities of the Secretary.

[(e) AUTHORIZATION OF APPROPRIATIONS.—

[(1) TRAINING ACTIVITIES AND TECHNICAL ASSISTANCE.—There are authorized to be appropriated to carry out subsection (a)(1) $3,000,000 for fiscal year 1990, $2,000,000 for fiscal year 1991, and $1,000,000 for each of fiscal years 1992 through 1998.

[(2) FOOD SERVICE MANAGEMENT INSTITUTE.—

[(A) FUNDING.—In addition to any amounts otherwise made available for fiscal year 1995, out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Secretary $147,000 for fiscal year 1995, and $2,000,000 for fiscal year 1996 and each subsequent fiscal year, to carry out subsection (a)(2). The Secretary shall be entitled to receive the funds and shall accept the funds.

[(B) ADDITIONAL FUNDING.—In addition to amounts made available under subparagraph (A), there are authorized to be appropriated to carry out subsection (a)(2) such sums as are necessary for fiscal year 1995 and each subsequent fiscal year. The Secretary shall carry out activities under subsection (a)(2), in addition to the activities funded under subparagraph (A), to the extent provided for, and in such amounts as are provided for, in advance in appropriations Acts.

[(C) FUNDING FOR EDUCATION, TRAINING, OR APPLIED RESEARCH OR STUDIES.—In addition to amounts made available under subparagraphs (A) and (B), from amounts otherwise appropriated to the Secretary in discretionary appropriations, the Secretary may provide funds to any food service management institute established under subsection (a)(2) for projects specified by the Secretary that will contribute to implementing dietary or nutrition initiatives. Any additional funding under this subparagraph shall be provided noncompetitively in a separate cooperative agreement.

[SEC. 22. COMPLIANCE AND ACCOUNTABILITY.

[(a) UNIFIED ACCOUNTABILITY SYSTEM.—There shall be a unified system prescribed and administered by the Secretary for ensuring that local food service authorities that participate in the school lunch program under this Act comply with the provisions of this Act. Such system shall be established through the publication of regulations and the provision of an opportunity for public comment,

consistent with the provisions of section 553 of title 5, United States Code.

[(b) FUNCTIONS OF SYSTEM.—

[(1) IN GENERAL.—Under the system described in subsection (a), each State educational agency shall—

[(A) require that local food service authorities comply with the provisions of this Act; and

[(B) ensure such compliance through reasonable audits and supervisory assistance reviews.

[(2) MINIMIZATION OF ADDITIONAL DUTIES.—Each State educational agency shall coordinate the compliance and accountability activities described in paragraph (1) in a manner that minimizes the imposition of additional duties on local food service authorities.

[(c) ROLE OF SECRETARY.—In carrying out this section, the Secretary shall—

[(1) assist the State educational agency in the monitoring of programs conducted by local food service authorities; and

[(2) through management evaluations, review the compliance of the State educational agency and the local school food service authorities with regulations issued under this Act.

[(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for purposes of carrying out the compliance and accountability activities referred to in subsection (c) $3,000,000 for each of the fiscal years 1994 through 1996.

[SEC. 23. INFORMATION ON INCOME ELIGIBILITY.

[(a) INFORMATION TO BE PROVIDED.—In the case of each program established under this Act and the Child Nutrition Act of 1966, the Secretary shall provide to each appropriate State agency—

[(1) information concerning what types of income are counted in determining the eligibility of children to receive free or reduced price meals under the program in which such State, State agency, local agency, or other entity is participating, particularly with respect to how net self-employment income is determined for family day care providers participating in the child care food program (including the treatment of reimbursements provided under this section); and

[(2) information concerning the consideration of applications for free or reduced price meals from households in which the head of the household is less than 21 years old.

[(b) TIME FOR PROVISION OF INFORMATION.—The Secretary shall provide the information required by subsection (a) before the expiration of the 60-day period beginning on the date of the enactment of the Child Nutrition and WIC Reauthorization Act of 1989 and shall as necessary provide revisions of such information.

[(c) FORM SIMPLIFICATION.—Not later than July 1, 1990, the Secretary shall—

[(1) review the model application forms for programs under this Act and programs under the Child Nutrition Act of 1966; and

[(2) simplify the format and instructions for such forms so that the forms are easily understandable by the individuals who must complete them.".

[SEC. 24. NUTRITION GUIDANCE FOR CHILD NUTRITION PROGRAMS.

[(a) NUTRITION GUIDANCE PUBLICATION.—

[(1) DEVELOPMENT.—The Secretary of Agriculture and the Secretary of Health and Human Services shall jointly develop and approve a publication to be entitled "Nutrition Guidance for Child Nutrition Programs" (hereafter in this section referred to as the "publication"). The Secretary shall develop the publication as required by the preceding sentence before the expiration of the 2-year period beginning on the date of the enactment of the Child Nutrition and WIC Reauthorization Act of 1989.

[(2) TIME FOR DISTRIBUTION.—Before the expiration of the 6-month period beginning on the date that the development of the publication is completed, the Secretary shall distribute the publication to school food service authorities and institutions and organizations participating in covered programs.

[(b) REVISION OF MENU PLANNING GUIDES.—The Secretary shall, as necessary, revise the menu planning guides for each covered program to include recommendations for the implementation of nutrition guidance described in the publication.

[(c) APPLICATION OF NUTRITION GUIDANCE TO MEAL PROGRAMS.—In carrying out any covered program, school food authorities and other organizations and institutions participating in such program shall apply the nutrition guidance described in the publication when preparing meals and meal supplements served under such program.

[(d) IMPLEMENTATION.—In carrying out covered programs, the Secretary shall ensure that meals and meal supplements served under such programs are consistent with the nutrition guidance described in the publication.

[(e) REVISION OF PUBLICATION.—The Secretary and the Secretary of Health and Human Services may jointly update and approve the publication as warranted by scientific evidence.

[(f) COVERED PROGRAMS.—For the purposes of this section, the term "covered program" includes—

[(1) the school lunch program under this Act;

[(2) the summer food service program for children under section 13;

[(3) the child care food program under section 17; and

[(4) the school breakfast program under section 4 of the Child Nutrition Act of 1966.

[SEC. 25. DUTIES OF THE SECRETARY RELATING TO NONPROCUREMENT DEBARMENT.

[(a) PURPOSES.—The purposes of this section are to promote the prevention and deterrence of instances of fraud, bid rigging, and other anticompetitive activities encountered in the procurement of products for child nutrition programs by—

[(1) establishing guidelines and a timetable for the Secretary to initiate debarment proceedings, as well as establishing mandatory debarment periods; and

[(2) providing training, technical advice, and guidance in identifying and preventing the activities.

[(b) DEFINITIONS.—As used in this section:

[(1) CHILD NUTRITION PROGRAM.—The term "child nutrition program" means—

[(A) the school lunch program established under this Act;

[(B) the summer food service program for children established under section 13;

[(C) the child and adult care food program established under section 17;

[(D) the homeless children nutrition program established under section 17B;

[(E) the special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772);

[(F) the school breakfast program established under section 4 of such Act (42 U.S.C. 1773); and

[(G) the special supplemental nutrition program for women, infants, and children authorized under section 17 of such Act (42 U.S.C. 1786).

[(2) CONTRACTOR.—The term "contractor" means a person that contracts with a State, an agency of a State, or a local agency to provide goods or services in relation to the participation of a local agency in a child nutrition program.

[(3) LOCAL AGENCY.—The term "local agency" means a school, school food authority, child care center, sponsoring organization, or other entity authorized to operate a child nutrition program at the local level.

[(4) NONPROCUREMENT DEBARMENT.—The term "nonprocurement debarment" means an action to bar a person from programs and activities involving Federal financial and nonfinancial assistance, but not including Federal procurement programs and activities.

[(5) PERSON.—The term "person" means any individual, corporation, partnership, association, cooperative, or other legal entity, however organized.

[(c) ASSISTANCE TO IDENTIFY AND PREVENT FRAUD AND ANTICOMPETITIVE ACTIVITIES.—The Secretary shall—

[(1) in cooperation with any other appropriate individual, organization, or agency, provide advice, training, technical assistance, and guidance (which may include awareness training, training films, and troubleshooting advice) to representatives of States and local agencies regarding means of identifying and preventing fraud and anticompetitive activities relating to the provision of goods or services in conjunction with the participation of a local agency in a child nutrition program; and

[(2) provide information to, and fully cooperate with, the Attorney General and State attorneys general regarding investigations of fraud and anticompetitive activities relating to the provision of goods or services in conjunction with the participation of a local agency in a child nutrition program.

[(d) NONPROCUREMENT DEBARMENT.—

[(1) IN GENERAL.—Except as provided in paragraph (3) and subsection (e), not later than 180 days after notification of the occurrence of a cause for debarment described in paragraph (2), the Secretary shall initiate nonprocurement debarment

proceedings against the contractor who has committed the cause for debarment.

[(2) CAUSES FOR DEBARMENT.—Actions requiring initiation of nonprocurement debarment pursuant to paragraph (1) shall include a situation in which a contractor is found guilty in any criminal proceeding, or found liable in any civil or administrative proceeding, in connection with the supplying, providing, or selling of goods or services to any local agency in connection with a child nutrition program, of—

[(A) an anticompetitive activity, including bid-rigging, price-fixing, the allocation of customers between competitors, or other violation of Federal or State antitrust laws;

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

[(C) knowingly receiving stolen property;

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

[(E) any other obstruction of justice.

[(3) EXCEPTION.—If the Secretary determines that a decision on initiating nonprocurement debarment proceedings cannot be made within 180 days after notification of the occurrence of a cause for debarment described in paragraph (2) because of the need to further investigate matters relating to the possible debarment, the Secretary may have such additional time as the Secretary considers necessary to make a decision, but not to exceed an additional 180 days.

[(4) MANDATORY CHILD NUTRITION PROGRAM DEBARMENT PERIODS.—

[(A) IN GENERAL.—Subject to the other provisions of this paragraph and notwithstanding any other provision of law except subsection (e), if, after deciding to initiate nonprocurement debarment proceedings pursuant to paragraph (1), the Secretary decides to debar a contractor, the debarment shall be for a period of not less than 3 years.

[(B) PREVIOUS DEBARMENT.—If the contractor has been previously debarred pursuant to nonprocurement debarment proceedings initiated pursuant to paragraph (1), and the cause for debarment is described in paragraph (2) based on activities that occurred subsequent to the initial debarment, the debarment shall be for a period of not less than 5 years.

[(C) SCOPE.—At a minimum, a debarment under this subsection shall serve to bar the contractor for the specified period from contracting to provide goods or services in conjunction with the participation of a local agency in a child nutrition program.

[(D) REVERSAL, REDUCTION, OR EXCEPTION.—Nothing in this section shall restrict the ability of the Secretary to—

[(i) reverse a debarment decision;

[(ii) reduce the period or scope of a debarment;

[(iii) grant an exception permitting a debarred contractor to participate in a particular contract to provide goods or services; or

[(iv) otherwise settle a debarment action at any time;

in conjunction with the participation of a local agency in a child nutrition program, if the Secretary determines there is good cause for the action, after taking into account factors set forth in paragraphs (1) through (6) of subsection (e).

[(5) INFORMATION.—On request, the Secretary shall present to the Committee on Education and Labor, and the Committee on Agriculture, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate information regarding the decisions required by this subsection.

[(6) RELATIONSHIP TO OTHER AUTHORITIES.—A debarment imposed under this section shall not reduce or diminish the authority of a Federal, State, or local government agency or court to penalize, imprison, fine, suspend, debar, or take other adverse action against a person in a civil, criminal, or administrative proceeding.

[(7) REGULATIONS.—The Secretary shall issue such regulations as are necessary to carry out this subsection.

[(e) MANDATORY DEBARMENT.—Notwithstanding any other provision of this section, the Secretary shall initiate nonprocurement debarment proceedings against the contractor (including any cooperative) who has committed the cause for debarment (as determined under subsection (d)(2)), unless the action—

[(1) is likely to have a significant adverse effect on competition or prices in the relevant market or nationally;

[(2) will interfere with the ability of a local agency to procure a needed product for a child nutrition program;

[(3) is unfair to a person, subsidiary corporation, affiliate, parent company, or local division of a corporation that is not involved in the improper activity that would otherwise result in the debarment;

[(4) is likely to have significant adverse economic impacts on the local economy in a manner that is unfair to innocent parties;

[(5) is not justified in light of the penalties already imposed on the contractor for violations relevant to the proposed debarment, including any suspension or debarment arising out of the same matter that is imposed by any Federal or State agency; or

[(6) is not in the public interest, or otherwise is not in the interests of justice, as determined by the Secretary.

[(f) EXHAUSTION OF ADMINISTRATIVE REMEDIES.—Prior to seeking judicial review in a court of competent jurisdiction, a contractor against whom a nonprocurement debarment proceeding has been initiated shall—

[(1) exhaust all administrative procedures prescribed by the Secretary; and

[(2) receive notice of the final determination of the Secretary.

[(g) INFORMATION RELATING TO PREVENTION AND CONTROL OF ANTICOMPETITIVE ACTIVITIES.—On request, the Secretary shall present to the Committee on Education and Labor, and the Committee on Agriculture, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate

information regarding the activities of the Secretary relating to anticompetitive activities, fraud, nonprocurement debarment, and any waiver granted by the Secretary under this section.

[SEC. 26. INFORMATION CLEARINGHOUSE.

[(a) IN GENERAL.—The Secretary shall enter into a contract with a nongovernmental organization described in subsection (b) to establish and maintain a clearinghouse to provide information to nongovernmental groups located throughout the United States that assist low-income individuals or communities regarding food assistance, self-help activities to aid individuals in becoming self-reliant, and other activities that empower low-income individuals or communities to improve the lives of low-income individuals and reduce reliance on Federal, State, or local governmental agencies for food or other assistance.

[(b) NONGOVERNMENTAL ORGANIZATION.—The nongovernmental organization referred to in subsection (a) shall be selected on a competitive basis and shall—

[(1) be experienced in the gathering of first-hand information in all the States through onsite visits to grassroots organizations in each State that fight hunger and poverty or that assist individuals in becoming self-reliant;

[(2) be experienced in the establishment of a clearinghouse similar to the clearinghouse described in subsection (a);

[(3) agree to contribute in-kind resources towards the establishment and maintenance of the clearinghouse and agree to provide clearinghouse information, free of charge, to the Secretary, States, counties, cities, antihunger groups, and grassroots organizations that assist individuals in becoming self-sufficient and self-reliant;

[(4) be sponsored by an organization, or be an organization, that—

[(A) has helped combat hunger for at least 10 years;

[(B) is committed to reinvesting in the United States; and

[(C) is knowledgeable regarding Federal nutrition programs;

[(5) be experienced in communicating the purpose of the clearinghouse through the media, including the radio and print media, and be able to provide access to the clearinghouse information through computer or telecommunications technology, as well as through the mails; and

[(6) be able to provide examples, advice, and guidance to States, counties, cities, communities, antihunger groups, and local organizations regarding means of assisting individuals and communities to reduce reliance on government programs, reduce hunger, improve nutrition, and otherwise assist low-income individuals and communities become more self-sufficient.

[(c) AUDITS.—The Secretary shall establish fair and reasonable auditing procedures regarding the expenditures of funds to carry out this section.

[(d) FUNDING.—Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall pay to the Secretary to provide to the organization selected under this section, to establish and maintain the information clearinghouse, $200,000 for

each of fiscal years 1995 and 1996, $150,000 for fiscal year 1997, and $100,000 for fiscal year 1998. The Secretary shall be entitled to receive the funds and shall accept the funds.

[SEC. 27. GUIDANCE AND GRANTS FOR ACCOMMODATING SPECIAL DIETARY NEEDS OF CHILDREN WITH DISABILITIES.

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

[(1) CHILDREN WITH DISABILITIES.—The term "children with disabilities" means individuals, each of whom is—

[(A) a participant in a covered program; and

[(B) an individual with a disability, as defined in section 7(8) of the Rehabilitation Act of 1973 (29 U.S.C. 706(8)) for purposes of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

[(2) COVERED PROGRAM.—The term "covered program" means—

[(A) the school lunch program established under this Act;

[(B) the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773); and

[(C) any other program established under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) that the Secretary determines is appropriate.

[(3) ELIGIBLE ENTITY.—The term "eligible entity" means a school food service authority, or an institution or organization, that participates in a covered program.

[(b) GUIDANCE.—

[(1) DEVELOPMENT.—The Secretary, in consultation with the Attorney General and the Secretary of Education, shall develop and approve guidance for accommodating the medical and special dietary needs of children with disabilities under covered programs in a manner that is consistent with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

[(2) TIMING.—In the case of the school lunch program established under this Act and the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), the Secretary shall develop the guidance as required by paragraph (1) not later than 150 days after the date of enactment of this section.

[(3) DISTRIBUTION.—Not later than 60 days after the date that the development of the guidance relating to a covered program is completed, the Secretary shall distribute the guidance to school food service authorities, and institutions and organizations, participating in the covered program.

[(4) REVISION OF GUIDANCE.—The Secretary, in consultation with the Attorney General and the Secretary of Education, shall periodically update and approve the guidances to reflect new scientific information and comments and suggestions from persons carrying out covered programs, recognized medical authorities, parents, and other persons.

[(c) GRANTS.—

[(1) IN GENERAL.—Subject to the availability of appropriations provided in advance to carry out this subsection, the Secretary shall make grants on a competitive basis to State edu-

cational agencies for distribution to eligible entities to assist the eligible entities with nonrecurring expenses incurred in accommodating the medical and special dietary needs of children with disabilities in a manner that is consistent with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

[(2) ADDITIONAL ASSISTANCE.—Subject to paragraph (3)(A)(iii), assistance received through grants made under this subsection shall be in addition to any other assistance that State educational agencies and eligible entities would otherwise receive.

[(3) ALLOCATION BY SECRETARY.—

[(A) PREFERENCE.—In making grants under this subsection for any fiscal year, the Secretary shall provide a preference to State educational agencies that, individually—

[(i) submit to the Secretary a plan for accommodating the needs described in paragraph (1), including a description of the purpose of the project for which the agency seeks such a grant, a budget for the project, and a justification for the budget;

[(ii) provide to the Secretary data demonstrating that the State served by the agency has a substantial percentage of children with medical or special dietary needs, and information explaining the basis for the data; or

[(iii) demonstrate to the satisfaction of the Secretary that the activities supported through such a grant will be coordinated with activities supported under other Federal, State, and local programs, including—

[(I) activities carried out under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

[(II) activities carried out under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.); and

[(III) activities carried out under section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) or by the food service management institute established under section 21.

[(B) REALLOCATION.—The Secretary shall act in a timely manner to recover and reallocate to other States any amounts provided to a State educational agency under this subsection that are not used by the agency within a reasonable period (as determined by the Secretary).

[(C) APPLICATIONS.—The Secretary shall allow State educational agencies to apply on an annual basis for assistance under this subsection.

[(4) ALLOCATION BY STATE EDUCATIONAL AGENCIES.—In allocating funds made available under this subsection within a State, the State educational agency shall give a preference to eligible entities that demonstrate the greatest ability to use the funds to carry out the plan submitted by the State in accordance with paragraph (3)(A)(i).

[(5) MAINTENANCE OF EFFORT.—Expenditures of funds from State and local sources to accommodate the needs described in

paragraph (1) shall not be diminished as a result of grants received under this subsection.

[(6) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 for each of fiscal years 1995 through 1998 to carry out this subsection.]

COMMODITY DISTRIBUTION REFORM ACT AND WIC AMENDMENTS OF 1987

AN ACT To improve the distribution procedures for agricultural commodities and their products donated for the purposes of assistance through the Department of Agriculture, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

[SECTION 1. SHORT TITLE.

[This Act may be cited as the "Commodity Distribution Reform Act and WIC Amendments of 1987".

[SEC. 2. STATEMENT OF PURPOSE; SENSE OF CONGRESS.

[(a) STATEMENT OF PURPOSE.—It is the purpose of this Act to improve the manner in which agricultural commodities acquired by the Department of Agriculture are distributed to recipient agencies, the quality of the commodities that are distributed, and the degree to which such distribution reponds to the needs of the recipient agencies.

[(b) SENSE OF CONGRESS.—It is the sense of Congress that the distribution of commodities and products—

[(1) should be improved as an effective means of removing agricultural surpluses from the market and providing nutritious high-quality foods to recipient agencies;

[(2) is inextricably linked to the agricultural support and surplus removal programs; and

[(3) is an important mission of the Secretary of Agriculture.

[SEC. 3. COMMODITY DISTRIBUTION PROGRAM REFORMS.

[(a) COMMODITIES SPECIFICATIONS.—

[(1) DEVELOPMENT.—In developing specifications for commodities acquired through price support, surplus removal, and direct purchase programs of the Department of Agriculture that are donated for use for programs or institutions described in paragraph (2), the Secretary shall—

[(A) consult with the advisory council established under paragraph (3);

[(B) consider both the results of the information received from recipient agencies under subsection (f)(2) and the results of an ongoing field testing program under subsection (g) in determining which commodities and products, and in which form the commodities and products, should be provided to recipient agencies; and

[(C) give significant weight to the recommendations of the advisory council established under paragraph (3) in ensuring that commodities and products are—

[(i) of the quality, size, and form most usable by recipient agencies; and

[(ii) to the maximum extent practicable, consistent with the Dietary Guidelines for Americans published by the Secretary of Agriculture and the Secretary of Health and Human Services.

[(2) APPLICABILITY.—Paragraph (1) shall apply to—

[(A) the commodity distribution and commodity supplemental food programs established under sections 4(a) and 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note);

[(B) the program established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b));

[(C) the school lunch, commodity distribution, and child care food programs established under sections 6, 14, and 17 of the National School Lunch Act (42 U.S.C. 1755, 1762a, and 1766);

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

[(E) the donation of surplus commodities to provide nutrition services under section 311 of the Older Americans Act of 1965 (42 U.S.C. 3030a); and

[(F) to the extent practicable—

[(i) the emergency food assistance program established under the Emergency Food Assistance Act of 1983 (Public Law 100–237; 7 U.S.C. 612c note); and

[(ii) programs under which food is donated to charitable institutions.

[(3) ADVISORY COUNCIL.—(A) The Secretary shall establish an advisory council on the distribution of donated commodities to recipient agencies. The Secretary shall appoint not less than nine and not more than 15 members to the council, including—

[(i) representatives of recipient agencies, including food banks;

[(ii) representatives of food processors and food distributors;

[(iii) representatives of agricultural organizations;

[(iv) representatives of State distribution agency directors; and

[(v) representatives of State advisory committees.

[(B) The council shall meet not less than semiannually with appropriate officials of the Department of Agriculture and shall provide guidance to the Secretary on regulations and policy development with respect to specifications for commodities.

[(C) Members of the council shall serve without compensation but shall receive reimbursement for necessary travel and subsistence expenses incurred by them in the performance of the duties of the committee.

[(D) The council shall report annually to the Secretary of Agriculture, the Committee on Education and Labor and the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

[(E) The council shall expire on September 30, 1996.

[(b) DUTIES OF SECRETARY WITH RESPECT TO PROVISION OF COMMODITIES.—With respect to the provision of commodities to recipient agencies, the Secretary shall—

[(1) before the end of the 270-day period beginning on the date of the enactment of this Act—

[(A) implement a system to provide recipient agencies with options with respect to package sizes and forms of such commodities, based on information received from such agencies under subsection (f)(2), taking into account the duty of the Secretary—

[(i) to remove surplus stocks of agricultural commodities through the Commodity Credit Corporation;

[(ii) to purchase surplus agriculture commodities through section 32 of the Agricultural Adjustment Act (7 U.S.C. 601 et seq.); and

[(iii) to make direct purchases of agricultural commodities and other foods for distribution to recipient agencies under—

[(I) the commodity distribution and commodity supplemental food programs established under sections 4(a) and 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note);

[(II) the program established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b));

[(III) the school lunch, commodity distribution, and child care food programs established under sections 6, 14, and 17 of the National School Lunch Act (42 U.S.C. 1755, 1762a, and 1766);

[(IV) the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773); and

[(V) the donation of surplus commodities to provide nutrition services under section 311 of the Older Americans Act of 1965 (42 U.S.C. 3030a); and

[(B) implement procedures to monitor the manner in which State distribution agencies carry out their responsibilities;

[(2) provide technical assistance to recipient agencies on the use of such commodities, including handling, storage, and menu planning and shall distribute to all recipient agencies suggested recipes for the use of donated commodities and products (the recipe cards shall be distributed as soon as practicable after the date of enactment of this Act and updated on a regular basis taking into consideration the Dietary Guidelines for Americans published by the Secretary of Agriculture and the Secretary of Health and Human Services, as in effect at the time of the update of the recipe files);

[(3) before the end of the 120-day period beginning on the date of the enactment of this Act, implement a system under which the Secretary shall—

[(A) make available to State agencies summaries of the specifications with respect to such commodities and products; and

[(B) require State agencies to make such summaries available to recipient agencies on request;

[(4) implement a system for the dissemination to recipient agencies and to State distribution agencies—

[(A) not less than 60 days before each distribution of commodities by the Secretary is scheduled to begin, of information relating to the types and quantities of such commodities that are to be distributed; or

[(B) in the case of emergency purchases and purchases of perishable fruits and vegetables, of as much advance notification as is consistent with the need to ensure that high-quality commodities are distributed;

[(5) before the expiration of the 90-day period beginning on the date of the enactment of this Act, establish procedures for the replacement of commodities received by recipient agencies that are stale, spoiled, out of condition, or not in compliance with the specifications developed under subsection (a)(1), including a requirement that the appropriate State distribution agency be notified promptly of the receipt of commodities that are stale, spoiled, out of condition, or not in compliance with the specifications developed under subsection (a)(1);

[(6) monitor the condition of commodities designated for donation to recipient agencies that are being stored by or for the Secretary to ensure that high quality is maintained;

[(7) establish a value for donated commodities and products to be used by State agencies in the allocation or charging of commodities against entitlements; and

[(8) require that each State distribution agency shall receive donated commodities not more than 90 days after such commodities are ordered by such agency, unless such agency specifies a longer delivery period.

[(c) QUALIFICATIONS FOR PURCHASE OF COMMODITIES.—

[(1) OFFERS FOR EQUAL OR LESS POUNDAGE.—Subject to compliance by the Secretary with surplus removal responsibilities under other provisions of law, the Secretary may not refuse any offer in response to an invitation to bid with respect to a contract for the purchase of entitlement commodities (provided in standard order sizes) solely on the basis that such offer provides less than the total amount of poundage for a destination specified in such invitation.

[(2) OTHER QUALIFICATIONS.—The Secretary may not enter into a contract for the purchase of entitlement commodities unless the Secretary considers the previous history and current patterns of the bidding party with respect to compliance with applicable meat inspection laws and with other appropriate standards relating to the wholesomeness of food for human consumption.

[(d) DUTIES OF STATE DISTRIBUTION AGENCIES.—On or before July 1, 1992, the Secretary shall by regulation require each State distribution agency to—

[(1) evaluate its system for warehousing and distributing donated commodities to recipient agencies designated in subparagraphs (A) and (B) of section 13(3) (hereafter referred to in this Act as 'child and elderly nutrition program recipient agencies');

[(2) in the case of State distribution agencies that require payment of fees by child and elderly nutrition program recipient agencies for any aspect of warehousing or distribution, implement the warehousing and distribution system that provides donated commodities to such recipient agencies in the most efficient manner, at the lowest cost to such recipient agencies, and at a level that is not less than a basic level of services determined by the Secretary;

[(3) in determining the most efficient and lowest cost system, use commercial facilities for providing warehousing and distribution services to such recipient agencies, unless the State applies to the Secretary for approval to use other facilities demonstrating that, when both direct and indirect costs incurred by such recipient agencies are considered, such other facilities are more efficient and provide services at a lower total cost to such recipient agencies;

[(4) consider the preparation and storage capabilities of recipient agencies when ordering donated commodities, including capabilities of such agencies to handle commodity product forms, quality, packaging, and quantities; and

[(5) in the case of any such agency that enters into a contract with respect to processing of agricultural commodities and their products for recipient agencies—

[(A) test the product of such processing with the recipient agencies before entering into a contract for such processing; and

[(B) develop a system for monitoring product acceptability.

[(e) REGULATIONS.—

[(1) IN GENERAL.—The Secretary shall provide by regulation for—

[(A) whenever fees are charged to local recipient agencies, the establishment of mandatory criteria for such fees based on national standards and industry charges (taking into account regional differences in such charges) to be used by State distribution agencies for storage and deliveries of commodities;

[(B) minimum performance standards to be followed by State agencies responsible for intrastate distribution of donated commodities and products;

[(C) procedures for allocating donated commodities among the States; and

[(D) delivery schedules for the distribution of commodities and products that are consistent with the needs of eligible recipient agencies, taking into account the duty of the Secretary—

[(i) to remove surplus stocks of agricultural commodities through the Commodity Credit Corporation;

[(ii) to purchase surplus agricultural commodities through section 32 of the Act entitled "An Act to

amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c); and

[(iii) to make direct purchases of agricultural commodities and other foods for distribution to recipient agencies under—

[(I) the commodity distribution and commodity supplemental food programs established under sections 4(a) and 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note);

[(II) the program established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)); and

[(III) the school lunch, commodity distribution, and child care food programs established under sections 6, 14, and 17 of the National School Lunch Act (42 U.S.C. 1755, 1762a, and 1766);

[(IV) the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773); and

[(V) the donation of surplus commodities to provide nutrition services under section 311 of the Older Americans Act of 1965 (42 U.S.C. 3030a).

[(2) TIME FOR PROMULGATION OF REGULATIONS.—The Secretary shall promulgate—

[(A) regulations as required by paragraph (1)(D) before the end of the 90-day period beginning on the date of enactment of this Act; and

[(B) regulations as required by subparagraphs (A), (B), and (C) of paragraph (1) before the end of the 270-day period beginning on such date.

[(f) REVIEW OF PROVISION OF COMMODITIES.—

[(1) IN GENERAL.—Before the expiration of the 270-day period beginning on the date of the enactment of this Act, the Secretary shall establish procedures to provide for systematic review of the costs and benefits of providing commodities of the kind and quantity that are suitable to the needs of recipient agencies.

[(2) INFORMATION FROM RECIPIENT AGENCIES.—Before the expiration of the 120-day period beginning on the date of the enactment of this Act, the Secretary shall establish procedures to ensure that information is received from recipient agencies at least annually with respect to the types and forms of commodities that are most useful to persons participating in programs operated by recipient agencies.

[(g) TESTING FOR ACCEPTABILITY.—The Secretary shall establish an ongoing field testing program for present and anticipated commodity and product purchases to test product acceptability with program participants. Test results shall be taken into consideration in deciding which commodities and products, and in what form the commodities and products, should be provided to recipient agencies.

[(h) BUY AMERICAN PROVISION.—

[(1) IN GENERAL.—The Secretary shall require that recipient agencies purchase, whenever possible, only food products that are produced in the United States.

[(2) WAIVER.—The Secretary may waive the requirement established in paragraph (1)—

[(A) in the case of recipient agencies that have unusual or ethnic preferences in food products; or

[(B) for such other circumstances as the Secretary considers appropriate.

[(3) EXCEPTION.—The requirement established in paragraph (1) shall not apply to recipient agencies in Alaska, Guam, American Samoa, Puerto Rico, the Virgin Islands, or the Commonwealth of the Northern Mariana Islands. The requirement established in paragraph (1) shall apply to recipient agencies in Hawaii only with respect to the purchase of pineapples.

[(i) UNIFORM INTERPRETATION.—The Secretary shall take such actions as are necessary to ensure that regional offices of the Department of Agriculture interpret uniformly across the United States policies and regulations issued to implement this section.

[(j) PER MEAL VALUE OF DONATED FOODS.—Section 6(e) of the National School Lunch Act (42 U.S.C. 1755(e)) is amended by—

[(1) inserting "(1)" after the subsection designation; and

[(2) adding at the end the following new paragraph:

["(2) Each State agency shall offer to each school food authority under its jurisdiction that participates in the school lunch program and receives commodities, agricultural commodities and their products, the per meal value of which is not less than the national average value of donated foods established under paragraph (1). Each such offer shall include the full range of such commodities and products that are available from the Secretary to the extent that quantities requested are sufficient to allow efficient delivery to and within the State.".

[(k) REPORT.—Not later than January 1, 1989, the Secretary shall submit to the Committee on Education and Labor and the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the implementation and operation of this section.

[SEC. 3A. ADVANCE FUNDING FOR STATE OPTION CONTRACTS.

[(a) IN GENERAL.—The Secretary may use the funds of the Commodity Credit Corporation and funds made available to carry out section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) to pay for all or a portion of the cost, as agreed on with the State distribution agency, of food or the processing or packaging of food on behalf of a State distribution agency.

[(b) REIMBURSEMENT.—In such cases, the State distribution agency shall reimburse the Secretary for the agreed on cost. Any funds received by the Secretary as reimbursement shall be deposited to the credit of the Commodity Credit Corporation or section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), as appropriate. If the State distribution agency fails, within 150 days of delivery, to make the required reimbursement in full, the Secretary shall, within 30 days, offset any outstanding amount against the appropriate account.

[SEC. 4. FOOD BANK PROJECT.

[(a) COMMUNITY FOOD BANKS.—The Secretary shall carry out no less than one demonstration project to provide and redistribute agricultural commodities and food products thereof as authorized under section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c), to needy individuals and families through community food banks. The Secretary may use a State agency or any other food distribution system for such provision or redistribution of section 32 agricultural commodities and food products through community food banks under a demonstration project.

[(b) RECORDKEEPING AND MONITORING.—Each food bank participating in the demonstration projects under this section shall establish a recordkeeping system and internal procedures to monitor the use of agricultural commodities and food products provided under this section. The Secretary shall develop standards by which the feasibility and effectiveness of the projects shall be measured, and shall conduct an ongoing review of the effectiveness of the projects.

[(c) DETERMINATION OF QUANTITIES, VARIETIES, AND TYPES OF COMMODITIES.—The Secretary shall determine the quantities, varieties, and types of agricultural commodities and food products to be made available under this section.

[(d) EFFECTIVE PERIOD.—This section shall be effective for the period beginning on the date of enactment of this Act.

[SEC. 5. EXTENSION OF ELIGIBILITY OF CERTAIN SCHOOL DISTRICTS TO RECEIVE CASH OR COMMODITY LETTERS OF CREDIT ASSISTANCE FOR SCHOOL LUNCH PROGRAMS.

[Section 18 of the National School Lunch Act (42 U.S.C. 1769) is amended by adding at the end the following new subsection:

["(e)(1) Upon request to the Secretary, any school district that on January 1, 1987, was receiving all cash payments or all commodity letters of credit in lieu of entitlement commodities for its school lunch program shall receive all cash payments or all commodity letters of credit in lieu of entitlement commodities for its school lunch program for the duration beginning July 1, 1987, and ending December 31, 1990.

["(2) Any school district that elects under paragraph (1) to receive all cash payments or all commodity letters of credit in lieu of entitlement commodities for its school lunch program shall receive bonus commodities in the same manner as if such school district was receiving all entitlement commodities for its school lunch program.".

[SEC. 6. EXTENSION OF NATIONAL DONATED COMMODITY PROCESSING PROGRAMS.

[Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(a)(2)(A)) is amended by striking out "June 30, 1987," and inserting in lieu thereof "September 30, 1990,".

[SEC. 7. ASSESSMENT AND REPORT TO CONGRESS.

[(a) ASSESSMENT.—The Comptroller General of the United States shall monitor and assess the implementation by the Secretary of the provisions of this Act.

[(b) REPORT.—Before the expiration of the 18-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit to the Committee on Education and Labor

and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report of the findings of the assessment conducted as required by subsection (a).

[SEC. 8. FUNDS FOR NUTRITION SERVICES AND ADMINISTRATION.

[(a) IN GENERAL.—Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) is amended by adding at the end thereof the following new paragraph:

[“(5)(A) In addition to the amounts otherwise made available under paragraphs (1) and (2), each State agency may convert funds initially allocated to the State agency for program food purchases to nutrition services and administration funds for the cost of the State agency and local agencies associated with increases in the number of persons served, if the State agency has implemented a competitive bidding, rebate, direct distribution, or home delivery system as described in its approved Plan of Operation and Administration.

[“(B) The Secretary shall—

[“(i) project each such State agency’s level of participation for the fiscal year, excluding anticipated increases due to use during the fiscal year of any of the cost-saving strategies identified in subparagraph (A) of this paragraph; and

[“(ii) compute, with an adjustment for the anticipated effects of inflation, each such State agency’s average administrative grant per participant for the preceding fiscal year.

[“(C) Each such State agency may convert funds at a rate equal to the amount established by the Secretary under subparagraph (B)(ii) of this paragraph for each food package distributed to each additional participant above the participation level projected by the Secretary under subparagraph (B)(i) of this paragraph, up to the level of increased participation estimated in its approved Plan of Operation and Administration.”.

[(b) STATE PLAN OR PLAN AMENDMENT.—Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended by, in paragraph (1)(C)—

[(1) striking out “and” at the end of clause (vii);

[(2) redesignating clause (viii) as clause (ix); and

[(3) adding the following new clause:

[“(viii) if the State agency chooses to request the funds conversion authority established in clause (h)(5) of this section, an estimate of the increased participation which will result from its cost-saving initiative, including an explanation of how the estimate was developed; and”.

[(c) STUDY OF NUTRITION SERVICES AND ADMINISTRATION FUNDING.—The Secretary shall conduct a study of the appropriateness of the percentage of the annual appropriation for the program required by paragraph (h)(1) of this section to be made available for State and local agency costs for nutrition services and administration, and shall report the results of this study to the Congress not later than March 1, 1989. Such study shall include an analysis of the impact in future years on per participant administrative costs if a substantial number of States implement competitive bidding, rebate, direct distribution, or home delivery systems and shall ex-

amine the impact of the percentage provided for nutrition services and administration on the quality of such services.

[(d) EFFECTIVE DATE.—The amendment made by subsections (a), (b), and (c) shall take effect October 1, 1987.

[SEC. 9. COORDINATION OF WIC PROGRAM WITH MEDICAID COUNSELING.

[Section 17(f)(1)(C)(iii) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(1)(C)(iii)) is amended by striking out "and maternal and child health care programs" and inserting in lieu thereof "maternal and child health care, and medicaid programs".

[SEC. 10. STUDY OF MEDICAID SAVINGS FOR NEWBORNS FROM WIC PROGRAM.

[(a) STUDY.—The Secretary of Agriculture in consultation with the Secretary of Health and Human Services shall conduct a national study of savings in the amount of assistance provided to families with newborns under State plans for medical assistance approved under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) and State indigent health care programs, during the first 60-day period after birth, as the result of the participation of mothers of newborns before birth in the special supplemental food program authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).

[(b) REPORT.—Not later than February 1, 1990, the Secretary shall submit to Congress a report that describes the results of the study conducted under subsection (a).

[(c) FUNDING.—This section shall be carried out using funds made available under section 17(g)(3) of the Child Nutrition Act of 1966.

[SEC. 11. SUPPLYING INFANT FORMULA FOR THE WIC PROGRAM.

[Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended by adding at the end thereof the following new paragraph:

["(16) To be eligible to participate in the program authorized by this section, a manufacturer of infant formula that supplies formula for the program shall—

["(A) register with the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.); and

["(B) before bidding for a State contract to supply infant formula for the program, certify with the State health department that the formula complies with such Act and regulations issued pursuant to such Act.".

[SEC. 12. OVERSPENDING AND UNDERSPENDING UNDER THE WIC PROGRAM.

[Section 17(i)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(i)(3)) is amended—

[(1) in subparagraph (A)—

[(A) by inserting "and subject to subparagraphs (B) and (C)" after "paragraph (2)"; and

[(B) by striking out "or" at the end of clause (i) and inserting in lieu thereof "and"; and

[(2) by adding at the end thereof the following new subparagraph:

[“(C) The total amount of funds transferred from any fiscal year under clauses (i) and (ii) of subparagraph (A) shall not exceed 1 percent of the amount of the funds allocated to a State agency for such fiscal year.”.

[SEC. 13. DEFINITIONS.

[For purposes of this Act:

[(1) The term “donated commodities” means agricultural commodities and their products that are donated by the Secretary to recipient agencies.

[(2) The term “entitlement commodities” means agricultural commodities and their products that are donated and charged by the Secretary against entitlements established under programs authorized by statute to receive such commodities.

[(3) The term “recipient agency” means—

[(A) a school, school food service authority, or other agency authorized under the National School Lunch Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) to operate breakfast programs, lunch programs, child care food programs, summer food service programs, or similar programs and to receive donations of agricultural commodities and their products acquired by the Secretary through price support, surplus removal, or direct purchase;

[(B) a nutrition program for the elderly authorized under title III of the Older Americans Act of 1965 (42 U.S.C. 3021 et seq.) to receive donations of agricultural commodities and their products acquired by the Secretary through price support, surplus removal, or direct purchase;

[(C) an agency or organization distributing commodities under the commodity supplemental food program established in section 4 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note);

[(D) any charitable institution, summer camp, or assistance agency for the food distribution program on Indian reservations authorized under section 4 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) to receive donations of agricultural commodities and their products acquired by the Secretary through price support, surplus removal, or direct purchase; or

[(E) an agency or organization distributing commodities under a program established in section 202 of the Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note).

[(4) The term “State distribution agency” means a State agency responsible for the intrastate distribution of donated commodities.

[(5) The term “Secretary” means Secretary of Agriculture, unless the context specifies otherwise.

[SEC. 14. GENERAL EFFECTIVE DATE.

[Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect on the date of the enactment of this Act.]

CHILD NUTRITION AND WIC REAUTHORIZATION ACT OF 1989

AN ACT To amend the Child Nutrition Act of 1966 and the National School Lunch Act to revise and extend certain authorities contained in such Acts, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

[SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

[(a) SHORT TITLE.—This Act may be cited as the "Child Nutrition and WIC Reauthorization Act of 1989".

[(b) TABLE OF CONTENTS.—The table of contents is as follows:

[Sec. 1. Short title; table of contents.
[Sec. 2. Effective date.

[TITLE I—PROGRAMS UNDER THE NATIONAL SCHOOL LUNCH ACT AND THE CHILD NUTRITION ACT OF 1966

[PART A—PROGRAMS UNDER THE NATIONAL SCHOOL LUNCH ACT

[Sec. 101. Types of milk to be included in school lunches.
[Sec. 102. Extension of summer food service program for children.
[Sec. 103. Extension of commodity distribution program.
[Sec. 104. Repeal of National Advisory Council.
[Sec. 105. Child care food program.
[Sec. 106. Meal supplements for children in afterschool care.
[Sec. 107. Pilot projects.
[Sec. 108. Reduction of paperwork.
[Sec. 109. Training, technical assistance, and food service management institute.
[Sec. 110. Compliance and accountability.
[Sec. 111. Information on income eligibility.
[Sec. 112. Nutrition guidance for child nutrition programs.

[PART B—PROGRAMS UNDER THE CHILD NUTRITION ACT OF 1966

[Sec. 121. Expansion of school breakfast program.
[Sec. 122. State administrative expenses.
[Sec. 123. Additional activities and requirements with respect to special supplemental food program for women, infants, and children.
[Sec. 124. Nutrition education and training.

[PART C—CROSS-PROGRAM PROVISION

[Sec. 131. Determination of total commodity assistance for the school lunch and child care food programs.

[TITLE II—PAPERWORK REDUCTION AMENDMENTS

[PART A—REDUCTION OF PAPERWORK UNDER THE NATIONAL SCHOOL LUNCH ACT

[Sec. 201. Permanency of State-local agreements for carrying out the school lunch program.
[Sec. 202. Income documentation requirements.
[Sec. 203. Reports to State educational agencies.
[Sec. 204. 2-year applications under child care food program.
[Sec. 205. Pilot projects for alternative counting methods.

[PART B—REDUCTION OF PAPERWORK UNDER THE CHILD NUTRITION ACT OF 1966

[Sec. 211. State-local agreements for carrying out the special milk program.
[Sec. 212. Permanency of State-local agreements for carrying out the school breakfast program.
[Sec. 213. Paperwork reduction requirements under the special supplemental food program for women, infants, and children.
[Sec. 214. Updating of plans for nutrition education and training.

[TITLE III—TECHNICAL AMENDMENTS

[PART A—AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT

[Sec. 301. Apportionments to States.
[Sec. 302. Direct Federal expenditures.
[Sec. 303. Payments to States.
[Sec. 304. State disbursement to schools.
[Sec. 305. Nutritional and other program requirements.
[Sec. 306. Miscellaneous provisions and definitions.
[Sec. 307. Summer food service program for children.
[Sec. 308. Repeal of obsolete provision relating to temporary emergency assistance.
[Sec. 309. Election to receive cash payments.
[Sec. 310. Child care food program.
[Sec. 311. Pilot projects.
[Sec. 312. General amendments.

[PART B—AMENDMENTS TO THE CHILD NUTRITION ACT OF 1966

[Sec. 321. Special milk program authorization.
[Sec. 322. School breakfast program authorization.
[Sec. 323. Regulations.
[Sec. 324. Appropriations for administrative expense.
[Sec. 325. Miscellaneous provisions and definitions.
[Sec. 326. Special supplemental food program.
[Sec. 327. Nutrition education and training.

[SEC. 2. EFFECTIVE DATE.

[Except as otherwise provided in this Act, the amendments made by this Act shall take effect on the date of the enactment of this Act.

[TITLE I—PROGRAMS UNDER THE NATIONAL SCHOOL LUNCH ACT AND THE CHILD NUTRITION ACT OF 1966

[PART A—PROGRAMS UNDER THE NATIONAL SCHOOL LUNCH ACT

[SEC. 101. TYPES OF MILK TO BE INCLUDED IN SCHOOL LUNCHES.

[(a) ELIMINATION OF DUPLICATE PROVISIONS.—Section 9(a) of the National School Lunch Act (42 U.S.C. 1758(a)), as similarly amended first by section 322 of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–500 (100 Stat. 1783–361), later by section 322 of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–591 (100 Stat. 3341–364), and later by section 4202 of the Child Nutrition Amendments of 1986, as contained in the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661), is amended to read as if only the latest amendment was enacted.

[(b) GENERAL AUTHORITY.—Paragraph (2) of section 9(a) of the National School Lunch Act (as amended by subsection (a) of this section) (42 U.S.C. 1758(a)) is amended to read as follows:

["(2) Lunches served by schools participating in the school lunch program under this Act shall offer students fluid whole milk and fluid unflavored lowfat milk.".

[SEC. 102. EXTENSION OF SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

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

[(1) in subsection (a)—

[(A) by amending subparagraph (C) of paragraph (3) to read as follows:

["(C)(i) conduct a regularly scheduled food service for children from areas in which poor economic conditions exist;

["(ii) conduct a regularly scheduled food service primarily for homeless children; or

["(iii) qualify as camps; and";

[(B) in paragraph (4)—

[(i) by striking "and" at the end of subparagraph (D);

[(ii) by striking the period at the end of subparagraph (E) and inserting "; and"; and

[(iii) by inserting after subparagraph (E) the following new subparagraph:

["(F) private nonprofit organizations eligible under paragraph (7).";

[(C) in paragraph (7)—

[(i) by amending subparagraph (A) to read as follows:

["(A) Except as provided in subparagraph (C), private nonprofit organizations, as defined in subparagraph (B) (other than organizations eligible under paragraph (1)), shall be eligible for the program under the same terms and conditions as other service institutions.";

[(ii) in subparagraph (B)—

[(I) by amending clause (i) to read as follows:

["(i)(I) serve a total of not more than 2,500 children per day at not more than 5 sites in any urban area, with not more than 300 children being served at any 1 site (or, with a waiver granted by the State under standards developed by the Secretary, not more than 500 children being served at any 1 site); or

["(II) serve a total of not more than 2,500 children per day at not more than 20 sites in any rural area, with not more than 300 children being served at any 1 site (or, with a waiver granted by the State under standards developed by the Secretary, not more than 500 children being served at any 1 site);";

[(II) in clause (ii), by inserting "or a school participating in the school lunch program under this Act" after "university)"; and

[(III) in clause (v), by inserting "or families" after "children"; and

[(iii) by adding at the end the following new subparagraph:

["(C)(i) Except as provided in clause (ii), no private nonprofit organization (other than organizations eligible under paragraph (1)) may participate in the program in an area where a school food authority or a local, municipal, or county government participated in the program before such organization applied to participate until

the expiration of the 1-year period beginning on the date that such school food authority or local, municipal, or county government terminated its participation in the program.

[“(ii) Clause (i) shall not apply if the appropriate State agency or regional office of the Department of Agriculture (whichever administers the program in the area concerned), after consultation with the school food authority or local, municipal, or county government concerned, determines that such school food authority or local, municipal, or county government would have discontinued its participation in the program regardless of whether a private nonprofit organization was available to participate in the program in such area.”;

[(2) in subsection (c)—

[(A) by inserting “(1)” after “(c)”; and

[(B) by adding at the end the following new paragraph:

[“(2)(A) Notwithstanding any other provision of this Act, any higher education institution that receives reimbursements under the program for meals and meal supplements served to low-income children under the National Youth Sports Program is eligible to receive reimbursements for not more than 2 meals or 1 meal and 1 meal supplement per day for not more than 30 days for each child participating in a National Youth Sports Program operated by such institution during the months other than May through September. The program under this paragraph shall be administered within the State by the same State agency that administers the program during the months of May through September.

[“(B) Children participating in National Youth Sports Programs operated by higher education institutions, and such higher education institutions, shall be eligible to participate in the program under this paragraph without application.

[“(C) Higher education institutions shall be reimbursed for meals and meal supplements served under this paragraph—

[“(i) in the case of lunches and suppers, at the same rates as the payment rates established for free lunches under section 11; and

[“(ii) in the case of breakfasts or meal supplements, at the same rates as the severe need payment rates established for free breakfasts under section 4 of the Child Nutrition Act of 1966.

[“(D)(i) Meals for which a higher education institution is reimbursed under this paragraph shall fulfill the minimum nutritional requirements and meal patterns prescribed by the Secretary—

[“(I) for meals served under the school lunch program under this Act, in the case of reimbursement for lunches or suppers; and

[“(II) for meals served under the school breakfast program under section 4 of the Child Nutrition Act of 1966, in the case of reimbursement for breakfasts.

[“(ii) The Secretary may modify the minimum nutritional requirements and meal patterns prescribed by the Secretary for meals served under the school breakfast program under section 4 of the Child Nutrition Act of 1966 for application to meal supplements for which a higher education institution is reimbursed under this paragraph.

[“(E) The Secretary shall issue regulations governing the implementation, operation, and monitoring of programs receiving assistance under this paragraph that, to the maximum extent practicable, are comparable to those established for higher education institutions participating in the National Youth Sports Program and receiving reimbursements under the program for the months of May through September.”;

[(3) in the first sentence of subsection (l)(1), by inserting “(other than private nonprofit organizations eligible under subsection (a)(7))” after “Service institutions”;

[(4) by redesignating subsection (p) as subsection (r);

[(5) by inserting after subsection (o) the following new subsections:

[“(p) During the fiscal years 1990 and 1991, the Secretary and the States shall carry out a program to disseminate to potentially eligible private nonprofit organizations information concerning the amendments made by the Child Nutrition and WIC Reauthorization Act of 1989 regarding the eligibility under subsection (a)(7) of private nonprofit organizations for the program established under this section.

[“(q)(1) In addition to the normal monitoring of organizations receiving assistance under this section, the Secretary shall establish a system under which the Secretary and the States shall monitor the compliance of private nonprofit organizations with the requirements of this section and with regulations issued to implement this section.

[“(2) Application forms or other printed materials provided by the Secretary or the States to persons who intend to apply to participate as private nonprofit organizations shall contain a warning in bold lettering explaining, at a minimum—

[“(A) the criminal provisions and penalties established by subsection (o); and

[“(B) the procedures for termination of participation in the program as established by regulations.

[“(3) The Secretary shall require each State to establish and implement an ongoing training and technical assistance program for private nonprofit organizations that provides information on program requirements, procedures, and accountability. The Secretary shall provide assistance to State agencies regarding the development of such training and technical assistance programs.

[“(4) In the fiscal year 1990 and each succeeding fiscal year, the Secretary may reserve for purposes of carrying out paragraphs (1) and (3) of this subsection not more than ½ of 1 percent of amounts appropriated for purposes of carrying out this section.

[“(5) For the purposes of this subsection, the term ‘private nonprofit organization’ has the meaning given such term in subsection (a)(7)(B).”; and

[(6) in subsection (r) (as redesignated by paragraph (4) of this subsection), by striking “For” and all that follows through “1989,” and inserting “For the fiscal year beginning October 1, 1977, and each succeeding fiscal year ending before October 1, 1994,”.

[(b) IMPLEMENTATION.—

[(1) IN GENERAL.—Not later than February 1, 1990, the Secretary of Agriculture shall issue regulations to implement the amendments made by paragraphs (1), (3), (4), and (5) of subsection (a). Notwithstanding the provisions of section 553 of title 5, United States Code, the Secretary of Agriculture may issue such regulations without providing notice or an opportunity for public comment.

[(2) NATIONAL YOUTH SPORTS PROGRAM.—(A) Subparagraphs (A), (B), (C), and (D)(i) of section 13(c)(2) of the National School Lunch Act (as added by subsection (a)(2)(B) of this section) shall be effective as of October 1, 1989.

[(B) Not later than February 1, 1990, the Secretary of Agriculture shall—

[(i) issue final regulations to implement subparagraph (D)(ii) of section 13(c)(2) of the National School Lunch Act (as added by subsection (a)(2)(B) of this section); and

[(ii) issue final regulations under subparagraph (E) of such section.

[(3) EXTENSION OF AUTHORIZATION.—The amendments made by subsection (a)(6) shall be effective as of October 1, 1989.

[SEC. 103. EXTENSION OF COMMODITY DISTRIBUTION PROGRAM.

[(a) GENERAL AUTHORITY.—Subsection (a) of section 14 of the National School Lunch Act (42 U.S.C. 1762a) is amended by striking "1989" and inserting "1994".

[(b) ELIMINATION OF DUPLICATE PROVISIONS.—

[(1) IN GENERAL.—Section 14(g) of the National School Lunch Act (42 U.S.C. 1762a(g)), as similarly added first by section 363 of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–500 (100 Stat. 1783–368), later by section 363 of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–591 (100 Stat. 3341–371), and later by section 4403 of the Child Nutrition Amendments of 1986, as contained in the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661), and as then amended by section 2 of Public Law 100–356, is amended to read as if only the amendment made by section 4403 of the Child Nutrition Amendments of 1986, as contained in the National Defense Authorization Act for Fiscal Year 1987, was enacted.

[(2) COMPUTATION OF CASH COMPENSATION TO DISTRICTS UNDER PUBLIC LAW 100–356.—(A) Paragraph (3) of section 14(g) of the National School Lunch Act (as amended by paragraph (1) of this subsection) (42 U.S.C. 1762a(g)) is amended—

[(i) by adding at the end of subparagraph (A) the following new sentences: "The Secretary, in computing losses sustained by any school district under the preceding sentence, shall base such computation on the actual amount of assistance received by such school district under this Act for the school year ending June 30, 1982, including—

["(i) the value of assistance in the form of commodities provided in addition to those provided pursuant to section 6(e) of this Act; and

["(ii) the value of assistance provided in the form of either cash or commodity letters of credit.

The Secretary may provide cash compensation under this subparagraph only to eligible school districts that submit applications for such compensation not later than May 1, 1988.''; and

[(ii) in subparagraph (B), by striking ''$50,000'' and inserting ''such sums as may be necessary''.

[(B) The amendments made by subparagraph (A) shall take effect as if such amendments had been effective on June 28, 1988.

[(c) COMPUTATION OF CASH COMPENSATION TO DISTRICTS.—Section 14(g)(3)(A) of the National School Lunch Act (as amended by subsection (b) of this section) (42 U.S.C. 1762a(g)(3)(A)) is amended by striking the second sentence and all that follows and inserting the following: ''The Secretary, in computing losses sustained by any school district under the preceding sentence, shall base such computation on the difference between the value of bonus commodity assistance received by such school district under this Act for the school year ending June 30, 1983, and the value of bonus commodities received by such school district under this Act for the school year ending June 30, 1982. For the purposes of this subparagraph—

[''(i) the term 'bonus commodities' means commodities provided in addition to commodities provided pursuant to section 6(e); and

[''(ii) the term 'bonus commodity assistance' means assistance, in the form of bonus commodities, cash, or commodity letters of credit, provided in addition to assistance provided pursuant to section 6(e).

The Secretary may provide cash compensation under this subparagraph only to eligible school districts that submit applications for such compensation not later than 1 year after the date of the enactment of the Child Nutrition and WIC Reauthorization Act of 1989. The Secretary shall, during the 45-day period beginning on October 1, 1990, complete action on any claim submitted under this subparagraph.''.

[SEC. 104. REPEAL OF NATIONAL ADVISORY COUNCIL.

[Section 15 of the National School Lunch Act (42 U.S.C. 1763) is repealed.

[SEC. 105. CHILD CARE FOOD PROGRAM.

[(a) AMENDMENT TO HEADING.—The heading for section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended to read as follows:

[''CHILD AND ADULT CARE FOOD PROGRAM''.

[(b) OTHER AMENDMENTS TO SECTION 17.—Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended—

[(1) in subparagraph (C) of subsection (f)(3)—

[(A) in the first sentence, by inserting before the period the following: ''and expansion funds to finance the administrative expenses for such institutions to expand into low-income or rural areas'';

[(B) in the second sentence, by inserting ''and expansion funds'' after ''start-up funds'';

[(C) in the third sentence, by inserting "and expansion funds" after "Start-up funds";

[(D) in the fourth sentence, by inserting "and expansion funds" after "start-up funds";

[(E) in the fifth sentence, by inserting "and expansion funds" after "start-up funds"; and

[(F) by inserting after the first sentence the following new sentence: "Institutions that have received start-up funds may also apply at a later date for expansion funds.";

[(2) in subsection (l)—

[(A) by inserting "(1)" after "(l)"; and

[(B) by adding at the end the following new paragraphs:

["(2) The Secretary shall conduct demonstration projects to test innovative approaches to remove or reduce barriers to participation in the program established under this section regarding family or group day care homes that operate in low-income areas or that primarily serve low-income children. As part of such demonstration projects, the Secretary may provide grants to, or otherwise modify administrative reimbursement rates for, family or group day care home sponsoring organizations.

["(3) The Secretary and the States shall provide training and technical assistance to assist family and group day care home sponsoring organizations in reaching low-income children.";

[(3) in subsection (p)—

[(A) by adding at the end of paragraph (1) the following: "Lunches served by each such institution for which reimbursement is claimed under this section shall provide, on the average, approximately ⅓ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences. Such institutions shall make reasonable efforts to serve meals that meet the special dietary requirements of participants, including efforts to serve foods in forms palatable to participants."; and

[(B) by adding at the end the following new paragraph:

["(6) The Governor of any State may designate to administer the program under this subsection a State agency other than the agency that administers the child care food program under this section."; and

[(4) by adding at the end the following new subsection:

["(q)(1) From amounts appropriated or otherwise made available for purposes of carrying out this section, the Secretary shall carry out 2 statewide demonstration projects under which private for-profit organizations providing nonresidential day care services shall qualify as institutions for the purposes of this section. An organization may participate in a demonstration project described in the preceding sentence if—

["(A) at least 25 percent of the children served by such organization meet the income eligibility criteria established under section 9(b) for free or reduced price meals; and

["(B) as a result of the participation of the organization in the project—

[“(i) the nutritional content or quality of meals and snacks served to children under the care of such organization will be improved; or

[“(ii) fees charged by such organization for the care of the children described in subparagraph (A) will be lowered.

[“(2) Under each such project, the Secretary shall examine—

[“(A) the budgetary impact of the change in eligibility being tested;

[“(B) the extent to which, as a result of such change, additional low-income children can be reached; and

[“(C) which outreach methods are most effective.

[“(3) The Secretary shall choose to conduct demonstration projects under this subsection—

[“(A) 1 State that—

[“(i) has a history of participation of for-profit organizations in the child care food program;

[“(ii) allocates a significant proportion of the amounts it receives for child care under title XX of the Social Security Act in a manner that allows low-income parents to choose the type of child care their children will receive;

[“(iii) has other funding mechanisms that support parental choice for child care;

[“(iv) has a large, State-regulated for-profit child care industry that serves low-income children; and

[“(v) has large sponsors of family or group day care homes that have a history of recruiting and sponsoring for-profit child care centers in the child care food program; and

[“(B) 1 State in which—

[“(i) the majority of children for whom child care arrangements are made are being cared for in center-based child care facilities;

[“(ii) for-profit child care centers and preschools are located throughout the State and serve both rural and urban populations;

[“(iii) at least ⅓ of the licensed child care centers and preschools operate as for-profit facilities;

[“(iv) all licensed facilities are subject to identical nutritional requirements for food service that are similar to those required under the child care food program; and

[“(v) less than 1 percent of child care centers participating in the child care food program receive assistance under title XX of the Social Security Act.

[“(4) Such project shall—

[“(A) commence not earlier than May 1, 1990, and not later than June 30, 1990; and

[“(B) terminate on September 30, 1992.”.

[(c) FAMILY OR GROUP DAY CARE HOME DEMONSTRATION PROJECT.—

[(1) IN GENERAL.—Section 503(e) of the Hunger Prevention Act of 1988 (42 U.S.C. 1766 note) is amended by striking “not later than 12 months after the date on which the project was fully initiated” and inserting “September 30, 1990”.

[(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective as of October 1, 1989. The Secretary of Agriculture shall reimburse day care institutions and family or group day care sponsoring organizations participating in the demonstration project authorized under section 503(a) of the Hunger Prevention Act of 1988 (42 U.S.C. 1766 note) as if this Act was enacted before such date.

[(d) IMPLEMENTATION.—

[(1) EXPANSION; DEMONSTRATION PROJECT.—The Secretary of Agriculture shall implement the amendments made by subsections (b)(1) and (b)(2) not later than July 1, 1990.

[(2) DIETARY REQUIREMENTS FOR ADULT DAY CARE FOOD PROGRAM.—Not later than July 1, 1990, the Secretary of Agriculture shall issue final regulations to implement the amendments made by subsection (b)(3).

[SEC. 106. MEAL SUPPLEMENTS FOR CHILDREN IN AFTERSCHOOL CARE.

[(a) GENERAL AUTHORITY.—The National School Lunch Act (42 U.S.C. 1751 et seq.) is amended by inserting after section 17 the following new section:

[“SEC. 17A. MEAL SUPPLEMENTS FOR CHILDREN IN AFTERSCHOOL CARE.

[“(a) GENERAL AUTHORITY.—

[“(1) GRANTS TO STATES.—The Secretary shall carry out a program to assist States through grants-in-aid and other means to provide meal supplements to children in afterschool care in eligible elementary and secondary schools.

[“(2) ELIGIBLE SCHOOLS.—For the purposes of this section, the term ‘eligible elementary and secondary schools’ means schools that—

[“(A) operate school lunch programs under this Act;

[“(B) sponsor afterschool care programs; and

[“(C) are participating in the child care food program under section 17 on May 15, 1989.

[“(b) ELIGIBLE CHILDREN.—Reimbursement may be provided under this section only for supplements served to children—

[“(1) who are not more than 12 years of age; or

[“(2) in the case of children of migrant workers or children with handicaps, who are not more than 15 years of age.

[“(c) REIMBURSEMENT.—For the purposes of this section, the national average payment rate for supplements shall be equal to those established under section 17(c)(3) (as adjusted pursuant to section 11(a)(3)).

[“(d) CONTENTS OF SUPPLEMENTS.—The requirements that apply to the content of meal supplements served under child care food programs operated with assistance under this Act shall apply to the content of meal supplements served under programs operated with assistance under this section.”.

[(b) IMPLEMENTATION.—Not later than July 1, 1990, the Secretary of Agriculture shall issue final regulations to implement section 17A of the National School Lunch Act (as added by subsection (a) of this section).

[SEC. 107. PILOT PROJECTS.

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

[(1) in paragraph (1) of subsection (e)—

[(A) by striking "for the duration beginning July 1, 1987, and ending December 31, 1990" and inserting "beginning July 1, 1987, and ending September 30, 1992"; and

[(B) by adding at the end the following new sentence: "The Secretary, directly or through contract, shall administer the project under this subsection."; and

[(2) by adding at the end the following new subsection:

["(f)(1) The Secretary shall conduct demonstration projects designed to provide food service throughout the year to homeless children under the age of 6 in emergency shelters.

["(2)(A) The Secretary shall enter into agreements with private nonprofit organizations to participate in the projects under this subsection.

["(B) The Secretary shall establish eligibility requirements for private nonprofit organizations that desire to participate in the projects under this subsection. Such requirements shall include the following:

["(i) Each such organization shall operate not more than 5 food service sites under the project and shall serve not more than 300 homeless children at each such site.

["(ii) Each site operated by each such organization shall meet applicable State and local health, safety, and sanitation standards.

["(3)(A) Projects under this subsection shall use the same meal patterns and shall receive reimbursement payments for meals and supplements at the same rates provided to child care centers participating in the child care food program under section 17 for free meals and supplements.

["(B) Homeless children under the age of 6 in emergency shelters shall be considered eligible for free meals without application.

["(4) For purposes of this subsection, the term 'emergency shelter' has the meaning given such term in section 321(2) of the Stewart B. McKinney Homeless Assistance Act.

["(5)(A) Except as provided in subparagraph (B), the Secretary shall expend to carry out this subsection from amounts appropriated for purposes of carrying out this Act not less than $50,000 in the fiscal year 1990 and not less than $350,000 in each of the fiscal years 1991, 1992, 1993, and 1994, in addition to any amounts made available under section 7(a)(5)(B)(i)(I) of the Child Nutrition Act of 1966. Any amounts expended under the preceding sentence shall be used solely to provide grants on an annual basis to private nonprofit organizations for the conduct of projects under this subsection.

["(B) The Secretary may expend less than the amount required under subparagraph (A) if there is an insufficient number of suitable applicants.

["(6) At least 1 project under this subsection shall commence operations not later than September 30, 1990, and all such projects shall cease to operate not later than September 30, 1994.".

[SEC. 108. REDUCTION OF PAPERWORK.

[Section 19 of the National School Lunch Act (42 U.S.C. 1769a) is amended to read as follows:

["SEC. 19. REDUCTION OF PAPERWORK.

["(a) IN GENERAL.—In carrying out functions under this Act and the Child Nutrition Act of 1966, the Secretary shall, to the maximum extent possible, reduce the paperwork required of State and local educational agencies, schools, and other agencies participating in nutrition programs assisted under such Acts in connection with such participation.

["(b) CONSULTATION; PUBLIC COMMENT.—In carrying out the requirements of subsection (a), the Secretary shall—

["(1) consult with State and local administrators of programs assisted under this Act or the Child Nutrition Act of 1966;

["(2) convene at least 1 meeting of the administrators described in paragraph (1) not later than the expiration of the 10-month period beginning on the date of the enactment of the Child Nutrition and WIC Reauthorization Act of 1989; and

["(3) obtain suggestions from members of the public with respect to reduction of paperwork.

["(c) REPORT.—Before the expiration of the 1-year period beginning on the date of the enactment of the Child Nutrition and WIC Reauthorization Act of 1989, the Secretary shall report to the Congress concerning the extent to which a reduction has occurred in the amount of paperwork described in subsection (a). Such report shall be developed in consultation with the administrators described in subsection (b)(1).".

[SEC. 109. TRAINING, TECHNICAL ASSISTANCE, AND FOOD SERVICE MANAGEMENT INSTITUTE.

[The National School Lunch Act (42 U.S.C. 1751 et seq.) is amended by adding at the end the following new section:

["SEC. 21. TRAINING, TECHNICAL ASSISTANCE, AND FOOD SERVICE MANAGEMENT INSTITUTE.

["(a) GENERAL AUTHORITY.—The Secretary—

["(1) from amounts appropriated pursuant to subsection (e)(1), shall conduct training activities and provide technical assistance to improve the skills of individuals employed in—

["(A) food service programs carried out with assistance under this Act;

["(B) school breakfast programs carried out with assistance under section 4 of the Child Nutrition Act of 1966; and

["(C) as appropriate, other federally assisted feeding programs; and

["(2) from amounts appropriated pursuant to subsection (e)(2), is authorized to establish and maintain a food service management institute.

["(b) MINIMUM REQUIREMENTS.—The activities conducted and assistance provided as required by subsection (a)(1) shall at least include activities and assistance with respect to—

["(1) menu planning;

["(2) implementation of regulations and appropriate guidelines; and

[“(3) compliance with program requirements and accountability for program operations.

[“(c) DUTIES OF FOOD SERVICE MANAGEMENT INSTITUTE.—

[“(1) IN GENERAL.—Any food service management institute established as authorized by subsection (a)(2) shall carry out activities to improve the general operation and quality of—

[“(A) food service programs assisted under this Act;

[“(B) school breakfast programs assisted under section 4 of the Child Nutrition Act of 1966; and

[“(C) as appropriate, other federally assisted feeding programs.

[“(2) REQUIRED ACTIVITIES.—Activities carried out under paragraph (1) shall include—

[“(A) conducting research necessary to assist schools and other organizations that participate in such programs in providing high quality, nutritious, cost-effective meal service to the children served;

[“(B) providing training and technical assistance with respect to—

[“(i) efficient use of physical resources;

[“(ii) financial management;

[“(iii) efficient use of computers;

[“(iv) procurement;

[“(v) sanitation;

[“(vi) safety;

[“(vii) food handling;

[“(viii) meal planning and related nutrition activities; and

[“(ix) other appropriate activities;

[“(C) establishing a national network of trained professionals to present training programs and workshops for food service personnel;

[“(D) developing training materials for use in the programs and workshops described in subparagraph (C); and

[“(E) acting as a clearinghouse for research, studies, and findings concerning all aspects of the operation of food service programs, including activities carried out with assistance provided under section 19 of the Child Nutrition Act of 1966.

[“(d) COORDINATION.—The Secretary shall coordinate activities carried out and assistance provided as required by subsection (b) with activities carried out by any food service management institute established as authorized by subsection (a)(2).

[“(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated—

[“(1) $3,000,000 for the fiscal year 1990, $2,000,000 for the fiscal year 1991, and $1,000,000 for each of the fiscal years 1992, 1993, and 1994 for purposes of carrying out subsection (a)(1); and

[“(2) $1,000,000 for the fiscal year 1990 and $4,000,000 for each of the fiscal years 1991, 1992, 1993, and 1994 for purposes of carrying out subsection (a)(2).”.

[SEC. 110. COMPLIANCE AND ACCOUNTABILITY.

[(a) GENERAL AUTHORITY.—The National School Lunch Act (as amended by section 109 of this Act) (42 U.S.C. 1751 et seq.) is amended by adding at the end the following new section:

["SEC. 22. COMPLIANCE AND ACCOUNTABILITY.

["(a) UNIFIED ACCOUNTABILITY SYSTEM.—There shall be a unified system prescribed and administered by the Secretary for ensuring that local food service authorities that participate in the school lunch program under this Act comply with the provisions of this Act. Such system shall be established through the publication of regulations and the provision of an opportunity for public comment, consistent with the provisions of section 553 of title 5, United States Code.

["(b) FUNCTIONS OF SYSTEM.—

["(1) IN GENERAL.—Under the system described in subsection (a), each State educational agency shall—

["(A) require that local food service authorities comply with the provisions of this Act; and

["(B) ensure such compliance through reasonable audits and supervisory assistance reviews.

["(2) MINIMIZATION OF ADDITIONAL DUTIES.—Each State educational agency shall coordinate the compliance and accountability activities described in paragraph (1) in a manner that minimizes the imposition of additional duties on local food service authorities.

["(c) ROLE OF SECRETARY.—In carrying out this section, the Secretary shall—

["(1) assist the State educational agency in the monitoring of programs conducted by local food service authorities; and

["(2) through management evaluations, review the compliance of the State educational agency and the local school food service authorities with regulations issued under this Act.

["(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for purposes of carrying out the compliance and accountability activities referred to in subsection (c) $3,000,000 for each of the fiscal years 1990, 1991, 1992, 1993, and 1994.".

[(b) IMPLEMENTATION.—Not later than July 1, 1990, the Secretary of Agriculture shall issue final regulations to implement section 22 of the National School Lunch Act (as added by subsection (a) of this section).

[SEC. 111. INFORMATION ON INCOME ELIGIBILITY.

[The National School Lunch Act (as amended by sections 109 and 110 of this Act) (42 U.S.C. 1751 et seq.) is amended by adding at the end the following new section:

["SEC. 23. INFORMATION ON INCOME ELIGIBILITY.

["(a) INFORMATION TO BE PROVIDED.—In the case of each program established under this Act and the Child Nutrition Act of 1966, the Secretary shall provide to each appropriate State agency—

["(1) information concerning what types of income are counted in determining the eligibility of children to receive free or reduced price meals under the program in which such State, State agency, local agency, or other entity is participating, par-

ticularly with respect to how net self-employment income is determined for family day care providers participating in the child care food program (including the treatment of reimbursements provided under this section); and

[“(2) information concerning the consideration of applications for free or reduced price meals from households in which the head of the household is less than 21 years old.

[“(b) TIME FOR PROVISION OF INFORMATION.—The Secretary shall provide the information required by subsection (a) before the expiration of the 60-day period beginning on the date of the enactment of the Child Nutrition and WIC Reauthorization Act of 1989 and shall as necessary provide revisions of such information.

[“(c) FORM SIMPLIFICATION.—Not later than July 1, 1990, the Secretary shall—

[“(1) review the model application forms for programs under this Act and programs under the Child Nutrition Act of 1966; and

[“(2) simplify the format and instructions for such forms so that the forms are easily understandable by the individuals who must complete them.”.

[SEC. 112. NUTRITION GUIDANCE FOR CHILD NUTRITION PROGRAMS.

[The National School Lunch Act (as amended by sections 109, 110, and 111 of this Act) (42 U.S.C. 1751 et seq.) is amended by adding at the end the following new section:

[“SEC. 24. NUTRITION GUIDANCE FOR CHILD NUTRITION PROGRAMS.

[“(a) NUTRITION GUIDANCE PUBLICATION.—

[“(1) DEVELOPMENT.—The Secretary of Agriculture and the Secretary of Health and Human Services shall jointly develop and approve a publication to be entitled ‘Nutrition Guidance for Child Nutrition Programs’ (hereafter in this section referred to as the ‘publication’). The Secretary shall develop the publication as required by the preceding sentence before the expiration of the 2-year period beginning on the date of the enactment of the Child Nutrition and WIC Reauthorization Act of 1989.

[“(2) TIME FOR DISTRIBUTION.—Before the expiration of the 6-month period beginning on the date that the development of the publication is completed, the Secretary shall distribute the publication to school food service authorities and institutions and organizations participating in covered programs.

[“(b) REVISION OF MENU PLANNING GUIDES.—The Secretary shall, as necessary, revise the menu planning guides for each covered program to include recommendations for the implementation of nutrition guidance described in the publication.

[“(c) APPLICATION OF NUTRITION GUIDANCE TO MEAL PROGRAMS.—In carrying out any covered program, school food authorities and other organizations and institutions participating in such program shall apply the nutrition guidance described in the publication when preparing meals and meal supplements served under such program.

[“(d) IMPLEMENTATION.—In carrying out covered programs, the Secretary shall ensure that meals and meal supplements served

under such programs are consistent with the nutrition guidance described in the publication.

[“(e) REVISION OF PUBLICATION.—The Secretary and the Secretary of Health and Human Services may jointly update and approve the publication as warranted by scientific evidence.

[“(f) COVERED PROGRAMS.—For the purposes of this section, the term ‘covered program’ includes—

[“(1) the school lunch program under this Act;

[“(2) the summer food service program for children under section 13;

[“(3) the child care food program under section 17; and

[“(4) the school breakfast program under section 4 of the Child Nutrition Act of 1966.”.

[PART B—PROGRAMS UNDER THE CHILD NUTRITION ACT OF 1966

[SEC. 121. EXPANSION OF SCHOOL BREAKFAST PROGRAM.

[Section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1733) is amended—

[(1) in the first sentence of subsection (a), by inserting before the period the following: “and to carry out the provisions of subsection (g)”;

[(2) in subsection (f)—

[(A) by inserting before the subsection the following new heading:

[“EXPANSION OF PROGRAM”;

[(B) by inserting “(1)” after “(f)”;

[(C) by striking the last sentence; and

[(D) by adding at the end the following new paragraph:

[“(2)(A) Each State educational agency shall—

[“(i) provide information to school boards and public officials concerning the benefits and availability of the school breakfast program; and

[“(ii) select each year, for additional informational efforts concerning the program, schools in the State—

[“(I) in which a substantial portion of school enrollment consists of children from low-income families; and

[“(II) that do not participate in the school breakfast program.

[“(B) Not later than October 1, 1993, the Secretary shall report to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the efforts of the Secretary and the States to increase the participation of schools in the program.”; and

[(3) by adding at the end the following new subsection:

[“STARTUP COSTS

[“(g)(1) The Secretary shall make payments, totalling not less than $3,000,000 in the fiscal year 1990 and $5,000,000 for each of the fiscal years 1991, 1992, 1993, and 1994, on a competitive basis to State educational agencies in a substantial number of States for

distribution to eligible schools to assist such schools with nonrecurring expenses incurred in initiating a school breakfast program under this section. Payments received under this subsection shall be in addition to payments to which State agencies are entitled under subsection (b).

[“(2)(A) In making payments under this subsection in any fiscal year, the Secretary shall provide a preference to State educational agencies that—

[“(i) submit to the Secretary a plan to expand school breakfast programs conducted in the State, including a description of—

[“(I) the manner in which the agency will provide technical assistance and funding to schools in the State to expand such programs;

[“(II) a State law that requires the expansion of such programs during such year; or

[“(III) significant public or private resources that have been assembled to carry out the expansion of such programs during such year; or

[“(ii) either—

[“(I) do not have a breakfast program available to a large number of low-income children in the State; or

[“(II) serve a low percentage of free and reduced price breakfasts under the school breakfast program when the number of such breakfasts is measured as a percentage of the number of free and reduced price lunches served in such State under the school lunch program carried out under the National School Lunch Act.

[“(B) The Secretary shall act in a timely manner to recover and reallocate to other States any amounts provided to a State educational agency under this subsection that are not used by such agency within a reasonable period.

[“(C) The Secretary shall allow States to apply on an annual basis for assistance under this subsection.

[“(3) Each State agency, in allocating funds within the State, shall give preference for assistance under this subsection to eligible schools that demonstrate the greatest need for a breakfast program.

[“(4) Expenditures of funds from State and local sources for the maintenance of the breakfast program shall not be diminished as a result of payments received under this subsection.

[“(5) As used in this subsection, the term ‘eligible school’ means a school—

[“(A) attended by children a significant percentage of whom are members of low-income families; and

[“(B) that agrees to operate the breakfast program established with such assistance for a period of not less than 3 years.

[“(6) Not later than December 31, 1993, the Secretary shall submit a report to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the efforts of the Secretary and the States to increase the participation of schools in the program.”.

[SEC. 122. STATE ADMINISTRATIVE EXPENSES.

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

[(1) in subsection (a)—

[(A) in paragraph (3), by inserting after the first sentence the following new sentence: "If an agency in the State other than the State educational agency administers such program, the State shall ensure that an amount equal to no less than the funds due the State under this paragraph is provided to such agency for costs incurred by such agency in administering the program, except as provided in paragraph (5).";

[(B) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively;

[(C) by inserting after paragraph (4) the following new paragraph:

["(5)(A) Not more than 25 percent of the amounts made available to each State under this section for the fiscal year 1991 and 20 percent of the amounts made available to each State under this section for the fiscal year 1992 and for each succeeding fiscal year may remain available for obligation or expenditure in the fiscal year succeeding the fiscal year for which such amounts were appropriated.

["(B)(i) In the fiscal year 1991 and each succeeding fiscal year, any amounts appropriated that are not obligated or expended during such fiscal year and are not carried over for the succeeding fiscal year under subparagraph (A) shall be returned to the Secretary. From any amounts returned to the Secretary under the preceding sentence, the Secretary shall—

["(I) first allocate, for the purpose of providing grants on an annual basis to private nonprofit organizations participating in projects under section 18(f) of the National School Lunch Act, not less than $3,000,000 in the fiscal year 1992 and not less than $4,000,000 in each of the fiscal years 1993 and 1994; and

["(II) then allocate, for purposes of administrative costs, any remaining amounts among States that demonstrate a need for such amounts.

["(ii) In any fiscal year in which amounts returned to the Secretary under the first sentence of clause (i) are insufficient to provide the complete allocation described in clause (i)(I), all of such amounts shall be allocated for the purpose described in clause (i)(I)."; and

[(D) by adding at the end the following new paragraph:

["(8) In the fiscal year 1991 and each succeeding fiscal year, in accordance with regulations issued by the Secretary, each State shall ensure that the State agency administering the distribution of commodities under programs authorized under this Act and under the National School Lunch Act is provided, from funds made available to the State under this subsection, an appropriate amount of funds for administrative costs incurred in distributing such commodities. In developing such regulations, the Secretary may consider the value of commodities provided to the State under this Act and under the National School Lunch Act.";

[(2) in subsection (g), by inserting before the period at the end the following: ", and that agree to participate fully in any studies authorized by the Secretary"; and

[(3) in subsection (h), by striking "For" and all that follows through "1989," and inserting "For the fiscal year beginning October 1, 1977, and each succeeding fiscal year ending before October 1, 1994,".

[(b) IMPLEMENTATION.—The amendment made by subsection (a)(1)(A) shall be effective as of October 1, 1989.

[SEC. 123. ADDITIONAL ACTIVITIES AND REQUIREMENTS WITH RESPECT TO SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

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

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

["(17) 'Competitive bidding' means a procurement process under which the State agency selects the single source offering the lowest price, as determined by the submission of sealed bids, for the product for which bids are sought.";

[(2) in subsection (d), by amending paragraph (2) to read as follows:

["(2)(A) The Secretary shall establish income eligibility standards to be used in conjunction with the nutritional risk criteria in determining eligibility of individuals for participation in the program. Any individual at nutritional risk shall be eligible for the program under this section only if such individual—

["(i) is a member of a family with an income that is less than the maximum income limit prescribed under section 9(b) of the National School Lunch Act for free and reduced price meals;

["(ii)(I) receives food stamps under the Food Stamp Act of 1977; or

["(II) is a member of a family that receives assistance under the program for aid to families with dependent children established under part A of title IV of the Social Security Act; or

["(iii)(I) receives medical assistance under title XIX of the Social Security Act; or

["(II) is a member of a family in which a pregnant woman or an infant receives such assistance.

["(B) For the purpose of determining income eligibility under this section, any State agency may choose to exclude from income any basic allowance for quarters received by military service personnel residing off military installations.";

[(3) in subsection (e)—

[(A) by striking the last 3 sentences of paragraph (1);

[(B) by redesignating paragraph (2) as paragraph (3);

[(C) by inserting after paragraph (1) the following new paragraph:

["(2) The Secretary shall prescribe standards to ensure that adequate nutrition education services and breastfeeding promotion and support are provided. The State agency shall provide training to persons providing nutrition education under this section. Nutrition education and breastfeeding promotion and support shall be evalu-

ated annually by each State agency, and such evaluation shall include the views of participants concerning the effectiveness of the nutrition education and breastfeeding promotion and support they have received."; and

[(D) by adding at the end the following new paragraphs:

["(3) The State agency shall—

["(A) ensure that written information concerning food stamps, the program for aid to families with dependent children under part A of title IV of the Social Security Act, and the child support enforcement program under part D of title IV of the Social Security Act is provided on at least 1 occasion to each adult participant in and each applicant for the program;

["(B) provide each local agency with materials showing the maximum income limits, according to family size, applicable to pregnant women, infants, and children up to age 5 under the medical assistance program established under title XIX of the Social Security Act (in this section referred to as the 'medicaid program'); and

["(C) provide to individuals applying for the program under this section, or reapplying at the end of their certification period, written information about the medicaid program and referral to such program or to agencies authorized to determine presumptive eligibility for such program, if such individuals are not participating in such program and appear to have family income below the applicable maximum income limits for such program.

["(4) The State agency shall ensure that each local agency shall maintain and make available for distribution a list of local resources for substance abuse counseling and treatment.";

[(4) in subsection (f)—

[(A) in subparagraph (C) of paragraph (1)—

[(i) in clause (iii)—

[(I) by inserting "local programs for breastfeeding promotion," after "immunization programs,"; and

[(II) by inserting "and treatment" after "alcohol and drug abuse counseling";

[(ii) by amending clause (vii) to read as follows:

["(vii) a plan to provide program benefits under this section to eligible individuals most in need of the benefits and to provide eligible individuals not participating in the program with information on the program, the eligibility criteria for the program, and how to apply for the program, with emphasis on reaching and enrolling eligible women in the early months of pregnancy, including provisions to reach and enroll eligible migrants;";

[(iii) by redesignating clauses (viii) and (ix) as clauses (xii) and (xiii), respectively; and

[(iv) by inserting after clause (vii) the following new clauses:

["(viii) a plan to provide program benefits under this section to unserved infants and children under the care of foster parents, protective services, or child welfare authorities, including infants exposed to drugs perinatally;

[“(ix) if the State agency chooses to provide program benefits under this section to some or all eligible individuals who are incarcerated in prisons or juvenile detention facilities that do not receive Federal assistance under any program specifically established to assist pregnant women regarding their nutrition and health needs, a plan for the provision of such benefits to, and to meet the special nutrition education needs of, such individuals, which may include—

[“(I) providing supplemental foods to such individuals that are different from those provided to other participants in the program under this section;

[“(II) providing such foods to such individuals in a different manner than to other participants in the program under this section in order to meet the special needs of such individuals; and

[“(III) the development of nutrition education materials appropriate for the special needs of such individuals;

[“(x) a plan to improve access to the program for participants and prospective applicants who are employed, or who reside in rural areas, by addressing their special needs through the adoption or revision of procedures and practices to minimize the time participants and applicants must spend away from work and the distances that participants and applicants must travel, including appointment scheduling, adjustment of clinic hours, clinic locations, or mailing of multiple vouchers;

[“(xi) a plan to provide nutrition education and promote breastfeeding;”;

[(B) by adding at the end of paragraph (8) the following new subparagraph:

[“(D) Each local agency operating the program within a hospital and each local agency operating the program that has a cooperative arrangement with a hospital shall—

[“(i) advise potentially eligible individuals that receive inpatient or outpatient prenatal, maternity, or postpartum services, or accompany a child under the age of 5 who receives well-child services, of the availability of program benefits; and

[“(ii) to the extent feasible, provide an opportunity for individuals who may be eligible to be certified within the hospital for participation in such program.”;

[(C) in paragraph (9)—

[(i) by inserting “(A)” after “(9)”; and

[(ii) by adding at the end the following new subparagraph:

[“(B) Any State agency that must suspend or terminate benefits to any participant during the participant’s certification period due to a shortage of funds for the program shall first issue a notice to such participant. Such notice shall include, in addition to other information required by the Secretary, the categories of participants whose benefits are being suspended or terminated due to such shortage.”;

[(D) in subparagraph (A) of paragraph (14), by inserting “, breastfeeding promotion,” after “nutrition education”;

[(E) in paragraph (17), by inserting before the period the following: “and to accommodate the special needs and

problems of individuals who are incarcerated in prisons or juvenile detention facilities"; and

[(F) by adding at the end the following new paragraphs:

["(18)(A) Except as provided in subparagraph (B), a State agency may implement income eligibility guidelines under this section at the time the State implements income eligibility guidelines under the medicaid program.

["(B) Income eligibility guidelines under this section shall be implemented not later than July 1 of each year.

["(19) Each local agency participating in the program under this section shall provide information about other potential sources of food assistance in the local area to individuals who apply in person to participate in the program under this section, but who cannot be served because the program is operating at capacity in the local area.

["(20) The State agency shall adopt policies that—

["(A) require each local agency to attempt to contact each pregnant woman who misses an appointment to apply for participation in the program under this section, in order to reschedule the appointment, unless the phone number and the address of the woman are unavailable to such local agency; and

["(B) in the case of local agencies that do not routinely schedule appointments for individuals seeking to apply or be recertified for participation in the program under this section, require each such local agency to schedule appointments for each employed individual seeking to apply or be recertified for participation in such program so as to minimize the time each such individual is absent from the workplace due to such application or request for recertification.";

[(5) in subsection (g)—

[(A) by amending paragraph (1) to read as follows:

["(1) There are authorized to be appropriated to carry out this section $2,158,000,000 for the fiscal year 1990, and such sums as may be necessary for each of the fiscal years 1991, 1992, 1993, and 1994. As authorized by section 3 of the National School Lunch Act, appropriations to carry out the provisions of this section may be made not more than 1 year in advance of the beginning of the fiscal year in which the funds will become available for disbursement to the States, and shall remain available for the purposes for which appropriated until expended.";

[(B) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively;

[(C) by inserting after paragraph (1) the following new paragraphs:

["(2)(A) Notwithstanding any other provision of law, unless enacted in express limitation of this subparagraph, the Secretary—

["(i) in the case of legislation providing funds through the end of a fiscal year, shall issue—

["(I) an initial allocation of funds provided by the enactment of such legislation not later than the expiration of the 15-day period beginning on the date of the enactment of such legislation; and

[“(II) subsequent allocations of funds provided by the enactment of such legislation not later than the beginning of each of the second, third, and fourth quarters of the fiscal year; and

[“(ii) in the case of legislation providing funds for a period that ends prior to the end of a fiscal year, shall issue an initial allocation of funds provided by the enactment of such legislation not later than the expiration of the 10-day period beginning on the date of the enactment of such legislation.

[“(B) In any fiscal year—

[“(i) unused amounts from a prior fiscal year that are identified by the end of the first quarter of the fiscal year shall be recovered and reallocated not later than the beginning of the second quarter of the fiscal year; and

[“(ii) unused amounts from a prior fiscal year that are identified after the end of the first quarter of the fiscal year shall be recovered and reallocated on a timely basis.

[“(3) Notwithstanding any other provision of law, unless enacted in express limitation of this paragraph—

[“(A) the allocation of funds required by paragraph (2)(A)(i)(I) shall include not less than ⅓ of the amounts appropriated by the legislation described in such paragraph;

[“(B) the allocations of funds required by paragraph (2)(A)(i)(II) to be made not later than the beginning of the second and third quarters of the fiscal year shall each include not less than ¼ of the amounts appropriated by the legislation described in such paragraph; and

[“(C) in the case of the enactment of legislation providing appropriations for a period of not more than 4 months, the allocation of funds required by paragraph (2)(A)(ii) shall include all amounts appropriated by such legislation except amounts reserved by the Secretary for purposes of carrying out paragraph (5).”;

[(D) in paragraph (5) (as redesignated by subparagraph (B) of this paragraph), by striking “$3,000,000” and inserting “$5,000,000”; and

[(E) by adding at the end the following new paragraph:

[“(6) Upon the completion of the 1990 decennial census, the Secretary, in coordination with the Secretary of Commerce, shall make available an estimate, by State and county (or equivalent political subdivision) of the number of women, infants, and children who are members of families that have incomes below the maximum income limit for participation in the program under this section.”;

[(6) by amending subsection (h) to read as follows:

[“(h)(1)(A) Each fiscal year, the Secretary shall make available, from amounts appropriated for such fiscal year under subsection (g)(1) and amounts remaining from amounts appropriated under such subsection for the preceding fiscal year, an amount sufficient to guarantee a national average per participant grant to be allocated among State agencies for costs incurred by State and local agencies for nutrition services and administration for such year.

[“(B)(i) The amount of the national average per participant grant for nutrition services and administration for any fiscal year shall be an amount equal to the amount of the national average per par-

ticipant grant for nutrition services and administration issued for the fiscal year 1987, as adjusted.

[“(ii) Such adjustment, for any fiscal year, shall be made by revising the national average per participant grant for nutrition services and administration for the fiscal year 1987 to reflect the percentage change between—

[“(I) the value of the index for State and local government purchases, using the implicit price deflator, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30, 1986; and

[“(II) the best estimate that is available as of the start of the fiscal year of the value of such index for the 12-month period ending June 30 of the previous fiscal year.

[“(C) In any fiscal year, amounts remaining from amounts appropriated for such fiscal year under subsection (g)(1) and from amounts appropriated under such section for the preceding fiscal year, after carrying out subparagraph (A), shall be made available for food benefits under this section, except to the extent that such amounts are needed to carry out the purposes of subsections (g)(4) and (g)(5).

[“(2)(A) For each of the fiscal years 1990, 1991, 1992, 1993 and 1994, the Secretary shall allocate to each State agency from the amount described in paragraph (1)(A) an amount for costs of nutrition services and administration on the basis of a formula prescribed by the Secretary. Such formula shall—

[“(i) be designed to take into account—

[“(I) the varying needs of each State;

[“(II) the number of individuals participating in each State; and

[“(III) other factors which serve to promote the proper, efficient, and effective administration of the program under this section;

[“(ii) provide for each State agency—

[“(I) an estimate of the number of participants for the fiscal year involved; and

[“(II) a per participant grant for nutrition services and administration for such year; and

[“(iii) provide for a minimum grant amount for State agencies.

[“(B)(i) Except as provided in clause (ii) and subparagraph (C), in any fiscal year, the total amount allocated to a State agency for costs of nutrition services and administration under the formula prescribed by the Secretary under subparagraph (A) shall constitute the State agency’s operational level for such costs for such year even if the number of participants in the program at such agency is lower than the estimate provided under subparagraph (A)(ii)(I).

[“(ii) If a State agency’s per participant expenditure for nutrition services and administration is more than 15 percent higher than its per participant grant for nutrition services and administration without good cause, the Secretary may reduce such State agency’s operational level for costs of nutrition services and administration.

[“(C) In any fiscal year, the Secretary may reallocate amounts provided to State agencies under subparagraph (A) for such fiscal

year. When reallocating amounts under the preceding sentence, the Secretary may provide additional amounts to, or recover amounts from, any State agency.

[“(3)(A) Except as provided in subparagraphs (B) and (C), in each fiscal year, each State agency shall expend—

[“(i) for nutrition education activities and breastfeeding promotion and support activities, an aggregate amount that is not less than the sum of—

[“(I) ⅙ of the amounts expended by the State for costs of nutrition services and administration; and

[“(II) an amount equal to a proportionate share of $8,000,000, with each State’s share determined on the basis of the number of pregnant women and breastfeeding women in the program in the State as a percentage of the number of pregnant women and breastfeeding women in the program in all States; and

[“(ii) for breastfeeding promotion and support activities an amount that is not less than the amount determined for such State under clause (i)(II).

[“(B) The Secretary may authorize a State agency to expend an amount less than the amount described in subparagraph (A)(ii) for purposes of breastfeeding promotion and support activities if—

[“(i) the State agency so requests; and

[“(ii) the request is accompanied by documentation that other funds will be used to conduct nutrition education activities at a level commensurate with the level at which such activities would be conducted if the amount described in subparagraph (A)(ii) were expended for such activities.

[“(C) The Secretary may authorize a State agency to expend for purposes of nutrition education an amount that is less than the difference between the aggregate amount described in subparagraph (A) and the amount expended by the State for breastfeeding promotion and support programs if—

[“(i) the State agency so requests; and

[“(ii) the request is accompanied by documentation that other funds will be used to conduct such activities.

[“(D) The Secretary shall limit to a minimal level any documentation required under this paragraph.

[“(4) The Secretary shall—

[“(A) in consultation with the Secretary of Health and Human Services, develop a definition of breastfeeding for the purposes of the program under this section;

[“(B) authorize the purchase of breastfeeding aids by State and local agencies as an allowable expense under nutrition services and administration;

[“(C) require each State agency to designate an agency staff member to coordinate breastfeeding promotion efforts identified in the State plan of operation and administration; and

[“(D) require the State agency to provide training on the promotion and management of breastfeeding to staff members of local agencies who are responsible for counseling participants in the program under this section concerning breastfeeding.

[“(5)(A) Subject to subparagraph (B), in any fiscal year that a State agency achieves, through use of acceptable measures, partici-

pation that exceeds the participation level estimated for such State agency under paragraph (2)(A)(ii)(I), such State agency may convert amounts allocated for food benefits for such fiscal year for costs of nutrition services and administration to the extent that such conversion is necessary—

[“(i) to cover allowable expenditures in such fiscal year; and

[“(ii) to ensure that the State agency maintains the level established for the per participant grant for nutrition services and administration for such fiscal year.

[“(B) If a State agency increases its participation level through measures that are not in the nutritional interests of participants or not otherwise allowable (such as reducing the quantities of foods provided for reasons not related to nutritional need), the Secretary may refuse to allow the State agency to convert amounts allocated for food benefits to defray costs of nutrition services and administration.

[“(C) For the purposes of this paragraph, the term ‘acceptable measures’ includes use of cost containment measures, curtailment of vendor abuse, and breastfeeding promotion activities.

[“(6) In each fiscal year, each State agency shall provide, from the amounts allocated to such agency for such year for costs of nutrition services and administration, an amount to each local agency for its costs of nutrition services and administration. The amount to be provided to each local agency under the preceding sentence shall be determined under allocation standards developed by the State agency in cooperation with the several local agencies, taking into account factors deemed appropriate to further proper, efficient, and effective administration of the program, such as—

[“(A) local agency staffing needs;

[“(B) density of population;

[“(C) number of individuals served; and

[“(D) availability of administrative support from other sources.

[“(7) The State agency may provide in advance to any local agency any amounts for nutrition services and administration deemed necessary for successful commencement or significant expansion of program operations during a reasonable period following approval of—

[“(A) a new local agency;

[“(B) a new cost containment measure; or

[“(C) a significant change in an existing cost containment measure.

[“(8)(A) No State may receive its allocation under this subsection unless on or before August 30, 1989 (or a subsequent date established by the Secretary for any State) such State has—

[“(i) examined the feasibility of implementing cost containment measures with respect to procurement of infant formula, and, where practicable, other foods necessary to carry out the program under this section; and

[“(ii) initiated action to implement such measures unless the State demonstrates, to the satisfaction of the Secretary, that such measures would not lower costs or would interfere with the delivery of formula or foods to participants in the program.

[“(B)(i) Except as provided in subparagraphs (C), (D), and (E)(iii), in carrying out subparagraph (A), any State that provides for the purchase of foods under the program at retail grocery stores shall, with respect to the procurement of infant formula, use—

[“(I) a competitive bidding system; or

[“(II) any other cost containment measure that yields savings equal to or greater than savings generated by a competitive bidding system when such savings are determined by comparing the amounts of savings that would be provided over the full term of contracts offered in response to a single invitation to submit both competitive bids and bids for other cost containment systems for the sale of infant formula.

[“(ii) In determining whether a cost containment measure other than competitive bidding yields equal or greater savings, the State, in accordance with regulations issued by the Secretary, may take into account other cost factors (in addition to rebate levels and procedures for adjusting rebate levels when wholesale price levels rise), such as—

[“(I) the number of infants who would not be expected to receive the contract brand of infant formula under a competitive bidding system;

[“(II) the number of cans of infant formula for which no rebate would be provided under another rebate system; and

[“(III) differences in administrative costs relating to the implementation of the various cost containment systems (such as costs of converting a computer system for the purpose of operating a cost containment system and costs of preparing participants for conversion to a new or alternate cost containment system).

[“(C) In the case of any State that has a contract in effect on the date of the enactment of the Child Nutrition and WIC Reauthorization Act of 1989, subparagraph (B) shall not apply to the program operated by such State under this section until the term of such contract, as such term is specified by the contract as in effect on such date, expires. In the case of any State that has more than 1 such contract in effect on the date of the enactment of such Act, subparagraph (B) shall not apply until the term of the contract with the latest expiration date, as such term is specified by such contract as in effect on the date of the enactment of such Act, expires.

[“(D)(i) The Secretary shall waive the requirement of subparagraph (B) in the case of any State that demonstrates to the Secretary that—

[“(I) compliance with subparagraph (B) would be inconsistent with efficient or effective operation of the program operated by such State under this section; or

[“(II) the amount by which the savings yielded by an alternative cost containment system would be less than the savings yielded by a competitive bidding system is sufficiently minimal that the difference is not significant.

[“(ii) The Secretary shall prescribe criteria under which a waiver may be granted pursuant to clause (i).

[“(iii) The Secretary shall provide information at 6-month intervals to the Committee on Education and Labor of the House of

Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on waivers that have been granted under clause (i).

[“(E)(i) The Secretary shall provide technical assistance to small Indian State agencies carrying out this paragraph in order to assist such agencies to achieve the maximum cost containment savings feasible.

[“(ii) The Secretary shall also provide technical assistance, on request, to State agencies that do not have large caseloads and that desire to consider a cost containment system that covers more than 1 State agency.

[“(iii) The Secretary may waive the requirement of subparagraph (B) in the case of any Indian State agency that has not more than 1,000 participants.

[“(F) No State may enter into a cost containment contract (in this subparagraph referred to as the “original contract”) that prescribes conditions that would void, reduce the savings under, or otherwise limit the original contract if the State solicited or secured bids for, or entered into, a subsequent cost containment contract to take effect after the expiration of the original contract.

[“(G) Not later than the expiration of the 120-day period beginning on the date of the enactment of the Child Nutrition and WIC Reauthorization Act of 1989, the Secretary shall prescribe regulations to carry out this paragraph. Such regulations shall address issues involved in comparing savings from different cost containment measures, as provided under subparagraph (B).

[“(9) For purposes of this subsection, the term ‘cost containment measure’ means a competitive bidding, rebate, direct distribution, or home delivery system implemented by a State agency as described in its approved plan of operation and administration.”;

[(7) in subsection (i)—

[(A) in paragraph (1), by striking “funds provided in accordance with this section” and inserting “amounts made available for food benefits under subsection (h)(1)(C)”;

[(B) in subparagraph (D) of paragraph (3)—

[(i) by striking “approved cost-savings strategies as identified in subsection (h)(5)(A)” and inserting “cost containment measures as defined in subsection (h)(9)”; and

[(ii) by striking “at the discretion of the Secretary, up to 5 percent” and inserting “not more than 3 percent”; and

[(C) by adding at the end the following new paragraph:

[“(7) In addition to any amounts expended under paragraph (3)(A)(i), any State agency using cost containment measures as defined in subsection (h)(9) may temporarily use amounts made available to such agency for the first quarter of a fiscal year to defray expenses for costs incurred during the final quarter of the preceding fiscal year. In any fiscal year, any State agency that uses amounts made available for a succeeding fiscal year under the authority of the preceding sentence shall restore or reimburse such amounts when such agency receives payment as a result of its cost containment measures for such expenses.”;

[(8) in subsection (j), by striking "each year" and inserting "every other year";

[(9) in subsection (k)(1)—

[(A) in the first sentence, by striking "twenty-three" and inserting "24"; and

[(B) in the second sentence, by inserting after "the Secretary;" the following: "1 member shall be an expert in the promotion of breast feeding;"; and

[(10) by adding at the end the following new subsections:

["(o)(1) Subject to the availability of funds appropriated for the purpose of carrying out this subsection, the Secretary is authorized to establish a demonstration program for the establishment of clinics for participants in the program under this section at community colleges that offer nursing education programs. In determining the location of clinics under this subsection, the Secretary shall consider—

["(A) the location of the community college under consideration;

["(B) its accessibility to individuals eligible to participate in the special supplemental food program under this section; and

["(C) its willingness to operate the clinic during nontraditional hours.

["(2) The Secretary shall, from funds appropriated for the purpose of carrying out this subsection—

["(A) evaluate any demonstration program carried out under paragraph (1); and

["(B) submit to the Congress a report containing the results of such evaluation.

["(3) There is authorized to be appropriated for purposes of carrying out this subsection $1,000,000 for the fiscal year 1990 and such sums as may be necessary for each of the fiscal years 1991 and 1992.

["(p)(1) The Secretary is authorized to make grants to State agencies for the purpose of improving and updating information and data systems used for purposes of carrying out programs under this section.

["(2) Any State that desires to receive a grant under this subsection shall submit an application to the Secretary at such time, and containing or accompanied by such information, as the Secretary may reasonably require. Grants shall be awarded based on the need demonstrated by States in their applications.

["(3) There is authorized to be appropriated for purposes of carrying out this subsection $2,000,000 for the fiscal year 1990 and such sums as may be necessary for each of the fiscal years 1991, 1992, 1993, and 1994.".

[(b) REVIEW OF PRIORITY SYSTEM.—

[(1) IN GENERAL.—During the fiscal years 1990 and 1991, the Secretary of Agriculture shall conduct a review of the relationship between the nutritional risk criteria established under section 17 of the Child Nutrition Act of 1966 and the priority system used under the special supplemental food program for women, infants, and children carried out under such section (hereafter in this section referred to as the "program"), espe-

cially as it affects pregnant women. In conducting such review, the Secretary of Agriculture shall—

[(A) consult with the directors of State and local agencies that operate the program and with other individuals with expertise in the field of nutrition;

[(B) take into consideration the preventive nature of the program; and

[(C) examine the risks to individuals eligible for participation in the program, particularly pregnant women, from conditions such as homelessness, mental illness, and conditions that pose barriers to receipt of prenatal care, that may be associated with an increased probability of adverse pregnancy outcome or other adverse effects on health.

[(2) REPORTS TO CONGRESS.—The Secretary of Agriculture shall report to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the results of the review conducted as required by paragraph (1). Under the preceding sentence, the Secretary of Agriculture shall submit to such committees—

[(A) a preliminary report not later than October 1, 1990; and

[(B) a final report not later than July 1, 1991.

[(c) REPORT ON WIC FOOD PACKAGE.—

[(1) IN GENERAL.—The Secretary of Agriculture shall review the appropriateness of foods eligible for purchase under the special supplemental food program for women, infants, and children carried out under section 17 of the Child Nutrition Act of 1966.

[(2) FACTORS.—In conducting such review, the Secretary of Agriculture shall take into consideration such factors as—

[(A) how effectively protein, calcium, and iron are provided to participants;

[(B) nutrient density of foods; and

[(C) the extent to which nutrients, for which program participants are most vulnerable to deficiencies, such as iron, thiamine, riboflavin, vitamin A, and zinc, are effectively provided to participants.

[(3) REPORTS.—The Secretary of Agriculture shall provide to the Congress—

[(A) a preliminary report on such review no later than June 30, 1991; and

[(B) a final report on such review no later than June 30, 1992.

[(d) REPORT ON COSTS FOR NUTRITION SERVICES AND ADMINISTRATION.—

[(1) IN GENERAL.—The Secretary of Agriculture shall review the effect on costs for nutrition services and administration incurred by State and local agencies of this section, section 213, and the amendments made by such sections (including the effect of both increases and decreases in requirements imposed on such agencies).

[(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall submit to

the appropriate committees of the Congress a report on the results of the review conducted under this subsection.

[(e) PAPERWORK REDUCTION.—In implementing and monitoring compliance with the provisions of the amendments made by this section (other than the amendment made by subsection (a)(2) to section 17(d)(2) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)), the Secretary of Agriculture shall not impose any new requirement on a State or local agency that would require the State or local agency to place additional paperwork or documentation in a case file maintained by a local agency.

[(f) IMPLEMENTATION.—

[(1) BREASTFEEDING PROMOTION; NUTRITION EDUCATION; OUTREACH.—Not later than July 1, 1990, the Secretary of Agriculture shall issue final regulations to implement the amendments made by subsections (a)(2), (a)(3), and (a)(4).

[(2) EXTENSION OF AUTHORIZATION; ALLOCATIONS.—The amendments made by subsections (a)(5), (a)(6), and (a)(7) shall be effective as of October 1, 1989.

[SEC. 124. NUTRITION EDUCATION AND TRAINING.

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

[(1) in subsection (d)—

[(A) in paragraph (1)—

[(i) by amending subparagraph (B) to read as follows: "(B) training school food service personnel in the principles and practices of food service management, in cooperation with materials developed at any food service management institute established as authorized by section 21(a)(2) of the National School Lunch Act, and"; and

[(ii) in subparagraph (C), by striking "schools and child care institutions" and inserting "schools, child care institutions, and institutions offering summer food service programs under section 13 of the National School Lunch Act";

[(B) in paragraph (2), by striking "the National Advisory Council on Child Nutrition;"; and

[(C) in the first sentence of paragraph (4), by inserting before the period the following: ", in coordination with the activities authorized under section 21 of the National School Lunch Act";

[(2) in subparagraph (C) of subsection (h)(3), by striking "the National Advisory Council on Child Nutrition,";

[(3) by amending paragraph (2) of subsection (i) to read as follows:

["(2)(A) There is authorized to be appropriated for grants to each State for the conduct of nutrition education and information programs—

["(i) $10,000,000 for the fiscal year 1990;

["(ii) $15,000,000 for the fiscal year 1991;

["(iii) $20,000,000 for the fiscal year 1992; and

["(iv) $25,000,000 for each of the fiscal years 1993 and 1994.

["(B)(i)(I) Subject to clause (ii), grants to each State from the amounts appropriated under subparagraph (A) shall be based on a

rate of 50 cents for each child enrolled in schools or institutions within such State.

[“(II) If the amount appropriated for any fiscal year is insufficient to pay the amount to which each State is entitled under subclause (I), the amount of each grant shall be ratably reduced. If additional funds become available for making such payments, such amounts shall be increased on the same basis as they were reduced.

[“(ii) No State shall receive an amount that is less than—

[“(I) $50,000, in any fiscal year in which the amount appropriated for purposes of this section is less than $10,000,000;

[“(II) $62,500, in any fiscal year in which the amount appropriated for purposes of this section is $10,000,000 or more but is less than $15,000,000;

[“(III) $68,750, in any fiscal year in which the amount appropriated for purposes of this section is $15,000,000 or more but is less than $20,000,000; and

[“(IV) $75,000 in any fiscal year in which the amount appropriated for purposes of this section is $20,000,000 or more.”; and

[(4) by adding at the end the following new subsection:

[“(j)(1) The Secretary shall assess the nutrition information and education program carried out under this section to determine what nutrition education needs are for children participating under the National School Lunch Act in the school lunch program, the summer food service program, and the child care food program.

[“(2) The assessment required by paragraph (1) shall be completed not later than October 1, 1990.”.

[PART C—CROSS-PROGRAM PROVISIONS

[SEC. 131. DETERMINATION OF TOTAL COMMODITY ASSISTANCE FOR THE SCHOOL LUNCH AND CHILD CARE FOOD PROGRAMS.

[(a) SCHOOL LUNCH PROGRAM.—Section 6(e) of the National School Lunch Act (42 U.S.C. 1755(e)) is amended—

[(1) by amending paragraph (1) to read as follows:

[“(1)(A) The national average value of donated foods, or cash payments in lieu thereof, shall be 11 cents, adjusted on July 1, 1982, and each July 1 thereafter to reflect changes in the Price Index for Food Used in Schools and Institutions. The Index shall be computed using 5 major food components in the Bureau of Labor Statistics’ Producer Price Index (cereal and bakery products, meats, poultry and fish, dairy products, processed fruits and vegetables, and fats and oils). Each component shall be weighed using the same relative weight as determined by the Bureau of Labor Statistics.

[“(B) The value of food assistance for each meal shall be adjusted each July 1 by the annual percentage change in a 3-month average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May each year. Such adjustment shall be computed to the nearest ¼ cent.

[“(C) For each school year, the total commodity assistance or cash in lieu thereof available to a State for the school lunch program shall be calculated by multiplying the number of lunches

served in the preceding school year by the rate established by subparagraph (B). After the end of each school year, the Secretary shall reconcile the number of lunches served by schools in each State with the number of lunches served by schools in each State during the preceding school year and increase or reduce subsequent commodity assistance or cash in lieu thereof provided to each State based on such reconciliation.

[“(D) Among those commodities delivered under this section, the Secretary shall give special emphasis to high protein foods, meat, and meat alternates (which may include domestic seafood commodities and their products).

[“(E) Notwithstanding any other provision of this section, not less than 75 percent of the assistance provided under this subsection shall be in the form of donated foods for the school lunch program.”; and

[(2) in paragraph (2), by striking “Each State agency” and inserting “To the maximum extent feasible, each State agency”.

[(b) CHILD CARE FOOD PROGRAM.—Paragraph (1) of section 17(h) of the National School Lunch Act (42 U.S.C. 1766(h)) is amended to read as follows:

[“(1)(A) The Secretary shall donate agricultural commodities produced in the United States for use in institutions participating in the child care food program under this section.

[“(B) The value of the commodities donated under subparagraph (A) (or cash in lieu of commodities) to each State for each school year shall be, at a minimum, the amount obtained by multiplying the number of lunches and suppers served in participating institutions in that State during the preceding school year by the rate for commodities or cash in lieu of commodities established under section 6(e) for the school year concerned.

[“(C) After the end of each school year, the Secretary shall—

[“(i) reconcile the number of lunches and suppers served in participating institutions in each State during such school year with the number of lunches and suppers served by participating institutions in each State during the preceding school year; and

[“(ii) based on such reconciliation, increase or reduce subsequent commodity assistance or cash in lieu of commodities provided to each State.

[“(D) Any State receiving assistance under this section for institutions participating in the child care food program may, upon application to the Secretary, receive cash in lieu of some or all of the commodities to which it would otherwise be entitled under this subsection. In determining whether to request cash in lieu of commodities, the State shall base its decision on the preferences of individual participating institutions within the State, unless this proves impracticable due to the small number of institutions preferring donated commodities.”.

[(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on July 1, 1989.

[TITLE II—PAPERWORK REDUCTION AMENDMENTS

[PART A—REDUCTION OF PAPERWORK UNDER THE NATIONAL SCHOOL LUNCH ACT

[SEC. 201. PERMANENCY OF STATE–LOCAL AGREEMENTS FOR CARRYING OUT THE SCHOOL LUNCH PROGRAM.

[Section 8 of the National School Lunch Act (42 U.S.C. 1757) is amended by inserting after the first sentence the following new sentences: "The agreements described in the preceding sentence shall be permanent agreements that may be amended as necessary. Nothing in the preceding sentence shall be construed to limit the ability of the State educational agency to suspend or terminate any such agreement in accordance with regulations prescribed by the Secretary.".

[SEC. 202. INCOME DOCUMENTATION REQUIREMENTS.

[(a) ELIMINATION OF DUPLICATE PROVISIONS.—

[(1) IN GENERAL.—Section 9(b) of the National School Lunch Act (42 U.S.C. 1758(b)), as similarly amended first by section 323 of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–500 (100 Stat. 1783–361), later by section 323 of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–591 (100 Stat. 3341–364), and later by section 4203 of the Child Nutrition Amendments of 1986, as contained in the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661), and as then amended by section 1 of Public Law 100–356, is amended to read as if only the amendment made by section 4203 of the Child Nutrition Amendments of 1986 was enacted.

[(2) FREE LUNCH PROGRAM ELIGIBILITY UNDER PUBLIC LAW 100–356.—(A) Section 9(b)(1)(A) of the National School Lunch Act (as amended by paragraph (1) of this subsection) (42 U.S.C. 1758(b)(1)(A)) is amended—

[(i) in the second sentence, by striking "For the school years ending June 30, 1982, and June 30, 1983, the" and inserting "The"; and

[(ii) by striking the third sentence.

[(B) The amendments made by subparagraph (A) shall take effect as if such amendments had been effective on June 28, 1988.

[(b) INCOME DOCUMENTATION REQUIREMENTS.—Section 9 of the National School Lunch Act (as amended by subsection (a) of this section) (42 U.S.C. 1758) is amended—

[(1) by amending subparagraph (C) of subsection (b)(2) to read as follows:

["(C)(i) Except as provided in clause (ii), each eligibility determination shall be made on the basis of a complete application executed by an adult member of the household. The Secretary, State, or local food authority may verify any data contained in such application. A local school food authority shall undertake such verification of information contained in any such application as the Secretary may by regulation prescribe and, in accordance with such

regulations, shall make appropriate changes in the eligibility determination with respect to such application on the basis of such verification.

[“(ii) Subject to clause (iii), any school food authority may certify any child as eligible for free or reduced price lunches or breakfasts, without further application, by directly communicating with the appropriate State or local agency to obtain documentation of such child’s status as a member of—

[“(I) a household that is receiving food stamps under the Food Stamp Act of 1977; or

[“(II) a family that is receiving assistance under the program for aid to families with dependent children under part A of title IV of the Social Security Act.

[“(iii) School food service authorities shall only use information obtained under clause (ii) for the purpose of determining eligibility for participation in programs under this Act and the Child Nutrition Act of 1966.”;

[(2) in subsection (d)—

[(A) in paragraph (1), by striking “numbers of all adult” and all that follows and inserting the following: “number of the parent or guardian who is the primary wage earner responsible for the care of the child for whom the application is made, or that of another appropriate adult member of the child’s household, as determined by the Secretary. The Secretary shall require that social security account numbers of all adult members of the household be provided if verification of the data contained in the application is sought under subsection (b)(2)(C).”;

[(B) in paragraph (2)—

[(i) by amending subparagraph (A) to read as follows:

[“(A) appropriate documentation relating to the income of such household (as prescribed by the Secretary) has been provided to the appropriate local school food authority so that such authority may calculate the total income of such household;”;

[(ii) by striking the period at the end of subparagraph (B) and inserting “; or”; and

[(iii) by adding at the end the following new subparagraph:

[“(C) documentation has been provided to the appropriate local school food authority showing that the family is receiving assistance under the program for aid to families with dependent children under part A of title IV of the Social Security Act.”.

[(c) IMPLEMENTATION.—Not later than July 1, 1990, the Secretary of Agriculture shall issue final regulations to implement the amendments made by subsection (b).

[SEC. 203. REPORTS TO STATE EDUCATIONAL AGENCIES.

[Paragraph (1) of section 11(e) of the National School Lunch Act (42 U.S.C. 1759a(e)) is amended by striking “Each school” and all that follows through “State educational agency” and inserting the following: “The Secretary, when appropriate, may request each

school participating in the school lunch program under this Act to report monthly to the State educational agency".

[SEC. 204. 2-YEAR APPLICATIONS UNDER CHILD CARE FOOD PROGRAM.

[(a) GENERAL AUTHORITY.—Subsection (d) of section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended—

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

[(2) by inserting "(1)" after "(d)"; and

[(3) by adding at the end the following new paragraph:

["(2)(A) The Secretary shall develop a policy that allows institutions providing child care that participate in the program under this section, at the option of the State agency, to reapply for assistance under this section at 2-year intervals.

["(B) Each State agency that exercises the option authorized by subparagraph (A) shall confirm on an annual basis that each such institution is in compliance with the licensing or approval provisions of subsection (a)(1).".

[(b) IMPLEMENTATION.—Not later than July 1, 1990, the Secretary shall issue final regulations to implement the amendments made by subsection (a).

[SEC. 205. PILOT PROJECTS FOR ALTERNATIVE COUNTING METHODS.

[(a) GENERAL AUTHORITY.—Section 18 of the National School Lunch Act (as amended by section 107(2) of this Act) (42 U.S.C. 1769) is amended by adding at the end the following new subsection:

["(g)(1)(A) The Secretary shall carry out a pilot program for purposes of identifying alternatives to—

["(i) daily counting by category of meals provided by school lunch programs under this Act; and

["(ii) annual applications for eligibility to receive free meals or reduced price meals.

["(B) For the purposes of carrying out the pilot program under this paragraph, the Secretary may waive requirements of this Act relating to counting of meals provided by school lunch programs and applications for eligibility.

["(C) For the purposes of carrying out the pilot program under this paragraph, the Secretary shall solicit proposals from State educational agencies and local educational agencies for the alternatives described in subparagraph (A).

["(2)(A) The Secretary shall carry out a pilot program under which a limited number of schools participating in the special assistance program under section 11(a)(1) that have in attendance children at least 80 percent of whom are eligible for free lunches or reduced price lunches shall submit applications for a 3-year period.

["(B) Each school participating in the pilot program under this paragraph shall have the option of determining the number of free meals, reduced price meals, and paid meals provided daily under the school lunch program operated by such school by applying percentages determined under subparagraph (C) to the daily total student meal count.

[“(C) The percentages determined under this subparagraph shall be established on the basis of the master roster of students enrolled in the school concerned, which—

[“(i) shall include a notation as to the eligibility status of each student with respect to the school lunch program; and

[“(ii) shall be updated not later than September 30 of each year.

[“(3)(A) The Secretary shall carry out a pilot program under which a limited number of schools participating in the special assistance program under section 11(a)(1) that have universal free school lunch programs shall have the option of determining the number of free meals, reduced price meals, and paid meals provided daily under the school lunch program operated by such school by applying percentages determined under subparagraph (B) to the daily total student meal count.

[“(B) The percentages determined under this subparagraph shall be established on the basis of the master roster of students enrolled in the school concerned, which—

[“(i) shall include a notation as to the eligibility status of each student with respect to the school lunch program; and

[“(ii) shall be updated not later than September 30 of each year.

[“(C) For the purposes of this paragraph, a universal free school lunch program is a program under which the school operating the program elects to serve all children in that school free lunches under the school lunch program during any period of 3 successive years and pays, from sources other than Federal funds, for the costs of serving such lunches which are in excess of the value of assistance received under this Act with respect to the number of lunches served during that period.

[“(4) In addition to the pilot projects described in this subsection, the Secretary may conduct other pilot projects to test alternative counting and claiming procedures.

[“(5) Each pilot program carried out under this subsection shall be evaluated by the Secretary after it has been in operation for 3 years.”.

[(b) IMPLEMENTATION.—Not later than July 1, 1990, the Secretary of Agriculture shall issue final regulations to implement section 18(g) of the National School Lunch Act (as added by subsection (a) of this section).

[PART B—REDUCTION OF PAPERWORK UNDER THE CHILD NUTRITION ACT OF 1966

[SEC. 211. STATE-LOCAL AGREEMENTS FOR CARRYING OUT THE SPECIAL MILK PROGRAM.

[(a) ELIMINATION OF DUPLICATE PROVISION.—Section 3(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)), as similarly amended first by section 329 of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–591 (100 Stat. 3341–365) and later by section 4209 of the Child Nutrition Amendments of 1986, as contained in the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661), is amended to read as if only the later amendment was enacted.

[(b) STATE-LOCAL AGREEMENTS.—Subsection (a) of section 3 of the Child Nutrition Act of 1966 (as amended by subsection (a) of this section) (42 U.S.C. 1772) is amended by adding at the end the following new paragraph:

["(10) The State educational agency shall disburse funds paid to the State during any fiscal year for purposes of carrying out the program under this section in accordance with such agreements approved by the Secretary as may be entered into by such State agency and the schools in the State. The agreements described in the preceding sentence shall be permanent agreements that may be amended as necessary. Nothing in the preceding sentence shall be construed to limit the ability of the State educational agency to suspend or terminate any such agreement in accordance with regulations prescribed by the Secretary.".

[SEC. 212. PERMANENCY OF STATE-LOCAL AGREEMENTS FOR CARRYING OUT THE SCHOOL BREAKFAST PROGRAM.

[(a) ELIMINATION OF DUPLICATE PROVISION.—

[(1) IN GENERAL.—Section 4(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)), as similarly amended first by section 330(a) of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–591 (100 Stat. 3341–366) and later by section 4210(a) of the Child Nutrition Amendments of 1986, as contained in the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661), and as then amended by section 210 of the Hunger Prevention Act of 1988 (Public Law 100–435) is amended to read as if only the amendment made by section 4210(a) of the Child Nutrition Amendments of 1986, as contained in the National Defense Authorization Act for Fiscal Year 1987, was enacted.

[(2) IMPROVEMENT OF SCHOOL BREAKFAST PROGRAM UNDER HUNGER PREVENTION ACT.—(A) The first sentence of section 4(b)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(3)) is amended by striking "3 cents" and inserting "6 cents".

[(B) The amendments made by subparagraph (A) shall take effect as if such amendments had been effective on July 1, 1989.

[(b) STATE-LOCAL AGREEMENTS.—Subparagraph (A) of section 4(b)(1) of the Child Nutrition Act of 1966 (as amended by subsection (a) of this section) (42 U.S.C. 1773(b)(1)) is amended—

[(1) by redesignating clauses (i) and (ii) as subclauses (I) and (II);

[(2) by inserting "(i)" after "(A)"; and

[(3) by adding at the end the following new clause:

["(ii) The agreements described in clause (i)(I) shall be permanent agreements that may be amended as necessary. Nothing in the preceding sentence shall be construed to limit the ability of the State educational agency to suspend or terminate any such agreement in accordance with regulations prescribed by the Secretary.".

[SEC. 213. PAPERWORK REDUCTION REQUIREMENTS UNDER THE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

[(a) GENERAL AUTHORITY.—Section 17 of the Child Nutrition Act of 1966 (as amended by section 123 of this Act) (42 U.S.C. 1786) is amended—

[(1) by adding at the end of subsection (e) the following new paragraph:

["(5) Each local agency may use a master file to document and monitor the provision of nutrition education services (other than the initial provision of such services) to individuals that are required, under standards prescribed by the Secretary, to be included by the agency in group nutrition education classes."; and

[(2) in subsection (f)—

[(A) in paragraph (7)—

[(i) by inserting "(A)" after "(7)"; and

[(ii) by adding at the end the following new subparagraph:

["(B) State agencies may provide for the delivery of vouchers to any participant who is not scheduled for nutrition education counseling or a recertification interview through means, such as mailing, that do not require the participant to travel to the local agency to obtain vouchers. The State agency shall describe any plans for issuance of vouchers by mail in its plan submitted under paragraph (1). The Secretary may disapprove a State plan with respect to the issuance of vouchers by mail in any specified jurisdiction or part of a jurisdiction within a State only if the Secretary finds that such issuance would pose a significant threat to the integrity of the program under this section in such jurisdiction or part of a jurisdiction."; and

[(B) by adding after paragraph (20) (as added by section 123(a)(3)(F) of this Act) the following new paragraph:

["(21) Each State agency shall conduct monitoring reviews of each local agency at least biennially.".

[(b) IMPLEMENTATION.—Not later than July 1, 1990, the Secretary of Agriculture shall issue final regulations to implement the amendments made by subsection (a).

[SEC. 214. UPDATING OF PLANS FOR NUTRITION EDUCATION AND TRAINING.

[Paragraph (3) of section 19(h) of the Child Nutrition Act of 1966 (as amended by section 124 of this Act) (42 U.S.C. 1788(h)) is amended by adding at the end the following new sentence: "Each plan developed as required by this section shall be updated on an annual basis.".

[TITLE III—TECHNICAL AMENDMENTS

[PART A—AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT

[SEC. 301. APPORTIONMENTS TO STATES.

[The National School Lunch Act (42 U.S.C. 1751 et seq.) is amended by inserting before section 4 the following new heading:

["APPORTIONMENTS TO STATES".

[SEC. 302. DIRECT FEDERAL EXPENDITURES.

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

[(1) in paragraph (1), by striking "his" and inserting "the Secretary's";

[(2) in paragraph (2), by striking "him" and inserting "the Secretary"; and

[(3) in the matter following paragraph (3)—

[(A) by striking "him" and inserting "the Secretary";

[(B) by striking "(50 Stat. 323)"; and

[(C) by striking "(49 Stat. 774), as amended".

[SEC. 303. PAYMENTS TO STATES.

[(a) INSERTION OF SECTION HEADING.—The National School Lunch Act (42 U.S.C. 1751 et seq.) is amended by inserting before section 7 the following new heading:

["PAYMENTS TO STATES".

[(b) CORRECTION OF TYPOGRAPHICAL ERROR.—Paragraph (2) of section 7(a) of the National School Lunch Act (42 U.S.C. 1756(a)) is amended by striking "the the" and inserting "the".

[SEC. 304. STATE DISBURSEMENT TO SCHOOLS.

[Subsection (d) of section 8 of the National School Lunch Act (as designated by section 201 of this Act) (42 U.S.C. 1757) is amended—

[(1) by striking "persons" and inserting "individuals";

[(2) by striking "to be mentally or physically handicapped" and inserting "to have 1 or more mental or physical handicaps"; and

[(3) by striking "for mentally or physically handicapped" and inserting "for individuals with mental or physical handicaps".

[SEC. 305. NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS.

[(a) ELIMINATION OF DUPLICATE PROVISION.—Section 9(e) of the National School Lunch Act (42 U.S.C. 1758(e)), as similarly added first by section 324 of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–500 (100 Stat. 1783–361), later by section 324 of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–591 (100 Stat. 3341–364), and later by section 4204 of the Child Nutrition Amendments of 1986, as contained in the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661), is amended to read as if only the latest amendment was enacted.

[(b) MISCELLANEOUS TECHNICAL AMENDMENTS.—Section 9 of the National School Lunch Act (as amended by sections 101 and 202 of this Act and subsection (a) of this section) (42 U.S.C. 1758) is amended—

[(1) by striking "family-size" each place it appears and inserting "family size"; and

[(2) in subsection (c)—

[(A) in the first sentence, by striking "School-lunch" and inserting "School lunch";

[(B) in the third sentence, by striking "(49 Stat. 774), as amended"; and

[(C) in the fourth sentence, by striking ", as amended," each place it appears.

[SEC. 306. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

[(a) ELIMINATION OF DUPLICATE PROVISIONS.—

[(1) DEFINITION OF SECRETARY.—Section 12(d)(8) of the National School Lunch Act (42 U.S.C. 1760(d)(8)), as similarly added first by section 373(a) of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–500 (100 Stat. 1783–369), later by section 373(a) of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–591 (100 Stat. 3341–372), and later by section 4503(a) of the Child Nutrition Amendments of 1986, as contained in the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661), is amended to read as if only the latest amendment was enacted.

[(2) USE OF SCHOOL LUNCH FACILITIES FOR ELDERLY PROGRAMS.—Section 12(i) of the National School Lunch Act (42 U.S.C. 1760(i)), as similarly added first by section 326 of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–500 (100 Stat. 1783–361), later by section 326 of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–591 (100 Stat. 3341–365), and later by section 4206 of the Child Nutrition Amendments of 1986, as contained in the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661), is amended to read as if only the latest amendment was enacted.

[(b) MISCELLANEOUS TECHNICAL AMENDMENTS.—Section 12 of the National School Lunch Act (as amended by subsection (a)) (42 U.S.C. 1760) is amended—

[(1) in subsection (b), by striking "his" each place it appears and inserting "the Secretary's";

[(2) in paragraph (5) of subsection (d), by striking "Internal Revenue Code of 1954" and inserting "Internal Revenue Code of 1986";

[(3) in subsection (g), by striking "his" and inserting "personal"; and

[(4) in subsection (i) (as amended by subsection (a)(2))—

[(A) by striking "(42 U.S.C. 1771 et seq.)"; and

[(B) by striking "(42 U.S.C. 3001 et seq.)".

[SEC. 307. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

[Section 13 of the National School Lunch Act (as amended by section 102 of this Act) (42 U.S.C. 1761) is amended—

[(1) in subsection (d), by striking "July 1," and inserting "July 1";

[(2) in the third sentence of subsection (f), by striking "prescribed" and inserting "prescribe";

[(3) in the first sentence of subsection (g), by striking ": *Provided*" and all that follows through "respectively"; and

[(4) in subsection (h)—

[(A) by striking "(7 U.S.C. 1431)";

[(B) by striking "(7 U.S.C. 612c)"; and

[(C) by striking "(7 U.S.C. 1446a–1)".

[SEC. 308. REPEAL OF OBSOLETE PROVISION RELATING TO TEMPORARY EMERGENCY ASSISTANCE.

[Section 13A of the National School Lunch Act (42 U.S.C. 1762) is repealed.

[SEC. 309. ELECTION TO RECEIVE CASH PAYMENTS.

[The National School Lunch Act (42 U.S.C. 1751 et seq.) is amended by inserting before section 16 the following new heading:

["ELECTION TO RECEIVE CASH PAYMENTS".

[SEC. 310. CHILD CARE FOOD PROGRAM.

[(a) MISCELLANEOUS TECHNICAL AMENDMENTS.—Section 17 of the National School Lunch Act (as amended by sections 105, 131, and 204 of this Act) (42 U.S.C. 1766) is amended—

[(1) in subsection (a), by striking "handicapped children" each place it appears and inserting "children with handicaps";

[(2) in the second sentence of subsection (d)(1) (as redesignated by section 204(1) of this Act), by striking "Internal Revenue Code of 1954" and inserting "Internal Revenue Code of 1986";

[(3) in subsection (f)—

[(A) in paragraph (1), by striking "day-care" and inserting "day care"; and

[(B) in subparagraph (B) of paragraph (2), by striking the second period; and

[(4) by striking subsection (k) (and redesignating the succeeding subsections accordingly).

[(b) ELIMINATION OF DUPLICATE PROVISION.—Section 17(e) of the National School Lunch Act (42 U.S.C. 1766(e)), as similarly amended first by section 361 of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–500 (100 Stat. 1783–367), later by section 361 of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–591 (100 Stat. 3341–370), and later by section 4401 of the Child Nutrition Amendments of 1986, as contained in the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661), is amended to read as if only the latest amendment was enacted.

[SEC. 311. PILOT PROJECTS.

[Section 18 of the National School Lunch Act (42 U.S.C. 1769) (as amended by sections 107 and 205 of this Act) is amended—

[(1) by striking subsections (a), (b), and (c), and redesignating the succeeding subsections accordingly; and

[(2) in subsection (a) (as redesignated by paragraph (1))—

[(A) by striking "(42 U.S.C. 1771 et seq.)"; and

[(B) by striking "(42 U.S.C. 1774)".

[SEC. 312. GENERAL AMENDMENTS.

[The National School Lunch Act (as otherwise amended by this Act) (42 U.S.C. 1751 et seq.) is amended—

[(1) by striking "school-lunch" each place it appears and inserting "school lunch";

[(2) by striking "reduced-price" each place it appears and inserting "reduced price"; and

[(3) by striking "special-assistance" each place it appears and inserting "special assistance".

[PART B—AMENDMENTS TO THE CHILD NUTRITION ACT OF 1966

[SEC. 321. SPECIAL MILK PROGRAM AUTHORIZATION.

[Section 3(a) of the Child Nutrition Act of 1966 (as amended by section 211 of this Act) (42 U.S.C. 1772(a)) is amended—

[(1) in the first sentence of paragraph (1), by striking "he" and inserting "the Secretary";

[(2) in paragraph (2), by striking "(42 U.S.C. 1751 et seq.)";

[(3) in paragraph (4), by striking "he" and inserting "the Secretary"; and

[(4) in paragraph (5), by striking "their" and inserting "its".

[SEC. 322. SCHOOL BREAKFAST PROGRAM AUTHORIZATION.

[Section 4 of the Child Nutrition Act of 1966 (as amended by sections 121 and 212 of this Act) (42 U.S.C. 1773) is amended—

[(1) by striking "reduced-price" each place it appears and inserting "reduced price"; and

[(2) in paragraph (3) of subsection (b), by striking "(42 U.S.C. 1766)".

[SEC. 323. REGULATIONS.

[The first sentence of section 10 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended by striking "he" and inserting "the Secretary".

[SEC. 324. APPROPRIATIONS FOR ADMINISTRATIVE EXPENSE.

[(a) INSERTION OF SECTION HEADING.—The Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) is amended by inserting before section 14 the following heading:

["APPROPRIATIONS FOR ADMINISTRATIVE EXPENSE".

[(b) ELIMINATION OF GENDER-SPECIFIC POSSESSIVE PRONOUN.—Section 14 of the Child Nutrition Act of 1966 (42 U.S.C. 1783) is amended—

[(1) by striking "is" and inserting "are"; and

[(2) by striking "his" and inserting "the Secretary's".

[SEC. 325. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

[Section 15 of the Child Nutrition Act of 1966 (42 U.S.C. 1784) is amended—

[(1) in subsection (b), by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

[(2) by redesignating subsections (a) through (f) as paragraphs (1) through (6), respectively;

[(3) in paragraph (3) (as redesignated by paragraph (2) of this section), by striking "Internal Revenue Code of 1954" and inserting "Internal Revenue Code of 1986"; and

[(4) in paragraph (6) (as redesignated by paragraph (2) of this section)—

[(A) by striking "to be mentally or physically handicapped" and inserting "to have 1 or more mental or physical handicaps"; and

[(B) by striking "for mentally or physically handicapped" and inserting "for individuals with mental or physical handicaps".

[SEC. 326. SPECIAL SUPPLEMENTAL FOOD PROGRAM.

[(a) ELIMINATION OF DUPLICATE PROVISIONS.—

[(1) STATE ELIGIBILITY FOR WIC FUNDS.—Section 17(c)(4) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(c)(4)), as similarly amended first by section 342(a) of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–591 (100 Stat. 3341–367) and later by section 4302(a) of the Child Nutrition Amendments of 1986, as contained in the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661), is amended to read as if the later amendment had not been enacted.

[(2) BIENNIAL REPORT.—Section 17(d)(4) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(4)), as similarly amended first by section 343(a) of the School Lunch and Child Nutrition Amendments of 1986, as contained in Public Law 99–591 (100 Stat. 3341–367) and later by section 4303(a) of the Child Nutrition Amendments of 1986, as contained in the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661), is amended to read as if the later amendment had not been enacted.

[(b) MISCELLANEOUS TECHNICAL AMENDMENTS.—Section 17 of the Child Nutrition Act of 1966 (as amended by sections 123 and 213 of this Act and subsection (a) of this section) (42 U.S.C. 1786) is amended—

[(1) in paragraph (3) of subsection (c), by striking "section 1304 of the Food and Agriculture Act of 1977" and inserting "section 4 of the Agriculture and Consumer Protection Act of 1973";

[(2) in subsection (d)—

[(A) by moving the margin of paragraph (4) 2 ems to the left, so that the left margin of such paragraph is indented 2 ems and is aligned with the margin of paragraph (3); and

[(B) in paragraph (4), by moving the margins of subparagraphs (A) through (C) 2 ems to the left, so that the left margin of each such subparagraph is indented 4 ems;

[(3) in subsection (f)—

[(A) in paragraph (8), by striking "persons" each place it appears and inserting "individuals";

[(B) in paragraph (10)—

[(i) by striking "a person" and inserting "an individual";

[(ii) by striking "person's" and inserting "individual's"; and

[(iii) by striking "the person" and inserting "the individual"; and

[(C) by moving the margin of paragraph (17) 2 ems to the left, so that the left margin of such paragraph is indented 2 ems and is aligned with the margin of paragraph (16);

[(4) in subsection (m)—

[(A) in subparagraph (B) of paragraph (7), by striking "(7 U.S.C. 2011 et seq.)"; and

[(B) in subparagraph (A) of paragraph (11), by striking "person" and inserting "individual"; and

[(5) in paragraph (1) of subsection (n), by striking "this Act" and inserting "the Anti-Drug Abuse Act of 1988".

[SEC. 327. NUTRITION EDUCATION AND TRAINING.

[Section 19 of the Child Nutrition Act of 1966 (as amended by sections 124 and 214 of this Act) (42 U.S.C. 1788) is amended—

[(1) in subsection (d)—

[(A) in paragraph (2), by striking the semicolon each place it appears and inserting a comma;

[(B) in the first sentence of paragraph (4)—

[(i) by striking "(12 Stat." and all that follows through "308)"; and

[(ii) by striking "(26 Stat." and all that follows through "328)"; and

[(C) in paragraph (5)—

[(i) by striking "(12 Stat." and all that follows through "308)"; and

[(ii) by striking "(26 Stat." and all that follows through "328)"; and

[(2) in paragraph (3) of subsection (h)—

[(A) by striking "(12 Stat." and all that follows through "308)"; and

[(B) by striking "(26 Stat." and all that follows through "328)".]

ABANDONED INFANTS ASSISTANCE ACT OF 1988

AN ACT To authorize the Secretary of Health and Human Services to make grants for demonstration projects for foster care and residential care of infants and young children abandoned in hospitals, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

[SECTION 1. SHORT TITLE.

[This Act may be cited as the "Abandoned Infants Assistance Act of 1988".

[SEC. 2. FINDINGS.

[The Congress finds that—

[(1) throughout the Nation, the number of infants and young children who have been exposed to drugs taken by their mothers during pregnancy has increased dramatically;

[(2) the inability of parents who abuse drugs to provide adequate care for such infants and young children and a lack of suitable shelter homes for such infants and young children have led to the abandonment of such infants and young children in hospitals for extended periods;

[(3) an unacceptable number of these infants and young children will be medically cleared for discharge, yet remain in hospitals as boarder babies;

[(4) hospital-based child care for these infants and young children is extremely costly and deprives them of an adequate nurturing environment;

[(5) training is inadequate for foster care personnel working with medically fragile infants and young children and infants and young children exposed to drugs;

[(6) a particularly devastating development is the increase in the number of infants and young children who are infected with the human immunodeficiency virus (which is believed to cause acquired immune deficiency syndrome and which is commonly known as HIV) or who have been perinatally exposed to the virus or to a dangerous drug;

[(7) many such infants and young children have at least one parent who is an intravenous drug abuser;

[(8) such infants and young children are particularly difficult to place in foster homes, and are being abandoned in hospitals in increasing numbers by mothers dying of acquired immune deficiency syndrome, or by parents incapable of providing adequate care;

[(9) there is a need for comprehensive services for such infants and young children, including foster family care services, case management services, family support services, respite and crisis intervention services, counseling services, and group residential home services;

[(10) there is a need to support the families of such infants and young children through the provision of services that will prevent the abandonment of the infants and children; and

[(11) there is a need for the development of funding strategies that coordinate and make the optimal use of all private resources, and Federal, State, and local resources, to establish and maintain such services.

[TITLE I—PROJECTS REGARDING ABANDONMENT OF INFANTS AND YOUNG CHILDREN IN HOSPITALS

[SEC. 101. ESTABLISHMENT OF PROGRAM OF DEMONSTRATION PROJECTS.

[(a) IN GENERAL.—The Secretary of Health and Human Services may make grants to public and nonprofit private entities for the purpose of developing, implementing, and operating projects to demonstrate methods—

[(1) to prevent the abandonment of infants and young children, including the provision of services to members of the natural family for any condition that increases the probability of abandonment of an infant or young child;

[(2) to identify and address the needs of abandoned infants and young children;

[(3) to assist abandoned infants and young children to reside with their natural families or in foster care, as appropriate;

[(4) to recruit, train, and retain foster families for abandoned infants and young children;

[(5) to carry out residential care programs for abandoned infants and young children who are unable to reside with their families or to be placed in foster care;

[(6) to carry out programs of respite care for families and foster families of infants and young children described in subsection (b);

[(7) to recruit and train health and social services personnel to work with families, foster care families, and residential care programs for abandoned infants and young children; and

[(8) to prevent the abandonment of infants and young children, and to care for the infants and young children who have been abandoned, through model programs providing health, educational, and social services at a single site in a geographic area in which a significant number of infants and young children described in subsection (b) reside (with special consideration given to applications from entities that will provide the services of the project through community-based organizations).

[(b) PRIORITY IN PROVISION OF SERVICES.—The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees that, in carrying out the purpose described in subsection (a) (other than with respect to paragraph (6) of such subsection), the applicant will give priority to abandoned infants and young children—

[(1) who are infected with the human immunodeficiency virus or who have been perinatally exposed to the virus; or

[(2) who have been perinatally exposed to a dangerous drug.

[(c) CASE PLAN WITH RESPECT TO FOSTER CARE.—The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees that, if the applicant expends the grant to carry out any program of providing care to infants and young children in foster homes or in other nonmedical residential settings away from their parents, the applicant will ensure that—

[(1) a case plan of the type described in paragraph (1) of section 475 of the Social Security Act is developed for each such infant and young child (to the extent that such infant and young child is not otherwise covered by such a plan); and

[(2) the program includes a case review system of the type described in paragraph (5) of such section (covering each such infant and young child who is not otherwise subject to such a system).

[(d) ADMINISTRATION OF GRANT.—

[(1) The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees—

[(A) to use the funds provided under this section only for the purposes specified in the application submitted to, and approved by, the Secretary pursuant to subsection (e);

[(B) to establish such fiscal control and fund accounting procedures as may be necessary to ensure proper disbursement and accounting of Federal funds paid to the applicant under this section;

[(C) to report to the Secretary annually on the utilization, cost, and outcome of activities conducted, and services furnished, under this section; and

[(D) that if, during the majority of the 180-day period preceding the date of the enactment of this Act, the applicant has carried out any program with respect to the care

of abandoned infants and young children, the applicant will expend the grant only for the purpose of significantly expanding, in accordance with subsection (a), activities under such program above the level provided under such program during the majority of such period.

[(2) Subject to the availability of amounts made available in appropriations Acts for the fiscal year involved, the duration of a grant under subsection (a) shall be for a period of 3 years, except that the Secretary—

[(A) may terminate the grant if the Secretary determines that the entity involved has substantially failed to comply with the agreements required as a condition of the provision of the grant; and

[(B) shall continue the grant for one additional year if the Secretary determines that the entity has satisfactorily complied with such agreements.

[(e) REQUIREMENT OF APPLICATION.—The Secretary may not make a grant under subsection (a) unless—

[(1) an application for the grant is submitted to the Secretary;

[(2) with respect to carrying out the purpose for which the grant is to be made, the application provides assurances of compliance satisfactory to the Secretary; and

[(3) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

[(f) TECHNICAL ASSISTANCE TO GRANTEES.—The Secretary may, without charge to any grantee under subsection (a), provide technical assistance (including training) with respect to the planning, development, and operation of projects described in such subsection. The Secretary may provide such technical assistance directly, through contracts, or through grants.

[(g) TECHNICAL ASSISTANCE WITH RESPECT TO PROCESS OF APPLYING FOR GRANT.—The Secretary may provide technical assistance (including training) to public and nonprofit private entities with respect to the process of applying to the Secretary for a grant under subsection (a). The Secretary may provide such technical assistance directly, through contracts, or through grants.

[SEC. 102. EVALUATIONS, STUDIES, AND REPORTS BY SECRETARY.

[(a) EVALUATIONS OF DEMONSTRATION PROJECTS.—The Secretary shall, directly or through contracts with public and nonprofit private entities, provide for evaluations of projects carried out under section 101 and for the dissemination of information developed as result of such projects.

[(b) DISSEMINATION OF INFORMATION TO INDIVIDUALS WITH SPECIAL NEEDS.—

[(1)(A) The Secretary may enter into contracts or cooperative agreements with public or nonprofit private entities for the development and operation of model projects to disseminate the information described in subparagraph (B) to individuals who are disproportionately at risk of dysfunctional behaviors that lead to the abandonment of infants or young children.

[(B) The information referred to in subparagraph (A) is information on the availability to individuals described in such subparagraph, and the families of the individuals, of financial assistance and services under Federal, State, local, and private programs providing health services, mental health services, educational services, housing services, social services, or other appropriate services.

[(2) The Secretary may not provide a contract or cooperative agreement under paragraph (1) to an entity unless—

[(A) the entity has demonstrated expertise in the functions with respect to which such financial assistance is to be provided; and

[(B) the entity agrees that in disseminating information on programs described in such paragraph, the entity will give priority—

[(i) to providing the information to individuals described in such paragraph who—

[(I) engage in the abuse of alcohol or drugs, who are infected with the human immunodeficiency virus, or who have limited proficiency in speaking the English language; or

[(II) have been historically underserved in the provision of the information; and

[(ii) to providing information on programs that are operated in the geographic area in which the individuals involved reside and that will assist in eliminating or reducing the extent of behaviors described in such paragraph.

[(3) In providing contracts and cooperative agreements under paragraph (1), the Secretary may not provide more than 1 such contract or agreement with respect to any geographic area.

[(4) Subject to the availability of amounts made available in appropriations Acts for the fiscal year involved, the duration of a contract or cooperative agreement under paragraph (1) shall be for a period of 3 years, except that the Secretary may terminate such financial assistance if the Secretary determines that the entity involved has substantially failed to comply with the agreements required as a condition of the provision of the assistance.

[(c) STUDY AND REPORT ON NUMBER OF ABANDONED INFANTS AND YOUNG CHILDREN.—

[(1) The Secretary shall conduct a study for the purpose of determining—

[(A) an estimate of the number of infants and young children abandoned in hospitals in the United States and the number of such infants and young children who are infants and young children described in section 101(b); and

[(B) an estimate of the annual costs incurred by the Federal Government and by State and local governments in providing housing and care for such infants and young children.

[(2) Not later than April 1, 1992, the Secretary shall complete the study required in paragraph (1) and submit to the

Congress a report describing the findings made as a result of the study.

[(d) STUDY AND REPORT ON EFFECTIVE CARE METHODS.—

[(1) The Secretary shall conduct a study for the purpose of determining the most effective methods for responding to the needs of abandoned infants and young children.

[(2) The Secretary shall, not later than April 1, 1991, complete the study required in paragraph (1) and submit to the Congress a report describing the findings made as a result of the study.

[SEC. 103. DEFINITIONS.

[For purposes of this title:

[(1) The terms "abandoned" and "abandonment", with respect to infants and young children, mean that the infants and young children are medically cleared for discharge from acute-care hospital settings, but remain hospitalized because of a lack of appropriate out-of-hospital placement alternatives.

[(2) The term "dangerous drug" means a controlled substance, as defined in section 102 of the Controlled Substances Act.

[(3) The term "natural family" shall be broadly interpreted to include natural parents, grandparents, family members, guardians, children residing in the household, and individuals residing in the household on a continuing basis who are in a care-giving situation with respect to infants and young children covered under this Act.

[SEC. 104. AUTHORIZATION OF APPROPRIATIONS.

[(a) IN GENERAL.—

[(1) For the purpose of carrying out this title (other than section 102(b)), there are authorized to be appropriated $20,000,000 for fiscal year 1992, $25,000,000 for fiscal year 1993, $30,000,000 for fiscal year 1994, and $35,000,000 for fiscal year 1995.

[(2)(A) Of the amounts appropriated under paragraph (1) for any fiscal year in excess of the amount appropriated under this subsection for fiscal year 1991, as adjusted in accordance with subparagraph (B), the Secretary shall make available not less than 50 percent for grants under section 101(a) to carry out projects described in paragraph (8) of such section.

[(B) For purposes of subparagraph (A), the amount relating to fiscal year 1991 shall be adjusted for a fiscal year to a greater amount to the extent necessary to reflect the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with March of the preceding fiscal year.

[(3) Not more than 5 percent of the amounts appropriate under paragraph (1) for any fiscal year may be obligated for carrying out section 102(a).

[(b) DISSEMINATION OF INFORMATION FOR INDIVIDUALS WITH SPECIAL NEEDS.—For the purpose of carrying out section 102(b), there is authorized to be appropriated $5,000,000 for each of the fiscal years 1992 through 1995.

[(c) ADMINISTRATIVE EXPENSES.—

[(1) For the purpose of the administration of this title by the Secretary, there is authorized to be appropriated for each fiscal year specified in subsection (a)(1) an amount equal to 5 percent of the amount authorized in such subsection to be appropriated for the fiscal year. With respect to the amounts appropriated under such subsection, the preceding sentence may not be construed to prohibit the expenditure of the amounts for the purpose described in such sentence.

[(2) The Secretary may not obligate any of the amounts appropriated under paragraph (1) for a fiscal year unless, from the amounts appropriated under subsection (a)(1) for the fiscal year, the Secretary has obligated for the purpose described in such paragraph an amount equal to the amounts obligated by the Secretary for such purpose in fiscal year 1991.

[(d) AVAILABILITY OF FUNDS.—Amounts appropriated under this section shall remain available until expended.

[TITLE II—MEDICAL COSTS OF TREATMENT WITH RESPECT TO ACQUIRED IMMUNE DEFICIENCY SYNDROME

[SEC. 201. STUDY AND REPORT ON ASSISTANCE.

[(a) STUDY.—The Secretary shall conduct a study for the purpose of—

[(1) determining cost-effective methods for providing assistance to individuals for the medical costs of treatment of conditions arising from infection with the etiologic agent for acquired immune deficiency syndrome, including determining the feasibility of risk-pool health insurance for individuals at risk of such infection;

[(2) determining the extent to which Federal payments under title XIX of the Social Security Act are being expended for medical costs described in paragraph (1); and

[(3) providing an estimate of the extent to which such Federal payments will be expended for such medical costs during the 5-year period beginning on the date of the enactment of this Act.

[(b) REPORT.—The Secretary shall, not later than 12 months after the date of the enactment of this Act, complete the study required in subsection (a) and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the findings made as a result of the study.

[TITLE III—GENERAL PROVISIONS

[SEC. 301. DEFINITIONS.

[For purposes of this Act:

[(1) The term "acquired immune deficiency syndrome" includes infection with the etiologic agent for such syndrome, any condition indicating that an individual is infected with such

etiologic agent, and any condition arising from such etiologic agent.

[(2) The term "Secretary" means the Secretary of Health and Human Services.]

DOMESTIC VOLUNTEER SERVICE ACT OF OF 1973

* * * * * * *

DEFINITIONS

SEC. 421. For the purposes of this Act—

(1) * * *

* * * * * * *

[(7) the term "boarder baby" means an infant described in section 103 of the Abandoned Infants Assistance Act of 1988 (Public Law 100–505; 42 U.S.C. 670 note);]

(7) the term "boarder baby" means an infant who is medically cleared for discharge from an acute-care hospital setting, but remains hospitalized because of a lack of appropriate out-of-hospital placement alternatives;

* * * * * * *

CHILD ABUSE PREVENTION AND TREATMENT ACT

[SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

[(a) SHORT TITLE.—This Act may be cited as the "Child Abuse Prevention and Treatment Act".

[(b) TABLE OF CONTENTS.—The table of contents is as follows:

[TABLE OF CONTENTS

[Sec. 1. Short title and table of contents.
[Sec. 2. Findings.

[TITLE I—GENERAL PROGRAM

[Sec. 101. National Center on Child Abuse and Neglect.
[Sec. 102. Advisory Board on Child Abuse and Neglect.
[Sec. 103. Inter-Agency Task Force on Child Abuse and Neglect.
[Sec. 104. National clearinghouse for information relating to child abuse.
[Sec. 105. Research and assistance activities of the National Center on Child Abuse and Neglect.
[Sec. 106. Grants to public agencies and nonprofit private organizations for demonstration or service programs and projects.
[Sec. 107. Grants to States for child abuse and neglect prevention and treatment programs.
[Sec. 108. Technical assistance to States for child abuse prevention and treatment programs.
[Sec. 109. Grants to States for programs relating to the investigation and prosecution of child abuse and neglect cases.
[Sec. 110. Miscellaneous requirements relating to assistance.
[Sec. 111. Coordination of child abuse and neglect programs.
[Sec. 112. Reports.
[Sec. 113. Definitions.
[Sec. 114. Authorization of appropriations.

[TITLE II—GRANTS WITH RESPECT TO ENCOURAGING STATES TO MAINTAIN CERTAIN FUNDING MECHANISMS

[Sec. 201. Findings and purpose.
[Sec. 202. Definitions.
[Sec. 203. Grants authorized.
[Sec. 204. State eligibility.
[Sec. 205. Limitations.
[Sec. 206. Withholding.
[Sec. 207. Audit.
[Sec. 208. Report.

[TITLE III—CERTAIN PREVENTIVE SERVICES REGARDING CHILDREN OF HOMELESS FAMILIES OR FAMILIES AT RISK OF HOMELESSNESS

[Sec. 301. Demonstration grants for prevention of inappropriate separation from family and for prevention of child abuse and neglect.
[Sec. 302. Provisions with respect to carrying out purpose of demonstration grants.
[Sec. 303. Additional required agreements.
[Sec. 304. Description of intended uses of grant.
[Sec. 305. Requirement of submission of application.
[Sec. 306. Authorization of appropriations.

[SEC. 2. FINDINGS.

[Congress finds that—

[(1) each year, hundreds of thousands of American children are victims of abuse and neglect with such numbers having increased dramatically over the past decade;

[(2) many of these children and their families fail to receive adequate protection or treatment;

[(3) the problem of child abuse and neglect requires a comprehensive approach that—

[(A) integrates the work of social service, legal, health, mental health, education, and substance abuse agencies and organizations;

[(B) strengthens coordination among all levels of government, and with private agencies, civic, religious, and professional organizations, and individual volunteers;

[(C) emphasizes the need for abuse and neglect prevention, investigation, and treatment at the neighborhood level;

[(D) ensures properly trained and support staff with specialized knowledge, to carry out their child protection duties; and

[(E) is sensitive to ethnic and cultural diversity;

[(4) the failure to coordinate and comprehensively prevent and treat child abuse and neglect threatens the futures of tens of thousands of children and results in a cost to the Nation of billions of dollars in direct expenditures for health, social, and special educational services and ultimately in the loss of work productivity;

[(5) all elements of American society have a shared responsibility in responding to this national child and family emergency;

[(6) substantial reductions in the prevalence and incidence of child abuse and neglect and the alleviation of its consequences are matters of the highest national priority;

[(7) national policy should strengthen families to remedy the causes of child abuse and neglect, provide support for intensive services to prevent the unnecessary removal of children from

families, and promote the reunification of families if removal has taken place;

[(8) the child protection system should be comprehensive, child-centered, family-focused, and community-based, should incorporate all appropriate measures to prevent the occurrence or recurrence of child abuse and neglect, and should promote physical and psychological recovery and social re-integration in an environment that fosters the health, self-respect, and dignity of the child;

[(9) because of the limited resources available in low-income communities, Federal aid for the child protection system should be distributed with due regard to the relative financial need of the communities;

[(10) the Federal government should ensure that every community in the United States has the fiscal, human, and technical resources necessary to develop and implement a successful and comprehensive child protection strategy;

[(11) the Federal government should provide leadership and assist communities in their child protection efforts by—

[(A) promoting coordinated planning among all levels of government;

[(B) generating and sharing knowledge relevant to child protection, including the development of models for service delivery;

[(C) strengthening the capacity of States to assist communities;

[(D) allocating sufficient financial resources to assist States in implementing community plans;

[(E) helping communities to carry out their child protection plans by promoting the competence of professional, paraprofessional, and volunteer resources; and

[(F) providing leadership to end the abuse and neglect of the nation's children and youth.

[TITLE I—GENERAL PROGRAM

[SEC. 101. NATIONAL CENTER ON CHILD ABUSE AND NEGLECT.

[(a) ESTABLISHMENT.—The Secretary of Health and Human Services shall establish an office to be known as the National Center on Child Abuse and Neglect.

[(b) APPOINTMENT OF DIRECTOR.—

[(1) APPOINTMENT.—The Secretary shall appoint a Director of the Center. Except as otherwise provided in this Act, the Director shall be responsible only for administration and operation of the Center and for carrying out the functions of the Center under this Act. The Director shall have experience in the field of child abuse and neglect.

[(2) COMPENSATION.—The Director shall be compensated at the annual rate provided for a level GS–15 employee under section 5332 of title 5, United States Code.

[(c) OTHER STAFF AND RESOURCES.—The Secretary shall make available to the Center such staff and resources as are necessary for the Center to carry out effectively its functions under this Act.

The Secretary shall require that professional staff have experience relating to child abuse and neglect. The Secretary is required to justify, based on the priorities and needs of the Center, the hiring of any professional staff member who does not have experience relating to child abuse and neglect.

[SEC. 102. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.

[(a) APPOINTMENT.—The Secretary shall appoint an advisory board to be known as the Advisory Board on Child Abuse and Neglect.

[(b) SOLICITATION OF NOMINATIONS.—The Secretary shall publish a notice in the Federal Register soliciting nominations for the appointments required by subsection (a).

[(c) COMPOSITION OF BOARD.—

[(1) NUMBER OF MEMBERS.—The board shall consist of 15 members, each of which shall be a person who is recognized for expertise in an aspect of the area of child abuse, of which—

[(A) 2 shall be members of the task force established under section 103; and

[(B) 13 shall be members of the general public and may not be Federal employees.

[(2) REPRESENTATION.—The Secretary shall appoint members from the general public under paragraph (1)(B) who are individuals knowledgeable in child abuse and neglect prevention, intervention, treatment, or research, and with due consideration to representation of ethnic or racial minorities and diverse geographic areas, and who represent—

[(A) law (including the judiciary);

[(B) psychology (including child development);

[(C) social services (including child protective services);

[(D) medicine (including pediatrics);

[(E) State and local government;

[(F) organizations providing services to disabled persons;

[(G) organizations providing services to adolescents;

[(H) teachers;

[(I) parent self-help organizations;

[(J) parents' groups; and

[(K) voluntary groups.

[(3) TERMS OF OFFICE.—(A) Except as otherwise provided in this subsection, members shall be appointed for terms of office of 4 years.

[(B) Of the members of the board from the general public first appointed under subsection (a)—

[(i) 4 shall be appointed for terms of office of 2 years;

[(ii) 4 shall be appointed for terms of office of 3 years; and

[(iii) 5 shall be appointed for terms of office of 4 years, as determined by the members from the general public during the first meeting of the board.

[(C) No member of the board appointed under subsection (a) shall be eligible to serve in excess of two consecutive terms, but may continue to serve until such member's successor is appointed.

[(4) VACANCIES.—Any member of the board appointed under subsection (a) to fill a vacancy occurring before the expiration

of the term to which such member's predecessor was appointed shall be appointed for the remainder of such term. If the vacancy occurs prior to the expiration of the term of a member of the board appointed under subsection (a), a replacement shall be appointed in the same manner in which the original appointment was made.

[(5) REMOVAL.—No member of the board may be removed during the term of office of such member except for just and sufficient cause.

[(d) ELECTION OF OFFICERS.—The board shall elect a chairperson and vice-chairperson at its first meeting from among the members from the general public.

[(e) MEETINGS.—The board shall meet not less than twice a year at the call of the chairperson. The chairperson, to the maximum extent practicable, shall coordinate meetings of the board with receipt of reports from the task force under section 103(f).

[(f) DUTIES.—The board shall—

[(1) annually submit to the Secretary and the appropriate committees of Congress a report containing—

[(A) recommendations on coordinating Federal child abuse and neglect activities to prevent duplication and ensure efficient allocations of resources and program effectiveness; and

[(B) recommendations as to carrying out the purposes of this Act;

[(2) annually submit to the Secretary and the Director a report containing long-term and short-term recommendations on—

[(A) programs;

[(B) research;

[(C) grant and contract needs;

[(D) areas of unmet needs; and

[(E) areas to which the Secretary should provide grant and contract priorities under sections 105 and 106;

[(3) annually review the budget of the Center and submit to the Director a report concerning such review; and

[(4) not later than 24 months after the date of the enactment of the Child Abuse Programs, Adoption Opportunities, and Family Violence Prevention Amendments Act of 1992, submit to the Secretary and the appropriate committees of the Congress a report containing the recommendations of the Board with respect to—

[(A) a national policy designed to reduce and ultimately to prevent child and youth maltreatment-related deaths, detailing appropriate roles and responsibilities for State and local governments and the private sector;

[(B) specific changes needed in Federal laws and programs to achieve an effective Federal role in the implementation of the policy specified in subparagraph (A); and

[(C) specific changes needed to improve national data collection with respect to child and youth maltreatment-related deaths.

[(g) COMPENSATION.—

[(1) IN GENERAL.—Except as provided in paragraph (3), members of the board, other than those regularly employed by the Federal Government, while serving on business of the board, may receive compensation at a rate not in excess of the daily equivalent payable to a GS–18 employee under section 5332 of title 5, United States Code, including traveltime.

[(2) TRAVEL.—Except as provided in paragraph (3), members of the board, while serving on business of the board away from their homes or regular places of business, may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

[(3) RESTRICTION.—The Director may not compensate a member of the board under this section if the member is receiving compensation or travel expenses from another source while serving on business of the board.

[(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $1,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1995.

[SEC. 103. INTER-AGENCY TASK FORCE ON CHILD ABUSE AND NEGLECT.

[(a) ESTABLISHMENT.—The Secretary shall establish a task force to be known as the Inter-Agency Task Force on Child Abuse and Neglect.

[(b) COMPOSITION.—The Secretary shall request representation for the task force from Federal agencies with responsibility for programs and activities related to child abuse and neglect.

[(c) CHAIRPERSON.—The task force shall be chaired by the Director.

[(d) DUTIES.—The task force shall—

[(1) coordinate Federal efforts with respect to child abuse prevention and treatment programs;

[(2) encourage the development by other Federal agencies of activities relating to child abuse prevention and treatment;

[(3) coordinate the use of grants received under this Act with the use of grants received under other programs;

[(4) prepare a comprehensive plan for coordinating the goals, objectives, and activities of all Federal agencies and organizations which have responsibilities for programs and activities related to child abuse and neglect, and submit such plan to such Advisory Board not later than 12 months after the date of enactment of the Child Abuse Prevention, Adoption, and Family Services Act of 1988; and

[(5) coordinate adoption related activities, develop Federal standards with respect to adoption activities under this Act, and prevent duplication with respect to the allocation of resources to adoption activities.

[(e) MEETINGS.—The task force shall meet not less than three times annually at the call of the chairperson.

[(f) REPORTS.—The task force shall report not less than twice annually to the Center and the Board.

[SEC. 104. NATIONAL CLEARINGHOUSE FOR INFORMATION RELATING TO CHILD ABUSE.

[(a) ESTABLISHMENT.—Before the end of the 2-year period beginning on the date of the enactment of the Child Abuse Prevention, Adoption, and Family Services Act of 1988, the Secretary shall through the Center, or by contract of no less than 3 years duration let through a competition, establish a national clearinghouse for information relating to child abuse.

[(b) FUNCTIONS.—The Director shall, through the clearinghouse established by subsection (a)—

[(1) maintain, coordinate, and disseminate information on all programs, including private programs, that show promise of success with respect to the prevention, identification, and treatment of child abuse and neglect, including the information provided by the National Center for Child Abuse and Neglect under section 105(b);

[(2) maintain and disseminate information relating to—

[(A) the incidence of cases of child abuse and neglect in the general population;

[(B) the incidence of such cases in populations determined by the Secretary under section 105(a)(1) of the Child Abuse Prevention, Adoption, and Family Services Act of 1988;

[(C) the incidence of any such cases related to alcohol or drug abuse; and

[(D) State and local recordkeeping with respect to such cases; and

[(3) directly or through contract, identify effective programs carried out by the States pursuant to title II and provide technical assistance to the States in the implementation of such programs.

[(c) COORDINATION WITH AVAILABLE RESOURCES.—In establishing a national clearinghouse as required by subsection (a), the Director shall—

[(1) consult with other Federal agencies that operate similar clearinghouses;

[(2) consult with the head of each agency that is represented on the task force on the development of the components for information collection and management of such clearinghouse;

[(3) develop a Federal data system involving the elements under subsection (b) which, to the extent practicable, coordinates existing State, regional, and local data systems; and

[(4) solicit public comment on the components of such clearinghouse.

[SEC. 105. RESEARCH AND ASSISTANCE ACTIVITIES OF THE NATIONAL CENTER ON CHILD ABUSE AND NEGLECT.

[(a) RESEARCH.—

[(1) TOPICS.—The Secretary shall, through the Center, conduct research on—

[(A) the causes, prevention, identification, treatment, and cultural distinctions of child abuse and neglect;

[(B) appropriate, effective and culturally sensitive investigative, administrative, and judicial procedures with respect to cases of child abuse; and

[(C) the national incidence of child abuse and neglect, including—

[(i) the extent to which incidents of child abuse are increasing or decreasing in number and severity;

[(ii) the relationship of child abuse and neglect to nonpayment of child support, cultural diversity, disabilities, and various other factors; and

[(iii) the incidence of substantiated reported child abuse cases that result in civil child protection proceedings or criminal proceedings, including the number of such cases with respect to which the court makes a finding that abuse or neglect exists and the disposition of such cases.

[(2) PRIORITIES.—(A) The Secretary shall establish research and demonstration priorities for making grants or contracts for purposes of carrying out paragraph (1)(A) and activities under section 106.

[(B) In establishing research and demonstration priorities as required by subparagraph (A), the Secretary shall—

[(i) publish proposed priorities in the Federal Register for public comment; and

[(ii) allow not less than 60 days for public comment on such proposed priorities.

[(b) PUBLICATION AND DISSEMINATION OF INFORMATION.—The Secretary shall, through the Center—

[(1) as a part of research activities, establish a national data collection and analysis program—

[(A) which, to the extent practicable, coordinates existing State child abuse and neglect reports and which shall include—

[(i) standardized data on false, unfounded, or unsubstantiated reports; and

[(ii) information on the number of deaths due to child abuse and neglect; and

[(B) which shall collect, compile, analyze, and make available State child abuse and neglect reporting information which, to the extent practical, is universal and case specific, and integrated with other case-based foster care and adoption data collected by the Secretary;

[(2) annually compile and analyze research on child abuse and neglect and publish a summary of such research;

[(3) compile, evaluate, publish, and disseminate to the States and to the clearinghouse, established under section 104, materials and information designed to assist the States in developing, establishing, and operating the programs described in section 109, including an evaluation of—

[(A) various methods and procedures for the investigation and prosecution of child physical and sexual abuse cases; and

[(B) resultant psychological trauma to the child victim;

[(4) compile, publish, and disseminate training materials—

[(A) for persons who are engaged in or intend to engage in the prevention, identification, and treatment of child abuse and neglect; and

[(B) to appropriate State and local officials to assist in training law enforcement, legal, judicial, medical, mental health, and child welfare personnel in appropriate methods of interacting during investigative, administrative, and judicial proceedings with children who have been subjected to abuse; and

[(5) establish model information collection systems, in consultation with appropriate State and local agencies and professionals.

[(c) PROVISION OF TECHNICAL ASSISTANCE.—The Secretary shall, through the Center, provide technical assistance to public and nonprofit private agencies and organizations, including disability organizations and persons who work with children with disabilities, to assist such agencies and organizations in planning, improving, developing, and carrying out programs and activities relating to the prevention, identification, and treatment of child abuse and neglect.

[(d) AUTHORITY TO MAKE GRANTS OR ENTER INTO CONTRACTS.—

[(1) IN GENERAL.—The functions of the Secretary under this section may be carried out either directly or through grant or contract.

[(2) DURATION.—Grants under this section shall be made for periods of not more than 5 years. The Secretary shall review each such grant at least annually, utilizing peer review mechanisms to assure the quality and progress of research conducted under such grant.

[(3) PREFERENCE FOR LONG-TERM STUDIES.—In making grants for purposes of conducting research under subsection (a), the Secretary shall give special consideration to applications for long-term projects.

[(e) PEER REVIEW FOR GRANTS.—

[(1) ESTABLISHMENT OF PEER REVIEW PROCESS.—(A) The Secretary shall establish a formal peer review process for purposes of evaluating and reviewing applications for grants and contracts under this section and determining the relative merits of the projects for which such assistance is requested.

[(B) In establishing the process required by subparagraph (A), the Secretary shall appoint to the peer review panels only members who are experts in the field of child abuse and neglect or related disciplines, with appropriate expertise in the application to be reviewed, and who are not individuals who are officers or employees of the Office of Human Development. The panels shall meet as often as is necessary to facilitate the expeditious review of applications for grants and contracts under this section, but may not meet less than once a year.

[(2) REVIEW OF APPLICATIONS FOR ASSISTANCE.—Each peer review panel established under paragraph (1)(A) that reviews any application for a grant, contract, or other financial assistance shall—

[(A) determine and evaluate the merit of each project described in such application;

[(B) rank such application with respect to all other applications it reviews in the same priority area for the fiscal year involved, according to the relative merit of all of the

projects that are described in such application and for which financial assistance is requested; and

[(C) make recommendations to the Secretary concerning whether the application for the project shall be approved.

[(3) NOTICE OF APPROVAL.—(A) The Secretary shall provide grants and contracts under this section from among the projects which the peer review panels established under paragraph (1)(A) have determined to have merit.

[(B) In the instance in which the Secretary approves an application for a program without having approved all applications ranked above such application (as determined under subsection (e)(2)(B)), the Secretary shall append to the approved application a detailed explanation of the reasons relied on for approving the application and for failing to approve each pending application that is superior in merit, as indicated on the list under subsection (e)(2)(B).

[SEC. 106. GRANTS TO PUBLIC AGENCIES AND NONPROFIT PRIVATE ORGANIZATIONS FOR DEMONSTRATION OR SERVICE PROGRAMS AND PROJECTS.

[(a) GENERAL AUTHORITY.—

[(1) DEMONSTRATION OR SERVICE PROGRAMS AND PROJECTS.—The Secretary, through the Center, shall, in accordance with subsections (b) and (c), make grants to, and enter into contracts with, public agencies or nonprofit private organizations (or combinations of such agencies or organizations) for demonstration or service programs and projects designed to prevent, identify, and treat child abuse and neglect.

[(2) EVALUATIONS.—In making grants or entering into contracts for demonstration projects, the Secretary shall require all such projects to be evaluated for their effectiveness. Funding for such evaluations shall be provided either as a stated percentage of a demonstration grant or contract, or as a separate grant or contract entered into by the Secretary for the purpose of evaluating a particular demonstration project or group of projects.

[(b) GRANTS FOR RESOURCE CENTERS.—The Secretary shall, directly or through grants or contracts with public or private nonprofit organizations under this section, provide for the establishment of resource centers—

[(1) serving defined geographic areas;

[(2) staffed by multidisciplinary teams of personnel trained in the prevention, identification, and treatment of child abuse and neglect; and

[(3) providing advice and consultation to individuals, agencies, and organizations which request such services.

[(c) DISCRETIONARY GRANTS.—In addition to grants or contracts made under subsection (b), grants or contracts under this section may be used for the following:

[(1) Training programs—

[(A) for professional and paraprofessional personnel in the fields of medicine, law, education, social work, and other relevant fields who are engaged in, or intend to work in, the field of prevention, identification, and treatment of child abuse and neglect;

[(B) to provide culturally specific instruction in methods of protecting children from child abuse and neglect to children and to persons responsible for the welfare of children, including parents of and persons who work with children with disabilities; or

[(C) to improve the recruitment, selection, and training of volunteers serving in private and public nonprofit children, youth and family service organizations in order to prevent child abuse and neglect through collaborative analysis of current recruitment, selection, and training programs and development of model programs for dissemination and replication nationally.

[(2) Such other innovative programs and projects as the Secretary may approve, including programs and projects for parent self-help, for prevention and treatment of alcohol and drug-related child abuse and neglect, and for home health visitor programs designed to reach parents of children in populations in which risk is high, that show promise of successfully preventing and treating cases of child abuse and neglect, and for a parent self-help program of demonstrated effectiveness which is national in scope.

[(3) Projects which provide educational identification, prevention, and treatment services in cooperation with preschool and elementary and secondary schools.

[(4) Respite and crisis nursery programs provided by community-based organizations under the direction and supervision of hospitals.

[(5) Respite and crisis nursery programs provided by community-based organizations.

[(6)(A) Providing hospital-based information and referral services to—

[(i) parents of children with disabilities; and

[(ii) children who have been neglected or abused and their parents.

[(B) Except as provided in subparagraph (C)(iii), services provided under a grant received under this paragraph shall be provided at the hospital involved—

[(i) upon the birth or admission of a child with disabilities; and

[(ii) upon the treatment of a child for abuse or neglect.

[(C) Services, as determined as appropriate by the grantee, provided under a grant received under this paragraph shall be hospital-based and shall consist of—

[(i) the provision of notice to parents that information relating to community services is available;

[(ii) the provision of appropriate information to parents of a child with disabilities regarding resources in the community, particularly parent training resources, that will assist such parents in caring for their child;

[(iii) the provision of appropriate information to parents of a child who has been neglected or abused regarding resources in the community, particularly parent training resources, that will assist such parents in caring for their child and reduce the possibility of abuse or neglect;

[(iv) the provision of appropriate follow-up services to parents of a child described in subparagraph (B) after the child has left the hospital; and

[(v) where necessary, assistance in coordination of community services available to parents of children described in subparagraph (B).

The grantee shall assure that parental involvement described in this subparagraph is voluntary.

[(D) For purposes of this paragraph, a qualified grantee is a nonprofit acute care hospital that—

[(i) is in a combination with—

[(I) a health-care provider organization;

[(II) a child welfare organization;

[(III) a disability organization; and

[(IV) a State child protection agency;

[(ii) submits an application for a grant under this paragraph that is approved by the Secretary;

[(iii) maintains an office in the hospital involved for purposes of providing services under such grant;

[(iv) provides assurances to the Secretary that in the conduct of the project the confidentiality of medical, social, and personal information concerning any person described in subparagraph (A) or (B) shall be maintained, and shall be disclosed only to qualified persons providing required services described in subparagraph (C) for purposes relating to conduct of the project; and

[(v) assumes legal responsibility for carrying out the terms and conditions of the grant.

[(E) In awarding grants under this paragraph, the Secretary shall—

[(i) give priority under this section for two grants under this paragraph, provided that one grant shall be made to provide services in an urban setting and one grant shall be made to provide services in rural setting; and

[(ii) encourage qualified grantees to combine the amounts received under the grant with other funds available to such grantees.

[(7) Such other innovative programs and projects that show promise of preventing and treating cases of child abuse and neglect as the Secretary may approve.

[SEC. 107. GRANTS TO STATES FOR CHILD ABUSE AND NEGLECT PREVENTION AND TREATMENT PROGRAMS.

[(a) DEVELOPMENT AND OPERATION GRANTS.—The Secretary, acting through the Center, shall make grants to the States, based on the population of children under the age of 18 in each State that applies for a grant under this section, for purposes of assisting the States in improving the child protective service system of each such State in—

[(1) the intake and screening of reports of abuse and neglect through the improvement of the receipt of information, decisionmaking, public awareness, and training of staff;

[(2)(A) investigating such reports through improving response time, decisionmaking, referral to services, and training of staff;

[(B) creating and improving the use of multidisciplinary teams and interagency protocols to enhance investigations; and

[(C) improving legal preparation and representation;

[(3) case management and delivery services provided to families through the improvement of response time in service provision, improving the training of staff, and increasing the numbers of families to be served;

[(4) enhancing the general child protective system by improving assessment tools, automation systems that support the program, information referral systems, and the overall training of staff to meet minimum competencies; or

[(5) developing, strengthening, and carrying out child abuse and neglect prevention, treatment, and research programs.

Not more than 15 percent of a grant under this subsection may be expended for carrying out paragraph (5). The preceding sentence does not apply to any program or activity authorized in any of paragraphs (1) through (4).

[(b) ELIGIBILITY REQUIREMENTS.—In order for a State to qualify for a grant under subsection (a), such State shall—

[(1) have in effect a State law relating to child abuse and neglect, including—

[(A) provisions for the reporting of known and suspected instances of child abuse and neglect; and

[(B) provisions for immunity from prosecution under State and local laws for persons who report instances of child abuse or neglect for circumstances arising from such reporting;

[(2) provide that upon receipt of a report of known or suspected instances of child abuse or neglect an investigation shall be initiated promptly to substantiate the accuracy of the report, and, upon a finding of abuse or neglect, immediate steps shall be taken to protect the health and welfare of the abused or neglected child and of any other child under the same care who may be in danger of abuse or neglect;

[(3) demonstrate that there are in effect throughout the State, in connection with the enforcement of child abuse and neglect laws and with the reporting of suspected instances of child abuse and neglect, such—

[(A) administrative procedures;

[(B) personnel trained in child abuse and neglect prevention and treatment;

[(C) training procedures;

[(D) institutional and other facilities (public and private); and

[(E) such related multidisciplinary programs and services,

as may be necessary or appropriate to ensure that the State will deal effectively with child abuse and neglect cases in the State;

[(4) provide for—

[(A) methods to preserve the confidentiality of all records in order to protect the rights of the child and of the child's parents or guardians, including methods to ensure that disclosure (and redisclosure) of information concern-

ing child abuse or neglect involving specific individuals is made only to persons or entities that the State determines have a need for such information directly related to purposes of this Act; and

[(B) requirements for the prompt disclosure of all relevant information to any Federal, State, or local governmental entity, or any agent of such entity, with a need for such information in order to carry out its responsibilities under law to protect children from abuse and neglect;

[(5) provide for the cooperation of law enforcement officials, courts of competent jurisdiction, and appropriate State agencies providing human services;

[(6) provide that in every case involving an abused or neglected child which results in a judicial proceeding a guardian ad litem shall be appointed to represent the child in such proceedings;

[(7) provide that the aggregate of support for programs or projects related to child abuse and neglect assisted by State funds shall not be reduced below the level provided during fiscal year 1973, and set forth policies and procedures designed to ensure that Federal funds made available under this Act for any fiscal year shall be so used as to supplement and, to the extent practicable, increase the level of State funds which would, in the absence of Federal funds, be available for such programs and projects;

[(8) provide for dissemination of information, including efforts to encourage more accurate reporting, to the general public with respect to the problem of child abuse and neglect and the facilities and prevention and treatment methods available to combat instances of child abuse and neglect;

[(9) to the extent feasible, ensure that parental organizations combating child abuse and neglect receive preferential treatment; and

[(10) have in place for the purpose of responding to the reporting of medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

[(A) coordination and consultation with individuals designated by and within appropriate health-care facilities;

[(B) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

[(C) authority, under State law, for the State child protective service system to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life-threatening conditions.

[(c) STATE PROGRAM PLAN.—To be eligible to receive a grant under this section, a State shall submit every four years a plan to

the Secretary that specifies the child protective service system area or areas described in subsection (a) that the State intends to address with funds received under the grant. The plan shall describe the current system capacity of the State in the relevant area or areas from which to assess programs with grant funds and specify the manner in which funds from the State's programs will be used to make improvements. The plan required under this subsection shall contain, with respect to each area in which the State intends to use funds from the grant, the following information with respect to the State:

[(1) INTAKE AND SCREENING.—

[(A) STAFFING.—The number of child protective service workers responsible for the intake and screening of reports of abuse and neglect relative to the number of reports filed in the previous year.

[(B) TRAINING.—The types and frequency of pre-service and in-service training programs available to support direct line and supervisory personnel in report-taking, screening, decision-making, and referral for investigation.

[(C) PUBLIC EDUCATION.—An assessment of the State or local agency's public education program with respect to—

[(i) what is child abuse and neglect;

[(ii) who is obligated to report and who may choose to report; and

[(iii) how to report.

[(2) INVESTIGATION OF REPORTS.—

[(A) RESPONSE TIME.—The number of reports of child abuse and neglect filed in the State in the previous year where appropriate, the agency response time to each with respect to initial investigation, the number of substantiated and unsubstantiated reports, and where appropriate, the response time with respect to the provision of services.

[(B) STAFFING.—The number of child protective service workers responsible for the investigation of child abuse and neglect reports relative to the number of reports investigated in the previous year.

[(C) INTERAGENCY COORDINATION.—A description of the extent to which interagency coordination processes exist and are available Statewide, and whether protocols or formal policies governing interagency relationships exist in the following areas—

[(i) multidisciplinary investigation teams among child welfare and law enforcement agencies;

[(ii) interagency coordination for the prevention, intervention and treatment of child abuse and neglect among agencies responsible for child protective services, criminal justice, schools, health, mental health, and substance abuse; and

[(iii) special interagency child fatality review panels, including a listing of those agencies that are involved.

[(D) TRAINING.—The types and frequency of pre-service and in-service training programs available to support direct line and supervisory personnel in such areas as inves-

tigation, risk assessment, court preparation, and referral to and provision of services.

[(E) LEGAL REPRESENTATION.—A description of the State agency's current capacity for legal representation, including the manner in which workers are prepared and trained for court preparation and attendance, including procedures for appealing substantiated reports of abuse and neglect.

[(3) CASE MANAGEMENT AND DELIVERY OF ONGOING FAMILY SERVICES.—For children for whom a report of abuse and neglect has been substantiated and the children remain in their own homes and are not currently at risk of removal, the State shall assess the activities and the outcomes of the following services:

[(A) RESPONSE TIME.—The number of cases opened for services as a result of investigation of child abuse and neglect reports filed in the previous year, including the response time with respect to the provision of services from the time of initial report and initial investigation.

[(B) STAFFING.—The number of child protective service workers responsible for providing services to children and their families in their own homes as a result of investigation of reports of child abuse and neglect.

[(C) TRAINING.—The types and frequency of pre-service and in-service training programs available to support direct line and supervisory personnel in such areas as risk assessment, court preparation, provision of services and determination of case disposition, including how such training is evaluated for effectiveness.

[(D) INTERAGENCY COORDINATION.—The extent to which treatment services for the child and other family members are coordinated with child welfare, social service, mental health, education, and other agencies.

[(4) GENERAL SYSTEM ENHANCEMENT.—

[(A) AUTOMATION.—A description of the capacity of current automated systems for tracking reports of child abuse and neglect from intake through final disposition and how personnel are trained in the use of such system.

[(B) ASSESSMENT TOOLS.—A description of whether, how, and what risk assessment tools are used for screening reports of abuse and neglect, determining whether child abuse and neglect has occurred, and assessing the appropriate level of State agency protection and intervention, including the extent to which such tool is used statewide and how workers are trained in its use.

[(C) INFORMATION AND REFERRAL.—A description and assessment of the extent to which a State has in place—

[(i) information and referral systems, including their availability and ability to link families to various child welfare services such as homemakers, intensive family-based services, emergency caretakers, home health visitors, daycare and services outside the child welfare system such as housing, nutrition, health care, special education, income support, and emergency resource assistance; and

[(ii) efforts undertaken to disseminate to the public information concerning the problem of child abuse and neglect and the prevention and treatment programs and services available to combat instances of such abuse and neglect.

[(D) STAFF CAPACITY AND COMPETENCE.—An assessment of basic and specialized training needs of all staff and current training provided staff. Assessment of the competencies of staff with respect to minimum knowledge in areas such as child development, cultural and ethnic diversity, functions and relationship of other systems to child protective services and in specific skills such as interviewing, assessment, and decisionmaking relative to the child and family, and the need for training consistent with such minimum competencies.

[(5) INNOVATIVE APPROACHES.—A description of—

[(A) research and demonstration efforts for developing, strengthening, and carrying out child abuse and neglect prevention, treatment, and research programs, including the interagency efforts at the State level; and

[(B) the manner in which proposed research and development activities build on existing capacity in the programs being addressed.

[(d) WAIVERS.—

[(1) GENERAL RULE.—Subject to paragraph (3) of this subsection, any State which does not qualify for assistance under this subsection may be granted a waiver of any requirement under paragraph (2) of this subsection—

[(A) for a period of not more than one year, if the Secretary makes a finding that such State is making a good faith effort to comply with any such requirement, and for a second one-year period if the Secretary makes a finding that such State is making substantial progress to achieve such compliance; or

[(B) for a nonrenewable period of not more than two years in the case of a State the legislature of which meets only biennially, if the Secretary makes a finding that such State is making a good faith effort to comply with such requirement.

[(2) EXTENSION.—(A) Subject to paragraph (3) of this subsection, any State whose waiver under paragraph (1) expired as of the end of fiscal year 1986 may be granted an extension of such waiver, if the Secretary makes a finding that such State is making a good faith effort to comply with the requirements under subsection (b) of this section—

[(i) through the end of fiscal year 1988; or

[(ii) in the case of a State the legislature of which meets biennially, through the end of the fiscal year 1989 or the end of the next regularly scheduled session of such legislature, whichever is earlier.

[(B) This provision shall be effective retroactively to October 1, 1986.

[(3) REQUIREMENTS UNDER SUBSECTION (b)(10).—No waiver under paragraph (1) or (2) may apply to any requirement under subsection (b)(10) of this section.

[(e) REDUCTION OF FUNDS IN CASE OF FAILURE TO OBLIGATE.—If a State fails to obligate funds awarded under subsection (a) before the expiration of the 18-month period beginning on the date of such award, the next award made to such State under this section after the expiration of such period shall be reduced by an amount equal of the amount of such unobligated funds unless the Secretary determines that extraordinary reasons justify the failure to so obligate.

[(f) RESTRICTIONS RELATING TO CHILD WELFARE SERVICES.—Programs or projects relating to child abuse and neglect assisted under part B of title IV of the Social Security Act shall comply with the requirements set forth in paragraphs (1)(A), (2), (4), (5), and (10) of subsection (b).

[(g) COMPLIANCE AND EDUCATION GRANTS.—The Secretary is authorized to make grants to the States for purposes of developing, implementing, or operating—

[(1) the procedures or programs required under subsection (b)(10);

[(2) information and education programs or training programs designed to improve the provision of services to disabled infants with life-threatening conditions for—

[(A) professional and paraprofessional personnel concerned with the welfare of disabled infants with life-threatening conditions, including personnel employed in child protective services programs and health-care facilities; and

[(B) the parents of such infants; and

[(3) programs to assist in obtaining or coordinating necessary services for families of disabled infants with life-threatening conditions, including—

[(A) existing social and health services;

[(B) financial assistance; and

[(C) services necessary to facilitate adoptive placement of any such infants who have been relinquished for adoption.

[SEC. 108. TECHNICAL ASSISTANCE TO STATES FOR CHILD ABUSE PREVENTION AND TREATMENT PROGRAMS.

[(a) TRAINING AND TECHNICAL ASSISTANCE.—The Secretary shall provide, directly or through grants or contracts with public or private nonprofit organizations, for—

[(1) training and technical assistance programs to assist States in developing, implementing, or operating programs and procedures meeting the requirements of section 107(b)(10); and

[(2) the establishment and operation of national and regional information and resource clearinghouses for the purpose of providing the most current and complete information regarding medical treatment procedures and resources and community resources for the provision of services and treatment to disabled infants with life-threatening conditions, including—

[(A) compiling, maintaining, updating, and disseminating regional directories of community services and resources (including the names and phone numbers of State

and local medical organizations) to assist parents, families, and physicians; and

[(B) attempting to coordinate the availability of appropriate regional education resources for health-care personnel.

[(b) LIMITATION ON FUNDING.—Not more than $1,000,000 of the funds appropriated for any fiscal year for purposes of carrying out this title may be used to carry out this section.

[SEC. 109. GRANTS TO STATES FOR PROGRAMS RELATING TO THE INVESTIGATION AND PROSECUTION OF CHILD ABUSE AND NEGLECT CASES.

[(a) GRANTS TO STATES.—The Secretary, acting through the Center and in consultation with the Attorney General, is authorized to make grants to the States for the purpose of assisting States in developing, establishing, and operating programs designed to improve—

[(1) the handling of child abuse and neglect cases, particularly cases of child sexual abuse and exploitation, in a manner which limits additional trauma to the child victim;

[(2) the handling of cases of suspected child abuse or neglect related fatalities; and

[(3) the investigation and prosecution of cases of child abuse and neglect, particularly child sexual abuse and exploitation.

[(b) ELIGIBILITY REQUIREMENTS.—In order for a State to qualify for assistance under this section, such State shall—

[(1) fulfill the requirements of sections 107(b);

[(2) establish a task force as provided in subsection (c);

[(3) fulfill the requirements of subsection (d);

[(4) submit annually an application to the Secretary at such time and containing such information and assurances as the Secretary considers necessary, including an assurance that the State will—

[(A) make such reports to the Secretary as may reasonably be required; and

[(B) maintain and provide access to records relating to activities under subsections (a) and (b); and

[(5) submit annually to the Secretary a report on the manner in which assistance received under this program was expended throughout the State, with particular attention focused on the areas described in paragraphs (1) through (3) of subsection (a).

[(c) STATE TASK FORCES.—

[(1) GENERAL RULE.—Except as provided in paragraph (2), a State requesting assistance under this section shall establish or designate, and maintain a State multidisciplinary task force on children's justice (hereinafter referred to as "State task force") composed of professionals with knowledge and experience relating to the criminal justice system and issues of child physical abuse, child neglect, child sexual abuse and exploitation, and child maltreatment related fatalities. The State task force shall include—

[(A) individuals representing the law enforcement community;

[(B) judges and attorneys involved in both civil and criminal court proceedings related to child abuse and neglect (including individuals involved with the defense as well as the prosecution of such cases);

[(C) child advocates, including both attorneys for children and, where such programs are in operation, court appointed special advocates;

[(D) health and mental health professionals;

[(E) individuals representing child protective service agencies;

[(F) individuals experienced in working with children with disabilities;

[(G) parents; and

[(H) representatives of parents' groups.

[(2) EXISTING TASK FORCE.—As determined by the Secretary, a State commission or task force established after January 1, 1983, with substantially comparable membership and functions, may be considered the State task force for purposes of this subsection.

[(d) STATE TASK FORCE STUDY.—Before a State receives assistance under this section, and at three year intervals thereafter, the State task force shall comprehensively—

[(1) review and evaluate State investigative, administrative and both civil and criminal judicial handling of cases of child abuse and neglect, particularly child sexual abuse and exploitation, as well as cases involving suspected child maltreatment related fatalities and cases involving a potential combination of jurisdictions, such as interstate, Federal-State, and State-Tribal;

[(2) make policy and training recommendations in each of the categories described in subsection (e).

The task force may make such other comments and recommendations as are considered relevant and useful.

[(e) ADOPTION OF STATE TASK FORCE RECOMMENDATIONS.—

[(1) GENERAL RULE.—Subject to the provisions of paragraph (2), before a State receives assistance under this section, a State shall adopt recommendations of the State task force in each of the following categories—

[(A) investigative, administrative, and judicial handling of cases of child abuse and neglect, particularly child sexual abuse and exploitation, as well as cases involving suspected child maltreatment related fatalities and cases involving a potential combination of jurisdictions, such as interstate, Federal-State, and State-Tribal, in a manner which reduces the additional trauma to the child victim and the victim's family and which also ensures procedural fairness to the accused;

[(B) experimental, model and demonstration programs for testing innovative approaches and techniques which may improve the rate of successful prosecution or enhance the effectiveness of judicial and administrative action in child abuse cases, particularly child sexual abuse cases, and which also ensure procedural fairness to the accused; and

[(C) reform of State laws, ordinances, regulations, protocols and procedures to provide comprehensive protection for children from abuse, particularly child sexual abuse and exploitation, while ensuring fairness to all affected persons.

[(2) EXEMPTION.—As determined by the Secretary, a State shall be considered to be in fulfillment of the requirements of this subsection if—

[(A) the State adopts an alternative to the recommendations of the State task force, which carries out the purpose of this section, in each of the categories under paragraph (1) for which the State task force's recommendations are not adopted; or

[(B) the State is making substantial progress toward adopting recommendations of the State task force or a comparable alternative to such recommendations.

[(f) FUNDS AVAILABLE.—For grants under this section, the Secretary shall use the amount authorized by section 1404A of the Victims of Crime Act of 1984.

[SEC. 110. MISCELLANEOUS REQUIREMENTS RELATING TO ASSISTANCE.

[(a) CONSTRUCTION OF FACILITIES.—

[(1) RESTRICTION ON USE OF FUNDS.—Assistance provided under this Act may not be used for construction of facilities.

[(2) LEASE, RENTAL, OR REPAIR.—The Secretary may authorize the use of funds received under this Act—

[(A) where adequate facilities are not otherwise available, for the lease or rental of facilities; or

[(B) for the repair or minor remodeling or alteration of existing facilities.

[(b) GEOGRAPHICAL DISTRIBUTION.—The Secretary shall establish criteria designed to achieve equitable distribution of assistance under this Act among the States, among geographic areas of the Nation, and among rural and urban areas of the Nation. To the extent possible, the Secretary shall ensure that the citizens of each State receive assistance from at least one project under this Act.

[(c) PREVENTION ACTIVITIES.—The Secretary, in consultation with the task force and the board, shall ensure that a majority share of assistance under this Act is available for discretionary research and demonstration grants.

[(d) LIMITATION.—No funds appropriated for any grant or contract pursuant to authorizations made in this Act may be used for any purpose other than that for which such funds were authorized to be appropriated.

[SEC. 111. COORDINATION OF CHILD ABUSE AND NEGLECT PROGRAMS.

[The Secretary shall prescribe regulations and make such arrangements as may be necessary or appropriate to ensure that there is effective coordination among programs related to child abuse and neglect under this Act and other such programs which are assisted by Federal funds.

[SEC. 112. REPORTS.

[(a) COORDINATION EFFORTS.—Not later than March 1 of the second year following the date of enactment of the Child Abuse Prevention, Adoption, and Family Services Act of 1988 and every 2 years thereafter, the Secretary shall submit to the appropriate committees of Congress a report on efforts during the 2-year period preceding the date of the report to coordinate the objectives and activities of agencies and organizations which are responsible for programs and activities related to child abuse and neglect.

[(b) EFFECTIVENESS OF STATE PROGRAMS AND TECHNICAL ASSISTANCE.—Not later than two years after the first fiscal year for which funds are obligated under section 1404A of the Victims of Crime Act of 1984, the Secretary shall submit to the appropriate committees of Congress a report evaluating the effectiveness of—

[(1) assisted programs in achieving the objectives of section 109; and

[(2) the technical assistance provided under section 108.

[SEC. 113. DEFINITIONS.

[For purposes of this title—

[(1) the term "board" means the Advisory Board on Child Abuse and Neglect established under section 102;

[(2) the term "Center" means the National Center on Child Abuse and Neglect established under section 101;

[(3) the term "child" means a person who has not attained the lesser of—

[(A) the age of 18; or

[(B) except in the case of sexual abuse, the age specified by the child protection law of the State in which the child resides;

[(4) the term "child abuse and neglect" means the physical or mental injury, sexual abuse or exploitation, negligent treatment, or maltreatment of a child by a person who is responsible for the child's welfare, under circumstances which indicate that the child's health or welfare is harmed or threatened thereby, as determined in accordance with regulations prescribed by the Secretary;

[(5) the term "person who is responsible for the child's welfare" includes—

[(A) any employee of a residential facility; and

[(B) any staff person providing out-of-home care;

[(6) the term "Secretary" means the Secretary of Health and Human Services;

[(7) the term "sexual abuse" includes—

[(A) the employment, use, persuasion, inducement, enticement, or coercion of any child to engage in, or assist any other person to engage in, any sexually explicit conduct or simulation of such conduct for the purpose of producing a visual depiction of such conduct; or

[(B) the rape, molestation, prostitution, or other form of sexual exploitation of children, or incest with children;

[(8) the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of

the Northern Mariana Islands, and the Trust Territory of the Pacific Islands;

[(9) the term "task force" means the Inter-Agency Task Force on Child Abuse and Neglect established under section 103; and

[(10) the term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment (including appropriate nutrition, hydration, and medication) which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all such conditions, except that the term does not include the failure to provide treatment (other than appropriate nutrition, hydration, or medication) to an infant when, in the treating physician's or physicians' reasonable medical judgment—

[(A) the infant is chronically and irreversibly comatose;

[(B) the provision of such treatment would—

[(i) merely prolong dying;

[(ii) not be effective in ameliorating or correcting all of the infant's life-threatening conditions; or

[(iii) otherwise be futile in terms of the survival of the infant; or

[(C) the provision of such treatment would be virtually futile in terms of the survival of the infant and the treatment itself under such circumstances would be inhumane.

[SEC. 114. AUTHORIZATION OF APPROPRIATIONS.

[(a) IN GENERAL.—

[(1) AUTHORIZATION.—There are authorized to be appropriated to carry out this title, except for section 107A, $100,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1995.

[(2) ALLOCATIONS.—

[(A) Of the amounts appropriated under paragraph (1) for a fiscal year, $5,000,000 shall be available for the purpose of making additional grants to the States to carry out the provisions of section 107(g).

[(B) Of the amounts appropriated under paragraph (1) for a fiscal year and available after compliance with subparagraph (A)—

[(i) 33⅓ percent shall be available for activities under sections 104, 105 and 106; and

[(ii) 66⅔ percent of such amounts shall be made available in each such fiscal year for activities under sections 107 and 108.

[(b) AVAILABILITY OF FUNDS WITHOUT FISCAL YEAR LIMITATION.—The Secretary shall ensure that funds appropriated pursuant to authorizations in this title shall remain available until expended for the purposes for which they were appropriated.

[TITLE II—COMMUNITY-BASED FAMILY RESOURCE PROGRAMS

[SEC. 201. COMMUNITY-BASED FAMILY RESOURCE PROGRAMS.

[(a) PURPOSE.—The purpose of this title is to assist each State to develop and implement, or expand and enhance, a comprehensive, statewide system of family resource services through innovative funding mechanisms and collaboration with existing education, vocational rehabilitation, health, mental health, employment and training, child welfare, and other social services agencies within the State.

[(b) AUTHORITY.—The Secretary shall make grants to States on a formula basis for the purpose of—

[(1) establishing and expanding statewide networks of community-based family resource programs, including funds for the initial costs of providing specific family resource services, that ensure family involvement in the design and operation of family resource programs which are responsive to the unique and diverse strengths of children and families;

[(2) promoting child abuse and neglect prevention activities;

[(3) promoting the establishment and operation of State trust funds or other mechanisms for integrating child and family services funding streams in order to provide flexible funding for the development of community-based family resource programs;

[(4) establishing or expanding community-based collaboration to foster the development of a continuum of preventive services for children and families, which are family-centered and culturally competent;

[(5) encouraging public and private partnerships in the establishment and expansion of family resource programs; and

[(6) increasing and promoting interagency coordination among State agencies, and encouraging public and private partnerships in the establishment and expansion of family resource programs.

[(c) ELIGIBILITY FOR GRANTS.—A State is eligible for a grant under this section for any fiscal year if—

[(1) such State has established or maintained in the previous fiscal year—

[(A) a trust fund, including appropriations for such fund; or

[(B) any other mechanism that pools State, Federal, and private funds for integrating child and family service resources; and

[(2) such trust fund or other funding mechanism includes (in whole or in part) provisions making funding available specifically for a broad range of child abuse and neglect prevention activities and family resource programs.

[(d) AMOUNT OF GRANT.—

[(1) IN GENERAL.—Amounts appropriated for a fiscal year to provide grants under this section shall be allotted to the designated lead agencies of eligible States in each fiscal year so that—

[(A) 50 percent of the total amount appropriated for such fiscal year is allotted among each State based on the number of children under the age of 18 residing in each State, except that each State shall receive not less than $100,000; and

[(B) the remaining 50 percent of the total amount appropriated for such fiscal year is allotted in an amount equal to 25 percent of the total amount allocated by each such State to the State's trust fund or other mechanism for integrating family resource services in the fiscal year prior to the fiscal year for which the allotment is being determined.

[(2) ALLOCATION.—Funds identified by the State for the purpose of qualifying for incentive funds under paragraph (1)(B) shall be allocated through the mechanism used to determine State eligibility under subsection (c) and shall be controlled by the lead agency described in subsection (f)(1).

[(e) EXISTING GRANTS.—A State or entity that has a grant in effect on the date of enactment of this section under the Family Resource and Support Program or the Emergency Child Abuse Prevention Grants Program shall continue to receive funds under such Programs, subject to the original terms under which such funds were granted, through the end of the applicable grant cycle.

[(f) APPLICATION.—No grant may be made to any eligible State under this section unless an application is prepared and submitted to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary determines to be essential to carry out the purposes and provisions of this section, including—

[(1) a description of the agency designated by the Chief Executive Officer of the State to administer the funds provided under this section and assume responsibility for implementation and oversight of the family resource programs and other child abuse and neglect prevention activities, and an assurance that the agency so designated—

[(A) is the trust fund advisory board, or an existing organization created by executive order or State statute that is not an existing State agency, that has interdisciplinary governance, including participants from communities, and that integrates family resource services and leverages State, Federal, and private funds for family resource programs; or

[(B) with respect to a State without a trust fund mechanism or other organization that meets the requirements of subparagraph (A), is an existing State agency, or other public, quasi-public, or nonprofit private agency responsible for the development and implementation of a statewide network of community-based family resource programs;

[(2) assurances that the agency designated under paragraph (1) can demonstrate the capacity to fulfill the purposes described in subsection (a), and shall have—

[(A) a demonstrated ability to work with other State and community-based agencies, to provide training and technical assistance;

[(B) a commitment to parental participation in the design and implementation of family resource programs;

[(C) the capacity to promote a statewide system of family resource programs throughout the State; and

[(D) the capacity to exercise leadership in implementing effective strategies for capacity building, family and professional training, and access to, and funding for, family resource services across agencies;

[(3) an assurance that the State has an interagency process coordinated by the agency designated in paragraph (1) for effective program development that—

[(A) does not duplicate existing processes for developing collaborative efforts to better serve children and families;

[(B) provides a written strategic plan for the establishment of a network of family resource programs (publicly available and funded through public and private sources) that identifies specific measurable goals and objectives;

[(C) involves appropriate personnel in the process, including—

[(i) parents (including parents of children with disabilities) and prospective participants in family resource programs, including respite care programs;

[(ii) staff of existing programs providing family resource services, including staff of Head Start programs and community action agencies that provide such services;

[(iii) representatives of State and local government such as social service, health, mental health, education, vocational rehabilitation, employment, economic development agencies, and organizations providing community services activities;

[(iv) representatives of the business community;

[(v) representatives of general purpose local governments;

[(vi) representatives of groups with expertise in child abuse prevention, including respite and crisis care;

[(vii) representatives of local communities in which family resource programs are likely to be located;

[(viii) representatives of groups with expertise in providing services to children with disabilities; and

[(ix) other individuals with expertise in the services that the family resource programs of the State intend to offer; and

[(D) coordinates activities funded under this title with—

[(i) the State Interagency Coordinating Council, established under part H of the Individuals with Disabilities Education Act;

[(ii) the advisory panel established under section 613(a)(12) of the Individuals with Disabilities Education Act (20 U.S.C. 1413(a)(12));

[(iii) the State Rehabilitation Advisory Council established under the Rehabilitation Act of 1973;

[(iv) the State Development Disabilities Planning Council, established under the Developmental Disabilities Assistance and Bill of Rights Act;

[(v) the Head Start State Collaboration project;

[(vi) the State Advisory group designated in the Juvenile Justice and Delinquency Prevention Act of 1974; and

[(vii) other local or regional family service councils within the State, to the extent that such councils exist;

[(4) an inventory and description of the current family resource programs operating in the State, the current unmet need for the services provided under such programs, including the need for building increased capacity to provide specific family resource services, including respite care, and the intended scope of the State family resource program, the population to be served, the manner in which the program will be operated, and the manner in which such program will relate to other community services and public agencies;

[(5) evidence that Federal assistance received under this section—

[(A) has been supplemented with non-Federal public and private assistance, including a description of the projected level of financial commitment by the State to develop a family resource network; and

[(B) will be used to supplement and not supplant other State and local public funds expended for family resource programs;

[(6) a description of the core services, as required by this section, and other support services to be provided by the program and the manner in which such services will be provided, including the extent to which either family resources, centers, home visiting, or community collaboratives will be used;

[(7) a description of any public information activities the agency designated in paragraph (1) will undertake for the purpose of promoting family stability and preventing child abuse and neglect, including child sexual abuse;

[(8) an assurance that the State will provide funds for the initial startup costs associated with specific family resource services, including respite services, and a description of the services to be funded;

[(9) assurances that the State program will maintain cultural diversity and be culturally competent;

[(10) a description of the guidelines for requiring parental involvement in State and local program development, policy design, and governance and the process for assessing and demonstrating that parental involvement in program development, operation, and governance occurs;

[(11) a description of the State and community-based interagency planning processes to be utilized to develop and implement family resource programs;

[(12) a description of the criteria that the State will utilize for awarding grants for local programs so that they meet the requirements of subsection (g);

[(13) a description of the outreach and other activities the program will undertake to maximize the participation of racial and ethnic minorities, persons with limited English proficiency, individuals with disabilities, and members of other underserved or underrepresented groups in all phases of the program;

[(14) a plan for providing training, technical assistance, and other assistance to local communities in program development and networking activities;

[(15) a description of the methods to be utilized to evaluate the implementation and effectiveness of the family resource programs within the State;

[(16) a description of proposed actions by the State that will facilitate the changing of laws, regulations, policies, practices, procedures, and organizational structures, that impede the availability or provision of family resource services; and

[(17) an assurance that the State will provide the Secretary with reports, at such time and containing such information as the Secretary may require.

[(g) LOCAL PROGRAM REQUIREMENTS.—

[(1) IN GENERAL.—A State that receives a grant under this section shall use amounts received under such grant to establish local family resource programs that—

[(A) undertake a community-based needs assessment and program planning process which involves parents, and local public and nonprofit agencies (including those responsible for providing health, education, vocational rehabilitation, employment training, Head Start and other early childhood, child welfare, and social services);

[(B) develop a strategy to provide comprehensive services to families to meet identified needs through collaboration, including public-private partnerships;

[(C) identify appropriate community-based organizations to administer such programs locally;

[(D) provide core services, and other services directly or through contracts or agreements with other local agencies;

[(E) involve parents in the development, operation, and governance of the program; and

[(F) participate in the development and maintenance of a statewide network of family resource programs.

[(2) PRIORITY.—In awarding local grants under this section, a State shall give priority to programs serving low-income communities and programs serving young parents or parents with young children and shall ensure that such grants are equitably distributed among urban and rural areas.

[(h) DEFINITIONS.—As used in this section:

[(1) CHILDREN WITH DISABILITIES.—The term "children with disabilities" has the meaning given such term in section 602(a)(2) of Individuals With Disabilities Education Act.

[(2) COMMUNITY REFERRAL SERVICES.—The term "community referral services" means services to assist families in obtaining community resources, including respite services, health and mental health services, employability development and job training and other social services.

[(3) CULTURALLY COMPETENT.—The term "culturally competent" means services, supports, or other assistance that is conducted or provided in a manner that—

[(A) is responsive to the beliefs, interpersonal styles, attitudes, languages, and behaviors of those individuals receiving services; and

[(B) has the greatest likelihood of ensuring maximum participation of such individuals.

[(4) FAMILY RESOURCE PROGRAM.—The term "family resource program" means a program that offers community-based services that provide sustained assistance and support to families at various stages in their development. Such services shall promote parental competencies and behaviors that will lead to the healthy and positive personal development of parents and children through—

[(A) the provisions of assistance to build family skills and assist parents in improving their capacities to be supportive and nurturing parents;

[(B) the provision of assistance to families to enable such families to use other formal and informal resources and opportunities for assistance that are available within the communities of such families; and

[(C) the creation of supportive networks to enhance the childrearing capacity of parents and assist in compensating for the increased social isolation and vulnerability of families.

[(5) FAMILY RESOURCE SERVICES.—The term "family resource services" means—

[(A) core services that must be provided directly by the family resource program under this section, including—

[(i) education and support services provided to assist parents in acquiring parenting skills, learning about child development, and responding appropriately to the behavior of their children;

[(ii) early developmental screening of children to assess the needs of such children and to identify the types of support to be provided;

[(iii) outreach services;

[(iv) community referral services; and

[(v) follow-up services; and

[(B) other services, which may be provided either directly or through referral, including—

[(i) early care and education (such as child care and Head Start);

[(ii) respite services;

[(iii) job readiness and counseling services (including skill training);

[(iv) education and literacy services;

[(v) nutritional education;

[(vi) life management skills training;

[(vii) peer counseling and crisis intervention, and family violence counseling services;

[(viii) referral for health (including prenatal care) and mental health services;

[(ix) substance abuse treatment; and

[(x) services to support families of children with disabilities that are designed to prevent inappropriate out-of-the-home placement and maintain family unity.

[(6) INTERDISCIPLINARY GOVERNANCE.—The term "interdisciplinary governance" includes governance by representatives from communities and representatives from existing health, mental health, education, vocational rehabilitation, employment and training, child welfare, and other agencies within the State.

[(7) OUTREACH SERVICES.—The term "outreach services" means services provided to ensure (through home visits or other methods) that parents and other caretakers are aware of and able to participate in family resource program activities.

[(8) RESPITE SERVICES.—The term "respite services" means short-term care services provided in the temporary absence of the regular caregiver (parent, other relative, foster parent, adoptive parent, guardian) to children who meet one or more of the following categories:

[(A) The children are in danger of abuse or neglect.

[(B) The children have experienced abuse or neglect.

[(C) The children have disabilities, or chronic or terminal illnesses.

Services provided within or outside the child's home shall be short-term care, ranging from a few hours to a few weeks of time, per year, and be intended to enable the family to stay together and to keep the child living in the child's home and community.

[(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this title, $50,000,000 for fiscal year 1995.

[TITLE III—CERTAIN PREVENTIVE SERVICES REGARDING CHILDREN OF HOMELESS FAMILIES OR FAMILIES AT RISK OF HOMELESSNESS

[SEC. 301. DEMONSTRATION GRANTS FOR PREVENTION OF INAPPROPRIATE SEPARATION FROM FAMILY AND FOR PREVENTION OF CHILD ABUSE AND NEGLECT.

[(a) ESTABLISHMENT OF PROGRAM.—The Secretary may make grants to entities described in subsection (b)(1) for the purpose of assisting such entities in demonstrating, with respect to children whose families are homeless or at risk of becoming homeless, the effectiveness of activities undertaken to prevent—

[(1) the inappropriate separation of such children from their families on the basis of homelessness or other problems regarding the availability and conditions of housing for such families; and

[(2) the abuse and neglect of such children.

[(b) MINIMUM QUALIFICATIONS OF GRANTEES.—

[(1) IN GENERAL.—The entities referred to in subsection (a) are State and local agencies that provide services in geographic areas described in paragraph (2), and that have authority—

[(A) for removing children, temporarily or permanently, from the custody of the parents (or other legal guardians) of such children and placing such children in foster care or other out-of-home care; or

[(B) in the case of youths not less than 16 years of age for whom such a placement has been made, for assisting such youths in preparing to be discharged from such care into circumstances of providing for their own support.

[(2) ELIGIBLE GEOGRAPHIC AREAS.—The geographic areas referred to in paragraph (1) are geographic areas in which homelessness and other housing problems are—

[(A) threatening the well-being of children; and

[(B)(i) contributing to the placement of children in out-of-home care;

[(ii) preventing the reunification of children with their families; or

[(iii) in the case of youths not less than 16 years of age who have been placed in out-of-home care, preventing such youths from being discharged from such care into circumstances of providing their own support without adequate living arrangements.

[(3) COOPERATION WITH APPROPRIATE PUBLIC AND PRIVATE ENTITIES.—The Secretary shall not make a grant under subsection (a) unless the agency involved has entered into agreements with appropriate entities in the geographic area involved (including child welfare agencies, public housing agencies, and appropriate public and nonprofit private entities that provide services to homeless families) regarding the joint planning, coordination and delivery of services under the grant.

[(c) REQUIREMENT OF MATCHING FUNDS.—

[(1) IN GENERAL.—The Secretary shall not make a grant under subsection (a) unless the agency involved agrees that, with respect to the costs to be incurred by such agency in carrying out the purpose described in such subsection, the agency will make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount equal to not less than $1 for each $4 of Federal funds provided in such grant.

[(2) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.—Non-Federal contributions required under paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, shall not be included in determining the amount of such non-Federal contributions.

[SEC. 302. PROVISIONS WITH RESPECT TO CARRYING OUT PURPOSE OF DEMONSTRATION GRANTS.

[(a) JOINT TRAINING OF APPROPRIATE SERVICE PERSONNEL.—

[(1) IN GENERAL.—The Secretary shall not make a grant under section 301(a) unless the agency involved agrees to establish, with respect to the subjects described in paragraph (2),

a program for joint training concerning such subjects, for appropriate personnel of child welfare agencies, public housing agencies, and appropriate public and private entities that provide services to homeless families.

[(2) SPECIFICATION OF TRAINING SUBJECTS.—The subjects referred to in paragraph (1) are—

[(A) the relationship between homelessness, and other housing problems, and the initial and prolonged placement of children in out-of-home care;

[(B) the housing-related needs of families with children who are at risk of placement in out-of-home care; and

[(C) resources (including housing-related assistance) that are available to prevent the initial or prolonged placement in out-of-home care of children whose families are homeless or who have other housing problems.

[(b) ADDITIONAL AUTHORIZED ACTIVITIES.—In addition to activities authorized in subsection (a), a grantee under section 301(a) may expend grant funds for—

[(1) the hiring of additional personnel to provide assistance in obtaining appropriate housing—

[(A) to families whose children are at imminent risk of placement in out-of-home care or who are awaiting the return of children placed in such care; and

[(B) to youth who are preparing to be discharged from such care into circumstances of providing for their own support;

[(2) training and technical assistance for the personnel of shelters and other programs for homeless families (including domestic violence shelters) to assist such programs—

[(A) in the prevention and identification of child abuse and neglect among the families the programs served; and

[(B) in obtaining appropriate resources for families who need social services, including supportive services and respite care;

[(3) the development and dissemination of informational materials to advise homeless families with children and others who are seeking housing of resources and programs available to assist them; and

[(4) other activities, if authorized by the Secretary, that are necessary to address housing problems that result in the inappropriate initial or prolonged placement of children in out-of-home care.

[SEC. 303. ADDITIONAL REQUIRED AGREEMENTS.

[(a) REPORTS TO SECRETARY.—The Secretary shall not make a grant under section 301(a) unless the agency involved agrees that such agency will—

[(1) annually prepare and submit to the Secretary a report describing the specific activities carried out by the agency under the grant; and

[(2) include in the report submitted under paragraph (1), the results of an evaluation of the extent to which such activities have been effective in carrying out the purpose described in such section, including the effect of such activities regarding—

[(A) the incidence of placements of children in out-of-home care;

[(B) the reunification of children with their families; and

[(C) in the case of youths not less than 16 years of age who have been placed in out-of-home care, the discharge of such youths from such care into circumstances of providing for their own support with adequate living arrangements.

[(b) EVALUATION BY THE SECRETARY.—The Secretary shall conduct evaluations to determine the effectiveness of demonstration programs supported under section 301(a) in—

[(1) strengthening coordination between child welfare agencies, housing authorities, and programs for homeless families;

[(2) preventing placements of children into out-of-home care due to homelessness or other housing problems;

[(3) facilitating the reunification of children with their families; and

[(4) in the case of youths not less than 16 years old who have been placed in out-of-home care, preventing such youth from being discharged from such care into circumstances of providing their own support without adequate living arrangements.

[(c) REPORT TO CONGRESS.—

[(1) PREPARATION OF LIST.—Not later than April 1, 1991, the Secretary, after consultation with the Secretary of Education, the Secretary of Housing and Urban Development and the Secretary of Labor, shall prepare and submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate a list of Federal programs that provide services, or fund grants, contracts, or cooperative agreements for the provision of services, directed to the prevention of homelessness for families whose children are at risk of out of home placement and the incidence of child abuse that may be associated with homelessness, that shall include programs providing—

[(A) rent, utility, and other subsidies;

[(B) training; and

[(C) for inter-agency coordination, at both the local and State and Federal level.

[(2) CONTENTS OF LIST.—The list prepared under paragraph (1) shall include a description of—

[(A) the appropriate citations relating to the authority for such programs;

[(B) entities that are eligible to participate in each such program;

[(C) authorization levels and the annual amounts appropriated for such programs for each fiscal year in which such programs were authorized;

[(D) the agencies and divisions administering each such program;

[(E) the expiration date of the authority of each such program; and

[(F) to the extent available, the extent to which housing assistance under such programs can be accessed by child welfare and other appropriate agencies.

[(3) REPORT.—Not later than March 1, 1993, the Secretary shall prepare and submit to the appropriate committees of Congress a report that contains a description of the activities carried out under this title, and an assessment of the effectiveness of such programs in preventing initial and prolonged separation of children from their families due to homelessness and other housing problems. At a minimum the report shall contain—

[(A) information describing the localities in which activities are conducted;

[(B) information describing the specific activities undertaken with grant funds and, where relevant, the numbers of families and children assisted by such activities;

[(C) information concerning the nature of the joint training conducted with grant funds;

[(D) information concerning the manner in which other agencies such as child welfare, public housing authorities, and appropriate public and nonprofit private entities are consulting and coordinating with existing programs that are designed to prevent homelessness and to serve homeless families and youth; and

[(E) information concerning the impact of programs supported with grant funds under this title on—

[(i) the incidence of the placement of children into out-of-home care;

[(ii) the reunification of children with their families; and

[(iii) in the case of youth not less than 16 years of age who have been placed in out-of-home care, the discharge of such youths from such care into circumstances of providing for their own support with adequate living arrangements.

[(d) RESTRICTION ON USE OF GRANT.—The Secretary may not make a grant under section 301(a) unless the agency involved agrees that the agency will not expend the grant to purchase or improve real property.

[SEC. 304. DESCRIPTION OF INTENDED USES OF GRANT.

[The Secretary shall not make a grant under section 301(a) unless—

[(1) the agency involved submits to the Secretary a description of the purposes for which the agency intends to expend the grant;

[(2) with respect to the entities with which the agency has made agreements pursuant to section 301(b)(1), such entities have assisted the agency in preparing the description required in paragraph (1); and

[(3) the description includes a statement of the methods that the agency will utilize in conducting the evaluations required in section 303(a)(2).

[SEC. 305. REQUIREMENT OF SUBMISSION OF APPLICATION.

[The Secretary shall not make a grant under section 301(a) unless an application for the grant is submitted to the Secretary, the application contains the description of intended uses required in

section 304, and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this title.

[SEC. 306. AUTHORIZATION OF APPROPRIATIONS.

[(a) IN GENERAL.—For the purpose of carrying out this title, there are authorized to be appropriated $12,500,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1995.

[(b) AVAILABILITY OF APPROPRIATIONS.—Amounts appropriated under subsection (a) shall remain available until expended.**]**

VICTIMS OF CRIME ACT OF 1984

CHAPTER XIV—VICTIM COMPENSATION AND ASSISTANCE

SEC. 1401. This chapter may be cited as the "Victims of Crime Act of 1984".

* * * * * * *

CRIME VICTIMS FUND

SEC. 1402. (a) * * *

* * * * * * *

(d) The Fund shall be available as follows:

(1) * * *

[(2) the next $10,000,000 deposited in the Fund shall be available for grants under section 1404A.

[(3)**]** *(2)* Of the remaining amount deposited in the Fund in a particular fiscal year—

(A) 48.5 percent shall be available for grants under section 1403;

(B) 48.5 percent shall be available for grants under section 1404(a); and

(C) 3 percent shall be available for grants under section 1404(c).

[(4)**]** *(3)* The Director may retain any portion of the Fund that was deposited during a fiscal year that is in excess of 110 percent of the total amount deposited in the Fund during the preceding fiscal year as a reserve for use in a year in which the Fund falls below the amount available in the previous year. Such reserve may not exceed $20,000,000.

* * * * * * *

[(g)(1) The Attorney General, acting through the Director, shall use 15 percent of the funds available under subsection (d)(2) to make grants for the purpose of assisting Native American Indian tribes in developing, establishing, and operating programs designed to improve—

[(A) the handling of child abuse cases, particularly cases of child sexual abuse, in a manner which limits additional trauma to the child victim; and

[(B) the investigation and prosecution of cases of child abuse, particularly child sexual abuse.

[(2) As used in this subsection, the term "tribe" has the meaning given that term in section 4(b) of the Indian Self-Determination and Education Assistance Act.]

* * * * * * *

[CHILD ABUSE PREVENTION AND TREATMENT GRANTS

[SEC. 1404A. Amounts made available by section 1402(d)(2) and (d)(3). for the purposes of this section shall be obligated and expended by the Secretary of Health and Human Services for grants under section 4(d) of the Child Abuse Prevention and Treatment Act. Any portion of an amount which is not obligated by the Secretary by the end of the fiscal year in which funds are made available for allocation, shall be reallocated for award under section 1404(a), except that with respect to funds deposited during fiscal year 1986 and made available for obligation during fiscal year 1987, any unobligated portion of such amount shall remain available for obligation until September 30, 1988.]

* * * * * * *

CHILD ABUSE PREVENTION AND TREATMENT AND ADOPTION REFORM ACT OF 1978

AN ACT To promote the healthy development of children who would benefit from adoption by facilitating their placement in adoptive homes, to extend and improve the provisions of the Child Abuse Prevention and Treatment Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Child Abuse Prevention and Treatment and Adoption Reform Act of 1978".

[TITLE I—AMENDMENTS TO CHILD ABUSE PREVENTION AND TREATMENT ACT

[NATIONAL CENTER ON CHILD ABUSE AND NEGLECT

[SEC. 101. Section 2 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101) (hereinafter in this title referred to as "the Act") is amended by—

[(1)(A) striking out "and publish" and inserting in lieu thereof "publish, and disseminate" in clause (1) of subsection (b);

[(B) striking out "and publish" and inserting in lieu thereof a comma and "publish, and disseminate" in clause (3) of subsection (b);

[(C) striking out "and" after clause (5) of subsection (b);

[(D) striking out the period at the end of clause (6) of subsection (b) and inserting in lieu thereof a semicolon and "and"; and

[(E) adding after clause (6) of subsection (b) the following:

["(7) in consultation with Federal agencies serving on the Advisory Board on Child Abuse and Neglect (established by section 6 of this Act), prepare a comprehensive plan for seeking

to bring about maximum coordination of the goals, objectives, and activities of all agencies and organizations which have responsibilities for programs and activities related to child abuse and neglect, and submit such plan to such Advisory Board not later than twelve months after the date of enactment of this clause.

The Secretary shall establish research priorities for making grants or contracts under clause (5) of this subsection and, not less than sixty days before establishing such priorities, shall publish in the Federal Register for public comment a statement of such proposed priorities.";

[(2) inserting at the end of subsection (c) the following new sentences: "Grants may be made under subsection (b)(5) for periods of not more than three years. Any such grant shall be reviewed at least annually by the Secretary, utilizing peer review mechanisms to assure the quality and progress of research conducted under such grant."; and

[(3) adding after subsection (c) the following new subsection:

["(d) The Secretary shall make available to the Center such staff and resources as are necessary for the Center to carry out effectively its functions under this Act.".

[DEFINITION

[SEC. 102. Section 3 of the Act (42 U.S.C. 5102) is amended by—

[(1) inserting "or exploitation" after "sexual abuse"; and

[(2) inserting a comma and "or the age specified by the child protection law of the State in question," after "eighteen".

[DEMONSTRATION OR SERVICE PROGRAMS AND PROJECTS

[SEC. 103. Section 4 of the Act (42 U.S.C. 5103) is amended by—

[(1) amending subsection (a) by—

[(A) inserting "or service" after "demonstration" in the first sentence;

[(B) striking out "the development and establishment of" in clause (1); and

[(C) striking out the last sentence of such subsection;

[(2) amending subsection (b) by—

[(A) striking out in paragraph (1) "Of the sums" and all that follows through "grants" and inserting in lieu thereof "The Secretary, through the Center, is authorized to make grants", and striking out "for the payment of reasonable and necessary expenses"; and

[(B) inserting in paragraph (2) immediately below clause (J) the following new sentence: "If a State has failed to obligate funds awarded under this subsection within eighteen months after the date of award, the next award under this subsection made after the expiration of such period shall be reduced by an amount equal to the amount of such unobligated funds unless the Secretary determines that extraordinary reasons justify the failure to so obligate."; and

[(3) amending the heading for such section to read as follows:

[“DEMONSTRATION OR SERVICE PROGRAMS AND PROJECTS”.

[AUTHORIZATION OF APPROPRIATIONS, EARMARKING, AND SEXUAL ABUSE CENTERS

[SEC. 104. Section 5 of the Act (42 U.S.C. 5104) is amended by—

[(1) striking out “and” after “1975,” and striking out the period at the end thereof and inserting in lieu thereof a comma and the following: “$25,000,000 for the fiscal year ending September 30, 1978, $27,500,000 for the fiscal year ending September 30, 1979, and $30,000,000 each for the fiscal years ending September 30, 1980, and September 30, 1981, respectively. Of the funds appropriated for any fiscal year under this section, not less than 50 per centum shall be used for making grants or contracts under sections 2(b)(5) (relating to research) and 4(a) (relating to demonstration or service projects), giving special consideration to continued Federal funding of child abuse and neglect programs or projects (previously funded by the Department of Health, Education, and Welfare) of national or regional scope and demonstrated effectiveness, of not less than 25 per centum shall be used for making grants or contracts under section 4(b)(1) (relating to grants to States) for the fiscal years ending September 30, 1978, and September 30, 1979, respectively, and not less than 30 per centum shall be used for making grants or contracts under section 4(b)(1) (relating to grants to States) for each of the fiscal years ending September 30, 1980, and September 30, 1981, respectively.”; and

[(2) inserting “(a)” after “SEC. 5.” and adding at the end thereof the following new subsection:

[“(b)(1) There are authorized to be appropriated $3,000,000 for the fiscal year ending September 30, 1978, $3,500,000 for the fiscal year ending September 30, 1979, and $4,000,000 each for the fiscal years ending September 30, 1980, and September 30, 1981, respectively, for the purpose of making grants and entering into contracts (under sections 2(b)(5) (relating to research), 4(a) (relating to demonstration or services projects), and 4(b)(1) (relating to grants to States)) for programs and projects (including the support of not less than three Centers for the provision of treatment, and personnel training, and other related services) designed to prevent, identify, and treat sexual abuse of children, including programs involving the treatment of family units, programs for the provision of treatment and related services to persons who have committed acts of sexual abuse against children, and programs for the training of personnel.

[“(2) Of the sums appropriated under this subsection, not more than 10 per centum shall be expended under section 2(b)(5) (relating to research).

[“(3) As used in this subsection, the term—

[“(A) ‘sexual abuse’ includes the obscene or pornographic photographing, filming, or depiction of children for commercial purposes, or the rape, molestation, incest, prostitution, or other such forms of sexual exploitation of children under circumstances which indicate that the child’s health or welfare is

harmed or threatened thereby, as determined in accordance with regulations prescribed by the Secretary; and

[“(B) ‘child’ or ‘children’ means any individual who has not attained the age of eighteen.

[“(4)(A) Nothing contained in the provisions of this subsection shall be construed as prohibiting the use of funds appropriated under subsection (a) for programs and projects described in subsection (b), nor be construed to prohibit programs or projects receiving funds under subsection (a) from receiving funds under subsection (b).

[“(B) No funds shall be obligated or expended under this subsection unless an amount at least equal to the amount of funds appropriated in fiscal year 1977 has been appropriated for programs and projects under subsection (a) for any succeeding fiscal year.”.

[ADVISORY BOARD

[SEC. 105. Section 6 of the Act (42 U.S.C. 5105) is amended by—

[(1) inserting before the period at the end of the first sentence in subsection (a) a comma and “and not less than three members from the general public with experience or expertise in the field of child abuse and neglect”;

[(2) striking out “administered” both places it appears in the second sentence in subsection (a) and inserting in lieu thereof “planned, administered,”; and

[(3) striking out subsection (b) and subsection (c) and inserting in lieu thereof the following new subsections:

[“(b) The Advisory Board shall review the comprehensive plan submitted to it by the Center pursuant to section 2(b)(7), make such changes as it deems appropriate, and submit to the President and the Congress a final such plan not later than eighteen months after the effective date of this subsection.

[“(c) Members of the Advisory Board, other than those regularly employed by the Federal Government, while serving on business of the Advisory Board, shall be entitled to receive compensation at a rate not in excess of the daily equivalent payable to a GS–18 employee under section 5332 of title 5, United States Code, including travel-time; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of such title for persons in the Government service employed intermittently.”.

[TITLE II—ADOPTION OPPORTUNITIES

[SEC. 201. CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSE.

[(a) FINDINGS.—Congress finds that—

[(1) the number of children in substitute care increased by nearly 50 percent between 1985 and 1990, as our Nation’s foster care population included more than 400,000 children at the end of June, 1990;

[(2) increasingly children entering foster care have complex problems which require intensive services;

[(3) an increasing number of infants are born to mothers who did not receive prenatal care, are born addicted to alcohol

and other drugs, and exposed to infection with the etiologic agent for the human immunodeficiency virus, are medically fragile, and technology dependent;

[(4) the welfare of thousands of children in institutions and foster homes and disabled infants with life-threatening conditions may be in serious jeopardy and some such children are in need of placement in permanent, adoptive homes;

[(5) many thousands of children remain in institutions or foster homes solely because of local and other barriers to their placement in permanent, adoptive homes;

[(6) the majority of such children are of school age, members of sibling groups or disabled;

[(7) currently one-half of children free for adoption and awaiting placement are minorities;

[(8) adoption may be the best alternative for assuring the healthy development of such children;

[(9) there are qualified persons seeking to adopt such children who are unable to do so because of barriers to their placement; and

[(10) in order both to enhance the stability and love of the child's home environment and to avoid wasteful expenditures of public funds, such children should not have medically indicated treatment withheld from them nor be maintained in foster care or institutions when adoption is appropriate and families can be found for such children.

[(b) PURPOSE.—It is the purpose of this title to facilitate the elimination of barriers to adoption and to provide permanent and loving home environments for children who would benefit from adoption, particularly children with special needs, including disabled infants with life-threatening conditions, by—

[(1) promoting model adoption legislation and procedures in the States and territories of the United States in order to eliminate jurisdictional and legal obstacles to adoption; and

[(2) providing a mechanism for the Department of Health and Human Services to—

[(A) promote quality standards for adoption services, pre-placement, post-placement, and post-legal adoption counseling, and standards to protect the rights of children in need of adoption;

[(B) maintain a national adoption information exchange system to bring together children who would benefit from adoption and qualified prospective adoptive parents who are seeking such children, and conduct national recruitment efforts in order to reach prospective parents for children awaiting adoption; and

[(C) demonstrate expeditious ways to free children for adoption for whom it has been determined that adoption is the appropriate plan.

[INFORMATION AND SERVICES

[SEC. 203. (a) The Secretary shall establish in the Department of Health and Human Services an appropriate administrative arrangement to provide a centralized focus for planning and coordinating of all departmental activities affecting adoption and foster

care and for carrying out the provisions of this title. The Secretary shall make available such consultant services, on-site technical assistance and personnel, together with appropriate administrative expenses, including salaries and travel costs, as are necessary for carrying out such purposes, including services to facilitate the adoption of children with special needs and particularly of disabled infants with life-threatening conditions and services to couples considering adoption of children with special needs. The Secretary shall, not later than 12 months after the date of enactment of this sentence, prepare and submit to the committees of Congress having jurisdiction over such services reports, as appropriate, containing appropriate data concerning the manner in which activities were carried out under this title, and such reports shall be made available to the public.

[(b) In connection with carrying out the provisions of this title, the Secretary shall—

[(1) conduct (directly or by grant to or contract with public or private nonprofit agencies or organizations) an education and training program on adoption, and prepare, publish, and disseminate (directly or by grant to or contract with public or private nonprofit agencies and organizations) to all interested parties, public and private agencies and organizations (including, but not limited to, hospitals, health care and family planning clinics, and social services agencies), and governmental bodies, information and education and training materials regarding adoption and adoption assistance programs;

[(2) conduct, directly or by grant or contract with public or private nonprofit organizations, ongoing, extensive recruitment efforts on a national level, develop national public awareness efforts to unite children in need of adoption with appropriate adoptive parents, and establish a coordinated referral system of recruited families with appropriate State or regional adoption resources to ensure that families are served in a timely fashion;

[(3) notwithstanding any other provision of law, provide (directly or by grant to or contract with public or private nonprofit agencies or organizations) for (A) the operation of a national adoption information exchange system (including only such information as is necessary to facilitate the adoptive placement of children, utilizing computers and data processing methods to assist in the location of children who would benefit by adoption and in the placement in adoptive homes of children awaiting adoption); and (B) the coordination of such system with similar State and regional systems;

[(4) provide (directly or by grant to or contract with public or private nonprofit agencies or organizations, including adoptive family groups and minority groups) for the provision of technical assistance in the planning, improving, developing, and carrying out of programs and activities relating to adoption, and to promote professional leadership training of minorities in the adoption field;

[(5) encourage involvement of corporations and small businesses in supporting adoption as a positive family-strengthen-

ing option, including the establishment of adoption benefit programs for employees who adopt children;

[(6) continue to study the nature, scope, and effects of the placement of children in adoptive homes (not including the homes of stepparents or relatives of the child in question) by persons or agencies which are not licensed by or subject to regulation by any governmental entity;

[(7) consult with other appropriate Federal departments and agencies in order to promote maximum coordination of the services and benefits provided under programs carried out by such departments and agencies with those carried out by the Secretary, and provide for the coordination of such aspects of all programs within the Department of Health and Human Services relating to adoption;

[(8) maintain (directly or by grant to or contract with public or private nonprofit agencies or organizations) a National Resource Center for Special Needs Adoption to—

[(A) promote professional leadership development of minorities in the adoption field;

[(B) provide training and technical assistance to service providers and State agencies to improve professional competency in the field of adoption and the adoption of children with special needs; and

[(C) facilitate the development of interdisciplinary approaches to meet the needs of children who are waiting for adoption and the needs of adoptive families; and

[(9) provide (directly or by grant to or contract with States, local government entities, public or private nonprofit licensed child welfare or adoption agencies or adoptive family groups and community-based organizations with experience in working with minority populations) for the provision of programs aimed at increasing the number of minority children (who are in foster care and have the goal of adoption) placed in adoptive families, with a special emphasis on recruitment of minority families—

[(A) which may include such activities as—

[(i) outreach, public education, or media campaigns to inform the public of the needs and numbers of such children;

[(ii) recruitment of prospective adoptive families for such children;

[(iii) expediting, where appropriate, the legal availability of such children;

[(iv) expediting, where appropriate, the agency assessment of prospective adoptive families identified for such children;

[(v) formation of prospective adoptive family support groups;

[(vi) training of personnel of—

[(I) public agencies;

[(II) private nonprofit child welfare and adoption agencies that are licensed by the State; and

[(III) adoptive parents organizations and community-based organizations with experience in working with minority populations;

[(vii) use of volunteers and adoptive parent groups; and

[(viii) any other activities determined by the Secretary to further the purposes of this Act; and

[(B) shall be subject to the condition that such grants or contracts may be renewed if documentation is provided to the Secretary demonstrating that appropriate and sufficient placements of such children have occurred during the previous funding period.

[(c)(1) The Secretary shall provide (directly or by grant to or contract with States, local government entities, public or private nonprofit licensed child welfare or adoption agencies or adoptive family groups) for the provision of post legal adoption services for families who have adopted special needs children.

[(2) Services provided under grants made under this subsection shall supplement, not supplant, services from any other funds available for the same general purposes, including—

[(A) individual counseling;

[(B) group counseling;

[(C) family counseling;

[(D) case management;

[(E) training public agency adoption personnel, personnel of private, nonprofit child welfare and adoption agencies licensed by the State to provide adoption services, mental health services professionals, and other support personnel to provide services under this subsection;

[(F) assistance to adoptive parent organizations; and

[(G) assistance to support groups for adoptive parents, adopted children, and siblings of adopted children.

[(d)(1) The Secretary shall make grants for improving State efforts to increase the placement of foster care children legally free for adoption, according to a pre-established plan and goals for improvement. Grants funded by this section must include a strong evaluation component which outlines the innovations used to improve the placement of special needs children who are legally free for adoption, and the successes and failures of the initiative. The evaluations will be submitted to the Secretary who will compile the results of projects funded by this section and submit a report to the appropriate committees of Congress. The emphasis of this program must focus on the improvement of the placement rate—not the aggregate number of special needs children placed in permanent homes. The Secretary, when reviewing grant applications shall give priority to grantees who propose improvements designed to continue in the absence of Federal funds.

[(2) Each State entering into an agreement under this subsection shall submit an application to the Secretary for each fiscal year in a form and manner determined to be appropriate by the Secretary. Each application shall include verification of the placements described in paragraph (1).

[(3)(A) Payments under this subsection shall begin during fiscal year 1989. Payments under this section during any fiscal year shall

not exceed $1,000,000. No payment may be made under this subsection unless an amount in excess of $5,000,000 is appropriated for such fiscal year under section 205(a).

[(B) Any payment made to a State under this subsection which is not used by such State for the purpose provided in paragraph (1) during the fiscal year payment is made shall revert to the Secretary on October 1st of the next fiscal year and shall be used to carry out the purposes of this Act.

[STUDY OF UNLICENSED ADOPTION PLACEMENTS

[SEC. 204. The Secretary shall provide for a study (the results of which shall be reported to the appropriate committees of the Congress not later than eighteen months after the date of enactment of this Act) designed to determine the nature, scope, and effects of the interstate (and, to the extent feasible, intrastate) placement of children in adoptive homes (not including the homes of stepparents or relatives of the child in question) by persons or agencies which are not licensed by or subject to regulation by any governmental entity.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 205.(a) There are authorized to be appropriated, $10,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1995, to carry out programs and activities under this Act except for programs and activities authorized under sections 203(b)(9) and 203(c)(1).

[(b) For any fiscal year in which appropriations under subsection (a) exceeds $5,000,000, there are authorized to be appropriated $10,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1995, to carry out section 203(b)(9), and there are authorized to be appropriated $10,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1995, to carry out section 203(c)(1).

[(c) The Secretary shall ensure that funds appropriated pursuant to authorizations in this Act shall remain available until expended for the purposes for which they were appropriated.]

TEMPORARY CHILD CARE FOR CHILDREN WITH DISABILITIES AND CRISIS NURSERIES ACT OF 1986

TITLE II—TEMPORARY CHILD CARE FOR HANDICAPPED CHILDREN [AND CRISIS NURSERIES]

SEC. 201 SHORT TITLE.

This title may be cited as the "Temporary Child Care for Children With Disabilities [and Crisis Nurseries] Act of 1986".

SEC. 202. FINDINGS.

The Congress finds that it is necessary to establish demonstration programs of grants to the States to assist private and public agencies and organizations [provide: (A) temporary] *to provide temporary* non-medical child care for children with special needs to alleviate social, emotional, and financial stress among children and

families of such [children, and (B) crisis nurseries for children who are abused and neglected, at risk of abuse or neglect, or who are in families receiving child protective services.] *children.*

* * * * * * *

[SEC. 204. CRISIS NURSERIES.

[The Secretary of Health and Human Services shall establish a demonstration program of grants to States to assist private and public agencies and organizations to provide crisis nurseries for children who are abused and neglected, are at high risk of abuse and neglect, or who are in families receiving child protective services. Such service shall be provided without fee for a maximum of 30 days in any year. Crisis nurseries shall also provide referral to support services.]

SEC. 205. ADMINISTRATIVE PROVISIONS.

(a) APPLICATIONS.—

(1) (A) Any State which desires to receive a grant under section 203 [or 204] shall submit an application to the Secretary in such form and at such times as the Secretary may require. Such application shall—

(i) * * *

* * * * * * *

(2) Such application shall contain assurance that—

(A) * * *

* * * * * * *

[(D) in the distribution of funds made available under section 204, the State will give priority consideration to agencies and organizations with experience in working with abused or neglected children and their families, and with children at high risk of abuse and neglect and their families, and which serve communities which demonstrate the greatest need for such services; and]

[(E)] *(D)* Federal funds made available under this title will be so used as to supplement and, to the extent practicable, increase the amount of State and local funds that would in the absence of such Federal funds be made available for the uses specified in this title, and in no case supplant such State or local funds.

(b) AWARD OF GRANTS.—

(1) * * *

* * * * * * *

[(3) Of the funds appropriated under section 206, one-half shall be available for grants under section 203 and one-half shall be available for grants under section 204.]

* * * * * * *

(d) DEFINITIONS.—For the purposes of this title—

(1) * * *

* * * * * * *

[(3) the term "crisis nursery" means a center providing temporary emergency services and care for children;

[(4)] *(3)* the term "non-medical child care" means the provision of care to provide temporary relief for the primary caregiver; and

[(5)] *(4)* the term "State" means any of the several States, the District of Columbia, the Virgin Islands of the United States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, or Palau.

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MISSING CHILDREN'S ASSISTANCE ACT

[TITLE IV—MISSING CHILDREN

[SHORT TITLE

[SEC. 401. This title may be cited as the "Missing Children's Assistance Act".

[FINDINGS

[SEC. 402. The Congress hereby finds that—

[(1) each year thousands of children are abducted or removed from the control of a parent having legal custody without such parent's consent, under circumstances which immediately place them in grave danger;

[(2) many of these children are never reunited with their families;

[(3) often there are no clues to the whereabouts of these children;

[(4) many missing children are at great risk of both physical harm and sexual exploitation;

[(5) in many cases, parents and local law enforcement officials have neither the resources nor the expertise to mount expanded search efforts;

[(6) abducted children are frequently moved from one locality to another, requiring the cooperation and coordination of local, State, and Federal law enforcement efforts;

[(7) on frequent occasions, law enforcement authorities quickly exhaust all leads in missing children cases, and require assistance from distant communities where the child may be located; and

[(8) Federal assistance is urgently needed to coordinate and assist in this interstate problem.

[DEFINITIONS

[SEC. 403. For the purpose of this title—

[(1) the term "missing child" means any individual less than 18 years of age whose whereabouts are unknown to such individual's legal custodian if—

[(A) the circumstances surrounding such individual's disappearance indicate that such individual may possibly have been removed by another from the control of such in-

dividual's legal custodian without such custodian's consent; or

[(B) the circumstances of the case strongly indicate that such individual is likely to be abused or sexually exploited; and

[(2) the term "Administrator" means the Administrator of the Office of Juvenile Justice and Delinquency Prevention.

[DUTIES AND FUNCTIONS OF THE ADMINISTRATOR

[SEC. 404. (a) The Administrator shall—

[(1) issue such rules as the Administrator considers necessary or appropriate to carry out this title;

[(2) make such arrangements as may be necessary and appropriate to facilitate effective coordination among all federally funded programs relating to missing children (including the preparation of an annual comprehensive plan for facilitating such coordination);

[(3) provide for the furnishing of information derived from the national toll-free telephone line, established under subsection (b)(1), to appropriate entities;

[(4) provide adequate staff and agency resources which are necessary to properly carry out the responsibilities pursuant to this title; and

[(5) not later than 180 days after the end of each fiscal year, submit a report to the President, Speaker of the House of Representatives, and the President pro tempore of the Senate—

[(A) containing a comprehensive plan for facilitating cooperation and coordination in the succeeding fiscal year among all agencies and organizations with responsibilities related to missing children;

[(B) identifying and summarizing effective models of Federal, State, and local coordination and cooperation in locating and recovering missing children;

[(C) identifying and summarizing effective program models that provide treatment, counseling, or other aid to parents of missing children or to children who have been the victims of abduction;

[(D) describing how the Administrator satisfied the requirements of paragraph (4) in the preceding fiscal year;

[(E) describing in detail the number and types of telephone calls received in the preceding fiscal year over the national toll-free telephone line established under subsection (b)(1)(A) and the number and types of communications referred to the national communications system established under section 313;

[(F) describing in detail the activities in the preceding fiscal year of the national resource center and clearinghouse established under subsection (b)(2);

[(G) describing all the programs for which assistance was provided under section 405 in the preceding fiscal year;

[(H) summarizing the results of all research completed in the preceding year for which assistance was provided at any time under this title; and

[(I)(i) identifying each clearinghouse with respect to which assistance is provided under section 405(a)(9) in the preceding fiscal year;

[(ii) describing the activities carried out by such clearinghouse in such fiscal year;

[(iii) specifying the types and amounts of assistance (other than assistance under section 405(a)(9)) received by such clearinghouse in such fiscal year; and

[(iv) specifying the number and types of missing children cases handled (and the number of such cases resolved) by such clearinghouse in such fiscal year and summarizing the circumstances of each such cases.

[(b) The Administrator, either by making grants to or entering into contracts with public agencies or nonprofit private agencies, shall—

[(1)(A) establish and operate a national 24-hour toll-free telephone line by which individuals may report information regarding the location of any missing child, or other child 13 years of age or younger whose whereabouts are unknown to such child's legal custodian, and request information pertaining to procedures necessary to reunite such child with such child's legal custodian; and

[(B) coordinating the operation of such telephone line with the operation of the national communications system established under section 313;

[(2) establish and operate a national resource center and clearinghouse designed—

[(A) to provide to State and local governments, public and private nonprofit agencies, and individuals information regarding—

[(i) free or low-cost legal, restaurant, lodging, and transportation services that are available for the benefit of missing children and their families; and

[(ii) the existence and nature of programs being carried out by Federal agencies to assist missing children and their families;

[(B) to coordinate public and private programs which locate, recover, or reunite missing children with their legal custodians;

[(C) to disseminate nationally information about innovative and model missing childrens' programs, services, and legislation; and

[(D) to provide technical assistance and training to law enforcement agencies, State and local governments, elements of the criminal justice system, public and private nonprofit agencies, and individuals in the prevention, investigation, prosecution, and treatment of the missing and exploited child case and in locating and recovering missing children; and

[(3) periodically conduct national incidence studies to determine for a given year the actual number of children reported missing each year, the number of children who are victims of abduction by strangers, the number of children who are the

victims of parental kidnapings, and the number of children who are recovered each year; and

[(4) provide to State and local governments, public and private nonprofit agencies, and individuals information to facilitate the lawful use of school records and birth certificates to identify and locate missing children.

[(c) Nothing contained in this title shall be construed to grant to the Administrator any law enforcement responsibility or supervisory authority over any other Federal agency.

[GRANTS

[SEC. 405. (a) The Administrator is authorized to make grants to and enter into contracts with public agencies or nonprofit private organizations, or combinations thereof, for research, demonstration projects, or service programs designed—

[(1) to educate parents, children, and community agencies and organizations in ways to prevent the abduction and sexual exploitation of children;

[(2) to provide information to assist in the locating and return of missing children;

[(3) to aid communities in the collection of materials which would be useful to parents in assisting others in the identification of missing children;

[(4) to increase knowledge of and develop effective treatment pertaining to the psychological consequences, on both parents and children, of—

[(A) the abduction of a child, both during the period of disappearance and after the child is recovered; and

[(B) the sexual exploitation of a missing child;

[(5) to collect detailed data from selected States or localities on the actual investigative practices utilized by law enforcement agencies in missing children's cases;

[(6) to address the particular needs of missing children by minimizing the negative impact of judicial and law enforcement procedures on children who are victims of abuse or sexual exploitation and by promoting the active participation of children and their families in cases involving abuse or sexual exploitation of children;

[(7) to address the needs of missing children (as defined in section 403(1)(A)) and their families following the recovery of such children;

[(8) to reduce the likelihood that individuals under 18 years of age will be removed from the control of such individuals' legal custodians without such custodians' consent; and

[(9) to establish or operate statewide clearinghouses to assist in locating and recovering missing children.

[(b) In considering grant applications under this title, the Administrator shall give priority to applicants who—

[(1) have demonstrated or demonstrate ability in—

[(A) locating missing children or locating and reuniting missing children with their legal custodians;

[(B) providing other services to missing children or their families; or

[(C) conducting research relating to missing children; and

[(2) with respect to subparagraphs (A) and (B) of paragraph (1), substantially utilize volunteer assistance.

The Administrator shall give first priority to applicants qualifying under subparagraphs (A) and (B) of paragraph (1).

[(c) In order to receive assistance under this title for a fiscal year, applicants shall give assurance that they will expend, to the greatest extent practicable, for such fiscal year an amount of funds (without regard to any funds received under any Federal law) that is not less than the amount of funds they received in the preceding fiscal year from State, local, and private sources.

[CRITERIA FOR GRANTS

[SEC. 406. (a) In carrying out the programs authorized by this title, the Administrator shall establish—

[(1) annual research, demonstration, and service program priorities for making grants and contracts pursuant to section 405; and

[(2) criteria based on merit for making such grants and contracts.

Not less than 60 days before establishing such priorities and criteria, the Administrator shall publish in the Federal Register for public comment a statement of such proposed priorities and criteria.

[(b) No grant or contract exceeding $50,000 shall be made under this title unless the grantee or contractor has been selected by a competitive process which includes public announcement of the availability of funds for such grant or contract, general criteria for the selection of recipients or contractors, and a description of the application process and application review process.

[(c) Multiple grants or contracts to the same grantee or contractor within any 1 year to support activities having the same general purpose shall be deemed to be a single grant for the purpose of this subsection, but multiple grants or contracts to the same grantee or contractor to support clearly distinct activities shall be considered separate grants or contractors.

[TASK FORCE

[SEC. 407. (a) ESTABLISHMENT.—There is established a Missing and Exploited Children's Task Force (referred to as the "Task Force").

[(b) MEMBERSHIP.—

[(1) IN GENERAL.—The Task Force shall include at least 2 members from each of—

[(A) the Federal Bureau of Investigation;

[(B) the Secret Service;

[(C) the Bureau of Alcohol, Tobacco and Firearms;

[(D) the United States Customs Service;

[(E) the Postal Inspection Service;

[(F) the United States Marshals Service; and

[(G) the Drug Enforcement Administration.

[(2) CHIEF.—A representative of the Federal Bureau of Investigation (in addition to the members of the Task Force se-

lected under paragraph (1)(A)) shall act as chief of the Task Force.

[(3) SELECTION.—(A) The Director of the Federal Bureau of Investigation shall select the chief of the Task Force.

[(B) The heads of the agencies described in paragraph (1) shall submit to the chief of the Task Force a list of at least 5 prospective Task Force members, and the chief shall select 2, or such greater number as may be agreeable to an agency head, as Task Force members.

[(4) PROFESSIONAL QUALIFICATIONS.—The members of the Task Force shall be law enforcement personnel selected for their expertise that would enable them to assist in the investigation of cases of missing and exploited children.

[(5) STATUS.—A member of the Task Force shall remain an employee of his or her respective agency for all purposes (including the purpose of performance review), and his or her service on the Task Force shall be without interruption or loss of civil service privilege or status and shall be on a nonreimbursable basis.

[(6) PERIOD OF SERVICE.—(A) Subject to subparagraph (B), 1 member from each agency shall initially serve a 1-year term, and the other member from the same agency shall serve a 1-year term, and may be selected to a renewal of service for 1 additional year; thereafter, each new member to serve on the Task Force shall serve for a 2-year period with the member's term of service beginning and ending in alternate years with the other member from the same agency; the period of service for the chief of the Task Force shall be 3 years.

[(B) The chief of the Task Force may at any time request the head of an agency described in paragraph (1) to submit a list of 5 prospective Task Force members to replace a member of the Task Force, for the purpose of maintaining a Task Force membership that will be able to meet the demands of its caseload.

[(c) SUPPORT.—

[(1) IN GENERAL.—The Administrator of the General Services Administration, in coordination with the heads of the agencies described in subsection (b)(1), shall provide the Task Force office space and administrative and support services, such office space to be in close proximity to the office of the Center, so as to enable the Task Force to coordinate its activities with that of the Center on a day-to-day basis.

[(2) LEGAL GUIDANCE.—The Attorney General shall assign an attorney to provide legal guidance, as needed, to members of the Task Force.

[(d) PURPOSE.—

[(1) IN GENERAL.—The purpose of the Task Force shall be to make available the combined resources and expertise of the agencies described in paragraph (1) to assist State and local governments in the most difficult missing and exploited child cases nationwide, as identified by the chief of the Task Force from time to time, in consultation with the Center, and as many additional cases as resources permit, including the provi-

sion of assistance to State and local investigators on location in the field.

[(2) TECHNICAL ASSISTANCE.—The role of the Task Force in any investigation shall be to provide advice and technical assistance and to make available the resources of the agencies described in subsection (b)(1); the Task Force shall not take a leadership role in any such investigation.

[(e) CROSS-DESIGNATION OF TASK FORCE MEMBERS.—The Attorney General may cross-designate the members of the Task Force with jurisdiction to enforce Federal law related to child abduction to the extent necessary to accomplish the purposes of this section.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 408. To carry out the provisions of this title, there are authorized to be appropriated such sums as may be necessary for fiscal years 1993, 1994, 1995, and 1996.

[SPECIAL STUDY AND REPORT

[SEC. 409. (a) Not later than 1 year after the date of the enactment of the Juvenile Justice and Delinquency Prevention Amendments of 1988, the Administrator shall begin to conduct a study to determine the obstacles that prevent or impede individuals who have legal custody of children from recovering such children from parents who have removed such children from such individuals in violation of law.

[(b) Not later than 3 years after the date of the enactment of the Juvenile Justice and Delinquency Prevention Amendments of 1988, the Secretary shall submit a report to the chairman of the Committee on Education and Labor of the House of Representatives and the chairman of the Committee on the Judiciary of the Senate containing a description, and a summary of the results, of the study conducted under subsection (a).]

TITLE IV—MISSING CHILDREN

SHORT TITLE

SEC. 401. This title may be cited as the "Missing Children's Assistance Act of 1995".

FINDINGS

SEC. 402. The Congress hereby finds that—

(1) each year thousands of children are abducted or removed from the control of a parent having legal custody without such parent's consent, under circumstances which immediately place them in grave danger;

(2) many of these children are never reunited with their families;

(3) often there are no clues to the whereabouts of these children;

(4) many missing children are at great risk of both physical harm and sexual exploitation;

(5) in many cases, parents and local law enforcement officials have neither the resources nor the expertise to mount expanded search efforts;

(6) abducted children are frequently moved from one locality to another, requiring the cooperation and coordination of local, State, and Federal law enforcement efforts;

(7) on frequent occasions, law enforcement authorities quickly exhaust all leads in missing children cases, and require assistance from distant communities where the child may be located; and

(8) Federal assistance is urgently needed to coordinate and assist in this interstate problem.

DEFINITIONS

SEC. 403. For the purpose of this title—

(1) the term "missing child" means any individual less than 18 years of age whose whereabouts are unknown to such individual's legal custodian if—

(A) the circumstances surrounding such individual's disappearance indicate that such individual may possibly have been removed by another from the control of such individual's legal custodian without such custodian's consent; or

(B) the circumstances of the case strongly indicate that such individual is likely to be abused or sexually exploited; and

(2) the term "Administrator" means the Administrator of the Office of Juvenile Justice and Delinquency Prevention.

DUTIES AND FUNCTIONS OF THE ADMINISTRATOR

SEC. 404. (a) The Administrator shall—

(1) issue such rules as the Administrator considers necessary or appropriate to carry out this title;

(2) make such arrangements as may be necessary and appropriate to facilitate effective coordination among all federally funded programs relating to missing children (including the preparation of an annual comprehensive plan for facilitating such coordination);

(3) provide for the furnishing of information derived from the national toll-free telephone line, established under subsection (b)(1), to appropriate entities;

(4) provide adequate staff and agency resources which are necessary to properly carry out the responsibilities pursuant to this title; and

(5) not later than 180 days after the end of each fiscal year, submit a report to the President, Speaker of the House of Representatives, and the President pro tempore of the Senate—

(A) containing a comprehensive plan for facilitating cooperation and coordination in the succeeding fiscal year among all agencies and organizations with responsibilities related to missing children;

(B) identifying and summarizing effective models of Federal, State, and local coordination and cooperation in locating and recovering missing children;

(C) identifying and summarizing effective program models that provide treatment, counseling, or other aid to parents of missing children or to children who have been the victims of abduction;

(D) describing how the Administrator satisfied the requirements of paragraph (4) in the preceding fiscal year;

(E) describing in detail the number and types of telephone calls received in the preceding fiscal year over the national toll-free telephone line established under subsection (b)(1)(A) and the number and types of communications referred to the national communications system established under section 313;

(F) describing in detail the activities in the preceding fiscal year of the national resource center and clearinghouse established under subsection (b)(2);

(G) describing all the programs for which assistance was provided under section 405 in the preceding fiscal year;

(H) summarizing the results of all research completed in the preceding year for which assistance was provided at any time under this title; and

(I)(i) identifying each clearinghouse with respect to which assistance is provided under section 405(a)(9) in the preceding fiscal year;

(ii) describing the activities carried out by such clearinghouse in such fiscal year;

(iii) specifying the types and amounts of assistance (other than assistance under section 405(a)(9)) received by such clearinghouse in such fiscal year; and

(iv) specifying the number and types of missing children cases handled (and the number of such cases resolved) by such clearinghouse in such fiscal year and summarizing the circumstances of each such cases.

(b) The Administrator, either by making grants to or entering into contracts with public agencies or nonprofit private agencies, shall—

(1)(A) establish and operate a national 24-hour toll-free telephone line by which individuals may report information regarding the location of any missing child, or other child 13 years of age or younger whose whereabouts are unknown to such child's legal custodian, and request information pertaining to procedures necessary to reunite such child with such child's legal custodian; and

(B) coordinating the operation of such telephone line with the operation of the national communications system established under section 313;

(2) establish and operate a national resource center and clearinghouse designed—

(A) to provide to State and local governments, public and private nonprofit agencies, and individuals information regarding—

(i) free or low-cost legal, restaurant, lodging, and transportation services that are available for the benefit of missing children and their families; and

(ii) the existence and nature of programs being carried out by Federal agencies to assist missing children and their families;

(B) to coordinate public and private programs which locate, recover, or reunite missing children with their legal custodians;

(C) to disseminate nationally information about innovative and model missing childrens' programs, services, and legislation; and

(D) to provide technical assistance and training to law enforcement agencies, State and local governments, elements of the criminal justice system, public and private nonprofit agencies, and individuals in the prevention, investigation, prosecution, and treatment of the missing and exploited child case and in locating and recovering missing children; and

(3) periodically conduct national incidence studies to determine for a given year the actual number of children reported missing each year, the number of children who are victims of abduction by strangers, the number of children who are the victims of parental kidnapings, and the number of children who are recovered each year; and

(4) provide to State and local governments, public and private nonprofit agencies, and individuals information to facilitate the lawful use of school records and birth certificates to identify and locate missing children.

(c) Nothing contained in this title shall be construed to grant to the Administrator any law enforcement responsibility or supervisory authority over any other Federal agency.

GRANTS

SEC. 405. (a) The Administrator is authorized to make grants to and enter into contracts with public agencies or nonprofit private organizations, or combinations thereof, for research, demonstration projects, or service programs designed—

(1) to educate parents, children, and community agencies and organizations in ways to prevent the abduction and sexual exploitation of children;

(2) to provide information to assist in the locating and return of missing children;

(3) to aid communities in the collection of materials which would be useful to parents in assisting others in the identification of missing children;

(4) to increase knowledge of and develop effective treatment pertaining to the psychological consequences, on both parents and children, of—

(A) the abduction of a child, both during the period of disappearance and after the child is recovered; and

(B) the sexual exploitation of a missing child;

(5) to collect detailed data from selected States or localities on the actual investigative practices utilized by law enforcement agencies in missing children's cases;

(6) to address the particular needs of missing children by minimizing the negative impact of judicial and law enforcement

procedures on children who are victims of abuse or sexual exploitation and by promoting the active participation of children and their families in cases involving abuse or sexual exploitation of children;

(7) to address the needs of missing children (as defined in section 403(1)(A)) and their families following the recovery of such children;

(8) to reduce the likelihood that individuals under 18 years of age will be removed from the control of such individuals' legal custodians without such custodians' consent; and

(9) to establish or operate statewide clearinghouses to assist in locating and recovering missing children.

(b) In considering grant applications under this title, the Administrator shall give priority to applicants who—

(1) have demonstrated or demonstrate ability in—

(A) locating missing children or locating and reuniting missing children with their legal custodians;

(B) providing other services to missing children or their families; or

(C) conducting research relating to missing children; and

(2) with respect to subparagraphs (A) and (B) of paragraph (1), substantially utilize volunteer assistance.

The Administrator shall give first priority to applicants qualifying under subparagraphs (A) and (B) of paragraph (1).

(c) In order to receive assistance under this title for a fiscal year, applicants shall give assurance that they will expend, to the greatest extent practicable, for such fiscal year an amount of funds (without regard to any funds received under any Federal law) that is not less than the amount of funds they received in the preceding fiscal year from State, local, and private sources.

CRITERIA FOR GRANTS

SEC. 406. (a) In carrying out the programs authorized by this title, the Administrator shall establish—

(1) annual research, demonstration, and service program priorities for making grants and contracts pursuant to section 405; and

(2) criteria based on merit for making such grants and contracts.

Not less than 60 days before establishing such priorities and criteria, the Administrator shall publish in the Federal Register for public comment a statement of such proposed priorities and criteria.

(b) No grant or contract exceeding $50,000 shall be made under this title unless the grantee or contractor has been selected by a competitive process which includes public announcement of the availability of funds for such grant or contract, general criteria for the selection of recipients or contractors, and a description of the application process and application review process.

(c) Multiple grants or contracts to the same grantee or contractor within any 1 year to support activities having the same general purpose shall be deemed to be a single grant for the purpose of this subsection, but multiple grants or contracts to the same grantee or contractor to support clearly distinct activities shall be considered separate grants or contractors.

AUTHORIZATION OF APPROPRIATIONS

SEC. 407. To carry out the provisions of this title, there are authorized to be appropriated such sums as may be necessary for fiscal years 1996, 1997, 1998, 1999, and 2000.

STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT

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TITLE VII—EDUCATION, TRAINING, AND COMMUNITY SERVICES PROGRAMS

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[Subtitle F—Family Support Centers

[SEC. 771. DEFINITIONS.

[As used in this subtitle:

[(1) ADVISORY COUNCIL.—The term "advisory council" means the advisory council established under section 772(e)(2)(K).

[(2) ELIGIBLE ENTITY.—The term "eligible entity" means State or local agencies, a Head Start agency, any community-based organization of demonstrated effectiveness as a community action agency under section 210 of the Economic Opportunity Act of 1984 (42 U.S.C. 2790), public housing agencies as defined in section 3(b)(6) of the United States Housing Act of 1937, State Housing Finance Agencies, local education agencies, an institution of higher education, a public hospital, a community development corporation, a private industry council as defined under section 102(a) of the Job Training Partnership Act, a community health center, and any other public or private nonprofit agency or organization specializing in delivering social services.

[(3) FAMILY CASE MANAGERS.—The term "family case managers" means advisers operating under the provisions of section 774.

[(4) GOVERNMENTALLY SUBSIDIZED HOUSING.—The term "governmentally subsidized housing" means any rental housing that is assisted under any Federal, State or local program (including a tax credit or tax exempt financing program) and that serves a population that predominately consists of very low income families or individuals.

[(5) HOMELESS.—The term "homeless" has the same meaning given such term in the subsections (a) and (c) of section 103 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302 (a) and (c)).

[(6) INTENSIVE AND COMPREHENSIVE SUPPORTIVE SERVICES.—The term "intensive and comprehensive supportive services" means—

[(A) in the case of services provided to infants, children and youth, such services that shall be designed to enhance the physical, social, and educational development of such

infants and children and that shall include, where appropriate nutritional services, screening and referral services, child care services, early childhood development programs, early intervention services for children with, or at-risk of developmental delays, drop-out prevention services, after-school activities, job readiness and job training services, education (including basic skills and literacy services), emergency services including special outreach services targeted to homeless and runaway youth, crisis intervention and counseling services, and such other services that the Secretary may deem necessary and appropriate;

[(B) in the case of services provided to parents and other family members, services designed to better enable parents and other family members to contribute to their child's healthy development and that shall include, where appropriate, substance abuse education, counseling, referral for treatment, crisis intervention, employment counseling and training as appropriate, life-skills training including personal financial counseling, education including basic skills and literacy services, parenting classes, training in consumer homemaking, and such other services as the Secretary shall deem necessary and appropriate;

[(C) in the case of services provided by family case managers, needs assessment and support in accessing and maintaining appropriate public assistance and social services, referral for substance abuse counseling and treatment, counseling and crisis intervention, family advocacy services, and housing assistance activities, housing counseling and eviction or foreclosure prevention assistance and referral to sources of emergency rental or mortgage assistance payments and home energy assistance, and other services as appropriate.

[(7) LOW INCOME.—The term "low income" when applied to families or individuals means a family or individual income that does not exceed 80 percent of the median income for an individual or family in the area, as determined by the Secretary of Housing and Urban Development, except that such Secretary may establish income ceilings that are higher or lower than 80 percent of the median for the area on the basis of a finding by such Secretary that such variations are necessary because of prevailing levels of construction costs or unusually high or low individual or family incomes.

[(8) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

[(9) VERY LOW INCOME.—The term "very low income" when applied to families or individuals means a family or individual income that does not exceed 50 percent of the median income for an individual or family in the area, as determined by the Secretary, except that the Secretary may establish income ceilings that are higher or lower than 50 percent of the median for the area on the basis of a finding by the Secretary that such variations are necessary because of unusually high or low individual or family incomes.

[SEC. 772. GENERAL GRANTS FOR THE PROVISION OF SERVICES.

[(a) AUTHORITY.—The Secretary is authorized to make not more than 30 grants to eligible entities in rural, urban and suburban areas to pay the cost of demonstration programs designed to encourage the provision of intensive and comprehensive supportive services that will enhance the physical, social, and educational development of low-income individuals and families, especially those individuals in very low-income families who were previously homeless and who are currently residing in governmentally subsidized housing or who are at risk of becoming homeless. Such grants shall be of sufficient size, scope, and quality to be effective, and shall be distributed to various entities including those in or near public housing developments, and in low income areas both urban and nonurban.

[(b) GATEWAY PROGRAMS.—The Secretary shall make available not more than 5 demonstration grants in each fiscal year for Gateway programs in accordance with section 775.

[(c) AGREEMENTS WITH ELIGIBLE ENTITIES.—The Secretary shall enter into contracts, agreements, or other arrangements with eligible entities to carry out the provisions of this section.

[(d) CONSIDERATIONS BY SECRETARY.—In carrying out the provisions of this section, the Secretary shall consider—

[(1) the capacity of the eligible entity to administer the comprehensive program for which assistance is sought;

[(2) the proximity of the entities and facilities associated with the program to the low-income families to be served by the program or the ability of the entity to provide mobile or offsite services;

[(3) the ability of the eligible entity to coordinate and integrate its activities with State and local public agencies (such as agencies responsible for education, employment and training, health and mental health services, substance abuse services, social services, child care, nutrition, income assistance, housing and energy assistance, and other relevant services), with public or private non-profit agencies and organizations that have a demonstrated record of effectiveness in providing assistance to homeless families, and with appropriate nonprofit private organizations involved in the delivery of eligible support services;

[(4) fiscal and administrative management of the eligible entity;

[(5) the involvement of project participants and community representatives in the planning and operation of the program to the extent practicable; and

[(6) the availability and proximity of comparable services provided by Community Action Agencies unless the Community Action Agency is the applicant and intends to expand existing services.

[(e) REQUIREMENTS.—

[(1) IN GENERAL.—Each eligible entity desiring to receive a grant under this section shall—

[(A) have demonstrated effectiveness in providing or arranging for the provision of services such as those required under this section;

[(B) to the maximum extent practicable, expand, coordinate, integrate, or contract with existing service providers, and avail itself of other resource and reimbursement mechanisms that may be used to provide services; and

[(C) submit an application at such time in such manner and containing or accompanied by such information, including the information required under paragraph (2), as the Secretary shall reasonably require.

[(2) APPLICATION.—Each application submitted under paragraph (1)(C) shall—

[(A) identify the population and geographic location to be served by the program;

[(B) provide assurances that services are closely related to the identifiable needs of the target population;

[(C) provide assurances that each program will provide directly or arrange for the provision of intensive and comprehensive supportive services;

[(D) identify the referral providers, agencies, and organizations that the program will use;

[(E) describe the method of furnishing services at offsite locations, if appropriate;

[(F) describe the manner in which the services offered will be accessed through existing program providers to the extent that they are located in the immediate vicinity of the target population, or will contract with such providers for community-based services within the community to be served, and that funds provided under this section will be utilized to create new services only to the extent that no other funds can be obtained to fulfill the purpose.

[(G) describe how the program will relate to the State and local agencies providing assistance to homeless families, or providing health, nutritional, job training, education, housing and energy assistance, and income maintenance services;

[(H) describe the collection and provision of data on groups of individuals and geographic areas to be served, including types of services to be furnished, estimated cost of providing comprehensive services on an average per user basis, types and natures of conditions and needs to be identified and assisted, and such other information as the Secretary requires;

[(I) describe the manner in which the applicant will implement the requirement of section 773;

[(J) provide for the establishment of an advisory council that shall provide policy and programming guidance to the eligible entity, consisting of not more than 15 members that shall include—

[(i) participants in the programs, including parents;

[(ii) representatives of local private industry;

[(iii) individuals with expertise in the services the program intends to offer;

[(iv) representatives of the community in which the program will be located;

[(v) representatives of local government social service providers;

[(vi) representatives of local law enforcement agencies;

[(vii) representatives of the local public housing agency, where appropriate; and

[(viii) representatives of local education providers;

[(K) describe plans for evaluating the impact of the program;

[(L) include such additional assurances, including submitting necessary reports, as the Secretary may reasonably require;

[(M) contain an assurance that if the applicant intends to assess fees for services provided with assistance under this section, such fees shall be nominal in relation to the financial situation of the recipient of such services; and

[(N) contain an assurance that amounts received under a grant awarded under this section shall be used to supplement not supplant Federal, State and local funds currently utilized to provide services of the type described in this section.

[(f) ADMINISTRATIVE PROVISIONS.—

[(1) ADMINISTRATIVE COSTS.—Two percent of the amounts appropriated under this title may be used by the Secretary to administer the programs established under this title and three percent of the amounts appropriated under this title may be used by the Secretary to evaluate such programs and to provide technical assistance to entities for the development and submission of applications for grants under this section.

[(2) LIMITATION.—Not more than 30 grants may be made under this subtitle.

[(3) AMOUNT OF GRANTS.—No grant made under this subtitle may exceed $2,500,000 per year nor more than a total of $4,000,000 for 3 years. Funds received under such grants shall remain available until expended.

[(4) MINIMUM AMOUNT.—No grant made under subsection (a) may be awarded in an amount that is less than $200,000 per year.

[(g) FAMILY SUPPORT CENTERS.—Each program that receives assistance under this section shall establish one or more family support centers that operate—

[(1) in or near the immediate vicinity of governmentally subsidized housing;

[(2) in urban poverty areas; or

[(3) in non-urban poverty areas.

Such centers shall be the primary location for the administration of the programs and the provision of services under this title.

[SEC. 773. TRAINING AND RETENTION.

[The Secretary shall require that entities that receive a grant under section 772 use not more than 7 percent of such grant to improve the retention and effectiveness of staff and volunteers.

[SEC. 774. FAMILY CASE MANAGERS.

[(a) REQUIREMENT.—Each entity that receives a grant under section 772 shall employ, subject to subsection (d), an appropriate number of individuals with expertise in the provision of intensive and comprehensive supportive services to serve as family case managers for the program.

[(b) NEEDS ASSESSMENT.—Each low-income family that desires to receive services from a program that receives assistance under this subtitle shall be assessed by a family case manager on such family's initial visit to such program as to their need for services.

[(c) CONTINUING FUNCTIONS.—Family case managers shall formulate a service plan based on a needs assessment for each family. Such case manager shall carry out such plan, and remain available to provide such family with counseling and referral services, to enable such family to become self-sufficient. In carrying out such plan the case manager shall conduct monitoring, tracking, and follow-up activities, as appropriate.

[(d) LIMITATION.—Each family case manager shall have a caseload that is of a sufficiently small size so as to permit such manager to effectively manage the delivery of comprehensive services to those families assigned to such manager.

[SEC. 775. GATEWAY PROGRAMS.

[(a) IN GENERAL.—The Secretary shall use amounts made available in accordance with section 772(b) to make not more than 5 demonstration grants to local education agencies who, in consultation with the local public housing authority and private industry council, agree to provide on-site education, training and necessary support services to economically disadvantaged residents of public housing.

[(b) SELECTION OF GRANT RECIPIENTS.—The Secretary of Health and Human Services, in consultation with the Secretary of Education, shall select a local education agency to receive a grant under subsection (a) if such agency has cooperated with the local public housing authority in order to meet the following requirements:

[(1) The local education agency shall demonstrate to the Secretary that training and ancillary support services will be accessed through existing program providers to the extent that they are located in the immediate vicinity of the public housing development, or will contract with such providers for on-site service delivery, and that funds provided under this section will be utilized to purchase such services only to the extent that no other funds can be obtained to fulfill the purpose.

[(2) The public housing agency shall agree to make available suitable facilities in the public housing development for the provision of education, training and support services under this section.

[(3) The local education agency shall demonstrate that the recipients of service have been recruited with the assistance of the public housing authority and are eligible individuals in accordance with the priorities established in subsection (c).

[(4) The local education agency shall demonstrate the ability to coordinate the services provided in this section with other services provided, with the public housing development and

private industry council as well as with other public and private agencies and community-based organizations of demonstrated effectiveness providing similar and ancillary services to the target population.

[(5) The local education agency shall demonstrate that they have, to the fullest extent practicable, attempted to employ residents of the public housing development to carry out the purposes of this section whenever qualified residents are available.

[(c) INDIVIDUALS ELIGIBLE FOR SERVICES.—Local education agencies receiving grants under this section shall target participation in the training and services provided under such grants to individuals who—

[(1) reside in public housing;

[(2) are economically disadvantaged; and

[(3) have encountered barriers to employment because of basic skills deficiency including not having a high school diploma, GED, or the equivalent.

[(d) PRIORITY.—Local education agencies providing services under this section shall give priority to single heads of households with young dependent children.

[(e) MANDATORY SERVICES.—Any local education agency that receives a grant under this section shall establish a Gateway program to provide—

[(1) outreach and information services designed to make eligible individuals aware of available services;

[(2) literacy and bilingual education services, where appropriate;

[(3) remedial education and basic skills training;

[(4) employment training and personal management skill development or referrals for such services; and

[(5) child care or dependent care for dependents of eligible individuals during those times, including afternoons and evenings, when training services are being provided.

To the extent practicable, child care or dependent care services shall be designed to employ public housing residents after appropriate training.

[(f) PERMISSIVE SERVICES.—Local education agencies receiving grants under this section may make available, as part of their Gateway programs—

[(1) pre-employment skills training;

[(2) employment counseling and application assistance;

[(3) job development services;

[(4) job training;

[(5) Federal employment-related activity services;

[(6) completion of high school or GED program services;

[(7) transitional assistance, including child care for up to 6 months to enable such individual to successfully secure unsubsidized employment;

[(8) substance abuse prevention and education; and

[(9) other support services that the Secretary deems to be appropriate.

[SEC. 776. EVALUATION.

[(a) IN GENERAL.—The Secretary shall contract for an independent evaluation of the programs and entities that receive assistance under this title. Such evaluation shall be complete not later than the date that is 15 months after the date on which the first grants are awarded under this title.

[(b) MATTER TO BE EVALUATED.—The evaluation conducted under subsection (a) shall examine the degree to which the programs receiving assistance under this title have fulfilled the objectives included in the application in accordance with section 722(e)(2) in—

[(1) enhancing the living conditions in low income housing and in neighborhoods;

[(2) improving the physical, social and educational development of low income children and families served by the program;

[(3) achieving progress towards increased potential for independence and self-sufficiency among families served by the program;

[(4) the degree to which the provision of services is affected by caseload size;

[(5) promoting increases in literacy levels and basic employment skills among residents of public housing developments served by grants under section 776; and

[(6) such other factors that the Secretary may reasonably require.

[(c) INFORMATION.—Each eligible entity receiving a grant under this subtitle shall furnish information requested by evaluators in order to carry out this section.

[(d) RESULTS.—The results of such evaluation shall be provided by the Secretary to the eligible entities conducting the programs to enable such entities to improve such programs.

[SEC. 777. REPORT.

[Not later than July 1, 1995, the Secretary shall prepare and submit, to the Committee on Education and Labor, of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report—

[(1) concerning the evaluation required under section 776;

[(2) providing recommendations for replicating grant programs, including identifying the geographic and demographic characteristics of localities where this service coordination and delivery system may prove effective;

[(3) describing any alternative sources of funding utilized or available for the provision of services of the type described in this subtitle; and

[(4) describing the degree to which entities are coordinating with other existing programs.

[SEC. 778. CONSTRUCTION.

[Nothing in this subtitle shall be construed to modify the Federal selection preferences described in section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) or the authorized policies and procedures of governmental housing authorities operat-

ing under annual assistance contracts pursuant to such Act with respect to admissions, tenant selection and evictions.

[SEC. 779. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to carry out this subtitle, $50,000,000 for fiscal year 1991, $55,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1998.]

VICTIMS OF CHILD ABUSE ACT OF 1990

TITLE II—VICTIMS OF CHILD ABUSE ACT OF 1990

SEC. 201. SHORT TITLE.

This title may be cited as the "Victims of Child Abuse Act of 1990".

[Subtitle A—Improving Investigation and Prosecution of Child Abuse Cases

[SEC. 211. FINDINGS.

[The Congress finds that—

[(1) over 2,000,000 reports of suspected child abuse and neglect are made each year, and drug abuse is associated with a significant portion of these;

[(2) the investigation and prosecution of child abuse cases is extremely complex, involving numerous agencies and dozens of personnel;

[(3) traditionally, community agencies and professionals have different roles in the prevention, investigation, and intervention process;

[(4) in such cases, too often the system does not pay sufficient attention to the needs and welfare of the child victim, aggravating the trauma that the child victim has already experienced;

[(5) there is a national need to enhance coordination among community agencies and professionals involved in the intervention system;

[(6) multidisciplinary child abuse investigation and prosecution programs have been developed that increase the reporting of child abuse cases, reduce the trauma to the child victim, and increase the successful prosecution of child abuse offenders; and

[(7) such programs have proven effective, and with targeted Federal assistance, could be duplicated in many jurisdictions throughout the country.

[SEC. 212. DEFINITIONS.

[For purposes of this subtitle—

[(1) the term "Administrator" means the agency head designated under section 201(b) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5611(b));

[(2) the term "applicant" means a child protective service, law enforcement, legal, medical and mental health agency or other agency that responds to child abuse cases;

[(3) the term "board" means the Children's Advocacy Advisory Board established under section 213(e);

[(4) the term "census region" means 1 of the 4 census regions (northeast, south, midwest, and west) that are designated as census regions by the Bureau of the Census as of the date of enactment of this section;

[(5) the term "child abuse" means physical or sexual abuse or neglect of a child;

[(6) the term "Director" means the Director of the National Center on Child Abuse and Neglect;

[(7) the term "multidisciplinary response to child abuse" means a response to child abuse that is based on mutually agreed upon procedures among the community agencies and professionals involved in the intervention, prevention, prosecution, and investigation systems that best meets the needs of child victims and their nonoffending family members;

[(8) the term "nonoffending family member" means a member of the family of a victim of child abuse other than a member who has been convicted or accused of committing an act of child abuse; and

[(9) the term "regional children's advocacy program" means the children's advocacy program established under section 213(a).

[SEC. 213. REGIONAL CHILDREN'S ADVOCACY CENTERS.

[(a) ESTABLISHMENT OF REGIONAL CHILDREN'S ADVOCACY PROGRAM.—The Administrator, in coordination with the Director and with the Director of the Office of Victims of Crime, shall establish a children's advocacy program to—

[(1) focus attention on child victims by assisting communities in developing child-focused, community-oriented, facility-based programs designed to improve the resources available to children and families;

[(2) provide support for nonoffending family members;

[(3) enhance coordination among community agencies and professionals involved in the intervention, prevention, prosecution, and investigation systems that respond to child abuse cases; and

[(4) train physicians and other health care and mental health care professionals in the multidisciplinary approach to child abuse so that trained medical personnel will be available to provide medical support to community agencies and professionals involved in the intervention, prevention, prosecution, and investigation systems that respond to child abuse cases.

[(b) ACTIVITIES OF THE REGIONAL CHILDREN'S ADVOCACY PROGRAM.—

[(1) ADMINISTRATOR.—The Administrator, in coordination with the Director, shall—

[(A) establish regional children's advocacy program centers;

[(B) fund existing regional centers with expertise in the prevention, judicial handling, and treatment of child abuse and neglect; and

[(C) fund the establishment of freestanding facilities in multidisciplinary programs within communities that have yet to establish such facilities,

for the purpose of enabling grant recipients to provide information, services, and technical assistance to aid communities in establishing multidisciplinary programs that respond to child abuse.

[(2) GRANT RECIPIENTS.—A grant recipient under this section shall—

[(A) assist communities—

[(i) in developing a comprehensive, multidisciplinary response to child abuse that is designed to meet the needs of child victims and their families;

[(ii) in establishing a freestanding facility where interviews of and services for abused children can be provided;

[(iii) in preventing or reducing trauma to children caused by multiple contacts with community professionals;

[(iv) in providing families with needed services and assisting them in regaining maximum functioning;

[(v) in maintaining open communication and case coordination among community professionals and agencies involved in child protection efforts;

[(vi) in coordinating and tracking investigative, preventive, prosecutorial, and treatment efforts;

[(vii) in obtaining information useful for criminal and civil proceedings;

[(viii) in holding offenders accountable through improved prosecution of child abuse cases;

[(ix) in enhancing professional skills necessary to effectively respond to cases of child abuse through training; and

[(x) in enhancing community understanding of child abuse; and

[(B) provide training and technical assistance to local children's advocacy centers in its census region that are grant recipients under section 214.

[(c) OPERATION OF THE REGIONAL CHILDREN'S ADVOCACY PROGRAM.—

[(1) SOLICITATION OF PROPOSALS.—Not later than 1 year after the date of enactment of this section, the Administrator shall solicit proposals for assistance under this section.

[(2) MINIMUM QUALIFICATIONS.—In order for a proposal to be selected, the Administrator may require an applicant to have in existence, at the time the proposal is submitted, 1 or more of the following:

[(A) A proven record in conducting activities of the kinds described in subsection (c).

[(B) A facility where children who are victims of sexual or physical abuse and their nonoffending family members can go for the purpose of evaluation, intervention, evidence gathering, and counseling.

[(C) Multidisciplinary staff experienced in providing remedial counseling to children and families.

[(D) Experience in serving as a center for training and education and as a resource facility.

[(E) National expertise in providing technical assistance to communities with respect to the judicial handling of child abuse and neglect.

[(3) PROPOSAL REQUIREMENTS.—

[(A) IN GENERAL.—A proposal submitted in response to the solicitation under paragraph (1) shall—

[(i) include a single or multiyear management plan that outlines how the applicant will provide information, services, and technical assistance to communities so that communities can establish multidisciplinary programs that respond to child abuse;

[(ii) demonstrate the ability of the applicant to operate successfully a multidisciplinary child abuse program or provide training to allow others to do so; and

[(iii) state the annual cost of the proposal and a breakdown of those costs.

[(B) CONTENT OF MANAGEMENT PLAN.—A management plan described in paragraph (3)(A) shall—

[(i) outline the basic activities expected to be performed;

[(ii) describe the entities that will conduct the basic activities;

[(iii) establish the period of time over which the basic activities will take place; and

[(iv) define the overall program management and direction by—

[(I) identifying managerial, organizational, and administrative procedures and responsibilities;

[(II) demonstrating how implementation and monitoring of the progress of the children's advocacy program after receipt of funding will be achieved; and

[(III) providing sufficient rationale to support the costs of the plan.

[(4) SELECTION OF PROPOSALS.—

[(A) COMPETITIVE BASIS.—Proposals shall be selected under this section on a competitive basis.

[(B) CRITERIA.—The Administrator, in coordination with the Director, shall select proposals for funding that—

[(i) best result in developing and establishing multidisciplinary programs that respond to child abuse by assisting, training, and teaching community agencies and professionals called upon to respond to child abuse cases;

[(ii) assist in resolving problems that may occur during the development, operation, and implementa-

tion of a multidisciplinary program that responds to child abuse; and

[(iii) carry out the objectives developed by the Board under subsection (e)(2)(A);

[(C) to the greatest extent possible and subject to available appropriations, ensure that at least 1 applicant is selected from each of the 4 census regions of the country; and

[(D) otherwise best carry out the purposes of this section.

[(5) FUNDING OF PROGRAM.—From amounts made available in separate appropriation Acts, the Administrator shall provide to each grant recipient the financial and technical assistance and other incentives that are necessary and appropriate to carry out this section.

[(6) COORDINATION OF EFFORT.—In order to carry out activities that are in the best interests of abused and neglected children, a grant recipient shall consult with other grant recipients on a regular basis to exchange ideas, share information, and review children's advocacy program activities.

[(d) REVIEW.—

[(1) EVALUATION OF REGIONAL CHILDREN'S ADVOCACY PROGRAM ACTIVITIES.—The Administrator, in coordination with the Director, shall regularly monitor and evaluate the activities of grant recipients and shall determine whether each grant recipient has complied with the original proposal and any modifications.

[(2) ANNUAL REPORT.—A grant recipient shall provide an annual report to the Administrator and the Director that—

[(A) describes the progress made in satisfying the purpose of the children's advocacy program; and

[(B) states whether changes are needed and are being made to carry out the purpose of the children's advocacy program.

[(3) DISCONTINUATION OF FUNDING.—

[(A) FAILURE TO IMPLEMENT PROGRAM ACTIVITIES.—If a grant recipient under this section substantially fails in the implementation of the program activities, the Administrator shall not discontinue funding until reasonable notice and an opportunity for reconsideration is given.

[(B) SOLICITATION OF NEW PROPOSALS.—Upon discontinuation of funding of a grant recipient under this section, the Administrator shall solicit new proposals in accordance with subsection (c).

[(e) CHILDREN'S ADVOCACY ADVISORY BOARD.—

[(1) ESTABLISHMENT OF BOARD.—

[(A) IN GENERAL.—Not later than 120 days after the date of enactment of this section, the Administrator and the Director, after consulting with representatives of community agencies that respond to child abuse cases, shall establish a children's advocacy advisory board to provide guidance and oversight in implementing the selection criteria and operation of the regional children's advocacy program.

[(B) MEMBERSHIP.—(i) The board—

[(I) shall be composed of 12 members who are selected by the Administrator, in coordination with the Director, a majority of whom shall be individuals experienced in the child abuse investigation, prosecution, prevention, and intervention systems;

[(II) shall include at least 1 member from each of the 4 census regions; and

[(III) shall have members appointed for a term not to exceed 3 years.

[(ii) Members of the Board may be reappointed for successive terms.

[(2) REVIEW AND RECOMMENDATIONS.—

[(A) OBJECTIVES.—Not later than 180 days after the date of enactment of this section and annually thereafter, the Board shall develop and submit to the Administrator and the Director objectives for the implementation of the children's advocacy program activities described in subsection (b).

[(B) REVIEW.—The board shall annually—

[(i) review the solicitation and selection of children's advocacy program proposals and make recommendations concerning how each such activity can be altered so as to better achieve the purposes of this section; and

[(ii) review the program activities and management plan of each grant recipient and report its findings and recommendations to the Administrator and the Director.

[(3) RULES AND REGULATIONS.—The Board shall promulgate such rules and regulations as it deems necessary to carry out its duties under this section.

[(f) REPORTING.—The Attorney General and the Secretary of Health and Human Services shall submit to Congress, by March 1 of each year, a detailed review of the progress of the regional children's advocacy program activities.".

[SEC. 214. LOCAL CHILDREN'S ADVOCACY CENTERS.

[(a) IN GENERAL.—The Administrator, in coordination with the Director and with the Director of the Office of Victims of Crime, shall make grants to develop and implement multidisciplinary child abuse investigation and prosecution programs.

[(b) GRANT CRITERIA.—(1) The Director shall establish the criteria to be used in evaluating applications for grants under this section consistent with sections 262, 293, and 296 of subpart II of title II of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5665 et seq.).

[(2) In general, the grant criteria established pursuant to paragraph (1) may require that a program include any of the following elements:

[(A) A written agreement between local law enforcement, social service, health, and other related agencies to coordinate child abuse investigation, prosecution, treatment, and counseling services.

[(B) An appropriate site for referring, interviewing, treating, and counseling child victims of sexual and serious physical abuse and neglect and nonoffending family members (referred to as the "counseling center").

[(C) Referral of all sexual and serious physical abuse and neglect cases to the counseling center not later than 24 hours after notification of an incident of abuse.

[(D) Joint initial investigative interviews of child victims by personnel from law enforcement, health, and social service agencies.

[(E) A requirement that, to the extent practicable, the same agency representative who conducts an initial interview conduct all subsequent interviews.

[(F) A requirement that, to the extent practicable, all interviews and meetings with a child victim occur at the counseling center.

[(G) Coordination of each step of the investigation process to minimize the number of interviews that a child victim must attend.

[(H) Designation of a director for the multidisciplinary program.

[(I) Assignment of a volunteer or staff advocate to each child in order to assist the child and, when appropriate, the child's family, throughout each step of judicial proceedings.

[(J) Such other criteria as the Director shall establish by regulation.

[(c) DISTRIBUTION OF GRANTS.—In awarding grants under this section, the Director shall ensure that grants are distributed to both large and small States and to rural, suburban, and urban jurisdictions.

[(d) CONSULTATION WITH REGIONAL CHILDREN'S ADVOCACY CENTERS.—A grant recipient under this section shall consult from time to time with regional children's advocacy centers in its census region that are grant recipients under section 213.

[SEC. 214A. GRANTS FOR SPECIALIZED TECHNICAL ASSISTANCE AND TRAINING PROGRAMS.

[(a) IN GENERAL.—The Administrator shall make grants to national organizations to provide technical assistance and training to attorneys and others instrumental to the criminal prosecution of child abuse cases in State or Federal courts, for the purpose of improving the quality of criminal prosecution of such cases.

[(b) GRANTEE ORGANIZATIONS.—An organization to which a grant is made pursuant to subsection (a) shall be one that has, or is affiliated with one that has, broad membership among attorneys who prosecute criminal cases in State courts and has demonstrated experience in providing training and technical assistance for prosecutors.

[(c) GRANT CRITERIA.—

[(1) The Administrator shall establish the criteria to be used for evaluating applications for grants under this section, consistent with sections 262, 293, and 296 of subpart II of title II of the Juvenile Justice and Delinquency Act of 1974 (42 U.S.C. 5665 et seq.).

[(2) The grant criteria established pursuant to paragraph (1) shall require that a program provide training and technical assistance that includes information regarding improved child interview techniques, thorough investigative methods, interagency coordination and effective presentation of evidence in court, including the use of alternative courtroom procedures described in this title.

[SEC. 214B. AUTHORIZATION OF APPROPRIATIONS.

[(a) SECTIONS 213 AND 214.—There are authorized to be appropriated to carry out sections 213 and 214—

[(1) $15,000,000 for fiscal year 1993; and

[(2) such sums as are necessary for fiscal years 1994, 1995, and 1996.

[(b) SECTION 214A.—There are authorized to be appropriated to carry out section 214A—

[(1) $5,000,000 for fiscal year 1993; and

[(2) such sums as are necessary for fiscal years 1994, 1995, and 1996.]

MINORITY VIEWS

"Poor mothers like me struggle to do what's right for our families and we are good parents. The assumption that poor families don't take good care of their children is wrong. When I was a teenage parent I did everything I could to make sure Mark had what he needed.

"You may look at me and think that because I'm on welfare there must be something wrong with me, that somehow it's my fault that I'm poor. I am here to tell you that there is nothing wrong with me. I am a hard working person and a good mother. Everyone needs help sometime."—Cheri Honkala, Philadelphia, Pennsylvania, in testimony before the EEO Committee, January 18, 1995.

INTRODUCTION

Republican rhetoric notwithstanding, no Democratic Member of the Committee on Economic and Educational Opportunities (hereafter referred to as the "EEO Committee") would argue that the welfare system currently serves recipients like Ms. Honkala and her child as it should. Admittedly, much about it needs reform. However, as we make the necessary reforms, our motives must reflect the best virtues of our national spirit—our sense of fairness and our concern for others, especially the children, the elderly, and those who, through no fault of their own, need temporary government assistance. After all, "everyone needs help sometime."

Unfortunately, Ms. Honkala was the only witness called before the EEO Committee during the hearings on welfare reform who actually participates in the system we debate so vociferously. For Ms. Honkala and millions of others, welfare reform is a life and death issue, not a mere policy discussion. The Democratic minority selected her as a witness for the January 18, 1995, session because of her real-life experiences. Her simple eloquence reminded us of what, and who, is at stake in this debate.[1]

In our view, "welfare reform" is actually a misnomer for much of what our Republican colleagues propose in bills such as H.R. 999. How does eliminating model federal nutrition programs such as School Lunch and WIC *reform* welfare? How does repealing the Abandoned Infants Assistance program *reform* welfare? How does denying education and training assistance, low income home energy assistance, and child care assistance to legal immigrants *reform* welfare? It is painfully obvious to us that the Republican welfare proposals rely on punishing the poor, shutting out immigrants who are legal residents of our country, and gambling with the well-being of millions of children. Tax cuts promised to the wealthy under the "Contract with America" will be financed by social serv-

[1] Attached to these Minority Views are several recent newspaper articles chronicling the observations of past and present welfare recipients about the current welfare debate. We regret that the Republican majority chose not to invite actual recipients to testify. (Exhibit A)

ice cuts denied these vulnerable populations. The Committee Republicans have completely broken ranks from the great legacy of the Committee, which was so instrumental in efforts to build this nation's middle class. The legend of "Robin Hood" is being stood on its head.

I. The process for consideration of the bill was deeply flawed

We are dismayed by the legislative process employed by the Republicans for consideration of welfare reform before the EEO Committee. The only conceivable rationale for their haste is that welfare reform, as part of the "Contract with America," must reach the House Floor within the first 100 days of the 104th Congress. This rather cavalier conduct offends this great institution and is a terrible disservice to our constituents. Every major piece of legislation reported by this Committee in the past has been the result of information developed through bipartisan hearings. In fact, the two bills of comparable magnitude to this welfare reform bill that the Committee considered last Congress—health care reform and the reauthorization of the Elementary and Secondary Education Act (ESEA)—were both developed through a bipartisanship. The Democratic majority accommodated the requests of the Republican minority and even held hearings on these two bills in the Republican Members' districts.

To further elaborate, during the 103d Congress, this Committee's predecessor (the House Education and Labor Committee)had before it a national issue just as complex and controversial as welfare reform. The subject was health care reform. In considering that legislation, the Democratic majority held 34 committee hearings and conducted 20 days of committee markups. The Republican minority was given more than ample opportunity to invite witnesses, offer amendments at markup, and pursue bipartisan agreement on issues.

That same openness and fairness marked consideration of reauthorization of the Elementary and Secondary Education Act (ESEA). The Democratic majority held nearly 30 days of hearings, both in Washington and in Members' districts, as views from across the nation were solicited. Purposeful bipartisan meetings were held between majority and minority Members and staff, during which the implications of proposed changes were thoroughly examined and debated.

Unfortunately, the same collaboration has been completely absent in the EEO Committee's consideration of welfare reform. Our Republican colleagues repeatedly rejected requests for greater deliberation and bipartisan cooperation. The Committee Republican majority held only one Full Committee hearing and two Subcommittee hearings in preparation for markup of H.R. 999. No subcommittee markup was ever held to try to debate alternatives or amendments. The complex, far-reaching, and life and death impact of this legislation warranted more careful and thorough analysis.

The original "Contract" version of welfare reform (H.R. 4) was never considered by the Committee. Instead, our Republican colleagues drafted a significantly different measure for the commit-

tee's consideration.[2] The text of that new bill (H.R. 999) was introduced in the House less than 24 hours before the scheduled February 22–23 markup. While it was disturbing enough that our own Members had little notice of the bill's final version, the public's right to know the details of that document was flagrantly disregarded.

Convinced that the Members and the public would benefit from an oral description of the bill as the sun rose on the markup process, the Democratic Members requested, and were promised, a bipartisan "walk-through" of the bill by Committee Chairman William Goodling. While Democratic Members eagerly participated in a much abbreviated "walk-through," very few Republican Members bothered even to sit in the hearing room during that discussion. We were disappointed that a truly bipartisan discussion of the proposed measure never materialized.

In the days leading up to the markup, the Republican majority signaled its intention to complete the markup in a single day. While, in the end, the process took two full days, the Republican majority imposed restrictions on both the number of amendments offered and the time allowed for debate. Sadly, had a reasonable attempt at bipartisan discussion and consultation been attempted by the Republican majority before and during the markup, there possibly would have been more bipartisan agreement on some amendments.

Moreover, in their haste to report out the EEO Committee's part of welfare reform, the Republicans erred by excluding nearly 60,000 children of military families from school-based school lunch and breakfast. This so-called "glitch" probably would not have occurred if more normal deliberative consideration had taken place.

II. The Republican proposal promotes an extremist agenda and shreds vital social safety nets

Behind the Republican "welfare reform" curtain hangs a rather extremist agenda. An agenda that does little to ensure meaningful jobs at livable wages for those on welfare and those at risk of being on welfare. An agenda that punishes the poor (especially poor children) to redistribute wealth to the already well-off. An agenda that abdicates the federal responsibility to provide safety nets to protect our least fortunate from the full impact of hunger, homelessness, and abuse. An agenda that divides these United States into disparate states, where social inequities will once again be justified by the slogans "states rights," and "state flexibility." An agenda more designed to satisfy the political interests of Republican governors than to advance the interests of the working poor. An agenda that exposes children to dangerously low child care standards and diminished, ad hoc nutrition standards. An agenda that prescribes a *de minimus* federal role against abuse, neglect, and abandonment.

[2] We should not be misunderstood; we would not have preferred to consider the original "Personal Responsibility Act." It was even more draconian than H.R. 999.

A. The proposed child care block grant removes important child care safety nets

Recent studies by the Carnegie Foundation and Yale University indicate that disturbing numbers of child care settings provide mediocre or poor quality child care. Clearly, more and better child care is critically needed. Unfortunately, H.R. 999 proposes a new, consolidated child care block grant that will mean less and worse child care for our nation's families. That diminution would occur because there are four basic features of the proposed block grant's structure that undermine improved child care. First, the grant eliminates *three* existing mandatory child care block grants and folds them into a single discretionary block grant, with an aggregate funding level set at fiscal year 1994 funding. Second, no allowance is made, during the entire 5-year duration of the grant, for increasing the availability of child care when demand increases, as it will during recessions and other foreseeable economic emergencies. Funding is kept static for 5 consecutive years, and no trigger is built into H.R. 999 to anticipate those economic emergencies. Third, the block grant eliminates state matching requirements and permits a 20% transfer of federal dollars to other block grants. Fourth, the block grant eliminates mandatory child care health and safety standards and eliminates funds used by states to improve the *quality* of care.

Republican assertions that the new block grant will provide states with funding sufficient to provide child care to all eligible children contradicts the reality that many states (even when they match AFDC child care funding with their own state resources) fail to meet the demand. Thirty-five states and the District of Columbia have exhaustive waiting lists for child care assistance. In the state of Michigan, for example, 54,000 families went unassisted in 1994. In Texas and Florida, where so-called "seamless" systems currently exist, more than 20,000 children in each state await for child care services. The Republicans claim that consolidation into a solitary program will have greater reach and deliver better child care services is imaginary and misleading.

The Republicans appear not to have considered projections of future needs in devising this child care block grant. Moreover, the elimination of entitlement to child care leaves funding levels to the discretion of the appropriators, which then places the block grant in direct competition with every other program in the federal budget. This Committee has always recognized that the needs of children are different from providing for farm subsidies, public works, and missile systems.

Much to our surprise, in an article in the *Washington Times* on March 5, 1995, entitled "Welfare Reform's Limited Day Care Worries Goodling," Chairman Goodling expressed grave concern about the child care block grant himself:

> The only major area of concern I have is in the area of day care. * * * If you are going to move [welfare recipients] into the job market * * * *that's going to be very difficult without health care and day care* * * * *I'm concerned because we level fund it.* (Italic for emphasis). (Exhibit B)

His admission begs the question of why he allowed H.R. 999 to be reported out of the EEO Committee without addressing his reservations. After all, Chairman Goodling is absolutely correct. When AFDC recipients move into the workforce, their child care needs will likely go unmet because of this inadequate, discretionary child care block grant. The U.S. Department of Health and Human Services (HHS) projects that by the year 2000, the Republican proposal will leave approximately 800,000 children without any child care assistance, and funding for current services will be reduced by $2.5 billion, or nearly 25%.

The provision in H.R. 999 that allows states unilaterally to transfer 20% of the federal child care block grant funds to other block grants deeply concerns us. There are no limitations or restrictions on any governor's ability to so transfer funding from this block grant. It can be transferred for any conceivable reason, despite the fact that needs are not being met. States may respond to AFDC-related pressures by shifting funds from other critical needs. In addition, questions about when a transfer of funds can be made are unanswered. Can a governor, for instance, decide to take 20% "off the top" of each year's grant? Can the transfer be made in the middle of the year?

This new block grant combines resources currently available under separate programs for AFDC recipients and the working poor. Without sufficient funding increases, states will be forced to make unpalatable decisions about how to allocate a diminished pie. Substantial numbers of families will be left without access to safe, affordable child care.

Elimination of current national health and safety standards for child care centers that receive public funds is indefensible. With so many children currently languishing in mediocre and poor child care settings, abolition of these standards will further erode the quality of care. Millions of children will be more vulnerable to infectious disease, cared for in unsafe and unlicensed establishments, and attended to by poorly-trained child care staff.

Every amendment offered by our Democratic Members to ameliorate H.R. 999's harmful potential was rejected by the Republican majority. Attached is a letter submitted by HHS Secretary Donna Shalala strongly opposing the child care block grant proposed in H.R. 999. (Exhibit C)

B. The Republican nutrition proposals are unconscionable

Among the most unjustified aspects of the Republican welfare proposal is the elimination of highly successful nutrition programs. In its best light, their block grant plan is very risky. If their plan misses the mark, as it most certainly will, millions of children will face imminent harm; pregnant women and newborn children will lose sources of nourishment proven critical to successful pregnancies, healthy early childhoods, and lifelong physical and mental vitality. We categorically reject such risk-taking with our nation's future.[3]

[3] Attached is a letter from Acting Agriculture Secretary Richard E. Rominger strongly opposing these nutrition block grants. (Exhibit D)

Our Republican colleagues vehemently deny that their nutrition block grants will mean real reductions in federal nutrition assistance to pregnant women and children. They proudly point to their proposed five-year authorization figures, with 4.5%[4] annual increases. Yet, they claim their bill will "save" $7.2 billion over 5 years. They dismiss the nearly universal fears of nutrition experts, child advocates, and children themselves. We all have it wrong, they insist.

The majority is at best miscalculating, in truth, prevaricating, when they claim an increase in spending of 4.5% each year. Federal funding for the nutrition programs comes from many separate sources. The Republicans select a few accounts and increase those each year by 4.5%, while either completely eliminating or cutting the other significant accounts.

Case in point: The most dishonest calculation involves the comparison offered by the Republicans for school lunch spending. Republicans claim their bill increases spending for school lunches (as distinguished from breakfast, snacks, summer and child care food) by 4.5% each year. However, H.R. 999 sets aside absolutely *no* specific amount for lunches, only a total funding level for all school meals. Furthermore, the calculation made by the majority does not include several major accounts. Commodities is the largest omission; the next largest omission is state administrative expenses. The former accounts for between $650 million and $850 million each year in peaches, cheese, and other food sent directly to schools for lunch and breakfast programs; the latter accounts for over $100 million each year. To omit these (in addition to nutrition education and training funds) from any calculation of amounts schools need to provide lunch is misleading and mendacious. The fact is, the Republican "school lunch comparison" omits approximately 20% of the funds currently used to provide nutritious lunches to children.

Furthermore, only 80% of the school meal block grant must be spent on the provision of such meals. Twenty percent may be transferred to other activities, as a governor so chooses. This would lead to catastrophic consequences for the children served by the program. Past experience shows schools will close programs, leaving millions of poor children without access to free, nutritious school meals. This is fact, not hyperbole.

Will children bring meals from home? Administrators frequently answer "no." For many of our poorest children, the lunch they eat at school is the only nutritious meal they eat all day. Because of limited family income, at home many of these children survive on unhealthy, inexpensive snacks to tide them over until the next school day.

We further protest the Republican's claim they are protecting poor children.[5] First, cutting funding $7.2 billion will reach beyond bureaucratic spending and into children's stomachs.[6] Second, the Republicans set aside 80% of the block grant's funds for school meals for poor children. However, according to the United States

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[4] By our calculations, the Republicans have padded their "increase." (Exhibit F)

[5] This claim only regards those poor children in school during 1995. The majority acknowledges H.R. 999's formula does not keep up with expected growth in school aged poor children projected by CBO.

[6] We do not support the Republicans claim that the bill will decrease bureaucracy. See page 11.

Department of Agriculture (USDA), 90% of the current federal school meal funding goes to meals for children under 185% of the poverty level. Third, the formula for distribution of funds does not include any poverty factor. Indeed, the formula will shift funds from poor to wealthy states because reimbursement will be based on the number of meals served, regardless of whether those meals are served to poor or other students.

The strongest example of this shifting occurs in the state of Mississippi, which has a very high rate of child poverty. The USDA predicts that the Delta state's funding will decrease continually each year that the formula is in place. The only way Mississippi or any other state can increase its allocation of the block grant is to serve smaller, but more frequent, snacks, as opposed to one or two meals (breakfast and lunch).

Furthermore, if a state chooses to transfer 20% of its block grant to other services, the formula will forever punish that state (the formula is partially based on prior year funding). Those funds may never be regained.

We find it hard to believe that Republicans deliberately developed their formula to achieve such a perverse result. If their goal was to protect poor children, they woefully missed the target.

The Republicans claim their nutrition proposal will only hurt bureaucrats. The bill not only fails to cut bureaucracy, it creates more. In a March 8, 1995, letter to the Congress, the American School Food Service Association contested the Republican assertions:

> The Opportunities Committee claims that the block grant will result in less paperwork and therefore less administrative expense. Not so. Under the legislation * * *, schools would still have to report to the Secretary * * * (a number of current federal reporting requirements) * * * In addition * * * (s)chools would have to establish a whole new system to make sure that illegal aliens do not receive any benefit from the block grant.

By not eliminating reporting requirements now in place, adding an additional layer of state bureaucracy, and forcing schools to police the lunch line in order to seek out and eliminate illegal immigrants, the Republican bill *increases* bureaucracy.

Are states protected in a recession by the "carry over" and 20% transfer provisions? Republican claims that a state can "carry-over" unspent funds for one year to help ease the impact of an upcoming recession in the next year, misrepresents the relationship between the Republican's formula and economic cycles. First, a state that does not spend all current year funds on meals will find its portion of the federal pie decreased the next year because the Republican formula reallocates funds to states that provide more meals than other states. Moreover, few recessions send a calling card to warn states of their impending impact, and few recessions last for only one year.

To illustrate, consider a state in 1996 whose "crystal ball" foretells that a recession of a certain magnitude will begin on January 23, 1997. Knowing the exact magnitude and the duration of the economic downturn, the state may calculate the additional funds

needed to meet the expected increase of poor children in its school.[7] In response, the state limits the number of meals served in 1996 in order to carry-over funds to 1997. The state, however, finds this foresight punished, as its allocation of federal funds for 1997 decreases in proportion to the number of meals not provided in 1996.

The Republicans further argue that a state in recession can simply transfer funds from other block grants to the nutrition programs to ease the impact of a recession. This implies that a recession causing increased unemployment and poverty could result in an increased need for child nutrition, but not for low-income child care or cash assistance. Such circumstances are difficult to imagine.

Without adequate hearings on H.R. 999, these questions could not be raised. We are left then to ask in this report: Was this a misunderstanding of the bill's impact or was this intended?

1. The family nutrition block grant baselessly abolishes the WIC Program

The special supplemental nutrition program for women, infants, and children ("WIC") is widely regarded as one of the most effective national social programs even instituted. Republicans and Democrats alike praise the program's success. Leading national and local health officials join the chorus, point to indisputable health statistics. Perhaps the most compelling testaments come from those in the "trenches" in the war against poverty and malnutrition; the doctors, nurses, and social workers who have witnessed the overwhelming benefits of this program. The Republican proposal to eliminate WIC and allow the states to develop "WIC-type" programs is an appalling gamble with the lives of almost 7 million women, infants, and children served monthly by the program.

Due to funding constraints, current WIC assistance fails to meet a substantial part of the existing needy population. The National Association of WIC Directors testified before the EEO Committee that approximately 2,650,000 malnourished low income women, infants, and children are presently unserved. Some of our nation's top corporate executives in testimony given to the EEO Committee, called for full funding of the program, stating WIC is a tremendously sound national investment; the financial equivalent of an AAA bond.

WIC's benefits are many. In human terms, WIC has reduced the rate of very-low birth weight infants by almost 50% and has nearly eradicated iron-deficiency anemia among participants. WIC-participation leads to improved cognitive performance (including motor skills and digit memory) among young children. And, WIC participation greatly decreases the incidence of premature births.

In financial terms, WIC's success is also striking. A 1991 study by Mathematica showed that every dollar spent on WIC prenatal care saves up to $4.21 in Medicaid savings in the first year alone of an infant's life. Similarly, a 1990 General Accounting Office study estimated that the $296 million spent by the federal government in FY 1990 on WIC saved the nation $853 million in Medicaid costs.

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[7] Under H.R. 999, the state can only allow for a single year projection.

Through cost-containment measures approved by this Committee, WIC saves the federal government $1 billion annually. The EEO Committee Republicans rejected an amendment to ensure that these rebate savings would continue under the block grant. In sum, WIC investments pay huge dividends in savings, particularly those associated with health care, disability, and special education costs.

Democrats are not the only strong advocates for WIC. Throughout its history, the WIC program has had strong bipartisan support. When President Ronald Reagan tried to reduce federal funding for WIC in the early 1980's, Senate Republicans rebuffed him. When WIC's funding level failed to keep pace with needs, President George Bush secured substantial WIC funding increases.

In a recent op-ed piece, Dr. Louis Sullivan, HHS Secretary under President Bush, touted WIC's achievements and continued promise:

> Perhaps the wisest provision of WIC is that it is administering by caring people at 9,000 clinics who teach young mothers how to eat properly and how to feed their children properly. With convenient, nutritious foods, WIC serves as an in-home laboratory for proper eating. For many mothers, WIC is often their first course in nutrition.
>
> Among my concerns as we reform our welfare system is that we may inadvertently strip programs of the national standards and guidelines that make them work. In the case of WIC, nutrition requirements guide the program toward better health, and Medicaid savings, while avoiding the potential confusion associated with creating a complex web of 50 different state rules. Our children's health is not defined by state boundaries. Our nutritional standards should not be either.—Published in the *Washington Post,* February 28, 1995, excerpts from op-ed piece entitled "One for Our Children" (Exhibit E).

We are mystified as to why Republicans in the 104th Congress suggests that there is something to be gained from dismantling WIC. The committee has heard no testimony complaining of "burdensome bureaucries" from the program's directors. Perhaps it plays into the stereotype presently in vogue among Republicans that all the "Great Society" programs have failed. Ironically, WIC and so many programs they now seek to eliminate were not created as part of the "Great Society." Whatever their motives, it is clear to us that their assault on WIC, if successful, will be a major national tragedy. ending a federal program that, by human and economic measures, *saves* taxpayer dollars and saves children's lives is reprehensible.

The proposed family nutrition block grant plan is particularly damaging because it cuts over $4.2 billion from the Child Care Food Program—one-half of the funding for child care centers and family and group day care homes. As increasing numbers of low-income women enter the workforce (particularly since welfare reform likely will place hundreds of thousands of women into the workforce) many more children will rely on those settings for well-balanced meals.

We have no faith in the Republican promises that the H.R. 999 family nutrition block grant will provide sufficient federal dollars to prevent harm against pregnant women and children. We have no reason to trust that Republican appropriators will allocate enough federal block grant funding to prevent serious reductions in WIC-type services at the state level. Among the reasons for our lack of faith, we note that on March 2, 1995, the House Appropriations Committee voted to rescind $25 million in FY '95 WIC funds. This cut alone will deny vital WIC services to 50,000 to 100,000 expectant mothers, infants, and young children.

2. The Republican assault on the School Lunch and Breakfast Programs is without merit.

President Harry S. Truman signed the National School Lunch Act on June 4, 1946, as a "measure of national security." Examinations conducted on World War II draftees had revealed shocking levels of malnourishment. In 1966, school-based federal nutrition assistance was augmented by enactment of the Child Nutrition Act of 1966. These nutrition programs have been widely praised over the past half-century.

When the Reagan Administration proposed that the federal government relinquish primary responsibility for child nutrition in 1982, Republican House Members, including Representatives William Goodling and Newt Gingrich, joined Democrats on a resolution adopted overwhelmingly by the House reaffirming federal primacy over child nutrition.[8] In addition, Mr. Goodling stated at a hearing before the House Education and Labor's Subcommittee on Elementary, Secondary, and Vocational Education, on September 21, 1982, that:

> I cannot lend my support to the proposition of turning back to the states all responsibility for achieving child nutrition goals. This approach fails to acknowledge either an adequate future federal commitment to or an appropriate federal role in attaining these objectives.
>
> A turnback is an abrogation of responsibility at the national level. I fear that we would be turning back or reversing the tremendous progress that we have made to date in enhancing in the nutritional well-being of this nation's youngsters.

Both of these Republican leaders fully supported the program's reauthorization last year. Neither even raised turning child nutrition programs into block grants. Nothing that has happened over the past year should have shaken their confidence in the efficacy of these nutrition programs. So why the change of heart?

Nutrition experts have rightly questioned why the child nutrition issue is being addressed in the present context:

> The National School Lunch and Breakfast Programs * * * are education support programs aimed at building

[8] The body of that resolution stated that it was the sense of the Congress that "[T]he Federal Government should retain primary responsibility for the child nutrition programs, and such programs should not be included in a block grant." (H. Con. Res. 384, 97th Congress, passed the House on September 29, 1982).

healthy children, ready to learn.—Vivian Pilant, President, American Food Service Association, January 6, 1995.

We question the appropriateness of including child meals programs or WIC in [the Republican Welfare bill]. We would argue that the primary purpose of child meals programs is to preserve the health of the child or to achieve goals such as better educational performance and lower health costs.—Patrick F. E. Temple-West, Director, Nutritional Development Service, Archdiocese of Philadelphia, in testimony before the EEO Committee on February 1, 1995.

After only one hearing during the 104th Congress, in which all Republican witnesses testified *against* the school nutrition block grant proposal, and despite the lack of any legitimate hearing record supporting the H.R. 999 proposal, the Republicans insist on going forward. Since the American public has become more aware of this unfounded proposal, they have expressed justifiable outrage. The number of children fed under these programs speaks volumes about its reach. Each day, approximately 93,000 schools provide lunch to roughly 25,000,000 school children, and nearly 6,000,000 children receive school breakfast. Fifty-six percent of all public school children participate in the program. Ninety percent of federal funds provide free and reduced priced meals. Study after study indicates that children fed under these initiatives pay closer attention, achieve higher grades, and attend school with greater frequency and enthusiasm.

The Republicans claim that their block grant will not result in any decrease in funding for school lunch or breakfast programs. The block grant will lead to a nearly $2.5 billion cut over the next five years in these school nutrition programs alone.[9] The chart inserted at the end of these views bears out these numbers. (Exhibit F)

We are further disheartened by the proposed elimination of federal minimum nutrition standards for school lunch and breakfast programs, which the USDA is in the process of updating. H.R. 999 permits and encourages a mixed bag of state standards. We strongly oppose this deference to the states over the issue of nutrition standards. It should not matter whether a child lives in Missouri or Pennsylvania, Texas or California. A basic national standard should be guaranteed to every child participating in federally-funded nutrition programs.

We further oppose the elimination of other child nutrition programs, including the summer food program, the special milk program, and the Child and Adult Care Food program. The Republican proposal will not guarantee that these smaller, but invaluable, efforts will be carried out at the state level through the block grants. The lower funding levels, and authority to transfer 20% of the funds to other non-nutrition block grants makes provision of these services unlikely.

There is a glaring contradiction between what the Republicans propose, on the one hand, with regard to food stamps and what

[9] Combined with the family based nutrition block grant, CBO estimates a $7 billion combined cut between FY 1996 and FY 2000.

they propose, on the other, relative to the school nutrition programs. While Republicans on this Committee insist that block grants for child nutrition programs and the end of individual entitlements cause them no serious worry that children will go hungry, the House Agriculture Committee's departure from the original "Contract with America" raises serious questions about Republican consistency. Advocates for pregnant women and children may not have the same political clout as powerful agricultural interests, but we hope that a sense of conscience will rule the day.

The school nutrition block grant is further deficient because it lacks a trigger or other mechanism to increase authorizations for nutrition funding under worsening economic conditions. An amendment offered by Representative Jack Reed that would have provided for a 1% increase in the school nutrition block grant if the national unemployment rate exceeds 6 percent was approved by all Committee Democrats, but was rejected by all but one Committee Republican. We fail to understand their rationale for not supporting such "flexibility."

Vague assurances by the Republicans that supplemental funding would be favorably acted upon, should the need arise, give us no solace. House Republican domestic budget slashing is the order of the day, not supplemental spending for non-defense items.

Supporters of child nutrition should return to their past commitments. When this bill reaches the House Floor, they will have that opportunity.

Finally, among the major state losers in the child nutrition block grant schemes is the state of California, which will likely lose $1.29 billion over the next 5 years. Texas will be a big loser as well, with estimated reductions in federal child nutrition assistance projected at $671 million. In the end, the biggest losers in the Republican block grant mania as it applies to nutrition will be our nation's children.

C. Title III: The Republican proposal is unfair to legal immigrants

The Republican treatment of legal immigrants in H.R. 999 is terribly unfair. First, their legal immigrant provisions rely on stereotype and myth. Second, there is a glaring disconnect between much of what they propose concerning legal immigrants and *reforming* welfare. Third, no supportive legislative record has been established before the EEO Committee for the legal immigrant limitations the Republicans propose.

First, as to the myths. The Republican proposal to deny millions of legal immigrants benefits and opportunities for federal education, job training, and child care assistance assumes that legal immigrants drain the United States economy. In fact, legal immigrants contribute substantially to the federal and state treasuries. Annually, legal immigrants from countries such as Ireland, Russia, Mexico, and Ghana earn at least $240 billion and pay over $90 billion in taxes in the United States. Yet, they receive only $5 billion annually in welfare benefits. Many legal immigrants are successful entrepreneurs, establishing and operating businesses that employ millions of workers. There is no credible support for the proposition that legal immigrants flood the United States seeking to live off

our welfare system. The fact that a legal immigrant is not yet a United States citizen in no way increases unrecompensed burdens on the federal government. By paying taxes, creating jobs, and serving in our nation's Armed Forces, legal immigrants more than carry their weight.

Second, we fail to see any logical connection between denying immigrant eligibility to programs under this Committee's jurisdiction and *reforming* welfare. Ironically, the Republican proposal contradicts a basic goal of welfare reform: fostering self-sufficiency. Tools critical to achieving the ideal of self-improvement and independence (e.g. job skills training, education, child care assistance) are denied legal immigrants under H.R. 999.

Third, no legislative record exists before our Committee supporting the anti-immigrant provisions of the Republican bill. None of the hearings held before this Committee addressed these immigration issues. Incidentally, a February 1995 CBO study entitled "Immigration and Welfare Reform" (provided at the request of Congressman Harold Ford when he was Chairman of the Ways and Means Subcommittee on Human Resources) makes almost no mention of the relationship between legal immigration and federal job training, education, and other such assistance.

The Cunningham amendment adopted during the Committee markup does little to redress the harms in H.R. 999. Under that amendment, persons legally residing in the United States still lose eligibility to programs, including low income energy assistance and child care development block grant assistance. Elder immigrants are denied aid to seniors, including food assistance under the meals-on-wheels and congregate meals programs; programs which are not now, nor have ever been, means-tested. And, the Cunningham amendment continues H.R. 999's originally proposed restrictions on eligibility for many higher education programs and job training programs.

The one-year grace period allowed for legal immigrants to maintain their eligibility for such programs, as long as they are residing in the United States on the date of the bill's enactment, does little to soften the harsh nature of the Cunningham amendment.

Many consequences of these anti-immigrant proposals will harm United States citizens. Families composed of both immigrant and United States citizen members will be penalized by the denial or reduction of benefits because of the immigrant status of a family member. How will the immigrant child fare without the child care assistance otherwise available to his or her U.S. citizen siblings? Will not that child's sibling be indirectly effected by this denial? While in their Committee Report, the Republicans claim not to intend these consequences, the language in H.R. 999, then, is ambiguous. United States citizens likely will face national origin discrimination, as state and federal agencies seek to "identify" the legal immigrants in a given family.

Finally, the immigrant provisions of H.R. 999 will likely increase burdens on government treasuries, not alleviate them. The states will be left struggling to respond to effects to implementation of these discriminatory and unfair provisions.

D. The proposed work program is a poor substitute for the existing JOBS program

The repeal in H.R. 999 of the existing JOBS program (Job Opportunities and Basic Skills) proposes to eliminate a program that, since enacted as a central aspect of the Family Support of 1988 (with bipartisan effort and support) has attained significant success within its few short years of operation. Though previous welfare reform initiatives contained work programs, the creation and funding of the JOBS program represented a major change in welfare policy by increasing the emphasis on work activities. The Government Accounting Office recently reported that, while not perfect, the JOBS program has been working well, given its limited funding.

Under current law, all states are required to maintain a JOBS program. All non-exempted welfare recipients are required to engage in and be provided a variety of job search, counseling, education, training, placement, and other services (including child care).[10] The JOBS program is separately authorized and funded (currently at $1 billion in fiscal year 1995).

The Hutchinson amendment, adopted during markup of H.R. 999, reinvents the wheel by creating a brand new work program. The new program, despite the Republican majority's assertions, contains requirements similar to the current JOBS program, but because it is part of a larger welfare block grant, it no longer will receive distinct funding. The new larger block grant is capped below current growth rates, which is likely to force states to use what would otherwise be JOBS money to meet future recipient monthly cash assistance needs.

The new program mandates that states provide some job services, but provides no separate funds for that mandate. The CBO estimate for H.R. 999 raises the concern that this change in federal funding will result in higher AFDC costs, as the lack of training monies will keep recipients on AFDC for longer periods. And, under the Hutchinson amendment, the states no longer are required to automatically report periods and, thus, be held accountable to the federal government on their provision of job services.

While some work requirements are better than no requirements at all, the reality is that providing meaningful work programs to enable recipients to permanently leave welfare requires a substantial investment of time and money. The Republican majority, in their views, argue that their replacement of the JOBS program with a new work program represents a shift from job training to jobs. But, the Hutchinson amendment still permits states to provide an array of services, including jobs and job training, as does the current JOBS program. The existing JOBS program does not emphasize job training over jobs. The use of education and training services by states simply reflects the needs of recipients and local job markets. A majority of the recipient population has limited education and job skills. Moreover, job availability varies widely among and within states, and during business cycles. The record of states in providing jobs and job services has been uneven. Elimi-

[10] Combined with action taken by the Ways and Means Committee during its markup, the Republican proposal eliminates the obligation of the states to provide child care.

nating separate funding for job services is likely to further weaken the ability of states to make meaningful progress in this area.

In short, front-end funds are vital to create long-term employment gains for individuals and for the states. The Republican bill fails to guarantee either the adequate federal or state funding, or meaningful oversight, necessary to ensure that welfare truly becomes temporary assistance leading to long-term self-sufficiency.

Any welfare reform plan worth its salt must address the connection between wages and work requirements. Our ranking Member, Representative Bill Clay, offered an amendment requiring that JOBS recipients receive a salary not less than the new minimum wage proposed recently by President Clinton.[11] As President Clinton has recently noted

> [I]f we are serious about welfare reform, then we have a clear obligation to make work attractive and to reward people who are willing to work hard.

Our Republican colleagues opposed the Clay amendment on the specious rationale that such a requirement would lead to greater reluctance by employers to hire those working their way off welfare. This time-worn argument—that minimum wage requirements constrict work opportunities—remains unconvincing. All workers, including welfare recipients, deserve to earn a living wage.

E. The Child Protection Repeals Proposed by the Republicans Demonstrate Their Intent to Simply Shift Major National Concerns to the State and Local Level

The repeal of successful national child welfare programs also concerns us. The list of federal child welfare and child protection programs originally proposed for repeal under H.R. 999 includes:

The Missing Children's Act,

The Abandoned Infants Act,

The Child Abuse Prevention and Treatment Act,

The Child Abuse Prevention and Treatment and Adoption Reform Act,

Programs under the McKinney Act providing family support centers to prevent homelessness, and

Programs under the Victims of Child Abuse Act providing federal funds for assistance and prosecution in child abuse cases.

These programs are slated for elimination despite evidence that they are desperately needed. For example:

2.9 million children were reported abused or neglected in 1993, a nearly 25% increase since 1988,

1,028 child fatalities from maltreatment were reported in 1993,

Approximately 444,000 children are estimated to have been in foster care at the end of 1993,

During 1990, 69,000 children in the nation's foster care system had the goal of adoption, 20,000 of whom were legally "free" to be adopted, and

[11] That proposal (H.R. 940) was introduced by House Minority Gephardt, along with representative Clay and 60 other Democrats on February 14, 1995, and would increase the minimum wage by 90 cents over 2 years.

> In the past several years, courts in 22 states and the District of Columbia have found child welfare systems in violation of federal and state laws.

The child protection block grant proposed by the Republicans essentially abdicates federal responsibility for vulnerable children and transfers that responsibility to the states. That is an unattractive policy shift. Many state child welfare systems are overburdened and rift with political conflict. And, the welfare changes proposed by the Republicans will increase those pressures as more families fall into greater financial crises. Many of the programs the Republicans propose to abolish provide critical resources to public and private sector agencies, and community-based and grassroots organizations that address some of our nation's most horrific social problems. State matching requirements, which under current law ensure a commitment by the state to invest funds to remedy these problems, are eliminated under H.R. 999.

In the aggregate, repealing child welfare will reduce federal support by approximately $2.5 billion. The future of such renowned institutions as Father Flanagan's Boys Town and the National Center for Missing and Exploited Children will be endangered. These are only two examples of hundreds of community-based institutions that attempt to protect the well-being of millions of American children.

In their Committee report, the majority offers almost no rationale for their wide set of repeals. Their report states:

> The functions of the Child Protection Block Grant [to be established solely under the jurisdiction of Ways and Means Committee] dealing with child abuse and neglect prevention and adoption assistance will replace the narrow purposes of the programs being repealed under the Committee on Educational Opportunities (Committee Report at page 57).

We believe that the 3 million abused and neglected children, the 450,000 children in foster care, and the millions of children who have been adopted by loving families because of the commitment these programs represent, deserve a better explanation.

CONCLUSION

Our nation's welfare system needs an overhaul. It locks many families in generational poverty. It creates disincentives for fathers to live at home with their families. It fails to offer a clear road back to the workforce for those who have stumbled along the way, However, the Republican proposal is clearly not a better alternative. It would force single parents to choose between the dignity of work and safety of their children. The child care block grant will not provide the resources necessary to meet rising demand. The price of child care will, therefore, increase as subsidies decline. And, the fact is, H.R. 999 will increase disincentives to employment.

Despite the stereotypes, welfare is not a way of life for most AFDC recipients. Most leave welfare within two years, and many do not return. Much of what lies at the core of this debate is divisive and hypocritical. Other national problems burden the Federal Treasury more than welfare. Other categories of "hand-outs" ex-

tend billions of federal benefits to corporate recipients. Where is the Republican outrage over that kind of dependency?

We fear for our nation's children and wonder what they must be thinking as they listen to the debate over whether their hot school meals will simply disappear. We fear for the pregnant women and their infants who face the very real prospect that state officials will have to inform them that WIC assistance has been cut because federal support is insufficient. We fear for the legal immigrants who have paid taxes for many years and otherwise obeyed our nation's laws, but will face discrimination and the loss of benefits because they are not yet citizens.

We regret that the Republican majority on the EEO Committee has paid so little attention to the views of those whose lives over which we deliberate. We wish they would disassociate themselves from the harsh comments of extremists like Robert Rector (a major architect of Republican welfare proposals), who dismisses the potential effects of eliminating the school lunch program this way:

> "What does a hot school lunch offer to a 16-year-old girl who is pregnant? What does a hot school lunch offer two 16-year-olds in D.C. who are shooting at each other in the school hall with semi-automatic weapons?" (Quoted in *Time* Magazine, March 6, 1995).

That hot school lunch offers a healthy start for the expectant mother and her child, and it offers those angry teens less reason to be angry. Ms. Honkala and millions of other adults and children deserve reasonable, logical, and *compassionate* welfare reform.

EXHIBIT A

AN INTIMATE LOOK AT WELFARE: WOMEN WHO'VE BEEN THERE

(By Isabel Wilkerson)

CHICAGO, Feb. 13—The upper room of a community center in a worn corner of Chicago got tense and quiet the other night as a half-dozen women squinted to read about what might happen to a welfare system that perhaps no one knows better than they do.

The women hold respectable jobs: one is a crossing guard, one is a gang intervention worker, a couple work for the city. They have all been on welfare and hated it more than the ex-husbands and former boyfriends who left them or beat them, or are too broke or apathetic to pay child support.

They get together as often as they can to share pointers on how to file their income taxes or find reliable baby sitters. They trade war stories about the days they pooled food stamps to get through the month and cheer one another as they walk the narrow road of employees and bill payers. They call themselves the Welfare Alumni, a 5-year-old sorority of survivors, about 20 altogether, who have crossed the river between people on welfare and people on a payroll.

As the country turns its attention to the problems of the welfare system, they have been meeting with greater frequency, mulling the future of welfare as avidly as the most ardent Republicans in Congress. Some proposals infuriate them, but others, like the idea

of not increasing aid for an additional child born to a mother already on welfare, get some support.

But unlike the lawmakers, the women debate out of fear. They know that on the bottom rungs of a fitful economy, they are only a layoff away from being on welfare again, that the safety net, frayed as it is, could be pulled from under them and their children.

And so on a frigid night in Chicago, they soberly turned the stark pages of a proposed Senate bill. They shook their heads from the opening paragraph and humphed their way through the parts about locking up men who do not pay child support of denying them driver's licenses.

"Like that's going to stop them," said Linda Baldwin, a mother of four who is now a family counselor. "If he doesn't have a job, never had a job and never cared what the state said about anything else, why would he care about this?

Carol Friar, the group's president, said: "This is a jail sentence. You're not going to pay in jail either. That's just messing up those relationships."

No illusions about social ills

They do not look at welfare from the committee rooms of Congress or the libraries of universities but from the earthy positions of women who have actually raised families on $367 a month. They say they know better than anybody what will happen if public aid to poor families is cut off or if the Government makes fugitives of men who the women say do not have jobs or money to pay child support.

They say it is the children who will suffer for this, that the men will come after the women and blame or beat them for the punitive actions of the state. They say the answer is jobs for the men and a continued safety net for children whose mothers cannot find jobs.

Otherwise, they say, the state will not be able to get money from men with nothing, and neither will they.

"At least if he gets a house, I can lien it," Mrs. Friar said.

Ms. Baldwin said: "Or the kids can go live with him. Or they can get the house when he dies. But he's not going to let them live with him if you're trying to put him in jail. They're going to have to come up with a new word for danger."

Many paths lead to welfare

The women got on welfare under different circumstances and for varying lengths of time. Mrs. Friar grew up on welfare in the Robert Taylor Homes, one of the sprawling housing projects in Chicago. Ms. Baldwin got on welfare when she gave birth to the first of her four children at 17. She stayed on it for 10 years. Gerri Tyson turned to welfare in 1982 after her marriage broke up.

"I was going to be on for six or seven months and someone was going to wave a magic wand and everything would automatically fall into place," Ms. Tyson said.

There was no magic wand. She could not rely on her ex-husband, a motorman for the Transit Authority. The times when she found a job, she said, her welfare check was cut or the rent went up and the baby sitter would not show. Six months on public assistance turned into six years.

When her children were older, she got a job in a Federal youth program, along with Ms. Baldwin, making more money than they thought they could possibly spend: $420 every two weeks.

Job euphoria is short-lived

"With the first check we were going to get the kids new clothes, new furniture, a car and move," Mrs. Tyson said.

"Definitely move," Ms. Baldwin said.

They treated themselves to dinner out at a rib restaurant, bought a few clothes and discovered they did not have that much money after all.

"You don't have as many expenses when you don't work," Ms. Baldwin said. "You have to have clothes and shoes and have your hair fixed and cosmetics and carfare and lunch money."

All of my children have at one time or another been ill. Welfare covered her children's medical costs. Her job does not.

"I told my children, 'I suggest nobody in my family cuts or breaks or hurts anything cause I can't pay for it,'" Ms. Baldwin said. "Do you know how many medical bills I have. I have $2,000 in medical bills. I cannot pay these people. Pay them? With what?"

Now when she hears people on welfare bragging that they got a job and are free, she wants to take them aside and warn them.

"They say, 'I got me a job—First thing I'm doing is I'm moving out of here,'" Ms. Baldwin said. "I think to myself: You don't even know. You had so little for so long, to have that much is like having a million dollars."

They all have stories from life at rock-bottom. Lynda Wright, the group's executive director and the mother of four, went on welfare after her divorce and used to make up stories for her children when the electricity was cut off and they had to light candles to see.

"I told the kids we were celebrating," Mrs. Wright said. "We had this religion that went on for days."

Carol Stenson, a crossing guard, said the state public aid office had begun seizing the child support payments her ex-husband had finally begun making to her to pay back some of what she had gotten while on welfare. "I need that child support to eat and live," she said.

Emotional cost of the dole

The women of the Welfare Alumni said the system was degrading. But they do not agree on everything. The other day, Mrs. Friar and Mrs. Wright got into another of their long-standing debates over whether the Government should add payments for children a woman bears after she is already on welfare.

"Women at some point have to take responsibility for their lives," said Mrs. Friar, the mother of two.

"The money is for the children," Mrs. Wright said. "This is supposed to be about making sure children do not suffer."

"One mistake, maybe I could see," Mrs. Friar said. "But three mistakes? Love and children—you can control that. If you come to us with three kids, I can see the Government saying, 'We're not committing to another 10.'"

"I have a problem with the Government getting in bed with me," Mrs. Wright said. "I don't think white men should sit up in a room and make a law to degrade women."

There was no resolution. What they do agree on is the view that the whole system is anti-family, first by keeping the father from the home and then by pitting mother against father over child support poor men usually cannot pay.

And they worry about what they consider a mean spirit haunting the country as politicians and voters appear to be turning on poor people. "It's an attack on women and a loss of human caring," Mrs. Friar said.

Political currents are worrisome

They point out that people on welfare make up a tiny part of the Federal budget and are not the cause of the nation's problems. Now that they are taxpayers they, too, are angry at Washington. "We pay for those people," Ms. Baldwin said, "to sit on their duff and ride in those planes and those limousines and get those salaries and those expense accounts that could feed half the people on public aid."

From their vantage point, these are some of the things Congress should think about:

A two-year limit on benefits is not enough to get the training and find a job in an increasingly technology-oriented market. Most of the women relied on welfare for five or more years and are still struggling to stay off.

The system is disorganized and penalizes people who want to work or get an education.

Education and job training and protection of health benefits, temporarily at least, are needed when they get work.

Child-support enforcement is not enough. Men should play a bigger role in the children's lives. "It should be that one weekend a month, you're responsible for picking up these children and taking care of them," Ms. Friar said, barring, of course, any indication of abuse by the father.

"My son needs a relationship with his father," she said. "That has no cash value."

Some say there should be a contract between poor families and the Government that requires recipients to set goals for independence in exchange for Government money. "Public aid never asks, 'What is your plan?'" Mrs. Friar said. "You can ask people that. That's fair. If a participant doesn't uphold her end, a committee that includes former recipients should try to determine why and help her. The goal should be to have people leave healthy and independent."

The women came together in 1990, friends and friends of friends who had been to welfare and back. It started as a support group and speaker's bureau and has been helped along by grants and donated expertise from social workers, bankers and women's advocates. There are 400 people on the group's mailing list, but only those who have been on welfare or are currently on welfare can vote or hold office. The group holds food drives and budgeting classes and workshops on repairing credit for poor women, occasionally

lobbies officials about welfare policy and generally serves as a bridge between the working world and the world of welfare.

"We're here to help others to make sure they don't fall," Mrs. Friar said.

At its meetings the other day, the group welcomed a new member, who said she had been struck in the eye by her boyfriend and had lost medical coverage for her children when she tried to get a job. She said the system got in the way and suggested that she wondered if it was worth it.

People in the group shook their head in recognition. They were all running from the stigma of welfare and got jobs for dignity's sake. The meeting went on for a couple of hours. When it was over, Mrs. Friar had an announcement. There were jobs at the Park District, one for an administrative assistant with benefits. The women set down their coats and pulled out pens to write it down.

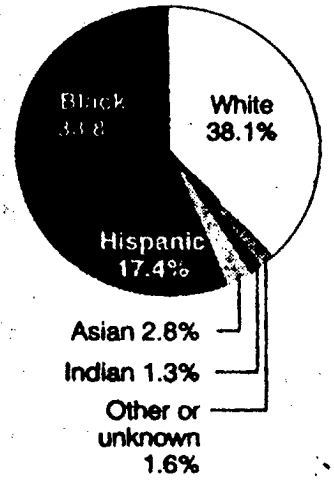
A CLOSER LOOK

Who's on Welfare, and for How Long

There are 14.3 million people, including more than 10 million children, on welfare. The typical mother on welfare is under 30, neither white nor black, has two children and has not finished high school. More than a third of women on welfare work their way off the rolls within two years, the time many lawmakers are proposing as a cutoff for aid. Other women leave, only to return.

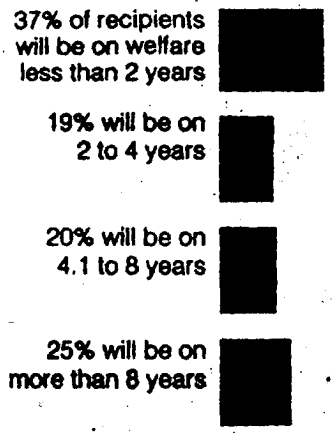
Race

Mothers on welfare in 1991, the most recent year available.



Time on rolls, over lifetime

Includes people who get off welfare, then get on again.



Sources: House Ways and Means Committee; LaDonna A. Pavetti

The New York Times

WELFARE BASHING FINDS ITS MARK

(By Melinda Henneberger)

About two months ago, Carol Gagnon began slipping into grocery stores late at night to avoid other shoppers, who she says sometimes yell at her when she pulls out her food stamps.

"There's so much more of that now, I've started going in the middle of the night," said Ms. Gagnon, a formerly upper-middle-class mother in Eastham, Mass., who said she left an abusive relationship five years ago and now receives public assistance to support herself and her 7-year-old daughter.

Ms. Gagnon says her circumspection is a result of the harsh tenor of the welfare debate across the country, and especially in Washington. Congressional supporters of legislation now being thrashed out in the House, which would cut off welfare benefits after five years, have referred to the current system as "pampering the poor" and the proposed changes as "tough love." President Clinton too has vowed to "end welfare as we know it."

And welfare recipients have internalized the message. While reliance on a welfare check has always been deeply embarrassing for many—and recipients themselves generally agree that the current system isn't working—the sense of shame has been heightened to the point that some are becoming both more critical of themselves and eager to distance themselves from others in the same situation.

"There's such a barrage of shame and blame and welfare recipient bashing in this country that some A.F.D.C. recipients believe some of it," said Eliot Katz, an advocate for the homeless in Edison, N.J., referring to those on Aid to Families with Dependent Children, the Federal cash assistance program for poor families. "So as to have some self-esteem, women on A.F.D.C. want to say, 'I'm not like other women on welfare.' That's to be expected in this kind of environment."

Dozens of welfare recipients interviewed in New Jersey, where an 18-month-old program denies additional benefits to families who have more children while already on welfare, spoke spontaneously of feeling more stigmatized than ever. Recipients in Wisconsin, Michigan and Massachusetts, where changes are also in the works, expressed similar sentiments.

John Hochschild, a construction worker in Mukwonago, Wis., who went on public assistance two years ago so he could care for his two children after his wife became debilitated by diabetes and pancreatitis, said recent changes in rules and attitudes have made things tougher.

"You start feeling like you're getting hit everywhere you turn, and it bites at you," Mr. Hochschild said, adding that local welfare officials had recently pressured his wife, currently in a hospital in intensive care, to enter a work program. "They always keep bringing up, 'Well, you're a two-parent family so you shouldn't be in this situation.' "

Disparagement within the ranks

At the same time, many of the recipients who complained of being stereotyped, blamed and punished for their circumstances

spoke disparagingly of others in the same situation, saying that while they were working hard to get off welfare, others were just lazy.

Meisha Lamiotte, 21, of Camden, N.J., who supports four sons on $463 a month from A.F.D.C. and $394 in food assistance, said: "This diner I go to, sometimes people in there are talking about their taxes paying for people on the welfare and how it's taking money out of their pocket to pay for Medicaid. Sometimes I see their point of view, but they have to understand that it's not too easy to find a job."

Still, Ms. Lamiotte, who is studying for her high-school equivalency degree, also says that "some people just like to sit at home and collect welfare. Some people just don't care, they figure they've got an income coming in and they don't have have to do nothing, while me, I'm out here trying to do something with myself and set an example for my children."

When another woman in Ms. Lamiotte's equivalency-degree class for women on A.F.D.C. complained that welfare workers patronizingly "act like the money is coming out of their pocket," Marta Gonzalez, 30, of Camden, retorted, "It is coming out of their taxes."

My family puts me down

A woman from Edison, N.J., who asked that her name not be used because "my family puts me down as it is for being on welfare," complained bitterly about welfare fraud and suggested that food stamps of known drug abusers be coded to monitor their purchases.

And several said people like themselves who have received public aid for only a short time, should not be lumped with long-time recipients, while others said that those with two, three or four children should not be seen in the same light as those with many more.

"I can take half of what they say in Washington and push it aside, but sometimes I take it kind of personal because of the way they say it," said Cloran Davis of River Edge, N.J., a mother of four. "It's not that we don't try," she said, then added, "I know a few women offhand who have eight kids and are still reproducing, when they should have been cut off four kids ago."

Representative E. Clay Shaw Jr. of Florida, the Republican chairman of the House subcommittee that drafted the welfare bill taken up by the full Ways and Means Committee last week, argued that recipients will ultimately benefit from the new restrictions.

"It's going to be scary for them—no question about it—to come over from a life of receiving a check for doing nothing," Mr. Shaw said. "That's why people have to be pushed off. But in the long run they'll be much better off and their self-esteem will be raised considerably."

But several advocates for the poor suggested that even the talk of sweeping change has paralyzed some who had previously been moving toward independence through education and training.

"They're panicking," said Selma Goode, director of West Side Mothers, an advocacy group in Detroit. "They are just so worried that they're not making decisions that will protect them if their A.F.D.C. stops," she said, citing clients who had quit school after

hearing about Michigan's new "Work First" program requiring recipients to seek jobs.

Frying pan to fire

A Florida woman said she was so ashamed of being on welfare that she briefly returned to the home of her father, who had physically abused her, rather than stay on welfare after quitting her two jobs as a cashier and a secretary when she was nine months pregnant.

"I was only on it a couple of months, but I felt like scum," said the woman, who asked not to be identified. She reluctantly returned to the welfare rolls when the abuse resumed, she said.

And Denise Belk, 36, a Detroit mother of four who works and still receives some public assistance, said fear of change hinders job-seeking welfare recipients. "They haven't ever been employed," she said. "And you've got to have some type of belief in yourself to even compete in the market world."

Ms. Gagnon, whose voice shook with anger as she described her experience in Massachusetts, said: "We already have very little self-esteem, so the last thing we need is to have the country turn around and point the finger at us and say we're the problem, but suddenly we're responsible for everything from the schools to the deficit. It's like ethnic cleansing. That's what it feels like."

EXHIBIT B

WELFARE REFORM'S LIMITED DAY CARE WORRIES GOODLING

(By Chery Wetzstein)

House Economic and Educational Opportunities Committee Chairman Bill Goodling expects most of his panel's block-grant welfare reforms to survive a House floor vote, but he's not entirely at peace with one of his grants or certain provisions regarding legal aliens.

"The only major area of concern I have is in the area of day care," the Pennsylvania Republican said in an interview at his office last week.

"If you're going to move [welfare recipients] into the job market . . . that's going to be very difficult without health care and day care," Mr. Goodling said. "I'm concerned because we level funded it."

Mr. Goodling's committee passed a welfare reform bill that created a child care block grant out of nine federal programs. The bill calls for $1.9 billion for each of five years for the child care block grant.

The bill also creates two other block grants—one for school-based nutrition programs, and one to serve low-income families, including pregnant women, mothers and children.

These provisions should pass "by and large" when the welfare bill goes to the House floor, he said.

In addition to the child care funding, Mr. Goodling was concerned that his bill denied legal aliens access to 19 educational and job-related programs such as Pell grants, Stafford loans, job training for disadvantaged adults and youths, and the Job Corps.

Ironically, the House Ways and Means Committee's welfare reform bill, now in legislative markup, would allow legal aliens access to 10 programs denied them by the Economic and Educatioal Opportunities Committee bill.

"I've asked Ways and Means to bail us out on that" discrepancy Mr. Goodling said, adding that he and other Republican leaders would iron out differences with members of the House Rules Committee.

"I wanted them to walk cautiously on the legal-alien issue," said the 20-year House veteran. "I would think there would be court cases all the time" if legal aliens were denied access to some programs, and "we don't need any more jobs for attorneys."

Mr. Goodling was especially supportive of his committee's creations of the nutrition block grants and had prepared comments to "debunk" recent criticisms of the plan.

"One of the things I've been hearing is, "You're cutting the funding for the school-lunch program,' " he said.

"The fact is, we're authorizing an entitlement to the states with a 4.5 percent increase every year for five years," said Mr. Goodling. "If you do that and cut down on the paperwork, which is what nutrition people back home complain most about, . . . they can feed many more children than at present.

"So, I think that debunks that whole argument."

Mr. Goodling also addressed criticisms that nutrition standards will diminsh, states wouldn's have money to feed people in a recession and states will transfer nutrition money "willy-nilly."

"We say in the body of the legislation that [states] are expected to accept the most renowned nutrition standards of the day. If I were a governor, I would do nothing in the first year to change anything in the operation of these programs" but take the time to find out what can be done better.

New models of nutrition can be developed using the wisdom of the National Academy of Science and nutrition professionals, he said.

Governors can cope with recessions by "rolling over" any surplus savings from the black grants from one year to another. States won't have "use-them-or-lost-them" funding restrictions, Mr. Goodling said.

Moreover, he asked, "when did we ever have an emergency in this country when Congress didn't act pretty quickly to deal with that emergency? Supplementals [federal funding bills] come pretty quickly if the need is there."

"We've very definitely said that the person running [nutrition] programs has to certify that they have met all of the needs of that particular block grant. And then they can't will-nilly transfer [the money]—they can't transfer to something that is not in one of the three block grants."

EXHIBIT C

THE SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, DC, February 22, 1995.

Hon. WILLIAM CLAY,
Ranking Member, Committee on Economic and Educational Opportunities, House of Representatives, Washington, DC.

DEAR MR. CLAY: This letter expresses the Administration's views on the Chairman's mark for child care consolidation and the repeal of several child welfare programs under consideration by the Committee on Economic and Educational Opportunities.

The Administration believes that both child care and child welfare are important issues for American families, and both issues have a distinguished bipartisan history in the Congress and in this Committee. Child care is of significance to millions of working parents and their children, as well as to those families who are trying to gain a foothold in the labor market. Child welfare services assist millions of our most vulnerable children and families in this Nation each year, often in times of crisis.

The Administration looks forward to working cooperatively with the Congress to pass bipartisan child care legislation and to reform and strengthen the child welfare system. The Administration has, however, serious concerns that a number of the features of the Chairman's mark would undermine the values of work and family to which we are all committed, and might undermine the economic independence of families and the safety and well-being of children.

CHILD CARE

The Administration believes that quality child care is an important component of a welfare reform strategy that is truly about work. Successful child care policy promotes the economic independence of families and children's healthy development; provides parents with real choices among quality alternatives for children of all ages; and encourages continuity of care for the child, regardless of changes in the parent's employment.

Last year, the President submitted a bold welfare reform bill, the Work and Responsibility Act of 1994, which embodied these values. It continued the assurance of child care as families move toward self-sufficiency, and made important new investments in child care for working poor families. At the same time, it extended health, safety, and quality provisions to all the major federal child care programs.

These important supports that enable parents to work and to ensure children's safe and healthy development appear to be missing from the Chairman's mark before you. Therefore, the Administration has a number of concerns:

> The proposed legislation provides no assurance of child care to AFDC recipients who work or are preparing to work—even if a state requires them to participate in work or training. We should and must require all parents to become active and productive workers. And at the same time, we should assist them in their efforts to care for their children so that their children are not left home alone or in unsafe situations.

The proposed legislation may require states to choose between serving families making the transition from welfare to work and working families that need child care assistance to keep them from falling onto welfare. With a cap on total funding for child care far below projected spending under current law, and no separate guaranteed source of child care assistance for welfare recipients, the legislation could conceivably reduce assistance by limiting availability to only approximately of the million children of hard working American families by FY 2000 currently receiving federal child care support. The Administration believes that we should support working families and that families should not have to go on welfare to receive child care assistance. Moreover as demonstrated by the waiver applications the Department has received, states which are committed to making AFDC recipients work view child care as an indispensable tool in their efforts.

The proposed legislation repeals provisions for children's health and safety contained in the Child Care and Development Block Grant. These provisions were passed with bipartisan support in Congress and signed into law by President Bush after an extensive national debate. They represent a carefully crafted balance between state flexibility and the national interest in children's safety and healthy development. The provisions do not specify any standards at the federal level but instead require that states have such standards in three areas: control of infectious diseases, physical premises safety, and provider training. A study released in the last few weeks reported that most child care is far from adequate and that 40 percent of infant-toddler centers provide poor quality care. We believe that the proposed legislation could increase risks to children's basic health and safety.

The proposed legislation also repeals the provision in the Child Care and Development Block Grant that provides resources for quality care, as well as early childhood, before-school and after-school programs. This provision has been instrumental in ensuring that parents have choices among quality alternatives for their children. States have used these resources to build the supply of quality care, provide critical consumer education to parents, improve licensing and monitoring, and increase the training and supports to child care providers. The repeal of this provision raises concerns.

The Administration supports an approach to child care that genuinely supports work for parents, and safety and healthy development for children. Such an approach would assume child care for families moving toward self-sufficiency and expand child care opportunities for working families who want to avoid welfare dependency. We believe that ensuring quality choices for parents, and providing for continuity of services for children and families should be an element of such a proposal.

CHILD WELFARE

Children become part of the child welfare system because they have been abused or neglected or are in danger of abuse or neglect. The Administration has serious concerns, expressed in the letter to

Ways and Means Subcommittee Chairman Clay Shaw and Ranking Member Harold Ford last week about the proposed block grant approach to child protection. There is unanimous agreement that the system for serving abused and neglected children and their families is seriously overburdened and unable to respond adequately to the needs of children today. The block grant approach potentially endangers the safety of these children by reducing funds for services and for foster and adoptive homes, eliminating critical protections for their well-being, and potentially halting progress in states that are moving forward on the reforms that are needed in this system.

The proposed legislation consolidates existing programs into a block grant with nominal federal ovesight and reduces resources significantly from the current services baseline. The Administration has serious concerns about these provisions. First, the proposed legislation caps spending for child protection at $5.6 billion less than projected baseline spending over 5 years. This cut could force states to gamble with children's well-being—choosing whether to: leave maltreatment reports uninvestigated, leave children in unsafe homes with minimal services, cut payments to foster parents, or eliminate prevention. Second, the proposed legislation virtually eliminates federal monitoring and accountability mechanisms and also eliminates federal support for research, training, technical assistance, and demonstration projects. It would be virtually impossible for the Federal Government to assure the safety of children or help states improve their systems.

The Chairman's mark repeals the Abandoned Infants Assistance Act, the Child Abuse Prevention and Treatment Act, the Adoption Opportunities Program, the Crisis Nurseries Act, the Missing Children's Assistance Act, and the Family Support Centers program under the Stewart B. McKinney Homeless Assistance Act. The activities authorized under these programs would be permitted but not required under the Child Protection Block Grant approved by the Ways and Means Subcommittee on Human Resources.

In addition to general concerns about the block granting of child protection funds, the Administration has several specific concerns about the proposed repeal of programs within the jurisdiction of your Committee.

> The proposed legislation repeals the Adoption Opportunities program and eliminates the Adoption Assistance program, leaving it up to states whether they can afford the subsidies that enable many special needs children to find permanent homes. These repeals could slow the progress that has been made on adoptions since 1988.
>
> The legislation repeals the Abandoned Infants program, which was established to respond to the continuing crises of AIDS and crack cocaine. These crises have disproportionate effects on families and child welfare systems in selected urban areas.
>
> The proposed legislation eliminates all direct federal support for non-profit agencies, community-based organizations and public-private partnerships, such as Children's Trust Funds, as well as all earmarked support for prevention of child abuse and neglect.

The Administration is committed to improving the child welfare system. The system must ensure the safety of children and strengthen the capacity of parents to nurture healthy children. Given the critical nature of these services, the Administration supports an approach to change that provides states and communities with flexibility to develop services that are responsive to the needs of their citizens, but within the context of a national framework that maintains a commitment to federal resources, and strong, effective protections for children and families.

In summary, the Administration looks forward to working with the Committee in a bipartisan fashion to promote two key goals: work for families and safety and healthy development for children. But we are concerned that the proposed legislation does not move toward these goals. It does nothing to provide child care that would move families from welfare to work, and it risks moving families who are now working back onto welfare as they lose child care assistance. It weakens protections for children's safety in child care, and gambles with their well-being if they are abused or neglected. It neither holds state bureaucracies accountable nor cushions state taxpayers against recession or growing family needs. We believe there are alternative approaches to reform that achieve our mutual goals in far more constructive and accountable ways.

The Office of Management and Budget advises that there is no objection to the transmittal of this report to Congress.

A similar letter also was sent to Chairman William F. Goodling and members of the Committee on Economic and Educational Opportunities.

Sincerely,

DONNA E. SHALALA.

EXHIBIT D

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, February 22, 1995.

Hon. WILLIAM CLAY,
Ranking Democrat, Committee on Economic and Educational Opportunities, House of Representatives, Washington, DC.

DEAR CONGRESSMAN CLAY: The House of Economic and Educational Opportunities Committee will shortly markup the Welfare Reform Consolidation Act of 1995. The bill would convert the Department of Agriculture's (USDA) Child Nutrition Programs and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) into two block grants—a School-Based Nutrition Block Grant and a Family Nutrition Program Block Grant.

The Administration has serious concerns about the impact of this block grant approach on the health and well-being of the Nation's children. Throughout their history, USDA's Child Nutrition and WIC Programs have produced significant and measurable nutrition outcomes among the children who participate in them. The programs work because national nutrition standards are established, required, and verified, and because the funding structure ensures that the program can expand to meet the increased needs that are created by a recession or similar economic downturn. The proposed

block grant structure would eliminate both of these protections, leaving children vulnerable to shifts in the economy, and to changes in nutrition standards that could be driven more by cost considerations than children's health. For these reasons, the Administration opposes block grants for USDA's Child Nutrition and WIC Programs.

Block grants for WIC would mean a reduction in benefits and/or services. At the end of 1995 there will be 275,000 more WIC participants than funding set aside for this population for fiscal year (FY) 1996 in the Family Nutrition Block Grant Program, California, Georgia, Virginia, New York, and Michigan have chosen to not run a summer feeding program for poor children, so USDA now does it. Under a block grant, USDA would have to stop these programs, so 700,000 children might have to go hungry when school is not in session.

Several States have chosen to not administer school lunch programs in private/parochial schools. Now, USDA ensures that eligible children in these schools can eat a healthy meal. Under a block grant, low-income children in parochial and other private schools may no longer receive assisted lunches.

National standards protect children, no matter where they live. Since 1976, growth stunting has decreased 65 percent; over the last 30 years occurrence of low birthweight has dropped and anemia among low income pre-schoolers has decreased. The proportion of low income households with diets meeting recommended levels for key nutrients grew at double the rate of the general population. Under the Welfare Reform Consolidation Act proposal, standards could vary widely from State to State. There will be no guarantee that State standards will adequately promote children's health; childrens health could suffer if States set or alter nutrition standards to meet shifting budgets or other priorities unrelated to children. The general reduction in nutrition assistance for children could lead to increased malnutrition, growth stunting, and iron deficiency anemia, which can permanently reduce intelligence.

Enclosed are additional points that need to be taken into full consideration as the Committee debates this legislation.

The Administration is opposed to block grants for nutrition programs. President Clinton has said that nutrition programs are in the national interest. We believe that changes should be made to make programs more flexible and easier for States to administer. We are committed to reducing fraud and modernizing benefit delivery. But we do not support changes that jeopardize children's health or cut benefits in the guise of devolution.

We are ready to work with Congress to bring about lasting and meaningful change in federal nutrition programs. We will support changes that preserve health and nutrition goals that are in the national interest, consolidate what is redundant, and reform what is outdated. But a national system of Federal nutrition programs establishes and meets nutrition standards, responds to economic changes, and ensures children will be protected. We believe the Federal Child Nutrition and WIC Programs provide a solid foundation for children to grow.

Sincerely,

RICHARD E. ROMINGER, *Acting Secretary.*

Enclosure.

SCHOOL BASED NUTRITION BLOCK GRANT PROGRAM

Overall funding for the school-based programs would be $309 million less than the current policy in fiscal year (FY) 1996, and over $2 billion less for the 5-year period FY 1996–2000. Up to $1.3 billion of the block grant could be used for non-nutrition purposes in FY 1996. If States transferred the maximum amount of money out of the block grant, the cut could be as large as 24 percent of the FY 1996 level.

The School-Based Nutrition Block Grant would eliminate the standards that ensure America's children have access to healthy meals at school. We know that national nutrition standards, developed over 50 years of program operations, work. Recent Department of Agriculture (USDA) research demonstrates that school meals met the vitamin, mineral, and calorie goals set for the National School Lunch Program (NSLP). USDA, through its School Meals Initiative for Healthy Children, has proposed regulations to update nutrition standards and require school meals to meet the Dietary Guidelines for Americans.

The 1994 reauthorization of the Child Nutrition Programs further endorsed the Dietary Guidelines as national standards by making them a requirement for the school nutrition programs. Under this block grant proposal, States would be asked to develop their own nutrition standards, but there could be 50 different standards and, faced with reduced funding, there would be no incentive to maximize children's health in setting such standards.

Under the bill, children's health would be placed at risk during recessions. Between 1990 and 1994, the number of free lunches served to low income children increased by 23 percent. During this same period, the number of free meals served in child care centers increased by 45 percent. USDA's Child Nutrition Programs expended to meet those needs. Block grants do not protect children from recessions; children's health would be jeopardized by States' limited ability to expand. Under this proposal, needy families and children could find nutrition benefits reduced at times when they are most needed. In fact, needy children would not be guaranteed a free meal. The bill could result in a charge for meals served to very low income children. States would be unable to respond to economic downturns without cutting back on the quality of food, raising taxes, or cutting other services so that children could eat. If enacted in 1989, this bill could have resulted in nearly a 20 percent reduction in funding for meals served to school children in 1994.

Since a State's funding would be based partially on the number of meals served in the previous year, States that serve more "free" meals than the national average would be penalized. In contrast, States that serve more total meals would fare better in the allocation formula. Since it costs more to serve a free meal to a poor child, States have an incentive to maximize their total meal count by serving more meals to affluent students. Without national nutrition standards, States might also be inclined to cut the quality or amount of food provided in order to serve more meals and maximize funding.

This effect would be heightened in a recession, when even more poor children need meals free or at low cost. Simply, if school enrollment rose in a State, the State's grant amount would not provide an additional amount of money to help provide meals for additional children until the subsequent fiscal year. Further, if national enrollment increases, no additional funds would be available. Demographic data suggests enrollment will rise 4 to 6 percent during the authorization period of the grants.

A School-Based Nutrition Block Grant that operates as a capped entitlement would not decrease administrative complexity. The proposed block grant would require that schools continue to make a determination of income eligibility for "free" meals, keep track of spending on children under 185 percent of poverty, and count meals served so that the State grant allocation process can occur. In contract, USDA's nutrition initiative to improve school meals will decrease administrative burden.

The proposed block grants lack accountability. The reporting required in this proposal is not a guarantee that poor children would be adequately served, or that the nutrition standards set will be appropriate to children's health needs. It also provides no guarantees that State oversight for program compliance will occur, which could allow errors or fraud to occur without detection. There would also be no guarantee that significant issues, such as dairy bid-rigging, where USDA has taken more than 100 actions in the last year, would be addressed.

FAMILY NUTRITION BLOCK GRANT PROGRAM

For the proposed Family Nutrition Block Grant, spending would be $943 million less in FY 1996, and $5.3 billion less over the 5-year period FY 1996–2000. Up to $900 million of the block grant could be used for non-nutrition purposes in FY 1996 (equal to the maximum amount available for child care, summer, and milk programs).

The Family Nutrition Block Grant program would not respond to economic downturns. If enacted in 1989, this bill would have resulted in a 43 percent reduction in funding for meals to children and food and services to women, infants, and children in 1994. WIC funding would have been 23 percent less than actually spent, and spending on the non-school child care, summer, and milk programs would have been 57 percent less than was needed. The points about overall non-responsiveness of block grants in recessions for the School-Based Block Grant Program are also applicable to the Family Nutrition Block Grant Program.

The Family Nutrition Block Grant, if effective on October 1, 1995, would force States to remove 275,000 women, infants, and children from the WIC Program. At year end, the program will serve 7.3 million participants, while the amount designated for WIC will support an average annual caseload of 7.0 million participants. Under the block grant proposal, States would provide services to 400,000 fewer WIC participants in FY 1996 than provided for in the President's Budget.

The Family Nutrition Block Grant Program risks diminishing the effectiveness of the WIC program. By dropping national program requirements for the WIC Program, there would likely be an

erosion of national program standards that could reduce or reverse the proven effectiveness of WIC in such areas as reduced low-birthweight and infant mortality. This could increase prenatal and pediatric health care costs. Cost savings to the Medicaid Program resulting from the WIC Program, now valued at $400 million to $1.3 billion per year, would decline.

WIC Program cost containment efforts would be diminished and the cost of food provided would increase. Cost containment efforts for infant formula alone amount to over $1 billion annually and fund services for nearly 1.6 million persons each month. The positive Federal influence on cost containment was recently demonstrated. At the direction of the Federal government, a Western State rebid its infant formula rebate contract and the winning bidder provided an 8 percent increase in its rebate per can of formula.

The Family Nutrition Block Grant would eliminate the viability of supporting meals served in 185,000 family day care homes. Denying all children in family day care homes the modest subsidy available to children in school-based programs could drive family day care homes out of the program. If welfare reform efforts result in more working, low-income parents, this cost squeeze on day care would be exacerbated.

The Family Nutrition Block Grant would eliminate national nutrition standards for child care programs. Like the School-Based Block Grant, with significant reduction in funding and State allocations tied to the total number of people served, there would be few incentives to put children's health and nutrition needs first.

EXHIBIT E

(By Louis W. Sullivan)

ONE FOR OUR CHILDREN

As the nation engages in debate over the future role and direction of the federal government's activities in a host of programs, there is much that can be learned about federal-state cooperation and cost effectiveness in the example of one program that delivers tremendous benefits to some of the most vulnerable in our society.

The WIC Program—the Special Supplemental Nutrition Program for Women, Infants and Children—has a 20-year track record demonstrating how federal programs implemented by states can achieve important national goals, while saving taxpayers billions of dollars in preventable health care costs. In the drive to streamline and improve government programs, the need for WIC and WIC's success should not be obscured.

This prescriptive program has enjoyed bipartisan support since it was established by such leaders as Sen. Bob Dole and the late Senator Hubert Humphrey. By providing necessary nutrition to pregnant women, lactating mothers and one-third of all children born in the United States, WIC—quite simply—works. The program serves nearly 7 million mothers and children each month at a cost of less than $1.50 a day for each participating child. For that small amount, this program results in significant Medicaid savings that far outweigh the program's costs—by a ratio of 3-to-1, according to

several studies. That is clearly an overwhelming return on a small national investment.

WIC's well-documented success is founded in its rock-solid nutrition standards. The foods offered must achieve requirements for iron, calcium, Vitamin A, Vitamin C and protein. Goals for these nutrients were selected based on firmly documented scientific evidence that increasing the intake of these nutrients at key junctures in fetal development and in infants' lives would improve health, reduce low birthweight and lower infant mortality.

There is no question that the societal costs of undernourished children are stunning. During my tenure as secretary of the U.S. Department of Health and Human Services, I recall visiting neonatal intensive care facilities at hospitals in Fort Lauderdale and in Detroit. In both facilities, I was saddened to observe low birthweight infants who had been hospitalized for the first six months of their lives. Hospital bills for these tender babies had already exceeded hundreds of thousands of dollars. I've always believed that the frequency of these perilous beginnings of life could be reduced by proper nutrition at critical stages in an infant's development.

Those compelling experiences aided me in formulating one of our major undertakings at HHS—development of the Healthy People 2000 initiative. By establishing health promotion and disease-prevention goals for the nation, we sought to achieve realistic concrete results by the year 2000. These included goals of reducing infant mortality, reducing the incidence of low birthweight and increasing early prenatal care. Our efforts were motivated by persuasive research documenting savings of $14,000 to $30,000 for every infant born without low birthweight.

The results of WIC's short-term nutrition intervention are compelling evidence that this type of preventive care works. A USDA study of WIC children found a 33 percent reduction in infant mortality and as much as a 23 percent reduction in premature births. A 1992 GAO study found a reduction of as much as 20 percent in low birthweights among WIC participants. The Centers for Disease Control and Prevention documented a dramatic reduction in childhood anemia among WIC participants. What's more, the GAO study found that WIC's role in connecting participants to health care providers produced an improvement in immunization rates among WIC participants.

Perhaps the wisest provision of WIC is that it is administered by caring people at 9,000 clinics who teach young mothers how to eat properly and how to feed their children properly. With convenient, nutritious foods, WIC serves as an in-home laboratory for proper eating. For many mothers, WIC is often their first course in nutrition.

Among my concerns as we reform our welfare system is that we may inadvertently strip programs of the national standards and guidelines that make them work. In the case of WIC, nutrition requirements guide the program toward better health, and Medicaid savings, while avoiding the potential confusion associated with creating a complex web of 50 different state rules. Our children's health is not defined by state boundaries. Our nutritional standards should not be either.

As we come to grip with the changes voters demanded three months ago, we must find ways to more effectively achieve national policy goals with fewer dollars. WIC has been a real success story, and it should be used as a model and not lost, in the block grant debate.

EXHIBIT F

CUTS IN H.R. 999

Numbers are compared to CBO's baseline for the programs' operation FY 1996–2000.

Cumulative cuts (1996–2000) if implemented in 1996

[Numbers in billions]

	School based—		Family based—	
	CBO	Republican bill	CBO	Republican bill
(1995	6.540	[1] [6.418]	5.020	[1] [4.446]
1996	6.871	6.681	5.279	4.606
1997	7.282	6.956	5.565	4.777
1998	7.704	7.237	5.872	4.936
1999	8.148	7.538	6.186	5.120
2000	8.607	7.849	6.484	5.308
Total	38.612	36.261	29.387	24.747
	−$2.4		−$4.6	
	−6%		[2] −16%	
(Total cut=over 10%).				

[1] HR 999 would not take effect until FY 1996. If funding had been authorized for FY 1995, it can be estimated the 1996 numbers would be 4.1% higher than FY 1995 authorization for the school based grant and 3.6% for the family based grant. These percentages represent the average increase in total funding each year beginning with the Republican's initial base, which represents a cut in funding. This comparison assumes the full amount authorized will be appropriated, and thus, represents a ''best-care'' scenario. There is no guarantee the amount appropriated will be the full amount authorized; in addition, 20% may be transferred out of this block grants into other block grants. Numbers for FY 1995 are provided for comparison only and are not included in the totals.

[2] WIC recipients that will have to be taken off program in 1996=over 100,000 (based on the 80% set-aside and the CBO inflation adjusted numbers for WIC for maintaining current services).

WILLIAM L. CLAY.
DALE E. KILDEE.
MATTHEW G. MARTINEZ.
TOM SAWYER.
PATSY T. MINK.
JACK REED.
ELIOT L. ENGEL.
ROBERT C. SCOTT.
LYNN WOOLSEY.
MEL REYNOLDS.
GEORGE MILLER.
PAT WILLIAMS.
MAJOR R. OWENS.
DONALD M. PAYNE.
TIM ROEMER.
XAVIER BECERRA.
GENE GREEN.
CARLOS ROMERO-BARCELO.

DISSENTING VIEWS OF MR. ROEMER

The 104th Congress is faced with a unique opportunity to reform the welfare system, which most Americans, including many welfare recipients, agree needs major change and restructuring. In the rush to meet the terms of the Contract with America, the Economic and Educational Opportunities Committee has attempted to reverse decades of public welfare policy in less than two days. In my view, the Committee did not meet the challenge.

If we truly wish to make welfare a temporary safety net, we must look at innovative ways to ensure that welfare recipients find and remain at work. I find it disappointing that the Committee abrogated its jurisdiction over one of the solutions to the welfare puzzle—job training. By relinquishing the JOBS program to another Committee, which chose not to include employment training or education in its bill, the Economic and Educational Opportunities Committee further exacerbated the existing disconnect that undermines the welfare structure in this country.

The Committee held three hearings on this bill and, in the end, did not heed many of the recommendations of the witnesses who did appear. Despite an entire hearing in which every witness expressed grave concerns about nutrition block grants, the proposal was included in the bill. H.R. 999 will dramatically cut Federal welfare spending despite testimony from the General Accounting Office that the new block grant proposals "present a greater challenge for the States to both implement and finance, particularly if such proposals are accompanied by Federal funding cuts." A GAO report, which was requested by the Chairman of the Economic and Educational Opportunities Committee, also found that the new block grant proposals would be much more expansive than the block grants created in 1981.

Since H.R. 999 removes the entitlement status of certain child care and nutrition programs, States will undoubtedly receive significantly less funding to support these important initiatives. Not only does the bill make the child care and nutrition programs discretionary, subjecting them to the appropriations process, but it keeps funding for the child care block grant static and reduces expenditures for nutrition programs by as much as $7 billion, according to the Congressional Budget Office.

While I agree with assertions that reducing the administrative costs to States will result in some degree of savings, I find it difficult to believe that these current mandates in the nutrition programs account for over $6 billion in administrative expenses. The nutrition block grant proposal will simply take money from programs that serve children and apply the savings to offset other provisions of the Contract with America.

In order to ensure that this offset would not occur, I offered an amendment during full Committee markup that would have re-

quired that any savings from the consolidation of the nutrition programs be devoted to deficit reduction. I strongly oppose cutting child nutrition programs, but it was clear from the outset that the majority Members of the Committee were going to take this action.

I believe that my amendment would have accorded Committee members the opportunity to answer decisively critic's assertions that cuts in school lunch and other nutrition programs would be used to pay for tax cuts. Instead, the amendment was ruled out of order. I would argue that the amendment was germane to the bill. Since H.R. 999 transfers Federal funds to the States, it was also within the Committee's jurisdiction to transfer Federal funds to deficit reduction.

In addition to the drastic cuts in child nutrition programs, significantly fewer resources will be devoted to child care as a result of the bill's repeal of the AFDC Child Care, At-Risk Child Care, and Transitional Child Care programs. The bill eliminates these programs, and simply adds their FY 1994 funding levels to the authorization of the existing Child Care and Development Block Grant, which is a discretionary program. The bill, by also eliminating the State matching requirements in these three programs, sends a clear message to States that they can diminish their investment in child care.

During full Committee markup I offered an amendment that would have maintained the State matching requirement for the portion of the child care block grant that is derived from the three repealed child care programs. In many cases, this would have been less burdensome than the State matching requirements, which are currently equivalent to a State's Medicaid matching rate and can range from 20 percent to 50 percent.

My amendment, which failed in Committee by a vote of 17 to 18, could have maintained current child care expenditures. It also would have provided a guarantee that States would operate effective programs. In the bill as reported by the Committee, the requirement that States contribute matching funds has been eliminated. This bill sends a clear signal to States that they will no longer have to share in the cost of providing child care services.

Another provision in H.R. 999 that will result in a reduction of child care services is the transfer authority, which permits States to re-allocate up to 20 percent of their child care and nutrition block grants to supplement other block grants formed under the larger welfare reform proposal. The bill allows States to shift their child care and nutrition funds to the Temporary Family Assistance Block Grant, even if this block grant is subject to a 5 percent penalty for a State's failure to meet the bill's work requirements.

In order to correct this oversight, I intended to offer an amendment that would have eliminated the transfer authority for states that have been penalized by the Federal government. My amendment would have protected nutrition and child care funds against raids by States looking to use these funds to replace any penalty they might have incurred for failing to meet the bill's work targets. The amendment would have put more teeth into these work requirements by eliminating what many States consider to be an attractive "flexibility" feature of the bill—the transfer authority.

Unfortunately, debate on the entire bill was halted before this particular amendment, as well as a host of other amendments, could be offered. The result of this process is that the House's first attempt at welfare reform this Congress will be a series of bills that fail to recognize that the welfare reform puzzle has many pieces that might be carefully put together in a bipartisan manner.

TIM ROEMER.

○